

# Managing Change

## Lesson 4





## Study Information and Tips



This Study Text replicates the video content for the lesson



Supplementary knowledge can also be found in the information sheets and text boxes that accompany the videos, as well as in the resources in the Insights section



Activities to help you consolidate your knowledge are deliberately delivered through practice questions and exercises found in the Test and Apply sections on the VLE. These help you to further build on your knowledge and apply the learning in a way that supports your assessment



You can use this Study Text to test your understanding of the learning content at the end of each lesson. It may also be helpful to refer to it when preparing for your assessments



We recommend that you also produce your own notes in addition to the Study Text. Research has shown that handwritten notes can be very effective for learning retention



If you decide to print this Study Text, set the layout to print 4 or 6 slides per page to save on paper and ink



## Planning and Implementing Change – Part 2

**Strategies to communicate with stakeholders**

**Practical methods to support individuals**

**Methods to evaluate the impact of change**

**Ensuring change is embedded**



## Communicating Change

As we saw in the last lesson, a number of barriers can stand in the way of successful organisational change. The main way to overcome this resistance is to communicate with people throughout the change process.

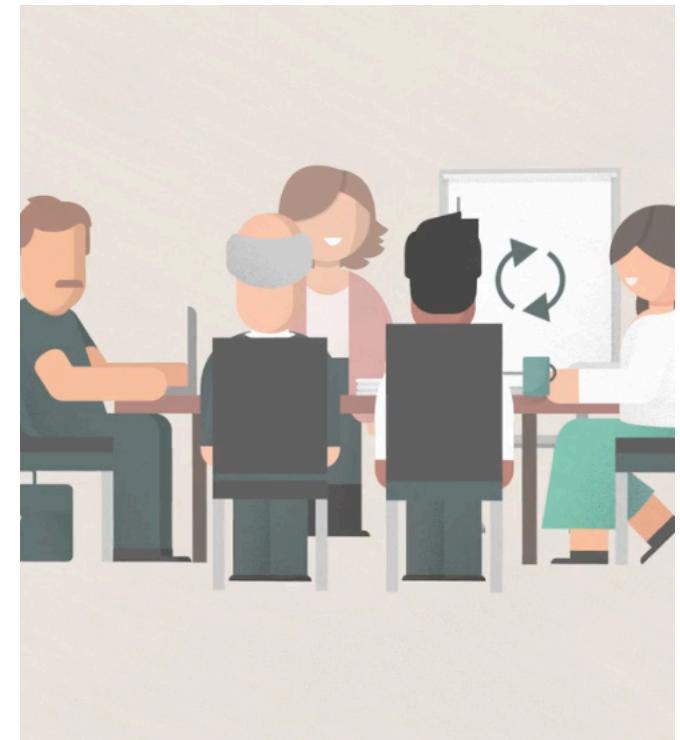
We'll now look at some strategies for communicating planned change to people across your organisation.



## Continuous Communication

To work effectively, communication about your proposed change should never stop. You need to communicate continuously with all the stakeholders you identified in your stakeholder analysis, to keep the process going smoothly.

At the start you need to communicate what the change is and what it is designed to achieve, in order to get people to buy in to your vision.

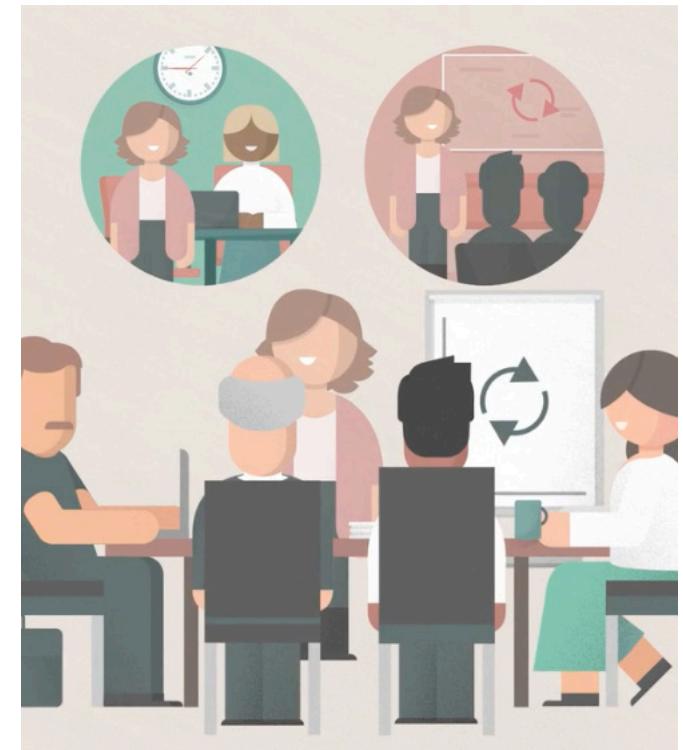




## Continuous Communication (cont.)

It's important to be open and honest with people about the full extent of the change and the potential impacts it will have on them. This may require you to spend weeks or even months visiting different sites and giving the same presentation over and over again to different groups.

But this is time well spent. If people can see the logic and benefits of your planned change, they are much less likely to cause difficulties further down the line.

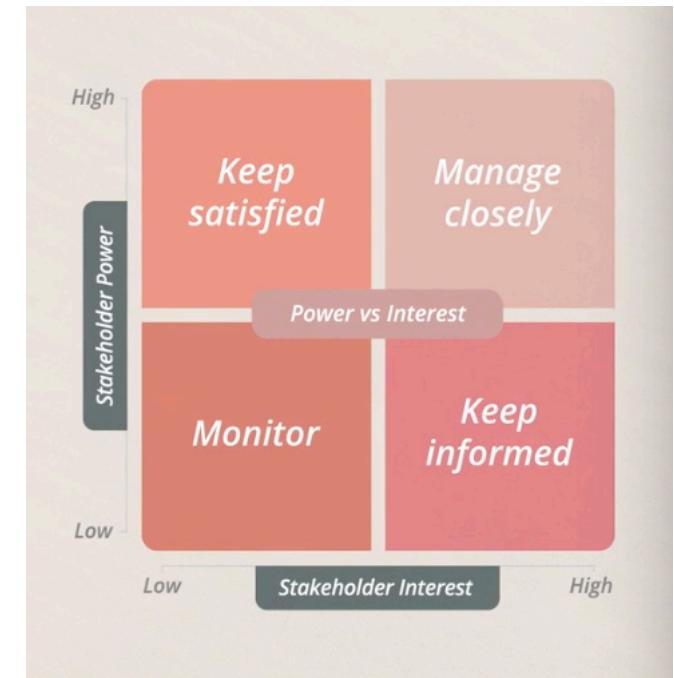




## Continuous Communication (cont.)

During the change, you need to keep people informed and updated on progress. You can use the Power vs Interest Matrix we examined in lesson 2 to help you identify which stakeholders you should focus on with your communications, but it is important to keep all your stakeholders informed to some degree.

Any gap in communications will be filled with rumours, so it is vital that you don't give them an opportunity to spread, by being upfront with people about how the process is going.



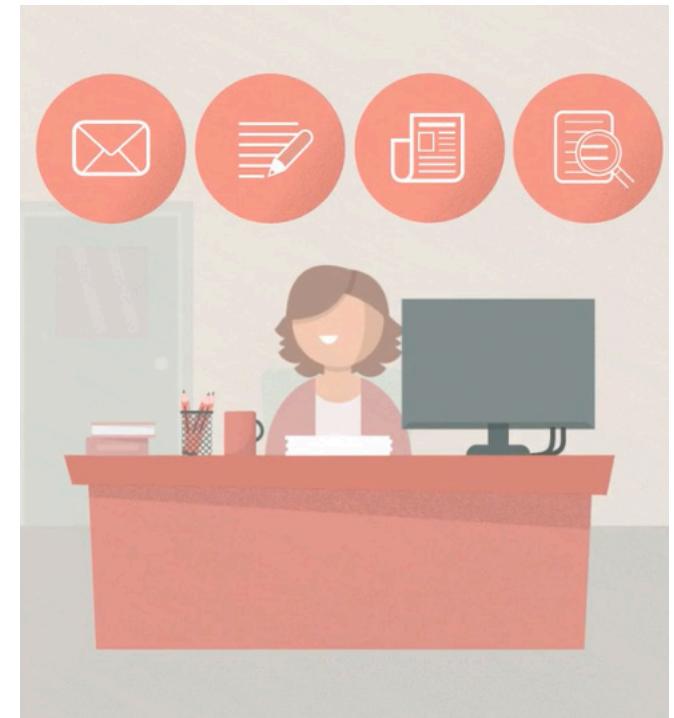
Once the change process has finished, you need to ensure that any new ways of working are properly embedded, by continuing to reinforce your messages and new ways of working until they become 'business as usual'.



## Emails and Newsletters

A raft of options is available to you for communicating with employees. You'll no doubt use emails and newsletters to keep people up-to-date, and you may also use blog posts and case studies to get into more detail on specific issues.

These methods can be helpful early on in the change process, when it is important to raise awareness of the change across the workforce, and to make sure everyone knows the reasons for the change and the steps you will be taking to achieve it.





## Broadcast Media

Broadcast media can also add another layer to these kinds of 'mass communications'.

For example, podcasts and videos can provide a richer experience and allow you to communicate with people much more directly.



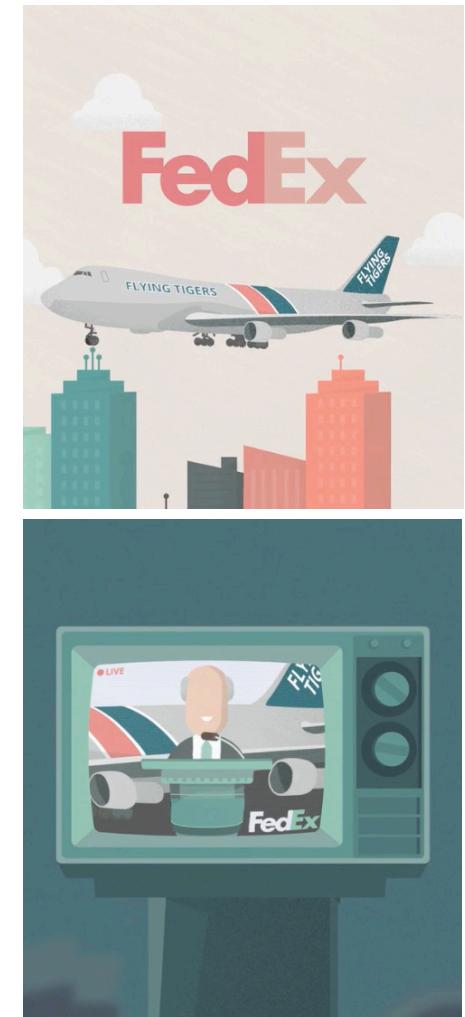


## Broadcast Media – Example

When the logistics company FedEx acquired its rival freight business Flying Tiger Line in the late 1980s, it used a video message to directly address staff concerns.

Just two hours after the acquisition was announced on the New York stock market, FedEx's chairman gave an unscripted and unrehearsed TV address over FedEx's internal channel, which reached 35,000 employees in more than 800 locations.

Everyone got the news at the same time and they received it first hand, without the message having to pass through various levels of management before it reached them.

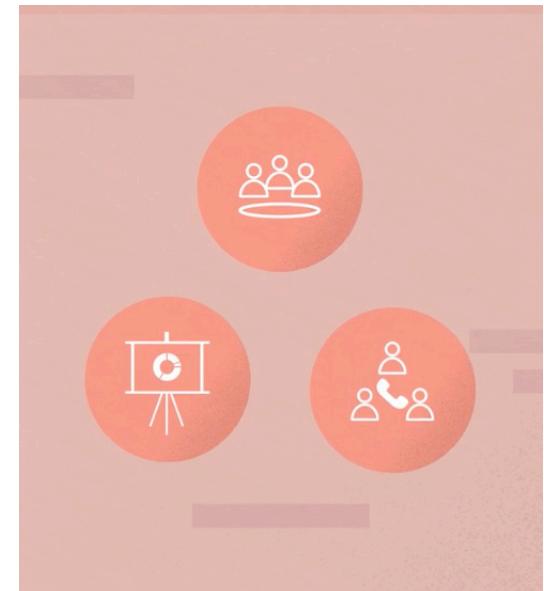




## Delivering Messages in Person

It is also important to deliver messages in person, through meetings, presentations and conference calls. That's because, to be really effective, communications should not be a one-way street. You need to give people the opportunity to ask questions and share their feedback on the change process.

This type of communication comes into its own once people are aware of the change and are perhaps showing some resistance. Offering face-to-face support here, and demonstrating that you are listening to people's concerns, can be crucial.





## External Communication

Finally, you shouldn't overlook the importance of external communication. There will be many groups outside the business – such as shareholders, customers and suppliers – with a vested interest in any major organisational change. It is important to maintain regular communications with these people to ensure they continue to support your planned changes – or, at least, do not try to actively disrupt them.

This may be as simple as publishing regular press releases to keep the outside world up to date with progress, or it might involve inviting influential stakeholders to briefings with senior managers.



## Practical Ways to Support Individuals

As we have touched on throughout this unit, change can be a difficult time for people. You may well find that some individuals within your organisation need additional support to help them through.

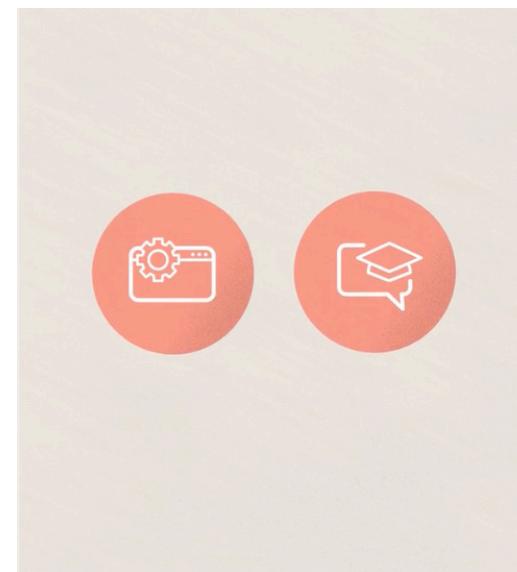
We'll now take a look at some practical things you can do.



## Learning and Development

When a change requires employees to adapt the way they work – perhaps moving into new roles or taking on more responsibilities – it is often necessary to provide some form of learning and development for them.

If your change, for example, includes introducing a new piece of software to the organisation, providing a training course on the software will help people come to terms with the change.

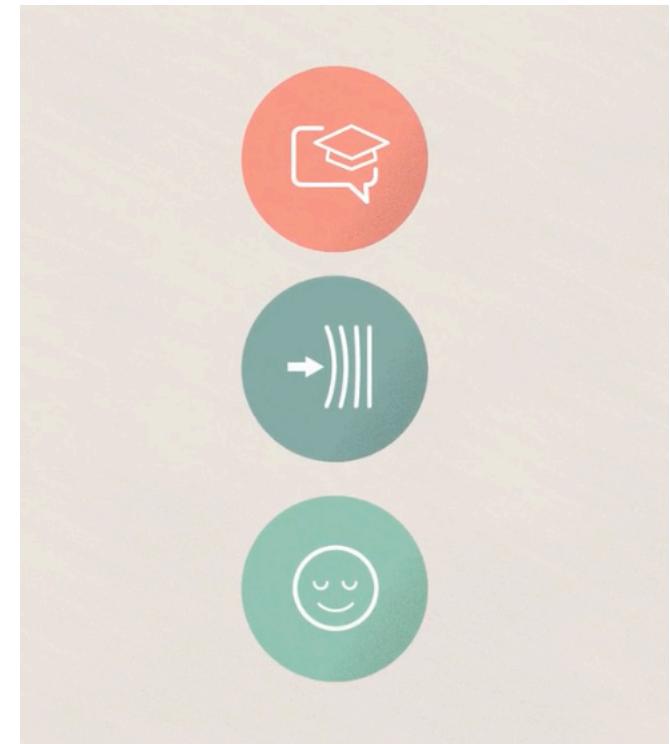




## Courses on Resilience and Mindfulness

It might also be helpful to provide more general training for all employees in skills that will help them cope with the emotional impact of change.

Courses on resilience or mindfulness, for example, could help people learn how to cope with the mental strain that major organisational changes can bring about. This kind of support can be particularly crucial when your planned change involves redundancies – both for the employees who will lose their jobs and for those who will remain.

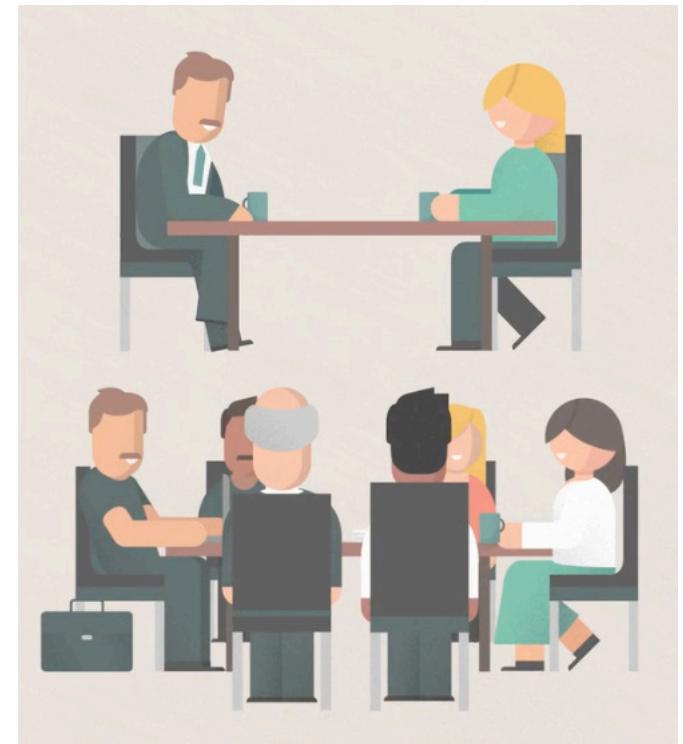




## Establishing a Dialogue

In addition to these kinds of formal learning and development activities, further support might be offered through team meetings or one-to-one sessions.

As we've already mentioned, good communication is key to achieving successful change – and the key to good communication is to establish a dialogue.

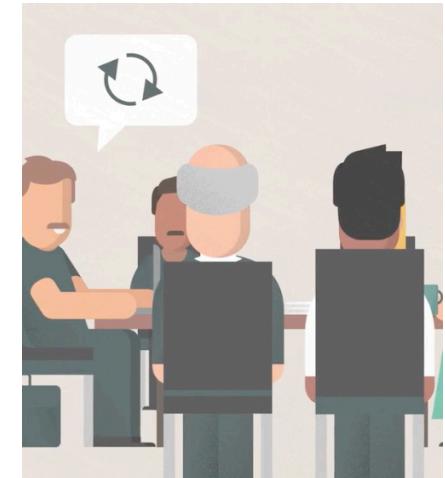




## Establishing a Dialogue (cont.)

Team meetings and one-to-one conversations offer a great opportunity to provide updates on the change process – and, more crucially, to answer people's questions and hear their feedback on how they think things are going.

If people are kept in the dark about the change process and given no opportunity to make their feelings known, they are much less likely to co-operate, and the change will be more likely to run into difficulties.





## Setting an Example

It is also important that you, as a manager, set an example. If you can demonstrate the ability to cope with the change, you can provide a strong role model for your team members and peers.

While the change process can be stressful for managers, it is important not to let it affect your behaviour or attitude. By all means report your views to those above you in the organisation through the appropriate channels – but do not let your frustrations or anger spill downwards into your relationships with your team members.

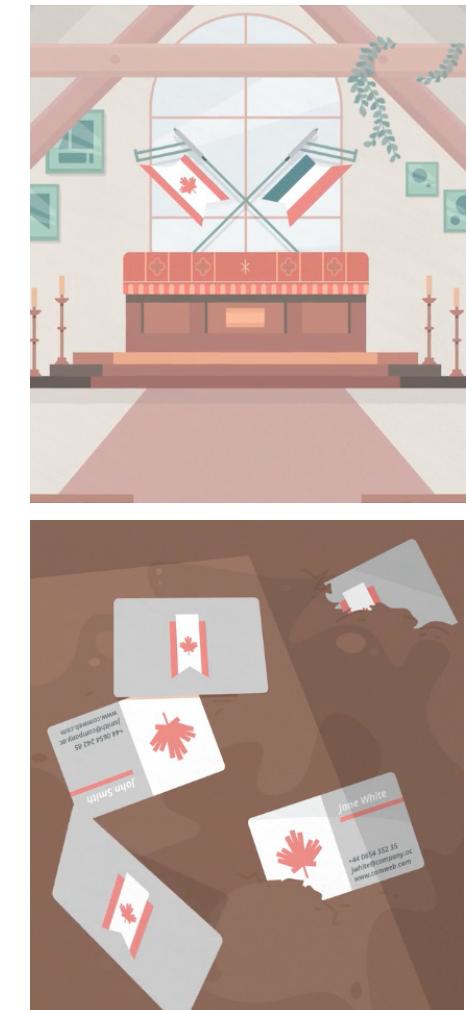


## Marking Change with Ceremony – Example

Finally, some organisations have found it useful to mark a major organisational change with some kind of ceremony to signify the passing of the old way of doing things, and to help people move forward.

Peter Frost and Sandra Robinson, professors of organisational behaviour in the US, describe one such ceremony at a Canadian company in the late 1990s.

When the firm was bought and folded into a former competitor from France, managers from the acquired business invited employees to a church-like ceremony where the company was eulogised by executives and hourly workers alike.

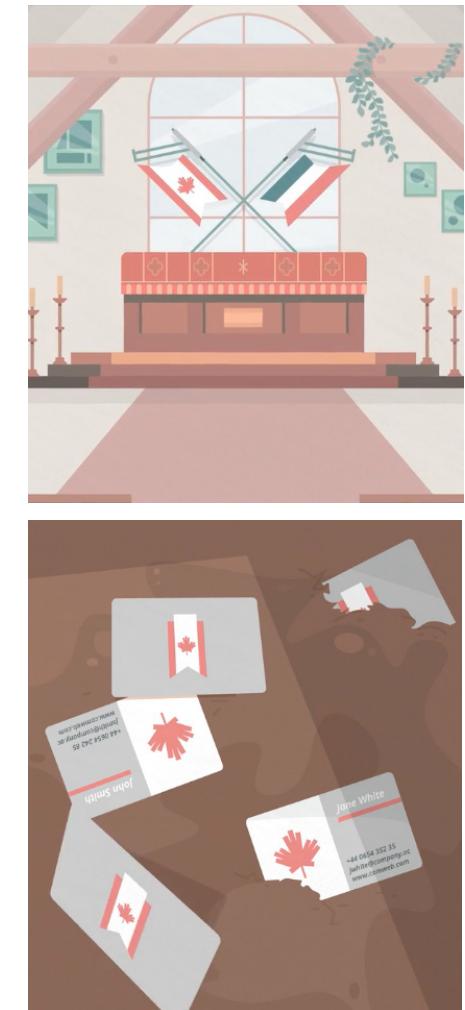




## Marking Change with Ceremony – Example (cont.)

Afterwards, people went outside and threw their old business cards into a coffin-shaped hole in the ground, which was then covered in dirt. Employees later said that they had buried their old company and were ready to embrace the new one.

Of course, this kind of elaborate event wouldn't be appropriate in many companies, but giving employees an opportunity to display their emotions and feelings of loss in this way can certainly be beneficial and help them to process the change.





## Measuring the Impact of Change

Whenever you implement a major organisational initiative, it is important to monitor and measure the impact – and it is no different with organisational change.

Hopefully, you will find that the change your organisation implements achieves all of the positive impacts that you forecast in your rationale and business case. But, even if the change has not been as successful as you would have liked, or the process has gone terribly wrong, it is just as important – or perhaps even more so – to reflect on what went well and what didn't in the project. You can then apply the lessons you learn to your next change management project.



## The Balanced Scorecard

As we explored in lesson 3, most organisational change is designed and implemented to improve organisational performance in some way. So, if you want to measure the impact of organisational change, it makes sense to look at how it has affected the performance of the business.

One of the best known methods for assessing organisational performance is the **balanced scorecard**. This approach was developed by management consultant Robert Kaplan and Harvard professor David Norton in the early 1990s.



## The Balanced Scorecard (cont.)

A balanced scorecard measures four aspects of business performance – financial performance, customer satisfaction, internal processes, and the organisation's capacity to learn and grow.

The ‘balance’ in the balanced scorecard is between financial and operational measures of business success. The ‘scores’ are left for the organisation to define, and can be whichever business metrics it wants to use. The scorecard can be used both before and after change, to assess what impact the change has had.

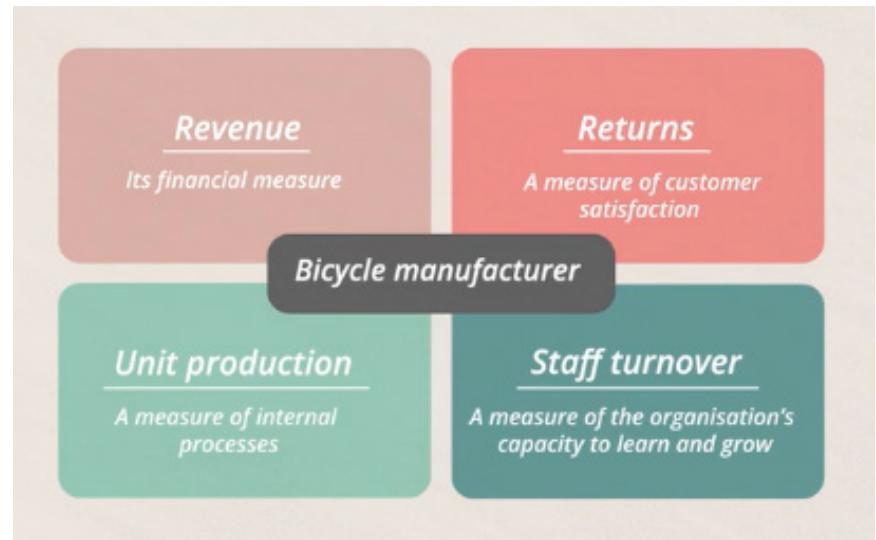




## The Balanced Scorecard – Example

Let's take a look at an example. A bicycle manufacturer may choose to have four metrics on its balanced scorecard:

- Revenue – its financial measure
- Returns – a measure of customer satisfaction
- Unit production costs – a measure of internal processes
- Staff turnover – a measure of the organisation's capacity to learn and grow  
(High levels of staff turnover mean the business will lose knowledge and not be able to grow or innovate as easily)

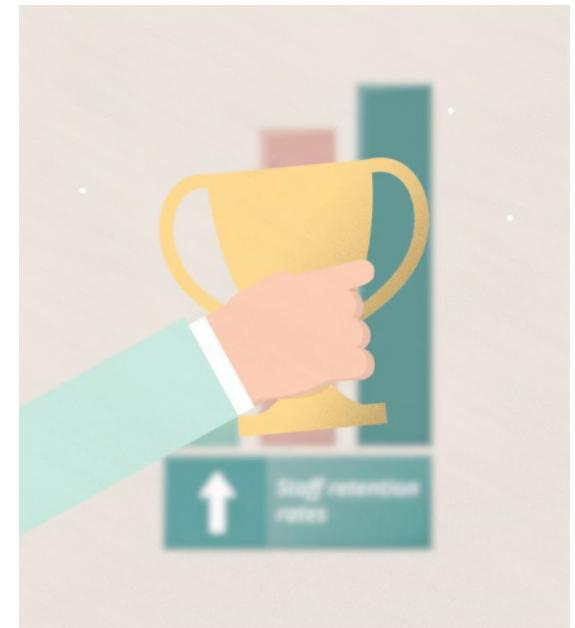




## The Balanced Scorecard – Example (cont.)

Following the introduction of a new piece of machinery, designed to speed up the manufacturing process, the company could use the balanced scorecard to assess the impact of this change on the business. It might reveal that the unit production costs have fallen, overall revenue has increased and staff retention rates have improved. These would seem to indicate that the change has been a success. However, if it also reveals that customers are returning more bikes because of faults, the change may actually have had a negative impact.

In this way, the balanced scorecard can provide a more rounded assessment of the impact of a major organisational change, than that achieved from focusing on just one or two measures.





## Critics of the Balanced Scorecard

Critics of the balanced scorecard approach, however, believe that focusing only on these hard, quantitative measures can actually get in the way of assessing whether the change process itself has been a success.

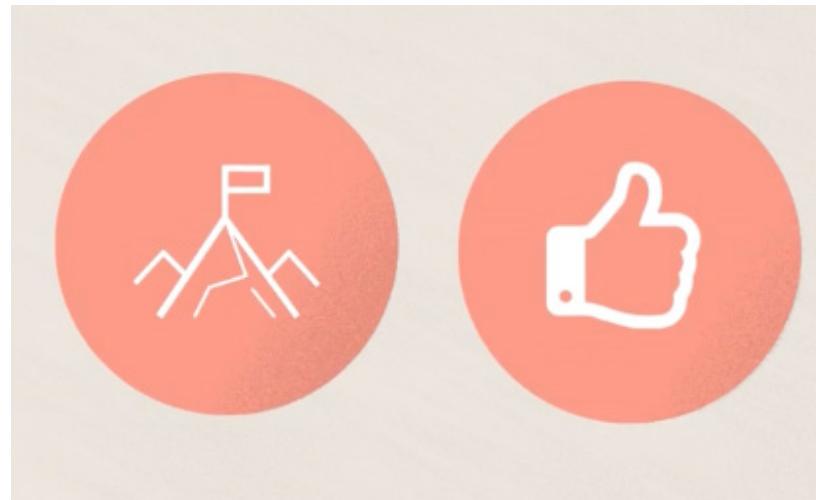
Hitting the targets on the scorecard – or any similar reporting tool – can start to become a goal in and of itself, rather than the focus being on the changes in policy or practice that were intended to drive these improvements. The reporting process may also require managers to spend too much of their time on collecting data at the expense of actually carrying out their day-to-day responsibilities.



## A Softer Approach

The American business strategist Peter Senge, for example, advocates a softer approach.

Rather than focusing on hard metrics, such as profit and loss accounts, to assess the impact of change, Senge believes you can instead look at factors like employee motivation and morale as measures of how well the change is working.





## A Softer Approach (cont.)

While this might not give any precise data on the overall impact of the change, it can let people focus on the issues most relevant to them and their teams. It can also enable conversations around any problems people are having with the change, in a way that simple metrics and statistics are unable to do.

This can be done informally, through observation and conversations with employees. Or it can be done through more structured exercises, such as interviews, workshops or employee surveys.



## Sustaining the Change

After managing a lengthy change process through to completion, it can be tempting to step back and think your work is done. But it's not over.

Most organisational change is not 'discrete' – it is not a process that simply ends, like a typical project. There is generally a need to sustain the change, at least in the short-term, after it has been implemented.

You don't want people to slide back into their old ways of doing things once all of your communications and monitoring activities have finished.

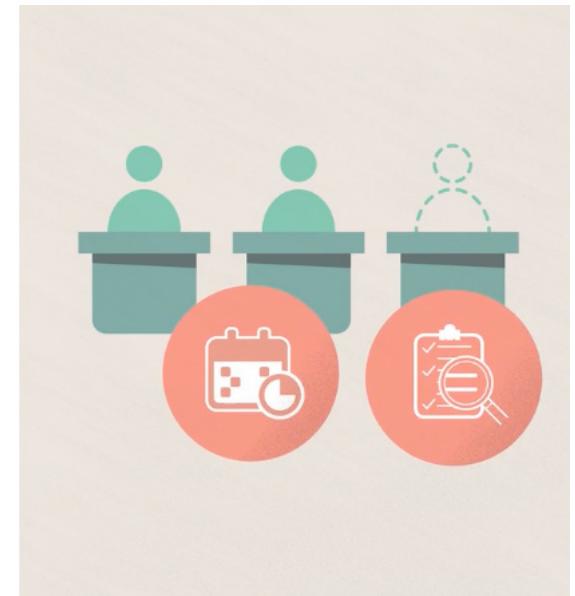


## Periodic Monitoring

There are various approaches you can use to help embed and sustain organisational change.

One is to introduce periodic monitoring. This involves setting up regular checks on any policies or procedures that were introduced or amended during the change.

For example, if your change process involved introducing a new method for recording employee absence, you could carry out a quarterly audit of the data to ensure that everyone in the organisation is using the new system correctly.





## Key Performance Indicators

You may also want to introduce a set of key performance indicators, or KPIs, to check that any targets relating to the change are being met.

For example, if your business case for change forecast that a new sickness reporting policy would reduce absence levels by 2%, you could introduce this target as a KPI to be regularly measured and monitored. It could even be linked to bonus payments for managers, to incentivise them to stay focused on achieving this goal.





## Refresher Training

This kind of monitoring can help sustain changes that created new responsibilities for managers or employees. But it may not be enough to embed a change that requires people to learn new skills or abilities.

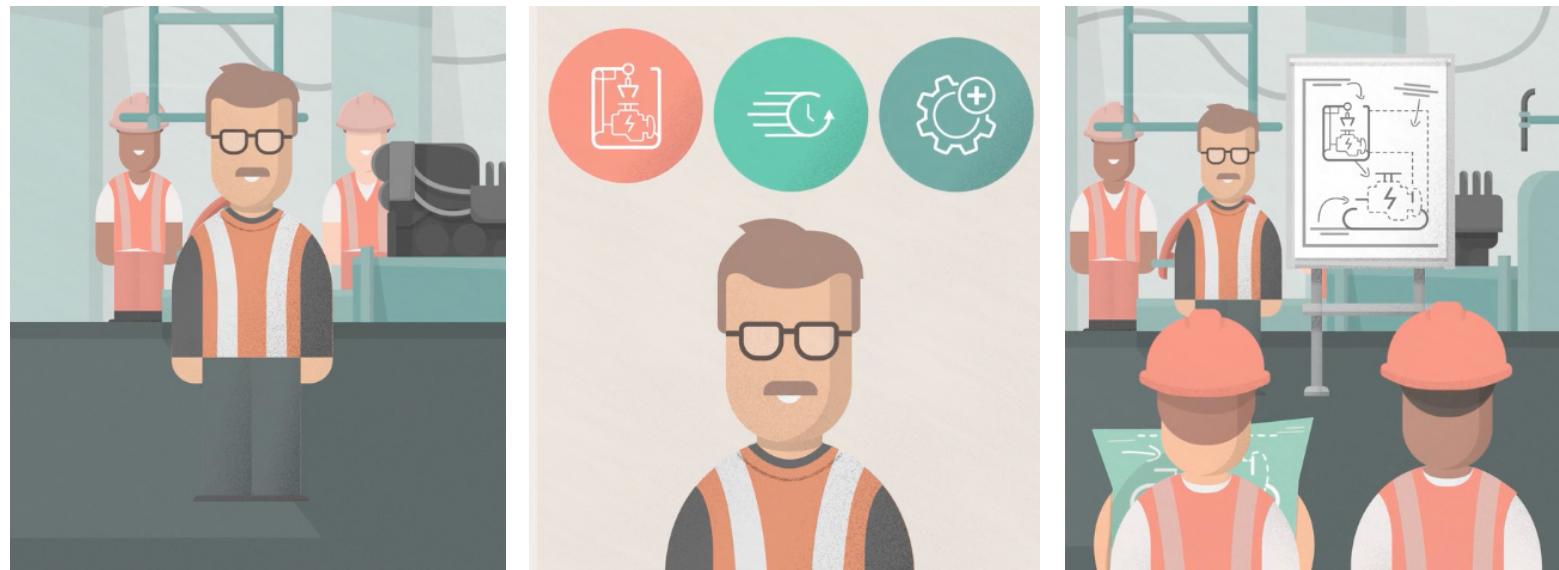
In these cases, you may need to introduce refresher training after a suitable period, to help reinforce learning and make sure the new skills are being applied.



## Refresher Training – Example

For example, say the production manager in a car plant introduced a new way for workers on the production line to assemble engines.

This new method is faster than the traditional way, but requires the workers to apply new skills. The manager arranges for the entire workforce to complete a day's training course.

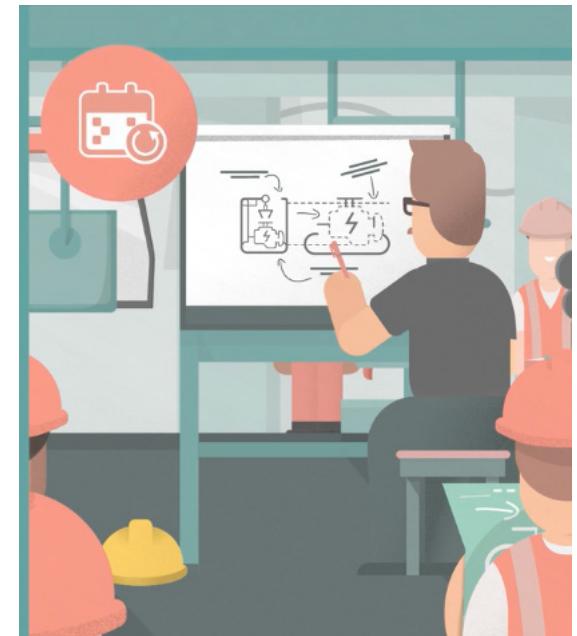




## Refresher Training – Example (cont.)

However, he also recognises that it may be difficult for some of the workers to pick up the new skills, so he also organises a one-hour refresher course after one week. This checks that the workers know what to do and gives them the chance to ask questions if they have forgotten anything from the earlier course.

Without this refresher training, it would be easy for some of the workers to fall back on their old ways of working, especially if they are not 100% confident in their new abilities.





## Enlisting the Support of Senior Management

Finally, when sustaining change, you may also want to consider how you can enlist those at the top of the business.

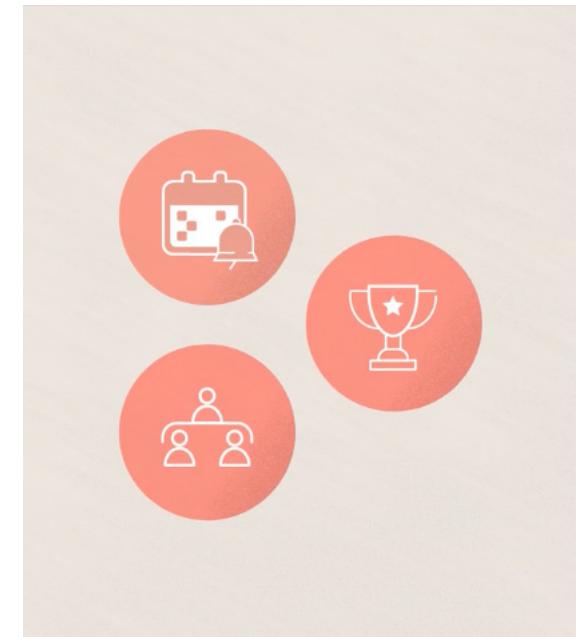
One good way of getting senior management to stand behind a change is to show them evidence that you are achieving the planned benefits and meeting the objectives you set out in the business case. If senior management can see that the change is having a positive impact on the bottom line, they should work with you to reinforce the change and make sure it sticks.



## Enlisting the Support of Senior Management (cont.)

For example, they may send out periodic reminders to workers of the need to sustain the change. Or they might introduce some other means of reinforcing it, such as a new recognition scheme to reward staff who have fully committed to the new ways of working.

Related to this, you may also want to take an interest in the succession planning process – particularly if a member of the senior management team was very supportive of your planned change. If a key leader or supporter of a particular change leaves, there is a danger that their successor will not offer the same kind of support. They could even seek to reverse the change.





## Enlisting the Support of Senior Management (cont.)

It can be a good idea, therefore, to try to ensure that those coming through will follow their lead. This kind of power might not always lie in your hands, of course, but it is worth bearing in mind should you have any influence in these decisions.

That brings us to the end of this lesson – and the unit. We hope you have enjoyed learning about organisational change and have come to appreciate the many factors involved in achieving successful change within a business.



## Recap

In this lesson, you have learned about:

- Strategies to communicate with stakeholders
- Practical methods to support individuals
- Methods to evaluate the impact of change
- Ensuring change is embedded