

BSBINN601

Lead and manage organisational change

Release 1

Learner guide

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Aspire Version 1.2

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Version	Release date	Modification
Release 1, version 1.1	April 2017	First release
Release 1, version 1.2	October 2018	Broken URLs fixed and updated to Rebrandly links.

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BSBINN601 Lead and manage organisational change Release 1

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Contents

Before you begin	vii
Topic 1: Identify change requirements and opportunities	1
1A Identify the forces for change and the stages of the change process	2
1B Determine strategic change needs through analysis of organisational objectives	8
1C Review the current organisational state to identify change requirements	12
1D Analyse the external environment for impacts on organisational objectives	19
1E Review and prioritise change requirements	22
Summary	26
Learning checkpoint 1: Identify change requirements and opportunities	27
Topic 2: Develop change management strategy	33
2A Analyse change impact	34
2B Assess change readiness	41
2C Develop the change vision and strategy	46
2D Develop the change management plan	49
Summary	56
Learning checkpoint 2: Develop change management strategy	57
Topic 3: Implement change management strategy	63
3A Plan communications and education	64
3B Action activities to implement and embed change	71
3C Manage barriers to implementing and embedding change	76
3D Monitor change progress and evaluate change effectiveness	83
Summary	86
Learning checkpoint 3: Implement change management strategy	87

Before you begin

This learner guide is based on the unit of competency *BSBINN601 Lead and manage organisational change*, Release 1. Your trainer or training organisation must give you information about this unit of competency as part of your training program. You can access the unit of competency and assessment requirements at: www.training.gov.au.

How to work through this learner guide

This learner guide contains a number of features that will assist you in your learning. Your trainer will advise which parts of the learner guide you need to read, and which practice tasks and learning checkpoints you need to complete. The features of this learner guide are detailed in the following table.

Feature of the learner guide	How you can use each feature
Learning content	Read each topic in this learner guide. If you come across content that is confusing, make a note and discuss it with your trainer. Your trainer is in the best position to offer assistance. It is very important that you take on some of the responsibility for the learning you will undertake.
Examples and case studies	Examples of completed documents that may be used in a workplace are included in this learner guide. You can use these examples as models to help you complete practice tasks and learning checkpoints. Case studies highlight learning points and provide realistic examples of workplace situations.
Practice tasks	Practice tasks give you the opportunity to put your skills and knowledge into action. Your trainer will tell you which practice tasks to complete.
Video clips	Where QR codes appear, learners can use smartphones and other devices to access video clips relating to the content. For information about how to download a QR reader app or accessing video on your device, please visit our website: www.aspirelr.com.au/help
Summary	Key learning points are provided at the end of each topic.
Learning checkpoints	There is a learning checkpoint at the end of each topic. Your trainer will tell you which learning checkpoints to complete. These checkpoints give you an opportunity to check your progress and apply the skills and knowledge you have learnt.



Foundation skills

As you complete learning using this guide, you will be developing the foundation skills relevant for this unit. Foundation skills are the language, literacy and numeracy (LLN) skills and the employability skills required for participation in modern workplaces and contemporary life.

The following table outlines specific foundation skills noted for your learning in this learner guide.

Foundation skill area	Foundation skill description
Reading	<ul style="list-style-type: none"> Interprets detailed information that may deal with complex ideas related to issues both within and outside the workplace context
Writing	<ul style="list-style-type: none"> Uses clear and precise language to develop information about objectives, requirements, activities and recommendations Develops complex plans and strategies in appropriate format for the audience and purpose
Oral communication	<ul style="list-style-type: none"> Discusses and seeks information using appropriate structure and language for the particular audience Uses questioning and active listening to clarify or confirm understanding
Numeracy	<ul style="list-style-type: none"> Interprets, analyses and presents numeric/financial information in complex documents
Navigate the world of work	<ul style="list-style-type: none"> Takes a lead role in the development of organisational strategic goals and associated roles and responsibilities
Interact with others	<ul style="list-style-type: none"> Uses a variety of communication tools and strategies to build and maintain effective working relationships Uses inclusive and collaborative techniques to seek feedback, negotiate and consult with a range of stakeholders
Get the work done	<ul style="list-style-type: none"> Plans, organises and implements activities required to achieve strategic priorities and outcomes, including consulting with others and sequencing events to minimise uncertainty for staff Uses problem-solving skills to identify and analyse issues or barriers, and develop responses Develops new and innovative ideas through exploration and lateral thinking

What do you already know?

Use the following table to identify what you may already know. This may assist you to work out what to focus on in your learning.

Topic	Key outcome	Rate your confidence in each section
Topic 1 Identify change requirements and opportunities	1A Identify the forces for change and the stages of the change process	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1B Determine strategic change needs through analysis of organisational objectives	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1C Review the current organisational state to identify change requirements	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1D Analyse the external environment for impacts on organisational objectives	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1E Review and prioritise change requirements	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
Topic 2 Develop change management strategy	2A Analyse change impact	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2B Assess change readiness	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2C Develop the change vision and strategy	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2D Develop the change management plan	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident

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Topic	Key outcome	Rate your confidence in each section
Topic 3 Implement change management strategy	3A Plan communications and education	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3B Action activities to implement and embed change	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3C Manage barriers to implementing and embedding change	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3D Monitor change progress and evaluate change effectiveness	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident

Topic 1

Identify change requirements and opportunities

Organisational change refers to the adjustment, modification or transformation of people; structures or technology in response to changes in the external environment within which the organisation operates; the impact of these changes on its internal environment; and any internal problems affecting performance. Shifts in the environment may result in small changes to procedures or team structures, or major changes with the development of new organisational strategic objectives. This type of major change requires managers to identify the impact on the organisation's structure, processes, technology and people, and the actual change requirements and opportunities to meet organisational objectives developed to improve performance.

In this topic you will learn how to:

- 1A Identify the forces for change and the stages of the change process
- 1B Determine strategic change needs through analysis of organisational objectives
- 1C Review the current organisational state to identify change requirements
- 1D Analyse the external environment for impacts on organisational objectives
- 1E Review and prioritise change requirements

1A

Identify the forces for change and the stages of the change process

Managers need to continually analyse the external and internal organisational environments to identify the need for change for performance improvement. At the corporate level of the organisation, senior or top-level management analyses the external and internal environments to define new organisational goals and objectives, and to make sure that the strategic plan achieves these objectives. Managers at the business unit, department, group or team levels analyse these strategic objectives and develop plans to meet these organisational objectives. Changes at the strategic level are considered top-down changes. When change is driven from the bottom up, managers and employees at various levels identify the need for change to improve a situation, as part of a continuous improvement process or to address performance issues.



External forces for change

The external environment consists of factors that affect the management of organisations and these are usually beyond an organisation's control. There are two categories: macroenvironmental forces and microenvironmental forces.

The macroenvironmental forces include the political/legal, economic, demographic, sociocultural and technological factors that may affect the organisation. The microenvironmental forces are related more specifically to the organisation and include customers, competitors, suppliers and pressure groups, such as environmental lobby and consumer action groups.

Here are the major external forces for change.

Political/legal

Legislative requirements and regulations affect operations and relate to areas such as taxation, corporation structure, environmental practices, workplace relations, and workplace health and safety. State/territory and local governments can also implement changes that influence an organisation's activities.

Economic

Changes in inflation and interest rates affect not only the organisation's transactions but also employees' and customers' disposable incomes. While changes in the economy may only be at the local level, a globalised marketplace means the impact can be felt worldwide.

Demographic

Demographic shifts such as changes in populations' size, locations and compositions affect the nature of service or product demand, and the availability and capability of the workforce. Increased levels of higher education may mean there is an increase in the availability of workers for professional organisations, but a decrease with manufacturing workers.

Sociocultural

When there are shifts in society and/or community expectations, then values and preferences may change. This may also affect employee attitudes. Consider the expectation of society that organisations should be socially and environmentally responsible and, if they are not, social media campaigns are launched to lobby customers to cease purchasing their products.

Technological

Advances in technology lead to increased efficiency in communication, and the automation of work and manufacturing processes. People can work remotely, international consumers can be reached, and reputations can be made or tarnished very quickly through feedback via social media.

Example: forces for change

The following identifies some of the external factors affecting an educational institution.

Macroenvironmental forces

- Political/legal: increased government support for training organisations; requirements to meet equity obligations
- Economic: rise of the Australia dollar making it more expensive for international students
- Demographic: population growth and immigration creating greater demand for vocational training
- Sociocultural: due to increase in demand from international students, increased need for language support services
- Technological: advancements in e-learning platforms to provide flexible learning models and communication

Microenvironmental forces

- Customers: increased demand for e-learning from individual students, and for groups learning from corporate and government agencies
- Competitors: change in number of competitors due to assistance provided by government to registered training organisations and decrease in funding for TAFEs and universities
- Suppliers: increase in cost of computers
- Pressure groups: local residents' group concern with increased need for parking around the campus

Internal forces for change

Changes in strategic objectives and strategies, in response to changes in the external environment, are themselves internal forces for change as they require changes to organisational structures, people, processes and/or technology. Other internal forces affecting organisational performance may relate directly to the performance of current strategies, plans and practices. In response to such forces, organisations may change their structures, change the way they perform activities, or apply organisational development techniques or programs (such as team building) to improve attitudes, behaviour and relationships.

Other internal forces include:

- new leadership requiring a restructure and a change in culture
- rapid growth or decline affecting structure and employee performance
- poor employee engagement and high employee turnover as a result of structural or organisational culture issues.

Change management process

Change management consists of three major stages: the identification of change requirements and opportunities; change management planning; and the implementation of change within the organisation. Within these three stages, the number and nature of steps will vary according to the type of change and the organisation's and manager's preferred approach. The steps within each stage are outlined below. In this section, the focus is learning how to identify the need for change and the change requirements.

Identification of requirements and opportunities

- Identify the internal and external needs for change.
- Identify the organisational requirements needed to make the change.
- Prioritise the identified change needs.

Development of change management strategy and plan

- Analyse costs and risks and barriers to change.
- Develop change management plan.
- Assign resources to begin plan implementation.

Implementation and evaluation of change

- Implement change management plan.
- Communicate the reason for change and the plan, to manage resistance.
- Action change interventions and activities to ensure change becomes embedded.
- Monitor the plan and evaluate the change.

The role of change agents

A change agent is responsible for implementing the change; that is, leading the process to ensure the change is embedded within the organisation. For major change to occur within a large organisation, there may be a team of internal and external agents to lead organisation-wide change such as a restructure. Within a smaller organisation or within a unit or department, one internal manager may be responsible for leading the change. A change agent performs the following critical leadership and management functions during the change process.



Lead the change process by promoting the need for change and creating the future vision of the implemented change within the organisation.



Design the major elements of change, specifically around the change strategy.



Develop the change management plan.



Lead the implementation of the plan.



Apply techniques to minimise resistance to the change, including communication with and education of stakeholders.



Monitor and evaluate the change.

Change stakeholders

The change stakeholders are those who are affected by the change and/or are involved in the implementation and management of the change within the organisation. These may be employees, senior management, external business and operational specialists and consultants, or even suppliers and clients affected by changes in product development or service delivery.



Practice task 1

Explain the difference between the macroenvironmental and microenvironmental factors that affect organisational change.

1B

Determine strategic change needs through analysis of organisational objectives

To determine strategic change needs, managers need to analyse the organisational objectives and the corporate and competitive strategies. This information is presented in the strategic plan. The strategic plan outlines the organisation's high-level desired outcomes for a period, usually five years, and the strategies to achieve them. Following the identification of objectives and strategies, managers can identify the operational or functional plans to meet these objectives.

From the strategic plan, managers can identify:

- the goals or objectives of the organisation, which establish the purpose of the organisation and the basis for the organisation's activities
- the corporate or top-level strategies, which determine the area of business the organisation is in or wants to be in
- the competitive strategies to achieve competitive advantage in the organisation's markets over the competition.

Identify and review organisational objectives

Strategic objectives, often referred to as goals, are the desired outcomes identified by senior management for the entire organisation. The objectives are what guide management planning, organisation, leadership and control functions, and all of these functional activities are designed to achieve them.

Broad strategic objectives are generally officially communicated in organisational publications and on its web and social media pages, to communicate to employees and other stakeholders what it wants to achieve. There are also detailed objectives that are communicated internally and are specific, measurable, attainable, realistic and time framed. These are known as SMART objectives (or goals) and they assist in driving organisational activity.



Determine the organisation's corporate and competitive strategies

There are three types of corporate strategies and three generic competitive strategies that an organisation can use, taking into account the strengths, weaknesses, opportunities and threats from the environmental analyses, to achieve its organisational objectives. All of these strategies are described below.

Corporate growth strategy

When an organisation chooses to grow, it can increase the number of products offered and/or its market share. It can do this by expanding operations or through diversification. Growth can be achieved by merging with another organisation in similar industries; this is referred to as related diversification. Unrelated diversification is where an organisation acquires or merges with another organisation that operates in an industry with no relation to the one it currently operates within. For example, a pharmaceutical manufacturer may acquire a food manufacturer.

Corporate stability strategy

An organisation may pursue a stability strategy to concentrate on utilising existing resources to strengthen its competitive position within its markets. The focus of a stability strategy is to make incremental change to improve performance in the areas of people, processes and technology. These improvements lead to competitive advantage. Competitive advantage is what makes an organisation more attractive than its competition to consumers.

Corporate renewal strategy

To address performance problems that result from internal issues, an organisation may implement a range of corporate renewal strategies that usually result in significant change to organisational structure, people and processes. An example is a retrenchment strategy, where organisations reduce the size of operations to overcome weaknesses and to extract cash. An organisation may also try to restructure or streamline operations to focus on its primary reason for being in business. A turnaround strategy may be pursued to halt performance decline and often involves some form of initial retrenchment, followed by restructuring, to ensure effective leadership and to achieve operational efficiencies.

Generic competitive strategies

In developing a strategy to increase competitive advantage, managers can select a generic competitive strategy. Leading economist and strategy specialist Michael Porter, in his book *The competitive advantage* (2008), identifies three generic competitive strategies. A cost leadership strategy is where an organisation competes with others in the same industry on the basis of having the lowest cost. A differentiation strategy is where an organisation offers unique and valued products. A focus strategy is where an organisation implements a cost leadership or differentiation advantage strategy within an industry segment. The selection of one or a combination of these strategies depends on the organisation's strengths and the competition's weaknesses.

Determine the change needs

In developing change plans, managers need to analyse their environments and then ask themselves the following questions.

Making a case for change

Do current policies, practices and operations enable the area to meet organisational objectives?

With a diversification strategy, how will a merger or acquisition affect current operations? What needs to change in working with or incorporating another organisation?

If the organisation pursues a stability strategy, what incremental changes may need to occur in the areas of people, process and technology?

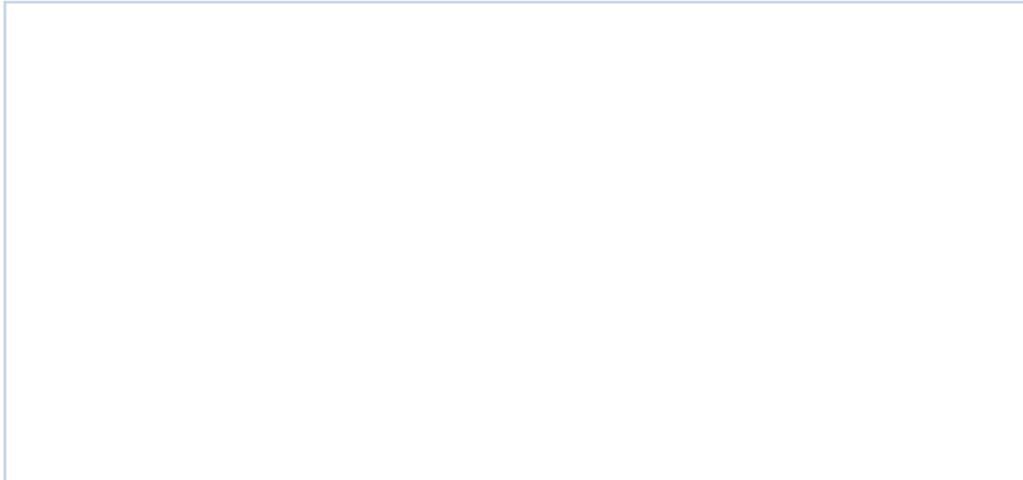
Will a retrenchment strategy affect current practices and operations? What needs to change regarding structure, processes, technology and/or people with a turnaround strategy?

How will a competitive strategy affect people and operations? For example, how can production costs be reduced to make prices more competitive?

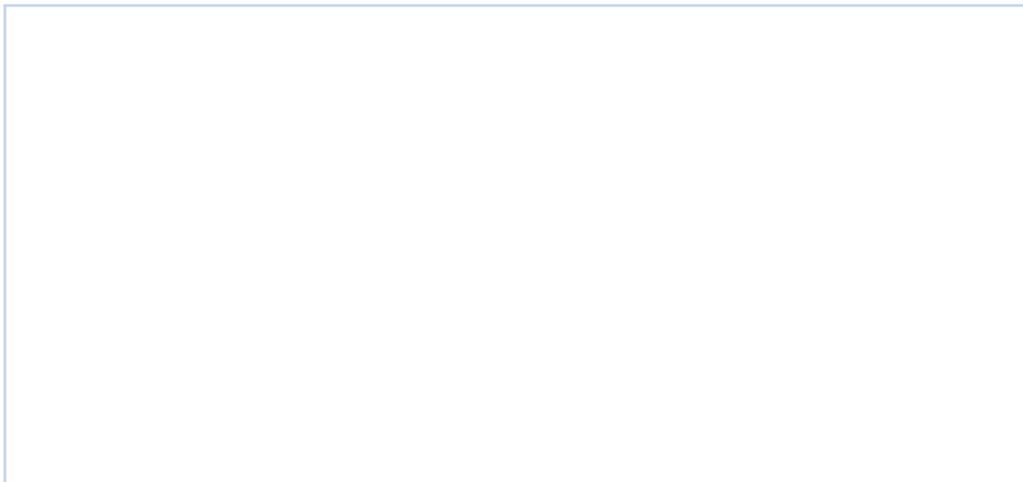
What external environmental trends may impact the ability to meet organisational objectives? For example, are there pending Acts that may affect practices?

Practice task 2

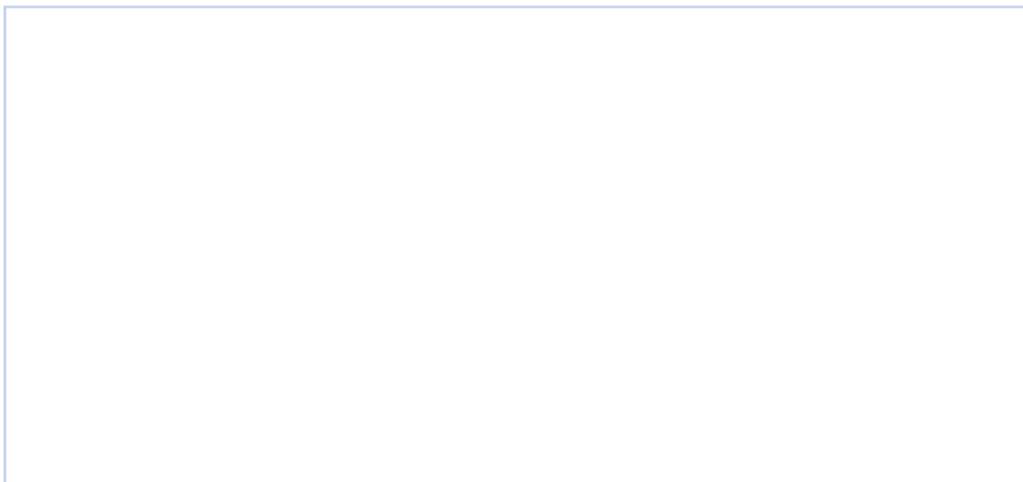
1. What is the difference between a strategic goal and a strategic objective?



2. The strategic objective communicated internally to drive organisational activity should be SMART. What does this acronym stand for?



3. What type of corporate strategy could an organisation pursue to address internal performance problems?



1C

Review the current organisational state to identify change requirements

Reviewing the organisation's current state enables managers to determine what changes are required to structure, processes, technology and/or people to ensure that it meets its organisational objectives. Findings from the review also inform and communicate the educational techniques needed to manage resistance to change by agents during the initiation and implementation of the change.

Depending on the size and complexity of the organisation, some managers may engage external consultants to conduct a comprehensive review of the internal environment. A change agent may utilise the services of specialists in business process re-engineering to ensure processes and technology meet organisational objectives. Change agents lead a group or team of managers from other areas and staff to collect information and to analyse the areas and interpret the findings. For example, a manager may seek the assistance of a human resources manager to assess organisational staffing issues.



Internal analysis

An internal analysis is a review of the organisation's or an area's structure, processes and technology, and people.

When change results from new corporate and competitive strategies, managers can review the findings from the internal analysis used in the strategic planning process, to identify areas of concern in performance management, and this helps to recognise those that require improvement and to identify what resources are available to meet performance objectives. This type of analysis assesses the organisation's current resources and capabilities, and identifies its strengths and weaknesses; that is, what it does or does not do well, and what resources it has or needs to have to improve performance.

If an organisation-wide internal analysis is not available, managers can conduct their own or focus their internal analysis on their business area to identify strengths and weaknesses.

Internal analysis combined with external analysis is a SWOT (strengths, weaknesses, opportunities, threats) analysis.

Assess organisational structure

A review of the organisational structure can identify whether the current levels of management, divisions, departments and teams enable the organisation or area to achieve its objectives. This review can also highlight issues in performance and provide information on structural elements that work well. Those that work well, such as a project team structure within a unit to develop and deliver a group of products, can be replicated in another area. Where productivity is low and/or costs savings need to be achieved, a review may identify that a particular management level could be eliminated to speed up the decision-making process and therefore improve performance. This may also involve a redesign of jobs at the team manager level to accommodate the need for increased responsibility.

Here are the areas of organisational design that need to be reviewed.

Structure and size

- What is the existing organisational structure? What does the organisational chart look like?
- What is the size of the organisation? How does this affect the achievement of objectives? For example, a change in strategy may require downsizing.
- Is the design of the organisation rigid, with little participation in decision-making at the lower levels? How does this mechanistic design affect the effectiveness and efficiency of practices? With such tight control, can the organisation meet its objectives?
- Is the organisation flexible in structure and easily able to meet changing needs? With a flexible design, do a change in objectives or a specific performance issue that needs to be addressed mean structural change is necessary? Does this mean the issue can be addressed in the process, technology or people area?

Chain of command

A chain of command is the line of authority throughout the levels of organisation. It describes who reports to whom and why.

In an organisation with a tight structure, the chain of command may have a number of levels of responsibilities, with strict requirements on how decisions are made and by whom.

Consider the following:

- How does the chain of command affect the speed of decision-making?
- How does the existing chain of command affect the culture of the organisation and employee empowerment?
- If there is little employee empowerment in decision-making, how responsive is the organisation to change?
- Is a tighter or a more relaxed chain of command required to meet objectives, respond to external environmental shifts or resolve a performance issue?

Work specialisation

Work specialisation refers to how tasks are divided within the organisation to meet objectives.

To review this, you may need to ask the following:

- What is the division of labour?
- How are the tasks required to meet objectives divided into separate, specialised roles, according to employee skills?
- Are there issues with absenteeism, turnover and productivity due to boredom, stress or fatigue from people continuously performing the same job?
- Does specialisation need to increase in order to meet objectives or address issues? Are too many employees undertaking too many tasks that they do not have the required skills to perform?

Departmentalisation

Departmentalisation refers to how tasks are grouped together to achieve organisational objectives. In the organisation, are tasks grouped by their functions, location, or products or customers?

When grouping tasks:

- How should they be grouped to meet organisational objectives?
- Are there any performance issues with grouping tasks by production and product delivery to customers?
- Are tasks effectively grouped with a process to achieve efficiencies in production or delivery?
- Do the groupings allow the organisation to respond to changing external factors, such as customer demand?
- Should the groupings be more flexible, or more tightly controlled, in order to meet changes in the environment?

Centralisation and decentralisation

Centralisation and decentralisation are design elements that determine decision-making. In a centralised organisation, decision-making is largely the responsibility of senior and middle managers. A more decentralised organisation promotes employee empowerment by enabling employees to have power in the making of decisions.

Decentralisation can make organisations more responsive to change by ensuring that:

- decision-making in the organisation is more centralised or decentralised
- the degrees of centralisation and decentralisation have the correct impact on the speed of making decisions
- decisions are made by the appropriate persons to meet objectives
- the impact of a change does not affect other structural elements, such as the chain of command and work specialisation.

Formalisation

Having a highly formalised organisation means employees are firmly guided by tight policies and clear procedures. Employees also have explicit position descriptions and little involvement in decision-making.

Consider the following:

- To meet objectives, is tight control over employee tasks required, or is this flexible in order to be responsive to constant change in procedures, to enable continuous improvement?
- Should employees have discretion over the performance of their tasks?
- If employees currently exercise discretion in their work, does there need to be a tightening of their power in order to achieve objectives?

Span of control

The span of control refers to the number of employees that any one manager can lead and supervise at one time. How many employees a manager can manage in order to meet objectives depends on their management and leadership skills, and the type of work to be done and the actual tasks. To meet objectives, managers need to consider how many employees they can efficiently and effectively manage.

Consider the following:

- Can the manager manage and lead a specific area or team?
- Can they ascertain and apply the required skills?
- Can they establish whether a smaller team is required, due to the complexity of the tasks being undertaken?
- Can they use the style of leadership and management that is required to oversee departmental improvements?

Assess work processes and technology

A review of work processes and technology involves identifying an organisation's workflow and asking what is required to complete an activity, which processes need to be followed and what equipment should be used to meet workflow objectives. Managers can consult with various departmental leaders to obtain the information they need. For example, the marketing manager should be able to provide information relating to the organisation's market size and nature, and competitor activity, and the purchasing or operations head should be able to provide information on suppliers' current and future ability to supply products, and any potential or unforeseen price increases.

Work processes

When reviewing work processes, consider the following:

- What is the business or work process, from beginning to end? What internal manager or external specialist can help to map the process?
- How efficient is the process? Are there bottlenecks or recurring processing issues?
- What works well for activities and tasks? Can we apply these lessons to other activities and tasks?
- Are new processes required to accommodate new products, or do we have to integrate processes with the organisation we have merged with?
- Have best practice or regulations changed, affecting the way the work is performed?
- What needs to change to meet objectives? The sequencing of activities or tasks, the methods used, other types of equipment, the skills set of the employee performing the task?

Technology

When reviewing workplace technologies, consider the following:

- What equipment is currently used? Does the manufacturing or computer equipment enable the organisation to meet requirements?
- What is the current condition of the equipment? Does it need to be replaced?
- What tasks could be automated to save time and what equipment is required for this?
- Do advancements in technology mean our current equipment is outdated and inefficient?
- If new equipment is required, what are the costs, benefits and issues related to training staff to use the equipment?

Assess the organisation's people

When reviewing employees, you need to identify their current skills and the skills they may need in order to respond to change. Managers need information on employees, their skills, turnover and organisational performance, such as sales and profits. A critical source of information in any organisation is the human resource department.

To change employee behaviour, there are a number of organisational development techniques or programs that can be applied to improve attitudes, behaviour and work relationships, all of which can help to improve productivity, quality of work, absenteeism and high turnover resulting from stress, fatigue and boredom.

Organisational development techniques and programs include:

- surveys of staff to identify current attitudes and to seek input from staff on ways to improve attitudes and behaviours in order to resolve issues

- engagement in process consultation by seeking input from staff on ways to improve attitudes and behaviours in order to resolve issues
- team and intergroup development to facilitate the sharing of knowledge and skills
- team building for members to learn how to work with each other in order to improve interaction and team morale.

Example: assess employee needs for a new product

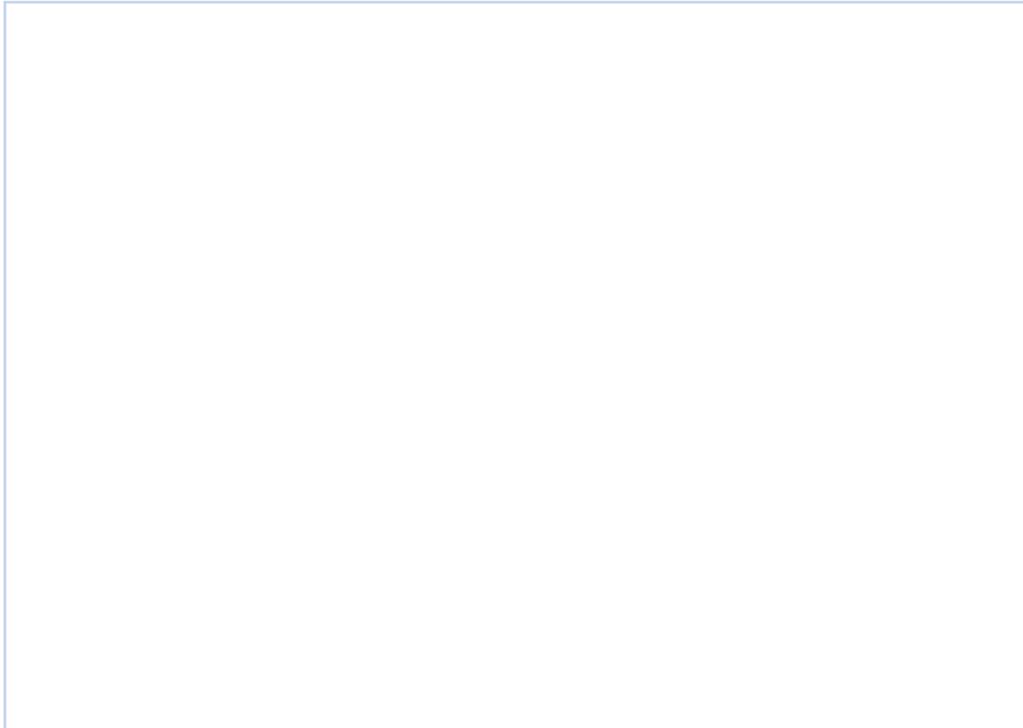
Consider the following questions that a manager asks in order to identify the change needs in relation to a corporate growth strategy when a new product is being introduced into the workplace.

When addressing growth strategies to accommodate a new product

- Is a new team required to manage the new product development and delivery to the customer?
- How will the current sales staff effectively handle the increased customer traffic?
- How will you ensure that enough staff are trained to handle customer inquiries?
- How will you ascertain that you have sufficient marketing staff to manage the extra marketing requirements?
- Is this a new market? Does the new market require dedicated sales staff or sales staff with specific skills?
- What new skills are required to develop the product? What new technology skills are essential?
- How will warehousing and distribution cope with the increased workload?
- What training is required?
- How will you ensure that the right staff culture and attitudes are in place to deal with the change?

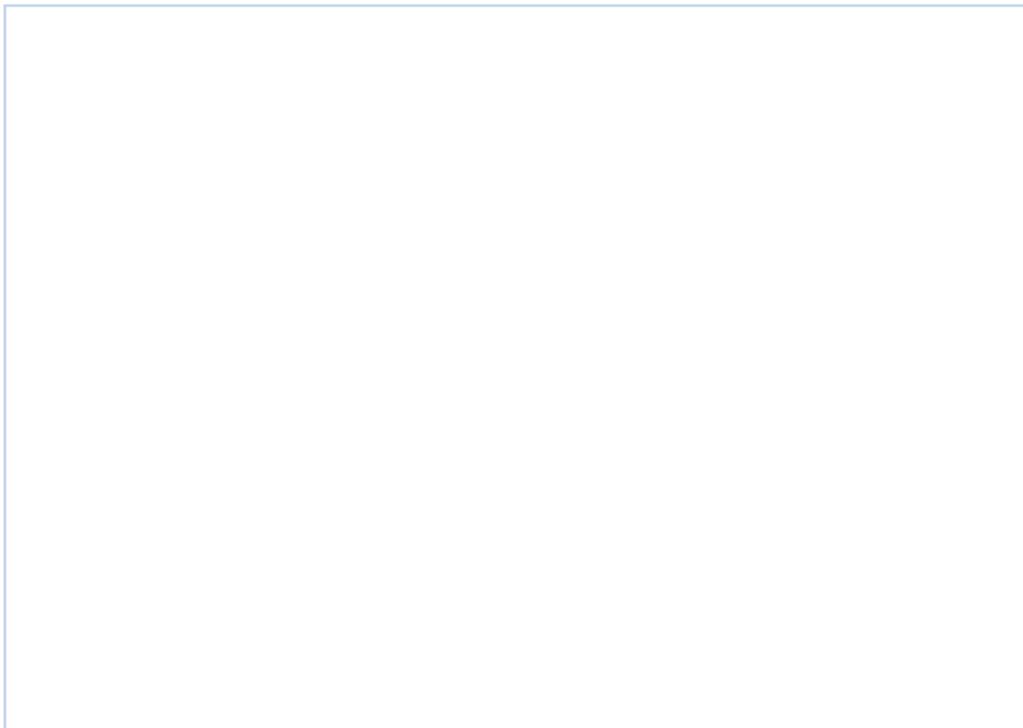
Practice task 3

1. List the seven elements of organisational structure that need to be reviewed.



2. Consider this scenario:

Your organisation has a major issue with the workflow between business units. You have approval from your manager to seek expert advice on the cause of the problem and how to improve processes. Given your research, what three areas or processes might specialists have experience in?



1D

Analyse the external environment for impacts on organisational objectives

To identify whether current strategies and plans at different levels of the organisation are enabling the organisation to achieve its objectives, the external environment needs to be regularly monitored for shifts in trends. This analysis identifies opportunities and threats.

Some organisations engage external consultants or appoint internal managers to conduct an extensive scan of the external environment for strategic planning purposes. Environmental scanning is the screening of large amounts of information in order to predict changes in the external environment that result in new trends, and questioning how these may affect strategies and activities to meet organisational objectives.

PEST framework

An external analysis framework commonly used in organisational development is the PEST concept. This framework uses the systems of Political/legal, Economic, Sociocultural and Technological factors as the analytical framework. These systems are outlined below.

Political/legal

- What are the political pressures in the industry?
- What are the political and regulatory constraints affecting operations or performance?
- What current or pending consumer, corporation and taxation laws affect the organisation?
- What existing or pending workplace relations laws affect the management of the workforce?
- Are there any trade regulations regarding transactions with overseas suppliers or customers?
- Will a new government bring change to legislation, including environmental laws?

Sources of information include:

- Australian government agency sites, including the Federal Register of Legislation, the Australian Taxation Office, Safe Work Australia and Austrade
- State law societies

Economic

- What is the impact of a change in the Australian and/or US dollars?
- When and how will inflation rates change?
- Will there be an increase in spending power?
- Are we in a recession? Where are we in the general business cycle?
- What is happening in the global marketplace?

Sources of information include:

- Economic, industry and trade publications, such as the Australian Financial Review
- Australian Bureau of Statistics (ABS)
- Australian government agency sites, including the Reserve Bank
- Banking institutions

Sociocultural

- Are there any anticipated changes in the values and beliefs in society?
- What are the demographic shifts in age, education, religion, etc.?
- How will demographic trends or shifts affect market demand?
- What are the major cultural groups and what are their needs and demands?

Sources of information include:

- industry studies such as IBIS reports
- ABS
- Australian government agency sites
- research papers from universities.

Technological

- What is the uptake of social media and e-commerce and their impact on public relations, marketing and sales?
- What is in the process of development and how will this product affect performance?
- What is the rate of technological change?
- What technology will affect the organisation's processes?
- How will the trend for electronic delivery of products, such as books, affect current product development and logistics management?

Sources of information include:

- scientific and information technology publications
- Australian government agency sites
- research papers from universities and conferences.

Competitor intelligence

To complement environmental scanning, managers can gather competitor intelligence. Competitor intelligence is information on potential and existing competitors that identifies who the competitors are, what they are doing, how they are doing it, and how this affects the organisation. In many organisations, marketing team members are responsible for this research and analysis.

Sources of competitor information:

- Annual reports
- Advertisements and brochures
- Press releases
- General information on webpage and social media sites
- Purchase and review of competitors' products employment advertisements
Tradeshows
- Conferences
- Industry journals and papers
- Network contacts
- Government agency searches for company information
- Newspaper reports

Practice task 4

1. Is the following statement true or false? Briefly explain your answer.

The gathering and analysis of information related to customers, suppliers and competitors enable the identification of events and trends that result in shifts in society and changes in technology.

2. Is the following statement true or false? Briefly explain your answer.

To identify demographic shifts so that you can analyse their impact on your market and workforce, you should consult ABS findings and market and labour analysis reports.

1E

Review and prioritise change requirements

The findings of the organisational objectives and strategies review and the internal and external analyses need to be interpreted and, in consultation with relevant planning stakeholders, a list developed of change requirements. This list then needs to be reviewed to determine change priorities. A critical step in this review process is to perform a SWOT analysis. A SWOT analysis enables a change agent to articulate to the change planning stakeholders for the review process the internal strengths and weaknesses and the external opportunities and threats identified through the internal and external analyses. The SWOT analysis also helps to define and categorise the main changes required to meet objectives.

Conduct a SWOT analysis

To perform a SWOT analysis, the change agent, along with the change planning stakeholders, needs to brainstorm the findings of the internal and external analyses to develop a clear list of what will help or hinder the organisation in meeting its objectives. You should discuss and record the results, relating the analysis to the change requirements and to the ability to meet organisational objectives. Here is how to conduct a SWOT analysis to determine business imperatives.

Determine business imperatives

Identify the strengths, which include the resources, capabilities and effectiveness of the sales and marketing team, and data on the organisation's competitive pricing.

Identify the weaknesses, such as limited automation and employee empowerment, that affect productivity.

Identify the opportunities, such as potential to expand into a new market and to take advantage of new taxation breaks for manufacturers.

Identify the threats, which may include new competitors or increased costs of raw materials, to meeting objectives.



Example: SWOT analysis

The following is an example of a SWOT analysis for the introduction of a new product, which provides information in terms of change requirements.

Strengths

- Strong marketing team with experience in managing new products
- Sales team with the appropriate knowledge and experience
- Good supplier networks
- Technological resources
- Current business process able to support introduction and delivery

Weaknesses

- Limited budget for marketing activities
- Technological resources that need replacing in 12 months
- Warehouse concern about additional workload and space required

Opportunities

- Growth in existing client revenue
- Access to new markets
- Increased acceptance of e-commerce enabling us to sell more easily online
- Increased uptake of social media (use for promotional activities)

Threats

- Pending changes in consumer legislation that may affect e-commerce activity
- Possibility of competitor getting to market first, affecting sales volumes
- Difficulty sourcing a component from only supplier – may have to consider manufacturing component in-house

Develop a list of proposed changes

Once the strengths, weaknesses, opportunities and threats have been determined, you can identify the change requirements to take advantage of the opportunities, minimise the threats, and build on the strengths. A prioritised list of change requirements should be developed to inform change impact assessment and change strategy formulation.

Here is what the change planning team or group needs to do.

Describe current gaps

Describe the structural, process, technology and/or employee gaps between the current and future needs. For example, does the organisation need to move to a more decentralised structure to increase the effectiveness of decision-making?

Identify and discuss high-level change impacts

Identify and discuss the high-level impacts, such as risks and barriers to change. Detail is not required at this stage, as change impact can be assessed later. For example, automation may require substantial investment with a payback period longer than usually acceptable to the board, or the members of a department may be resistant to even small structural changes.

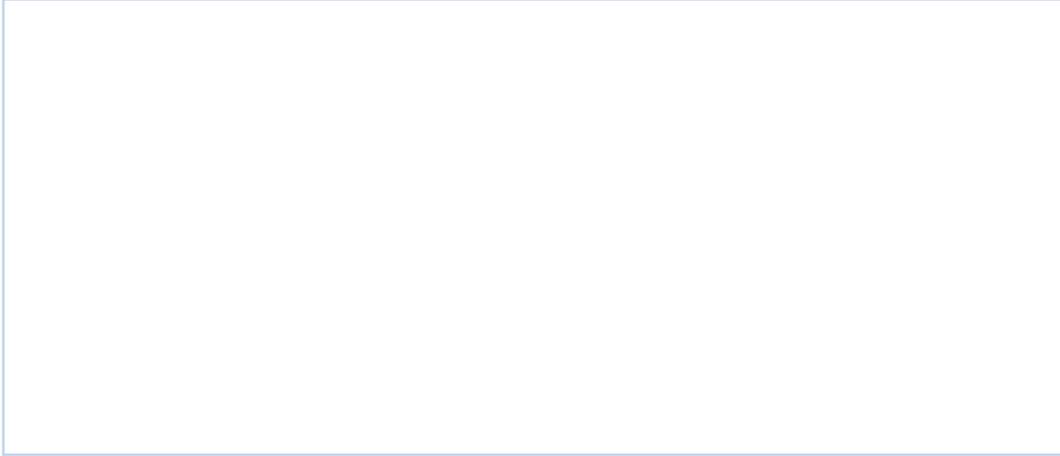
Prioritise change requirements

Prioritise the change requirements, in their order of impact on meeting organisation objectives. For example, the team could apply the Pareto technique and assign a score to each requirement and then group them according to structure, process, technology and employee. The group with the highest score becomes the first priority.



Practice task 5

Conduct research on prioritisation techniques and identify two techniques that would help you when collaborating with a group to prioritise change requirements.



Summary

1. In leading and managing change, you need to understand the external and internal forces for change and the stages in the change process.
2. An analysis of organisational objectives and corporate and competitive strategies enables management to identify strategic change needs.
3. The organisation's current structure, work processes, technology and people need to be analysed to determine their ability to meet organisational objectives. This analysis enables management to identify gaps between the current and desired situations.
4. An analysis of the external environment, using environmental scanning techniques, allows management to identify events or trends that may affect the achievement of organisational objectives.
5. Internal and external analyses require input from internal managers and area specialists and may involve engagement with external consultants.
6. Change requirements or opportunities need to be reviewed and prioritised by change planning stakeholders.

Learning checkpoint 1

Identify change requirements and opportunities

This learning checkpoint allows you to review your skills and knowledge in identifying change requirements and opportunities.

Consider your current organisational setting, one that you have worked with or one that you are familiar with. Alternatively, select an organisation that has recently experienced major change and has recently been featured in the media. Answer the following questions.

Part A

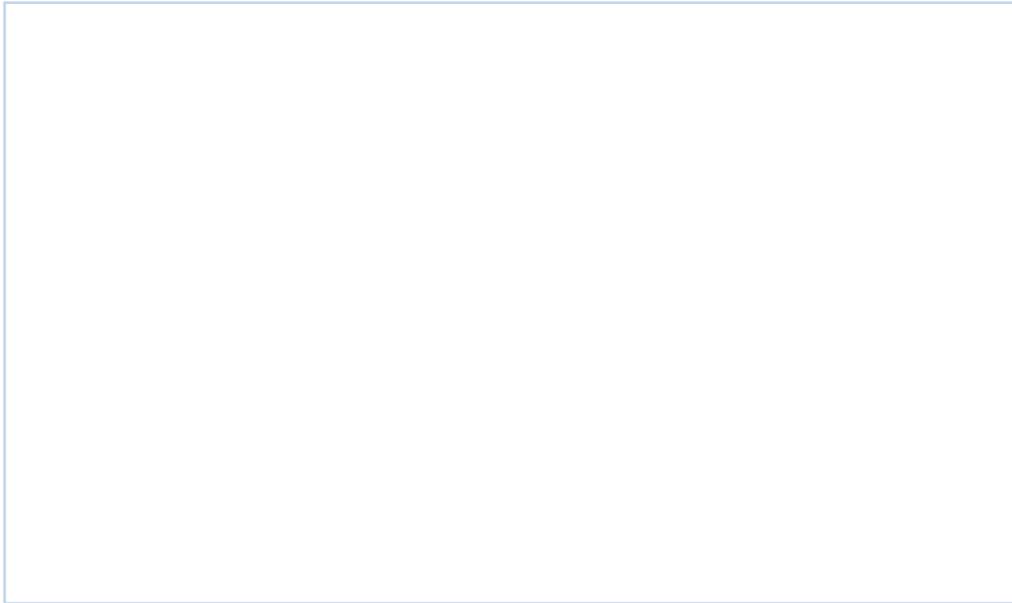
1. List the most recent significant change to the chosen organisation's structure, processes, technology and/or people.

2. What external factor/s was this change in response to?

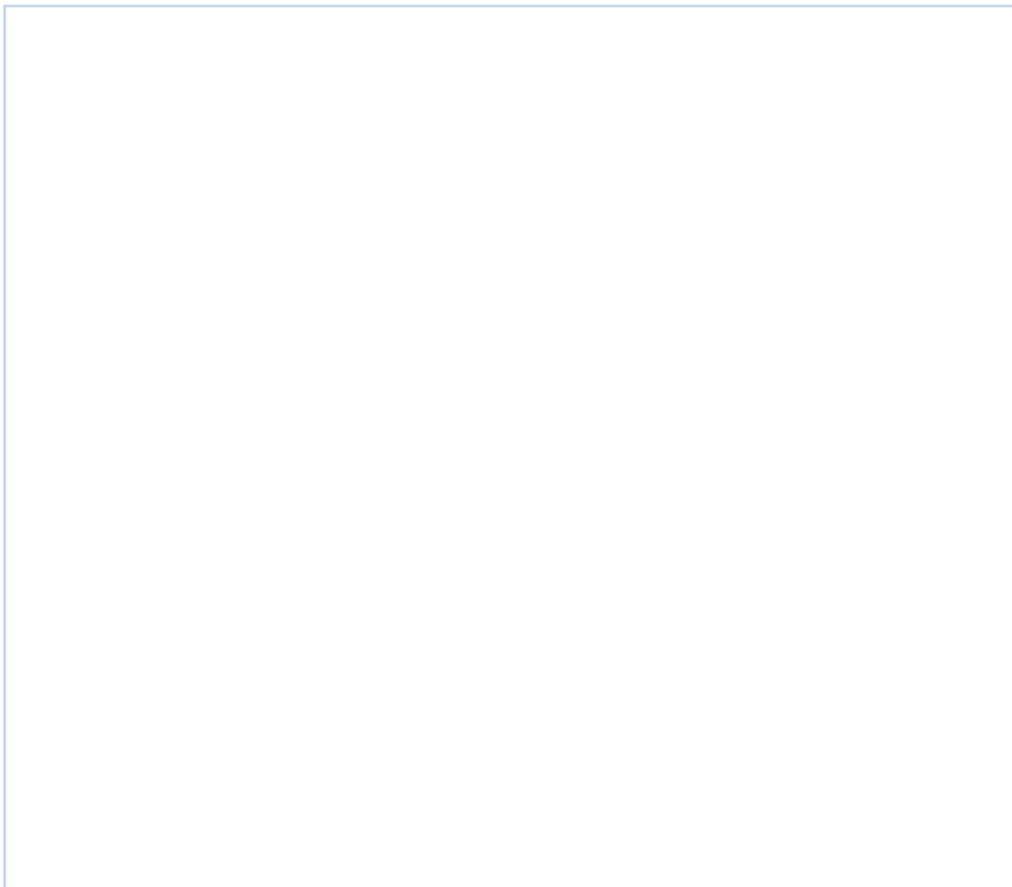
3. List the three major stages of the change management process.

Part B

1. To identify the organisation's objectives, what sources would you consult regarding your chosen organisation?



2. Identify the strategies that your chosen organisation is pursuing in order to meet its organisational objectives and classify them according to the types of corporate and competitive strategies presented in the topic.

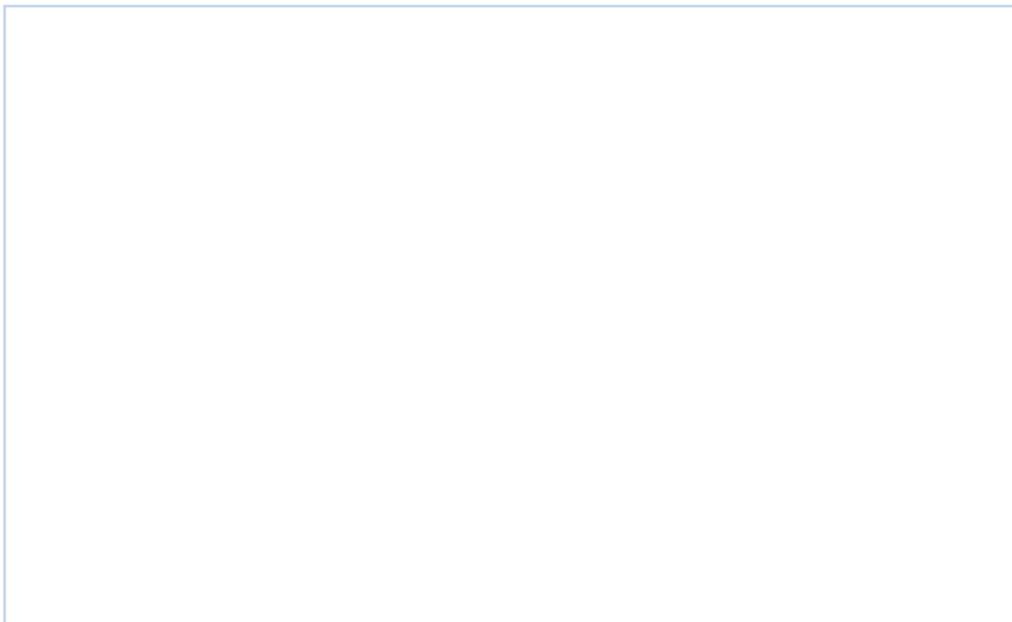


Part C

1. As a result of the recent change in your chosen organisation, identify the changes to the structure, work processes and technology, and/or people.



2. Identify the roles of the experts or specialists who could help you to analyse the need for and effects of change on people within your chosen organisation.



Part D

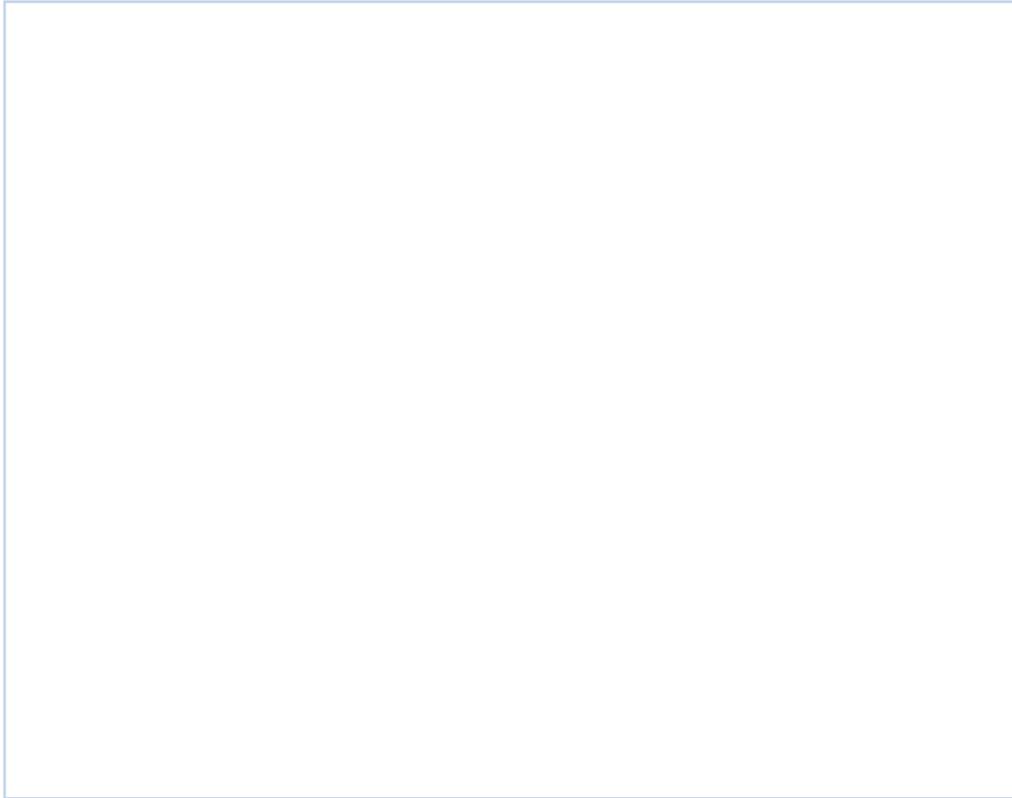
Consider the following scenario in relation to your chosen organisation, then answer the questions.

Scenario

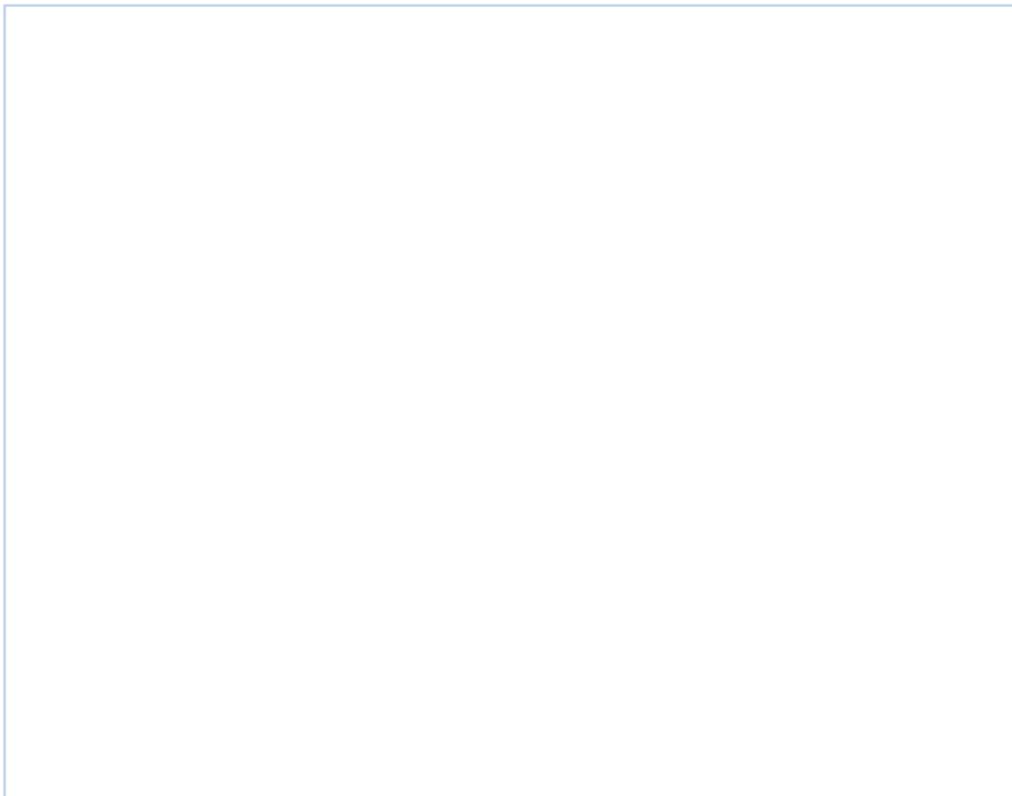
Your manager has asked you to identify the major trends in the external environment that are likely to affect the achievement of the organisational objectives. She also wants to know the internal strength and weaknesses, and how these may affect the organisation's response to the trends.

1. What sources would you consult to research political/legal, economic, sociocultural and technological trends?

2. To research what your major competitor is doing, what sources would you consult?



3. List the steps you would take to conduct a SWOT analysis to identify the organisation's requirements.



4. In developing a priority list of change requirements, what process would you follow?



Topic 2

Develop change management strategy

Following from the identification of why the organisation needs to change and what needs to change are the processes for understanding the impact of the change across the organisation. Then this information needs to be used to develop the change management strategy and the plan to ensure the successful implementation of the change strategy.

In this topic you will learn how to:

- 2A Analyse change impact
- 2B Assess change readiness
- 2C Develop the change vision and strategy
- 2D Develop the change management plan

2A Analyse change impact

In preparing for change, managers need to analyse the actual impact of the change in order to gain a high-level understanding of the major change management issues. By analysing the impacts of the proposed change across the organisation, managers can identify the consequences of the change and therefore the areas that require greater management focus to ensure successful implementation. The information obtained from the impact assessment provides the input for the change readiness assessment, which determines the organisation's capacity to change, the level of understanding required, and the acceptance and commitment of employees likely to affect the success of the change. With this information, the change strategy can be formulated and the plan developed.

To analyse the impact of change, managers can:

- identify gaps between the current and desired situations relating to the high-priority change requirements
- prepare a cost–benefit analysis of the requirements
- conduct a risk analysis to identify and prioritise risks
- identify barriers to change, which can be analysed during the change readiness assessment.

Requirements of gap analysis

The change planning group or team needs to go above and beyond identifying the major gaps between the current and future situations, and brainstorm the specific impacts on the areas of organisational structure, processes, technologies and employees. The time that the group needs to take and the effort involved depend on the nature of the change.

Determine specifics

For each area, brainstorm the gaps that will be affected. Identify the gaps in the design of the organisation, looking at the chain of command, work specialisation, departmentalisation, degree of centralisation/decentralisation, formalisation and span of control. Map affected processes, starting with the process most greatly affected, then map those that precede and follow this process. Consider the impact of technology on these work processes and on the skills and knowledge requirements of employees. What is the difference between the current skills and knowledge of affected employees and what they will need moving into the future?

Evaluate impacts

The change planning group categorises the impacts into positives and negatives to identify risks and barriers, and possible strategies to deal with them. This information is required for a risk analysis and a change readiness assessment. The team also estimates the scale of the change and prepares information for a cost–benefit analysis. Depending on the need for change, organisations may choose not to go ahead with the proposed change if the risks are too high and/or the costs outweigh the benefits. If the need for change is critical or still highly desirable, then risk and employee resistance strategies need to be developed to manage consequences.

Prepare a cost–benefit analysis

A cost–benefit analysis is needed to begin the evaluation of change requirements or opportunities.

Identify costs

The change planning group needs to identify the costs involved in addressing cost or performance gaps, which may include time, physical resources and equipment. It may be difficult to assign a monetary value to some requirements and to benefits, so this is where the input of the organisation's finance team is critical. External resources are also available; for example, the Commonwealth government has developed such resources for organisations implementing e-business.

Consider also that the costs incurred for addressing gaps and ongoing maintenance may be less than the costs that might be incurred if the requirement or gap is not addressed.

Identify benefits

Benefits may be quantitative or qualitative. Strategic benefits may relate directly to the corporate and competitive strategies of the organisation, such as increased competitive advantage and increased sales. Other benefits may relate to increased efficiency, effectiveness and innovation. For your organisation, actual benefits may be articulated in terms of improved products, increased market share or reduced operation costs.

Benefits need to be considered in light of their relationship to meeting organisational objectives. They are also merely predictions.

Compare costs and benefits

To determine if the benefits outweigh the costs, calculate total costs and total benefits for comparison. Compare them by dividing the total costs by the benefits. Do the costs outweigh the benefits, or the benefits outweigh the costs? Should the costs outweigh the benefits of the change that is to be implemented? A risk analysis and change readiness assessment will help to identify strategies to manage costs and maximise benefits.

The change planning group can also use this information to calculate how long it will take to reach the breakeven point, where the benefits have repaid the costs, by calculating the payback period. This is how many months or years it will take to realise the full benefits of the change in terms of revenue.



Identify and analyse risks

Many organisations have developed risk management processes to guide and assist staff in identifying, analysing and treating organisational risks. The following provides an outline of how risks relating to change can be identified and analysed by employees.

Identifying risks	Analysing risks
<p>Risks can be identified by the change planning group through brainstorming likely risk scenarios and consulting with area specialists or experts and staff in identifying issues. The group can also review documentation related to previous change initiatives to identify indicators of risk, which may include the following:</p> <ul style="list-style-type: none"> • Loss of production capability • Loss of key staff or staff resistance • Delays in installing new equipment • Budget overruns • Resources not made available at the appropriate times • Impact on current service delivery to clients • Impact on suppliers if different resources are required 	<p>The change planning group needs to determine a risk's likelihood and impact. The likelihood of the risk occurring may be very likely, likely or unlikely. Some organisations may use different words such as 'expected', 'probable' and 'improbable'. The consequences of the risk may be major, moderate or minor. Other rating terms commonly used are 'disastrous', 'severe', 'extreme', 'minimal' and 'negligible'.</p> <p>Risk analysis is generally directed at the negative consequence of risks. However, risk management is also able to identify and prioritise opportunities. For example, analysis may reveal that a member of the group has relevant expertise that has not been taken into account previously.</p>

Example: likelihood and impact and their risk descriptors

The following provides a description of how a software development company classifies the likelihood and impact of identified risks.

Likelihood		Impact	
Very likely	<ul style="list-style-type: none"> • Incident will probably occur under almost all circumstances. • Risk has a 75 per cent chance of occurring. • Will occur within 6–12 months. • Example: having no virus protection software or password protection will put files at risk. 	Major	<ul style="list-style-type: none"> • Financial impact would be \$100,000–\$500,000. • Potential for significant injuries to staff. • Significant impact on ability to meet objectives.
Likely	<ul style="list-style-type: none"> • Incident may occur under certain circumstances. • Risk has a 25–75 per cent chance of occurring. • Will occur within 24 months. • Example: software to develop new product requires modification. 	Moderate	<ul style="list-style-type: none"> • Financial impact would be \$10,000–\$100,000. • Potential injury of people. • Requires effort to deal with consequences. • May affect more than one area of operations. • Moderate impact on ability to meet objectives.
Unlikely	<ul style="list-style-type: none"> • Incident will probably not occur. • Risk has less than a 25 per cent chance of occurring. • May occur within 48 months. • Example: change agent resigns. 	Minor	<ul style="list-style-type: none"> • Limited financial impact: less than \$10,000. • Limited impact on timing and people. • Risk consequences are handled within routine operations.

Evaluate risks

A risk assessment matrix can be used to evaluate a risk: likelihood and impact are identified to determine the level of the risk where these intersect on the matrix. High risks become the priorities for treatment and may require attention by senior management. Moderate risks need management focus. Some low-level risks may be seen as low priority as they can be resolved through routine procedures.

Consider the likelihood and impact of an activity you have been involved in and use the matrix below to estimate the risk level.

Likelihood	Very likely	Acceptable risk Medium	Unacceptable risk High	Unacceptable risk Extreme
	Likely	Acceptable risk Low	Acceptable risk Medium	Unacceptable risk High
	Unlikely	Acceptable risk Low	Acceptable risk Low	Acceptable risk Medium
		Minor	Moderate	Major
		← Impact →		

Treat risks

In treating risks, the goal is to eliminate or avoid the risk where possible and, should the risk materialise, to control the outcome. Here are five options to control or manage risks.

Avoid the risk

Can the risk be removed completely? For example, if the risk of moving into a newly identified market at this time is too high, can the organisation simply look for an alternative market first? Options to avoid risk include the following:

- Not becoming involved in activities that lead to the possibility of the risk eventuating
- Outsourcing risk-related tasks to contractors or specialist providers
- Discontinuing practices that may realise the risk

Change the likelihood

The likelihood of risks can be lowered by removing various stimuli or situations likely to materialise the risk. This may be as simple as improving consultation or communication channels with suppliers, or:

- reducing exposure to the risk environment
- removing or reducing activities that may lead to the risk being triggered
- using inspection controls and quality assurance measures
- implementing tighter control of contract conditions
- ensuring time lines are realistic.

Change consequences

Consequences can be managed through contingency planning. Contingency plans are a valuable tool for helping to reduce the impact or consequence of a risk event and include:

- establishing measures to control or minimise damage if the risk is realised, such as fraud control planning, public relations, disaster recovery planning, pricing controls
- developing administrative measures, controls, policy or procedures to provide guidance.

Share the risk

If a risk is at too high a level to take on alone (for example, expanding the business into a new industry), partnerships and strategic alliances allow for risks to be shared. Sharing a risk also commonly involves external investors, such as venture capitalists or insurers and underwriters, and includes:

- insurance against an event occurring
- joint ventures
- partnering arrangements
- underwriting
- investor participation.

Retain the risk

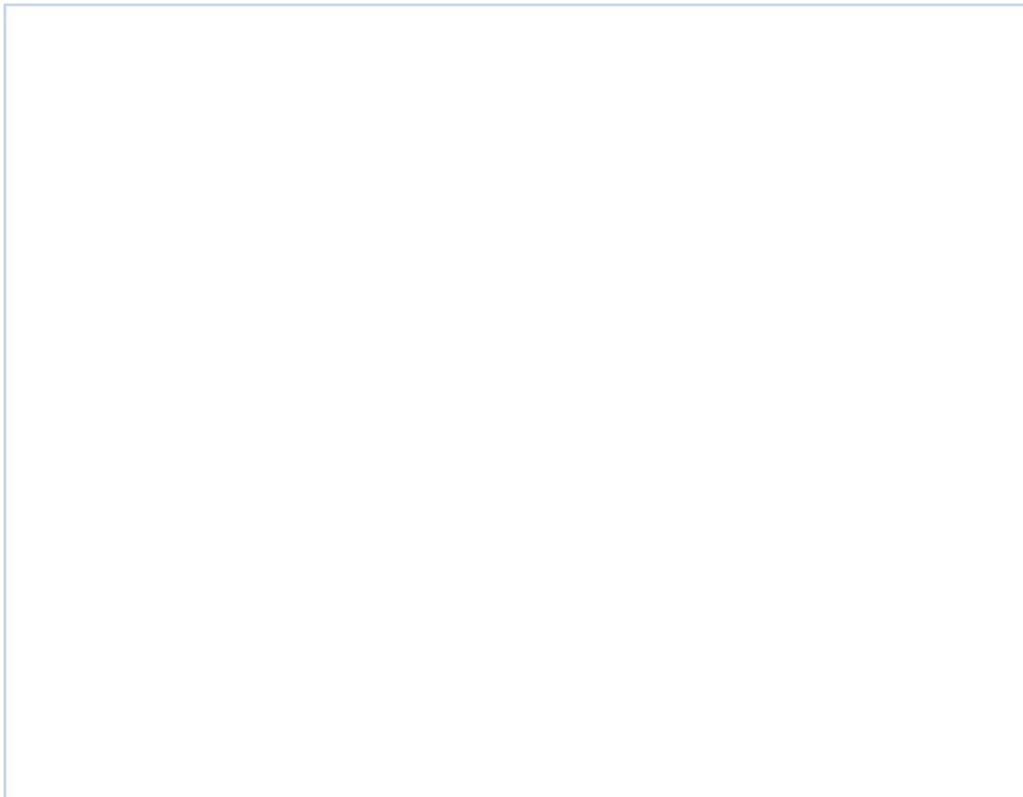
Some negative risks may be at an acceptable level when the likelihood and consequences can be adequately managed internally within the organisation. Others may have such a low level as to not warrant any effort. For example, occasional staff absences may not have a huge impact on meeting time lines, so this low-level risk can be accepted.

Practice task 6

1. What are the three major steps involved in performing a cost-benefit analysis?



2. What are the options to avoid a risk?



2B

Assess change readiness

Undertaking a change readiness assessment enables managers to determine how ready the organisation's employees are for the change, by identifying barriers to the change process and key change enablers.

The assessment involves conducting interviews with the staff affected by the change to anticipate how they will respond to the change. The analysis of their responses enables the identification of:

- potential employee ownership of the change
- group, team or individual resistance
- cultural and systems barriers to the implementation.



Gather information and assess feedback

Here are the steps involved in gathering information and assessing feedback.

Develop questionnaire to obtain feedback

In consultation with the change team or group, a questionnaire can be developed to guide the interviewer and interviewee through the process. The interviewer needs to be aware that they must encourage as much relevant information as possible during the conversation.

Conduct interviews or run focus groups

Conduct interviews with key managers and selected staff. Focus groups are useful for collecting feedback from a group or team. All responses to the questionnaire or feedback from the focus group need to be recorded for later review.

Analyse the information

When the feedback has been collated, the information needs to be reviewed. As a group, review the information to identify recurring themes. Determine the key barriers and enablers. Also note any recommended actions for addressing issues that have been provided through feedback.

Conduct a force field analysis

Lewin's three-step process of change involves people unfreezing, moving and refreezing, and is based on the idea of force field analysis.

Lewin's model	Force field analysis
<p>In the 1950s, a leading social and organisational psychologist, Kurt Lewin, argued that a person's behaviour is the result of two opposing forces: one force pushes towards preserving the existing state (the status quo) and the other force pushes for change. To change behaviour, three steps need to occur:</p> <ol style="list-style-type: none"> 1. Unfreezing to encourage a person to forget old behaviours by disrupting the existing state 2. Moving to new behaviours and attitudes 3. Refreezing to ensure that new behaviours and attitudes become the new status quo <p>To unfreeze behaviours, the driving forces for change need to be increased.</p>	<p>A change planning group can conduct a force field analysis by brainstorming all the driving and resisting forces affecting the situation. Driving and resisting forces can then be scored or ranked in order of strength and plotted in two opposite columns. In some cases the driving forces can be increased, while, in others, managers may need to develop specific strategies to decrease the resisting forces. For example, managers can increase the driving forces by advocating the reasons for why a change needs to occur. To decrease resisting forces, or barriers to change, managers can create a sense of security and empower employees to make decisions in relation to their job design. This analysis can also be used to assess strategies for change.</p>

Example: a force field analysis

The following force field analysis illustrates the driving and resisting forces related to a change in structure resulting from a merger. The merger requires the customer service team to move to the other organisation's office, located on the other side of the city.

Driving forces

- New growth strategy
- Need to restructure and centralise customer service function for both organisations
- Centralisation leading to increased effectiveness and efficiency of the customer service function
- The other organisation's better systems and processes

Resisting forces

- Increased travel time for team members and costs of travel
- Limited face-to-face contact with colleagues and friends in current office
- Concern over job design
- Concern over culture in the other organisation
- Fear of the other organisation's team taking over; threat to job security

Kotter's change process to promote enablers

John Kotter, a leading academic in the areas of leadership and change, developed the 8-Step Process for Leading Change. This model outlines an approach to organisational change that reduces barriers and promotes enablers of change. The following outlines the approach.

Further information is available on Kotter's website at: <http://aspirelr.link/kotters-8-step-process>

Kotter's 8-Step Process for Leading Change

1

Create a sense of urgency

Change leaders need to ensure that employees feel an urgent need for change. They can do this by formulating a compelling and persuasive reason for why change is needed.

2

Build a guiding coalition

Leaders need to get on board senior management and other stakeholders with power and influence to ensure change can be implemented.

3**Form the strategic vision and initiatives**

Leaders need to create a new strategic vision, one that will direct the change and strategies. This new vision needs to be effectively communicated throughout the organisation and to external stakeholders.

Steps 1 to 3 represent the first stage of Lewin's model: unfreezing.

4**Enlist a volunteer army**

Leaders need to empower a broad group of people as change agents. These managers and employees need to be empowered to act on the vision and to drive change. These agents need to be encouraged to engage in creative problem-solving.

5**Enable action by removing barriers**

Leaders need to remove barriers to change that threaten the achievement of the vision. They need to increase the driving forces for change and decrease the resisting forces.

6**Generate short-term wins**

Leaders need to plan for and track accomplishments, rewarding short-term wins that move towards the achievement of the new vision.

7**Sustain acceleration**

At this stage, leaders should be able to use their established credibility to change organisational policies and processes that do not support the vision. This may mean hiring or promoting people who can implement change and/or creating new processes.

Steps 4 to 7 represent the second stage of Lewin's model: moving.

8**Institute change**

Embed the change by demonstrating the relationship between organisational success and the new behaviours.

This represents the third stage of Lewin's model: refreezing.

Practice task 7

1. According to Lewin, is 'resisting' a stage in the change process?

2. According to Lewin, increasing the driving forces for change will direct people's behaviour away from what?

3. According to Kotter, what is needed to direct change and to guide the formulation of change strategies?

- What are the benefits for employees?
- What processes will actually change?
- What behaviours and attitudes need to change?
- What is the impact on the organisational culture and climate?
- What are the key dates for the implementation of the change?

Finalise and communicate the vision

When the change planning group or team has clear answers to the vision questions, the vision can be developed and sent to stakeholders for feedback and to build support. It is important to build into the vision a clear statement of the need for two-way communication throughout the change process and for stakeholder contributions to the plan development and implementation process.

To finalise the vision, feedback can be sought through meetings, group sessions and forums. Participants should be asked to check the vision's clarity and understanding. They should check that the vision is inspiring and will motivate employees.

The vision can also be communicated via meetings, group session and forums. The organisation's internal social media tools can also be used. Participants should be encouraged to provide feedback and to ask questions.



Example: a change vision

The following is a change vision statement for a large registered training organisation planning to move from face-to-face delivery of training to e-learning:

“We will adopt e-learning to facilitate the development of our students’ knowledge and skills and to increase their access to learning through the use of mobile devices.”

Formulate the change strategy

A change strategy is the high-level document that presents the framework and guiding principles to realise change. In developing the strategy, the following need to be outlined.

Elements of the change strategy

- The change characteristics, including the scope of the change, what and who will be changed and the time frame for change
- The affected groups or people and how they will be affected
- Who will implement the change and the team roles in implementing the change and managing resources
- The senior management support coalition, which may be considered the sponsors, to promote and enable change in different areas of the organisation
- The risk factors and specific risks
- Anticipated areas of resistance
- Tactics to manage resisting forces for the acceptance and uptake of change

Practice task 8

Watch the video 'How to create a powerful vision for change' in which Kotter provides guidance on creating a change vision: <http://aspirelr.link/how-to-create-a-powerful-vision-for-change>. According to Kotter, every successful major organisational change has a change vision. Why is a change vision so important?

2D Develop the change management plan

Without an effective plan to guide implementation of the change, the organisation has little chance of successfully embedding the new behaviours, structures and/or processes. Some organisations have a procedure and template for developing a change management plan. The plan should be developed in consultation with relevant managers and/or sponsors and also with those who are responsible for guiding the implementation, which may be a formally appointed change team. Following development of the plan, it needs to be reviewed by relevant senior managers for their approval.

Plan development process	Plan elements
<ul style="list-style-type: none"> • Determine change activities and tasks • Identify, analyse and estimate resources to implement the change • Develop risk control measures and contingency strategies • Allocate responsibilities • Prepare the schedule • Select strategies to manage resistance • Develop performance indicators for monitoring and assessment • Develop monitoring and evaluation strategies • Prepare final plan for approval by senior management 	<ul style="list-style-type: none"> • Explanation of the reasons for change • Change vision and strategy • Change activities • Time lines or schedule for activities and activity responsibilities • Resources required for the change, including costs (and budget if necessary) • Risk factors and how existing and potential barriers will be identified, monitored and managed • How the change will be monitored and evaluated

Determine change activities

A useful technique in determining the change activities is to develop a work breakdown structure (WBS). To develop a WBS, the change team considers the change outcomes and then identifies the outputs. These outputs are broken down into the activities required to achieve them. These activities are then broken down into tasks.

The team can use a tree diagram or a table to map the identified outputs to activities and tasks. Each level of the diagram or table is created by asking, 'What needs to happen to achieve this?' These answers are recorded as the next set of branches or subheadings and are checked by asking, 'Will these actions actually allow this activity or task to be completed?', 'What do employees need to be able to make the change?' and 'How long will it take to complete each activity and task?' These questions are repeated for each subsequent level of detail.



When the tasks are identified, they can be sequenced in a logical order. The required resources can also be identified and responsibility for the tasks assigned to change team members.

Identify, analyse and estimate resources

For the change implementation, leaders need to indicate to senior management and/or sponsors what resources are required to achieve the change.

Resources needed

- Human resources, such as specialist or expert staff or consultants, team members, and their skills, roles and responsibilities
- Physical resources, such as equipment, technology and workspace
- Time required to implement, measure and achieve change
- Financial resources, such as funds to buy new equipment, update technology or training, provide coaching or mentoring of staff to address skill gaps

Resource analysis

- What are the skills and experience necessary to do the work? What are the results of the gap analysis?
- Is a training needs analysis required? If yes, allocate responsibility for analysis.
- Who should do the work?
- How long will each activity and task take to complete?
- What equipment or facilities are required to undertake each task?
- What are the availability and cost of each resource?
- Are there alternatives available? What contingencies need to be developed?

Resource estimate

The total estimate for the change implementation is calculated by multiplying the resource effort by the resource unit rate for all the tasks listed in the WBS. It is important that all costs are included, allowing for contingencies. For example, there may be breakdowns in equipment or staff movement that will involve additional costs. The finance and human resources teams should be able to provide costs relating to such issues and any standard percentages for contingency required in planning budgets. The total estimated cost of all activities, generally by month, until the project is finished becomes the cash flow, which is the project's budget.

Risks and contingency planning

Implementation risks can be identified and assessed by the project team using the same risk assessment process used in assessing impact and readiness. Based on this risk assessment, the contingency plan or risk treatment plan is the documentation of treatment options.

Sources of implementation risk:

- Lack of financial support
- Time constraints
- Staff acceptance and cultural issues
- Technological issues and failure
- Capacity of suppliers and availability of contractors

Identify the project's organisational chart

From the WBS, the change planning group or team can develop the change project's organisational chart. This chart is the first step in assigning roles and responsibilities and it outlines the chain of command. To develop the chart, similar project activities can be grouped to identify potential spans of control. The team may find that there is no-one available to manage or drive an area of the business, so this position needs to be filled.

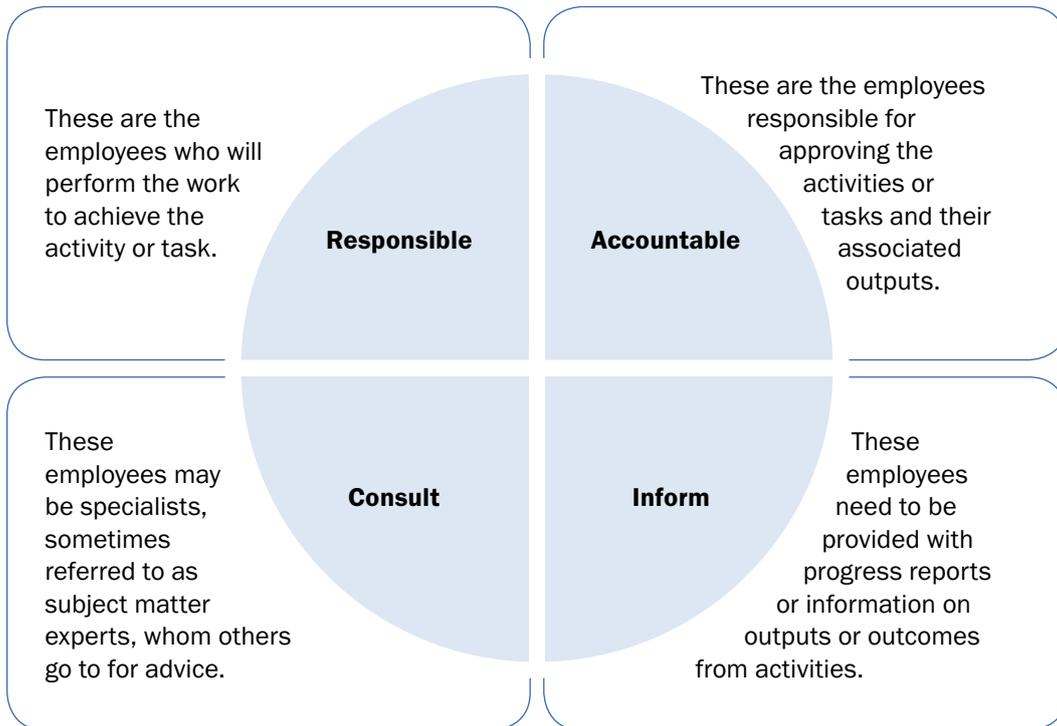
Roles that are part of the change project's organisational chart include:

- the change sponsor/senior manager responsible for final approval of activities within the change process
- the change leader/agent or manager responsible for the implementation, who reports to the sponsor
- functional team leaders and/or team members who report to the change leader; for example, a human resource leader to manage the impact of the change on employees.

Allocate responsibilities

Many projects, including those implementing major change, assign responsibilities and tasks by combining the WBS and the change organisational chart to develop a responsibility assignment matrix (RAM). This matrix is often based on the Responsible, Accountable, Consult and Inform (RACI) format and lists the WBS activities on the vertical edge, with the responsibilities on the horizontal edge. A RACI matrix articulates responsibilities and tasks, and identifies the formal lines of communication for the change project. Some RACIs are organised by roles and others by major phases.

RACI matrix



Example: a change project RACI matrix

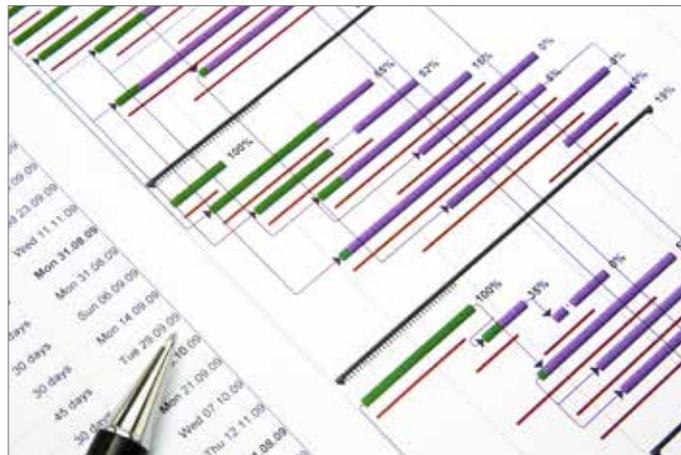
The following RACI format is for an organisation developing a new product line and taking it to market, outlining the participation of the key roles in the change project.

Grouped activities/roles	Sponsor: Stephen	Change leader/ agent: Rebecca	Design team leader: Luke	Production team leader: Rosemary	Marketing and sales team leader: Debbie	HR team leader: Hannah
Product design	A/I	R	R	C/I	C/I	C/I
Product manufacturing	A/I	R	C	R	I	C/I
Product marketing and sales	A/I	R	I	C/I	R	C/I
People management (including communications and education)	A/C	R	I	C/I	C/I	R

Prepare the change implementation schedule

The change implementation schedule should include the WBS activities, broken down by task, with assignment of each task to a team member, completion dates for each task and the required resources. This action plan is often presented in the form of a table, but some managers with project management software experience develop a Gantt chart.

The Gantt chart was developed as a production control tool in 1917 by Henry L. Gantt, an American engineer. The bar shows activity start, duration and completion, as long as the project manager regularly updates the chart.



Example: change implementation schedule

Microsoft has developed a number of materials for developing project schedules using Excel. Visit the following sites to access these templates, examples and guidance on how to create project charts:

- Assignment schedule using Excel at: <http://aspirelr.link/assignment-schedule>
- Gantt chart using Excel at: <http://aspirelr.link/gantt-chart-in-excel>
- Gantt project planner using Excel at: <http://aspirelr.link/gantt-project-planner>



Select strategies to manage resistance

Here are some strategies to help managers to reduce the forces in employees who are resistant to change.

	<p>Communication and education</p> <p>Develop a communications strategy to ensure that employees understand the reasons for change and are provided with the full facts and expectations on how they need to change. Information sessions, team meetings, newsletters and blogs can be used to communicate the change vision and strategies, and to keep employees up to date.</p>
	<p>Participation</p> <p>Change leaders need to build trust with those affected by change, and consensus on the implementation of strategies can be achieved through employee participation in the development process. At every communication event, feedback should always be encouraged and suggestions for improvements sought.</p>
	<p>Support and facilitation</p> <p>Leaders can make counselling and fitness programs available to employees to manage low morale and stress, and provide training to upskill employees to meet new requirements. A reward system may be useful in encouraging employee behavioural change.</p>
	<p>Selecting change drivers</p> <p>Some individuals are more adaptable to change than others; these can be identified and recruited as change champions within areas. Those who readily accept new values and change should be supported and promoted wherever possible. These employees can also be asked to speak at forums and to contribute to blogs or similar communications.</p>

Develop performance indicators

For the effective management of change, key performance indicators (KPIs) should be developed. KPIs reinforce the need for change and focus the efforts of those involved. The change planning group or team should identify a number of milestones and achievement dates that occur throughout the implementation

of the change process. A milestone could be the approved design for a new manufacturing process or the launch of a new product. These need to be monitored to ensure that activities and tasks are tracking according to identified organisational time frames and to ensure that change wins are effectively communicated to all stakeholders.

Determine monitoring and evaluation strategies

In monitoring the implementation of change, the group or team needs to develop evaluation criteria that monitor when, by whom and how progress is communicated to stakeholders. Evaluation of the success of the change also needs to be included in the change plan.

Monitoring considerations

- How will results and feedback be collected?
- How will you know when you have reached a milestone?
- What activities need to be reported on?
- What types of reports need to be generated, when, and who will be responsible for each?
- How will progress be communicated – forums, meetings, email, internet/social media?
- Who will update the plan to ensure that change benefits are realised?

Evaluation considerations

- What factors indicate the success of the change – achievement of organisational objectives, increase in productivity, sales or profit, etc.?
- When will evaluation be conducted?
- What tools can be used to determine whether change has been embedded; for example, interviews, surveys, focus groups?
- Who will be involved in conducting the evaluation?

Practice task 9

Visit the following websites to view examples of change management templates:

- The Government of Western Australia has produced an example change management plan that you can access at: <http://aspirelr.link/example-change-management-plan>
- The University of Tasmania has produced a change management plan template that you can access at: <http://aspirelr.link/change-management-plan-template>

Compare these to a developed change management plan or a template in your own organisation or one that you have chosen to review. What differences and similarities can you see between these examples and your organisation's plans/templates?

Summary

1. To identify change consequences, managers conduct a change impact assessment by analysing the identified gaps between the current and desired situations relating to the high-priority change requirements, prepare a cost-benefit analysis of the requirements, and conduct a risk analysis to identify and prioritise barriers to change.
2. Undertaking a change readiness assessment involves conducting interviews with the staff affected by the change to anticipate how they will respond to the change.
3. To communicate the need for change and to present a picture of the future, a change vision statement should be developed.
4. To ensure the achievement of the change vision, a change management strategy is required and this provides a roadmap for the implementation of change.
5. The implementation plan should be developed in consultation with relevant managers and/or sponsors and with those who are responsible for guiding the implementation, which may be a formally appointed change team.
6. The minimum elements of a change management plan are a description of the change activities, the time lines and responsibilities, the resources required for the change, including associated risks, how resistance will be managed and how the change will be monitored and evaluated.
7. Techniques and tools for developing the elements of the change plan include the work breakdown structure, risk assessment and responsibility assignment matrices.

Learning checkpoint 2 Develop change management strategy

This learning checkpoint allows you to review your skills and knowledge in developing a change management strategy.

Consider your current organisational setting, one that you have worked with or one that you are familiar with. Alternatively, select an organisation that has recently experienced major change and has recently featured in the media. You need to be able to review the chosen organisation's change management strategy and change action plan. If you cannot locate a change management plan for your chosen organisation, research the internet for samples of a plan. Select one for review to answer the following questions.

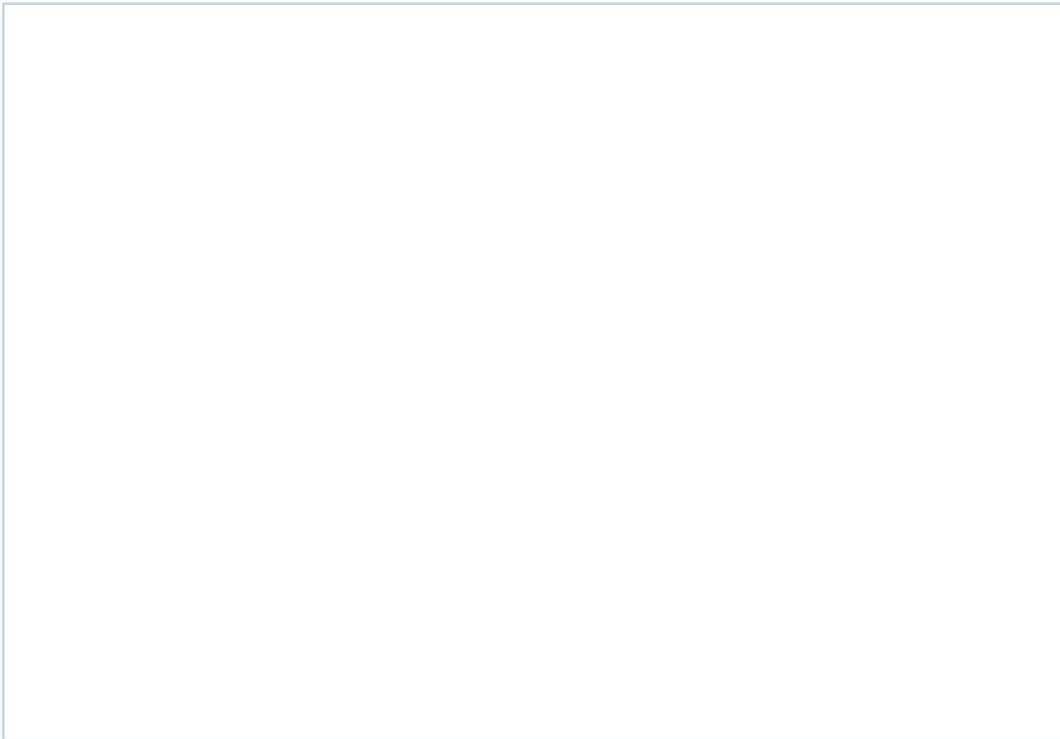
Part A

What techniques and tools did the organisation use to assess the impact of the proposed change?

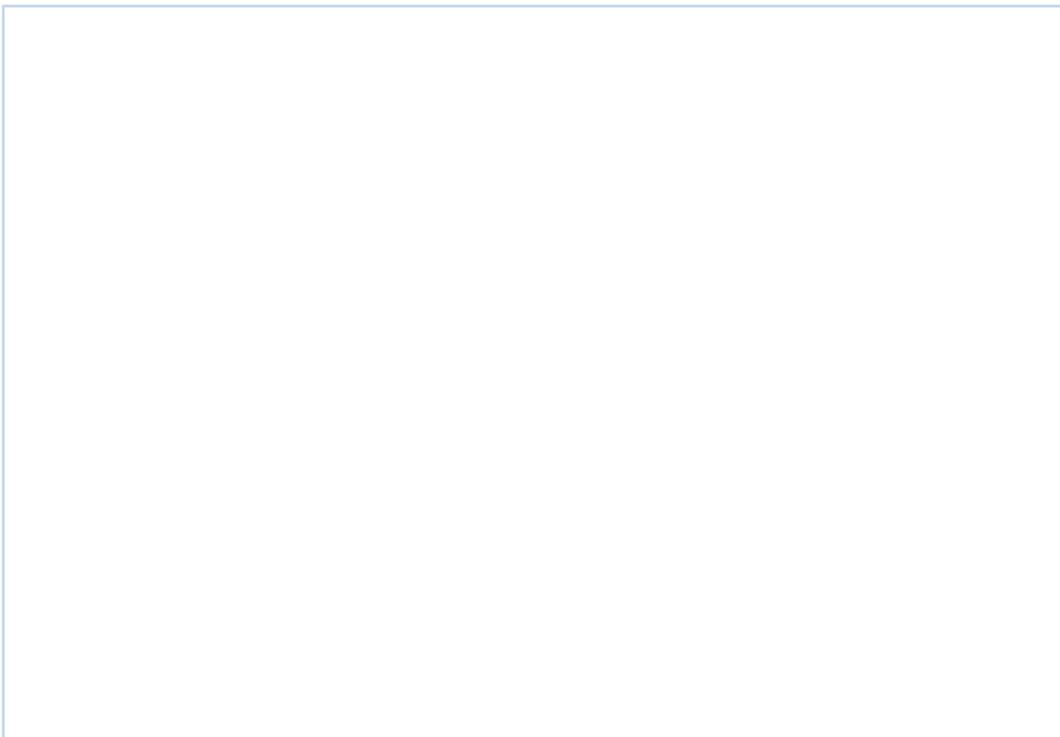


Part B

1. What techniques and tools did the organisation use to assess change readiness?

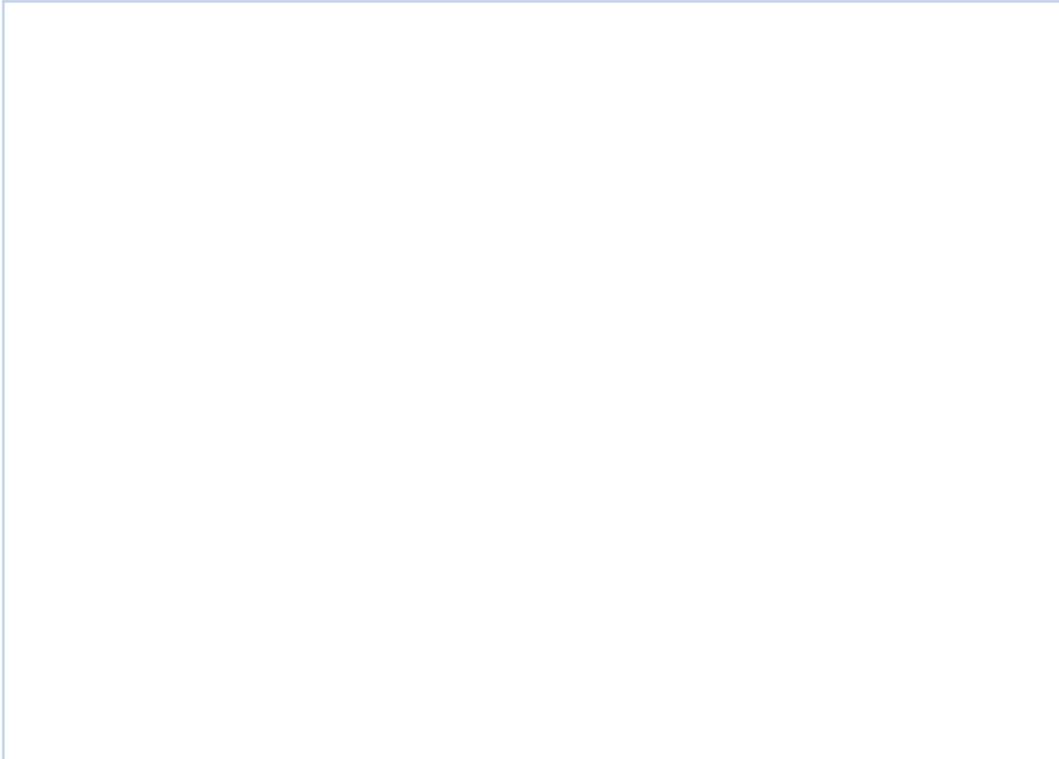


2. You are considering a change in your personal life. This may be a purchase of a new house or a commitment to compete in a half-marathon in Hawaii. Conduct a force field analysis to identify the driving and resisting forces in helping you to make a decision. List the driving and resisting forces for change.

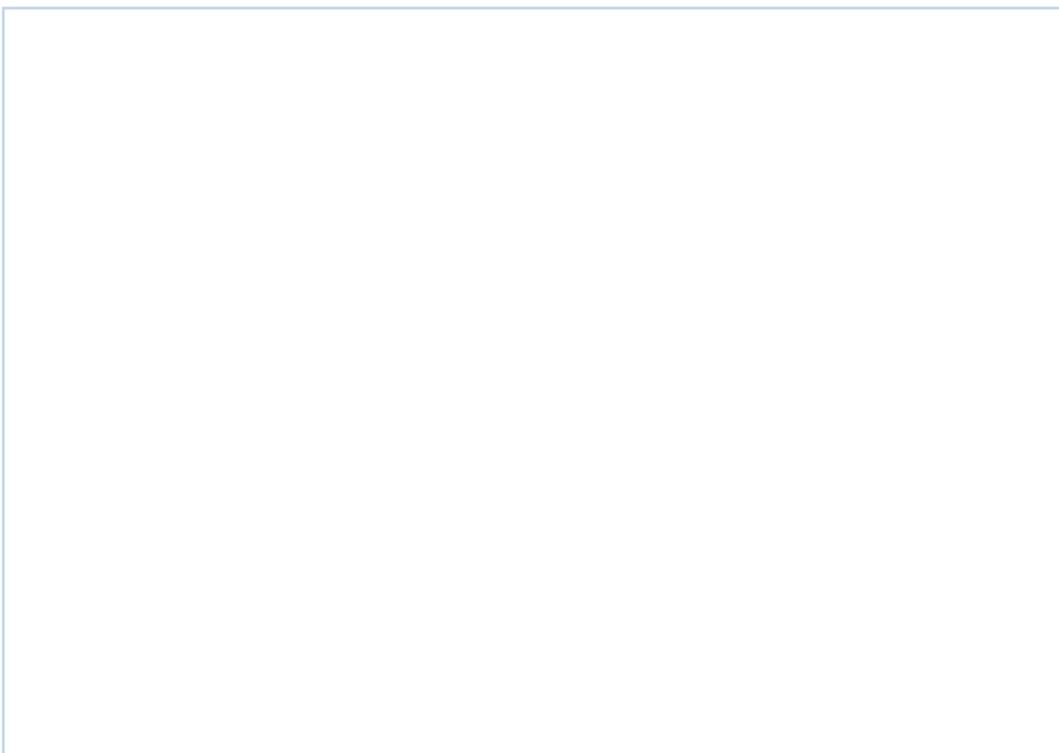


Part C

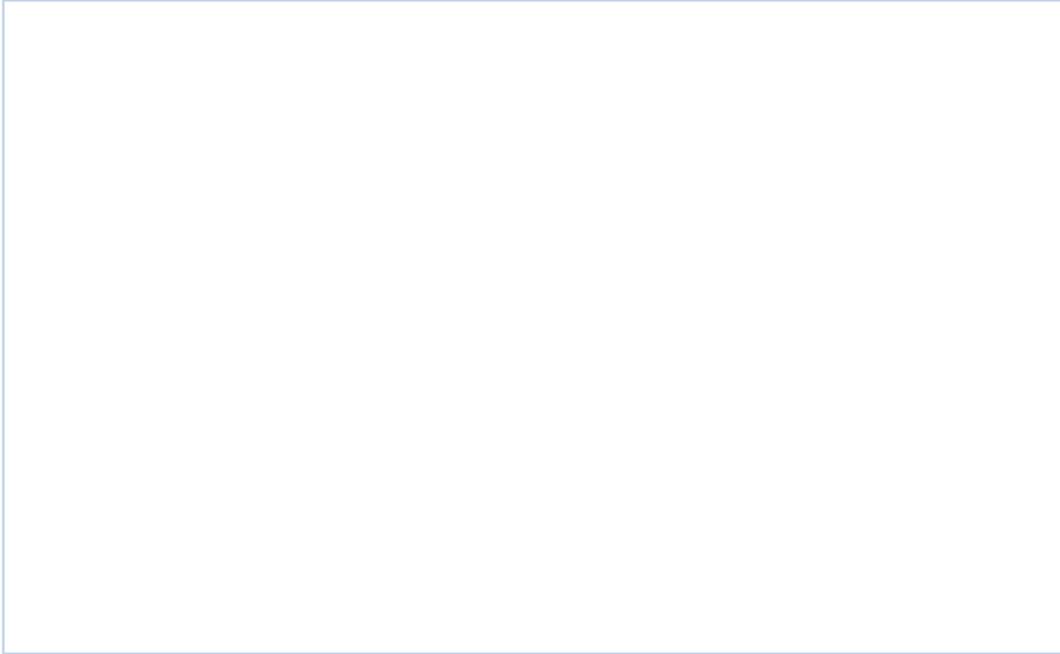
1. Identify the organisation's change vision. What is it and how has it been communicated to stakeholders?



2. What alternative methods could the organisation have used to communicate its change vision?

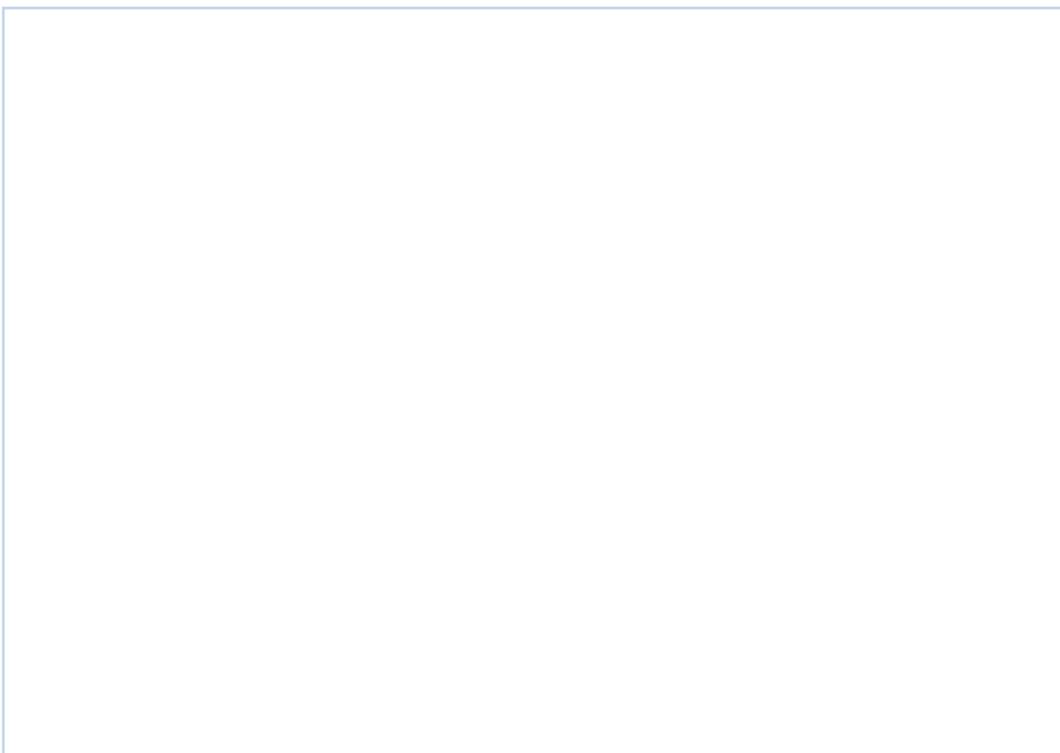


3. Identify the organisation's change strategy. What is the goal or key objective of the strategy?



Part D

1. Review the change implementation plan for your chosen organisation. Consider the components, style and clarity, and level of detail. With the benefit of hindsight and your knowledge from Topic 2, identify how this change plan could be improved.



2. From your personal force field analysis, identify strategies to enable you to increase the driving forces and decrease the resisting forces.



3. Develop a basic change management plan for you to implement your personal change.



Topic 3

Implement change management strategy

Implementing change requires change leaders and agents to action the strategies identified in the change plan, including those for embedding change and managing barriers. Throughout the implementation process, organisational development programs and techniques need to be managed in order to foster commitment to new behaviours and to ensure participation in decision-making. Organisational development activities also work to measure resistance so that, if problems arise with new processes, employees do not revert to the old ways of doing things.

To ensure that change is integrated throughout the organisation, ongoing monitoring and review help to identify and develop solutions to address any issues. Once change has been implemented, the effectiveness of the change and of the process itself needs to be evaluated to inform future change projects.

In this topic you will learn how to:

- 3A Plan communications and education
- 3B Action activities to implement and embed change
- 3C Manage barriers to implementing and embedding change
- 3D Monitor change progress and evaluate change effectiveness

3A Plan communications and education

When implementing change, a strong communications strategy needs to be in place to ensure the engagement of stakeholders and to reduce uncertainty, particularly for those whose jobs are directly affected by the change. The strategy should guide the development of the communications management plan, which describes the specific communication methods that will be used to communicate with all project stakeholders. Included in the plan are actions for educating and training staff on the need for change and for how to change to manage actual or potential resistance to change.

Articulate the strategy

An overall communications strategy for the change process should identify the requirement to educate stakeholders on the need for change, the benefits of change and the barriers associated with change. The change team also needs to consider the resources and tools available, which can include methods used to communicate information, such as videoconferencing, social media and internet channels.

Identify stakeholder audiences

The change team should consult its internal, impact, readiness, risk, and activity and assignment analyses in order to identify target audiences and to gain understanding of their needs. The team could also conduct a stakeholder analysis to identify who or what team or group needs to be won over to manage resistance and who can act as enablers and agents to filter information through the organisation, to assist in creating a fostering commitment.

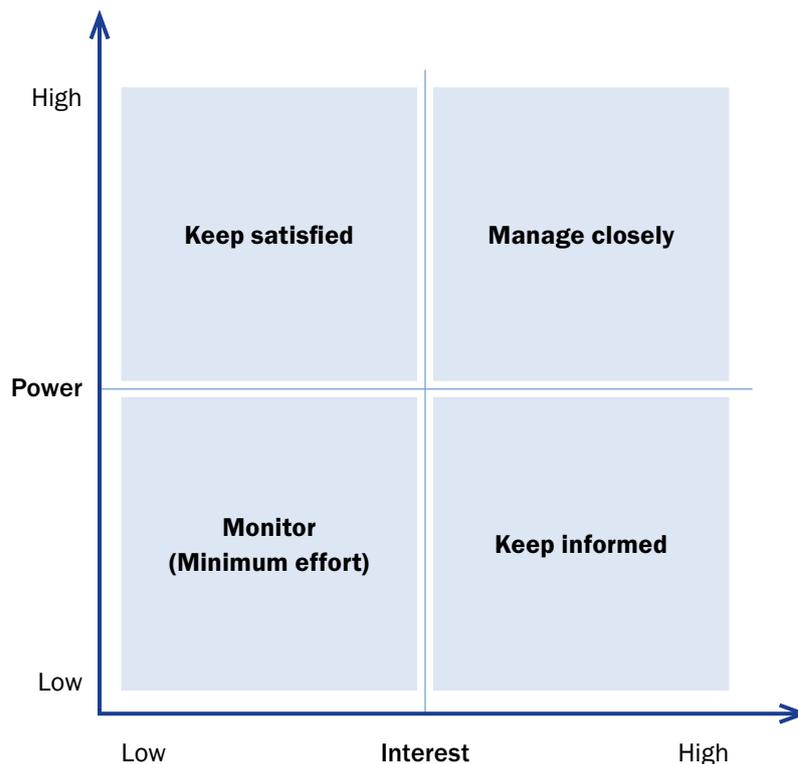


Stakeholder analysis

A stakeholder matrix plots stakeholders against two variables. To analyse the power and impact of different stakeholders, these variables might be the level of 'power' of the stakeholder against the 'interest' of the stakeholder in the change:

- Those stakeholders who are likely to resist change (have high interest) and can affect the implementation of the change (have high power) need to be managed closely and require frequent communication.
- Those with lower interest in the outcomes and with limited ability to affect the implementation process may only need to be monitored and kept informed through emails, newsletters or verbal announcements.
- Those whom you need to keep informed are of high importance to the success of the change, but with low influence.
- Those stakeholders with high influence who can affect the change outcomes, but whose interests are not directly aligned with the change, need to be kept satisfied with information during the change process.

A stakeholder's base of power around the change process is often reliant on organisational support mechanisms and the sanctions available to them.



Analyse and group stakeholders for management

The change team needs to brainstorm the identified stakeholders' needs and rank the stakeholders on a scale from one to five, according to one of the criteria in the matrix, such as 'interest in change outcomes' and 'power over change outcomes'. The team can then map them on the matrix and group them appropriately. It is essential that the team considers the methods to manage change during the process by identifying what motivates each stakeholder and how the team can win their commitment.



Those to manage

These stakeholders are the key players, such as the change sponsor, who sign off on the change management plan and any outputs produced, such as a new product or service. These may also be directly affected by the change or change outcomes, such as a senior manager whose performance is measured against the objectives on which the change has a direct impact. If these stakeholders are carefully managed through effective communication methods, they can become change agents who cascade information through the organisation to reduce resisting forces against change.

Those to satisfy

When keeping stakeholders satisfied, the team needs to engage them in the implementation process and consult on their interest areas. Consider those who need to be consulted from the RACI analysis. However, these stakeholders may have sign-off on key areas, such as the finance director with power over funds, so the benefits needs to be made clear to them and they need to be kept informed of progress.

Those to inform

These stakeholders have a high interest in the process and need to be kept informed of requirements and consulted with on change management approaches. These people may be the 'users' of the changed process, so they need to be regularly communicated with and involved in decision-making in the actual implementation of change. Regular communication also helps to prevent issues from becoming major problems and to ensure that stakeholders can access the appropriate training and support mechanisms to deal with the change.

Those to monitor

These stakeholders can be kept informed of the process via more general communications such as newsletters, emails and via the wiki or intranet. Examples of such stakeholders are employees in areas not directly impacted or greatly affected by the change outcomes. It is not necessary to bombard these people with information.

Determine different audience needs

To assess needs for each group of stakeholders, or each audience, brainstorm the following questions.

Communication needs

- What does the audience already know about the subject?
- What are the main ideas that the audience needs to know about and by when?
- What specifics does the audience need to know about the change and by when?
- What training and support can be accessed by those whose jobs will change as a result?
- Who in the organisation requires written progress reports and when do they need them?
- What methods of communication have worked in past initiatives for this group?
- How does the audience expect to be spoken to/communicated with?
- How does the audience expect to access information?
- Within units, groups or teams, are there language, literacy and numeracy needs, or disabilities such as hearing and vision impairments?

Determine communication and consultation methods

The best methods of communication and consultation depend on the stakeholder group and target audience, and determine the resources required. The following provides examples of communication and consultation methods for different stakeholder groups.

Manage closely

- Regular, personal interaction via telephone or casual conversation to win and maintain support
- Consultation to seek input into change strategy
- Biweekly/monthly status updates presented during meetings or via email
- Milestone announcements and reports

Keep satisfied

- Occasional personal contact
- Some stakeholders may have expertise that can provide input into the change process, so allow consultation when required
- Emailed progress or budget reports
- Newsletters via email
- Announcements and briefing via blogs/posts on wiki or intranet

Keep informed

- Daily/regular interaction; team member/s must be available via telephone, email, video call or in person for support
- Briefings and meetings to communicate change need, requirements and options
- Forums to encourage participation in decision-making by giving feedback
- Workshops to train employees in new practices or processes
- Morning/afternoon teas to celebrate small wins
- Surveys to obtain feedback
- Celebratory lunches to focus on milestone achievements

Monitor only

- Newsletters via email
- Announcements via blogs/posts on wiki or intranet
- Seeking of general feedback via email or wiki/intranet
- Organisation-wide briefings

Ensure managers become change agents

For managers to become change agents in their areas, they may need training in implementing the change and managing barriers, including team member resistance.

Consider the following options for training managers:

- Workshops on developing change action plans specific to their areas or teams
- Workshops for implementing organisational strategies to manage barriers, including interventions to manage resistance
- Coaching and mentoring to enable managers to develop the leadership and communication skills required to enable change in their areas or teams

Document the actions

The change team needs to assign responsibilities for communications activities and to record the actions to be taken. Relevant approvals need to be obtained, which may be from the change sponsor and/or unit or department managers.

Elements of the communication plan:

- Information to be communicated by group/audience (format, content, level of detail)
- When the information is required (time frames and frequency)
- Person responsible for preparing the information
- Person responsible for delivering the information
- Person/group to receive the information
- Methods and technologies to convey the information (email, wiki, meeting, forum, etc.)
- Time and costs allocated for communication and education activities (printed documents, workshop facilitators, etc.)
- Escalation process for issues that cannot be resolved at a lower staff level
- Method for refining strategies and updating the communications plan as the change is implemented
- Any relevant organisational templates for progress reports, meeting minutes or status emails

Example: communicate with and educate internal teams

When the change team at an Australian engineering firm was implementing a new quality management system, it was mindful of the implications that the new processes might have for the work teams.

The team leader decided to brief the staff at each milestone along the way, to instil confidence in the management and respect for the reasons behind the decision. They held weekly or fortnightly meetings with the work teams affected by the new processes, using the meetings to involve the staff in further decision-making about the communications to industry and client groups. For those work teams located in the Singapore office, the change team held videoconferences to achieve the same objectives. The change team also created a wiki site where information and knowledge was shared, and internal stakeholders could post questions and provide feedback to the team interactively.



Practice task 10

Conduct some research to find examples of change communications plans. Review these plans and consider the methods used to encourage stakeholder participation. Summarise some of the more common methods used to communicate with, educate and increase the participation of stakeholders.

3B Action activities to implement and embed change

In moving an organisation from its current position to the desired position, the strategies used to increase the driving forces and overcome the restraining forces, which have been identified during the implementation planning, need to be actioned. In moving employees to the new state, change leaders need to ensure that activities are participative and that employees are constantly supported by the change team and relevant managers.

The activities to implement the change are sometimes referred to as change interventions. 'Change intervention' is a term used in organisational development to describe an action designed to improve the effectiveness, productivity and relationships of individuals, work groups and teams. Some interventions simply focus on what employees do, the tasks they undertake and the processes they use to meet organisational objectives.

Types of organisational development interventions

The following describes some of the organisational development and consultation interventions that can be used to ensure change in team behaviours, attitudes and practices, and to ensure that change is embedded.

Team building

Team building helps employees get to know each other, learn to know what to expect from each other and understand the ways they can best work together. The actual activities depend on whether the team is new, has a new member or is an existing team. Running brainstorming workshops, where members develop change goals, identify strengths and weaknesses, and devise ways to build on strengths and overcome weaknesses, are popular. Team leaders, HR members and change team members can facilitate sessions.

Intergroup development

This intervention involves changing the attitudes and perceptions that work groups have of each other. A common technique is conflict resolution meetings, where different groups or teams get together to brainstorm issues affecting cooperation and efficiency, and work together to identify solutions to these issues. Common goals are identified and actions undertaken to develop and achieve these goals.

Process consultation

This is a method used to improve processes within the organisation. Groups and teams come together to develop practical solutions to issues related to process effectiveness and efficiency. The process is mapped and performance is reviewed to identify habits and practices that need to be improved to meet organisational objectives. Some examples of improvement that can be achieved are the removal of unnecessary approvals on completion of steps and putting in procedures to manage rework so that other steps are not affected.

Survey feedback

Survey feedback involves presenting employees with questionnaires to obtain feedback so as to identify and assess attitudes. The survey results help to identify issues or inconsistencies. The questions look at the organisation's and team cultures, employment and pay conditions, the chain of command and senior leadership styles, or team structures. Differences between the current attitudes and those required during the change and for the future can be discussed and resolved in feedback groups.

Types of organisational training and career development interventions

The following describes some of the organisational training and career development interventions that can be used to ensure change in team behaviours, attitudes and practices, and to ensure that change is embedded.

Sensitivity training

Sensitivity training involves the use of unstructured group interaction to change behaviour. It is an intervention designed to help individuals understand how their behaviour affects others, and involves each member of a group or team putting themselves in another's position so as to better relate to that person and their position. Team and group members need to be encouraged to share their perceptions of others and their values, beliefs and attitudes in order to understand behaviour.

Training and development

Training is a critical component of any strategy for assisting employees and managers to deal with change.

It can take many forms, including:

- mentoring to provide encouragement and guidance
- development of an employee's formal qualifications to help them adjust to new responsibilities
- internal and external opportunities to build communication, leadership, problem-solving and decision-making skills
- coaching for support
- redeployment strategies
- retraining when a redundancy is made, to help the person find employment.

The training needs analysis (TNA) undertaken during the planning phase will have identified training requirements. Change teams need to encourage human resources and line managers and team leaders to make sure their employees participate in the required training.

Job redesign

For this method, positions are analysed to fit new structures, technology or processes. A position may be redesigned to ensure a better fit between individual capabilities, job requirements and changes to elements of the organisation's structure. Any redesign needs to consider how the change affects the team's and organisation's culture and any skills development required.

Some positions may be enriched to include greater responsibility and areas of interest to motivate individuals, with the individuals involved in deciding how tasks are managed and decisions are made.

Career and succession planning

Related to job redesign, enrichment and development are career and succession planning. Career planning involves managers working with employees to plan their futures to meet personal career goals to motivate change. Succession planning involves identifying those who can take on greater future responsibility and implementing a development program to build skills and knowledge.

Health promotion

Health promotion programs are designed to reduce or prevent stress and anxiety. By implementing fitness, stress management and counselling programs to reduce health risk factors, such as obesity, smoking, drinking and burnout, through behaviour changes, commitment to the organisation and performance are increased.

Encourage employees to take action

Effective managers and leaders need to be able to win their employees' cooperation and the most difficult task is getting people to connect and to understand why they actually want to be where they are, doing what they are doing. There are two ways that you can encourage employees to take action: motivation and inspiration. Many organisations overcome their concerns relating to employee engagement by applying pressure on their staff to respond to change. When there is an immediate, specific goal that you want your team to achieve, you need to motivate them. You need to identify their aspirations and commitments, and you need to inspire them to take action.

Ways to motivate, inspire and encourage employees to take action:

- Challenge them and inspire them through creativity and sacrifice.
- Trust them; this will empower them to be their best.
- Understand their value systems and consistently act within these values.
- Be the change: your behaviour will inspire people more than anything else.
- Share the sacrifice, share the load.
- Be clear about what it is that you want your employees to do.
- Set an end date to the effort you expect.

Implement controls for embedding change

Even after a change has been successfully implemented, there is a risk that if problems are encountered with the new business or work processes, employees may revert to the old processes. To prevent staff regressing, managers can put controls in place. These controls may include new policies and procedures that formalise the processes, and monitoring systems to identify any reversals. Further interventions may be required to reinforce the new behaviours, attitudes and practices in order to ensure the successful embedding of change.



Practice task 11

1. What is the purpose of organisational development interventions?

2. Which intervention encourages participation and is used to identify employee attitudes?

3. What method can be used to match an employee's skills to job tasks?

4. According to Lewin's change model, embedding change by establishing new behaviours and attitudes is what stage?

3C Manage barriers to implementing and embedding change

The change team and relevant managers need to monitor the environments in order to identify and respond to barriers. The risk factors and resisting forces have been identified through risk assessment, force field and stakeholder analyses. The strategies to manage barriers have also been identified in the change management plan. Beyond the activities identified in the communications plan and the organisational development interventions, the change team needs to ensure that managers and their staff have access to appropriate counselling services. The change team can also work with relevant unit or team managers to ensure that those affected by change are made aware of the value of their efforts in meeting organisational objectives, through recognition and rewards systems. Should issues escalate despite having these strategies in place to reduce resisting forces, then the conflict needs to be managed.

Provide counselling

Organisational change involving a change or redundancy can be very stressful – not only for those who have been made redundant or redeployed to another area or site, but also for those who remain. Managers and employees should be offered personal counselling and affected staff members should be assisted to present their skills in a positive way in preparation for finding new employment. Some organisations choose to outsource this counselling to behavioural and occupational psychologists to ensure that the impact is minimised.



Provide recognition and rewards

Whether recognition is provided through feedback, acknowledgments or rewards, it gives those directly involved and affected by change a sense of achievement and incentive to continue with the new behaviours, attitudes and practices, knowing that their efforts are valued. Providing rewards is also critical in the refreezing process. Formal and informal reward systems help to embed a change by encouraging the new behaviours and attitudes to become the norm.

Formal approaches

- Feedback during performance appraisals or reviews
- Reward programs such as employee/change agent of the month with the award of a certificate or small monetary reward such as a gift voucher
- Access to further learning and development opportunities such as mentoring, coaching, external training or workshops, and attendance at conferences
- Increased responsibility, promotion or salary

Informal approaches

- Praise and thanking employees in person and via meetings and morning/afternoon teas
- Publishing of achievements via email to a wider group, in newsletters and on wiki/intranet sites
- Time-off-in-lieu arrangements for those who have been required to work long hours to meet change time frames
- Milestone celebrations such as lunches and dinners

Deal with conflict

Conflict can be positive and even actively encouraged in order to shake up the current state. However, if conflict is not managed, the change will not be successfully implemented.

In the 1970s, Kenneth Thomas and Ralph Kilmann identified five main styles of dealing with conflict. They argued that in general, people typically have a preferred conflict resolution style and different styles are most useful in different situations.

Don – Competitive



Don uses a competitive style. He takes a firm stand and knows what he wants. He usually operates from a position of power drawn from things like rank, expertise and persuasive ability. If used consistently, this style can leave people feeling unsatisfied and resentful.

Don uses this style when:

- the decision needs to be made fast
- the decision is unpopular
- he needs to defend against someone who is trying to exploit the situation for their personal benefit.

Cindy – Collaborative



Cindy tends towards a collaborative style to try to meet the needs of all involved. She can be highly assertive but, unlike the competitor, she can also cooperate effectively and acknowledge that everyone is important.

Cindy uses this style when:

- a variety of viewpoints are required to get the best solution
- there have been previous conflicts in the group
- the situation is too important for a simple trade-off.

Mike – Compromising



Mike prefers a compromising style to try to find a solution that at least partially satisfies everyone. Everyone is expected to give up something and Mike, the compromiser, also expects to relinquish something.

Mike uses this style when:

- the cost of conflict is higher than the cost of losing ground
- equal-strength opponents are at a standstill and a deadline is looming.

Maria – Accommodating



Maria indicates a willingness to meet the needs of others at the expense of her own needs. She often knows when to give in to others, but can be persuaded to surrender her position even when this is not warranted.

Maria uses this style when:

- the issues matter more to the other party than to herself
- peace is more valuable than winning.

Tan – Avoiding



Tan tends towards this style in seeking to evade the conflict entirely. Tan is typified by delegating controversial decisions, accepting default decisions and not wanting to hurt anyone's feelings.

Tan uses this style when:

- the issue is trivial
- someone else is in a better position to solve the problem.

Negotiate for a win-win outcome

Communication and consultation during change processes often require negotiation and, of course, negotiation is critical in managing conflict. Here is some guidance adapted from the Conflict Resolution Network (<http://aspirelr.link/conflict-resolution-network>) on how to achieve a win-win outcome.

Negotiation

The principles of negotiation to achieve a win-win outcome:

- Focus on the problem, not the person.
- Focus on needs, not wants or positions.
- Identify and emphasise common ground.
- Explore creative options.
- Make agreements.

Key negotiation skills include appropriate assertiveness and active listening.

Reframe

Managers need to be able to:

- ask a question to reframe, such as 'If we succeed in resolving this problem, what differences would you notice?'
- restate the issue more positively or as an 'I' statement
- respond, not react
- manage their own emotions
- let some accusations, threats or ultimatums pass
- allow the other party to back down and not feel humiliated: for example, by identifying a change in circumstances that could justify a change in needs.

Refocus

Refocus on the issue – maintain the relationship and try to resolve the issue (for example, 'What's fair for both of us?'):

- Summarise how far you have come in the negotiation process.
- Review common ground and agreement regularly.
- Focus on being partners solving the problem, not opponents.
- Divide the issues into parts.
- Address a less difficult aspect when confronted by a stalemate.
- Invite trading – 'If you will, then I will'.
- Explore best and worst alternatives to negotiate an acceptable agreement.

Identify tactics

- Address the motive for using the tactic.
- Identify unfair behavioural tactics.
- Take a break.
- Change seating arrangements or locations.
- Meet privately, later.
- Divide into smaller groups.
- Call for the meeting to end now and resume later, to provide opportunity for reflection.

Example: resolve conflict

In managing a conflict related to the allocation of financial resources between two members of the change team, for example, Maya is facilitating the team members to negotiate a win-win situation. In her previous role as a team leader of an extremely diverse team, where there was a conflict between two members relating to differences in values, Maya had applied the conflict resolution ladder approach (adapted from Trinder and Wertheim 2005, 'Training Teachers in Building Empathy and Compassion in Young People', La Trobe University).

Given the success of the approach, Maya decides to use it to resolve her current conflict. The conflict resolution ladder is a great tool that provides six simple actions that will enable Maya to resolve her team issues and help her to achieve a win-win solution.



Practice task 12

1. How do recognition and rewards programs assist in the implementation and embedding of change?

2. Read the article 'Decoding Resistance to Change' published in the *Harvard Business Review* (April 2009), available at: <http://aspirelr.link/hbr-decoding-change-resistance>. According to the authors, what are the five ways that change leaders and agents can use resistance to effect change?

3. According to the Conflict Resolution Network, what are the principles of negotiation to achieve a win-win outcome?

3D Monitor change progress and evaluate change effectiveness

To ensure the implementation of change activities and organisational development interventions and the integration of change, the change team needs to be able to conduct and facilitate regular meetings with stakeholders so that change implementation and integration issues can be raised, and the steps required for the change to move forward can be identified and agreed on. It is essential to the success of any organisational change that the change is also monitored for its effectiveness and that new processes, structures and behaviours as a result of the change are regularly evaluated.

Monitor and review progress

A number of methods can be used to measure the progress of a change, but a commonly used technique is to perform a gap analysis to determine the scope of the gap between the old and the new situation. To measure the gap, evidence needs to be gathered through mechanisms such as feedback from stakeholders, procedural audits, systems and roles.

A review of the effect on barriers in reaching milestones is also required. If milestones are not reached or key performance indicators (KPIs) not met, the reasons for this need to be identified and solutions to the issues developed, which may include implementing new or further interventions. Following this, adjustments to the timings, costs, interventions and communications element of the plan need to be made to ensure that corrective action activities and tasks are incorporated. Corrective actions are usually approved by the change sponsor or a senior manager.



Evaluate change effectiveness

To evaluate change effectiveness, team, unit and organisational performance can be measured to identify the success of the change in relation to organisational objectives.

Evaluation questions
Have the anticipated benefits been realised? Has organisational performance improved as a consequence of the change?
Are the changes within the organisation a direct result of increased/ decreased performance, or external factors such as improved economic and market conditions?
Are there any unforeseen positive or negative consequences of the new structure, processes or behaviours?
Have the costs of the change outweighed the benefits of the change?
What has the team learnt and what needs be done to improve the change process and activities?

Promote organisational learning

Once a change has been introduced and as part of the evaluation of its effectiveness, change agents should spend time with the groups and encourage unit and team managers to reflect on the learning and experiences that have come out of the process. Through the identification of learning, employees can understand that they have the skills and capabilities to adapt to change. This is a critical and essential step in helping organisations to promote learning that enables effective and efficient responses to change in both the external and internal organisational environments.

Share results and celebrate success

Monitoring and evaluation results need to be communicated to stakeholders, and the information sharing and reporting methods should be used according to the communications plan. Where the change team has been working solely on the change project, on acknowledgment of the project's completion and sign-off by the sponsor or relevant members of senior management, the team needs to be disbanded. Team members will be reallocated to other projects or functional areas.

Change successes need to be celebrated through workplace reward and recognition programs. The closure of a change project may see the change team organising a significant celebratory event. Following the development of a new product, for example, there may be a launch party to celebrate success with internal and external stakeholders, including customers.

Example: review and evaluate change

In recent years, an Australian airline announced its five-year Game Change program to reposition itself in the market as Australia's airline of choice. This program involved major restructuring and transformation. Ticketing processes were changed and new electronic technology systems implemented. In addition, the organisation acquired two airlines, to reposition the business across all key markets. During this time, it reviewed its progress against its change plan and evaluated the effectiveness of change strategies by:

- measuring sustainable efficiency gains
- quantifying changes in Velocity Frequent Flyer membership
- measuring interline and codeshare revenue and capacity increases to identify access to global markets
- seeking feedback from staff and customers on the impact of significant enhancements to customer experience
- drawing on the results of external studies such as the Roy Morgan Domestic Airline Business Satisfaction survey.

The organisation reported these successes in its annual report and published wins on its website. At the same time, it used these methods to communicate the next phase of the program.



Practice task 13

Conduct research on your organisational performance measurement techniques and tools or some that you are familiar with. Review the business start-up and management toolkits and the organisational guidance and templates made available by the Commonwealth and state governments on their websites. What types of tools could you use to measure the organisation's financial performance and explain the process?

Summary

1. A strong communication strategy, one designed to ensure engagement and to reduce uncertainty, guides the selection of effective methods to share information and educate employees.
2. The best methods of communication and consultation depend on the stakeholder groups' needs, identified through internal, responsibility assignment and stakeholder analyses, and determine the resources required.
3. During the implementation stage of the change process, the strategies to increase the driving forces and overcome the restraining forces identified during the implementation planning need to be actioned.
4. The activities to implement the change may be referred to as change interventions, which should be designed to improve the effectiveness of individuals, groups and teams, and their relations.
5. To prevent people regressing to the old ways of doing things, managers can put in place new policies and procedures that formalise the processes, and monitoring systems to identify reversals.
6. To manage barriers to change, communications strategies need to be implemented and monitored, organisational interventions need to be actioned and risk treatments applied. Counselling, rewards and recognition programs, and conflict management are also critical in managing issues.
7. Gap analysis and regular meetings with stakeholders to discuss progress enable the identification of implementation and integration issues and the development of the steps to move forward to effect change.
8. The solutions to identified issues need to be incorporated into the change plan, outlining the corrective actions required.

Learning checkpoint 3 Implement change management strategy

This learning checkpoint allows you to review your skills and knowledge in implementing the change management strategy.

Consider your current organisational setting, one that you have worked with or one that you are familiar with. Alternatively, select an organisation that has recently experienced major change and has recently featured in the media.

Part A

1. What will help you to identify and plan when meeting stakeholder communication needs, including reporting requirements?

2. What communications methods could you use to communicate with stakeholders that require close management?

3. What communication methods could you use to communicate with stakeholders that need to be kept informed?

4. List the communication methods that your organisation, or the one that you have chosen, uses to implement and embed change.

Part B

1. If members of a team were experiencing issues working together, what types of organisational development interventions could you implement?

2. If you are part of a dedicated change team implementing a major strategic change project with the organisation, whose support would you seek to ensure that training and development needs change activities are effectively implemented and new behaviour embedded?

3. Consider your plan for implementing personal change. Identify two actions that you could activate to ensure the change is embedded.

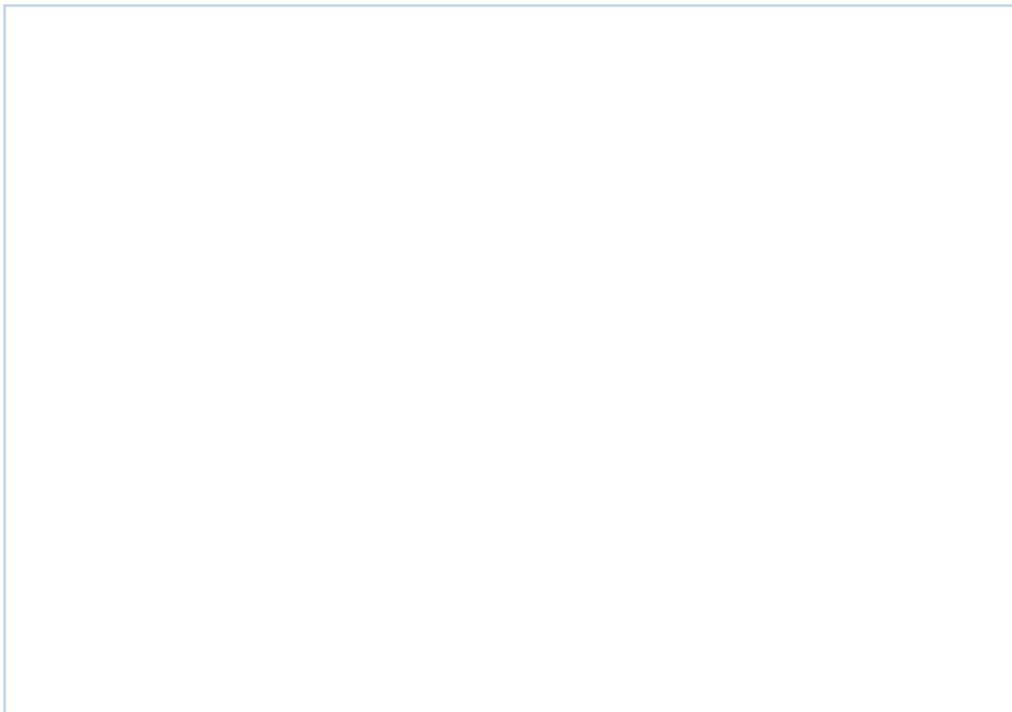
Part C

What strategies have been implemented in your organisation's change project to manage barriers and employee resistance?



Part D

1. What change review and evaluation techniques were applied by your chosen organisation?



2. Explain the process for ensuring that corrective actions are developed and incorporated into the change plan.



3. Identify the review and evaluation methods you would use for your personal change plan.

