Leading Corporate Transformation

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- **Elements of Change Enablement**

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Rate of Change

"When the rate of change outside exceeds the rate of change inside, the end is in sight"
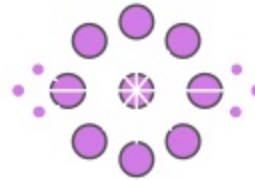
Jack Welch

Forces for Change...

"Knowledge economy"

Virtual organizations

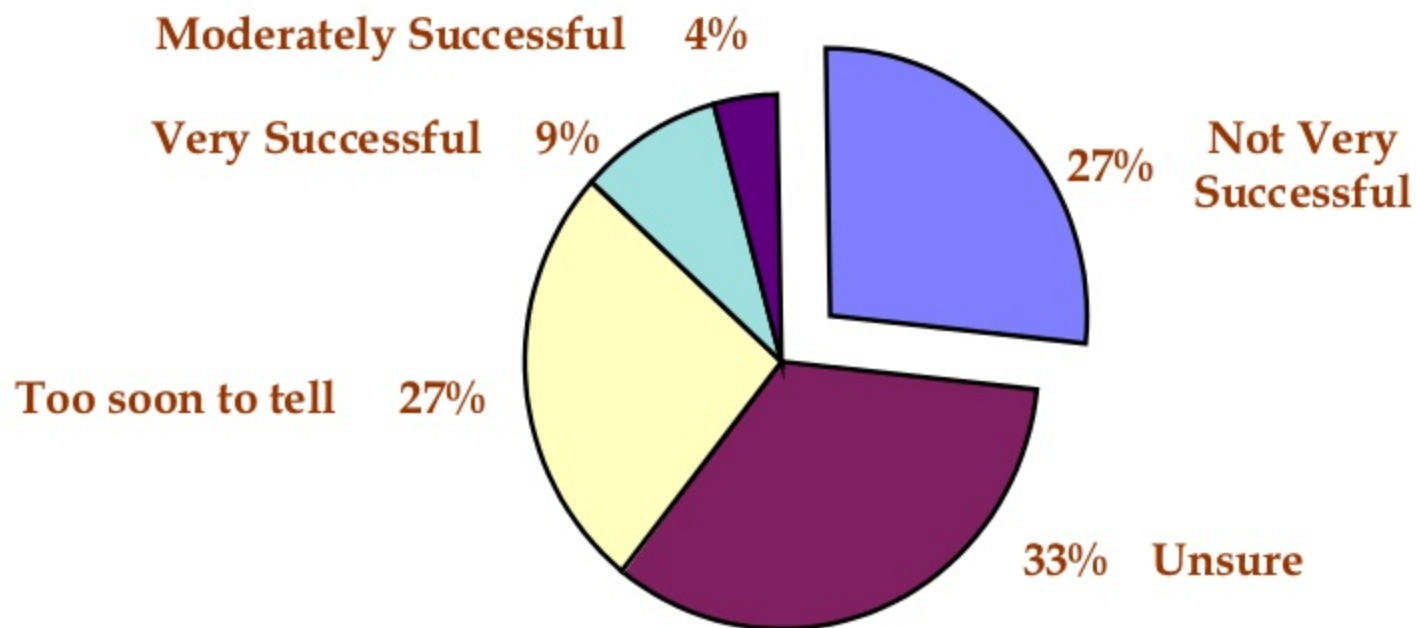Mergers & acquisitions

Electronic commerce

Digital convergence

Privatizations

"Information Superhighway"

... are transforming the world of business

Rate of Success in Change Efforts

Moderately Successful 4%

Very Successful 9%

27% Not Very Successful

Too soon to tell 27%

33% Unsure

Two Sides of Change

Technical Side of Change

Human Side of Change

Principles of Change

1. Change is a process that can be enabled, not managed

2. The change process must be linked to business and performance goals

3. Building capacity to change is a strategic imperative

4. Building capacity for change is an evolutionary process

Principles of Change

1. Effective change processes require a systemic view of the organization

2. The change process involves both organizational and personal transitions

3. Behavioral change is a function of perceived need and occurs at the emotional, not the intellectual level

Principles of Change

1. Resistance to change is predictable reaction to an emotional process and depends on a person's perception of a change situation

2. A handful of change enablement best practices account for the success of most change processes

3. Change strategies are situational

Five Activities Contributing to Effective Change Management

Five Activities Contributing to Effective Change Management

1. Motivating Change

2. Creating Vision of Change

3. Developing Political Support

4. Managing the Transition of Change

5. Sustaining Momentum

Effective Change Management

1. Motivating Change
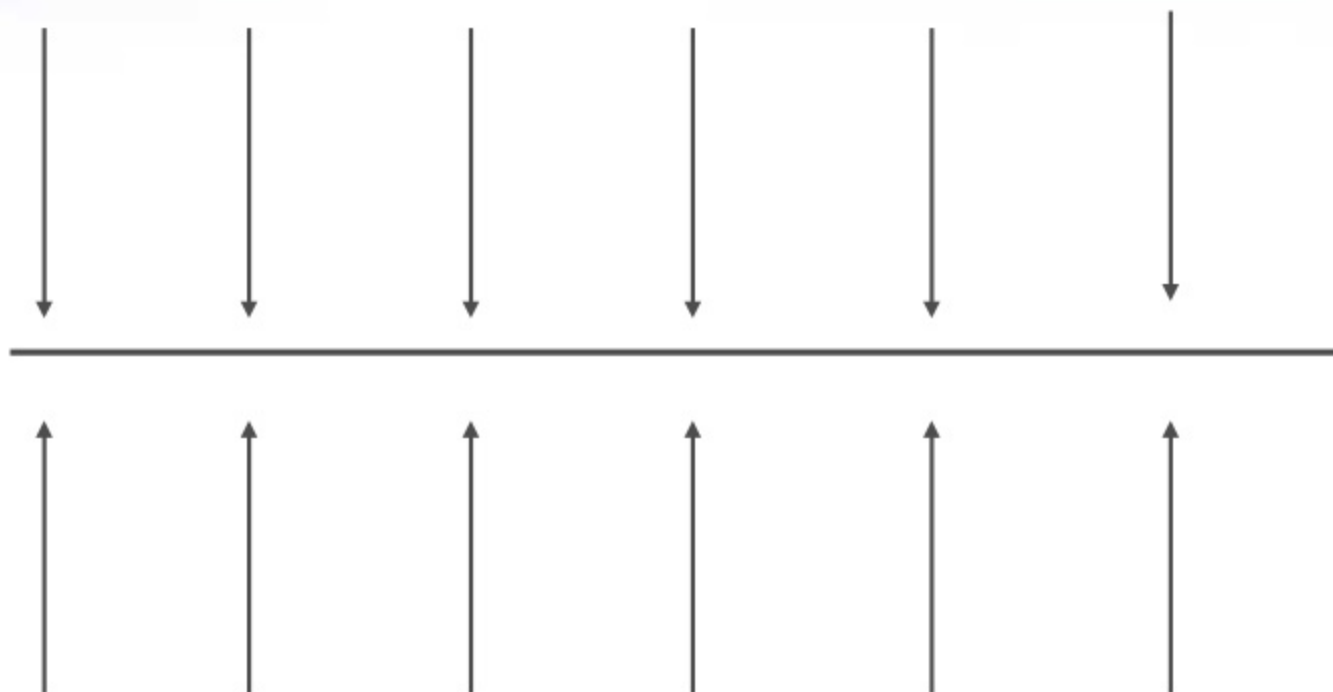
Motivating change and creating readiness for change

- Sensitize organizations to pressure for change
- Reveal discrepancies between current and desired states
- Convey credible positive expectations for the change

Force Field Analysis Model

Restraining Forces for Change

Current Situation

Driving Forces for Change

Force Field Analysis Model

Strengthening or adding driving forces

Removing or reducing restraining forces

Changing the direction of some of the forces

Change

Group Exercise

- Take this opportunity to think of a situation in your organization where Force Field Model could be demonstrated. Begin by identifying a change being instituted in your organization.

- List the driving forces

  _____

  _____
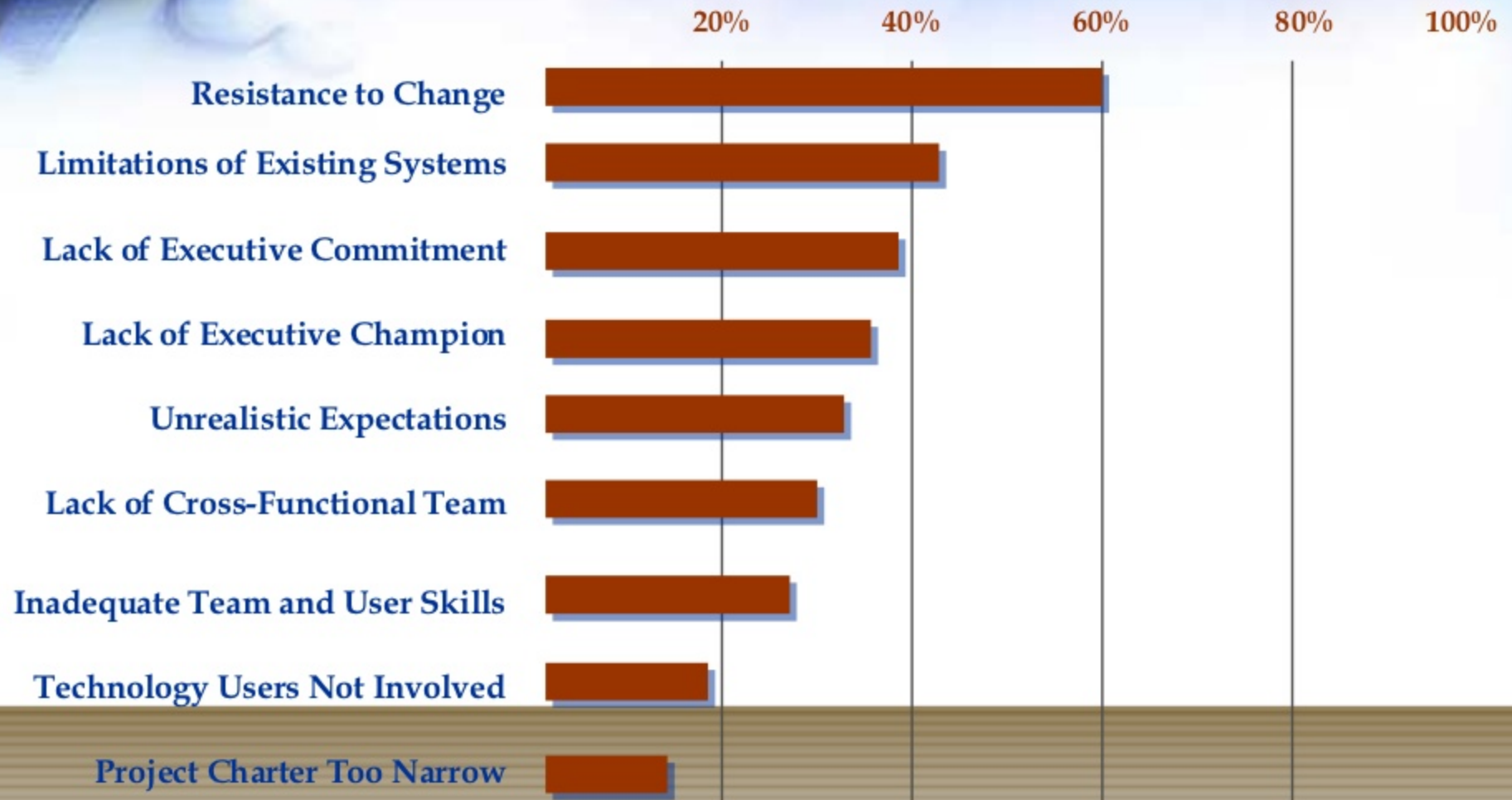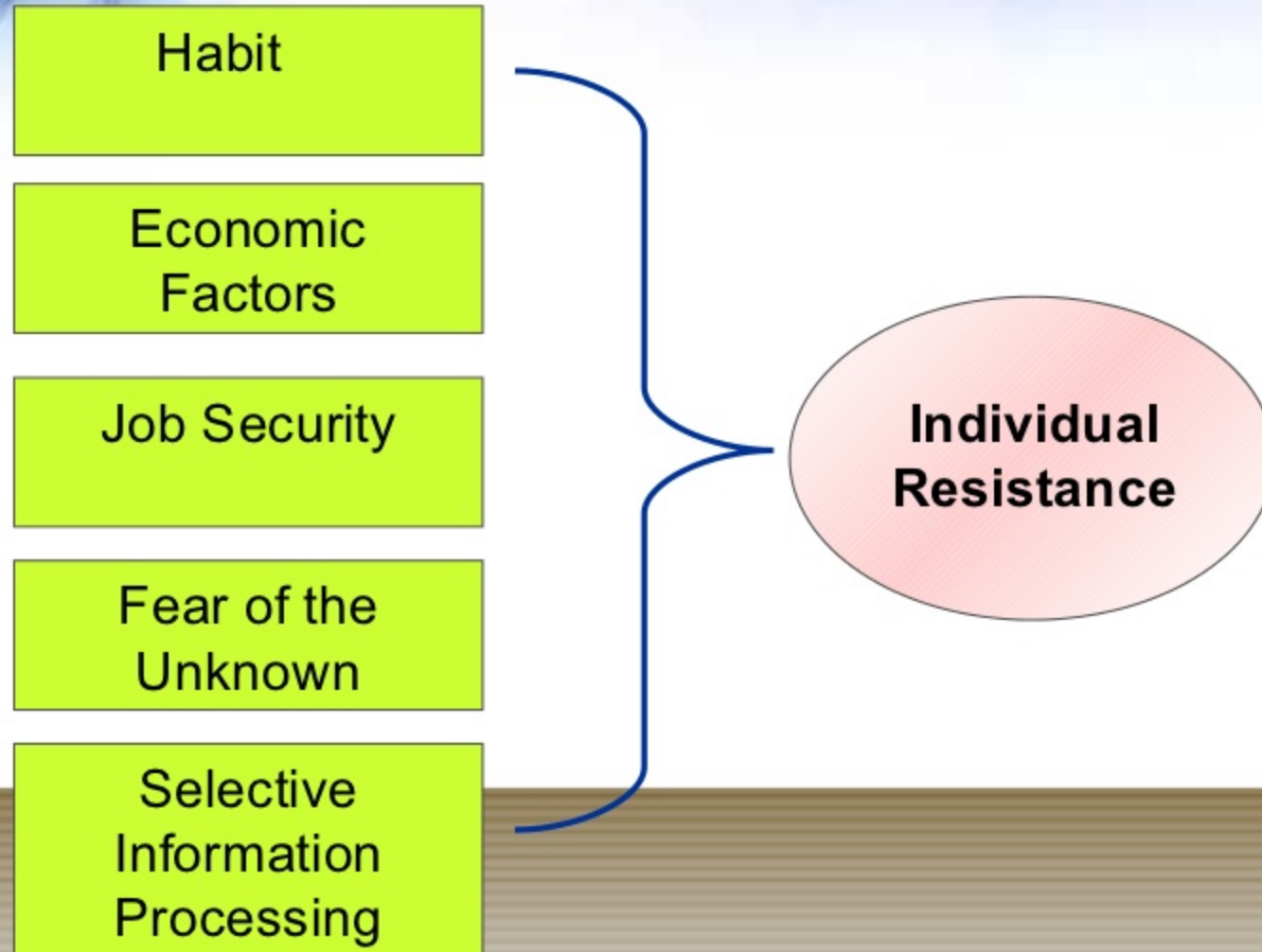
  _____

- List the restraining forces

  _____

  _____

  _____

Barriers to Change

Bar chart showing barriers to change (percentages):
- Resistance to Change — ~60%
- Limitations of Existing Systems — ~43%
- Lack of Executive Commitment — ~40%
- Lack of Executive Champion — ~37%
- Unrealistic Expectations — ~32%
- Lack of Cross-Functional Team — ~28%
- Inadequate Team and User Skills — ~25%
- Technology Users Not Involved — ~18%
- Project Charter Too Narrow — ~15%

Axis: 20% 40% 60% 80% 100%

Individual Resistance

Habit

Economic Factors

Job Security

Fear of the Unknown

Selective Information Processing

Individual Resistance

Organizational Resistance

Threat to Established Power Relationship

Threat to Established Resource Allocations

Structural Inertia

Limited Focus of Change

Group Inertia

Organizational Resistance

Four Phases of Transition

Denial

Commitment

Past

Future

Resistance

Exploration