

SUCCEEDING WITH TRANSFORMATIONAL INITIATIVES: PRACTICAL APPROACHES FOR MANAGING CHANGE PROGRAMS

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Abstract

According to exiting literature, most change programs fail to manage and/or meet the expectations of stakeholders; leading to the failure of larger strategic organisational and transformational initiatives. Undoubtedly, change management necessitates introspective planning and responsive implementation but a failure to acknowledge and manage the external stakeholder environment will undermine these efforts. This article presents some practical frameworks for managing the delivery of change that were used collectively in different situations and contributed to the successful implementation of change programs. It does not recommend any specific approach to yield successful outcomes, but it considers a range of approaches for practitioners to take into account to assure seamless integration of programs with the formulation of overall strategy and implementation planning. Understanding the components of each program is asserted to support organisations to better understand the people and non-technology dimensions of their projects and the need to ensure effective, consultative communications to gain and maintain support for the program of change.

Keywords: People Management, Change Management Tactics.

1. INTRODUCTION

The global business environment is changing faster than ever. We are living in an era where organisations constantly need to be increasingly dynamic merely to survive and cope with the rapidly changing global economic climate. In the past, organisations assimilated change at times of stability. The relentless pace of change of today's business world created greater anxiety, conflict and risk but also presents amplified opportunities to those organisations able to anticipate and respond. The literature is full of publications that attempted to explain what this means for organisations and business strategies. Advancements in the field of information technology in this 'Age of Access' (Wacker and Taylor, 1997), political change, government legislation, financial options and global markets, are all examples of such change forces. The only constant in business is change, and the role of management is to continually monitor and anticipate change in their operating environment and plan and implement a rolling program of initiatives to respond to strategic challenges.

This article puts forward a principle thinking that transformational programs have higher success rates if the overall program strategy is carefully designed and aligned with change management disciplines. With this

objective, it presents some practical approaches¹ that management should employ when going about change programs. They represent standardised methods and processes to facilitate efficient and prompt handling of change, and maintaining proper balance between the need for change and stability and avoid the potential detrimental impact of too much change, “change fatigue”.

The article is structured as follows. First, a review of the literature is provided to shed light on some general challenges organisations face when implementing transformational programs. Building on the identified challenges in the literature, several methods are then proposed to enhance situational understanding and prompt formulating proactive actions. The article is then concluded with a reflection and some learned lessons.

2. TRANSFORMATIONAL PROJECTS AND THE PEOPLE DIMENSION

Given the challenges of innovation, and implementation, it is not surprising to find very high failure rate among transformational projects, which typically require extensive organisational change. Hundreds of studies have shown that such projects have been disappointing and have not delivered the expected benefits (Cooke, et al., 2001; Heeks, 2003; Huber, 2003; Shetty, 2003; Standish Group, 2003; Tatnall, 2005). Among the widely quoted factors contributing to failure is that organisations tend to treat such projects from pure technological perspectives, and not give sufficient attention to other organisational issues especially organisational inertia and resistance to change.

As depicted in Figure 1, the literature shows that technology can contribute as little as 15 percent to the overall success of projects, where as the remaining 85 percent is dependent on bigger organisational issues related to people and management.

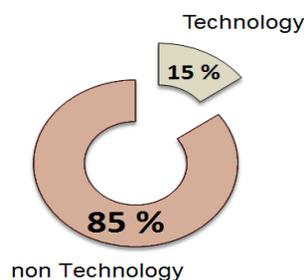


FIGURE 1 - CRITICAL SUCCESS FACTORS: TECHNOLOGY VS. NON-TECHNOLOGY

Resistance to change both at individual and organisational levels appears to be a common phenomenon. Due to insufficient information, employees may not perceive the need for the change, or even if they do, they may resist the change because of fears related for example, to job security, de-skilling, greater management

¹ The discussed approaches were put into practice by the author in several transformational projects where he was involved in the past 10 years.

control, loss of job or of individual control over work (Burnes, 2000; Senge, 1990). According to a study conducted for Deloitte & Touche Consulting, organisations face a wide range of issues and obstacles during implementation that can remain until they start using the systems (Mullins, 1996). These problems were categorised into three groups: people issues, process, and technology as illustrated in Table 1. The most common problem according to the study is related to people. Table II further elaborates on reasons behind individual and organisational resistance.

TABLE 1 - COMMON PROBLEMS RELATED TO PEOPLE, IMPLEMENTATION, AND TECHNOLOGY

| People related | Implementation process related | Technology related |
|---|---|---|
| <ul style="list-style-type: none"> • Change management • Capabilities of internal staff • Problems with the project team • Training • Allocating and prioritizing resources • Managing and working with consultants • Ownership of problems and benefits • Discipline (commitment to the project) | <ul style="list-style-type: none"> • Project management • Difficulty reengineering business processes • Transitioning from one stage of the project to the next • Reaching goals and realising benefits | <ul style="list-style-type: none"> • Software functionality • Setup of reports • Managing upgrades or enhancements to the software • Managing the assorted applications in the ERP packages • Preparing data for use in the ERP system |

TABLE 2 - COMMON REASONS FOR INDIVIDUAL AND ORGANISATIONAL RESISTANCE

| Common reasons for individual resistance | |
|--|--|
| Perceptions: | People's own perceptions can lead to a biased view of a particular situation, which fits into a person's own perception of reality, and subsequently, cause resistance to change. |
| Habit: | People tend to respond to situation in accustomed manner as a guide for decision making. If a habit is well established, then a change program that requires changing such habits may well be resisted. |
| Loss of Freedom: | If the change is seen as likely to increase control. |
| Economic implications: | When a change is perceived to reduce pay or other rewards, or a threat to their job security. |
| Security: | People tend to feel a sense of security and comfortability in the old way of doing things, and retain them. Resistance is likely to happen if the proposed change requires dealing with new and unfamiliar ideas and methods. |
| Fear of the unknown: | Many change programs tend to present a degree of uncertainty which in turn leads to anxiety and fear. |
| Main reasons for organisational resistance | |
| Maintaining stability: | When organisations attempt to narrow the definitions of existing duties and responsibilities, already established rules and procedures. |
| Investment in resources: | When a change requires large resources (people, technology, equipment, buildings) which may already be committed to the execution of other strategies. |
| Past contracts or agreements: | Contracts or agreements with other parties would certainly limit changes in behaviour, and the scope of change being introduced. |
| Threats to power and influence: | Change may threaten the power structure in the organisation of certain groups such as their control over decisions, resources and information. Therefore, managers may well resist such change that threatens their power (what they perceive as their territorial rights) in their own positions. |

Adopted from: Mullins (1996).

In light of what was presented above as common sources of resistance, management must anticipate and address the organisational issues that arise predominantly from shifts in staffing, function, power, and organisational culture (Christensen and Overdorf, 2000; Davenport, 2000; Hammer, 2000; Schneider, 1999). Change programs often fail when organisations attempt to 'sell' change to their employees as a way of accelerating 'agreement' and implementation. The evidence suggests that successful change programs adopt a more collegial approach assuring that the need for and nature of the required change is understood and accepted and that delivery is managed in a realistic, achievable and measurable way that allows people to not only cope effectively with it but be supportive and effective as agents of delivery.

Change programs need to be managed as an integrated whole and should give considerable attention to consultative communications to gain support for the reasons for the change. This in turn should create a sense of ownership and familiarity among the people affected and encourage effective participation in planning and implementation phases. In a nutshell, if organisations expect to succeed with their transformational programs, they must have clear and well-developed change-management plan as an integral component of their implementation strategies.

The following sections present some proposed frameworks and approaches to manage change programs; largely determined by the challenge factors presented in this section (Tables 1 and 2).

3. THE CHANGE MANAGEMENT APPROACH

Change management usually follows five stages:

- (1) **recognition** of a trigger indicating that change is needed;
- (2) **clarification** of the outcome, or "where we want to be at";
- (3) **planning** how to achieve the change;
- (4) accomplishment of the **transition**; and
- (5) **maintenance** to ensure the change is lasting.

As illustrated in Figure 2, management need to heed that in a change process, the structure, objectives, and performance measures must be shaped based on the mission and the strategic direction which should in turn, guide the decisions, activities and the outcomes. The outcomes are then measured against the overall mission and strategic objectives as well as performance expectations. To reap maximum benefits, organisation will need to develop a culture supported by strategic leadership that alleviates fears and effective performance management regimes that encourage and reward innovative and creative contributions from employees throughout the organisation.

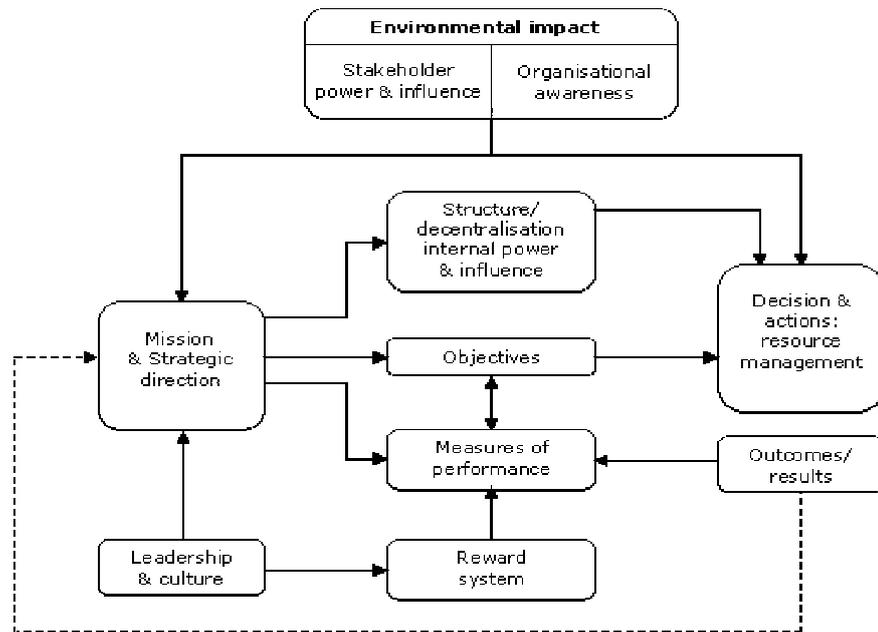


FIGURE 2 - THE STRATEGIC CHANGE PROCESS –
Source: Thompson (2003), p. 856

In simple terms, the change management approach recommended in this paper consists of three phases:

- (1) identifying the factors influencing the change
(recognition and clarification);
- (2) planning and executing the change strategy
(planning and transition);
- (3) evaluating the change program
(measurement and maintenance).

Figure 3 shows a graphical representation of these three items, and the possible techniques that can be used within each of them. Each of these is discussed in detail in the next sections.

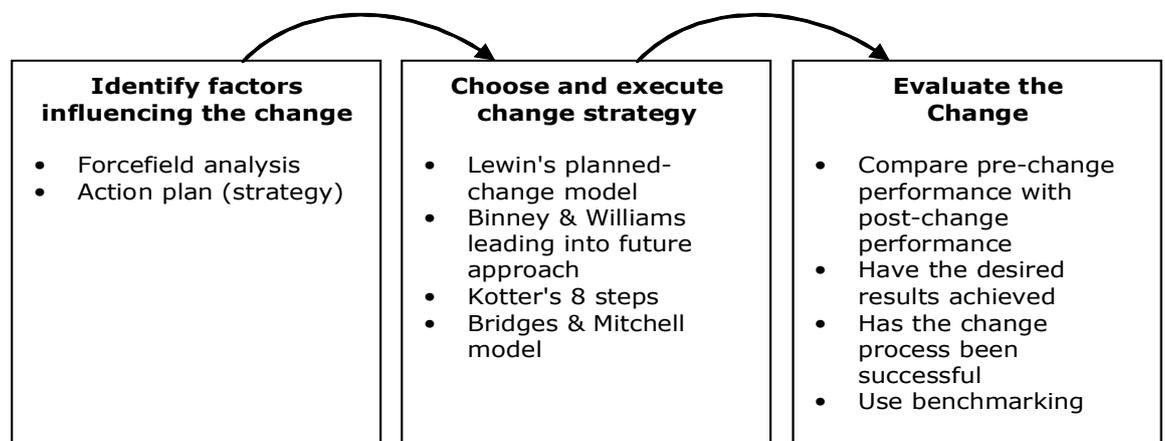


FIGURE 3 - THE PROPOSED CHANGE PROGRAM

A. Identifying the Factors Influencing the Change

This phase is concerned with analyzing and understanding the factors that drive the need for change and identifying those factors that may prevent or challenge the organisation from successful implementation. Lewin's (1951) force field analysis model can be used to analyze the driving forces and the restraining forces to the proposed change, in order to determine the magnitude of the gap between the organisation's present and desired states. See also Figure 4. It is argued that this approach can provide new insights into the evaluation and implementation of corporate strategies. Lewin's force field analysis is particularly helpful for establishing a holistic view of the change situation in terms of the driving and restraining forces. This analysis will in turn inform the necessary responses (Thompson, 2003). Figure 4 depicts a force field analysis conducted for a new Enterprise Resource Planning (ERP) system that was planned to be introduced in one of the organisations.

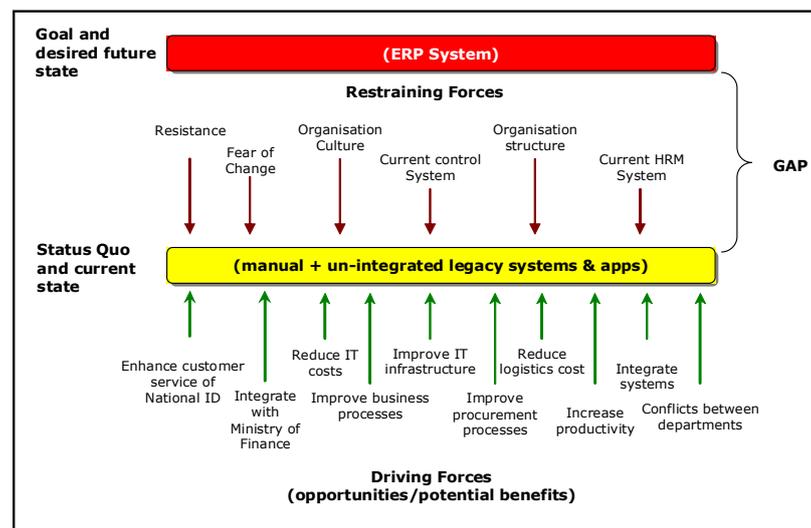


FIGURE4 - FORCE FIELD ANALYSIS

Looking at the model from the outset, we can obviously spot that the ERP system will affect practically almost all aspects of organisational functions, including the current organisational control systems, structure, culture, and the human resource management system. The new system will also bring alterations in the ways managers' carryout critical tasks of planning, organising, controlling, and the way they perform their managerial roles. In summary the change will be wide reaching impacting structure, organisation, infrastructure and people. As such, this change is not only complex but also has the potential of disrupting the status quo. It poses an immense threat, promoting resistance to alter any work relationships and procedures if not managed effectively could reduce the performance of the organisation. As shown in Figure 5, management therefore needs to heed the relation between change, politics and conflicts in an organisation setting.

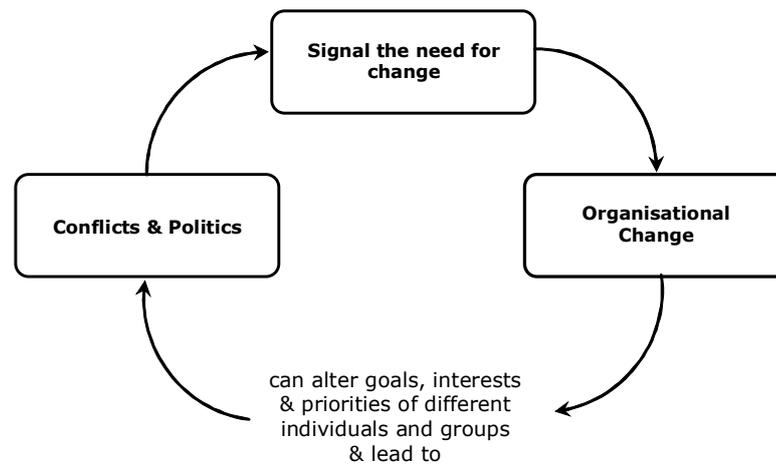


FIGURE 5 - THE RELATION BETWEEN ORGANISATION CONFLICT, POLITICS, AND CHANGE - ADOPTED FROM JONES ET AL. (2003)

Undoubtedly, difference in attitudes towards the proposed changes will consequently result in resistance if the employee's interests and power are perceived to be threatened. Managers at all levels usually fight to protect their power and control over resources. People often resist change because change brings uncertainty. IT systems may be resisted for instance, because end-users may be uncertain about their abilities to use it and interact with it and fears that related efficiency savings will result in fewer jobs.

Going back to the force field analysis of implementing the ERP system depicted in Figure 4, the project team attempted to narrow down the gap between the current and future state. The following guidelines, which in turn provided the structure to enable change agents to anticipate issues and draft an action plan of possible responses in advance:

- Adding/supporting the forces pushing a project,
- Address eliminate, mitigate or weaken existing restraining forces ,
- Anticipate, address, eliminate, mitigate or weaken new restraining forces.

Table 3 - shows a different view of the IT (ERP) system benefits, looking at it from both tangible and intangible viewpoints.

Often the most common solution organisations opt for is to increase or support the forces pushing the project. However, trying to force change through the organisation may cause its own problems. In practice, it is recommended that organisations work on to reduce the restraining forces, instead of increasing the driving forces. Increasing driving forces would simply result in the escalation of the resisting forces against the change. Obviously, the group supporting the status quo i.e., resisting the change, are usually highly motivated. Imposing change without addressing the causes of resistance will further alienate these groups and further risk successful implementation.

TABLE 3 - TANGIBLE AND INTANGIBLE BENEFITS OF CHANGING TO AN IT SYSTEM

| Tangibles | Intangibles |
|---|--|
| <ul style="list-style-type: none"> • Improved productivity of process and personnel • Lowering the cost of products and services purchased • Paper and postage cost reductions • Inventory reduction • Lead time reduction • Reduced stock obsolescence • Faster product / service look-up and ordering saving time and money • Automated ordering and payment, lowering payment processing and paper costs | <ul style="list-style-type: none"> • Increases organisational transparency and responsibility • Increased morale, • Improved job satisfaction, • Embedding a culture of change, • Staff feeling more valued • Accurate and faster access to data for timely decisions, • Can reach more vendors, producing more competitive bids, • Improved customer response • Saves enormous time and effort in data entry • More controls thereby lowering the risk of mis-utilisation of resources • Facilitates strategic planning • Uniform reporting according to global standards |

Experience suggests that organisations need to develop an action list to eliminate, mitigate or weaken existing restraining forces. As depicted in Table 4, the action plan may include items such as improving communication so all organisation members are aware of the need for change and the nature of the changes being made. Empowering employees and inviting them to participate in the planning for change can play a key role in allaying employees' fears and overcome potential resistance (Burnes, 2000; Carnall, 2003; Jones et al., 2003; Thompson, 2003). This action plan can be considered as a starting point and a subset of the overall change management strategy. The next section presents some pragmatic change management models and methods that could be used to shape up the overall change strategy.

TABLE 4 - ACTION PLAN (EXAMPLE)

| Key Restraining Forces | Actions to reduce/eliminate |
|---|--|
| <ul style="list-style-type: none"> • Fear of change • Organisation culture • Current control systems • Organisation structure • Current HRM system | <ul style="list-style-type: none"> • Communication, and involvement • Improve trust through effective communication • Empower employees |
| Key Drivers | Actions to strengthen |
| <ul style="list-style-type: none"> • Increase productivity • Integrate systems • Improve business processes | <ul style="list-style-type: none"> • Training & Development programs • Continuous improvement |

B. Planning and executing the change strategy

Carnall (2003) identifies three conditions necessary for effective change: awareness, capability, and involvement as depicted in Figure 6. Awareness requires that those affected must understand the change, its objectives, the impact on their role. . They then need to be energised and prepared to acquire the

capabilities to handle the new tasks and new work situations. The third condition is about their involvement in the change process and their contribution to successful implementation.

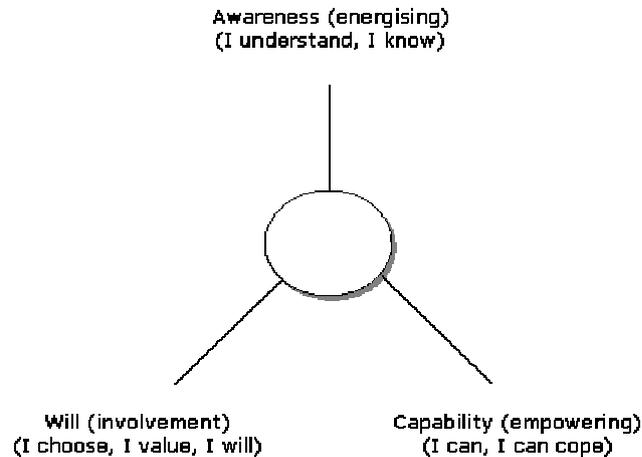


FIGURE 6 - NECESSARY CONDITIONS FOR EFFECTIVE CHANGE
Adopted from Carnall (2003)

The work of Clarke and Manton (1997) elaborates further on the conditions for effective change management. They argue that organisations tend to pay much attention to the process of change, and forget about the key success factors that wave through the change process to successfully manage the change. The key success factors they referred are (also depicted in Figure7):

- (1) Commitment: recognising change as an integral part of the organisation, and taking ownership of the project particularly at senior management level,
- (2) Social & cultural: concerned with the people element of change e.g., behaviour, perception, and attitudes towards change,
- (3) Communication: both internal/external,
- (4) Tools & methodology: concerned with project management, performance & process measurement, and the underlying knowledge needed to ensure that the change can take place effectively,
- (5) Interactions: methods for dealing with interactions within the organisation e.g., managing the balance and transition form the current state to the future state.

Taking into account the issues explored so far in this article, it is clearly important to have a clearly defined strategy for the initiation, planning and implementation of the change program. A change management program must be based on a clear understanding of strategy, outcomes, tasks, and deadlines. Transformational programs normally require extraordinary project management and leadership, as they can easily become uncontrollable and result in missed deadlines and lost benefits. This is not a mechanical

process however and human behavior at work must be taken into account and managed in order to assure success.

Baring in mind Clarke and Manton's (1997) key success factors, the proposed change program elements discussed in the following sections are designed to address key factors such as communication, awareness, involvement, and commitment. Some tools are also presented that are quarreled to facilitate the proposed change process.

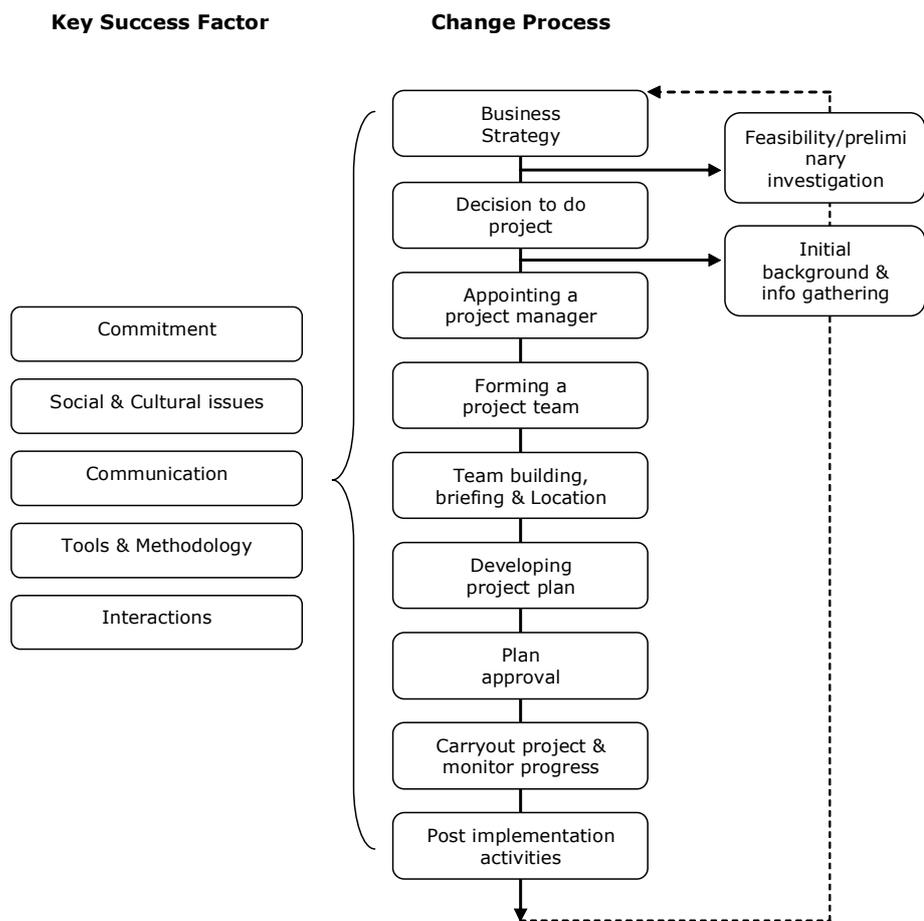


FIGURE 7 – BEST PRACTICE MODEL FOR CHANGE

1. Lewin's planned change process

Lewin's planned change process is closely associated with his Force Field Analysis and serves as a general framework on which the change program can be designed and executed. The three staged model of change include: unfreezing the current situation, moving, and then refreezing the new situation (a new status quo). (see also Figure 8).

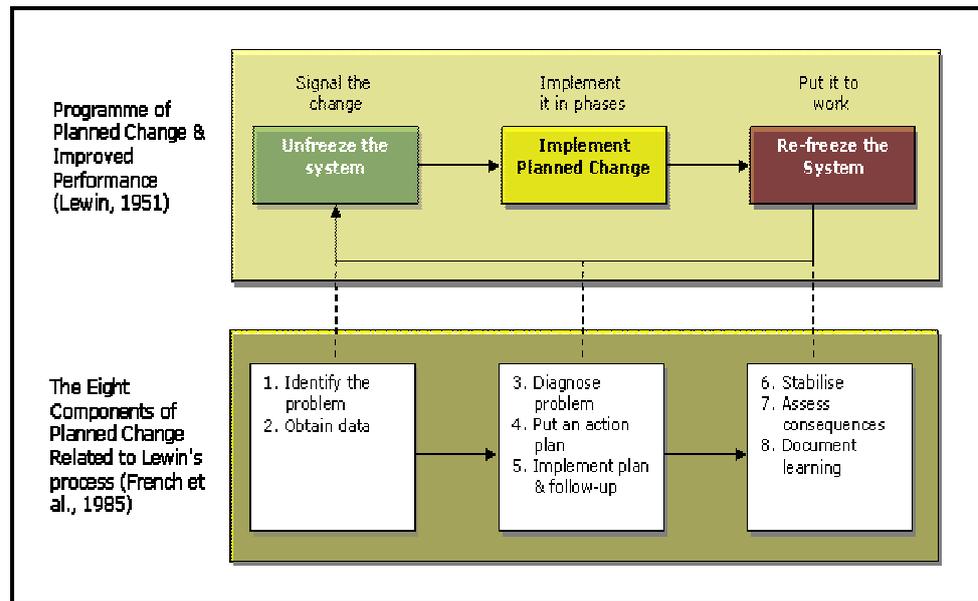


FIGURE 8 - THE PLANNED CHANGE PROCESS - BASED ON THE PROGRAM OF PLANNED CHANGE AND IMPROVED PERFORMANCE DEVELOPED BY LEWIN (1951), AND THE EIGHT COMPONENTS OF PLANNED CHANGE

The power of Lewin's model does not lay in a formal propositional kind of theory but in the ability to build "models" of processes that can draw attention to the right kinds of variables that needed to be conceptualised and observed. Following are some further elaborations on the three stages.

- (1) **Unfreezing:** The essence of this stage is to reduce the forces that maintain the organisation's behaviour at its present level. It enables a better understanding of the change program and the need for it e.g., through education, training and development program and team building that secures acceptance by helping managers and employees understand the need for the change
- (2) **Changing (Movement /implementing):** having analysed the present situation, the identified solutions are put into action to support the change program e.g., by changing organisation structure, roles or processes and introducing performance management systems that recognize particular progress and individual and team contributions.
- (3) **Refreeze:** stabilises the change program at a new state of equilibrium in order to ensure that the new ways of working are embedded, maintained and cemented from regression e.g., through new recruitment, induction programs, performance management systems and cultural reinforcement through the creation of new norms and behaviours.

Each of these interventions is intended to make organisational members address that level's need for change, heighten their awareness of their own behavioural patterns, and make them more open to the change process. This model is found sensibly practical for the following reasons:

- allows the process to be understood,

- provides milestones to evaluate progress towards change,
- allows those undergoing the change process to recognise the stage they have reached,
- allows the process of change to be discussed as well as the outcomes, and
- allows a better understanding of the process in each change phase that in turn, makes far easier progress in the future change.

An alternate approach identified in the literature as the central paradox that complements Lewin's Model to working with change through leading and learning was explored by Binney & Williams (1997).

2. Binney & Williams leaning into future approach

Normally, organisations tend to implement change programs either from the top down or from the bottom up (Binney and Williams, 1997; Burnes, 2004; Carnall, 2003; Cummings and Worley, 1997). The first approach is where top management identify the need for change, put solutions, and then move to implement the change. This approach views organisations as machines to have things done to them.

The emphasis in the second approach is on participation and on keeping people informed about what is going on. This second approach views organisations as living systems where potential for change is realised, generally at levels, and not just driven from the top. A major advantage of this approach is that it reduces uncertainty and resistance to change as it promotes responsiveness and encourage learning.

Experience shows that organisations can use both top down and bottom up approaches in their change programs, to create a middle road between a living organism view of organisation and the machine view as illustrated in Table 5.

Successful change implementation depends heavily on the management style and behaviour. Managers need to understand through focused education programs that their role should be to facilitate the change and appreciate human differences, and not just use their hierarchical authorities to impose the change.

The proposed change management strategy should fundamentally promote and encourage participative style of managerial behaviour, where non-managerial employees are encouraged to be involved in the change implementation and kept fully informed of the change progress, to increase the likelihood of their acceptance of the change. Middle managers and first line managers should be the first to be involved in the change program and get their buy-ins, who should in turn become the change agents and take the responsibility to involve their subordinates. The overall change strategy will be that everybody becomes a change agent, who will motivate and energize each other to change.

TABLE 5 - LEADING INTO THE FUTURE APPROACH

| ORGANISATION AS MACHINES | COMPLEMENTARY OPPOSITES | ORGANISATIONS AS LIVING SYSTEMS |
|--|--|---|
| LEADING | AND | LEARNING |
| Top-down approach | | Bottom-up approach |
| <p>Leader as hero Knows the answer; inspirational; wills others to follow.</p> | <p>Forthright & listening leadership Combines assertive leadership with responsiveness to others.</p> | <p>Leader as facilitator Self aware; enables others to realise their potential</p> |
| <p>Vision Clear and inspiring visions which explains why clean breaks with the past are needed; energise people to change; the answer is 'out there.'</p> | <p>Seeing clearly The energy to change and to develop existing strengths comes from seeing clearly where the organisation is now and what possibilities are open to it.</p> | <p>Awareness People change as they become more aware of their needs and their interdependence with the world around them; the answer is 'within.'</p> |
| <p>Drive Change is driven through by determined individuals who plan carefully and minimise uncertainty.</p> | <p>Working with the grain Individuals shape the future by combining clear intention with respect and understanding for people and organisations. The work <u>with</u>, not against people's hopes and fears</p> | <p>Release Effective leaders release the natural potential of people & organisations to adapt to change and are prepared to live with uncertainty.</p> |
| <p>'They' are the problem Individuals see the need for change in others.</p> | <p>All change Leaders encourage others to change by recognising that they too need to shift.</p> | <p>'We' need change Change starts with me/us.</p> |
| <p>Training People are taught new ways of working in extensive training programmes</p> | <p>Learning while doing Most learning takes place not in the classroom or training session, but as people <u>do</u>, as they interact with others and reflect upon their experience.</p> | <p>Reflection People learn when they step back from day-to-day tasks and reflect deeply on their thoughts and feelings</p> |

3. Kotter's Eight Stages Process

Kotter's (1996) eight stages is another approach for management to consider in their change management programs. This approach which is melded it with the work of Binney & Williams leaning into future approach, is viewed to be more of a mechanistic approach to change (Binney and Williams, 1997). It was developed based on eight common errors organisations make in transformation programs, as depicted in Table 6.

It is recognised as a well-developed change process, and provides a blueprint for the role and attributes of change agents. It is important to stress here that these eight stages are not checklists but rather processes

or interlocking stages in a journey. Each of the stages is associated with a fundamental error that undermines major change management effort as illustrated in Table 6.

The first four steps in Kotter's process help to break through the status quo and get people to start thinking about the need for change. New ideas and practices carry through in the next three stages. The last stage fully incorporates the changes in the organisational culture, as the change becomes institutionalised. Mismanaging any one of these steps can undermine an otherwise well-conceived vision.

TABLE 6 - KOTTER'S EIGHT STAGE APPROACH TO CHANGE MANAGEMENT

| Common Errors: | Consequences: |
|--|---|
| <ul style="list-style-type: none"> • Allowing too much complacency • Failing to create a sufficiently powerful guiding coalition • Underestimating the power of vision • Undercommunicating the vision • Permitting obstacles to block the new vision • Failing to create short term wins • Declaring victory too soon • Neglecting to anchor changes firmly in the corporate culture | <ul style="list-style-type: none"> • New strategies are not implemented well • Industry and business do not achieve expected human response • Reengineering takes too long and costs too much for business and industry to participate • Downsizing does not get costs under control • Quality programs do not deliver hoped for results |
| <p>The Eight Steps:</p> <p>1. Establishing A Sense Of Urgency A sense of urgency is crucial in the initial stages of the process. It must primarily overcome any sense of complacency within the organisation.</p> <p>2. Creating the Guiding Coalition A core group with enough power to lead the change through the transition state is required to drive the process</p> <p>3. Developing a Vision and Strategy A vision needs to be created in order to direct the course of change. In conjunction with the vision, there should be a strategy designed to achieve the vision.</p> <p>4. Communicating the Change Vision The new vision and strategies for implementation of the change process need to be continually communicated using all practical means</p> <p>5. Empowering Broad-Based Action How to create an environment in which the actions required for change can take place. Critical empowering actions need to be taken to allow change to occur.</p> <p>6. Generating Short-Term Wins Positive feedback in the early stages of the project is a critical success factor and plays an important part in sustaining the vision e.g., through the achievement of interim targets; short-term wins.</p> <p>7. Consolidating Gains and Producing More Change Systems, structures, and policies may be further adapted to be in line with the vision.</p> <p>8. Anchoring New Approaches in the Culture Maintaining the results of change in organisational, group and individual culture is crucial e.g., creating better performance through effective management and leadership development and succession.</p> | |

Source: Kotter (1996)

4. Bridges and Mitchell Model

As explained earlier that the announcement of change normally triggers a range of emotional reactions. People may feel that they are no longer valued, lose their identity as employees and fear losing some of their expertise and sense of control. Bridges and Mitchell's (2000) model provides a good framework to manage the human dimension of change transition to the new state and theorizes three phases to model change from a transformational leadership perspective. The prevalent advantage of Bridges' model, is that it accounts for the change in terms of enormity of change already underway, the psychological stressors, and implementation time.

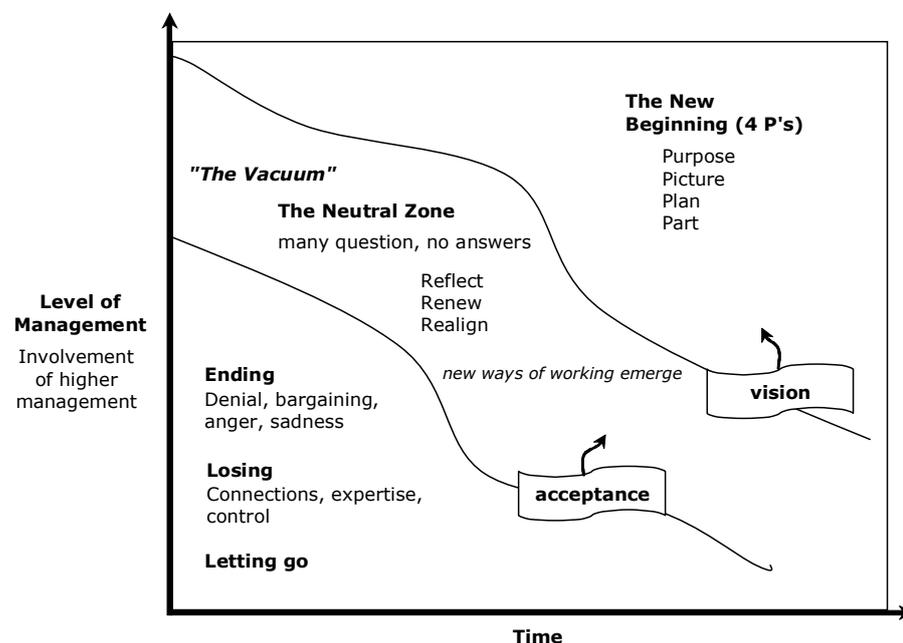


FIGURE 9 - MANAGING TRANSITION - BRIDGES AND MITCHELL MODEL (2000)

Depicted in Figure 9, the model is built around the endorsement of understanding of what change does to employees and what employees in transition can do to an organisation, and how to minimise the distress and disruptions caused by change. It argues that people in successful transition must be allowed to undergo three separate transition states, and they are:

- (1) **Saying goodbye:** The first requirement is that people have to let go of behaviours and the way things used to be,
- (2) **Shifting into Neutral zone:** they then enter the in-between state of transition; the neutral zone, which is full of uncertainty and confusion and is where the creativity and energy of transition are found and the real transformation takes place,

- (3) **Moving forward:** this state requires people to begin behaving in a new way, where they can now be more receptive to the details of the change.



FIGURE 10 - STAGES OF CHANGE MANAGEMENT NOTE: NOT SURE THIS WORKS OR IS NECESSARY

It is clear that change management group and the cross functional team leaders can use this model to manage change transition. They can use this model to assess their teams place in this three-part transition process, to bring them through the particular transition that they face, for instance by:

- explaining the reasons for change on regular basis and why it must happen;
- setting boundaries for teams to develop frameworks;
- setting milestones and tasks to team implementation;
- allowing everyone to see how they add value; and
- picking up worries and concerns and respond to them appropriately.

Having outlined key models and methods for managing change in transformational programs, the next section will address some approaches for evaluating and measuring change results and improvements.

C. Evaluation of the Change Program & Improvement Measurement

“To measure it is to know. If you cannot measure it, you can not improve it...” Lord Kelvin

Having explored the first two components of the proposed change management phases in this article, the third component is concerned with the evaluation of the change process, in order to measure its success in reaching its goals and objectives.

Evaluation and feedback play an equally vital role for the organisation. Establishing a monitoring and evaluation system provides a powerful tool for program managers to determine program strengths and weaknesses. The system should include indicators that measure key components of the strategy. The measurement process could be aligned with Lewin's freeze-unfreeze-freeze model.

One of the greatest difficulties, however, in transformational programs lies in the developing cost and benefit analysis, trying to quantify what the organisation will get out of the investment, or more precisely what the organisation is able to do more effectively as a result of the investment. In practice it may be compared to measuring what the benefits are of putting electricity into a building, some are clear and tangible such as heat and light. Others intangible such as the emotional security and comfort residents derive from simply knowing it is there. The actual benefits of many transformational projects are enormous but most are very difficult to measure (Burnes, 2004). They range from better quality information, to better systems that enable the organisation to adapt and support the many changes occurring in the environment.

Different measurement tools and techniques can be used to assess the success of the change program, such as output/outcome measures, interim measures, input measures, balanced scorecard, or even benchmarking with other organisation performance on specific dimensions. The force field analysis presented earlier can be used as the basis for measurement since it outlines the potential benefits of the proposed change and future state. Just to recap the benefits of the example IT system (Table 3 above), the introduction of the new technology had two main motives; strategic and economic. The strategic aspects included systems integration and process improvement, sharing of information and increased visibility of corporate data, increased productivity, and an improved IT infrastructure. The economic aspect aimed to improve HR and financial management, reduce IT cost, and improve procurements processes. However, these narrow approaches can be misleading (Carnall, 2003). To avoid narrow or single measure of effectiveness, Carnall (2003) proposes a matrix based on a balanced set of indicators over four quadrants with which organisational effectiveness can be assessed, as depicted in Figure 11. Recognizing the quantitative measures as an important analytical approach, the matrix emphasises the importance of qualitative measurements which are more about experience, intuition such as in judgement of employees' satisfaction, attitudes, management style, adaptability, and management development.

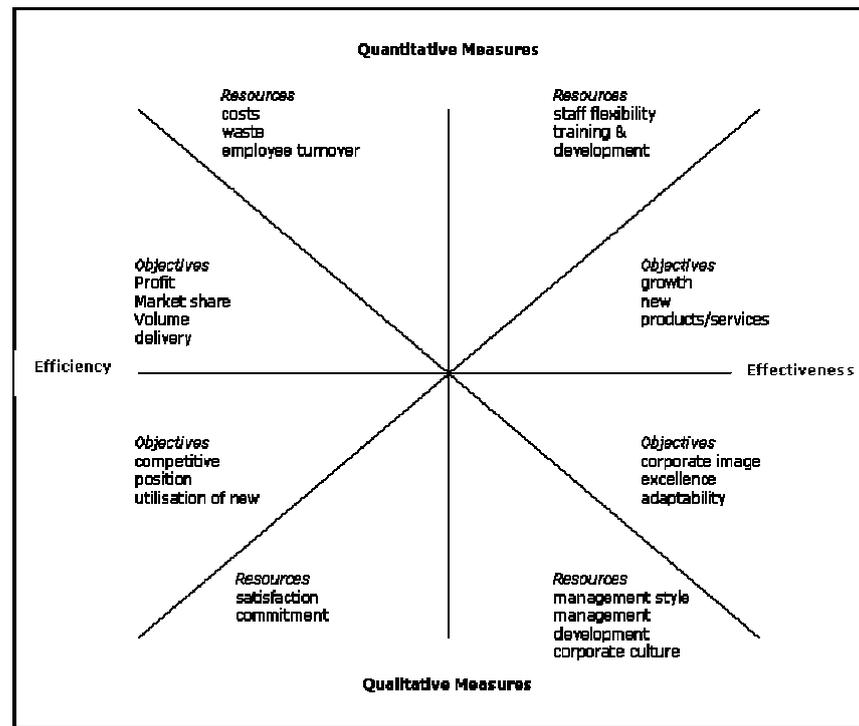


FIGURE 11 - THE EFFECTIVENESS MATRIX - SOURCE: CARNALL (2003), P.191.

Another measurement approach that may be considered is balanced scorecard as depicted in Figure 12. Balanced scorecard can be used to measure performance at departmental or organisational level as it uses different perspectives to give a balanced and transparent picture of the current performance and the drivers of future performance (Kaplan and Norton, 1996). This example looks at four main perspectives: financial, customer, business process, and innovation. It enables organisation to monitor financial results while simultaneously monitoring progress in building the capabilities and acquiring the intangible assets they would need for future growth. The balanced scorecard methodology is more than a set of metrics; it is a system of linked objectives, measurements, targets, and initiatives that collectively communicate and measure an organisation's business strategy (Berkman, 2002; Moshonas, 2002). Key to the success of such measures is the definition of the required headline measures and relative importance that they have to the overall measure of performance and success.

Observation of organisations in practice suggests that they tend to fail at implementing effective measurement. Too often, the focus is on accepted, technical measures, rather than on the specific needs of key stakeholders and the desired outcomes. If the performance measurement system does not focus on a clear direction, the measurement system itself will enforce the wrong actions and behaviours. The presented tools above can provide the framework for management to keep the entire organisation focused on the right targets and moving in the right direction.

The next section outlines some views and reflections for management consideration and some key learning points gained from experiences in different transformational programs.

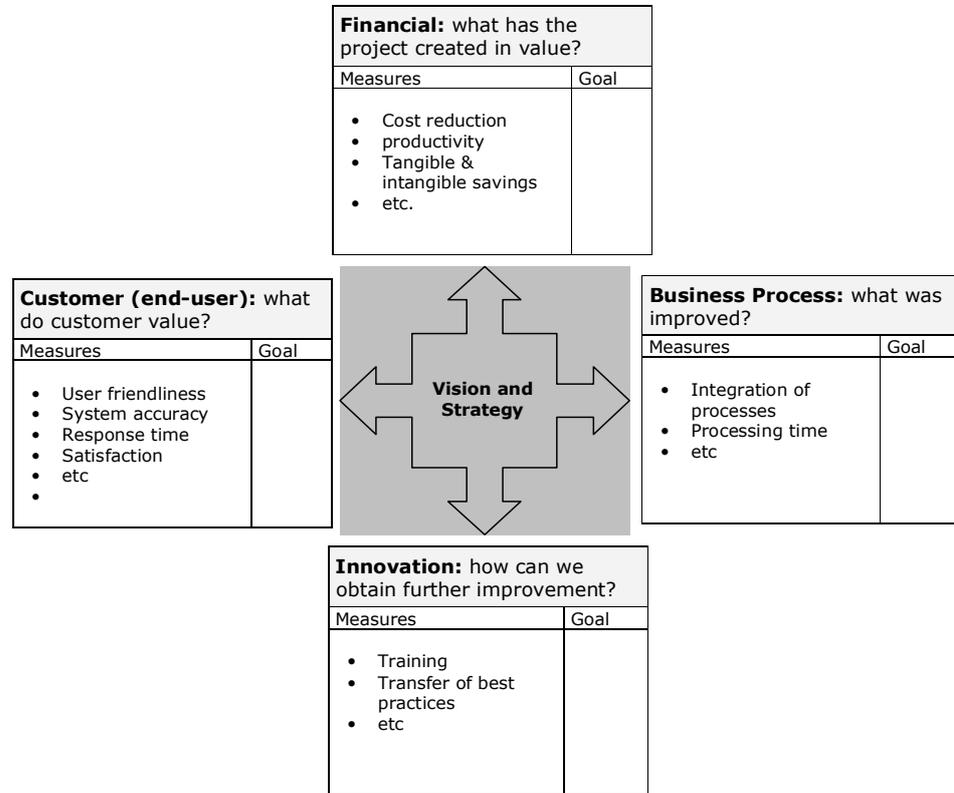


FIGURE 12 - BALANCED SCORECARD EXAMPLE

4. SOME IMPORTANT OBSERVATIONS

“The world you see is what you gave it, nothing more than that. But though it is no more than that, it is not less. Therefore, to you it is important. It is witness to your state of mind, the outside picture of an inward condition. As a man thinketh, so does he perceive. Therefore, seek not to change the world, but choose to change your mind about the world.” Helen Schucman (1909-1981)

To paraphrase Schucman “perception is reality”. People tend to formulate opinions about particular events and react to them based on their own judgments and formulated opinions. This can be mapped as shown in the character flow and situational thinking model depicted in Figure 13. For instance, when people become angry, their initial reaction to an event (such as failure to produce information or a seemingly unreasonable request) falls into character flow thinking. This makes us follow our own interpretation of the situation without exploring the reasons for that particular event. This model is a crucial piece of knowledge that needs to be appreciated by the change management teams. Anticipating the reaction of those impacted by change and

addressing the causes and consequences of these reactions will help lead people towards a more situational or rational responses and assure acceptance.

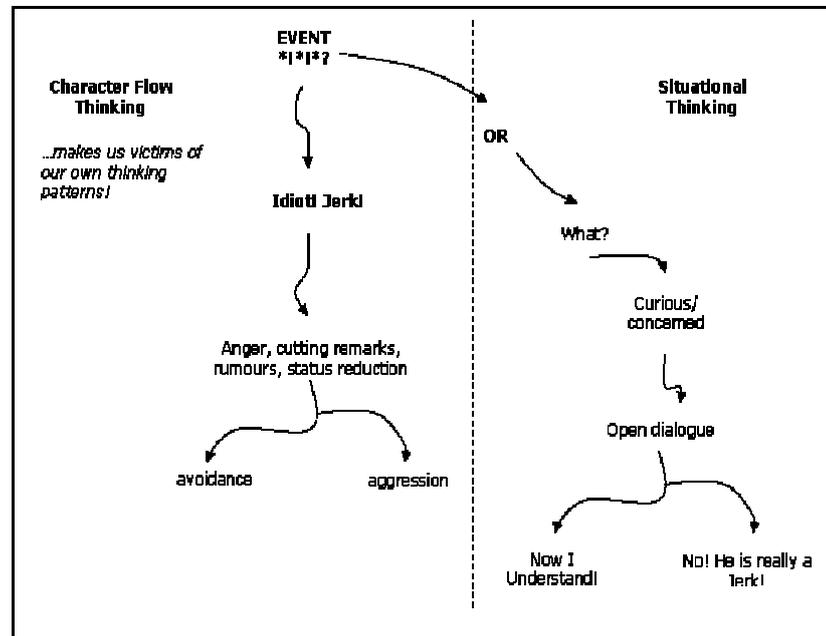


FIGURE 13 - CHARACTER FLOW VS SITUATIONAL THINKING

Our personal philosophies often influence the motivational approaches we normally select to deal with such situations. Such philosophies or attitudes towards others can be mapped to Theory X and Theory Y (McGregor, 1960). People in Theory X have negative perceptions of other people's potentials and attitudes, whereas those in Theory Y have an opposite view, and assume that other people can be self-directing and seek responsibility, as illustrated in Table 7.

Undoubtedly, our behavior is determined by our beliefs, habits, and needs. To learn best, we may be required to confront or even modify our beliefs and perceptions. This is to say that motivation is a hidden power that stems from a deep rooted belief in what we try to do; it is strongest when it comes from our inner values (Lock, 2001). Appreciation of the Dilts pyramid (depicted in Figure 14) should empower us to better understand ourselves and others and enable us to change and/or further improve our performance and particular behaviors. The model illustrates the factors that motivates particular behaviors, where the lower factors are easier to change and difficult to sustain, and vice versa.

Analysing beliefs, values, and assumptions of those who are seen as the promoters of the organisation's culture, can be a good starting point towards successful change management. The different learning lessons from various projects implementation, called us as management to turn our assumptions about change management upside down, and open our eyes to facts that we often do not consider, which was largely related to the human dimension in organisations.

TABLE 7 - THEORY X & THEORY Y PERCEPTIONS

| Theory X | Theory Y |
|--|--|
| The average employee is lazy, dislikes work, and will try to do as little as possible | Employees are not inherently lazy. Given the chance, employees will do what is good for the organisation. |
| To ensure that employees work hard, managers should closely supervise employees | To allow employees to work in the organisation's interest, managers must create a work setting that provides opportunities for workers to exercise initiatives and self direction. |
| Managers should create strict work rules and implement a well defined system of rewards and punishments to control employees | Managers should decentralise authority to employees and make sure employees have the resources necessary to achieve organisational goals |

Source: Jones et al. (2003)

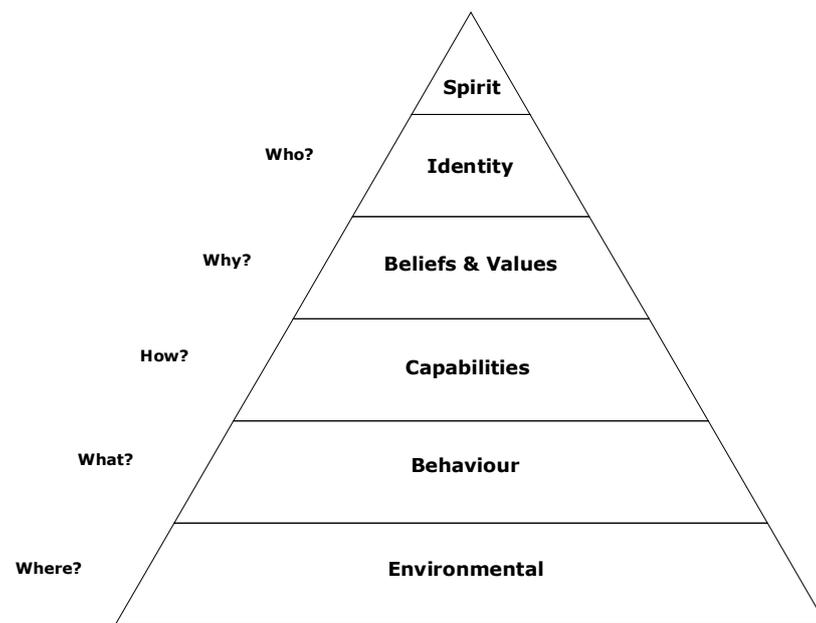


FIGURE 14 - ROBERT DILTS MODEL

We came to understand that the ability of managers to introduce successful change that yields benefits is determined by our own ability to have a clear understanding of how individuals are motivated and how they work as a team and react to one another. People need to be treated as individuals and their personal differences appreciated. All of us are individuals. We have different personalities. We think differently, we have different needs, wants, values, expectations, and goals. We each change over time as well. Therefore,

we need to recognise people as individuals and learn to work with their individual differences. With this last statement, the paper is concluded next.

5. CONCLUSIONS

"Every morning in Africa, a gazelle wakes up. It knows that it must outrun the fastest lion or it will be killed. Every morning in Africa, a lion wakes up. It knows that it must out run the slowest gazelle or it will starve to death. It does not matter whether you are a lion or gazelle. When the sun comes up you had better be running." J. Anklesaria

The full potential of information and technology will only be realised if the management of change takes into account not only the technical and economic factors, but also the human and social factors in organisations. Change is a very complex, psychological event, as it impacts each person differently and management must accept the individual nature of change (Elliott, 1990).

Most leaders come from backgrounds where technical, financial, or operational skills were paramount, and those skills provide little help when it comes to leading people through transition. Management needs to develop visions and purposes which give direction to their organisations. Besides this the role of management is not only to plan and implement change, but to create and foster an organisational climate which encourages and sustains learning, risk-taking, and the development of a workforce that will take responsibility for the change to happen and reaches its target. This is where mere management becomes leadership. Our experience shows that there should be no right or wrong approach to change management.

As illustrated this is supported by the literature. The successful implementation of change however is dependent on the willingness and effective cooperation of the whole organisation management and non-management staff. The proposed change management models and methods in this article helped the author implement change in a number of situations. When using these models and methods, change management teams will need to heed the nature of the environment in which their projects will operate in and adapt accordingly. For management, the presented models and methods will enrich their understanding and equip them with essential frameworks to support their change programs. Their role may be likened to that of a therapist, helping people to address their fears and accept the change as a good thing for them and the organisation. This is something we describe as the *path of true leadership*.

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