

This article was downloaded by: [Clemson University]

On: 09 June 2013, At: 06:55

Publisher: Routledge

Informa Ltd Registered in England and Wales Registered Number: 1072954 Registered office: Mortimer House, 37-41 Mortimer Street, London W1T 3JH, UK



Total Quality Management & Business Excellence

Publication details, including instructions for authors and subscription information:

<http://www.tandfonline.com/loi/ctqm20>

Successful Change Management

J. S. Oakland^a & Stephen Tanner^b

^a Leeds University Business School, UK

^b European Centre for Business Excellence, Oakland Consulting
Plc, UK

Published online: 22 Feb 2007.

To cite this article: J. S. Oakland & Stephen Tanner (2007): Successful Change Management, Total Quality Management & Business Excellence, 18:1-2, 1-19

To link to this article: <http://dx.doi.org/10.1080/14783360601042890>

PLEASE SCROLL DOWN FOR ARTICLE

Full terms and conditions of use: <http://www.tandfonline.com/page/terms-and-conditions>

This article may be used for research, teaching, and private study purposes. Any substantial or systematic reproduction, redistribution, reselling, loan, sub-licensing, systematic supply, or distribution in any form to anyone is expressly forbidden.

The publisher does not give any warranty express or implied or make any representation that the contents will be complete or accurate or up to date. The accuracy of any instructions, formulae, and drug doses should be independently verified with primary sources. The publisher shall not be liable for any loss, actions, claims, proceedings, demand, or costs or damages whatsoever or howsoever caused arising directly or indirectly in connection with or arising out of the use of this material.

Successful Change Management

J. S. OAKLAND*** & STEPHEN TANNER**

**Leeds University Business School, UK; **European Centre for Business Excellence, Oakland Consulting Plc, UK*

ABSTRACT *Experience shows many change initiatives fail to deliver. They do not always lead to total failure, but they get stalled, misdirected, or only partially achieve the required results. As the speed of change in the external environment increases by the minute the authors set out to identify the common success factors for managing change. The main purpose of the research was to examine the apparent gap between often seen approaches and ‘best practice’, the output being a helpful framework to support future initiatives. Senior management in 28 organisations from a variety of industries, including the public sector, were interviewed to gain their insights on how to manage change successfully. The research, which was conducted over a six-month period, examined a number of themes covering the triggers for change, planning for change, and implementing change. The forces for change, as experienced by the respondents, were also captured. A number of insights were identified through the research which showed that successful change focuses on both strategic and operational issues. The key links between the strategic objectives and operational improvement are through the core processes, which need to be understood, measured and improved. If the links are broken, then the change is largely ineffective. The research led to the definition of two main constructs of change management: readiness for change and implementing change. These have been shown diagrammatically in a framework which should be an aid to all organisations that are about to embark on a change programme, or are in the process of managing change and wish to improve their chances of success.*

KEY WORDS: Change management, leadership, processes, organisation & resources, systems & controls, behaviours, implementing change

Introduction

Brown & Eisenhardt in their the best-selling book, *Competing on the Edge*, noted that developing technology, the changing needs of stakeholders and economic pressures all contribute to the need for organisations worldwide to significantly modify the way they do things. Major organisational change requires huge investments in energy, time and resources, but many change programmes fail to meet expectations. Published estimates of success levels can be as low as 10%.

Correspondence Address: J. S. Oakland, European Centre for Business Excellence, Oakland Consulting Plc, 33 Park Square West, Leeds LS29 0BJ, UK. Email: johnoakland@ecforbe.com

1478-3363 Print/1478-3371 Online/07/1–20001–19 © 2007 J. S. Oakland and Stephen Tanner
DOI: 10.1080/14783360601042890

The literature is full of models and frameworks offering solutions. Research by Bain and Company revealed that, having employed more than three new tools or techniques annually for the previous five years, the typical company was planning to adopt another 3.7 in the coming 12 months. As succinctly put by Schaffer and Thompson, 'Most improvement efforts have as much impact on company performance as a rain dance has on the weather!'

In a business environment where the average tenure of the Chief Executive is reducing on a year-on-year basis, never has there been a time when the management of change has been so critical. This pressure has not been reserved for just private sector organisations; public sector management is also feeling the force of change. The research reported in this paper had the aim of identifying the critical factors reported by organisations in managing change successfully.

A Review of the Existing Literature

A review of the literature revealed a number of common themes to be investigated, which were the basis of the questionnaire used in the research. A summary of the main points from the review has been provided at the end of this section from which four main themes emerged:

First, Leadership has a key role to play, both in setting direction, inspiring change throughout the organization and ensuring that change is implemented. Many authors, including John Kotler, Peter Senge, and Beer & Nohria, who wrote the 'Cracking the code of change' *Harvard Business Review* article, have noted that leadership is important. In achieving world-class performance, leaders have a role in developing a number of critical competencies related to helping focus individual attention on organisational mind-sets, facilitating strategy implementation and building change capability.

Second, and related to leadership, is the need to identify and define the change that is required. This is often linked to financial pressure. A project management approach is the most successful approach when implementing such change, with the definition of clear success measures being important.

Third, managing change also has its softer side. People are the essential contributor to successful change, and managing change within the culture of an organisation is important. Good communication is also vital.

The fourth theme is learning. Some organisations see the involvement of external consultants to be important when managing change. They provide industry expertise, skilled resource, and change management knowledge and experience to the project. Once the change has been completed, organisations also capture the learning, both at a project and at an organisational level.

Main Points from the Literature Review

The literature review included work by Beer, Carnall, Collins, Eisenhardt, Kotter, Nohria, Porras, Senge and Turner.

- Business process design is difficult – published estimates for success average ca. 30%.
- The role of the sponsor is pivotal in developing support for the change.
- Project planning and management are critical.

- Communication and maintaining stakeholder support is critical and progress should be tracked and publicised.
- Executive and departmental (or business-unit) levels should be aligned to coordinate their efforts in support of the change.
- Tactics for revitalising stalled projects should be defined. Planning should emphasise keeping the change manageable. The challenge is to achieve the change objectives without jeopardising other strategic interests.
- The implementation plan should provide for replacement of key players due to normal turnover rates for senior and middle managers.
- There tend to be strategic ‘stimuli’ ranging from financial pressures, continued market leaderships, customer dissatisfaction and/or organization inefficiencies that trigger business process change. The stimulus itself is not necessarily a determinant of success, and change does not have to be proactive to be successful.
- Successful projects have a propensity to learn from best practice and customer needs and leverage external information and experts.
- An important ingredient is leadership from the top, together with an atmosphere of open communication, participation, and cross training.
- A ‘vision’ for change must be embraced throughout all levels of the organisation, especially by those functional and middle-level managers affected by the change.
- Measurement is key to success. A well-defined process management approach should include a documented methodology of change, and use objective and quantified metrics showing the value of change.
- Process mapping offers a comprehensive blueprint of the existing state. The blueprint enables systematic identification of opportunities for improvement. It provides a common language for everyone involved in the project.
- Bottom-up or empowered implementation is vital. While support from the top is critical, actual implementation should be carried out from the bottom-up. The idea of empowerment is to push decisions down to where the work is actually done.
- Process improvements should be aligned with business objectives and what the business needs to change to become more successful. Change is continuous and is never finished.
- Set stretch goals. Goals should be set a little higher than what the team believes they can accomplish.
- Execution is the real difference between success and failure. Real change will not happen without a plan for change and aggressive execution of that plan. Execution fails in many cases because organisations are not willing to dedicate resources, time, and energy to the effort.

The following are cited as being critical success factors:

- Project champion – ability to listen to different ideas, recall and integrate those ideas, organise diverse groups of people assigned to the project, and communicate effectively with the managing director and executive leadership team.
- Management commitment – to change, as demonstrated by visible participation in the project and by the full-time participation of senior executives.
- Project management – with clear goals and deliverables.

- Natural work team process – the empowered cross-functional, multi-disciplinary teams bring broad perspective and an in-depth knowledge, encourage innovation and break-through thinking, and ensure objective and integrated recommendations.
- Use of consultants – with industry knowledge, is important in the facilitation of the overall process. They provide the skill and team-based training, and a methodology to document findings and recommendations.

The Aim of the Research

The main purpose of the research was to identify the factors that were reported as being critical to managing change successfully within both public and private sector organisations. The research addressed strategic change, step change and continuous improvement approaches, identifying the barriers to change and how to overcome them. This led to the development of a framework for successful change.

How we Went about the Research

The aim of the research called for the collection of factors that had led to successful change in organizations. Senior managers, typically at board level, or their direct reports, were approached in 34 organizations and invited to participate in the research. Twenty-eight organizations agreed to participate, representing an 82% response rate. The breakdown of these organizations is given in the appendix.

Interviews, which typically lasted for one hour, were conducted face-to-face or over the telephone. Data were collected using a semi-structured questionnaire, a copy of which is available from the authors. To minimise bias, independent researchers collected and analysed the data to generate the main outputs from the research.

What we Found

Based on the literature review, three main themes emerged as the centre for attention during the interview. The results have been presented in order of these three broad themes. First, organisations were asked to identify the triggers for change. Second, the way that the organisation prepared for change was examined, which led to the identification of two sub-themes, which were leadership & direction, and planning for change.

The third theme examined how organisations implemented change. A key finding was that processes sit at the heart of successful change programmes. In addition, consideration was given to the organisation's structure and its resources, as well as its systems and controls. Finally, under this theme, the behaviour of the people was identified as an important consideration.

In addition to asking questions around these themes, respondents were asked to identify their experience of the forces of change. Their responses are summarised in the last part of this section, where four common factors were identified.

Triggers for Change

We focused on a particular change programme in the organisation and asked respondents to identify the major drivers of the change. These fell into two categories: external drivers and internal drivers for change.

Table 1. Main drivers for change

External drivers	Internal drivers
<ul style="list-style-type: none"> • Customer requirements • Demand from other stakeholders, such as the Government • Regulatory demand • Market competition • Shareholders/city 	<ul style="list-style-type: none"> • Improving operational efficiency • Need to improve the quality of products and services • Process improvement

The first impression from the list of drivers in Table 1 was that there are two different agendas for change. On reflection, however, the internal drivers were considered to be a manifestation of external drivers for change. For example, if customers are becoming more demanding then, internally, there will be a need to improve the quality of products and services, or improve the innovation process.

The conclusion was that organisations in the research were all driven to change due to external, strategic drivers. However, at the same time there was an operational context that had to be taken into account. A consequence of this conclusion is that to manage change successfully, there is a need for a focus on both strategic and operational issues, with both being closely linked.

Preparing for Change

The previous section noted a first finding from the research, which was that successful change focuses on both strategic and operational issues. Under the umbrella of preparing for change two more themes emerged from the research. These were the role that leaders play in establishing direction and the way organisations plan for change.

Leadership and Direction

Respondents were asked how senior managers identify and select priorities for change. Perhaps surprisingly, identification and selection of priorities for change were based mainly on cost/financial considerations, with improving efficiency with respect to customers and operations coming a poor second.

Before making a decision, leaders were found to develop alternative scenarios and not just go with their first idea. Once the decision was made to change something leaders stayed with the decision, accepting the risks associated with it. They also set clear success criteria on which to direct and evaluate the project.

In terms of the project management and governance for the change programme in question:

- Projects tend to be led from the top and carried out by team members from a variety of hierarchies and functions;
- Sponsors, executive boards, steering committees and project teams were the norm;
- Progress reporting based on measurable outputs was used most often.

An interesting result was that, besides leadership support for change programmes, the data indicate equal importance being given to the need for project teams and the inclusion of

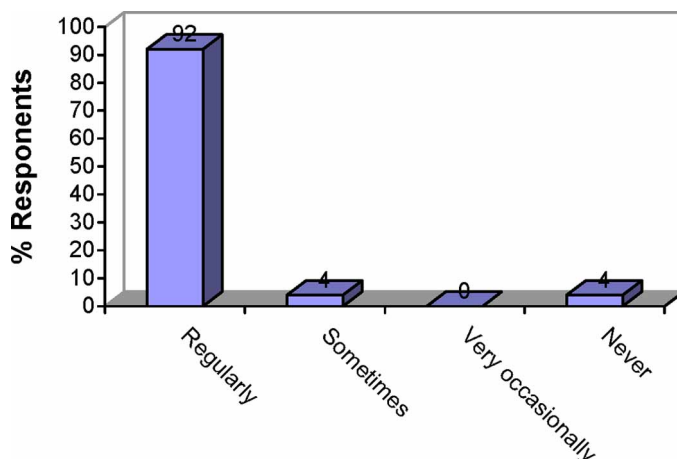


Figure 1. Communications with key stakeholders

employees. This reflects the balance that needs to be made between ‘Project Hierarchy’ and ‘Functional Hierarchy’ when managing change, as described by Rodney Turner.

The majority of the organisations consult and communicate regularly with key stakeholders, as shown by the data in Figure 1. Storytelling was a common approach to aid the communication of the change with the organisation’s people. The focus of most of this communication was found to be top down, with executive boards and steering committees being central to communication. This top down preference may be a consequence of the stronger focus on cost and financial considerations when selecting priorities for change.

Almost all organisations used external support at some point in their change or improvement programme and most external support was highly regarded. The analysis indicates that consultants are used in a wide variety of roles, with training and technical support being the main such roles.

Preparing for Change

Most organisations were found to specify clear targets in their project plan and, where targets are broad, this is often intentional or unavoidable – not too convincing when we recognise the high levels of failures in change programmes. Figure 2 provides the responses to the question regarding the inclusion of targets in the project plan.

The expected objectives and benefits of the change programme are interesting. Expected long term objectives and benefits are strongly related to the drivers of change and, therefore, evolve around cost reduction, cultural alignment, better customer relationship and operational effectiveness and efficiency. Short-term objectives and benefits lie in operational improvements. Others include better communication and cultural aspects. Some organisations do not state short-term objectives and benefits.

Most metrics and targets put in place to measure the success of the change relate back to the drivers and expected benefits. The main success measures include cost, operational effectiveness/efficiency and various customer measures.

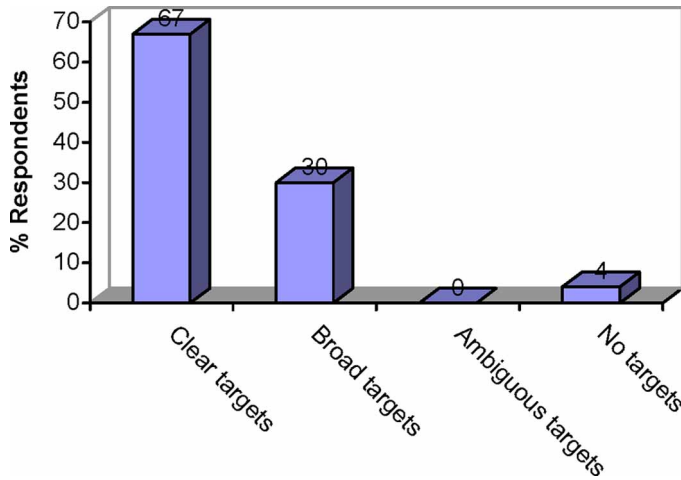


Figure 2. Inclusion of targets in project plans

Less than half of the organisations either run a pilot implementation or do some feasibility testing (Figure 3). Where this did not occur, it was often stated to be not appropriate or applicable.

When asked, 'Did you review previous change initiatives to learn from them and aid this change programme?' some organisations conduct at least some review and learn from previous change initiatives, but a worrying 25% did not (Figure 4).

Analysis of the results indicates that the respondent organisations understand well the importance of relating project targets and drivers to measures and most organisations do not have problems meeting project deadlines, but only some *always* meet deadlines. Many organisations communicate results and learning.

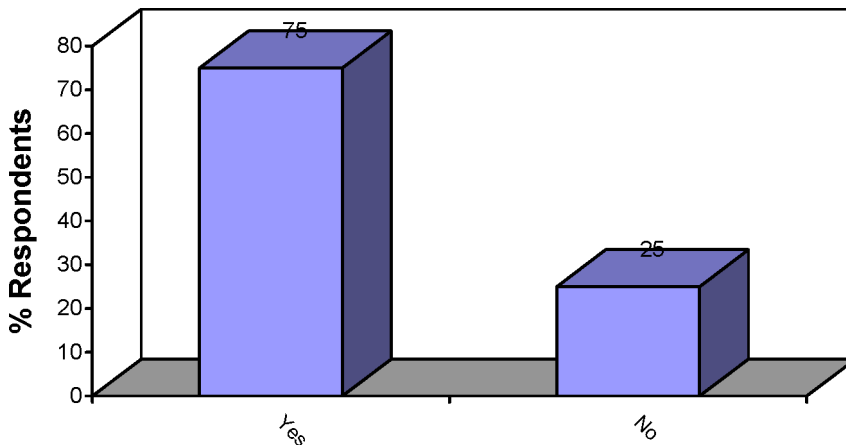


Figure 3. Pilot implementation experience

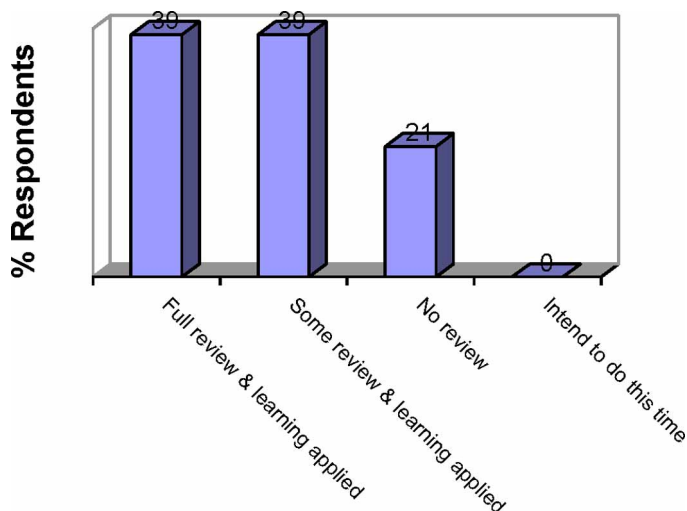


Figure 4. Review and learning from previous change programmes

Implementing Change

The third theme considers how organisations implement change successfully. One of the major findings from the research was that it was common for organisations to do this through a process-centred approach. It was also found that there was a need to consider the impact of the change on the organisation and resources, the systems and controls, and finally the behaviours of the actors in the changed organisation.

Processes at the Centre of the Change

As shown in Figure 5, respondent organisations claim to define and document all or most of their new processes. The majority have fully established process ownership and governance (Figure 6).

Organisations were found to use a variety of means for process deployment, including workshops, the intranet, training sessions, and one-to-one coaching. Frequently, people directly involved in improving the processes are responsible for their deployment. The results also show support for the importance of people involvement in change management – communication and information are regarded as highly important.

When asked about evaluating and mitigating for the risks associated with the change, the responses suggested that risk assessment was considered at the planning stage of a project. There was recognition that risks had to be managed throughout the project. Generally, a fairly robust approach seems to have been adopted in most cases with some organisations having developed alternative solutions when evaluating and mitigating for the risks.

Organisation and Resource

It was interesting to understand how new organisation structures, developed during the change programme, enable efficient and effective end-to-end process operation.

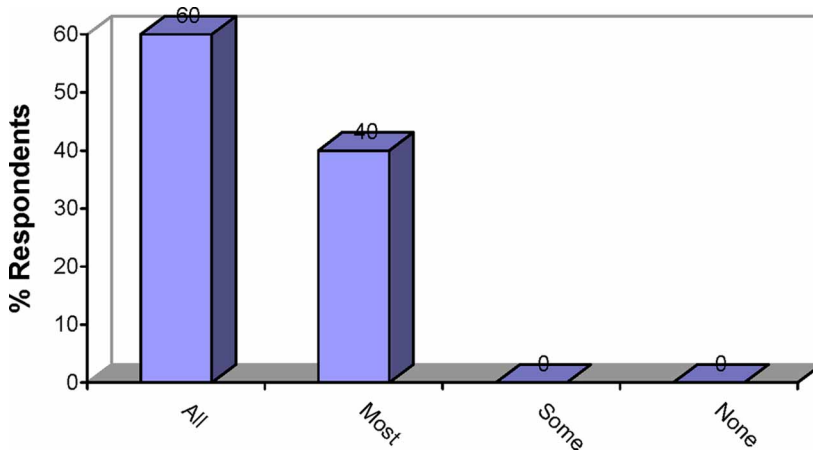


Figure 5. Degree to which new processes are defined and documented

Not many organisations appear to restructure as part of their change management programmes. It was found that most enabling factors relate to putting measures in place that directly relate to the drivers and expected benefits of the programme or outputs from the new processes. However, how people's competencies are identified and matched to new roles fitted into three categories:

- Some organisations try to match process needs with people's competencies;
- Skills matrix and gap analysis assessment can lead to subsequent training in some cases;
- Frequently, there were no new roles created as a result of the change/improvement programme.

Most organisations do training before or during the change programme, but some respondents do training throughout the programme (Figure 7).

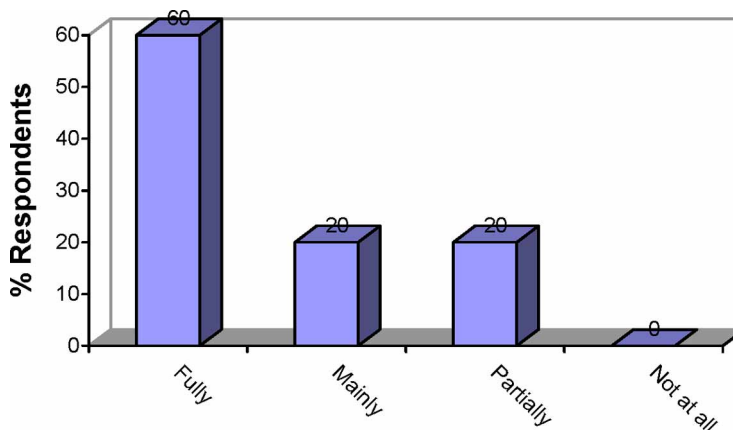


Figure 6. Degree of process ownership and governance

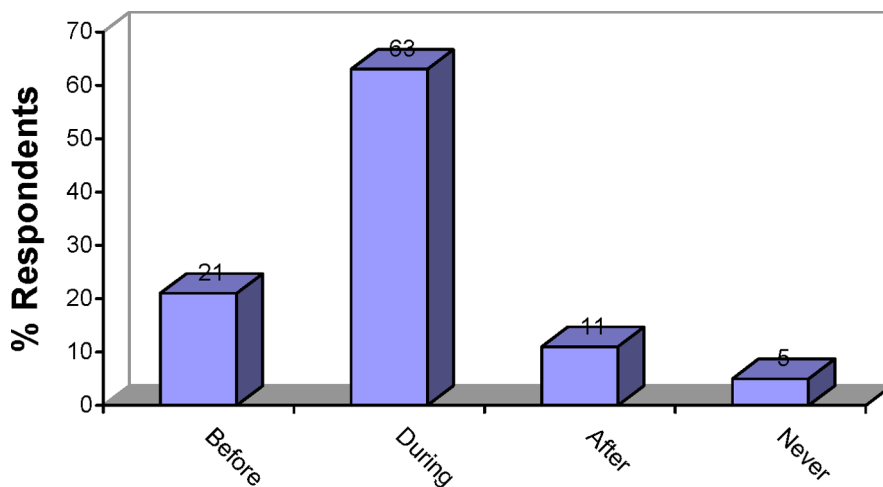


Figure 7. Occurrence of training due change programmes

Systems and Controls

When asked about how any new policies were defined and deployed, there seemed to be some confusion between policies, processes and procedures. Several change/improvement programmes did not result in new policies. As an example, where the Six Sigma DMAIC system had been part of the change programme, consideration of new systems and policies was evident in the Improve and Control phases. Some respondents claimed that new policies were mainly defined and deployed via computer systems and management systems. Training was occasionally used.

In terms of performance measures being defined and measured:

- For Six Sigma, this was done in the Analyse part of DMAIC;
- Some organisations define key performance indicators at the outset of the project;
- Measures are based mainly on drivers for the change programme, i.e. cost and operational measures;
- Some performance measures are related to key outputs of the process.

The realisation of the expected outcomes/benefits of the change programme was perceived as either very good or good. All organisations conducted, or intend to conduct, a post-completion review that included a review of benefits achieved. As Figure 8 shows, most organisations interviewed had seen substantial or some measurable improvement to core business results, but for others it was too early to be able to comment on the level of benefits achieved.

Behaviours

Respondents were asked how they assessed, communicated and implemented necessary changes in behaviour. This seems to be an area lacking focus/attention in some

Measurable improvement to core business results

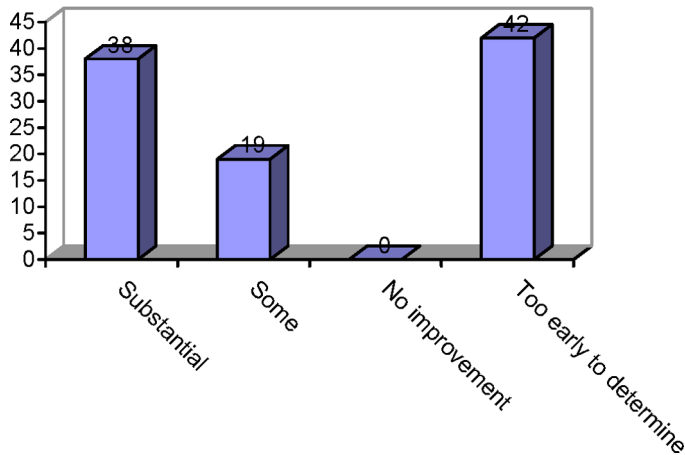


Figure 8. Measurable improvement to core business results

organisations, whilst others use many forms of communication, formally as well as informally, involving as many employees as possible. The results generally indicate strong support for communication to all people in the organisation.

Enablers and Barriers to Change

Organisations were asked what practises significantly *helped* or *hindered* the change programme. Table 2 summarises the responses.

Encouragingly, results support the key issues of change management communication and people involvement.

Finally, respondents were asked about their needs now in terms of delivering lasting change. Their replies were generally long and full of feeling. The responses have been

Table 2. Common enablers and barriers to change

Practices helping change	Practices hindering change
<ul style="list-style-type: none"> • Data-led analysis (hard facts) is an important aspect • Cross functional teams with high performers and the right skills • Disciplined project management • Clear accountability and goals • Stakeholder management • Process thinking • Communication • Staff involvement • Senior management commitment 	<ul style="list-style-type: none"> • Changes in the organisation, e.g. re-design, departure of MD • Lack of communication • General issues based on resistance to change and project management issues i.e. silo-thinking, delays etc. • Too little top management involvement

distilled into a four main themes and these are given in Table 3. The table also gives examples of responses that support the themes identified, which were:

1. Extending or completing the change;
2. Evaluating the benefits of change;
3. Maximising the benefits of change;
4. Approach to managing future change.

What can we Learn from this Research?

A number of key insights have been identified from this research and each of these is discussed in turn.

The Agenda for Change is Driven by External Events

All the organisations interviewed were reacting to shifts in their external environment when introducing their change programme. Many of these could be traced to an external event, such as a regulatory change or increased competition. Even when internal reasons were given for the need to change; these could be related to some form of external pressure on the organisation.

In some cases the changes made by the organisation were proactive in that action was being taken to prevent a future performance problem. But it was more common that the organisation's reaction was playing 'catch-up'. Scanning the external environment and taking action in advance to be 'ahead of the game' could possibly improve an organisation's ability to implement improvements.

Leaders Set a Clear Direction and Manage Risks

The research indicated that leaders identify and select priorities for change. One feature of successful change programmes was that, before making the decision, alternatives were considered, but in the end leaders made a definite decision to change something and stuck with it, accepting that there were risks associated with any decision. Once the decision was made leaders set success criteria and communicated the need for the change, often using storytelling as an approach.

The Need for Change must be Aligned to the Operational Issues

The external event that triggers the change forms part of the strategic context of the change. But the need must be translated into an operational context so people in the organisation understand how they will be affected and what must be done to address the challenge. As an example, if there is a need to become more competitive or react to a government initiative, the strategic need can be translated into quantifiable efficiency and effectiveness improvements that are understood at an operational level. This link is a central role of the leadership of the organisation as they set direction. If the link is broken between the strategic and operational issues there is a risk of misdirected effort leading to no or limited bottom-line benefits or the change will never get off the starting blocks.

Table 3. Future needs to deliver lasting change

Theme	Example evidence to support theme
Extending or completing the change	<p>The change is reasonably self-sufficient; but we need an on-going emphasis on improving what's in place and a wider roll out/ implementation to other areas.</p> <p>A full roll out is now required. The plan for this will be put together after the final review of the pilot programme.</p> <p>Buy-in from Senior Executive Team. Buy-in from staff at all levels. Sufficient time and space to go through a change programme of this size.</p> <p>Currently at the beginning of the process – perception it will take 2–3 years to get embedded. Need to get to critical mass of advocates – need to get to position where it doesn't rely on 2-3 individuals to move forward and rollout. Need to get to self-sustaining position.</p> <p>Programme is over the peak and need to wind down to the finish. Culture and attitude improvement is imperative.</p> <p>Continuity, and access to people. Support from senior team.</p>
Evaluating the benefits of change	<p>Put in place regular management information flows and a 'business as usual' team to monitor the benefits after the dedicated project team have disbanded.</p> <p>Clear, measurable review process established.</p>
Maximising the benefits of change	<p>Stability to allow the organisation to see the real impact and benefits from the changes (with respect to costs).</p> <p>Evaluate where to use the new techniques in the business and what to do with the internal experts that have been developed in the business.</p> <p>The programme provides a framework for the foreseeable future, in terms of: Processes/operational, Cultural/human performance, Customers. Need to carry on driving the benefits out from it after the 2 years.</p> <p>Focus on where we are going; Clear understanding of goal. Carry on doing what we're doing.</p> <p>Keep the momentum going – holding a reunion event next week; plan to have 2–3 a year for the next couple of years to reinforce the learning and the networking.</p> <p>Full involvement of managers to run the new systems when they are rolled out.</p> <p>Celebrating success to reinforce benefits.</p> <p>Continue to follow through the benefits realisation for some years.</p> <p>HR need to hand hold some companies/businesses where there is resistance, to reinforce the new ways.</p>
Approach to managing future change	<p>Key message (and challenge) is that change is the beginning of everlasting change.</p> <p>Still need an agreed and integrated approach to change to enable both radical and incremental change to be coordinated and efficient.</p> <p>Continuous improvement of the process and the IT systems. Also continuous alignment with the organization's strategy.</p> <p>More commercial focus in the organisation.</p> <p>Invest time to plan projects properly and manage formerly.</p> <p>Get programme resources sufficient to implement the programme in the correct time frame – utilise expertise within the Force, plus consultants.</p>

A Process Approach is Central to Successful Change

The previous observation, the need for leaders to translate the high level strategic change into operational terms, explains why process management sits at the heart of a successful change programme. Process thinking is a vehicle to understand and review the work actually performed within the organisation. It also enables full participation in the change process and a way of establishing current and future performance levels. In essence, process thinking provides a hands-on well proven approach to deliver improvement. The processes need to be understood, measured and improved.

Performance Measurement has a Key Role in Supporting Change

Four sub-themes were identified from the 'Implementing the change' theme in the research. These were processes at the centre of the change, organisation and resource, systems and controls, and behaviours. The first of these sub-themes, processes, has just been discussed. A second component identified from the systems and controls sub-theme that played a critical role was performance measurement. Performance measurement was seen as critical to assessing the levels of performance both before and after the change, and to providing a control during the change. Good performance measurement also allows target areas for improvement to be identified and has a key role in communication.

A Project-based Approach Increases the Chance of Success

A common theme was the use of project management to deliver change. Project management includes the activities of planning, communication, establishing targets and learning from the change. The research indicated that this is an area where there is scope for improvement within many organisations. In particular, the area of setting clear measurable objectives for the change and evaluating their achievement may be singled out for attention. Two other areas were learning from change and the need for stability and to keep a focus on the project right through to completion so that all the potential benefits are delivered.

External Support Adds Value in Managing Change and the Transfer of Knowledge

One of the beliefs changed as a result of the research related to the use of external support. Before the research was conducted it was perceived that organisations would avoid using external consultants unless absolutely necessary. But the research indicated that it was generally recognised that a lack of technical and project management expertise proved to be barriers to successful change. Several organisations had realised that the only way to gain access to such expertise was through the use of consultants. Consultants had to be selected wisely, however, only choosing consultants who were prepared to transfer their knowledge to the organisation during the duration of the programme.

Aligning the Culture to Support Changes in Peoples' Behaviour

At the end of most change programmes there is a need for people to do things differently. The final insight relates to the change to the behaviour of the people, which impacts the

culture of the organisation. This was most effective where the proposed change was aligned to the existing culture. For example, where there was a need to improve customer service in a customer focused organisation. Organisations reported the need to identify those aspects of the culture that reinforced the change and use these as key enablers. Similarly, where the culture was judged to a barrier to the change, steps were taken to try and minimise resistance, for example, though the use of internal marketing and though the action of leaders.

Continuous Review

Successful change requires leaders to continually negotiate all aspects of the change approach. For example, they need to challenge the priorities, structure and programme metrics to ensure they are driving the desired behaviours and delivering the required benefits.

In Summary

In summary, the analysis of the responses provided support for the main themes that were identified from the literature review, these being:

- The triggers for change
- Preparing for change
- Implementing change

A number of insights have been identified from the research, and these are the basis of the Organisational Change Framework. Given the common nature of the themes that were identified during the research it is believed that this will provide a valuable framework for organisations that are undertaking, or plan to undertake, either an incremental or large-scale change programme.

The Organisational Change Framework

Based on the insights that were identified through the research, and from other sources, the Organisational Change Framework was developed. This is a powerful aid for organisations wishing to undertake a change programme, or who were in the processes of delivering change and want to increase their success. It identifies two main constructs of change management, which can be better understood within the overall framework for change as shown in Figure 9.

Based on the results of our research, the change framework has two interacting cycles:

Readiness for change, and
Implementing change.

The experiences of many organisations that have launched change programmes, such as six sigma, is that the first part – readiness – is not at all well understood or developed. This often results in a rush into implementation, with huge emphases on training programmes and projects. Even managers in General Electric who are famed for their

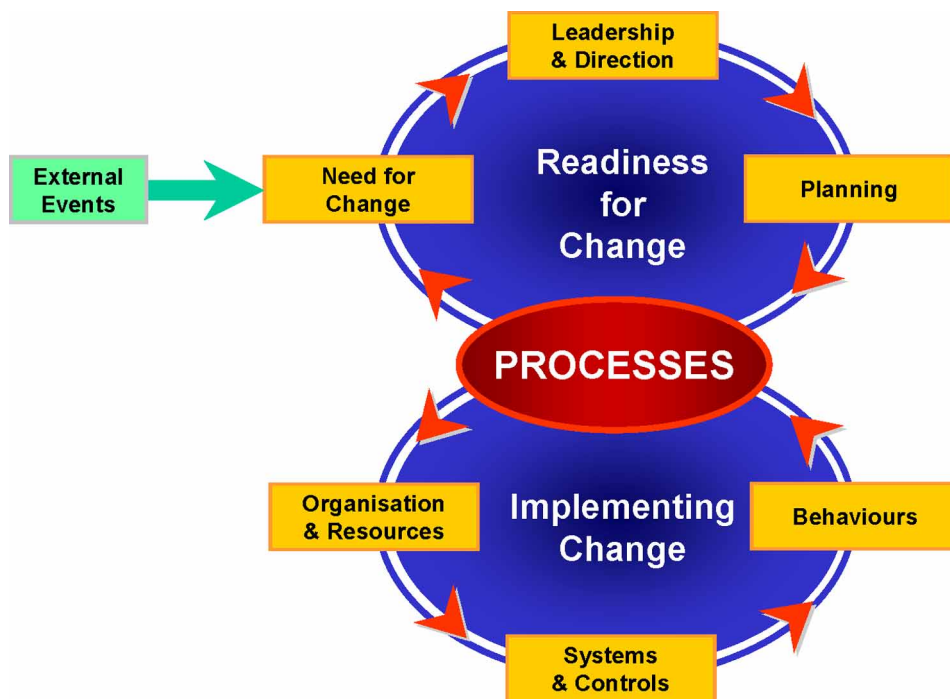


Figure 9. The Organisational Change Framework

six-sigma programme have admitted that they have found themselves going round and round the lower circle without engaging the strategic alignment offered by the upper one.

To break into the top circle we need to start with the *Drivers of Change* – it is important to understand what the key drivers for change are, inside or outside the organisation, in order that the *Need for Change* may be understood and articulated to focus the stakeholders' desire for change. This is where leaders give meaning to the change, without which, as many organisations later discover, initial enthusiasm and energy quickly dissolves. For example, what are the drivers for the introduction of digital technology into the BBC World Service – reduced costs, better programme reception, more effective programme making? Clarity on this is key, as from it derives clear and consistent *Leadership and Direction* to turn the need into expectations – values, aims, measured objectives and targets. Robust *Planning* then allows the priorities to emerge and focuses people's minds on the strategic objectives.

The implementation of change is a rich tapestry of potential failure – a minefield for the unsuspecting. Worse than that, most managers tend to find they have entered the minefield at the wrong point. Trying to change behaviours, for example, is a frequent starting point for many 'programmes' which will include such matters as attitudes and empowerment, without bedding these things in the reality, which is the business.

Following clarity on need, clear and unambiguous leadership, direction and good detailed planning, the first port of call must be the organisational *Processes* in which people live and work. Whether we like it or not, and whether we have worked them out

or not, the processes drive the way the *Organisation & Resources* work – the structure, roles, competencies and resources deployed. Performance measures and technology then support the organisation's *Systems and Controls*. This is where *Behaviour* comes in – all of the above drives behaviour – the way the organisation is structured, who my boss is, how I am measured, the processes and systems – good or bad – that I live and work in. When managers talk about attitudes of the people it might be interesting for them to understand where these come from. Attitudes stem from beliefs and values, both of which are management's responsibility to influence. Most people start work for an organisation with positive attitudes and behaviours and it is frequently the systems and environment that cause problems and deterioration.

The 'figure of 8' closes when we return to the process, for it is our behaviour that makes the processes work or not, resulting in achievements in quality and on time delivery, or not. Taking another trip round the figure of 8 will verify the change protocols and ensure that anchorage to the strategies is maintained.

World-class organisations, of which there need to be more in most countries, are doing *all* of these things. They have implemented their version of the framework and are achieving world-class performance and results. What this requires first, of course, is world-class leadership and commitment.

It is often difficult for managers to stand back and view their work on change in a holistic fashion. Personal agendas can lead to a push on Human Resource issues or Information Technology issues, preventing the holistic view. This is where an external view can be so helpful. An output of the 'leadership' box may be scenarios for reacting to the need for change – there is usually more than one way to address the need and managers often benefit from external support in asking the questions that lead to alternative routes to change.

In many successful companies, TQM is not the very narrow set of tools and techniques often associated with failed 'programmes' in organisations in various parts of the world. It is part of a broad-based approach used by world-class companies, such as Airbus, Hewlett Packard, Milliken, Shell, ST Microelectronics, TNT, and Yell, to achieve organisational excellence, based on customer results, the highest weighted category of all the quality and excellence awards. Good quality management in the 21st century will embrace all of these areas. If used properly, and fully integrated into the business, it will help any organisation deliver its goals, targets and strategy, including those in the public sector. This is because it is about people and their identifying, understanding, managing and improving processes – the things any organisation has to do particularly well to achieve its objectives.

Acknowledgements

The authors would like to thank all the respondents who gave their time to provide the questionnaire responses. For confidentiality reasons the respondents have not been identified individually, but a list of the organisations they represent has been included in the appendix. The authors would also like to thank Dr Mary Davies and Ms Fiona Duffy for conducting the interviews, and to Dr Joachim Bauer for the independent analysis of the responses.

References

- Andersen, E. S. *et al.* (1998) *Goal Directed Project Management* (London: Kogan Page).
- Beer, M. & Nohria, N. (2000a) *Breaking the Code of Change* (Boston, MA: Harvard Business School Press).
- Beer, M. & Nohria, N. (2000b) Cracking the code of change, *Harvard Business Review*, 78, pp. 133–142.
- Brown, S. L. & Eisenhardt, K. M. (1998) *Competing on the Edge* (Boston, MA: Harvard Business School Press).
- Carnall, C. (1994) *Managing Change* (London: Prentice Hall).
- Carnall, C. (1995) *Managing Change in Organisations* (Hemel Hempstead: Prentice Hall).
- Carnall, C. (2003) *The Change Management Toolkit* (London: Thompson Learning).
- Guha, S. *et al.* (1997) Business process change and organizational performance: exploring an antecedent model, *Journal of Management Information Systems*, 14(1), pp. 119–156.
- Higgs, M. (2002) Leadership – the long line: a view on how we can make sense of leadership in the 21st century, *Henley Working Paper Series* (HWP0207), p. 31.
- Kotter, J. P. (1995) Leading change: why transformation efforts fail, *Harvard Business Review*.
- Martin, I. & Cheung, Y. (2002) Change management at Mobil Oil Australia, *Business Process Management Journal*, 8(5), pp. 447–462.
- Paper, D. J. *et al.* (2001) A BPR case study at Honeywell, *Business Process Management Journal*, 7(2), pp. 85–100.
- Schaffer, R. H. & Thompson, H. A. (1992) Successful change programs begin with results, *Harvard Business Review*, 70(1), pp. 80–89.
- Senge, P. M. *et al.* (1999) *The Dance of Change* (London: Nicholas Brealey).
- Smith, M. (2003) Business process design: correlates of success and failure, *The Quality Management Journal*, 10(2), pp. 38–50.
- Turner, J. R. (1993) *The Handbook of Project-Based Management* (Maidenhead: McGraw-Hill).
- Ulrich, D. & Yeung, A. (1989) A shared mindset, *HR Magazine*, 34, pp. 38–46.
- Young, T. L. (1998) *The Handbook of Project Management* (London: Kogan Page).

Appendix. Participating Organisations

The organisations that participated in the survey were:

- Airbus
- BAA
- BAE Systems
- Barclays
- BBC World Service
- BNFL
- BT Payphones
- DDA
- EADS Astrium

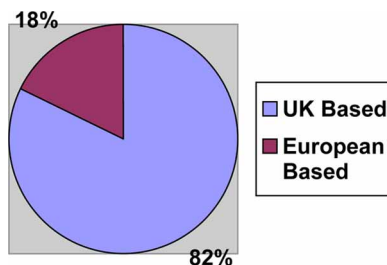


Figure A1. Location of respondents

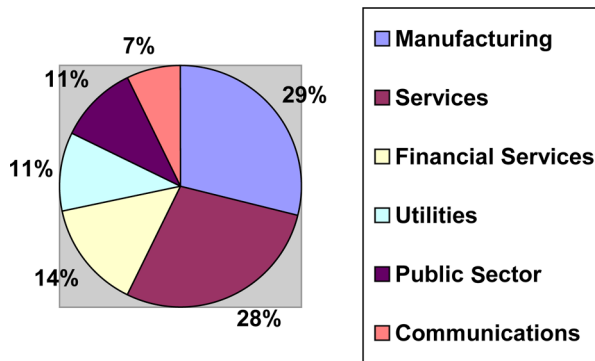


Figure A2. Respondents' specialities

- EGG
- Essex Police
- First Direct
- GNER
- Masterfoods
- Northumbrian Water
- Otto
- Prudential
- QinetiQ
- Shell
- Stevenage Borough Council
- Stowne Associates
- UKTI
- Unilever
- United Utilities