CHANGE MANAGEMENT IN ORGANIZATIONS:
A HOLISTIC APPROACH FOR IMPLEMENTATION AND
SUSTAINABILITY

By

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Abstract

Change management in organizations is a result of internal and/or external factors. Change management is complex; therefore, to determine how change management can be implemented and sustained in organizations a holistic approach is proposed for examining the perspectives of organizational culture, management and employees. Most organizational change passes through three phases: initial recognition and preparation, followed by the implementation of the actual changes and, finally, a period of consolidation. In the initial phase, organizations must build on the strengths of the existing culture and managers must prepare and guide employees through the change by explaining the initiative thoroughly. The second stage involves creating a culture where people feel free to contribute their ideas and where involvement in problem-solving and decision-making is the norm. Communication throughout the entire change management process is vitally important. Finally, the structures and processes in the organization must complement and support the new behaviour that the change requires. Examining the change management process using a holistic approach will enable an organization to see the change through, and avoid failure.
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Introduction

All organizations face challenges from within the business; for example, an organization’s internal environment may be affected by inefficiencies, changes in the workforce, or high levels of staff absenteeism. External environment factors, such as legislation that set new standards, advances in technology or changes in the market or economy may also challenge an organization. Changes that respond to the aforementioned challenges are referred to as change management, and defined both from the perspective of an organization and the individual as a systematic approach (Rouse, 2010). While the idea of becoming more competitive or more efficient can motivate change, at some point these goals must be translated into the specific impacts on processes, systems, organizational structures or job roles (Creasey, 2013); it is these impacts that encompass the change management process.

Many organizations adopt change management but often times their efforts fail. Dr. John Kotter (2012), who has been conducting research on change management for over 30 years, determined that “70% of all major change efforts in organizations fail. [They fail] because organizations often do not take the holistic approach to see the change through” (See The 8-step process for leading change section, para. 1). According to David Garvin, change efforts fail for two main reasons: poor design and poor communication. “Poor design can include items such as the failure to address the underlying processes used to get the work done, relying on IT to provide the magic bullet, and not explicitly tracking the necessary behavioural changes” (cited in Morgan, 2001, p. 2).

Change management in organizations is complex; therefore, in order to determine how change management can be implemented and sustained in organizations a holistic approach will be used. This will enable an organization to see the change through and avoid having their efforts fail.

In Harvard Management Update, Nick Morgan (2001) stated that “all organizational change involves three phases: an initial stage of recognition and preparation, followed by the implementation of the actual changes and, finally, a period of consolidation” (p. 2). Morgan states that all three must take place for the change to work. In the first stage, the organization must exhibit widespread dissatisfaction with the
status quo. Someone must develop a vision for the future and a plan to get there. During the second stage, there must be willingness to take on the resisters. Finally, the consolidation phase is the time for measurement and rewards.

The organization must be ready to make changes to the change plan, based on an honest assessment of what is working and what is not. I use Morgan’s theory to examine the implementation and sustainability of change management from the perspective of organizational culture, management, and employees.

Organizational Culture

Organizational culture is defined as the set of values, behaviours and norms that tell people what to do, how to do it, and what is acceptable in an organization (Atkinson, 1990). Changing cultures is easier said than done because most cultures have been around for a long time. The original culture was created by the founders of the organization. The beliefs of the founders and of senior management are translated into rules and systems, norms, and style of managing; these beliefs are passed on to people who join the company – whether the values which underpin the culture are consciously driven or hidden (Atkinson, 1990). Organizational culture becomes a system of shared meaning within an organization that determines, in a large degree, how employees act. Individuals perceive the organizational culture based on what they see or hear within the organization. Even though individuals have different backgrounds or work at different levels in the organization, they describe the organization’s culture in similar terms which is the shared aspect of the culture.

The starting point for the change management process should always be with business issues that the organization faces, and not with the idea that the existing culture is somehow flawed. Leaders should always think that an organization’s culture is a source of strength. Some of the cultural habits in the organization may be dysfunctional, but it is more viable to build on the existing cultural strengths rather than to focus on changing those elements that may be considered weaknesses (Murthy, 2007). Leaders must recognize the need for change and use and build on the current strengths of the organization’s culture to drive the change.
Organizational culture can make the implementation of change management difficult due to an organization’s collective culture “an aggregate of what is common to all of its group and individual mind-sets, such a transformation entails changing the minds of hundreds or thousands of people” (Lawson, 2003, para. 3). In other words, implementing the change management process involves making changes to the organization’s culture and also making changes to the mind-set of individual employees. In large organizations with hundreds or thousands of employees, there will always be resisters, so a plan must be in place to guide those resisters during the change process. Everett Rogers (as cited in Robinson, 2009) has identified five segments of adaptors in the diffusion of innovation: innovators, early adopters, early majorities, late majorities, and laggards. “Each of these adopter personalities is very different. It’s vital to know which one you are addressing at a given time” (p. 6).

A problem that many organizations face while going through the change management process is that “the whole burden of change typically rests on so few people” (Pascale, 1997, p. 127). This means that the number of people at every level who make committed and imaginative contributions to organizational success is simply too small. More employees need to take a greater interest and a more active role in the business, and more of them need to care deeply about the success of the organization. With respect to Rogers adaptor segments, focussing on the early adopters will not be enough; focus has to consider the early majority in order the get that critical mass to provide a tipping point.

According to Atkinson (1990), in order to promote change management, organizations must encourage a culture where people feel free to contribute their ideas, where involvement in problem-solving and decision-making is the norm. Atkinson also states that the organization must make its culture people-orientated; it must recognise that developing a culture in which people can thrive and grow is the route to quality improvement. “Flexibility, creativity and continuous improvement come from a culture where people are treated as being more important than capital and technology” (p. 79), which supports Pascale’s idea that more employees need to take a greater interest and a more active role in the organization.
With respect to culture in the change management process, it is important to recognize that employees will alter their mind-sets only if they relate to the change on an individual level, personalize it and agree with it, and be willing to give it a try. The surrounding structures, including the rewards and recognition systems, must be in tune with the new behaviour, and employees must also have or be given the skills to do what is required. Finally, the employees must see people they respect actively modeling the new behaviour: “Each of these conditions is realized independently; together they add up to a new way of changing the behaviour of people in organizations by changing attitudes about what can and should happen at work” (Lawson, 2003, para. 1).

In order for employees to feel comfortable about change and to carry it out with enthusiasm, they must understand and value their role in the change process. It is not enough to tell employees that they will have to do things differently. Lawson (2003) argues that leaders must take the time to think through the ‘story’ explaining what makes the undertaking worthwhile. The story must then be explained to all involved, so that their individual contributions make sense.

Organizational designers must also recognize that reporting structures, management and operational processes, and measurement procedures (setting targets, measuring performance, and granting financial and non-financial rewards) are consistent with the behaviour that people are asked to embrace. When new behaviour is not reinforced, employees are less likely to adopt it consistently. “Structures and processes that initially reinforce or condition the new behaviour do not guarantee that it will endure. They need to be supported by changes that complement the other three conditions for changing mind-sets” (Lawson, 2003, para. 3). Complimentary actions include teaching employees how to adapt to his or her individual situation. Modelling goal behaviour is also important: “in any organization, people model their behaviour on ‘significant others’: those they see in positions of influence” (Lawson, 2003, para.1). Finally, it is not enough to ensure that people at the top are in line with the new ways of working; role models at every level must “walk the talk”.

Management

The effects of employee productivity and morale are very much influenced by the management team in an organization. During times of change in an organization, Kotter believes that managers need to be leaders. He states that “leaders are different from managers. They don’t make plans; they don’t solve problems; they don’t even organize people. What leaders really do is prepare organizations for change and help them cope as they struggle through it” (as cited in Cameron, 2009, p. 144). According to Garvin, “change leaders must explain the particular initiative thoroughly, letting employees hear the arguments for and against the options that were rejected. In addition, they must address employees’ fears: ‘People want to know why you think they can make it through change’” (as cited in Morgan, 2001, p. 2). Not communicating to employees during major organizational change is the worst mistake a company can make; therefore, communication throughout the change management process is extremely important. “In periods of high stress and uncertainty, people fill communication voids with rumours; rumours end up attributing the worst possible motives to those in control; and communication lowers employees’ stress and anxiety even when the news is bad” (Larkin, 1996, p. 97). In other words, uncertainty is more painful than bad news.

“Companies often underestimate the role that managers and staff play in transformation efforts. By communicating with them too late or inconsistently, senior executives end up alienating the people who are most affected by the changes” (Sirkin et al., 2005, p. 4). Sirkin et al. also state that “if senior executives do not communicate the need for change, and what it means for employees, they endanger their projects’ success” (p. 4).

If the change requires employees to change the way they do their jobs, then management must change the way it communicates with them (Larkin, 1996). An effective way to communicate a value is to act in accordance with it, and give others the incentive to do the same. For example, “creating objective measures for such performance will demonstrate your values much more clearly than your words ever can” (p. 96). Larkin also believes that employees will infer what management values from its behaviour. They will adopt the values only if they are convinced that those values will enable them to attain their personal goals. Senior-management change teams must articulate the plan in the fewest words possible. This brief summary “will become a
change booklet that will guide face-to-face communication between senior managers and supervisors and between supervisors and frontline employees” (p. 97).

With respect to introducing change to frontline workers, Larkin (1996) believes that frontline supervisors (those whom the frontline workers are closest to) and not executives must introduce the change to them. In fact, “visibly associating senior executives with the change often increases resistance among frontline employees” (p. 101). Larkin believes that the best way for frontline managers to communicate a major change to the frontline workforce is face-to-face. Rumours can be spread by using this effective method of communication but “the problem with rumours is their inaccuracy. That is why face-to-face communication must be grounded in fact and in print. But understand this about rumours: the transmission method is perfect” (p. 101). Larkin warns against using media, corporate publications or large meetings because those methods inhibit effective communication with frontline employees and suggests that supervisors communicate face-to-face with employees because it will ensure that the proper message is being spread throughout the organization.

Senior executives often make the mistake of using the traditional approach of launching change from the top, in hopes that communication about the change will open like a parachute, blanketing everyone evenly. However, frontline supervisors – not senior managers – are the opinion leaders in the organization. Frontline supervisors are critical to the success of any change effort because they greatly influence the attitudes and behaviours of others. In order to gain the acceptance of supervisors, Larkin (1996) believes that supervisor briefings are an effective method. He states, “supervisor briefings are face-to-face meetings between a senior manager working on the change and a small group of frontline supervisors” (p. 102). Larkin also states that it is important to institute such briefings so that a frontline employee who wants to know what is happening has only one way to get that information – by asking the supervisor. “All the resources previously spent communicating indiscriminately are aimed at communicating with supervisors, who are given information, influence, and thereby increased power and status. As a result, they are more likely to help implement change” (p. 102-103).

Not only is proper communication of change to employees important but so is reviewing the change process once it has been implemented. Research conducted by
Sirkin, Keenan & Jackson (2005) shows “that a long project that is reviewed frequently is more likely to succeed than a short project that isn’t reviewed frequently. Thus, the time between reviews is more critical for success than a project’s life span” (p. 2). Sirkin et al. (2005) believe that scheduling milestones and assessing their impacts are the best way by which executives can review the execution of projects, identify gaps, and spot new risks. “The most effective milestones are those that describe major actions or achievements rather than day-to-day activities” (p. 3). The milestones must enable senior executives and project sponsors to confirm that the project has made progress since the last review took place. “Good milestones encompass a number of tasks that teams must complete” (p. 3).

Ideas on change management also “force companies to tackle many priorities simultaneously, which spread resources and skills thin. Moreover, executives use different approaches in different parts of the organization, which compounds the turmoil that usually accompanies change” (Sirkin et al., 2005, p. 1). In order to be successful, “companies must decide whether to take away some of the regular work of employees who will play key roles in the transformation project” (p. 6). Companies can start by ridding key employees of discretionary or nonessential responsibilities. In addition, organizations should review all the other projects in the operating plan and assess which ones are critical for change. It is important for “senior executives [to] clarify members’ roles, commitments, and accountability. They must choose the team leader and, most important, work out the team’s composition” (p. 3). Good team leaders must have problem-solving skills, be results oriented and methodical in their approach, but must also tolerate ambiguity, be organizationally savvy, and be willing to accept responsibility for decisions, highly motivated and not craving the limelight (Sirkin et al., 2005).

Employee

Paul Strebel (1996) states that managers and employees view change differently. Top-level managers see change as an opportunity to strengthen the business by aligning operations with strategy, to take on new professional challenges and risks, and to advance their careers. For many employees however, change is neither sought after nor welcomed because it is disruptive, intrusive, and upsets the balance. Strebel argues that employees
and organizations have reciprocal obligations and mutual commitments that define the relationship. He calls them personal compacts: “unless managers define new terms and persuade employees to accept them, it is unrealistic for managers to expect employees fully to buy into changes that alter the status quo” (p. 87). Strebel identifies three dimensions in a personal compact: formal, psychological, and social. Each has an impact on change in organizations. From an employee’s point of view, personal commitment to the organization comes from understanding the answers to the following questions: what am I supposed to do for the organization, what help will I get to do the job, how and when will my performance be evaluated, what form will the feedback take, what will I be paid, and how will pay relate to my performance evaluation? (Strebel, p. 87). It is possible to revise the personal compact and this occurs in three phases. First, leaders draw attention to the need to change and establish the context for revising compacts. Second, they initiate a process in which employees are able to revise and buy into new compact terms. Finally, they lock in commitments with new formal and informal rules. By approaching these phases systematically and creating explicit links between employees’ commitments and the company’s necessary change outcomes, managers dramatically improve the probability of hitting demanding targets (p. 89).

Research conducted by Emily Lawson and Colin Price (as cited in Aiken, 2009) suggests that four basic conditions are necessary before employees will change their behaviour: a) a compelling story, because employees must see the point of the change and agree with it; b) role modeling, because they must also see the CEO and colleagues they admire behaving in the new way; c) reinforcing mechanisms, because systems, processes, and incentives must be in line with the new behaviour; and d) capability building, because employees must have the skills required to make the desired changes (p. 101). Sirkin (2005) states, “if employees don’t see that the company’s leadership is backing a project, they’re unlikely to change. No amount of top-level support is too much” (p. 4).

From the employee’s perspective, it is very important to be engaged and a part of the change process. Rosabeth Moss Kanter made a point that “nobody likes change when it’s something that’s done to us. But change that we think up or embrace on our own is different – that kind of change we never grow tired of” (as cited in Morgan, 2001, p. 3).
“The rational thinker sees it as a waste of time to let others discover for themselves what he or she already knows – why not just tell them and be done with it?” (Aiken, 2009, p. 103-104). Unfortunately, using this top-down approach steals the energy needed to drive change that comes through as a sense of employee ownership of the answer.

Introducing and implementing change is even more difficult in a unionized environment because of “the institutional relationship between labour and management, the long history of conflict and mistrust, management’s need to continually reduce costs and maintain and enhance profitability, and the union’s role of protecting job security and earnings of its members” (Schuster, 1993, p. 1). According to Schuster, there are three reasons for failure in unionized environments. First, many change efforts never get ‘off the ground.’ This occurs when either the company or the union is unable to convince its counterpart of the need for change. Second, even where initial cooperation does occur, the parties’ inability to integrate it with other strategic processes limit relationship-building and obvious problem-solving, as opposed to long-term, meaningful change. Finally, the best cooperative effort will not be sustained when there is a failure to build a broad consensus beyond the leadership groups of both organizations, and to manage the process through traditional collective bargaining, leadership changes, internal political process, middle managers and union stewards, and membership and corporate expectations (p. 1-2).

Supervisors are aware that any meeting with shop-floor workers can degenerate into a grievance session. Supervisors find that, as individuals, workers are reasonable and cooperative but in groups however, a different mind-set prevails (Larkin, 1996). According to Schuster (1993), organizational change is much more successful in union settings where there is: clarity of direction, cooperation between the company and union, employee involvement, change in the culture of the organization, enhanced training for supervisors, managers, and union leaders, and sharing of gains between employees and the company.

Discussion

This paper presented a brief overview of various disciplinary perspectives on change management. Organizations and change management are very intricate therefore
using an integrated approach was helpful because it revealed new aspects of the difficulties faced by organizations and showed ways for engaging culture, structures, and individual behaviours.

Top-level managers and employees have very different views of change management which is why it is extremely important for the leaders to use disciplinary insights in order to find the common ground between all aspects of the organization. Many organizations do not take the time to create or discover the common ground prior to implementing a change management initiative which is why Kotter has determined that 70% of all major change efforts in organizations fail. In order to successfully implement and sustain change management initiatives in an organization, leaders need to utilize the contributions of the disciplines to create common ground between these insights, integrate them, produce a new understanding, and test it. This does require an act of creative imagination and a leap from the simplified perspectives but it will offer the disciplines power to a more holistic perspective of a richer more complex whole which will ensure a successful implementation of the change management initiative.


