Chapter 5
Change Management

Abstract This chapter covers the two main topics, namely types of change management programs and change management model. It provides the details of three change management models as references for business leaders. These three change management models are ADKAR (Awareness, Desire, Knowledge, Ability, Reinforce) model, Lewin's three stages change model, Kotter 8-step change model, and Jick's 10-step change model. Effective leadership is essential for successful change in business organization. Therefore, business leaders have to learn how to involve their subordinates together to plan and execute change. Besides, business leaders have to include their subordinates in decision making, strengthening their commitment to gain necessary tools, strategies, and insights to influence organizational practices.

Keywords ADKAR model · Change management program · Change management model · Jick's 10-step change model · Kotter 8-step change model · Lewin's three stages change model

Introduction

A business organization often requires changes when it undertakes projects or initiatives to improve performance, seize opportunities or address key issues. The changes to processes that occurred are including job roles, organizational structures, and types and uses of technology. Ultimately, subordinates have to change on how to do their job by embracing and learning a new way of the working or else the initiative will fail (Sparr, 2018).

Grimolizzi-Jensen (2018) defined change management as a structured approach to ensure the changes are thoroughly and smoothly implemented for achieving lasting benefits of change. The focus of change management is on the wider impacts of change particularly on people as individuals and teams move from the current state to the future state. Therefore, change management emphasizes on the people side of change and targets leadership at all levels of an organization including executives, senior leaders, middle managers, supervisors and staff (Sparr, 2018).

In short, change management is the discipline that guides how leaders prepare, equip and support subordinates to adopt change successfully in order to drive organizational success and outcomes. Decades of research show that leaders are able to take actions to influence subordinates in their individual transitions when all changes are unique and all subordinates are unique too (Sparr, 2018).

Types of Change Management Programs

Change management programs enable organizations to control the installation of new processes to improve the realization of business benefits (Bain & Company, April 2, 2018). There are two types of change management programs namely systematic organization-wide change initiatives and specific internal change management or change control program. Systematic organization-wide change initiative involves an organization-wide transformation effort while specific internal change management or change control program involves providing tools and processes to control daily operational or project-specific change.

Both change management programs use similar tools but have different goals and priorities. They are equally important for the organization's success. These programs involve devising change initiatives, generating organizational buy-in, implementing the initiatives as faultlessly as possible and generating a repeatable model for confirming sustained success in future change efforts. A change management program permits leaders to help their subordinates succeed, showing where and when trouble is likely to happen and positioning out a strategy for alleviating risks and monitoring progress (Bain & Company, April 2, 2018).

Change management programs require leaders to focus on results, overcome barriers to change, repeatedly communicate simple, powerful messages to subordinates and continuously monitor progress. Firstly, leaders have to maintain a goal-oriented mindset by establishing clear, firm goals and designing incentives to confirm these goals are met. Secondly, leaders identify subordinates who are most affected and also work to predict, measure and manage the risk of change in order to overcome barriers to change. In times of change, leaders alter communication frequency and the methods to manage how a shaken workforce perceives and reacts to information such as ensure sponsorship throughout the organization and reorganize around decision making. Finally, leaders follow through and monitor the progress of each change initiative (Bain & Company, April 2, 2018).

Change Management Model

Change management is an important aspect of management that tries to ensure that a business responds to the environment in which it operates. Change is the result of dissatisfaction with the present strategies for example poor performance, failure

to meet organizational goals etc. Leaders have to develop strategies to implement change because change does not happen by itself and it is essential to develop vision for a better alternative (Burke, 2008). Based upon the literature reviewed by Mento, Jones, and Dirndorfer (2002), there exists a number of change models intended to guide and instruct the implementation of major change in organizations.

ADKAR Model

The ADKAR model was developed by Jeff Hiatt in 2003 and it was introduced as a practical tool by Prosci, a renowned change management consultancy and learning center (Hiatt, 2006). The ADKAR model is mainly intended to be a coaching and change management tool to assist subordinates through the change process within organizations (Shah, 2014). ADKAR is an acronym for Awareness, Desire, Knowledge, Ability, and Reinforcement. ADKAR describes successful change at the individual level and outlines the goals of successful change as leaders have to manage organizational change starts with understanding how to manage with a single subordinate (Mulder, 2013). Table 5.1 indicates the action steps of ADKAR model.

ADKAR is a goal-oriented change management model that allows change management teams to focus their activities on specific business results. It was initially used as a tool for determining if change management like communications and training were having the desired results during organizational change. However, the limitations of this model are the missing out on the role of leadership and principles of program management to create clarity and provide direction to change (Shah, 2014).

Table 5.1 Action steps for each ADKAR building block

To build **Awareness**	• Effective and targeted communications • Leaders sharing the why and the vision • Ready access to information
To create **Desire**	• Leaders demonstrating their commitment • Managers and supervisor advocating the change • Subordinates participation and involvement
To develop **Knowledge**	• Effective training with the proper context • Education for during and after the change • Job aides and real-life application
To foster **Ability**	• Coaching by managers, supervisors • Hands-on exercise, practice and time • Elimination of any potential barriers
To **Reinforce** Change	• Celebrate successes, individually and as a team • Rewards and recognition that is meaningful • Feedback on performance and accountability

Source NCCI Workshop July 14, 2016 at Montreal, Canada

On the other hand, ADKAR model captures the business/process dimension of change and the individual dimension of change. It also provides a clear management checklist to manage change. As a result, ADKAR model is an effective tool for planning change activities, diagnosing gaps, developing correction action and supporting managers and supervisors (Mulder, 2013).

Lewin's Three Stages Change Model

Lewin's (1949) three stages change model denoting the step by step phases of unfreezing, changing and refreezing using the analogy of changing the shape of a block of ice. This subsequent process of change elaborates the varying outline sequence upon the essential stages of change (Hussain et al., 2018). In context of process model of change, the culture has been recognized by Lewin as moderator for organizational change (Hussain et al., 2018).

The first stage of change is unfreeze step involves preparing the organization to accept change is necessary, which involves breaking down the existing status quo before leader can build up a new way of operating. The key to unfreeze stage is developing a compelling message showing why the existing way of doing things cannot continue. Leaders have to point out the declining sales figures, poor financial results, worrying customer satisfaction survey and so on to show that things have to change in a way that everyone can understand. Leaders need to challenge the beliefs, values, attitudes, and behaviors that currently define it. By forcing the organization to re-examine its core, leaders have to create a controlled crisis effectively, which in turn can build a strong motivation to seek out a new equilibrium. Without this motivation, leaders will not get the buy-in and participation necessary to affect any meaningful change (Hussain et al., 2018).

After the uncertainty created in the unfreeze stage, the change stage is where subordinates begin to resolve their uncertainty and look for new ways to do things. Subordinates start to believe and act in ways that support the new direction. The transition from unfreeze to change does not happen overnight. Subordinates take time to embrace the new direction and participate in the change proactively. Subordinates need to understand how the change will benefit them in order to accept the change and contribute to make the change successfully. Not everyone will fall in line just because the change is necessary and will benefit the organization. This is a common assumption and pitfall that should be avoided (Hussain et al., 2018).

When the changes are taking shape and subordinates have embraced the new ways of working, the organization is ready to refreeze. The refreeze stage needs to assist subordinates and the organization internalizes or institutionalizes the change. The outward signs of the refreeze stage are a stable organizational chart, consistent job descriptions and so on. This means that they are incorporated into everyday business to make sure that the changes are used all the time. Subordinates feel confident and comfortable with the new ways of working with a new sense of stability. Refreezing stage is important even though change is a constant in many organizations. Without

refreezing stage, subordinates get caught in a transition trap where they are not sure how things should be done, so nothing ever gets done to full capacity (Hussain et al., 2018).

It is difficult to tackle the next change initiative effectively in the absence of a new frozen state. Change will be perceived as change for change's sake and motivation required to implement new change simply will not be there. Leaders need to celebrate the success of the change as part of the refreezing process. This helps subordinates to find closure, thanks subordinates for enduring a painful time and helps them to believe that future change will be successful. Figure 5.1 shows Lewin's three stages change model.

Lewin (1949) identified internal and external forces driving change as well as forces restraining it as follows. There will be no change if there is equilibrium between the two sets of forces. Therefore, the driving force must exceed the restraining force in order for change to occur.

Internal forces for change (from within the business or organization):

- A general sense that the business could "do better".
- Desire to increase profitability and other performance measures.
- The need to recognize to increase efficiency and competitiveness.
- Natural aging and decline in a business (e.g. machinery, products).
- Conflict between departments.
- The need for greater flexibility in organizational structures.
- Concerns about ineffective communication, de-motivation or poor business relationships.

External forces for change:

- Increased demands for higher quality and levels of customer service.
- Uncertain economic conditions.
- Greater competition.
- Higher cost of inputs.
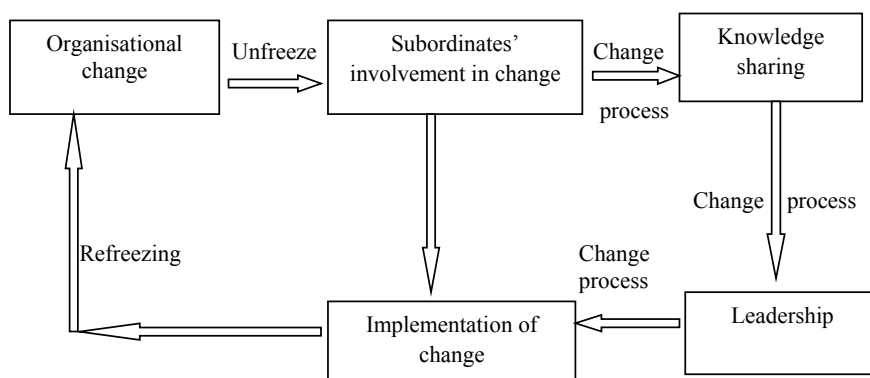
**Fig. 5.1** Lewin's three stages change model (Hussain et al., 2018: 126)

- Legislation and taxes.
- Political interests.
- Ethics and social values.
- Technological change.
- Globalization.
- Scarcity of natural resources.
- Changing nature and composition of the workforce.

It can be concluded that the main pressure for change in a business organization is usually external driving forces. Therefore, a business organization has to be prepared to face the demands of a changing external environment. On the other hand, restraining forces are making the change harder. Despite the positive outcomes, change is nearly always resisted. A degree of resistance is normal since change is disruptive and stressful.

According to Lewin (1949), this simple model is useful to leaders in organizations because of

  i. Tracking where change efforts are in the process;
 ii. Reminding leaders that there are inherent cultural issues in unfreezing and refreezing processes.

In addition there is also the "coping cycle" which helps leaders track the potential emotional impact of change on the subordinates involved (Kubler-Ross, 1969). This model is now being used extensively in leadership development to explain the morale of subordinates as they shift through a change process. These emotions include denial, anger, bargaining, depression and acceptance (see Fig. 5.2).
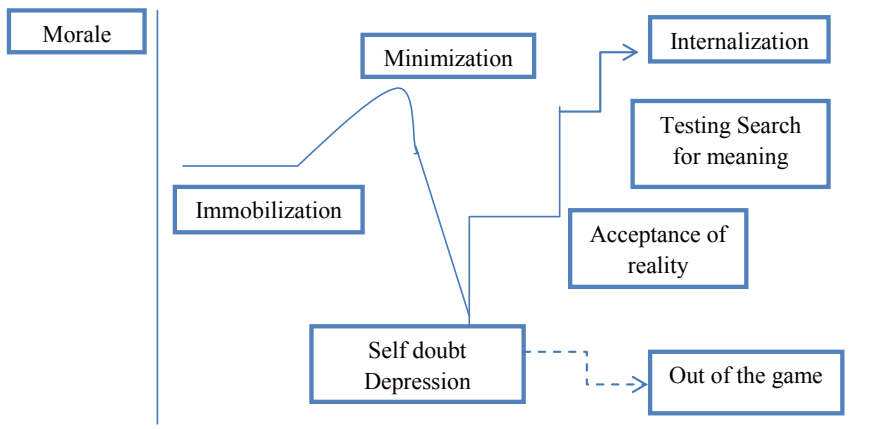
Fig. 5.2 The coping cycle

Kotter 8-Step Change Model

Kotter (1995) defined a model for understanding and managing change based on his experience in consulting with hundreds of organizations. He noticed the numerous difficulties associated with change efforts, distilled the common themes and turned them around into a prescriptive framework. His model (refer to Table 5.2) is aimed at the strategic level of the change management process and is best interpreted as a "vision" for the change process.

Table 5.2 8 Steps to transforming the organisation

Establishing a sense of urgency	Urgency motivates subordinates and generates a sense of realism with respect to change efforts goals. It is also essential to achieve the right chemistry and mix amongst team members, paying close interest to levels of emotional commitment
Forming a powerful guiding coalition	Forming a powerful guiding coalition is the most concerned in the gathering of the powers that be, senior management and key influences within an organization, encouraging teamwork and unity throughout the process
Creating a vision	The creation of this vision serves as a roadmap for the change effort, developing strategies on how one is to undertake each phase of the change
Communicating the vision	Leader should involve key influencers from as many facets of the change process for their individual buy-in, communicating clearly and thoroughly throughout the process
Empowering others to act on the vision	It involves eliminating change obstacles, anticipating and looking ahead, focusing on the change systems and structures declining change. Risk taking is also encouraged in the form of activities and ideas
Planning for and creating short-term wins	Breaking up the over change initiatives into smaller manageable fragments that can be measured for completion and success. Leaders should be rewarded for their efforts leading to the overall change initiatives
Consolidating improvements and producing still more change	Focus is centered on change systems, policies, procedures that hinder the vision, hiring, promoting and developing subordinates who can implement the vision
Institutionalizing new approaches	Clarifying connections between new behaviors and organizational success. Leadership development and succession is also of significance

Jick's 10-Step Change Model

Jick (1991 in Metre, 2009) developed a tactical level model to guide the implementation of major organizational change (refer Table 5.3). Jick's approach to implementing change is from a relatively realistic point of view.

Table 5.3 10 Steps for implementing change

Analyze the organization and the need for change	Assessing the specific organization and its actual need for change
Create a shared vision and common direction	Once an actual need for change is established, Jick's second step, similar to Kotter's third step, involves creating a shared vision and a common direction for driving change
Separate from the past	Indicating the importance of separating current change initiatives that have been undertaken in the past
Create a sense of urgency	Creating urgency around the vision and separation achieved in steps two and three
Support a strong leader role	It is crucial for a change-oriented leader to have a team around him that can support and execute the change vision
Line up political sponsorship	Emphasizes gaining buy-in from senior management and key influencers that could assist move the change initiative forward
Craft and implementation plan	Once the vision is created, the leadership and management buy-in has been secured, one needs to expertise and create an implementation plan
Develop enabling structures	Captures activity around developing enabling structures, removing any foreseen obstacles that may hinder the progress of the change initiative at hand
Communicate, involve people and be honest	Involves disseminating an honest message amongst the change agents and the recipient of change
Reinforce and institutionalize the change	Reinforcing the actual change initiative and then once complete, institutionalizing the change ensuring that the effort is sustainable and can be maintained well after the actual change effort has been executed

References

Bain & Company (2018, April 2). *Change management programs*. Retrieved from https://www.bain.com/insights/management-tools-change-management-programs/.

Burke, W. W. (2008). *Organizational change: Theory and practice*. Thousand Oaks, CA: Sage.

Grimolizzi-Jensen, C. J. (2018). Organizational change: Effect of motivational interviewing on readiness to change. *Journal of Change Management, 18*(1), 54–69. https://doi.org/10.1080/14697017.2017.1349162.

Hiatt, J. M. (2006). *ADKAR: A model for change in business, government and our community*. Prosci Learning Centre.

Hussain, S. T., Lei, S., Akram, T., Haider, M. J., Hussain, S. H., & Ali, M. (2018). Kurt Lewin's change model: A critical review of the role of leadership and employee involvement in organizational change. *Journal of Innovation and Knowledge, 3,* 123–127.

Kotter, J. P. (1995). Leading change: Why transformation efforts fail. *Harvard Business Review,* March–April, 1–8.

Kubler-Ross, E. (1969). *On death and dying*. New York, NY: Routledge.

Lewin, K. (1949). *Field theory in social science*. New York, NY: Harper & Row.

Mento, A. J., Jones, R. M., & Dirndorfer, W. (2002). A change management process: Grounded in both theory and practice. *Journal of Organizational Change Management, 3*(1), 45–59.

Metre, C. (2009). *Deriving value from change management*. Unpublished Master of Science in Organizational Dynamics Thesis. Philadelphia, PA: University of Pennsylvania.

Mulder, P. (2013). *ADKAR model by Jeff Hiatt*. Retrieved from https://www.toolshero.com/change-management/adkarmodel/.

Shah, M. H. (2014). An application of ADKAR change model for the change management competencies of school heads in Pakistan. *Journal of Managerial Sciences, 8*(1).

Sparr, J. L. (2018). Paradoxes in organizational change: The crucial role of leaders' sensegiving. *Journal of Change Management, 18*(2), 162–180. https://doi.org/10.1080/14697017.2018.1446696.