



Change Management

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'The best laid plans of mice and men' have a nasty habit of not going the way we expect. In our core model of innovation we have placed great emphasis on collecting information about markets, technologies, competencies within the firm, etc., this information to work to help identify where and what a firm needs to do to become more competitive. But we also need to consider how to make these changes happen – change management.

You might think that the hard work is in getting to a clear strategy for what to change and where and when to change in your business. But the trouble is that **people are uncomfortable with the idea of change** and have developed a host of ways of blocking or limiting its effectiveness. If they are unhappy, for whatever reason, then there's a good chance that the change won't happen, or if it does, that it won't be as successful as we'd like.

This isn't people being difficult or 'bloody minded', simply resisting change for its own sake. People don't like change for all sorts of reasons, and we need to understand these anxieties if we are to stand any chance of successful implementation.

Why don't people like change?

Try this for a starter list:

- they **don't see the point**, or the need;
- they **feel powerless** to express any views - it's being done to them whether they like it or not;
- they are scared that it will need them to do things they **don't feel capable** of;
- they are **scared it will cost them their jobs** or change their jobs to something less pleasant;
- they are **worried about losing their power** or the control they have over what they do;
- they are **sure there's a better way** than the one you are proposing;
- they **don't see what's in it for them**;
- they **feel overloaded** with what they already have to do and lack resources for anything new.

We could go on, but the point is that just as every human being is different, so their reasons for feeling uncomfortable about change will vary. Not everyone is against change - in general there will be a spread from those who are strongly positive right across to a few who will resist any change almost on principle.

So what can I do about it?

One famous saying, attributed to Hewlett Packard, is that when you face this challenge you either change the people or change the people (think about it!). But simply getting rid of the people who won't participate isn't a very good option and it ducks the real issue, which is trying to find ways of getting them, and keeping them, on board. Getting rid of people is also not a good idea for many other reasons, not least because you lose their skills, experience and knowledge - and it is unnecessary in most cases.

Change management is about understanding that uncertainty and discomfort about change is a natural thing, understanding the typical sources of that uncertainty and then doing something active to try and deal with these concerns.

If it sounds like hard work, it's worth considering the success stories where change is managed well. Firms are able to follow through in their strategies and by bringing people with them and capturing and using their ideas and enthusiasm, they are able to make more out of the change than originally thought possible.

Managing change - and making it stick

The table below shows some typical concerns about change and how you might deal with them, and in the following section we will look closely at some key points. One very important point to note is that we can loosely group these into **two types of concern** – first, there are **those that we can do something about directly**: for example, changing the reward system or giving people training for the skills they think they lack. These are directly in our control. But the second set is less easy: these are the **concerns that are deep down and often emotional, sometimes apparently 'irrational'** and there isn't necessarily a clear reason for believing them. But if someone feels their job is going to change for the worse, then that is what they believe and that will shape the way they behave about the change, whether or not there are any 'rational' grounds for their belief. Concerns of this kind we can only address indirectly by creating the climate that is supportive, where they can talk about and explore their concerns and change their own minds about them.

Sources of concern about change and what can be done about them

Concerns	Direct actions	Indirect actions
'I don't know what's happening or why we're changing'	Briefing and communication - take them through the restructuring model process so they can see for themselves	Encourage two-way discussion about the change, give people a chance to explore it for themselves

<i>'I don't think I've got the skills for this new way of working'</i>	Training for specific skills	Training as a way of giving employees a sense of being valued and worth investing in, as a way of reassuring them
<i>'What's in it for me?'</i>	Reward systems, incentives, participation	Allowing the discussion to emerge and linking it to one surrounding the overall strategy of the business - 'what's in it for all of us is survival' ...
<i>'I feel powerless - this is all being done to me and I have no say in it'</i>	Involvement in designing and implementing	Training and communication in the underlying reasons behind the change and the need for it
<i>'This isn't important so why should I bother with it?'</i>	Top management express clear commitment and backing	Regular communication to make sure people know what's happening and also so that they have a chance to ask questions or surface their fears about it.

Guidelines for effective implementation

It is **impossible to provide a prescription** for successful management of the organisational change process to support major technological change. However, it is **possible to provide some guidelines** that may facilitate the process, and these include the following:

- **Establish a clear strategy** at top level - a process that will itself involve considerable challenge and conflict in order to get real agreement and commitment to a common set of goals. Once this has been done, the next stage is to **communicate this shared vision** to the rest of the organisation - essentially this will involve a cascade process through the organisation during which opportunities are set up for others to challenge and take 'ownership' of the shared vision.
- **Communication** - this is probably the **single most effective key to successful implementation** but requires a major effort if it is to succeed. It must be active, not passive, open (rather than allowing information to flow on a 'need-to-know' basis), timely (in advance of change - the informal communication network will disseminate this information anyway and a slow formal system will undermine credibility), and above all, two-way in operation. **Unless there are channels through which people can express their responses and ideas and voice their concerns then no amount of top-down communication will succeed in generating commitment.**

Other features in communication that contribute to success are **the use of multiple media** -

videos, presentations, face-to-face sessions - in addition to traditional memos and notice boards, and the holding of communication meetings on company time - itself a clear expression of commitment to the project.

- **Early involvement** - managers often resist the idea of participation since it appears to add considerably to the time taken to reach a decision or to get something done. But there are two important benefits to allowing participation, and allowing it to take place as early as possible in the change process. The first is that without it, even if attempts have been made to consult or to inform, **people will not develop a sense of 'ownership' of the project** or commitment to it - and may express their lack of involvement later in various forms of resistance. And the second is that **involvement and encouragement of participation can make significant improvements in the overall project design**. One of the keys to the success that the Japanese motor and other industries have achieved, is the effective mobilisation of the creativity of all the staff in the company in solving problems of product and process design. Although this may add somewhat to the time and costs of early stages of the project, improvements and problem-solving here is much cheaper and cost-effective than later in the project's life.

- **Create an open climate**, in which the individual anxieties and concerns can be expressed and the ideas and knowledge held within the organisation can be used to positive effect. Once again, this involves **generating a sense of 'ownership' of the project and commitment to the shared goals of the whole organisation** - rather than an 'us-and-them' climate.

- **Set clear targets** - with major change programmes it is especially important to set clear targets for which people can aim. **People need feedback about their performance** and the establishment of clear milestones and goals is an important way of providing this. In addition, one of the key features in successful organisational development is to create a **climate of continuous improvement** in which the achievement of one goal is rewarded but is also accompanied by the setting of the next.

- **Invest in training** - traditionally training is seen as a necessary evil, a cost that must be borne in order that people will be able to push the correct buttons to work a particular new piece of equipment. Successful organisational change depends on **viewing training far more as an investment in developing not only specific skills, but also in creating an alternative type of organisation** - one that understands why changes are happening and one that is capable of managing some of the behavioural processes involved in change. This requires a **substantial increase in the resources devoted to training**, extending them to cover broader kinds of input, much of which is devoted to individual development.