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Change management: 10 biggest agents of change

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1 Merger or acquisition

The shock factor with mergers and acquisitions, or management buy-outs, can leave staff reeling, so HR can't afford to lose time when it comes to managing the message.

"The reality is that hours matter," says Christian Morgan-Jones, change director at Serco Solutions, a change management consultancy that acquired the IT services company ITNET in December 2004. "Rumour fills a vacuum," he adds.

HR was right at the centre of Serco's change process, says Morgan-Jones, with senior managers using roadshows to get the message to a total of 85% of staff in the first three days.

"We wrote to people at home; we did a desk-drop of invitations on the morning of the announcement, and we sent targeted e-mails," recalls Morgan-Jones. "There was absolutely no reason for people not to know what was going on."

The HR department carried out a staff survey a few weeks after the acquisition, to identify the "levers for change", and designed development for staff accordingly. This meant, for example, that managers could move from an environment based on strict hierarchies to one based on self-empowerment.

2 New boss

New leaders will naturally want to make their mark, and HR needs to be in tune with their new chief executive to help translate their vision into new ways of working for people on the front line.

Mark Hurd became chairman and CEO of computer giant Hewlett-Packard (HP) a year ago. For the HR team, this meant a change in focus on to the bottom line. "The past 12 months have seen an emphasis on streamlining the organisation, looking at our cost base and making sure we're competitive, and increasing our customer focus," says Helen Wyatt, vice-president of HR for Europe and the Middle East.

The HR department responded by transforming the way it operates as an internal service, extending the use of global delivery centres for HR services and a web-enabled portal for administrative tasks and activities.

On the people development side, HR has increased learning and development in line with Hurd's priorities – spending $275m (£149m) on staff training last year. HR has also focused communication activities on HP's direction and strategy – for example, organising 'coffee talks' for staff with Hurd when he visits a site.

3 Moved to shared services

When Siemens Communications' information services business opted for the shared services route, its staff didn't notice a change, claims Lucinda Carney, head of learning and development. But that 'success' requires getting the people aspect right in relation to staff who have been affected by the change.

The HR department had to ensure the contractual change process ran smoothly, and it gave communication top priority at an early stage, says Carney.

"It's often the case that people are told and changes are 'done' to them (ie, changes are imposed from above). They need to have the opportunity to talk about how they're feeling. If at all possible, engage them early on," Carney adds.

At Network Rail, finance and HR functions have gradually been moving to shared services over the past couple of years.

HR director Peter Bennett says providing training in the new ways of working has been critical to ensuring systems and processes work in practice.

"You've got to get people to change their behaviour, to do the same things in a different way," he says.

4 Outsourcing

Engaging affected employees is equally important with outsourcing, particularly where your employer brand is strong, says Grahame Russell, managing director of advisory firm Penna HR Consulting. Nowhere is this more poignant than where contractors for another company are working on your turf, or vice versa.

The BBC, for example, has recently outsourced its HR to Capita. "One of the challenges that Capita has is creating a new employer brand whereby the individual working for Capita feels proud on the one hand and, on the other, still has a strong affiliation with the BBC," says Russell.

"Having strong governance and service-level agreements means a lot of the ambiguity is taken away and a new culture of working in partnership – rather than 'for them' – can flourish."

The two HR departments need to work jointly on communication processes, building a new culture and talent retention, advises Russell.

5 Unwanted exposure

Public outcry following several rail disasters had a direct effect on how Network Rail reshaped its culture after it took on Railtrack's 16,000 staff and the running of the country's system of track and signalling in 2002.

"Right from the outset, Network Rail was a political hot potato," recalls Bennett. "We were in the papers almost every day as a benchmark for incompetent management."

The culture of 'contracting out' that Network Rail inherited was heavily criticised, and in July 2003, the organisation embarked on a massive change programme to bring all maintenance back in-house, doubling its workforce.

Preparation, planning and maintaining focus – key aspects of any successful change programme – are even more important when public scrutiny is high. Network Rail employed a steering group and multi-disciplinary transaction team, led from the top, to guide through change. HR was "integrated at every single level", according to Bennett, and put a strong emphasis on internal communications.

6 Downsizing

A dip in productivity is a common by-product of any change, even more so for staff who see colleagues leaving an organisation due to factors beyond their control. Employers need to minimise 'survivor syndrome' in the people left behind after redundancy, says Russell.

"People will have very clear views on how their mates were treated as they left the organisation," he adds.

While HR can gain points by making sure those being laid off get the right packages and outplacement help, redundancies inevitably mean redefined roles for the survivors. HR needs to assess and develop the staff who remain – fairly and equally.

"Is there enough attention to the people the organisation wants to keep and the impact on their workload?" says Gary Miles, principal consultant at management education centre Roffey Park. "It's a retention strategy – you've decided to keep them."

7 Going for growth

Laying off staff is an unwanted addition to any HR professional's CV, but sometimes having to 'staff-up', rather than downsize, can be just as challenging.

Restaurant chain Nando's has grown from having five restaurants nine years ago to 125 today, with another 90 due to open during the next three years. The company takes a robust approach to communicating each year's business plan – particularly to the managers of tomorrow, says HR director Julia Rosamond.

The company's functional heads present the plan directly to restaurant managers at a big event each year, with a second event for assistant managers.

"We don't miss a trick in ensuring they're aware of what opportunities there are," Rosamond says.

Of the company's 14 regional managing directors, 70% were developed internally. Communicating direct to staff down the line is also crucial, says Rosamond, and each restaurant elects a member of staff to a company-wide forum that meets quarterly with senior management.

8 Under new management

A new owner heralds a shift in direction for the business, with a series of structural and cultural changes likely to follow.

When United Biscuits came under its new owner, global snack giant Nabisco, four years ago, the company put new senior people in place to instil a more centralised approach to what had previously been a number of businesses and factories run fairly autonomously, according to change manager Les Bacon.

The company developed tools to get the 'emotional element' right, says Bacon. It worked with occupational psychology company Kaisen, for example, to scope change projects, not just in terms of the tasks themselves, but also how they would affect the people involved. It also trained up 'change agents' both in HR and in operational roles.

9 New technology

Employers are likely to fall short when technology is "installed but not implemented", says David Miller, managing director of consultancy firm Changefirst.

"We do a lot of work with Nokia, and when it puts technology in, HR is trained to work with departments to understand what they're going to have to do to change people's competencies," he explains.

Implementing new systems also requires a degree of trust, says Carney, whose company develops communications tools that allow staff to see what other team members are doing at particular points in the day so that workers can share information remotely.

But this requires employees to learn new habits and adopt a whole new mindset.

"To achieve buy-in, team members have to see it as a tool rather than a 'big brother' kind of thing," adds Carney.

10 Going public

Stock market flotation can bring share options for employees and an immediate shift to a performance culture, thanks to the increased scrutiny publicly listed companies must endure.

"There is a direct correlation between performance and reward. It's a fantastic incentive," says James Wheeler, chief executive of interim management provider Ashton Penney, which floated on AIM

(Alternative Investment Market) last year.

The funding gained through flotation becomes a catalyst for further change – in Ashton Penney's case, a move to new, open-plan premises to facilitate better communication, a technology upgrade, and the opportunity to expand the business.

But for some the pressure can be too great and it is up to HR to deal with the fall-out.

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