

Leading Change

Kotter's Best Practice Critical Success Factors

- Establish a sense of urgency
- Top management unity and leadership
- Form a powerful coalition
- Create a shared vision
- Clearly stated way forward
- Over communicate vision and the way forward
- Systematic removal of obstacles
- Planning and achieving short-term wins
- Change improvement check-points
- A real commitment to change—not cosmetic change
- Empower others to act
- Institutionalise new approaches by anchoring them in the culture

John Kotter, 1996 & 1997

Tom White adds:

- Professional Project Management
- Professional management of the emotional side of change

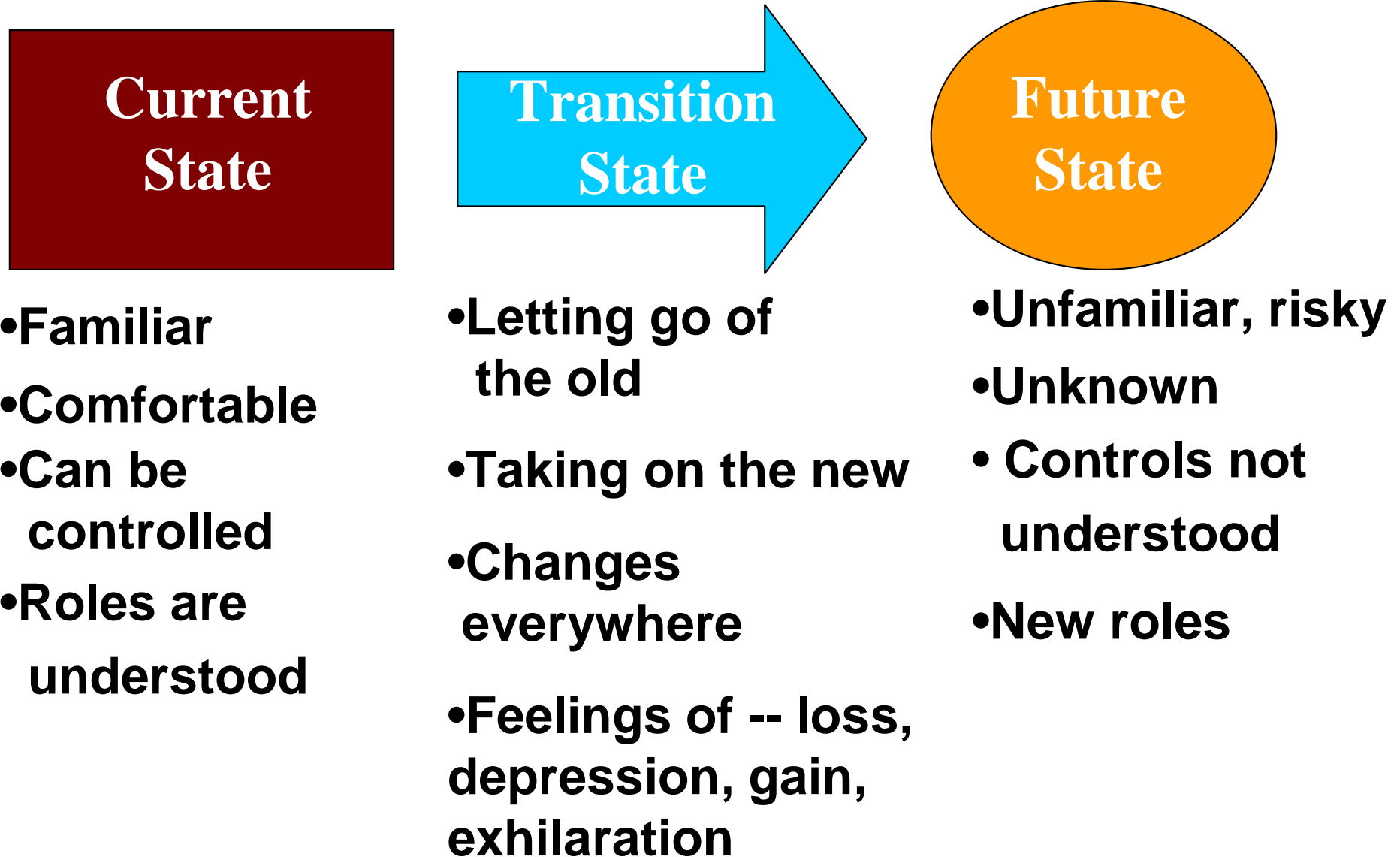
Kotter Eight-step process for leading successful change



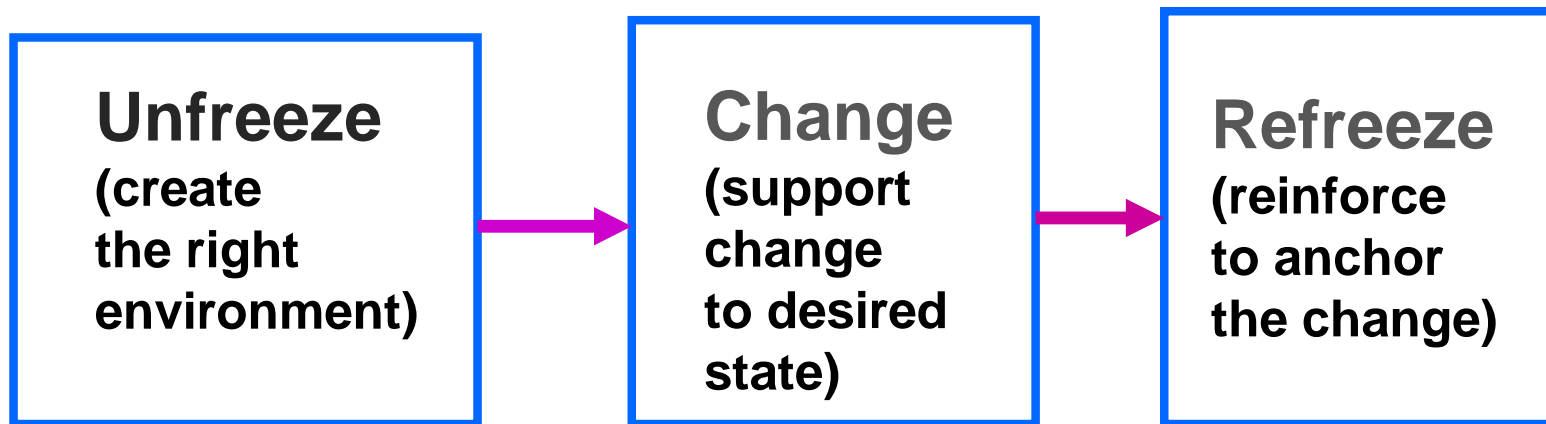
Change Model : Bridges



Beckhard's Transition Model

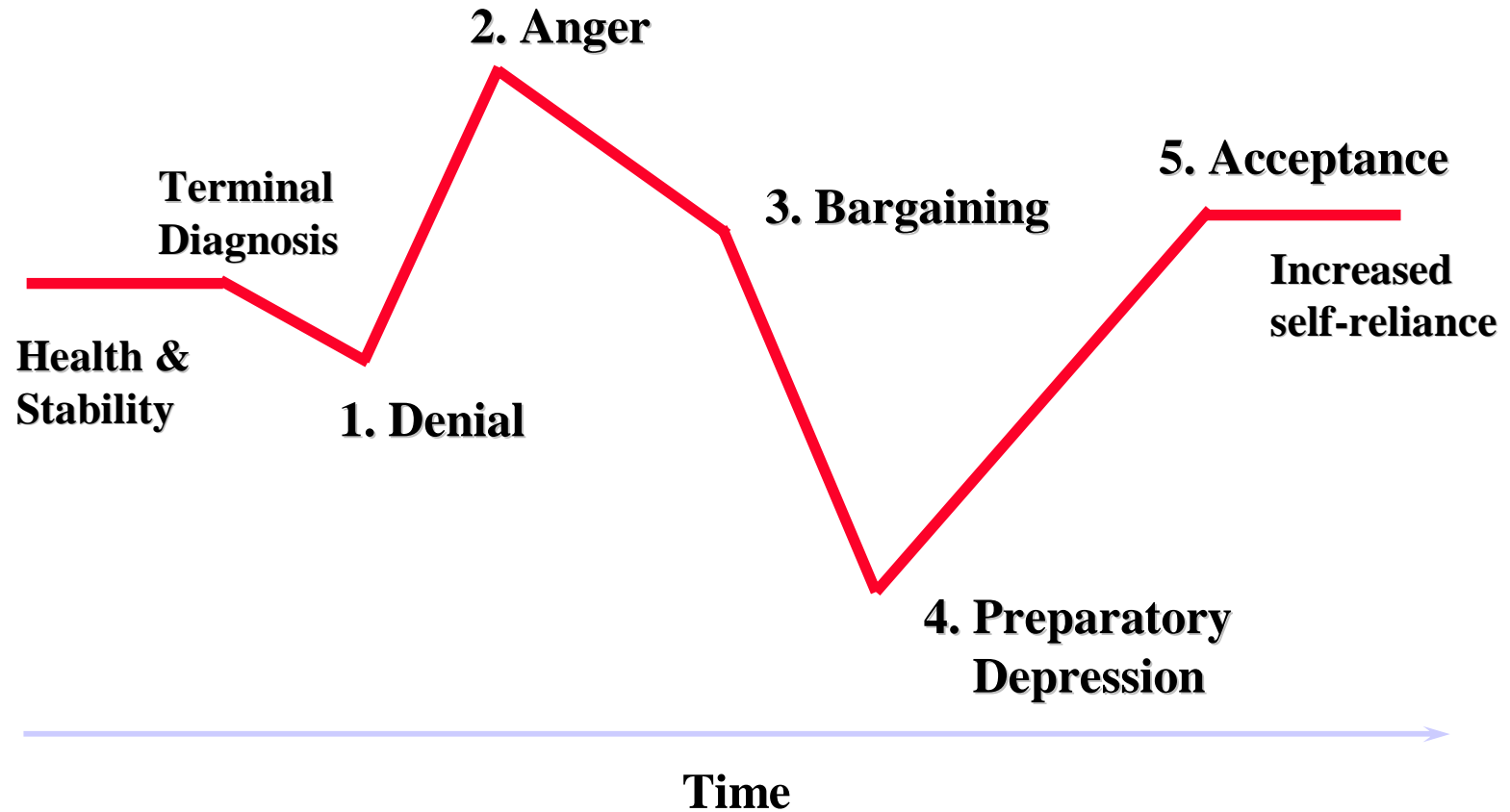


Lewin's Change Process

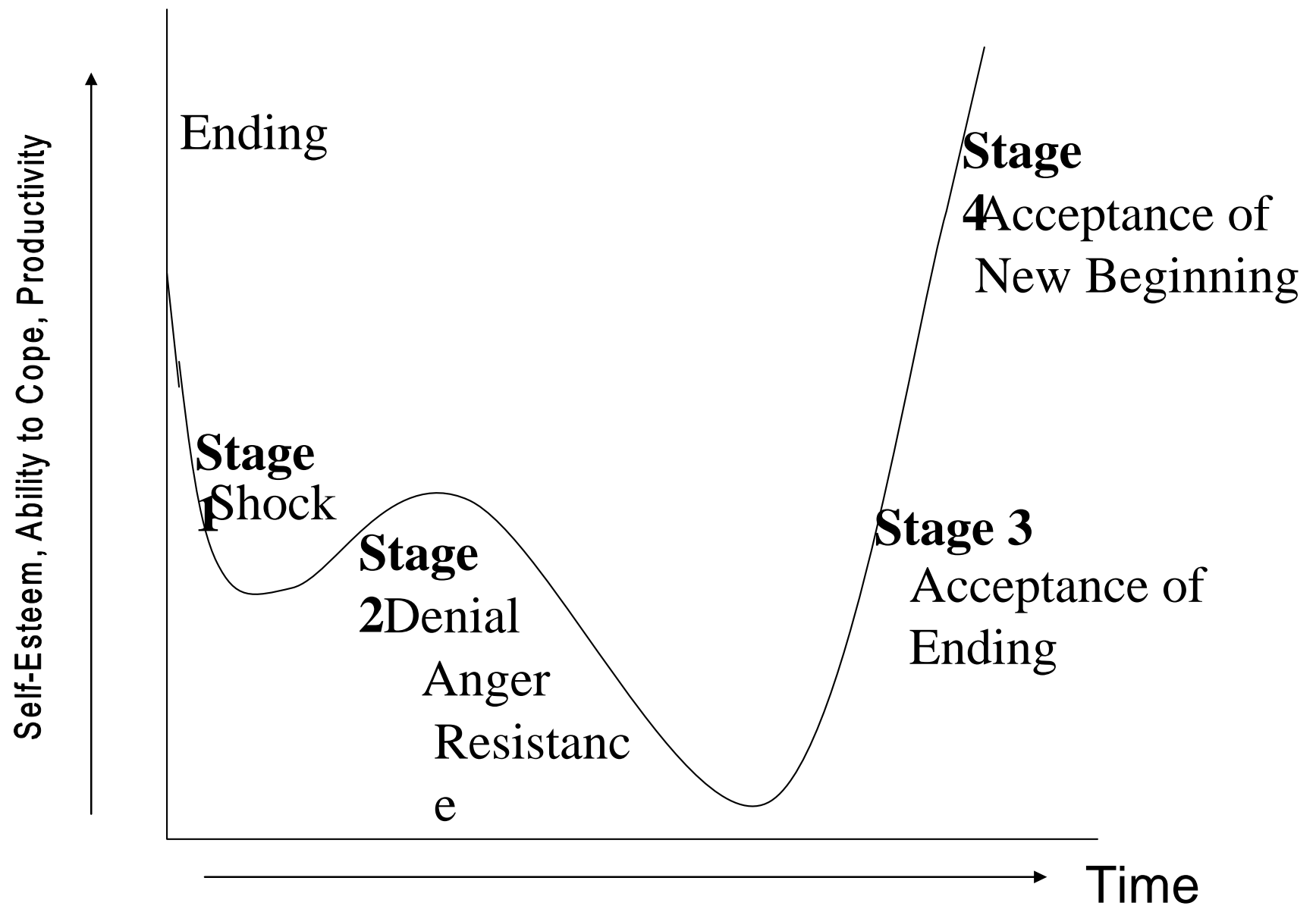


Kurt Lewin, 1943

Change Model : Kubler & Ross

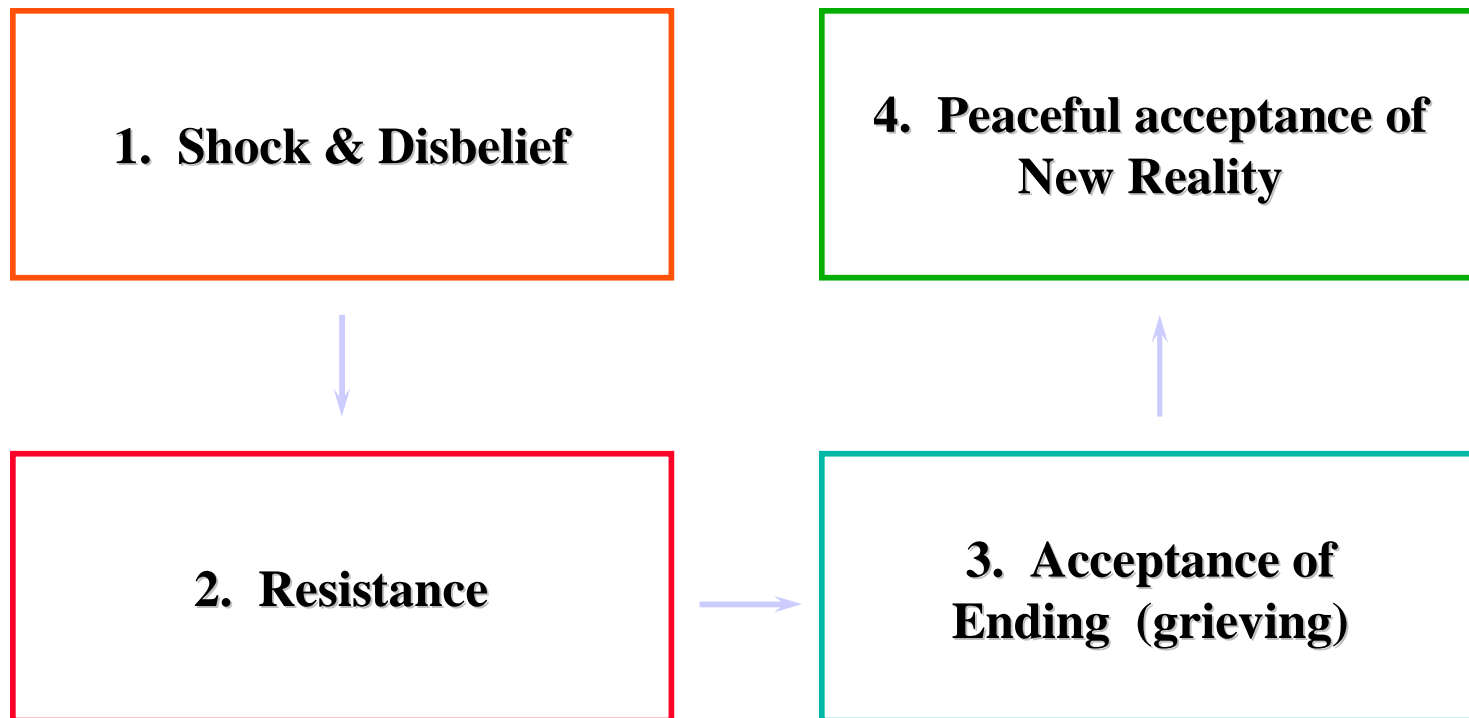


Change Curve- Stages people move through during transition

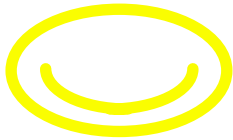


Kubler-Ross (1975)

Change Model Three: Longaker



Common change Reaction: What do they need?



 **Ready & willing**

 **Encouragement, reinforcement.**




 **Confused**

 **Facts & information, planning.**



 **Withdrawn**

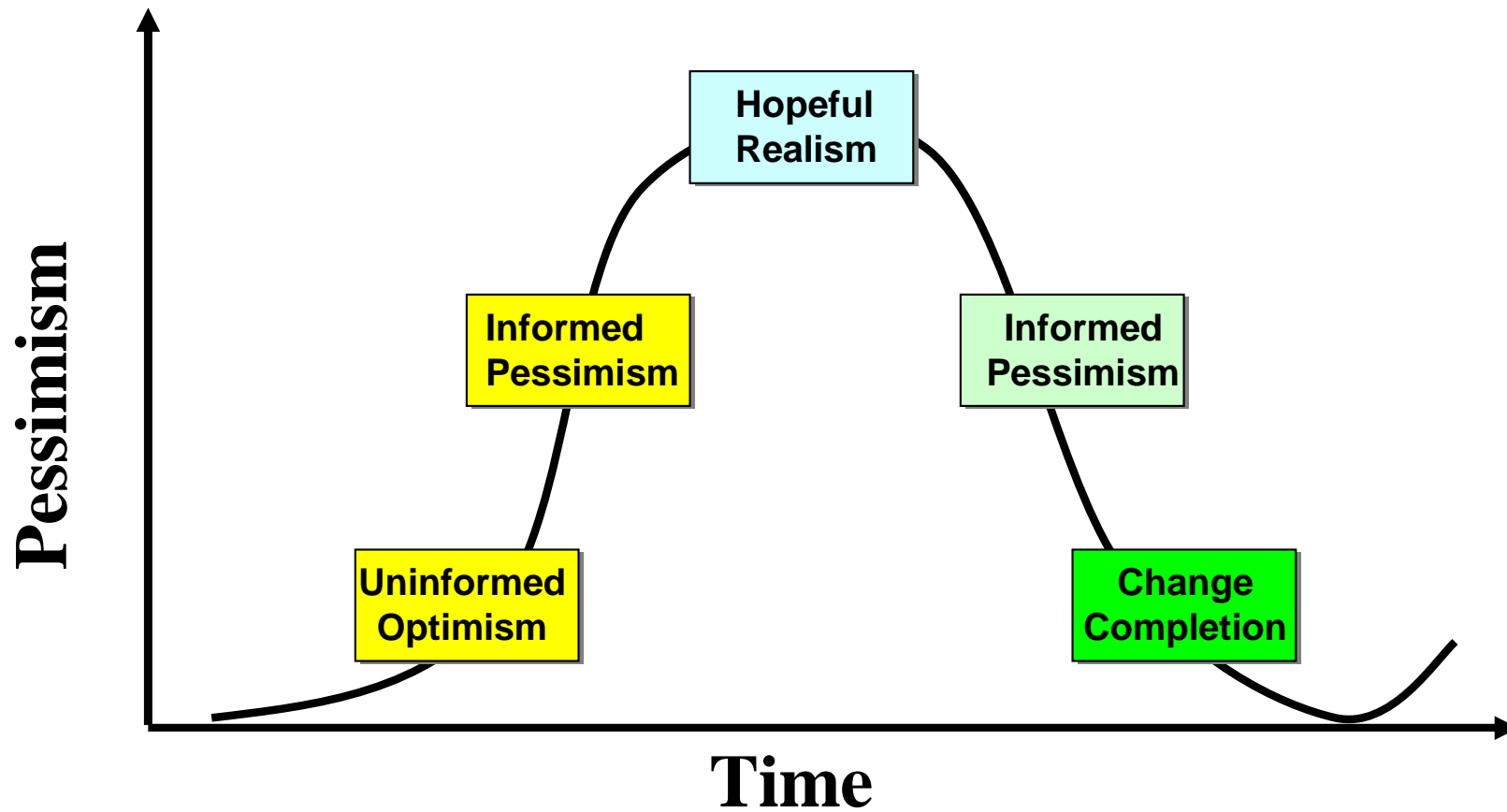
 **Personal contact and involvement
in vision/strategy.**



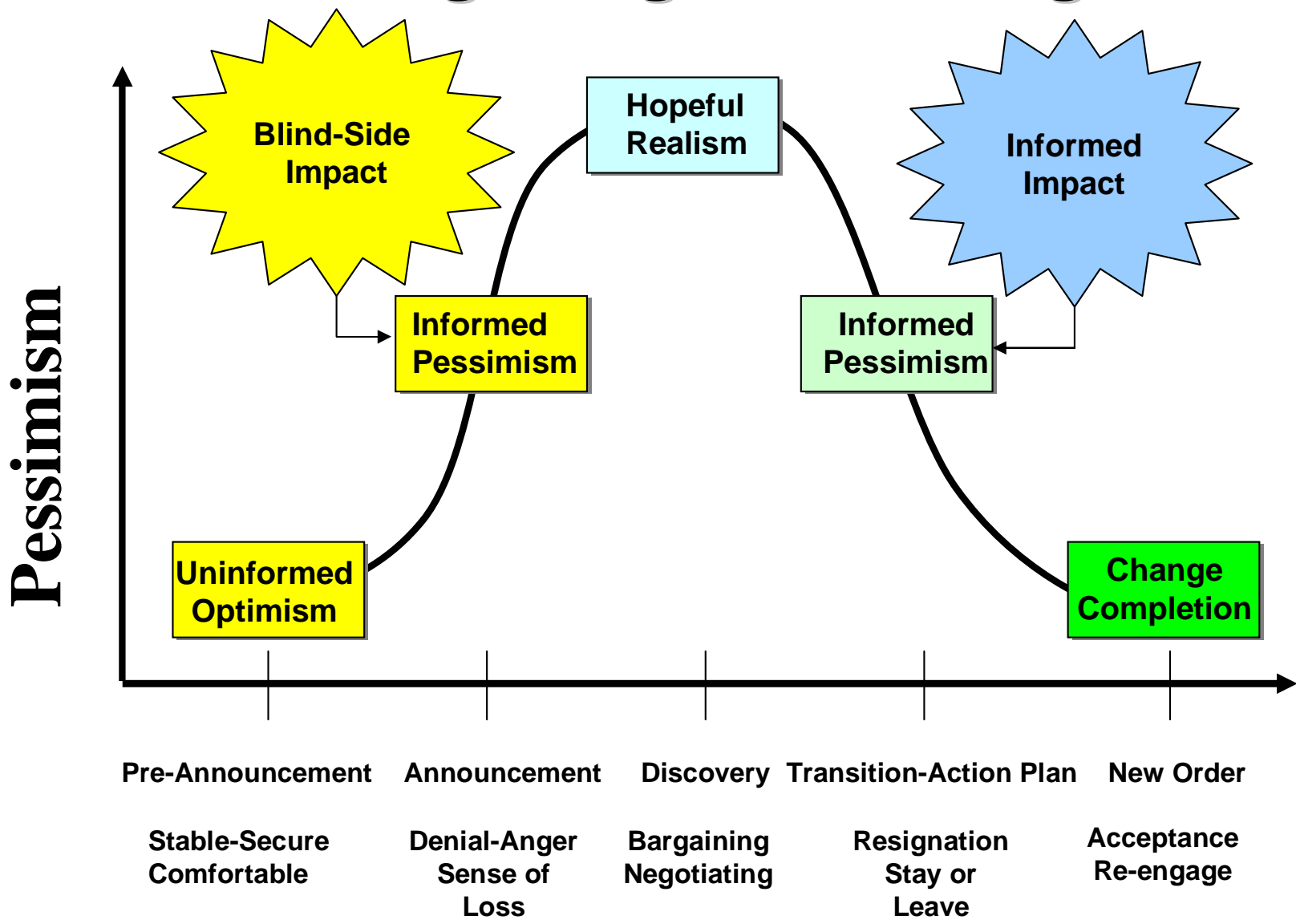
 **Angry**

 **Needs to be heard/understood,
then involved in vision/strategy.**

Managing Change







Emotional-Behavioral Response to Restructuring-Merger or Change Efforts



Patterns of Behavior and Emotional Response to Downsizing and Transitions

HIGH

<p>The Entrenched</p> 	<p>The Learner</p> 
 <p>The Overwhelmed</p>	<p>The “BS er”</p> 

LOW

HIGH

Environment for Change

Continuous Learning Risk Taking & Experimentation

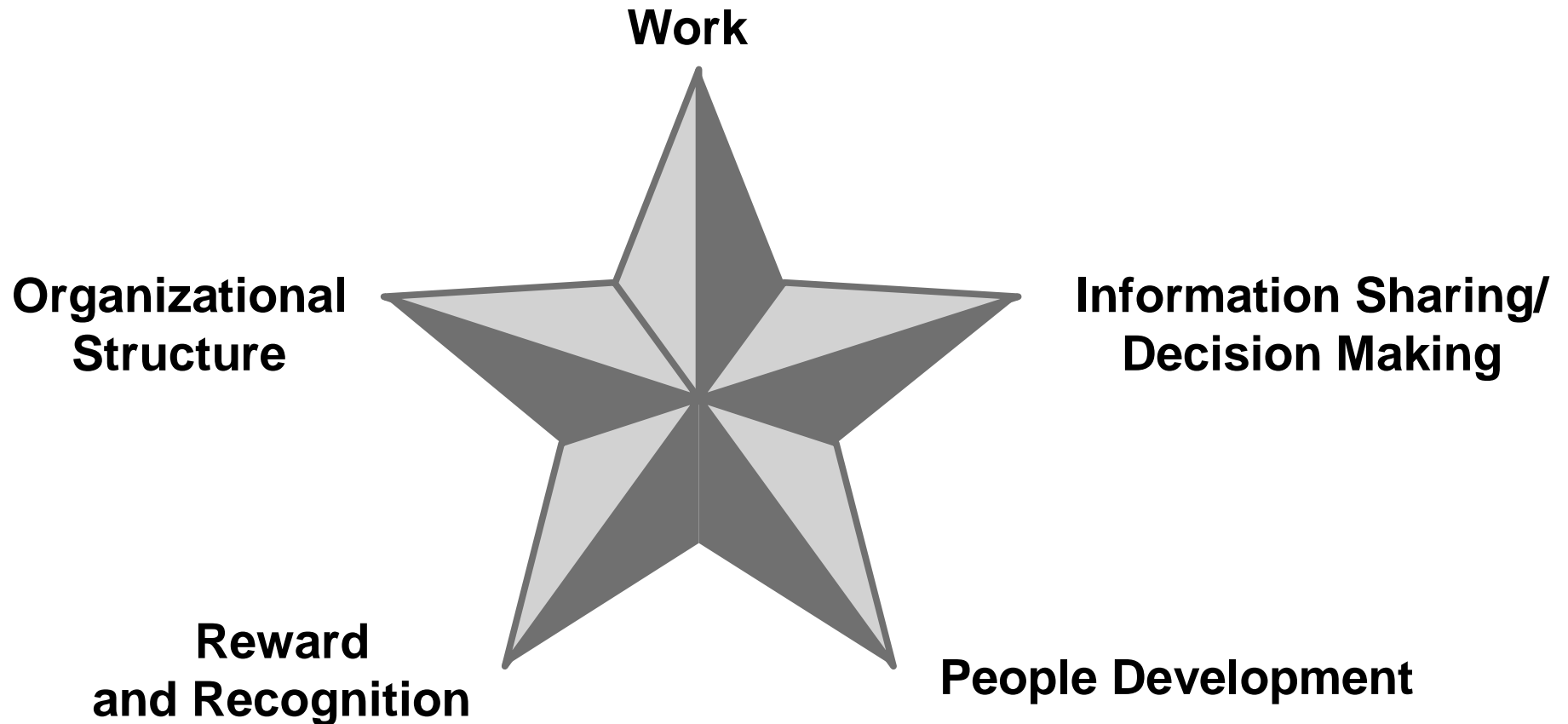
Two highly-developed capabilities:

The ability to make the right decisions at the right time about what changes need to be initiated or responded to.

The ability to understand and orchestrate the human variables necessary to gain support & commitment from those affected by change decisions

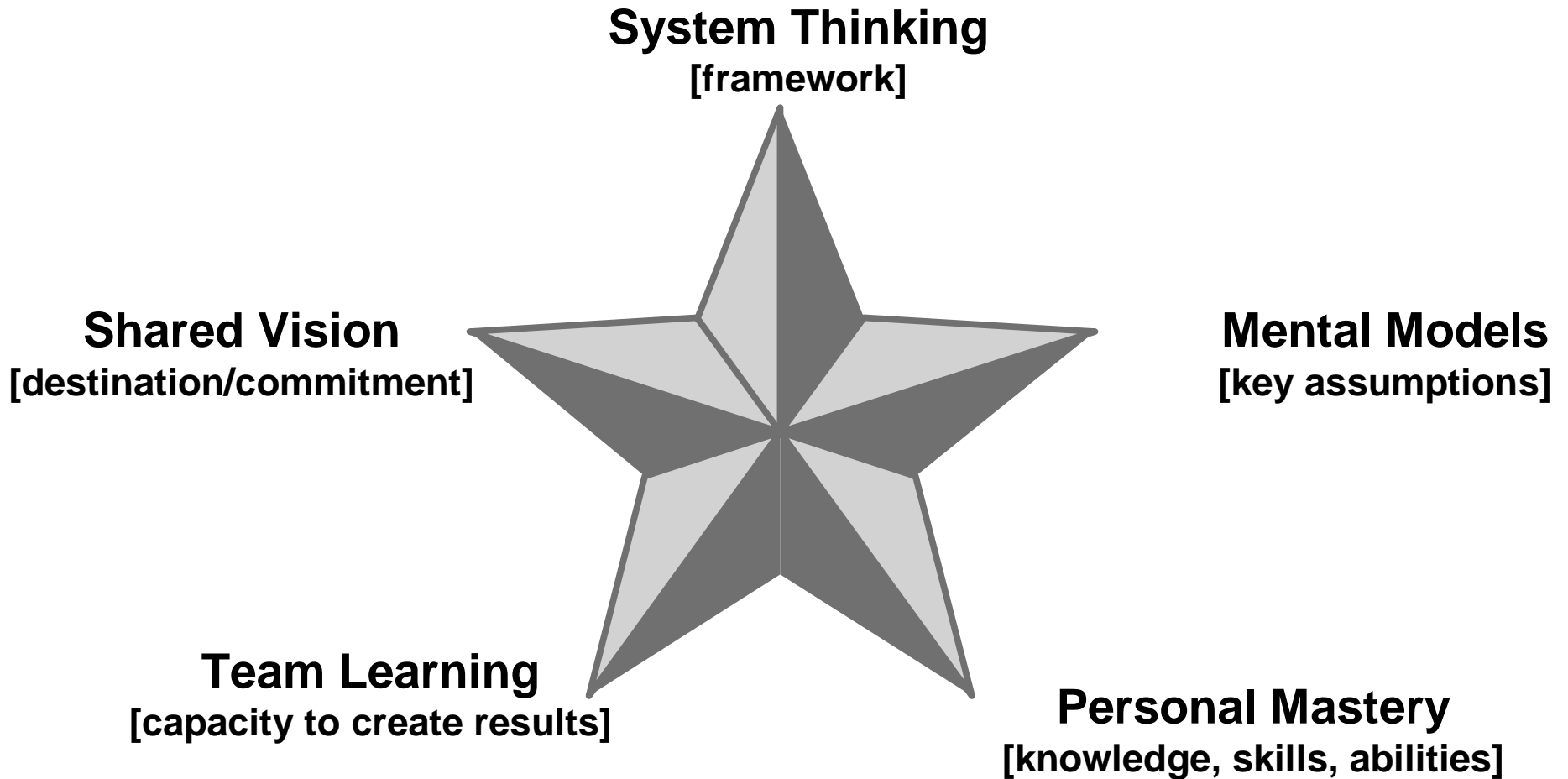
“Create an environment where trust and learning can occur”

Fit Model to Focus Change Effort






“ Change is about doing the right things, right”

The Fifth Discipline






Senge, 1990

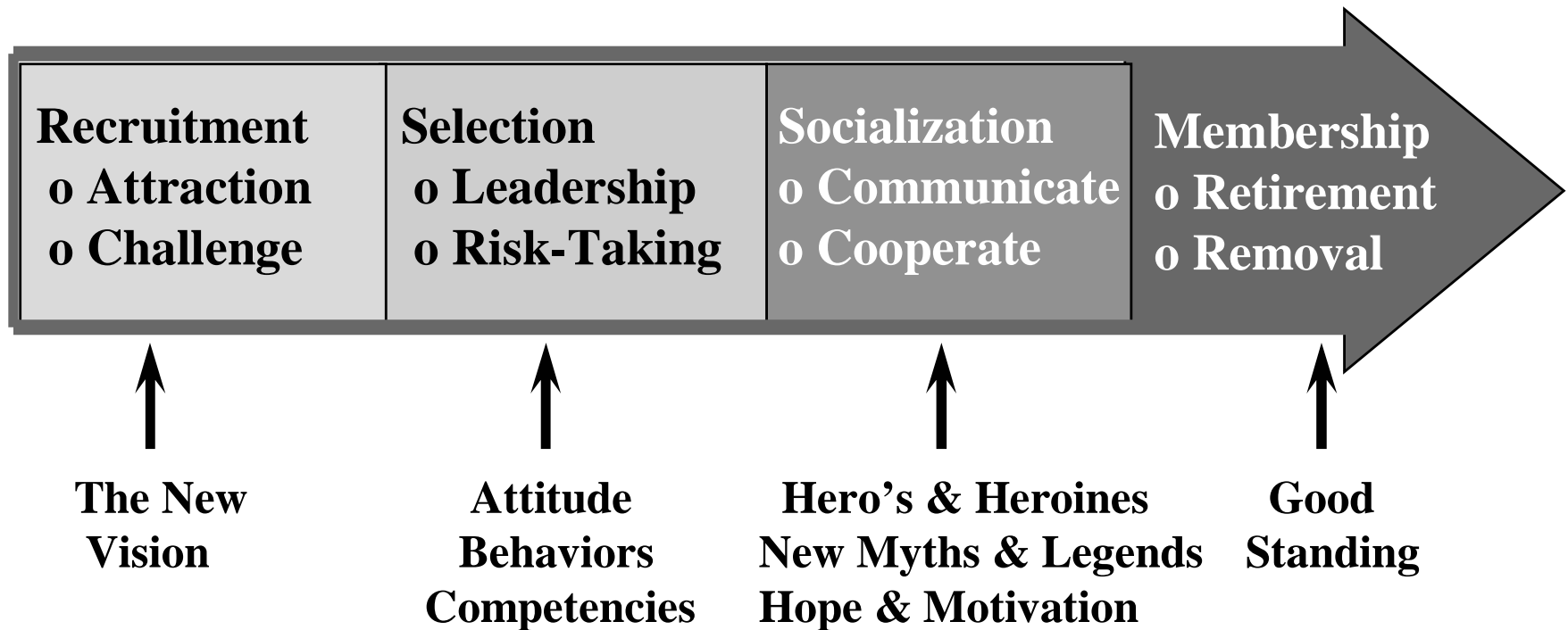
Six Steps to Leading Change....

-  *Mobilize Commitment to Change Through Joint Diagnosis of Business Problems***
-  *Develop a Shared Vision of How to Organize & Manage for Competitiveness***
-  *Foster Consensus for the New Vision, Competence to Enact it, and Cohesion to Move It Along***

Six Steps to Leading Change....

-  *Spread Revitalization to All Organizations Without Pushing It From the Top***
-  *Institutionalize Revitalization Through Formal Policies, Systems, and Structures***
-  *Monitor and Adjust Strategies in Response to Problems in the Revitalization Process***



Changing a Culture



Successful Stewardship

Strategy

Define the Strategic Intent of the Business

-  *What business are you in?*
-  *What business do you want to be in?*

Help People See Themselves in the Future

-  *Our Vision is.....*
-  *In the Winner's Circle of Excellence*

Define the Mission and Commission People to accept the Challenge of Change

Successful Stewardship

Structure

 **Establish a guiding coalition to provide continuity of leadership**

 **Establish Transformation Team[s] that turn the organization vision into reality**

 **Establish organizational anchors**

Change Formula

$$\text{Change } f(A + B + D) > \$$$

- **A = Dissatisfaction with the status quo**
- **B = Vision of an ideal future state**
- **D = Process for change, first steps**
- **\$ = Perceived cost of changing**

Speed of Change

People Adapt to Change at Three Speeds

Fastest

1. Physical

The time it takes for a person to **COMPLY** with the behavior requirements of the change



2. Intellectual

The time it takes for a person to **COMPREHEND** why a change has taken place or is necessary

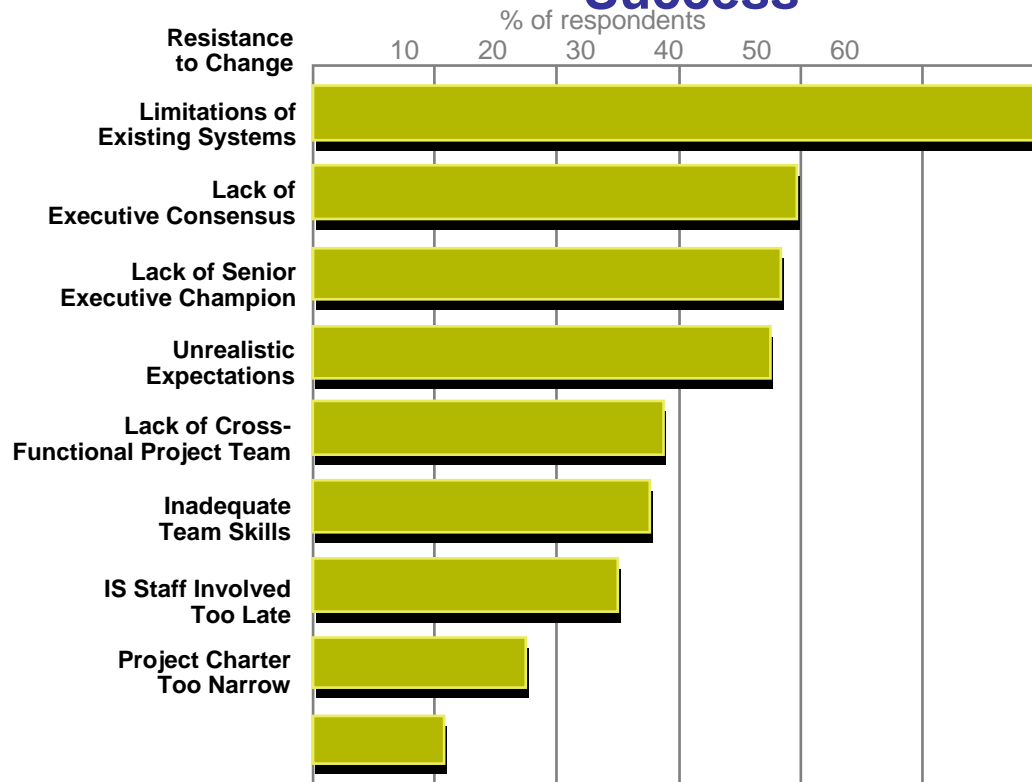
Slowest

3. Emotional

The time it takes for a person to **FEEL COMFORTABLE** with the new desired state

Most Change Efforts Have Failed to Achieve their Goals for Several Reasons, Including:

Obstacles to Organizational Change Success



Note: Total exceeds 100% due to multiple answers

DATA: Deloitte & Touche 1993 Survey of 400 U.S. and Canadian CIO's

Source: *Information Week*, June 20, 1994

Axiom

- There will always be resistance to change
- Resistance is a natural and inevitable reaction to the disruption of expectations

8 Major Risk Factors in Change Projects

- Low Relative Cost of the Status Quo
- Vision Clarity
- Sponsor Commitment
- Change Agent Skills
- Target Response
- Culture/Organizational Alignment
- Communications
- Internal/External Events
- Transition Management Plan (Overall Process)

Generic Types of Change

Fine Tuning

- Incremental change
- Individual behavior based on conforming to rules
- Decision making and control of change is decentralized

Building

- Large scale extensions
- Organization focused within boundaries/functions
- Decision making and control of change is within building function

Transforming

- Fundamental, planned change to existing way of operating
- Large scale, broad impact of change
- Individual behavior based on personal change
- Decision making and control of change is centralized

Crisis

- Rapid, sometimes unplanned, large scale change
- Rules are suspended
- Decision making and control is haphazard

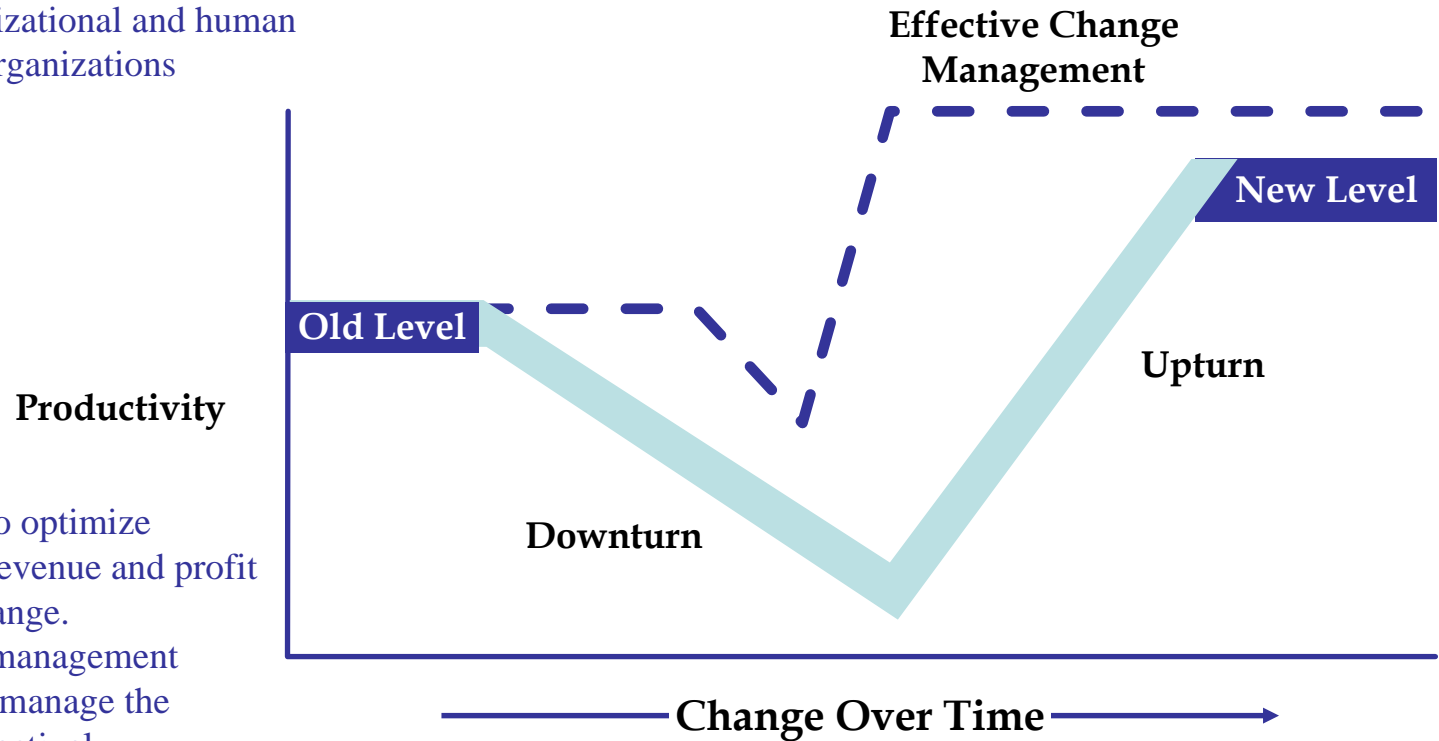
In essence, Change Management is based on 2 main concepts:

That human performance is at the core of business performance;
Therefore, change management looks at building the organizational and human performance in the organizations

That it's possible to optimize an organization's revenue and profit delivery during change.
Therefore change management determine ways to manage the change process effectively

to ensure this occurs

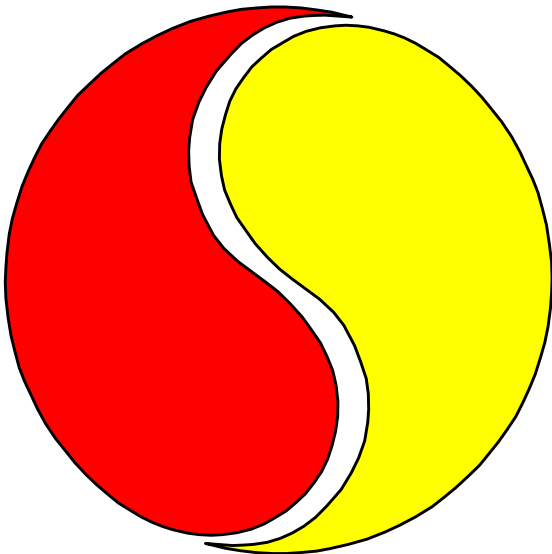
– Stages of Large Scale Change –



Is Change Management Important?

Consider what Michael Hammer, co-author of Reengineering the Corporation, said about people issues:

“I don’t regret saying anything (in the first book); it’s more what I left out. In particular, the **human side** is much harder than the technology side and harder than the process side. **It’s the overwhelming issue.**”



Impact Analysis

Change is Multi-Dimensional

- ▼ Organization Culture
- ▼ Organizational Structure
- ▼ Business Processes
- ▼ Job Design/Responsibilities
- ▼ Skill/Knowledge Requirements
- ▼ Decision Processes
- ▼ Measurements/Incentives
- ▼ Communication Processes
- ▼ Operating Policies
- ▼ Human Resource Management
- ▼ Technology Interfaces
- ▼ Training Programs

People Strategy Technology Processes Systems

