ALGONQUIN COLLEGE
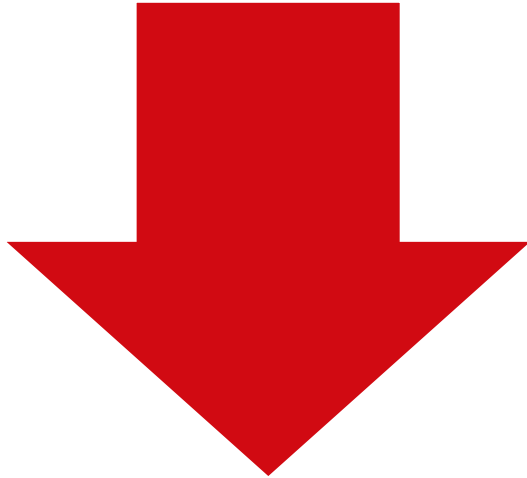Corporate Training

CHANGE MANAGEMENT

GET ALL THE BENEFITS FROM YOUR PROJECTS

IIBA – 15 MAY 2018

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"Change the way you look at things and the things you look at change." —Wayne W. Dyer

Too Many Projects Fail

70 to **80%** of change initiatives **FAIL**

YET

A few top performing organizations experience success rates in excess of **80**%

Change Realities

The 70%-80% of change projects which fail to achieve the intended business benefits generally fail due to uncorrected:

- employee resistance (40%)
- management inattention (35%)
- inadequate resources (15%)
- other causes (10%)

A **few** top-performing organizations experience success rates in excess of 80%

70 to **80%** of change initiatives **FAIL**

An effective change management practice is a proven solution for moving from failure to success, by mitigating peoples' natural resistance to change.

What is Change Management

Prosci: … the application of a **structured process** and set of tools for leading the **people side of change** to achieve a desired outcome. When … done well, people feel **engaged** in the change process and work collectively towards a common objective, realizing benefits

PWC: … a **systematic approach** to **enabling people** in an organization to **transition** from the current state to a desired future state.

Wikipedia: … a **structured approach** to **transitioning** individuals, teams, and organizations from a current state to a desired future state.
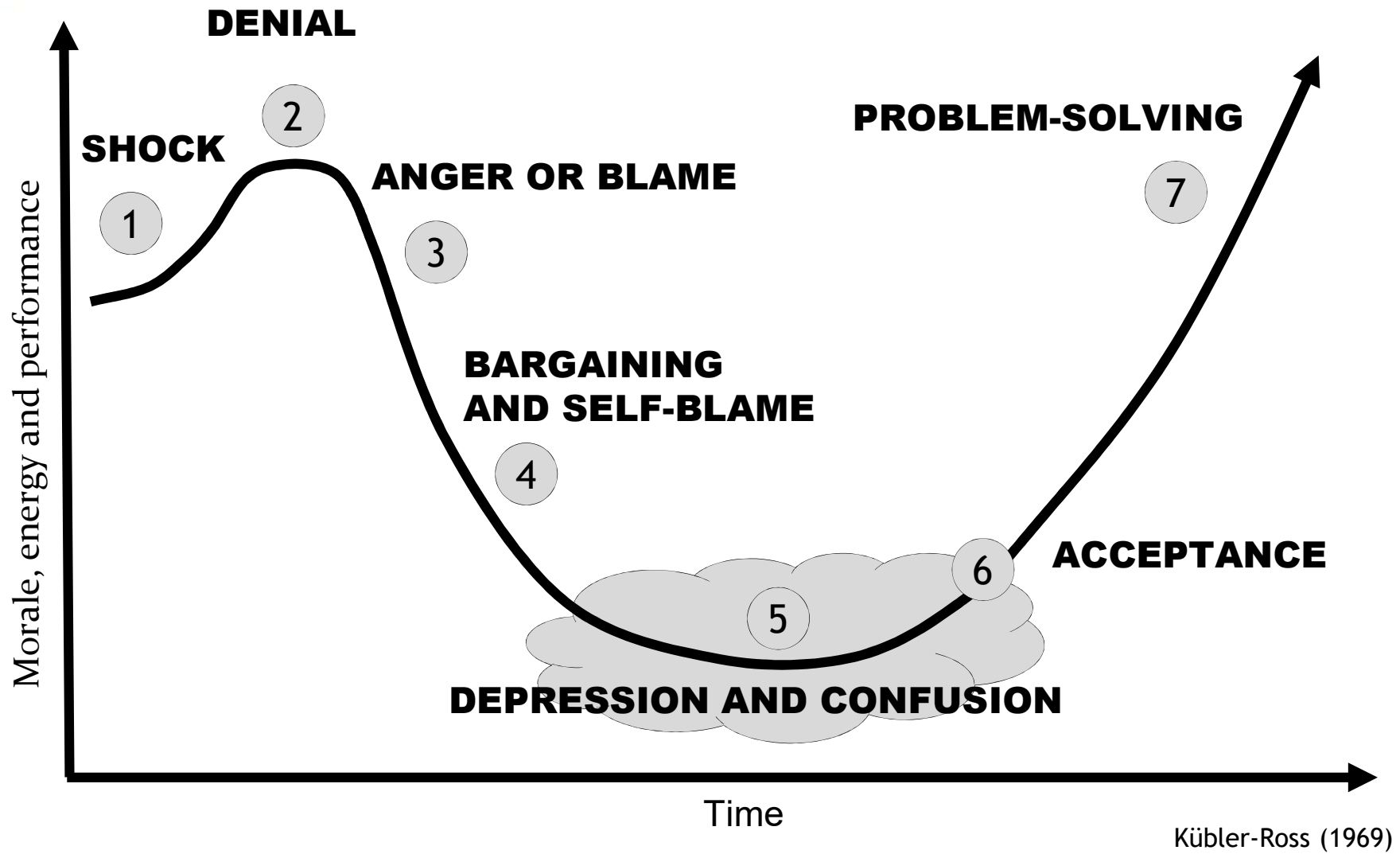
Change Management includes both organizational change management processes and individual change management models, which together are used to manage the people side of change.

Introspection

Consider a personal or professional change you want / need to make. Think about each of the following:

- – what is the status quo from which the change starts or is differentiated?
- – what factors indicate the need for the change?
- – what will the changed/new situation look like (ie, after it is implemented)?
- – why have you not yet made this change?
- – what would make you start this change today?

Everyone Reacts to Change

Morale, energy and performance vs. Time

SHOCK — 1
DENIAL — 2
ANGER OR BLAME — 3
BARGAINING AND SELF-BLAME — 4
DEPRESSION AND CONFUSION — 5
ACCEPTANCE — 6
PROBLEM-SOLVING — 7

Kübler-Ross (1969)

Individual Differences

Based on the thinking of Carl Jung, that the differentiation between individuals arises out of their respective conscious and unconscious elements.
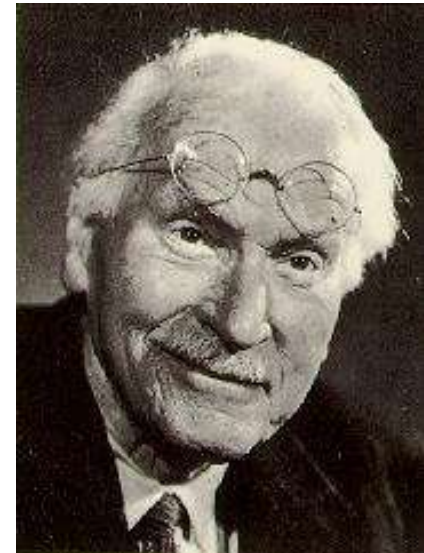
SO WHAT?

- Different personality traits may lead people to misunderstand one another, especially when they feel threatened by change
- They may end up in conflict, not because of the *facts* but because of their *different ways of seeing those facts*
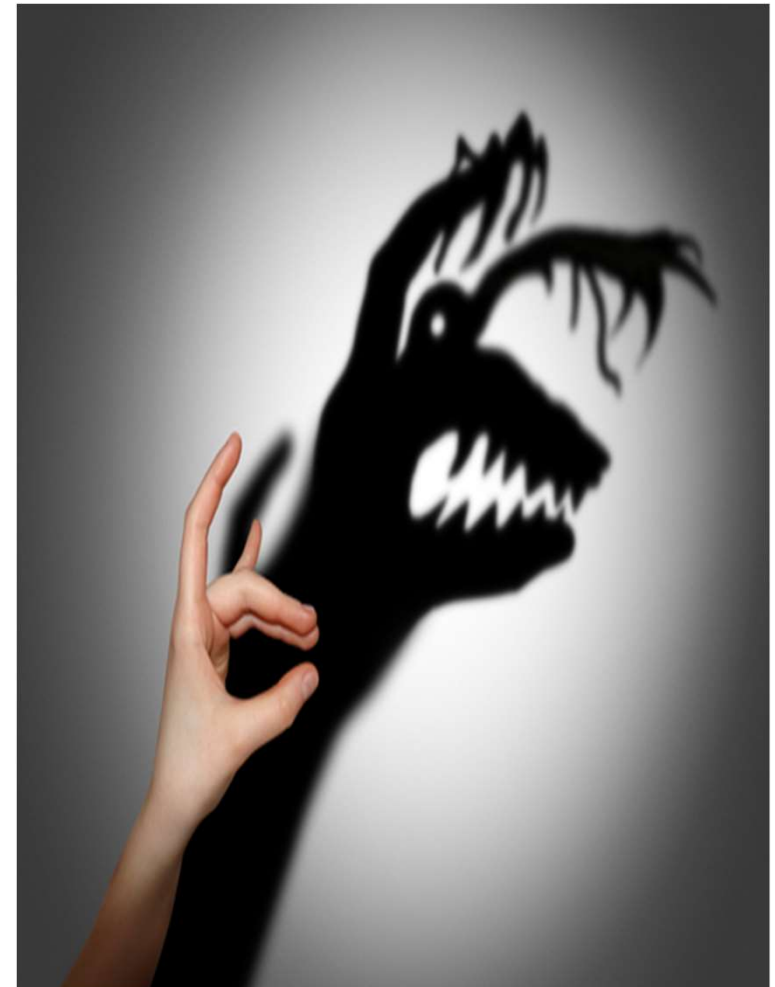
Individual Change Resistance

Arises from fear of:
- Losing a job
- The unknown
- Loss of control
- Lack of competence
- Loss of support system / group

Is amplified by:
- Poor timing
- Lack of obvious reward
- Disruptive organizational politics/culture
- Prior (poor) change experience
- Poorly communicated intentions
- Lack of trust (up)
- No evidence of support (down)

"We don't see things as they are, we see things as we are."- Anais Nin

Individual Change Resistance

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You can manage these

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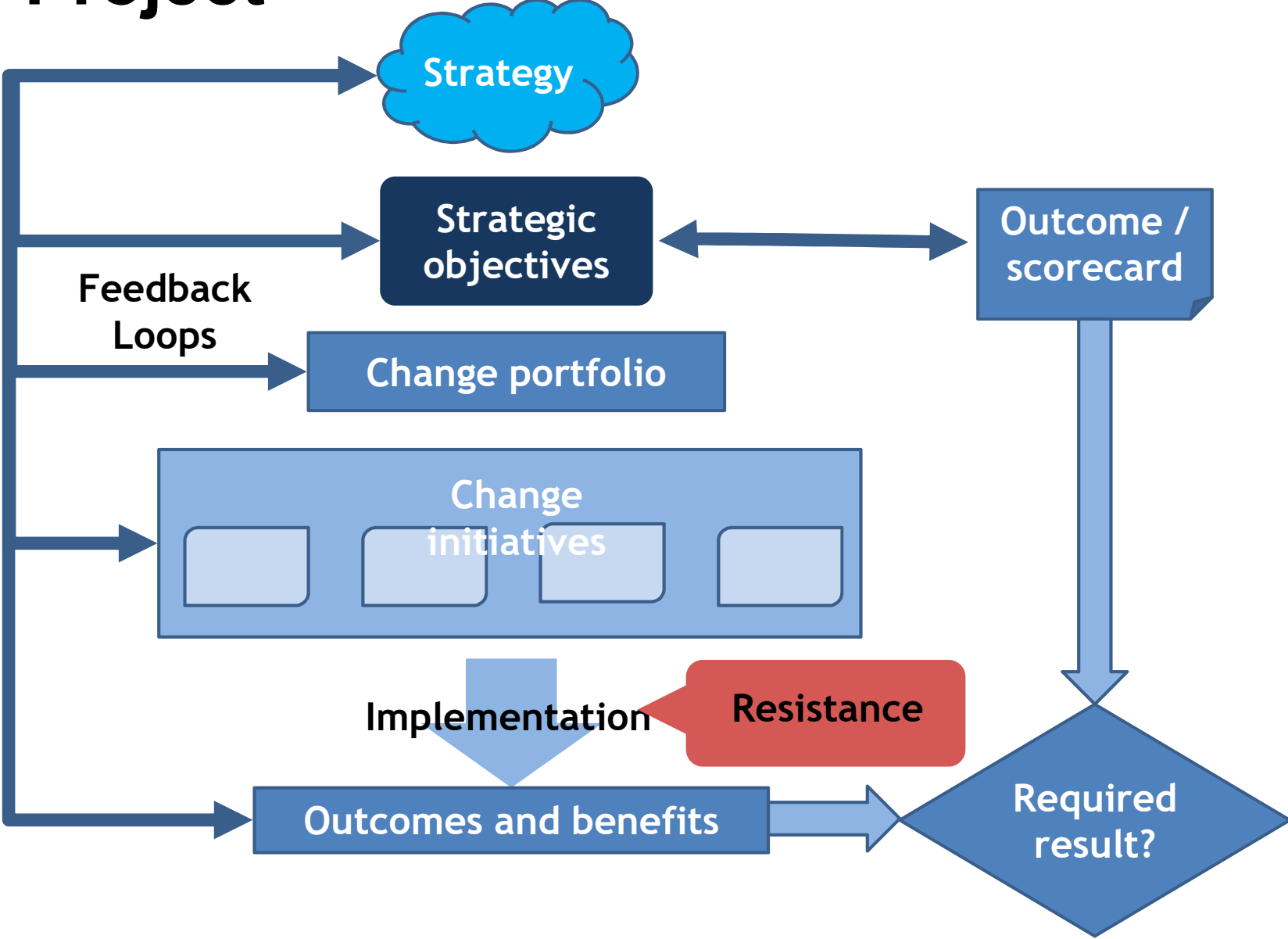- lack of trust (up)
- no evidence of support (down)

You (already) control these
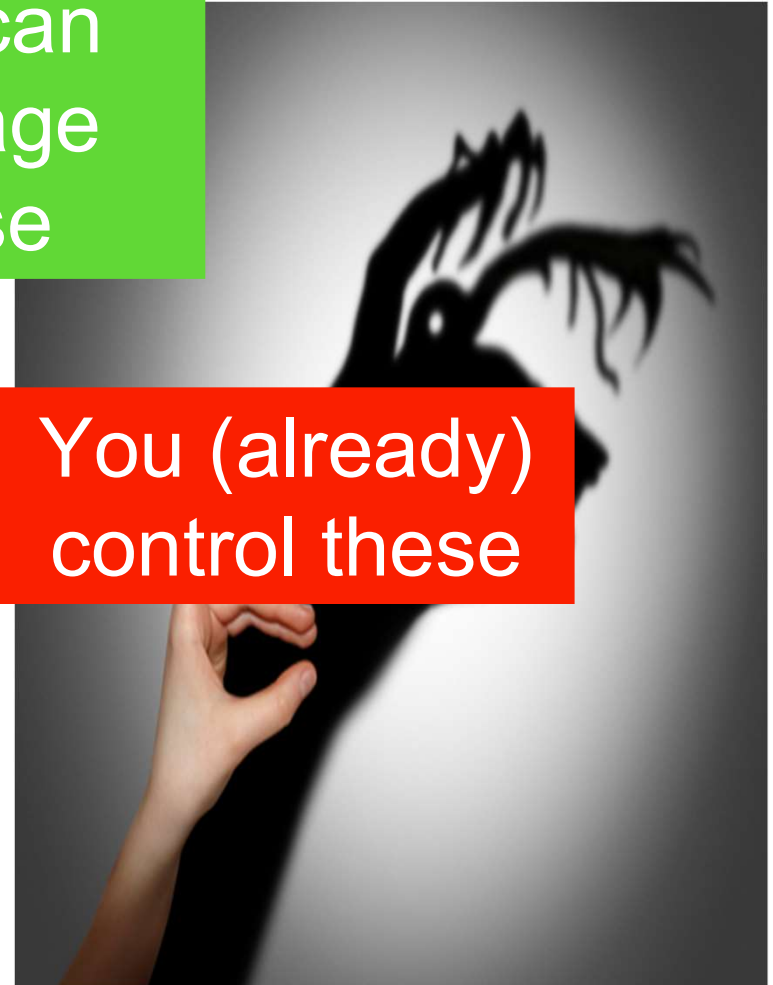
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Resistance Acts Late in the Project

Strategy

Strategic objectives

Outcome / scorecard

Feedback Loops

Change portfolio

Change initiatives

Implementation

Resistance

Outcomes and benefits

Required result?

11

Symptoms of Resistance

Audible unhappiness

- one-way communication of unhappiness
- highly infectious

Disengagement

- lack of attendance / participation; silent agreement
- easy to miss in early stages

Sabotage

- attempts to break or compromise systems, processes or profile
- hard to identify the source, harder to deter

Organizational Change Resistance

- Organizational culture is a real, and often very effective bulwark against change
- Respondents in a recent survey have assessed importance of culture on change initiatives as follows:

1%	Not important at all
5%	Slightly important
4%	Neutral
34%	Important
56%	Very important

Managers Resist Change Too

Disengaged line managers can become an 'inert and highly absorbent' blockage to the change process

Their resistance arises from:

- A vested interest in both the status quo and the future
- Concerns about danger to their current position
- Concerns about loss of control
- Pressure from peers

HOW WE FIX IT

PM and CM are Complimentary

USE CASE / BUSINESS CASE		
PROJECT MANAGEMENT		**CHANGE MANAGEMENT**
TECHNICAL		**PEOPLE**
SCOPE TIME QUALITY BUDGET	**RISK MANAGEMENT**	ADOPTION RESISTANCE DISRUPTION ENGAGEMENT
TECHNICAL SOLUTION		INDIVIDUAL TRANSITION
INTENDED OUTCOMES / BENEFITS		

Applying Change Management

The majority of the best performing and mature organizations integrate **change management** into their projects. They:

- First, **assess** the organization's readiness for change
- **Acknowledge** the human tendency to resist change
- **Ensure** their people are well coached and supported through change
- **Use** a proven methodology
- **Build** skills and resiliency through the transition

PM and CM are Complementary

PROJECT MANAGEMENT	CHANGE MANAGEMENT
TECHNICAL	PEOPLE
SCOPE TIME QUALITY BUDGET	ADOPTION RESISTANCE DISRUPTION ENGAGEMENT
A TECHNICAL SOLUTION	INDIVIDUAL TRANSITION

1. Assess Change Readiness

Ask: Is the constituency to which you are bringing the change committed and motivated to achieve the outcome?

- Every individual will have <u>some</u> reaction to the change
- Compounding individual resistance, the organization itself may manifest a certain inertia

The Change Management 'Equation' (Dannemiller)

$$D \times V \times P > R$$

Change is facilitated when the product DxVxP exceeds:

- the DESIRE (D) for change,
- a clear, shared VISION (V) of a preferred future, and
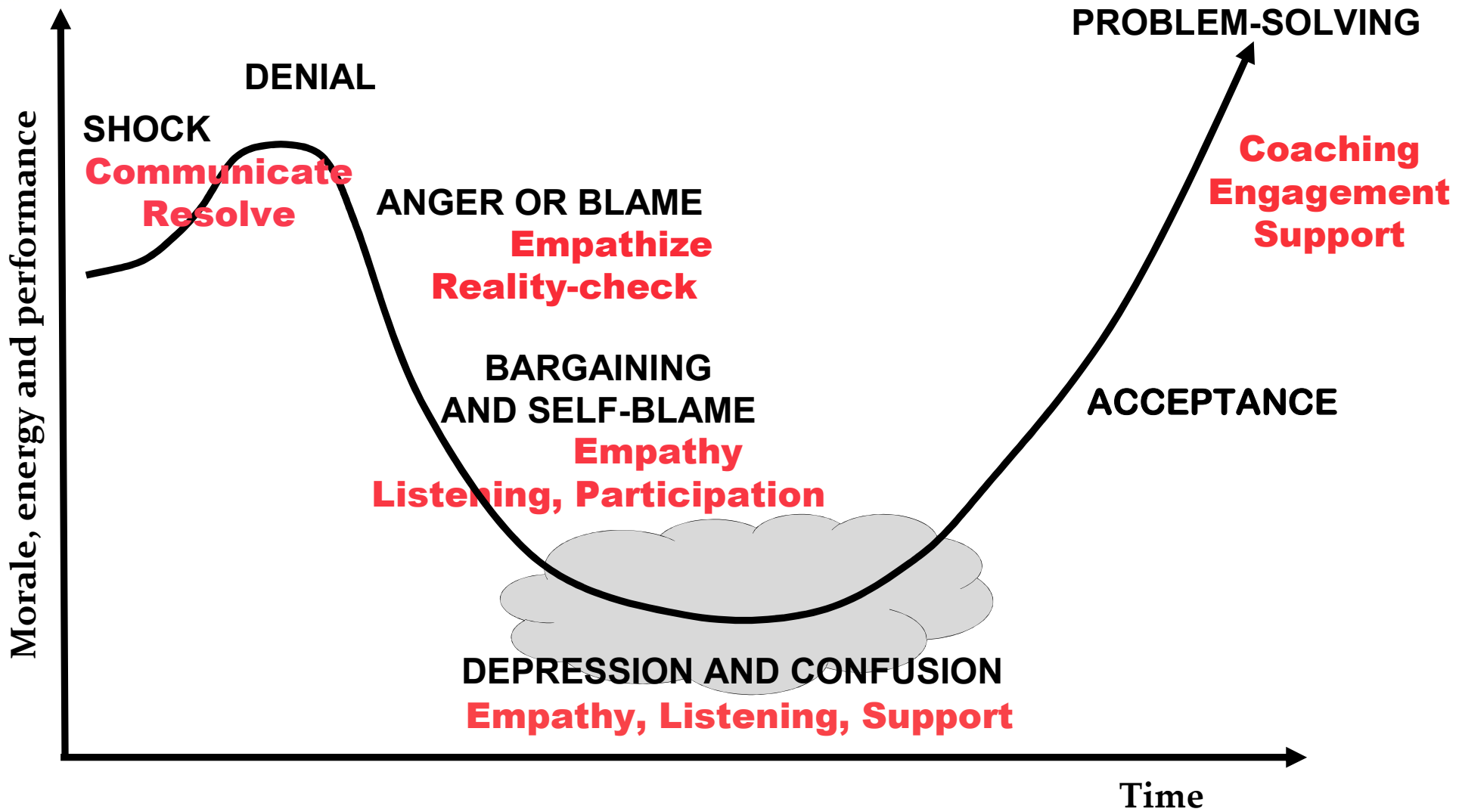- a PLAN (P) for achieving the Vision

are engineered to overcome the existing RESISTANCE to change.

2. Manage Individual Resistance

Building motivation is key to a successful change initiative:

- Engage 'hearts and minds'
- Answer "WIIFM?"
- Coach and mentor; provide a sense of safety
- Celebrate past accomplishments
- Communicate
- Be honest
- Reward the behaviour you want
- Allow people to move on

3. Address the Reaction

Morale, energy and performance

SHOCK

DENIAL

Communicate Resolve

ANGER OR BLAME

Empathize Reality-check

BARGAINING AND SELF-BLAME

Empathy Listening, Participation

DEPRESSION AND CONFUSION

Empathy, Listening, Support

PROBLEM-SOLVING

Coaching Engagement Support

ACCEPTANCE

Time

22

Kübler-Ross (1969)

4. Motivate the People

- Herzberg – Extrinsic vs Intrinsic Motivators
- Pink – Satisfaction and Growth
- Reward vs Punishment
- Schein – Survival vs Transition Anxiety

5. Deal with Organizational Resistance

- Change that threatens the deeply-fixed cultural foundations risks failure
- Anticipate and respond to seen and unseen realities:
  - **Understand and be sensitive** to them
  - Establish the **relevance** for the change in this context
  - Shape the **messaging** in a way that ties change to the culture
  - Consistent **leadership** presence

6. Secure Senior Leadership

Active, visible, enduring, consistent leadership is critical, requiring an ability to:

- Create and communicate a compelling vision
- Capture hearts and minds
- Raise a genuine desire for participation

Research on Leadership and Change

There is a direct correlation between leadership effectiveness of the project success:

LEADERSHIP EFFECTIVENESS	% CHANGE SUCCESS
Very Ineffective	29
Ineffective	42
Moderately Effective	54
Highly Effective	72

Prosci (2012)

7. Address Resistance by Managers

- Create a sense of urgency for the change
- Engage middle management <u>early</u> – make them part of the change process, not the target of it; give them some ownership
- Enable managers to communicate credibly and directly to their people
- Allow them to balance operations and change
- Middle managers are the key to making change work

8. Use Change Agents to:

- enable information flow between the change team and each business area
- break down silos, assess effects of the change and propose solutions
- help develop and test ideas, approaches and solutions.
- Challenge and offer constructive advice for their particular areas
- pilot new processes or systems brought about by the change

Select the right people to populate your network, induct them into the change programme, train and support them well, and use them wisely.

9. Manage Through the Whole Change

Endings

Neutral zone

New beginnings

Time, progress through change

Bridges (2009)
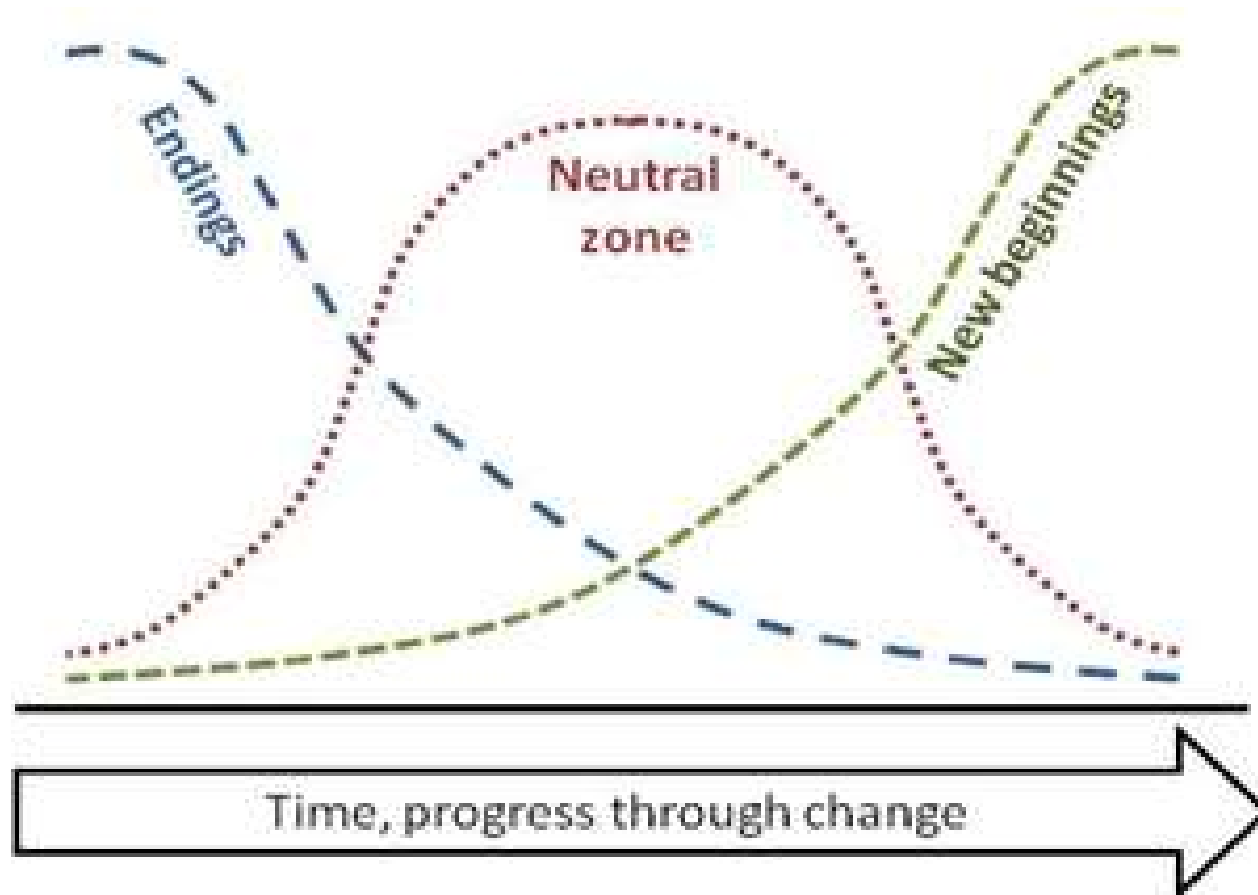
a. Manage Endings

- Communicate
- Lead
- What will, and what won't, change … and why.
- Show real empathy for how people feel
- Show respect for the past

b. Manage the Neutral Zone

- Keep everyone up-to-date
- Respond to feedback
- Encourage awareness and learning
- Create opportunities for people to try the new
- Offer many and varied learning opportunities to develop confidence
- Track and apply lessons learned
- Coach, mentor, support, enthuse

c. Manage New Beginnings

- Put staff explicitly in the 'picture' of a future, better organization
- Check that all communications are consistent
- Seek out and acknowledge each success
- 'Brand' the new beginning to help people find a new identity

10. Communicate Change

- Answer the question; "WIIFM?"
- Engage directly and often with people
- Contextualise and frame the change
- Appeal to hearts <u>and</u> minds, using:
    - Symbols
    - Metaphors
    - Narrative and storytelling

AIDA (a communications tool)

- **Attention**
  - Put the change at the **front** of people's minds
  - Does not necessarily seek any particular response.
- **Interest**
  - **Engage** their minds
  - Be accurate and factual, and focussed on the **beneficial** outcomes.
  - Seek **feedback**
  - **Consistency** is crucial

AIDA (cont'd)

- **Desire**
  - Marks the **transition** from "I understand" through "I like" to "I want"!
  - Focused on **reinforcing** messages about the benefits
  - Invite **contribution** to the change process.
- **Action**
  - Move from a cognitive understanding to practical **action**
  - Provide **opportunities** for people to get involved

11. Sustain Change

Encourage <u>commitment</u> to a new future:

- Give people a purpose, and a part to play
- Lead by example
- Celebrate early successes to encourage and reassure people
- Celebrate key milestones in the change journey – especially the end!

Adoption (from Kelman)

Level	Management Expectation	Length of Commitment	Level of Initiative Required	Reinforced by	Level of Commitment Required
Compliance	'I need them to do what they're told to do'	Short-term	Low	Rewards and penalties	Accept
Identification	'I need them to understand why they need to do this and the consequences of not changing'	Medium-term	Medium	A sense of meaning	Willing participation
Internalization	'I need them to be able to make decisions about what, why, when and how things are done'	Long-term	High	Alignment to values	Commitment to the vision

SUMMARY

Summary

- Facts-based **preparation**
- Compelling **vision** of the future state
- Executive **leadership**
- Sustained, consistent, inspiring **communication**
- Proven change- and project-management **practices**
- Effective **support to** individuals and teams in transition

Introspection

On starting this brief, I asked you to consider a personal or professional change you want / need to make. Reflecting on what we've discussed, have you a better insight regarding:

- the meaning/importance of a change vision?
- how resistance develops and how it is internalized?
- how motivation could affect that resistance?
- the roles of change sponsor, manager, agent?

Because (some) People

- Are not ready for change
- Do not see 'what's in it for me'
- Are subject to transition anxiety
- Are tired of change
- Lived through the last x-teen failed changes
- Deserve to be supported and coached through transition
- Will backslide if you let them

Managing for Success

- Change (and project) management **practices** which are aligned and managed, and matched to the size and structure of the organization
- Individuals and teams who are **supported** through the change by good leadership, appropriate training and great facilitation
- Application of **best practices** across the organization, supported by effective information gathering, relevant case studies and application of lessons learned from past change initiatives.

So, What Should I Do … ?

- Articulate a clear and attractive **vision** for the change
- Engage your managers
- Model the change you want from others
- Confront the nay-sayers
- Coach, mentor, support
- Provide the resources for success

Bottom Line? Align everyone's individual transition with the intended change, where they work and in the organization overall.

If You Still Aren't a Believer …

Effective change management brings a **6-fold increase** in the likelihood that your project will:

- Meet objectives
- Finish on time, and
- Finish within budget

AND

Correlation between change management effectiveness and meeting project objectives
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Percent of respondents that met or exceeded project objectives

16% — Poor (n = 244)
46% — Fair (n = 653)
77% — Good (n = 834)
96% — Excellent (n = 165)

Overall effectiveness of change management program

Effective change management improves:

- Adoption speed
- Utilization rate
- Employee proficiency

Integrated Delivery
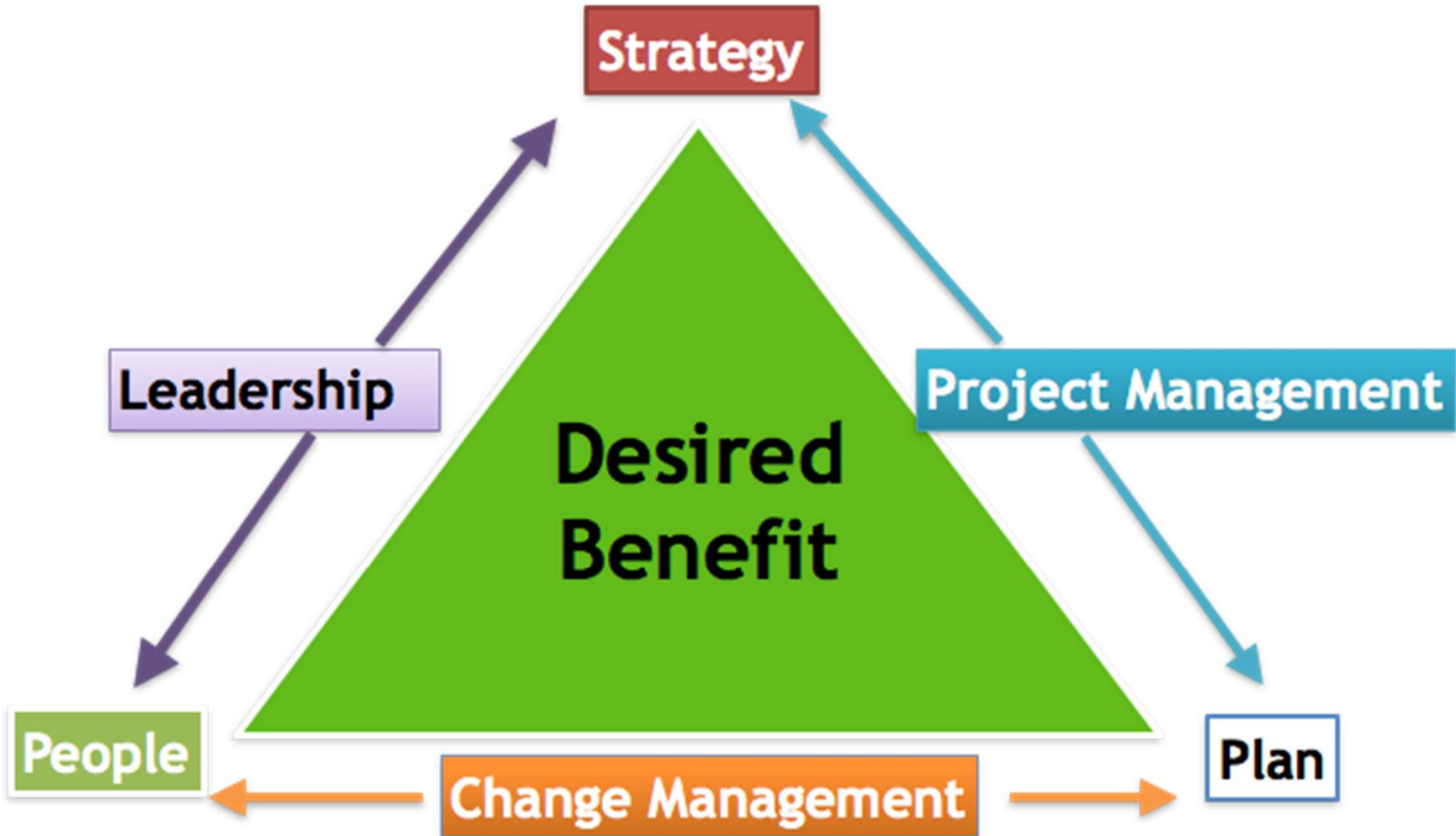
Wrap Up & Q&A

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