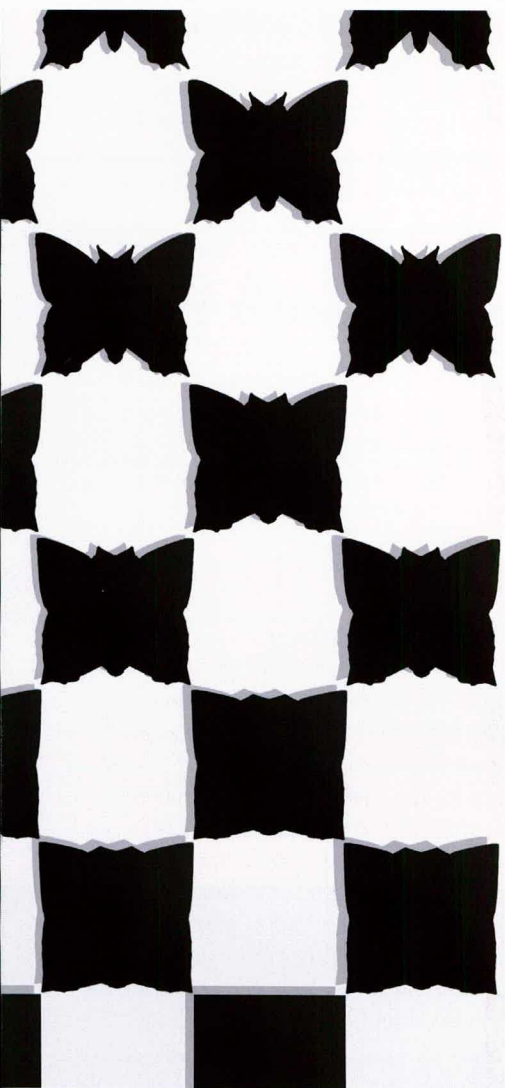**Steve Macaulay**, **Sarah Cook** and **Richard Smith**
reflect on best practice in change management

SFORMATION TRENDS

In the face of a rapidly developing and sometimes turbulent environment, more and more organisations are recognising that major transformation is needed, however tough the challenge. As a result, change management has become a core organisational discipline, and a critical skill for leaders.

The last few years have seen a growing maturity of understanding how to turn an organisation around and reshape it. Such transformation often needs to be achieved quickly, as at the same time many organisations are under great pressure to deliver better results; this forces the pace yet puts even more pressure on change leaders.

Tools to analyse the changing environment

The first step in effectively managing change is gaining deep insight into the key change drivers affecting your business environment. Such drivers might include Brexit, disruptive technological change, or rapid shifts in markets and consumer preferences.

Organisations today need to be responsive and adaptive to the all-important customer. In an increasingly service-aware, cost-conscious and competitive age, understanding and responding to the changing needs of customers must take a high priority. We have written before in *TJ* about tools to help understand this change context.[1] Analytical tools include:

▸ **PESTLE**, to survey the political, economic, social, technological, legal and environmental factors.
▸ **Force field analysis** to chart the forces (positive and negative) and their impact.
▸ **SWOT**, to understand the internal strengths and weaknesses, and external opportunities and threats. →

These tools help organisations to assess the strategic pressures, and to weigh up how best to respond.

Organisational agility

Traditional approaches to change management focus on defining an 'end state' and planning how to engage stakeholders to achieve and embed it. This is based on Kurt Lewin's Unfreeze – Change – Refreeze paradigm, and is appropriate for straightforward, mechanistic changes.

However, organisational change is often complex, making it hard to define a clear 'end state' to refreeze. Also, in fast-evolving situations, the precise desired end state may change during the transformation process – it's like trying to hit a moving target!

As a result, change management has learnt from colleagues in project and programme management to apply more 'agile' approaches.

These move away from one centralised masterplan, set out from the beginning and having a defined end point. Instead, an overall direction is agreed and explicit change plans are developed for the first few weeks or months, with change planned in components or tranches. As progress is made, further change plans are developed to maintain progress in the desired direction.

In this way it is possible both to maintain engagement with near-term plans and to keep overall direction under review.

Importantly, the change team is able continuously to re-evaluate the key elements of change which deliver the greatest organisational value.

They can choose to reprioritise work as necessary to achieve key deadlines and deliver maximum benefit.

The skills of leading change

Leading change effectively requires a wide-ranging approach and specific skills and capabilities. What is required is a blend of what are traditionally seen as 'hard' and 'soft' skills. Hard skills include developing strategy, project management, planning and evaluating. Soft skills include, for example:

- Communication skills (including active listening) to build and maintain trust, confidence and morale.
- Giving feedback and providing development and coaching.
- Strategies and skills of stakeholder politics and influence.
- Building resilience, dealing with stress and fear of the unknown as a response to change.
- Recognising how feelings and attitudes change over time.
- The skills of recognising and addressing resistance.

Research by one of the authors[2] has concluded that a wide range of skills is needed, varying at different stages in the change process. A skilful and strategic approach must embrace all aspects of change, from initiation through to implementation.

Based on our analysis of companies undergoing long-term change, the top skill areas involved are:

- Leadership skills.
- Political and stakeholder skills.
- Managerial and implementation skills.
- Developing skills and commitment.

Leadership skills

Effective leadership of change is founded on effective leadership through every sphere of life. As leaders are a catalyst and role model for change, self-awareness is an important first step in creating the right environment.

Maintaining trust is an essential leadership skill which is particularly critical in times of change. Less-than-wholehearted commitment to new directions quickly destroys trust, and unless the cynical and apathetic are genuinely won over,
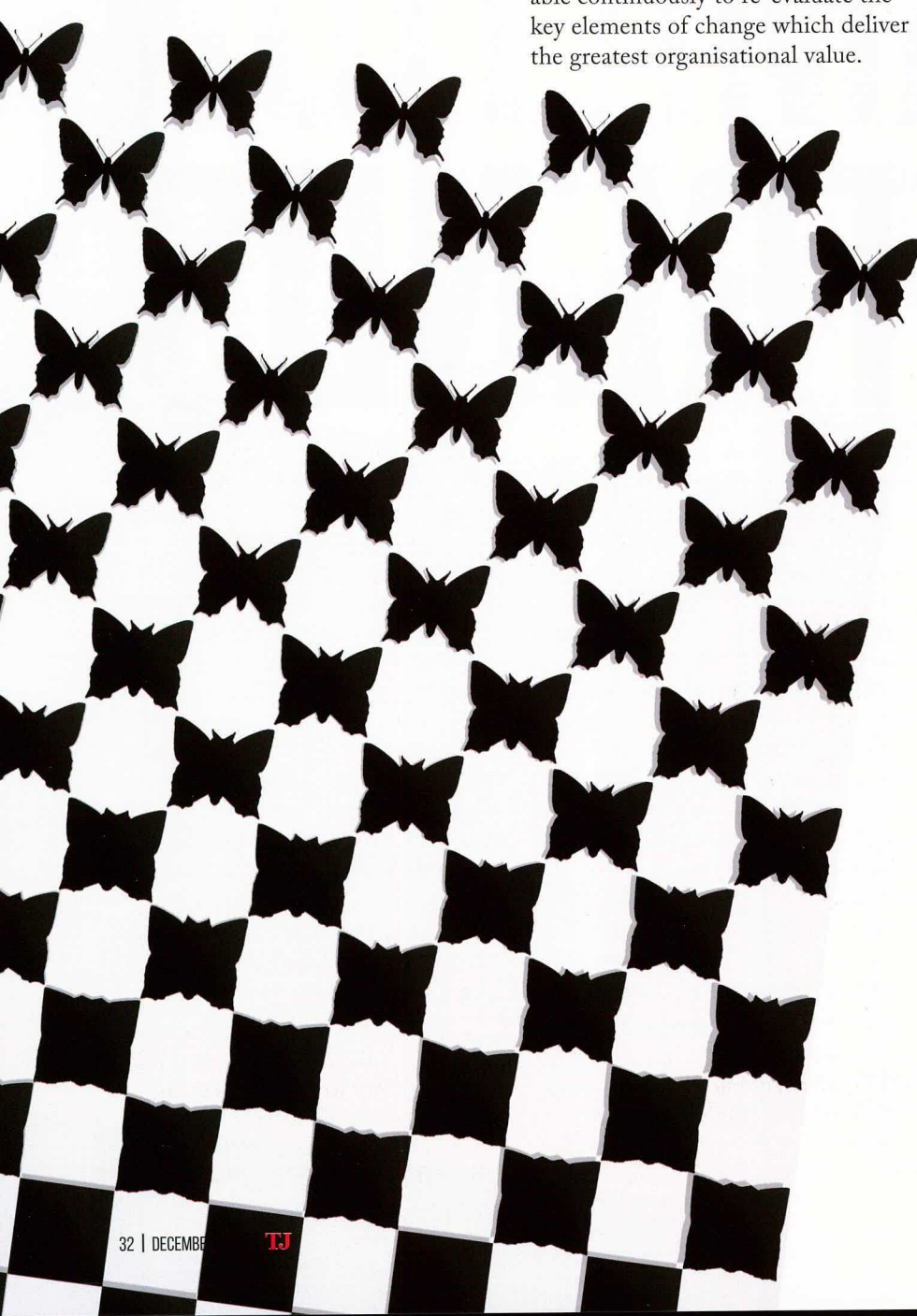
the chances of long-term success are limited. It is the actions, not words, of change leaders that count.

Political and stakeholder skills

Change leadership involves attention to the political 'temperature' of a change initiative, including careful stakeholder management and applying influence to encourage support and deal with resistance. This means careful identification of all stakeholders, assessing the impact of change, and evaluating their communication and engagement needs.

Stakeholder engagement is not a one-off activity early in a change; it must be a continuous activity throughout, or disaffected and resistant individuals and groups may start to dominate.

Managerial and implementation skills

However solid the plan, implementation is where lasting change takes root. It involves personal discipline and example, and facilitating others to put change into practice. It also involves mastery of setting out and managing a sequence of activities. It requires robust project management, using more traditional or 'agile' approaches as appropriate. All managers should be actively involved in this key activity. Middle managers and key worker specialists play an important role in supporting the introduction of new ways of working in their local environments. They will need support to change themselves, as well as applying coaching skills to change others.

Developing skills and commitment

Change programmes are most successful when a strong, shared sense of commitment and urgency to deliver real and lasting change has been developed. This means that new skills are required, not just to deal with specific areas, but also to enhance confidence to try out new ways.

How can this be achieved?
- ▶ Development and 'open space' sessions, aimed at bringing out issues and developing change leaders.
- ▶ Change management programme events, to raise competency levels in key areas and build support networks.

- ▶ Wider development for all those involved, not just selected groups, to raise awareness and promote discussion.
- ▶ Inserting change management as a key theme into existing corporate development programmes to further the change agenda.
- ▶ Mentoring and coaching key people to strengthen implementation and work through personal and local blocks and barriers.

Few successful interventions are 'off the shelf'; the majority tackle the key issues facing the organisation in a structured way, identifying the key competencies needed to address them.

Use of tools and approaches to change

The last decade has seen a spread of tools and approaches to change which many organisations find offer them valuable assistance in managing and facilitating change. Many provide a philosophy, as well as a template, framework or check list for approaching change.

The best-known is probably Kotter's eight-step process for leading change,[3] which offers a strong guide to the major pitfalls in strategic organisation transformations, together with guidance on how to avoid them. Many of Kotter's observations apply equally to smaller, more tactical, changes. Subsequent work by Kotter[4] describes an approach to using a network of semi-autonomous teams to keep an organisation 'change ready'.

Balogun and Hope Hailey's Change Kaleidoscope[5] offers a helpful framework of options for approaching and implementing strategic change. Prosci's ADKAR[6] offers a high-level methodology for managing the change process, especially the human side of change (similar to the marketing 'AIDA' framework). Six Sigma and Lean approaches may drive changes, but also offer philosophies and useful toolsets.[7]

All these approaches have value. It is important that everyone in the organisation has a common way of understanding how change works for them, and that they apply common principles to every part of the organisation.

Organisational examples of successful change initiatives

The EFMD, Management Development Network, 2016 Gold Award winning organisations[8] exemplify the trends we have described here. The winners feature a spread of organisations and a range of chosen methods, but the single-minded focus on change is a critical common theme.

Professor Eric Cornuel, CEO and Director General, EFMD, commented: "This year's winners clearly show that L&D must be closely linked to organisational strategy, involve a partnership model in design and execution, measure and show impact, and have a strong focus on the personal growth, values and behaviours of individuals taking part."

Examples of successful change include, in the leadership culture

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Change leadership involves attention to the political 'temperature' of a change initiative

change category, NHS Leadership Academy & Alliance Manchester Business School whose programme: "'Changing the Leadership Culture in the English National Health Service: Building Care and Compassion into the Leadership DNA" included a blended learning experience, combining online and experiential learning. This included a bespoke virtual campus and interactive case studies based on real patient scenarios, to create a learning environment that directly addressed fundamental NHS leadership challenges.

The *TJ* Awards 2015 Change Management winner, Q5 Partners and News UK, is another example of an organisational transformation which is impressive in scope and significance. The complex transformation process was sustained across multiple organisations and over three years. It included fundamental changes to both technology and work processes, and the need to engage in excess of 2,000 stakeholders – all while maintaining a consistent daily output of news.   →

This initiative was well defined in terms of technological, procedural and cultural (working practices) changes. Vision, operating model and skills requirements were all clearly identified. The focus on 'ways of working' was established as the key change lever. The process was collaborative, and gave credible, effective outcomes.

The team engaged the editors (CEO/COO-level) of three different titles, *The Times*, *The Sunday Times* and *The Sun*, supporting and resourcing them to provide visible leadership and advocacy for the transformation. Despite editorial changes, these key roles remained front and centre in communications, providing clear sponsorship for their respective titles.

This success is validated by the way three very different brands all signed up to a standard way of working across all newsroom disciplines.

> **Change programmes are most successful when a shared sense of commitment has been developed**

Conclusion

Turning around ingrained practices and routines, breaking down, reforming and reshaping the organisation presents undoubted difficulties. In every initiative we have seen, change has proven complex and this means easily transferable success factors need to be set in context.
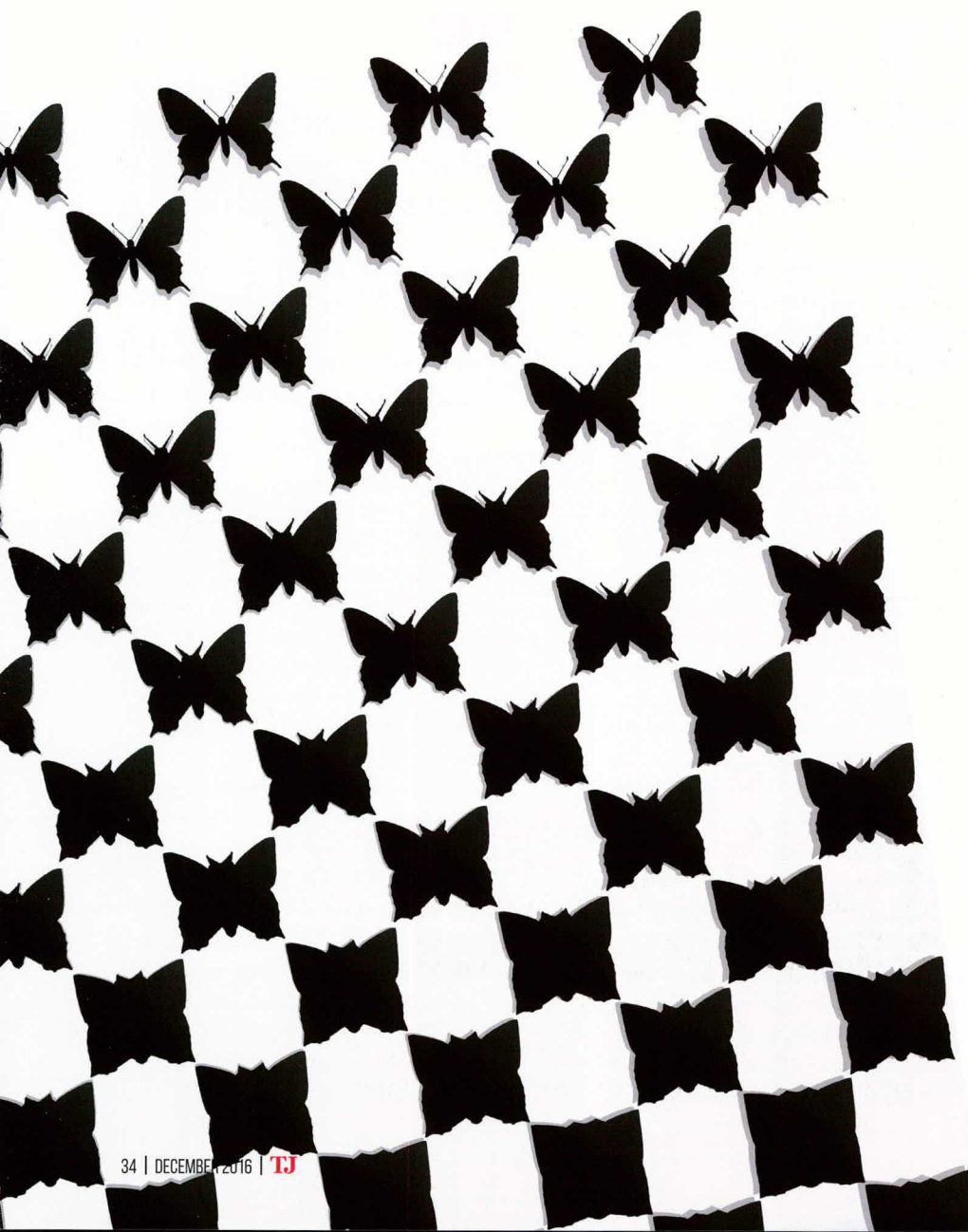
However, some pointers aid understanding of what it takes to set up and forge a transformative culture:

- Start by closely analysing the major strategic issues facing the organisation and recognise the undoubted challenges.
- Partner with external specialists if you judge internal resources can benefit from enhancement.
- Jointly tailor suitable approaches.
- Evaluate how new approaches fit well with your existing culture, but don't shy away from innovative methods.
- Put in the necessary resources and support and encourage senior backing.
- Measure progress and adjust accordingly.
- Communicate change and listen to feedback.
- Recognise the importance of leadership and support and strengthen its contribution. **TJ**

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