

Change Management I

SPROM-OLF - Organisation, Leadership, and Change Management

2023 Autumn term

SPROM-OLF_HT2023 contents



- 1. Economic foundations; Organisation Theory
- 2. Leadership
- 3. Entrepreneurship; Teams & Projects
- 4. Change Management
- 5. Business Ethics; course summary



Change Management

Reasons, models ...

Contents



- Definitions
- Change drivers and resistance
- Change management frameworks
- PMI, Long-term perspectives
- Emotions and stress
- Impact on teams & individuals



"What if we don't change at all ... and something magical just happens?"

Change Management - Definition



"...Change may be constant but it is not always the same"

- Paul Strebel (1997)

Current state

Transition

Desired future state

- Analysis of need for change
- Define/agree target of change
- Systematically manage transition process



aka Organisational Development





Planned change or unplanned change (crisis)?

External

- Technology (IT)
- Globalisation
- (De)regulation
- Customer demand
- Market dynamics
 - New entrants
 - New client expectations
 - Business cycle (boom & bust)
- Natural environment

Internal(ish)

- Mergers & Acquisitions
- New products/services
- New processes, R&D
- Reorganisation
- New Management
- Team-internal changes
 - Diversity
 - Staffing
 - Demographics (retirements)

Sources of resistance to change





Change Management frameworks



- Lewin's change management Model
- McKinsey 7-S change management Model
- Bridges' transition model
- Kotter's change management model
- ADKAR change management Model
- Kübler-Ross' Five Stages change management model

Lewin's Change Management Model



Unfreeze

Change

Refreeze

- Recognize the need for change
- Determine what needs to change
- Encourage the replacement of old behaviors and attitudes
- Ensure there is strong support from management
- Manage and understand the doubts and concerns

- 1. Plan the changes
- 2. Implement the changes
- Help employees to learn new concept or points of view
- Changes are reinforced and stabilized
- Integrate changes into the normal way of doing things
- Develop ways to sustain the change
- 4. Celebrate success



Kurt Lewin 1890-1947

Status quo

Pesired Restraining forces

Driving forces

The 'godfather' of change management?!



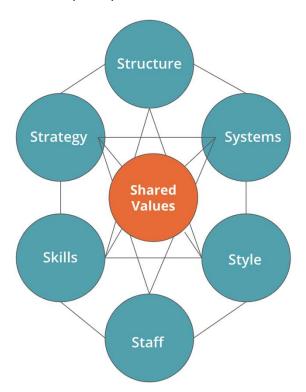
McKinsey's 7S and phase models



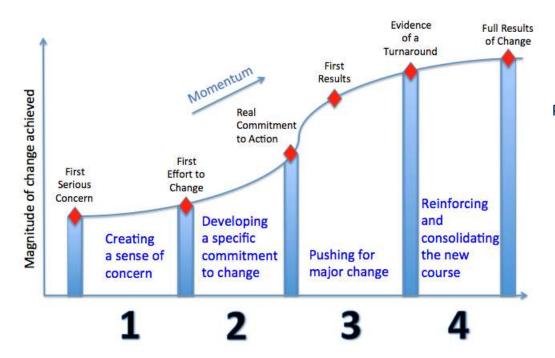




Peters & Waterman (1982)



The phases of organizational change

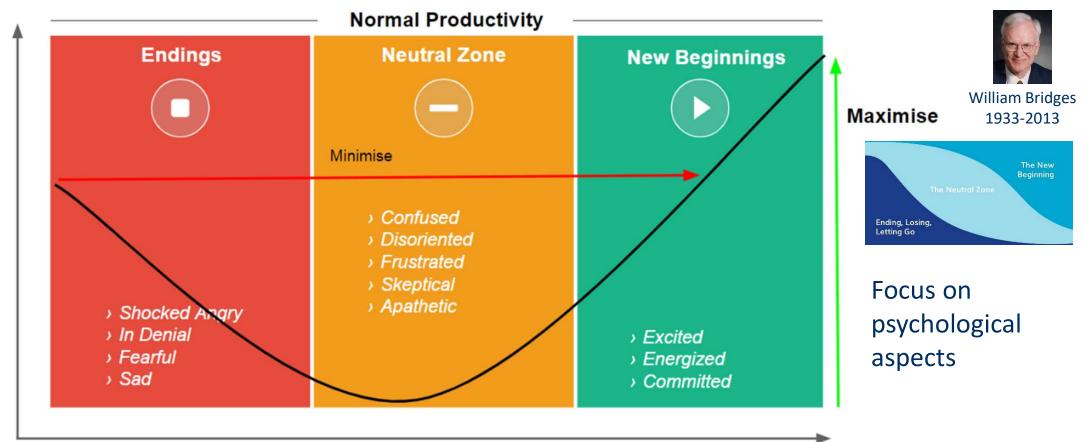




Phillips (1983)

Bridges' transition model





Time

Bridges (1991)

John Kotter's change management model





John Kotter (1996)

Empirical, ~100 firms

The desired change is conducted in 8 Change Management Steps

ADKAR Change Management Model



ADKAR

<u>Awareness</u>

- Announce the change to employees well ahead of time
- Explain your reasoning behind the change, including current pain points and potential ROI of the new solution.
- Give employees an opportunity to ask questions and make suggestions.

Desire

- Gauge employees' reactions to the change.
- · Identify champions.
- If employees are resistant or indifferent, address their concerns or show them how the change benefits them personally.

Knowledge

- Provide training or coaching to show what employees need to do after the change takes place.
- · Address any skill gaps.
- Offer resources, such as process flowcharts, that employees can reference later on.

Ability

- Schedule practice runs before the change is fully implemented.
- Monitor performance immediately following the change and provide constructive feedback.
- Set reasonable goals and metrics at the start.
- Adjust processes as necessary.

Reinforcement

- Monitor the change over time to ensure it fulfills your desired outcome.
- Use positive feedback, rewards, and recognition to encourage employees to keep following the new process.



Jeff Hiatt

Focus on Activities of Individuals

Enablement zone

Engagement zone

Hiatt (2003)



BREAK

See you in 10min.





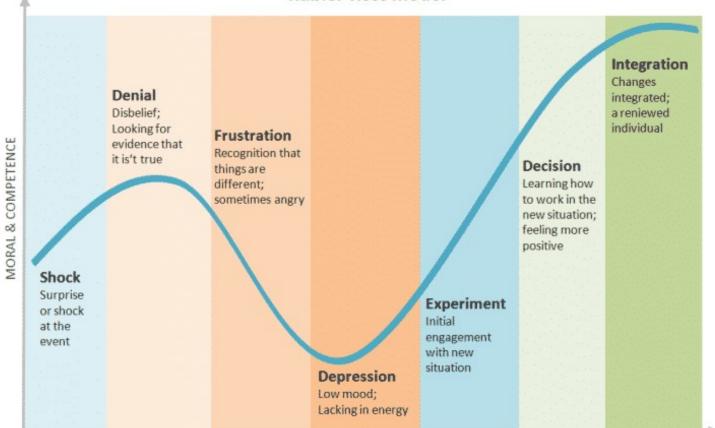




Kübler-Ross Five Stage Change Management Model

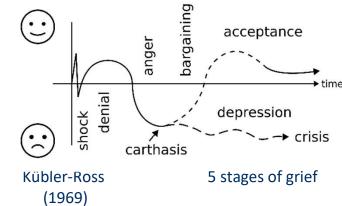








Kübler-Ross 1926-2004



Team Development







AGENDA

Directing · Goal is to win.

Cooperating

· Goal is to find a win/win solution.

Compromising

· Goal is to find middle ground.

Avoiding

· Goal is to delay.

Harmonizing

· Goal is to yield.

(Kraybill 2005)

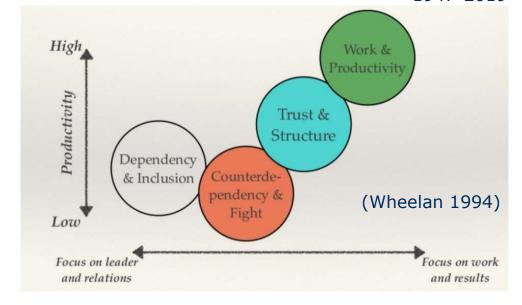
RELATIONSHIP Focus on relationships or agenda of others'



Susan Wheelan 1947-2019

Bruce Tuckman 1938-2016



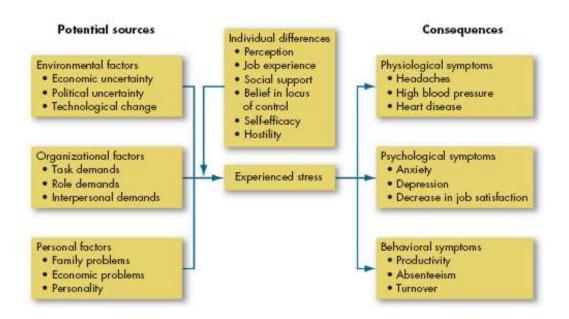


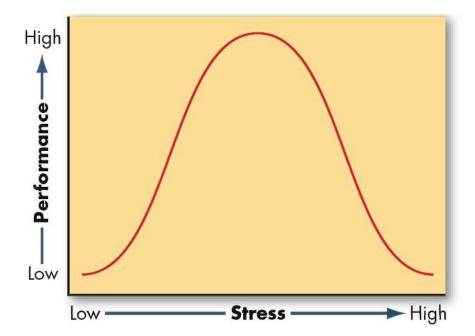
All this change can cause...stress



- Sources & consequences
- Eustress vs. Distress

Acute vs. chronic



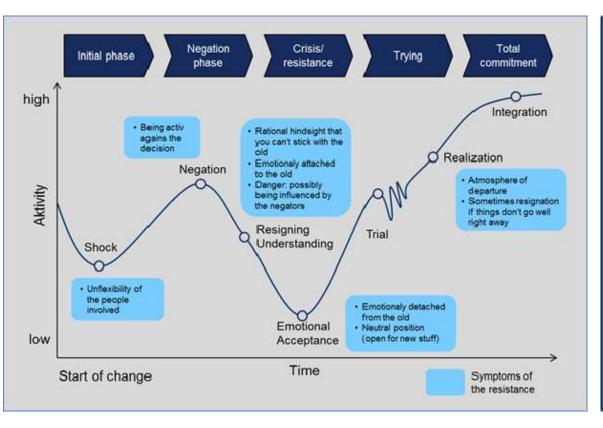


Robbins & Judge (2010)

PMI's view on change



Stakeholder engagement throughout change process

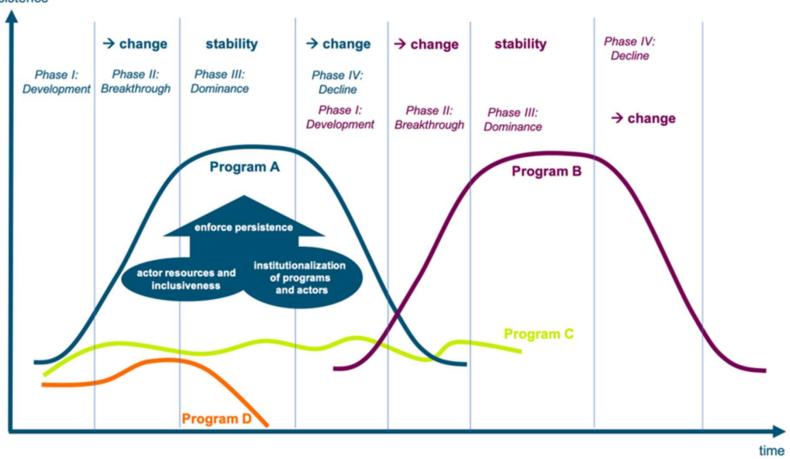




Meta: change & stability over time

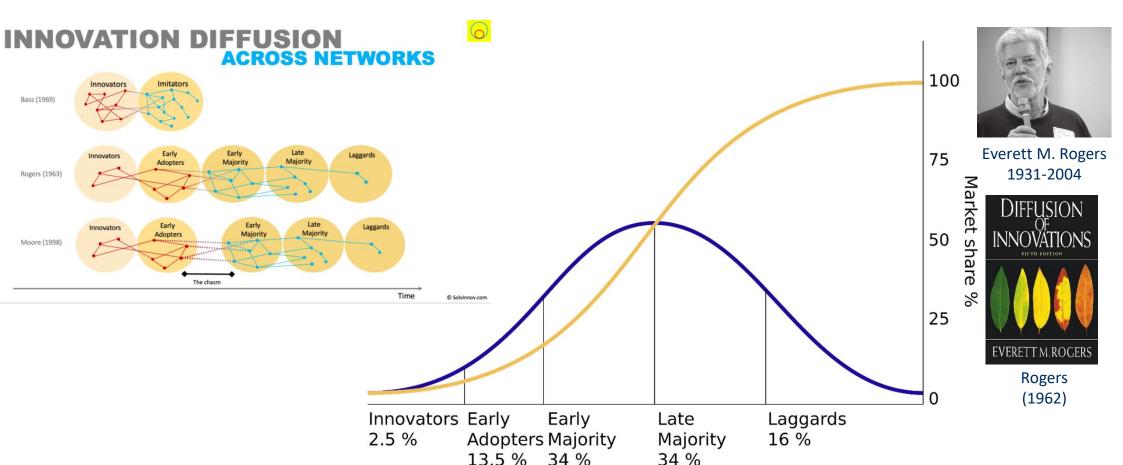


program dominance / likelihood of persistence



Meta: S-curve model of innovation diffusion





Innovation and learning culture



How to deal with change more sustainably

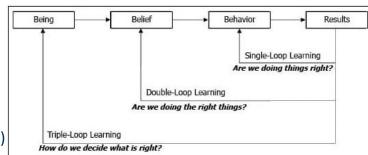
Innovation

- Slack resources
- Inter-unit communication
- Organic structures
- Idea champions and change agents
- Fast try and error cycles
- Proactive

Learning

- Build capabilities for adapting to change
- Reward "intelligent" risk-taking & mistake
- Shared vision & strategy
- Relationship and participation focus
- Teamwork & team spirit

Learning Loops



Argyris & Schön (2002)

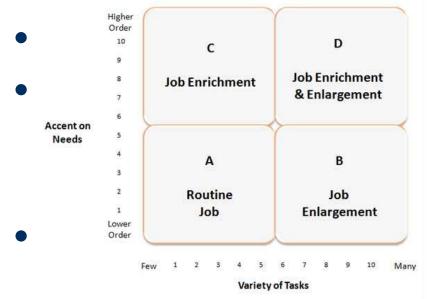
Job satisfaction



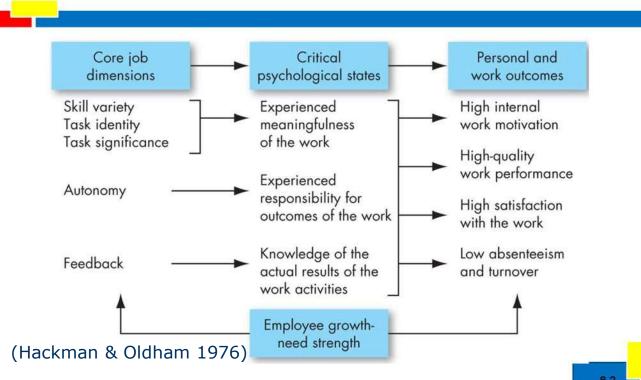


- Excellent motivator
- Substitute for leadership

Job Enrichment and Job Performance



The Job Characteristics Model



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Fairness & Two-factor theory



- Distributive justice (Forsyth 2006):
 - Equality, Equity, Power, Need, Responsibility
- Procedural justice (Tyler & Degoey 1995)
 - Transparency & due process
 - Right to voice and representation
- Organisational justice (Greenberg 1987)
 - Perceived fairness of firm's behaviour
 - Received informational / interpersonal treatment
- Equity (Adams 1956)
 - Compare inputs to outputs
 - Compare ration to others
- → Commitment

- Herzberg's 1956 Twofactor theory on job satisfaction
 - Satisfaction ~ motivators
 - Dissatisfaction ~ hygiene factors, if absent
- "Fair pay"



Frederick Herzberg 1923-2000

Breakout room discussions



- Groups of 3 students, 15 min group work
- Read and discuss the case study:
 - Focus: change drivers, challenges, people, organization, errors made, ...
- Then discuss your own approach/solution to the situation with the course literature (thus far) in the background. Take notes on Miro (link in chat)
- Contribute to the discussion in the plenum

Wraup-up: perspectives on Change





- External factors driving org.-internal change
- Projects as change agents and effects on the organization
- Change within a project (team) itself
- Personal change (e.g. mindset)



Reflection discussion

What of the learned rings true / makes sense?





