

IS 2106 – Business Process Management

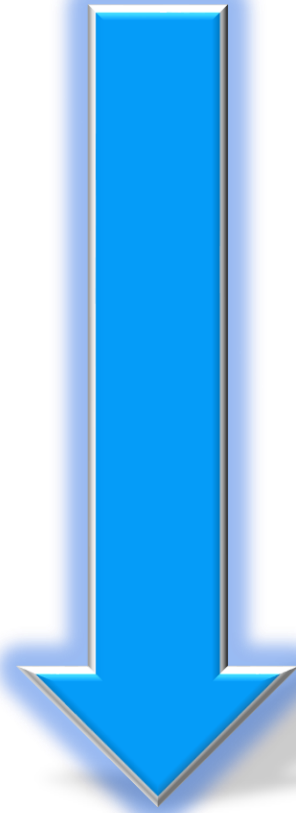


Change Management

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In Simple... Change

Any alteration of the status quo



“*To improve is to change.
To be perfect is to change often.*

-- Winston Churchill

Why Change?

It is not the strongest or the most intelligent who will survive but those who can best manage change.

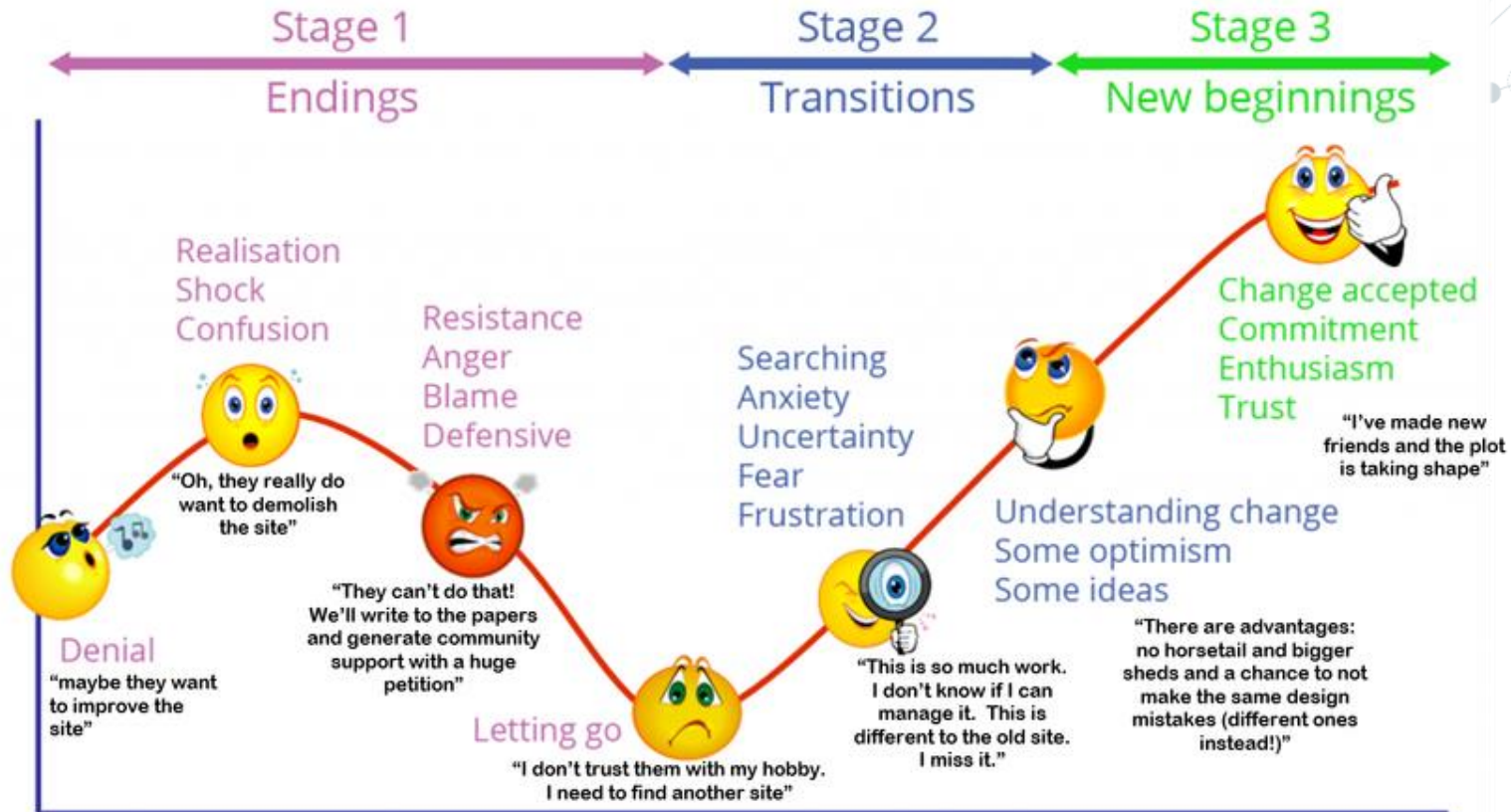
Charles Darwin

quote fancy

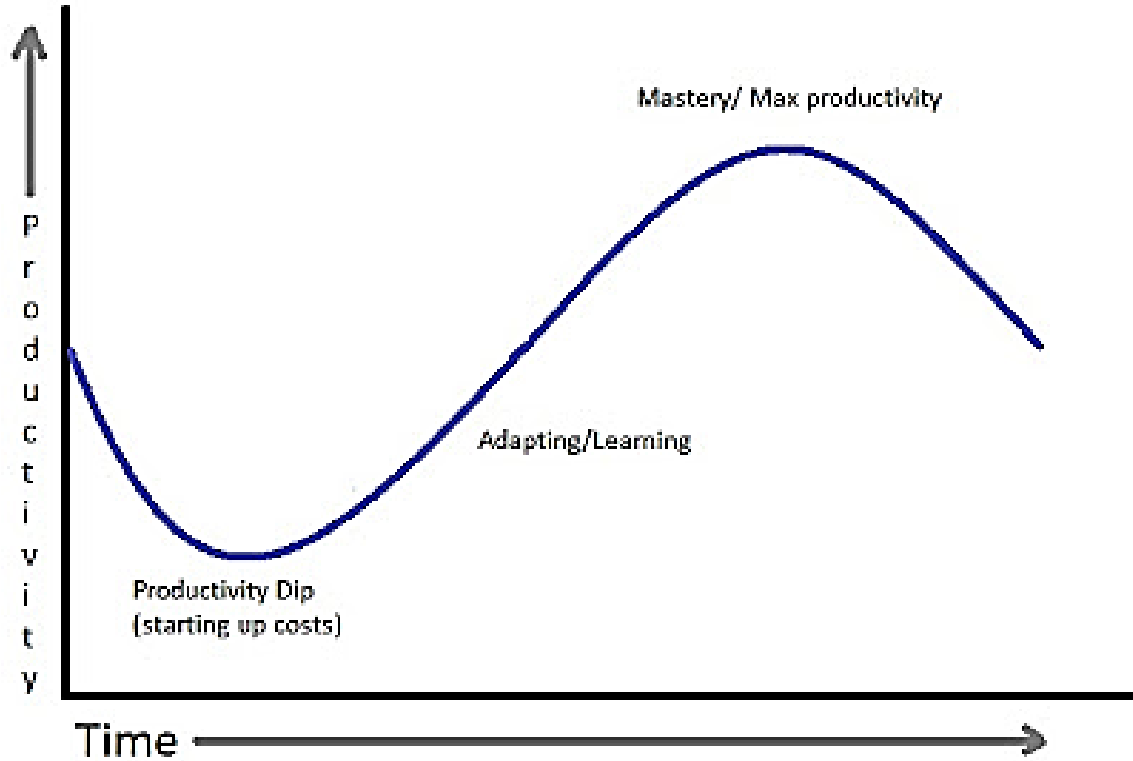
Why Change?

BPR

The Change Curve



The Productivity – Time Curve



Driving Forces for Change

Internal Force →

1. New technology
2. Changing work values
3. Creating of new knowledge
4. Product obsolescence
5. Desire for leisure and alternative work schedules

Environmental Forces →

1. Competition
2. Changes in consumer demands
3. Resource availability
4. Social and political change
5. International change

Forces Resisting Change

← Individual Resistance

1. Fear of the unknown
2. New learning
3. Disruptions of stable friendships
4. Distrust of management

← Organization Resistance

1. Threat to the power structure
2. Inertia of organizational structure
3. System relationship
4. Sunk costs and vested interests

What is Change Management?

- ◎ Change Management is a **Structured Process** and a **Set of Tools** for leading the **People Side** of the Change
- ◎ During the Change Management Process one needs to:
 - **Influence** people's beliefs & behaviors to bring about change.
 - **Manage & Lead** the change to insure business / project outcome.
 - **Enable** individual changes to bring about group change
 - **Ensure** that everyone is on board
 - Project strong & sensitive **leadership**
 - **Help** people through transition

Recognizing the Need for Change

Proactive Recognition

- Recognize need for change at earliest possible time

Reactive Recognition

- Recognizing need for change after the event

Crisis Recognition

- At distinct threats to success of the organization

Relative Cost of Change



Causes for Resistance to Change

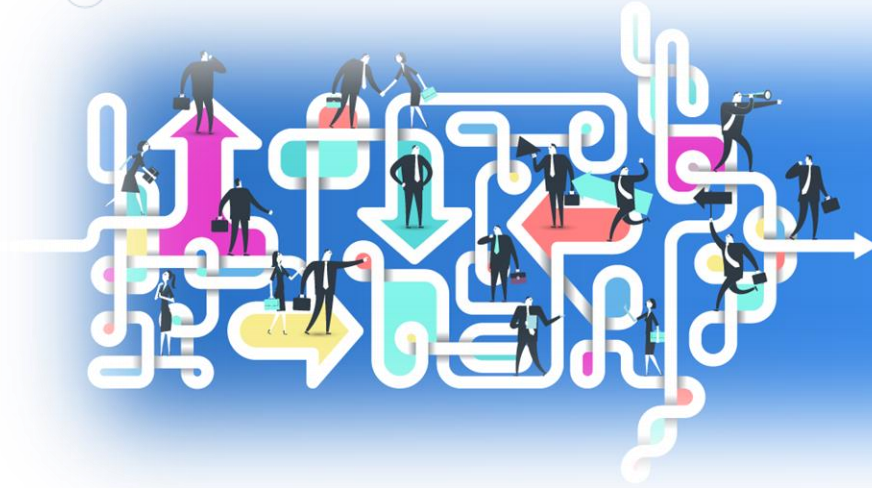
- Lack of Trust
- Perception that change is not necessary
- Perception that change is not possible
- Relatively high cost
- Fear of personal failure
- Loss of status or power
- Threats to values and ideas
- Social, cultural and organizational disagreement
- Resentment of interference

Change Management Frameworks

Managing Resistance to Change

Freeze Cycle Approach

Force Field Theory

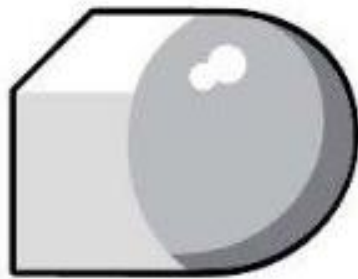


1.

Freeze Cycle Approach



■ **Unfreezing**
“Creating the
motivation to
Change”



■ **Changing**
“Learning new
ways doing
things”



■ **Refreezing**
“Making the
new ways
normal”

Unfreeze

- Ensure that employees are ready for change

Change

- Execute the intended change

Refreeze

- Ensure that the change becomes permanent

Lewin's Framework for Change

Unfreeze

To reduce forces and change existing attitudes which maintain behaviour in present form/recognising the need for change

1. Initial problem identification
2. Preparing the ground and Communication
3. Obtaining data

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Development of new attitudes or behaviour and Implementing change

3. Obtaining data
4. Problem diagnosis
5. Action planning
6. Implementation
7. Follow up and stabilisation
8. Assessment of consequences

Re-freeze

Consolidating the change at a new level and reinforcement through supporting mechanisms/policies/structure/organisational norms

8. Assessment of consequences
9. Ongoing monitoring
10. Learning from process



2.

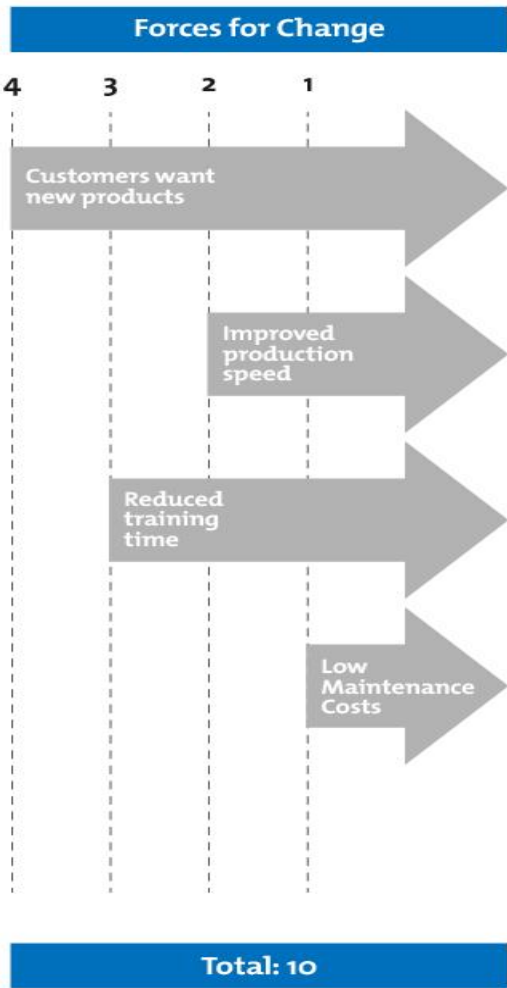
Force Field Analysis

Overcoming Resistance to Change

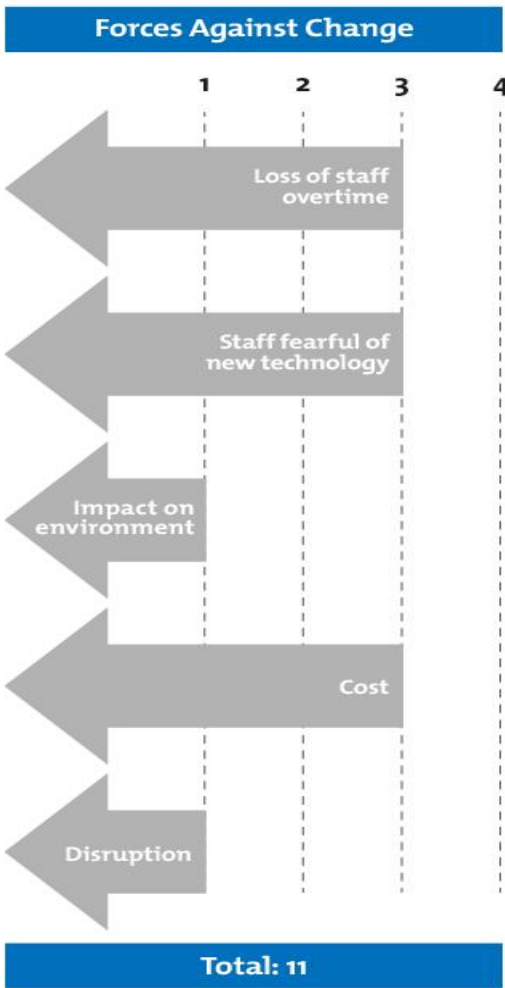
- **Force -Field Analysis (Kurt Lewin)**
- A method involving analysing the two types of forces, **Driving forces** and **Restraining forces**, that influence any proposed change, then assessing how best to overcome resistance.

Managing Resistance to Change

- Driving forces are factors pressuring for a particular change
- Restraining forces are factors pressuring against a change
- The status quo is a condition of equilibrium between the two forces
- Change occurs by increasing driving or reducing restraining forces that is reducing resistance to change



Upgrade factory with new manufacturing equipment



Why Change Efforts Fail (Kotter, 1995)

1. Allowing too much complacency
2. Failing to create a powerful guiding coalition
3. Underestimating the power of vision
4. Under communicating the vision
5. Permitting obstacles to block the vision
6. Failing to create short-term wins
7. Declaring victory too soon
8. Neglecting to anchor changes in culture

8 Steps to Successful Change



Step 1 : Create Urgency

What you can do:

- Identify potential threats, and develop scenarios showing **what could happen in the future.**
- Examine opportunities that should be, or could be, exploited
- Start honest discussions, and give dynamic and convincing reasons to get people talking and thinking.

Request support from customers, outside stakeholders and industry people to strengthen your argument.

Step 2 : Form a Powerful Coalition

What you can do:

- Identify the true leaders in your organization.
- Ask for an emotional commitment from these key people.
- Work on team building within your change coalition.
- Check your team for weak areas, and ensure that you have a good mix of people from different departments and different levels within your company.

Step 3 : Create a Vision for Change

What you can do:

- Determine the values that are central to the change.
- Develop a short summary (one or two sentences) that captures what you "see" as the future of your organization.
- Create a strategy to execute that vision.
- Ensure that your change coalition can describe the vision in five minutes or less.

Practice your "vision speech" often.

Step 4 : Communicate the Vision

What you can do:

- Talk often about your change vision.
- Openly and honestly address peoples' concerns and anxieties.
- Apply your vision to all aspects of operations -from training to performance reviews. Tie everything back to the vision.

Lead by example.

Step 5 : Remove Obstacles

What you can do:

- Identify, or hire, change leaders whose main roles are to deliver the change.
- Look at your organizational structure, job descriptions, and performance and compensation systems to ensure they're in line with your vision.
- Recognize and reward people for making change happen.
- Identify people who are resisting the change, and help them see what's needed.
- Take action to quickly remove barriers (human or otherwise).

Step 6 : Create Short Term Wins

What you can do:

- Look for sure-fire projects that you can implement without help from any strong critics of the change.
- Don't choose early targets that are expensive. You want to be able to justify the investment in each project.
- Thoroughly analyze the potential pros and cons of your targets. If you don't succeed with an early goal, it can hurt your entire change initiative.

Reward the people who help you meet the targets.

Step 7 : Build on the Change

What you can do:

- After every win, analyze what went right and what needs improving.
- Set goals to continue building on the momentum you've achieved.
- Learn about the idea of continuous improvement.
- Keep ideas fresh by bringing in new change agents and leaders for your change coalition.

Step 8 : Anchor the changes in the Corporate Culture

What you can do:

- Talk about progress every chance you get. Tell success stories about the change process, and repeat other stories that you hear.
- Include the change ideals and values when hiring and training new staff.
- Publicly recognize key members of your original change coalition, and make sure the rest of the staff -new and old - remembers their contributions.

Create plans to replace key leaders of change as they move on. This will help ensure that their legacy is not lost or forgotten.

Methods for dealing with resistance to change

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 the change initiators possess considerable power.	It is speedy and can overcome any kind of resistance.	Can be risky if it leaves people mad at the initiators.

Leadership and Change

- ◎ People change being led, not from being told
- ◎ Visionary leadership is needed
- ◎ An energized leader will focus more on the efforts of his or her employees
 - Understanding and articulating a vision of where the group is going
 - Sharing that vision
 - Creating an environment where employees feel a sense of making the vision come true (ex: setting a plan of action)
 - Creating incentives for change and rewards



All great changes are
preceded by chaos.

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**DON'T FEAR
CHANGE -
EMBRACE IT**



Thanks!

Any questions?

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(Sanduni Thrimahavithana)

