

2022/23 Semester 1

IS3103 Information Systems Leadership and Communication

Lecture 6

Leading Organizational Change and Stakeholder Management

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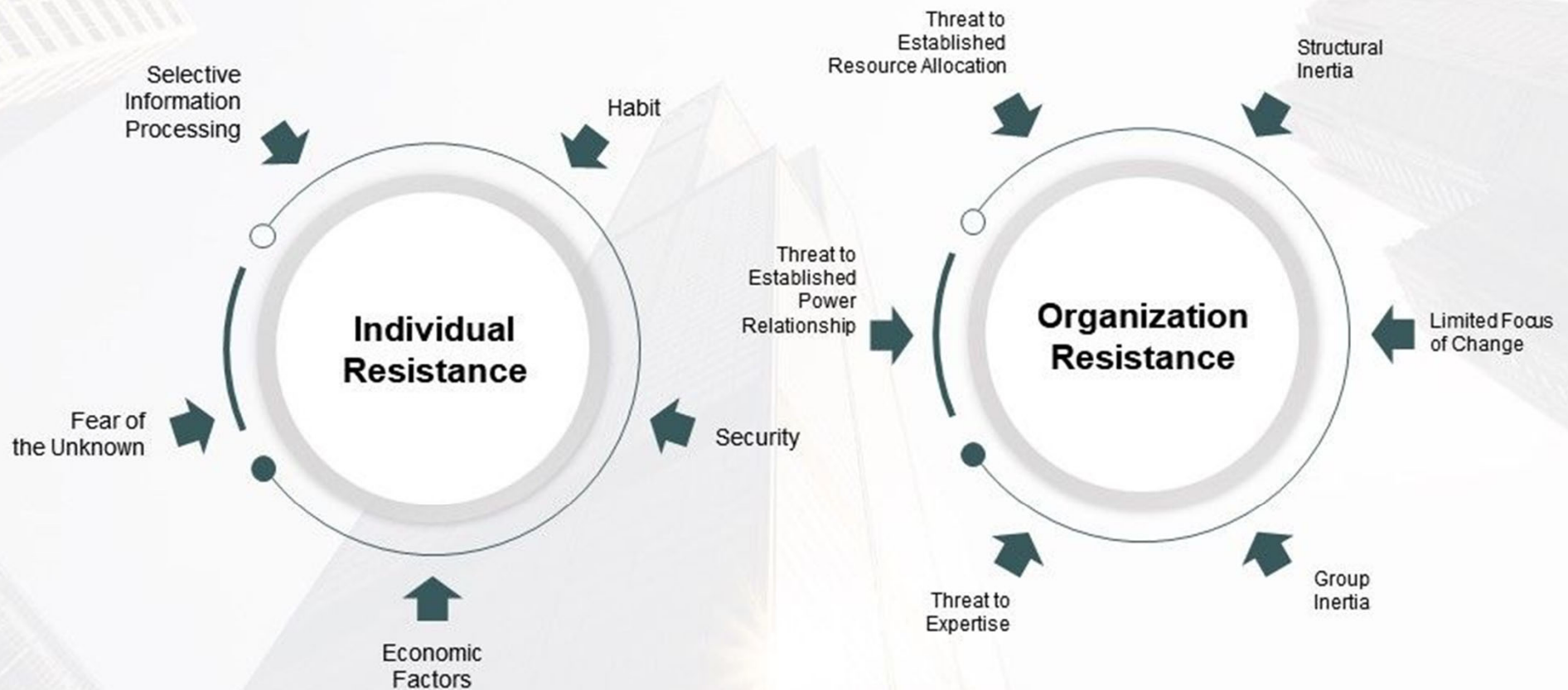
Organizational Change

- ▶ A change agent facilitates, implements, champions and manages change
- ▶ Can be internal or external to the organization
 - ▶ External agent
 - ▶ Can offer an objective perspective
 - ▶ Usually have an inadequate understanding of the organization's history, culture, operating procedures, and personnel
 - ▶ Don't have to live with the repercussions after the change is implemented
 - ▶ Internal agent
 - ▶ Have to live with the consequences of their actions
 - ▶ May be more thoughtful
 - ▶ May be more cautious

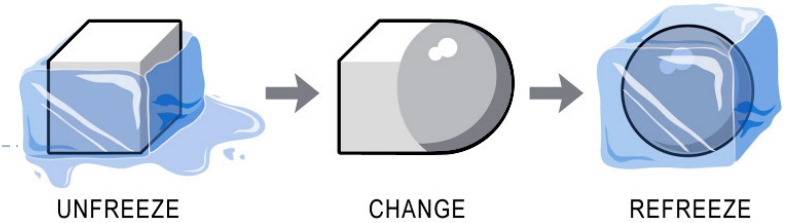


Sources of Organizational and Individual Resistance to Change Management

For Project



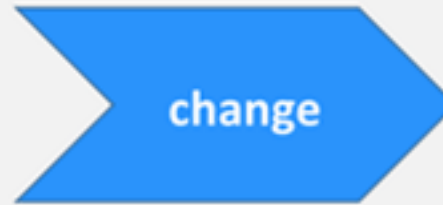
Lewin's Change Model



Lewin's Three Stage Change Process – Practical Steps



- Determines what needs to change
- Ensure there is strong support from management
- Create the need for change
- Manage and understand the doubts and concerns



- Communicate often
- Dispel rumors
- Empower action
- Involve people in the process



- Anchor the changes into the culture
- Develop ways to sustain the change
- Provide support and training
- Celebrate successes

Lewin's Change Model

▶ **Unfreezing**

- ▶ Focus is to create the motivation to change
- ▶ Begin by disconfirming the usefulness or appropriateness of employees' present behaviors or attitudes
- ▶ Arouse dissatisfaction with the current state
- ▶ Activate and strengthen top management support
- ▶ Use participation in decision making
- ▶ Build in rewards
- ▶ *Benchmarking*
 - ▶ process by which a company compares its performance with that of high-performing companies



Lewin's Change Model

▶ **Changing**

- ▶ Organizational change can be aimed at improvement or growth, or it can focus on solving a problem such as poor customer service or low productivity
- ▶ Can be targeted at different levels in an organization
- ▶ Establish goals
- ▶ Maintain open, two-way communication
- ▶ Institute smaller, acceptable changes that reinforce and support change
- ▶ Develop management structures for change



Lewin's Change Model

▶ **Refreezing**

- ▶ Build success experiences
 - ▶ Reward desired behavior
 - ▶ Develop structures to institutionalize the change
 - ▶ Change is stabilized by helping employees integrate the changed behavior or attitude into their normal way of doing things
 - ▶ Giving employees the chance to exhibit new behaviors, which are then reinforced
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Kotter's Eight-Step Change Management Model



Creating the Climate for Change

1. Establishing a Sense of Urgency

- ▶ Examining the market and competitive realities
- ▶ Identifying and discussing crises, potential crises, or major opportunities

2. Creating the Guiding Coalition

- ▶ Putting together a group with enough power to lead the change
- ▶ Getting the group to work together like a team

3. Developing a Vision and Strategy

- ▶ Creating a vision to help direct the change effort
- ▶ Developing strategies for achieving that vision



Engaging and Enabling the Organization

4. Communicating the Change Vision

- ▶ Using every vehicle possible to constantly communicate the new vision & strategies
- ▶ Having the guiding coalition role model the behavior expected of employees

5. Empowering Broad-Based Action

- ▶ Getting rid of obstacles
- ▶ Changing systems or structures that undermine the change vision
- ▶ Encouraging risk taking and nontraditional ideas, activities, and actions

6. Generating Short-Term Wins

- ▶ Planning for visible improvement in performance or “wins”
 - ▶ Creating those wins
 - ▶ Visibly recognizing and rewarding people who made the wins possible
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Implementing and Sustaining Change

7. Consolidating Gains and Producing More Change

- ▶ Using increased credibility to change all systems, structures, and policies that don't fit together and don't fit the transformation vision
- ▶ Hiring, promoting, and developing people who can implement the change vision
- ▶ Reinvigorating the process with new projects, themes, and change agents

8. Anchoring New Approaches in the Culture

- ▶ Creating better performance through customer and productivity-oriented behavior, more and better leadership, and more effective management
- ▶ Articulating the connections between new behaviors and organizational success
- ▶ Developing means to ensure leadership development and succession



Steps to Leading Organizational Change (Mapping of the Two Models)

Step	Description	
1. Establish a sense of urgency	Unfreeze the organization by creating a compelling reason for why change is needed.	Unfreeze
2. Create the guiding coalition	Create a cross-functional, cross-level group of people with enough power to lead the change.	
3. Develop a vision and strategy	Create a vision and strategic plan to guide the change process.	
4. Communicate the change vision	Create and implement a communication strategy that consistently communicates the new vision and strategic plan.	
5. Empower broad-based action	Eliminate barriers to change, and use target elements of change to transform the organization. Encourage risk taking and creative problem solving.	Change
6. Generate short-term wins	Plan for and create short-term “wins” or improvements. Recognize and reward people who contribute to the wins.	
7. Consolidate gains and produce more change	The guiding coalition uses credibility from short-term wins to create more change. Additional people are brought into the change process as change cascades throughout the organization. Attempts are made to reinvigorate the change process.	
8. Anchor new approaches in the culture	Reinforce the changes by highlighting connections between new behaviors and processes and organizational success. Develop methods to ensure leadership development and succession.	Refreeze

Overcoming Resistance to Change

▶ **Commitment to change**

- ▶ a *mindset* of doing whatever it takes to effectively implement change
- 1. Provide as much information as possible to employees about the change
- 2. Inform employees about the rationale for the change
- 3. Conduct meetings to address employee's concerns
- 4. Provide employees the opportunity to discuss how the proposed change might affect them



Overcoming Resistance to Change

1. Education and communication
 - ▶ This tactic assumes that the source of resistance lies in misinformation or poor communication.
 - ▶ Best used: Lack of information, or inaccurate information
2. Participation and involvement
 - ▶ Prior to making a change, those opposed can be brought into the decision process.
 - ▶ Best used: Where initiators lack information, and others have power to resist
3. Facilitation and support
 - ▶ The provision of various efforts to facilitate adjustment.
 - ▶ Best used: Where people resist because of adjustment problems



Overcoming Resistance to Change

4. Negotiation and agreement
 - ▶ Exchange something of value for a lessening of resistance.
 - ▶ Best used: Where one group will lose, and has considerable power to resist
5. Manipulation and co-optation
 - ▶ “Twisting” and “distorting” facts to make them appear more attractive.
 - ▶ Co-opt the leaders of a resistance group by giving them a key role in the change decision
 - ▶ Best used: Where other tactics won’t work or are too expensive
6. Explicit and implicit coercion
 - ▶ The application of direct threats or force upon resisters.
 - ▶ Best used: Speed is essential, and initiators have power

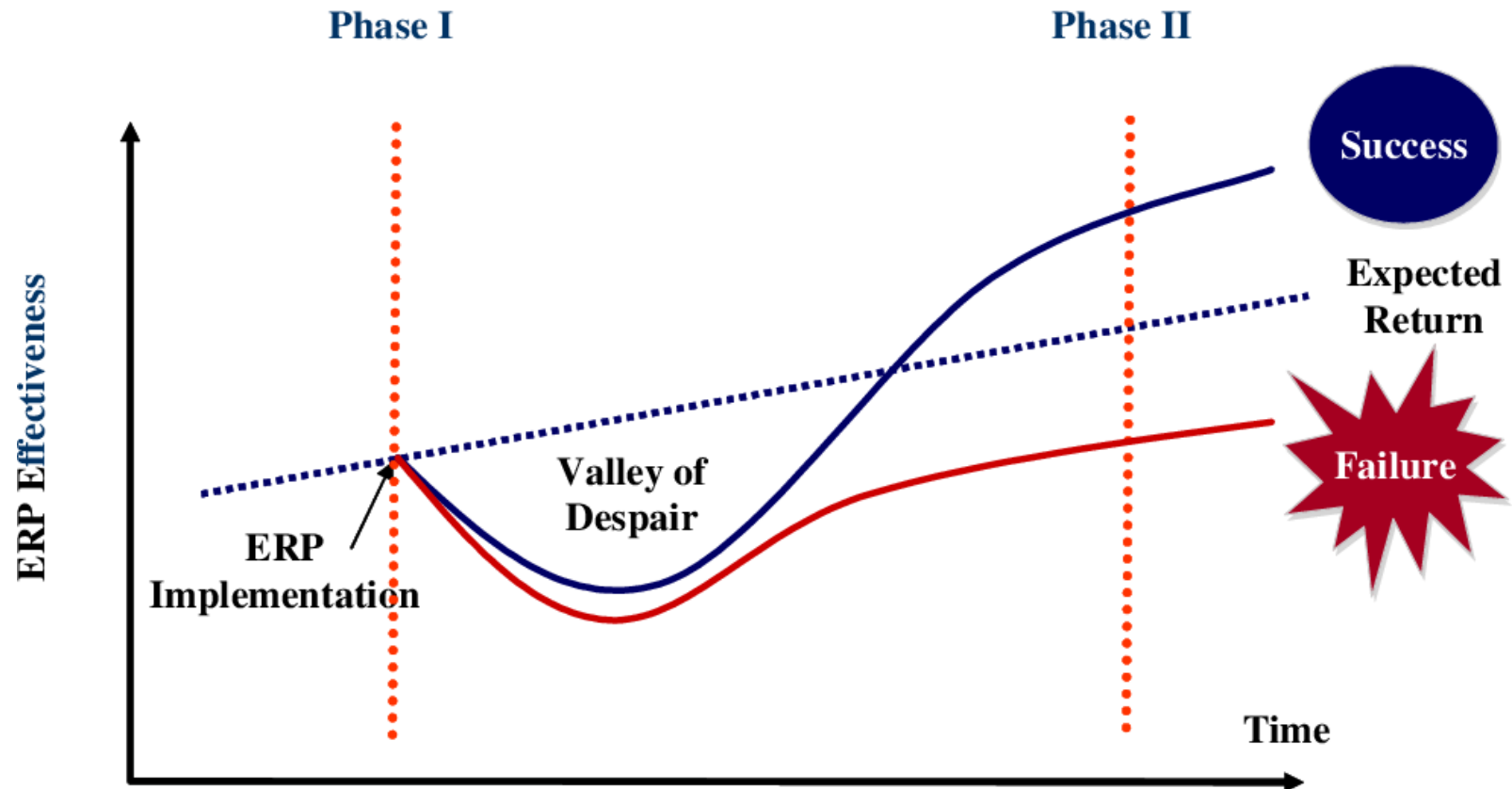


Six Strategies for Overcoming Resistance to Change

For
Project

Approach	Commonly Used in Situations	Advantages	Drawbacks
Education + Communication	Where there is a lack of information or inaccurate information and analysis.	Once persuaded, people will often help with the implementation of the change.	Can be very time consuming if lots of people are involved.
Participation + Involvement	Where the initiators do not have all the information they need to design the change and where others have considerable power to resist.	People who participate will be committed to implementing change, and any relevant information they have will be integrated into the change plan.	Can be very time consuming if participators design an inappropriate change.
Facilitation + Support	Where people are resisting because of adjustment problems.	No other approach works as well with adjustment problems.	Can be time consuming, expensive, and still fail.
Negotiation + Agreement	Where someone or some group will clearly lose out in a change and where that group has considerable power to resist.	Sometimes it is a relatively easy way to avoid major resistance.	Can be too expensive in many cases if it alerts others to negotiate for compliance.
Manipulation + Co-optation	Where other tactics will not work or are too expensive.	It can be a relatively quick and inexpensive solution to resistance problems.	Can lead to future problems if people feel manipulated.
Explicit + Implicit coercion	Where speed is essential and where the change initiators possess considerable power.	It is speedy and can overcome any kind of resistance.	Can be risky if it leaves people angry at the initiators.

Research on IS Implementation Failure ("IT Productivity Paradox")



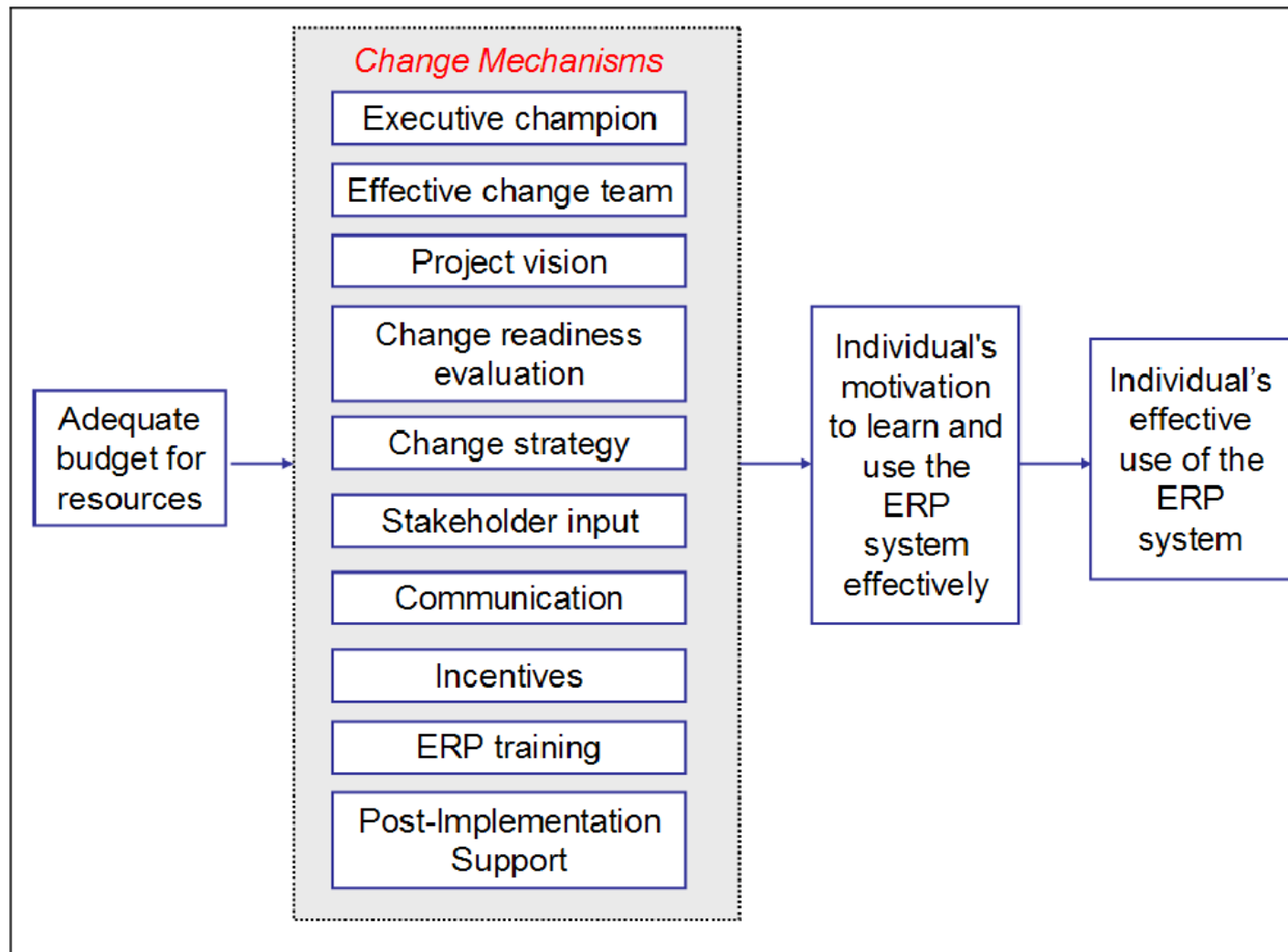


Figure 1: A Change-Management Model for the Implementation and Upgrade of ERP Systems

The Best Change Management Software List

Here's a list of change management tools designed to support technological, systemic, or personnel change:

1

Howspace

[Howspace](#)

Best change management tool with AI capabilities

2

 wrike

[Wrike](#)

Best for team collaboration solutions

3



[Engage Your Team](#)

Best change management tool for HR management

4



[ESM Software](#)

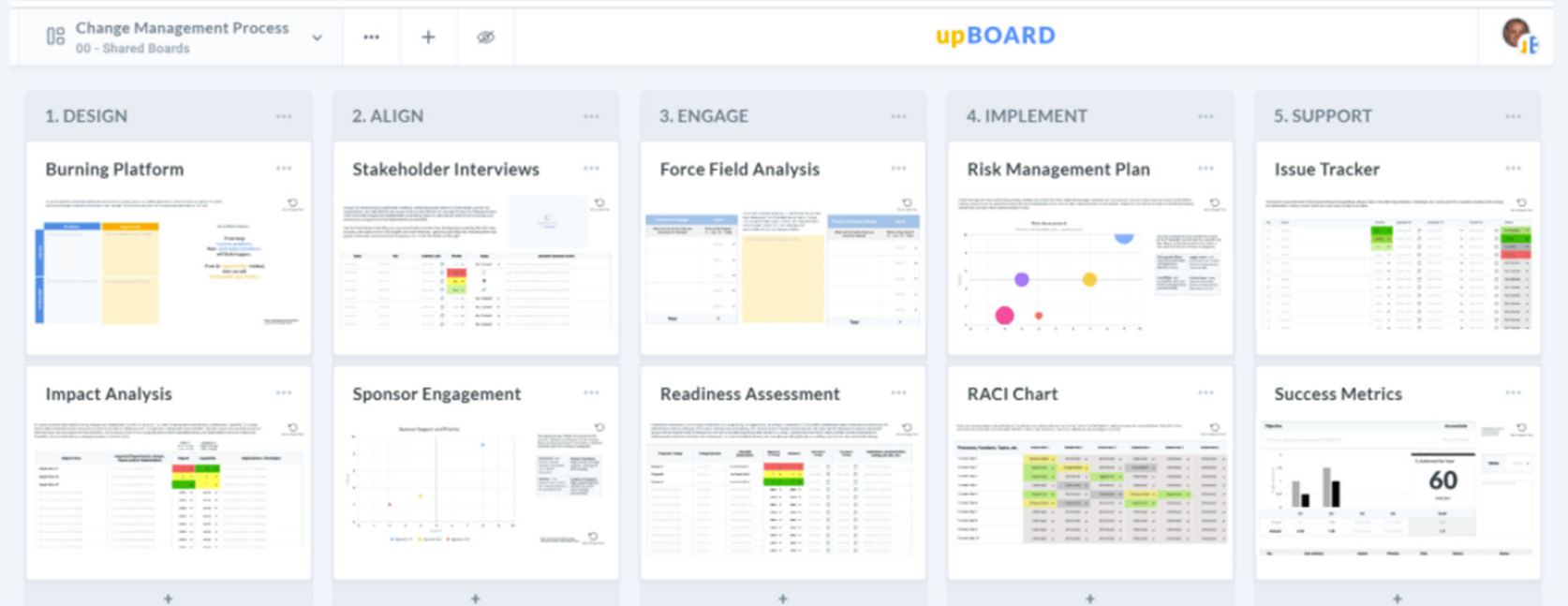
Best change management software for nonprofits (special pricing)

5



[The Change Compass](#)

Best change management tool for large companies and enterprises



RACI for Change Management

Activity	Change Manager	Change Owner	Technical Representative	CAB	Customer
Raise change and gather requirements	I	AR	R	I	R
Classification /prioritization of change	I	AR	R	R	CI
Review of Change	AR	R		R	RCI
Approve a change	AR	CI		R	R
Design, build and configure Release	AC	R	R	CI	I
Release acceptance and testing	AC	R	R	CI	I
Communication, training and deployment	AR	R	R	CI	I
Post Implementation Review	AR	R	R	R	I
Roll back	A	R	R	CI	I

Responsible (R) - Those who do work to achieve the activity.
Accountable (A) - The resource ultimately accountable for the completion of the task.
Consulted (C) - Those whose opinions are sought. Two-way communication.
Informed (I) - Need to be informed about the activity.

IS3103 cultivates your **Digital Mindset**

- ▶and as a leader, how to promote your followers' digital mindset
- ▶ *Digital mindset* is a set of attitudes and behaviors that enable people and organizations to see how data, algorithms, and AI open up new possibilities and to chart a path for success in a business landscape increasingly dominated by data-intensive and intelligent technologies.

(Neely and Leonardi 2022)

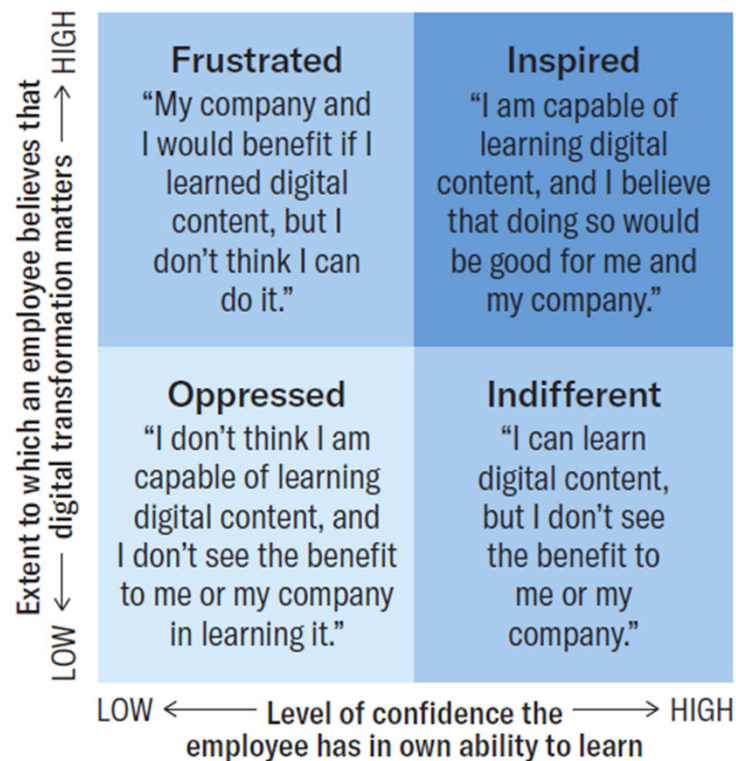


Digital Mindset for adopting digital transformation

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The Adoption Matrix

Digital transformation sparks a range of responses in employees.



- ▶ Companies do best when they focus on two critical areas:
 - ▶ preparing people for a new digital organizational culture and
 - ▶ designing and aligning systems and processes

Accelerating Digital Transformation Adoption

- ▶ When implementing radical change, managers must carefully weigh these two key dimensions
 - ▶ buy-in (the degree to which people believe that the change will produce benefits for them and the organization) and
 - ▶ capacity to learn (the extent to which people are confident that they can gain sufficient literacy to pass muster).
- ▶ The highest levels of adoption occur when employees are motivated to develop competence because they fully buy into the transformation strategy and feel capable of helping make it a reality
- ▶ Managers should assess which quadrant each of their team members falls into and then work to move individuals from one to another as needed



Accelerating Digital Transformation Adoption

- ▶ **Promoting buy-in.** To help engage people who don't see the value in gaining digital competencies (those in the bottom quadrants), leaders must increase messaging that stresses digital transformation as a critical frontier for the company
- ▶ They should launch an internal marketing campaign to help employees imagine the potential of a company powered by digital technology
- ▶ Managers should encourage their team members to view themselves as important contributors to the digital organization



Accelerating Digital Transformation Adoption

- ▶ **Promoting confidence.** After establishing buy-in, managers should focus on boosting the confidence of team members in the two left quadrants.
- ▶ The more experience people have with digital technologies—whether through education or employment—the more confidence they gain
- ▶ Sharing stories also helps
 - ▶ People can build confidence vicariously, by learning about the experiences of peers, managers, and others
- ▶ With encouragement and reinforcement from company leaders and direct managers, employees can begin to believe in their own capabilities



Accelerating Digital Transformation Adoption

- ▶ Leaders should identify influencers in their ranks who have a digital mindset and recruit them to champion the transformation and become role models for those who are reluctant
- ▶ Influencers can also be very helpful in identifying areas of concern among employees and ideas for improvements
 - ▶ They are likely to understand what kind of messaging will resonate with employees
- ▶ Holding training sessions about the digital transformation and communicating new targets is also important.



Aligning Digital Systems

- ▶ It is critical that organizational leaders understand how employees will deploy digital tools so that they can build technology ecosystems and processes that foster a digital mindset and accelerate digital transformation



Change Leadership and Stakeholder Engagement

- ▶ Building change leadership within the organization before and during the implementation as well as sustaining it in a post-go live environment requires identification of stakeholders and engaging them appropriately throughout the change process
 - ▶ “Stakeholder Engagement” enables:
 - ▶ understanding of the need for information and involvement within and outside the organization;
 - ▶ ensuring the right people receive the right information, at the right time, in the right way;
 - ▶ ensuring the right people participate at the right time, in the right way;
 - ▶ proactively managing the pace and amount of change that each stakeholder group must undergo to avoid “change overload”
-

Stakeholder Analysis

- ▶ A technique to identify and assess the importance of key people, groups of people, or institutions that may significantly influence the success of an activity or project
- ▶ a **stakeholder** is any (internal or external) individual, community, group, or organization with an interest in the outcome of a program, or a project, either as a result of ***being affected*** by it positively or negatively, or by ***being able to influence*** the activity in a positive or negative way



Stakeholder analysis

When should you identify stakeholders?

- ▶ In general, stakeholders and their interests should be identified and involved/addressed as early in the process of the development of the effort as possible

How do you identify and analyze stakeholders and their interests?

Identify stakeholders by:

- ▶ Organizational chart (internal stakeholders)
- ▶ Brainstorming
- ▶ Consulting with organizations that either are or have been involved in similar efforts, or that work with the population or in the area of concern
- ▶ Getting more ideas from stakeholders as you identify them



Steps for Stakeholder Analysis

- ▶ Identification of all stakeholders involved
 - ▶ stakeholders which may be affected by the problem or the project are identified
- ▶ Categorization of the stakeholders
 - ▶ all relevant stakeholders are categorized according to criteria relevant for the specific project (active, beneficiaries, affected, supporters, opponents)
- ▶ Detailed analysis of selected stakeholders
 - ▶ more detailed analysis of selected stakeholders (characteristics, relations, interest, power)
 - ▶ discover and try to understand stakeholder interests by asking them what's important to them

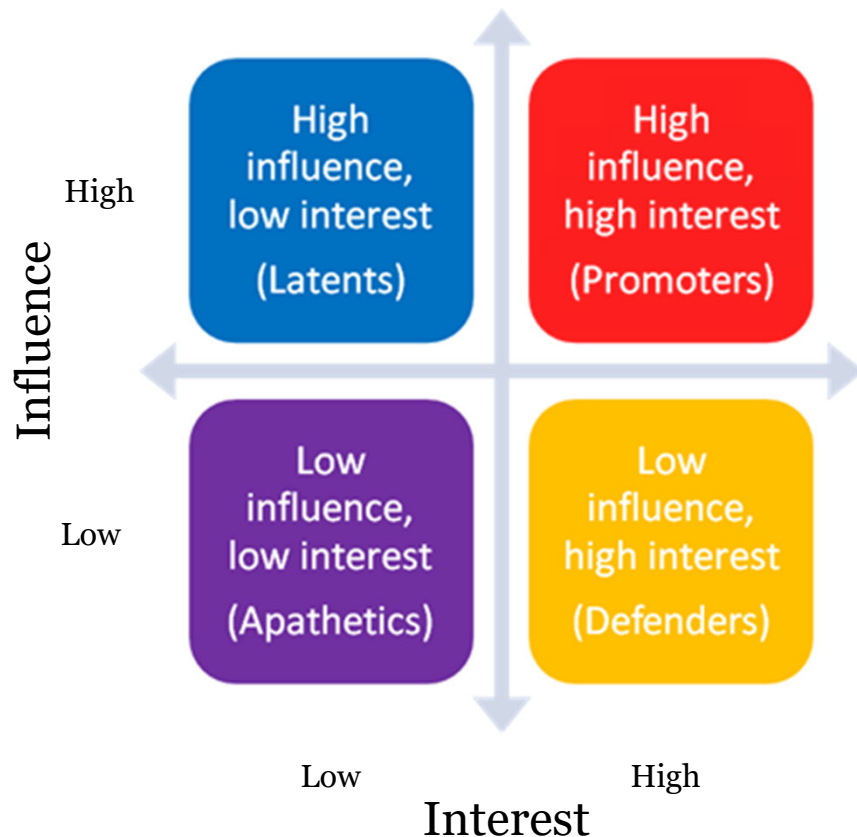


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Stakeholder Analysis Matrix

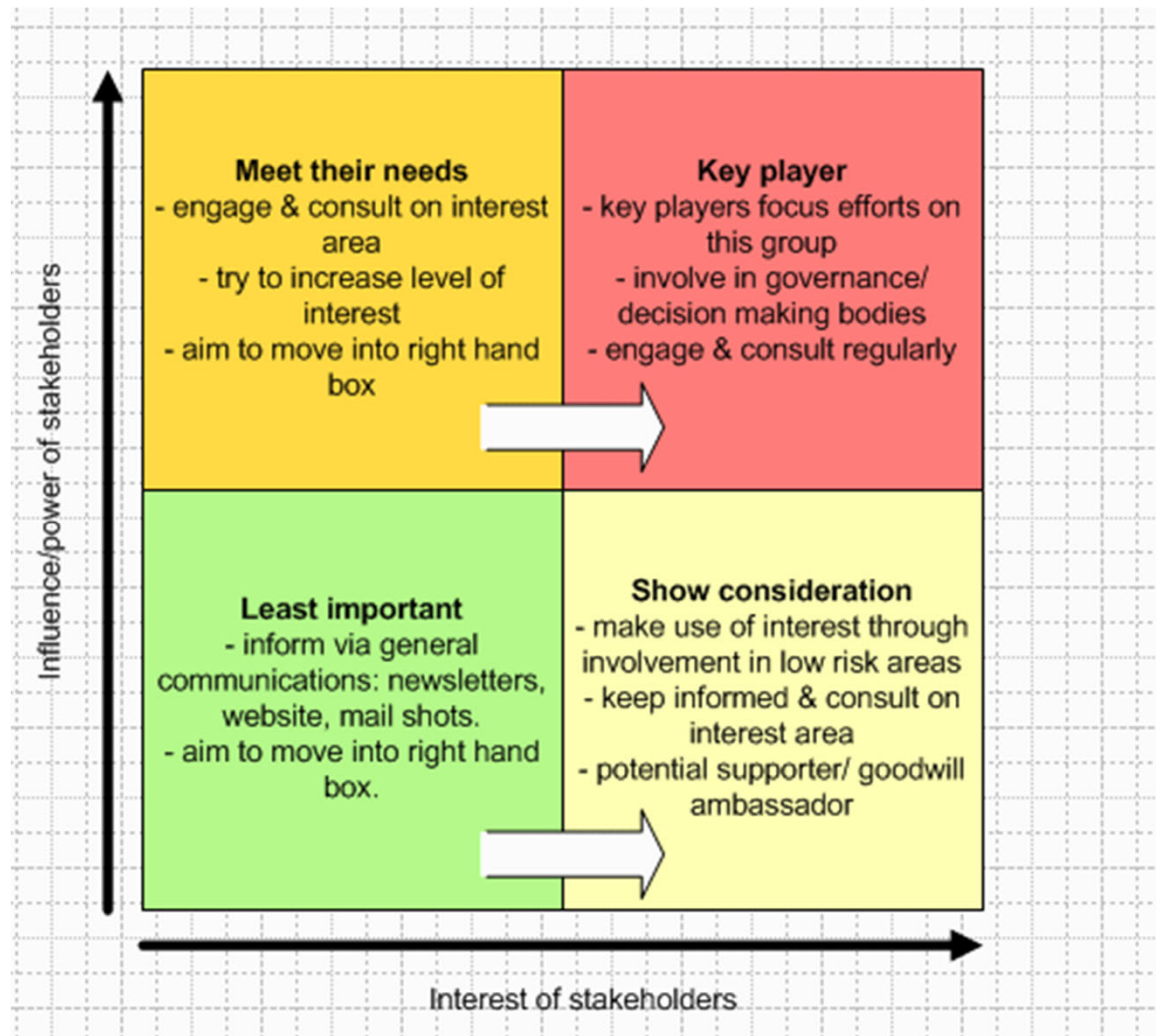
Stakeholder Name	Contact Person <i>Phone, Email, Website, Address</i>	Impact <i>How much does the project impact them? (Low, Medium, High)</i>	Influence <i>How much influence do they have over the project? (Low, Medium, High)</i>	What is important to the stakeholder?	How could the stakeholder contribute to the project?	How could the stakeholder block the project?	Strategy for engaging the stakeholder
EXAMPLE Nurses & Midwives Union	<i>Carlos Davida cdavida@nu.org 0998 765 287</i>	<i>High</i>	<i>High</i>	<i>Maintaining working conditions for nurses</i>	<i>Agree for union members to implement the new reforms</i>	<i>Going on strike</i>	<i>Monthly round-table discussions</i>
Patient Advocacy Group	<i>Viki Chan vchan@pag.org 888 587 101</i>	<i>High</i>	<i>Medium</i>	<i>Maximising quality of care for patients</i>	<i>Communicate with other stakeholders to express their support for reforms</i>	<i>Making complaints about quality of service after the reports</i>	<i>Information and feedback meetings every 6 months</i>
Sunday Times Newspaper	<i>Jane Smith jsmith@stn.com 888 587 101</i>	<i>Low</i>	<i>High</i>	<i>Getting a good story</i>	<i>Print stories that support the new reforms</i>	<i>Printing stories that oppose the new reforms</i>	<i>Quarterly press meetings</i>

Application of Stakeholder Mapping



- *Promoters* have both great interest in the effort and the power to help make it successful (or to derail it).
- *Defenders* have a vested interest and can voice their support in the community, but have little actual power to influence the effort in any way.
- *Latent* have no particular interest or involvement in the effort, but have the power to influence it greatly if they become interested.
- *Apathetic* have little interest and little power, and may not even know the effort exists.

Implications of Stakeholder Mapping



Principles for Stakeholder Management

- Provide whatever information, training, mentoring, and/or other support they need to stay involved
- Find jobs for them to do that catch their interest and use their talents
- Engage them in decision-making from its beginning
- Maintain their enthusiasm with praise, celebrations, small tokens of appreciation, and continual reminders of the effort's accomplishments
- Maintain stakeholders' and supporters' motivation, keep them informed, and continue to find meaningful work for them to do.
- In the case of those who start with little power or influence, help them learn how to gain and exercise influence by working together and developing their personal, critical thinking, and political skills
- ▶ New stakeholders may need to be brought in as time goes on.
- ▶ Although some people may cease to be actual stakeholders, they may retain an interest in the effort and you should therefore continue to include them.



Google Mini Case Discussion

1. Which plays a more important role to Google's success, creativity or innovation?
2. How does Google defines "good" failures?
3. What are the advantages and disadvantages of restricting what engineers can develop on their own? Do the advantages outweigh the disadvantages? Should Google leaders go back to the old system where engineers could pursue any idea they wanted?
4. Can Google's innovation system be easily imitated?
5. Could any of the methods for fostering creativity and innovation employed at Google be used in an organization with which you are familiar (e.g., your case project company or your internship organization)?



Key Takeaways and Reflection Points from Lecture 6

- ▶ What are the sources of organizational and individual resistance to change and how to overcome them?
- ▶ How to use the Lewin's 3-stage change model and Kotter's 8-stage change management model?
- ▶ What is the role of digital mindset in organizational digital transformation?
- ▶ Why is stakeholder management an important task of a leader?
- ▶ How to perform and use the results of a stakeholder analysis?
- ▶ What can we learn from Google's innovative culture that can be applied to more established organization?

