

MANAGING AND LEADING CHANGE

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1. Introduction

Heraclitus, a Greek Philosopher says "Change is the only constant". Everything changes in this world. Changes are inevitable in the Business world also. Indeed, change is the permanent one. Without change, no new things will happen. Nowadays, organizations and individuals are ready to absorb and accept changes. Some rigid people resist change. They might not know the need and the importance of change.

2. Theoretical Background

What is a Change Management?

Organizations are taking efforts to implement change in their different departments. Managing changes is very difficult. Managers take initiatives to change individuals by various ways. Change Management is a discipline in management which guides, prepares, equips and supports individuals to adopt changes to get organizational as well as individual success. It gives a systematic approach to individuals to move ahead from their present position to reach new heights in the future. Change management decides the fate of the organizations and individuals. Though individuals are unique in nature, change and success are common.

Why is it Necessary Today?

Worldwide, Organizations are facing big changes. Competition is heavy and markets are open to anyone. Expectations from consumers and stakeholders are high. So organizations want to improve their performances at all levels. Change has become a way of life in corporate life. Structuring the company, conducting the business, implementing latest technologies at all levels, maintaining and sustaining the relationships of the customers and retaining the employees are all challenging. While organizations focus on deciding what to change to improve company's performance and quality, the human element of executing these decisions is often left unattended. Hence companies focused on making changes and they prepare their employees to face the same. Even though change is uncomfortable and messy, it is vital.

Levels of Change Management

There are three levels in Change Management. They are;

1. Individual Change Management
2. Organizational / Initiative Change Management and
3. Enterprise Change Management Capabilities

1. **Individual Change Management:** Individual change management requires understanding how people experience change and what they need to change to get success in their organizational roles. It also requires knowing what will help people make a successful transition. Individuals should know what the new skills they should acquire, and they should also know how to coach people to demonstrate new behaviours. Individual change management results in organizational change. Prosci developed the ADKAR Model for individual change. Today, it is one of the most widely used change models in the world exclusively for individual change management.
2. **Organizational / Initiative Change Management:** Organizational or initiative change management provides the steps and actions to take at the project level to support the hundreds or thousands of individuals who are impacted by a project. Organizational change management involves first identifying the groups and people who will need to change as the result of the project, and in what ways they will need to change. It also involves creating a customized plan for ensuring impacted employees receive the awareness, leadership, coaching, and training they need in order to change successfully. Driving successful individual transitions should be the central focus of the activities in organizational change management.
3. **Enterprise Change Management Capabilities:** Enterprise Change Management is an organizational core competency that provides competitive differentiation and the ability to adapt to the ever-changing world effectively. An enterprise change management capability means effective change management is embedded into an organization's roles, structures, processes, projects and leadership competencies. Change management processes are consistently and effectively applied to initiatives and leaders have the skills to guide their teams through change, and employees know what to ask for in order to be successful.

Benefits of Change Management

Change Management becomes an instrument to provide benefits to individuals and to Organizations. Some of those benefits are highlighted here.

Benefits of Change Management for Individuals

- Smooth transition from the old values to the new beliefs while maintaining morale, productivity, and company image
- Provides management and staff support for concerns regarding changes
- Creates the correct perception of the change for staff and public
- Implements efficient communication strategies
- Minimizes resistance to change
- Improves morale, productivity and quality of work
- Improves cooperation, collaboration and communication
- Reduces stress, anxiety and encourages people to stay loyal to the organization
- Increases the acceptance level of employees towards change
- Acknowledges and accepts the Personal loss/gain of individuals
- Reduces disruptive aspects and emphasises positive opportunities in the change process

Benefits of Change Management for Organizations

- Helps organizations to respond quickly to customer demands
- Helps to align existing resources within the organization
- Organizational effectiveness and efficiency is maintained or even improved by acknowledging the concerns of staff
- The possibility of unsuccessful change is reduced
- Employee performance increases when staff feels supported and understand the change process
- Increased customer service and effective service to clients from confident and knowledgeable employees
- Encourages anticipating challenges and responding efficiently
- Lowers the risk associated with change
- Contains the costs associated with the change
- Increases the Return On Investment (ROI)
- Creates an opportunity and environment for the development of "best practices", leadership development, and team development

3. Review of Literature

Hemamalini Suresh (2001) wrote a book titled as "Change Management Must for Today's Organization". In her book she says that companies need to be flexible and innovative in the ways in which they deal with the unfamiliar situations they face. This is the time of great change. Reality of yesterday becomes wrong today and no one knows of tomorrow. She questions that how anyone prepares himself or herself to face the future, as individuals or as organizations.

By creating our own future, we can solve this problem. Change management means empowering organizations and individuals for taking over their responsibility for their own future.

Fabia McLean Bourda(2013) wrote a book on "Change Management Theories and Methodologies" for Tata Consultancy Services Limited.

Current dynamic business environment demands organizational changes. Leaders seek to stabilize and sustain transformation everywhere. The way businesses manage change and how successful they are at it, depends largely on the nature of business, the change and the people involved. It is also dependent on how well the organization and people understand the need for the change and the process involved. Applying change management activities can be instrumental in realizing goals for planned and unplanned changes both internally and externally. It also helps diagnose problems associated with the transition before they become a crisis. She emphasizes that it is essential to first understand some of the theories and methodologies pertaining to change management.

Wikipedia (2017) says that Change Management is an approach to transitioning individuals, teams and organizations using methods to redirect the use of resources, business process, and budget allocation. Change Management focuses on how people and teams are affected by an organizational transition.

According to **Prosci.com** (2017), Change management is the discipline that guides how organizations prepare, equip and support individuals to successfully adopt change in order to get success.

While all changes are unique and all individuals are unique, decades of research shows there are actions one can take to influence people in their individual transitions. Change management provides a structured approach for supporting the individuals in organization to move from their own current states to their own future states.

As per **Mindtools.com** (2017), Change is uneasy and it is also challenging whether it may be small or big. But change is inevitable. It has to happen. Many do not know how to handle or deliver the change. Where to start? Who should be involved? How to see the end? John Kotter, a professor at Harvard Business School and world-renowned change expert helps by contributing eight-step change process in his book "Leading Change" in the year 1995.

4. Critical Discussion

Change Management Models

Different companies follow different models of change management. There are three significant models explained here.

I. Lewin's Change Management Model: In the year 1950, Kurt Lewin developed this model. It is known as Unfreeze – Change – Refreeze which refers to the three-stage process of change. Lewin, a physicist as well as social scientist, explained organizational change using the analogy of changing the shape of a block of ice.

Assume that a person has a large cube of ice. But he wants a cone of ice. To get the same, what else should he do? First he has to melt the large ice cube to make it amenable to change (unfreeze). Then he must mould the iced water into the shape as he wants (change). Finally he should solidify the new shape (refreeze).

II. Kotter's 8-Step Change Model: John Kotter, a professor of Harvard Business School described his model in his book "Leading Change" in the year 1995. This model has 8 steps.

Step 1: Create Urgency: Develop a sense of urgency around the need for change. This may help to get things moving.

Open an honest and convincing dialogue about what's happening in the marketplace and with competition.

Step 2: Form a Powerful Coalition: Convince people that change is necessary. This often takes strong leadership and visible support from key people within the organization. Managing change isn't enough – one has to lead it. To lead change, one need to bring together a coalition, or team, of influential people whose power comes from a variety of sources, including job title, status, expertise, and political importance. Once formed, your "change coalition" needs to work as a team, continuing to build urgency and momentum around the need for change.

Step 3: Create a Vision for Change: A clear vision can help everyone understand why you're asking them to do something. When people see for themselves what you're trying to achieve, then the directives they're given tend to make more sense.

Step 4: Communicate the Vision: No need to call for special meetings to communicate the vision of organization. Instead, talk about it every chance you get. Use the vision daily to make decisions and solve problems. When you keep it fresh on everyone's minds, they'll remember it and respond to it. It's also important to "walk the talk." What you do is far more important – and believable – than what you say. Demonstrate the kind of behaviour that you want from others.

Step 5: Remove Obstacles: Put in place the structure for change, and continually check for barriers to it. Removing obstacles can empower the people you need to execute your vision, and it can help the change move forward.

Step 6: Create Short-Term Wins: Create short-term targets – not just one long-term goal. You want each smaller target to be achievable, with little room for failure. Your change team may have to work very hard to come up with these targets, but each "win" that you produce can further motivate the entire staff.

Step 7: Build on the Change: Kotter argues that many change projects fail because victory is declared too early. Real change runs deep. Quick wins are only the beginning of what needs to be done to achieve long-term change. Each success provides an opportunity to build on what went right and identify what you can improve.

Step 8: Anchor the Changes in Corporate Culture: Finally, to make any change stick, it should become part of the core of your organization. Your corporate culture often determines what gets done, so the values behind your vision must show in day-to-day work. Make continuous efforts to ensure that the change is seen in every aspect of your organization. This will help give that change a solid place in your organization's culture. It's also important that your company's leaders continue to support the change. This includes existing staff and new leaders who are brought in. If you lose the support of these people, you might end up back where you started.

III. ADKAR Model

The ADKAR Model is an essential tool for leaders and change professionals. It is effective, easy to grasp and can be applied in a wide variety of organizational settings.

Using the ADKAR model will help you to plan effectively for a new change, and also help diagnose where a current change is failing, so that you can take corrective action. Each step of the model outlines the individual's successful journey through change, and provides an outcome orientation for your change management activities. For example, you will no longer develop a communications plan for the sake of having a communications plan; you will develop a communications plan to specifically drive awareness of the need for the change. If you are ready to change, either personally or professionally, this results-oriented approach will increase your change success.

The ADKAR Model is a goal-oriented change management model to guide individual and organizational change.

ADKAR is an acronym that represents the five milestones an individual must achieve for change to be successful; awareness, desire, knowledge, ability and reinforcement.

When applied to organizational change, this model allows leaders and change management teams to focus their activities on what will drive individual change, and therefore achieve organizational results. ADKAR provides clear goals and outcomes for change management activities. It also provides a simple, easy-to-use framework for everyone in the organization to think about change. Employees, managers, and senior leaders alike can all use ADKAR to describe and discuss change together.

ADKAR Model can be used at both an Individual Level and Organizational Level.

Change happens at the individual level; in order for a group or organization to change, all the individuals within that group must change. The best project management, vision, or solution, will not result in successful change. The secret to successful change is rooted in something much simpler: How to facilitate change with one person?

To affect change in our organizations, businesses, and communities, we must first understand how to affect individual change. Helping an individual change can be ambiguous, and ADKAR provides direction and structure. ADKAR Model is based on Awareness, Desire, Knowledge, Ability and Reinforcement.

Awareness means to be aware of the business reasons for change. The goal or outcome of early communications related to an organizational change.

Desire tells to engage and to participate in the change. The goal or outcome of sponsorship and resistance management.

Knowledge is about how to change. The goal or outcome of training and coaching.

Ability is all about to realize or to implement the change at the required performance level. The goal or outcome of additional coaching, practice and time.

Reinforcement means to ensure change sticks. The goal or outcome of measuring adoption, corrective actions, and recognition of successful change.

The goals and outcomes defined by ADKAR Model are sequential and cumulative; they must be achieved in order for effective and sustainable change to take place.

A Leader's Roles in an Organization: Successful organizational change depends on leaders, managers and bosses who have direct authority with people going through the change – to support and execute change in their span of influence. Effective leaders acknowledge that their support is crucial to success and commit to doing their part. The following are some of the roles leaders may play as they drive change in an organization.

The Leader's Role as "The Sponsor": Leaders act as advocates for the change at their level in the organization. They are representatives who keep the change in front of their peers, the "higher-ups." A Sponsor is the person who won't let the change initiative die due to lack of attention, and are willing to use their political capital to make the change happen. The Sponsor is the champion.

The Leader's Role as "The Role Model": Leaders of change must be willing to go first. They demonstrate the behaviours and attitudes that are expected of everyone else. Employees watch leaders for consistency between words and actions to see if they should believe the change is really going to happen. The Role Model is self-aware and deliberate.

The Leader's Role as "The Decision-Maker": As managers, leaders usually control resources such as people, budgets, and equipment, and thus have the authority to make decisions that affect the initiative. They have the ability to say "yes" or "no" to the project moving forward within the span of their control. During change, leaders must leverage their decision-making authority and choose the options that will support the initiative. The Decision-Maker is decisive and sets priorities that support change.

The Leader's Role as "The Voice": Leaders are the face and the voice of change. They communicate often to share information, keep people updated and offer encouragement. When employees hear multiple messages in the organization, the one they listen to the most is their immediate boss. Leaders balance interpreting the change message to be relevant for their reports while still matching the overall message. The Voice is transparent and consistent.

The Leader's Role as "The Motivator": Leaders provide the motivation to change. They create a sense of urgency and importance about the change, and show commitment and passion about getting things done. They offer recognition to those who are participating and doing well. Leaders realize that change can be difficult, and understand the need for people to be motivated to step out of their comfort zone. The Motivator is energetic and empathetic.

The Leader's Role as "The Enforcer": With their authority, leaders hold people in the organization accountable for the change. They uphold agreements and make sure others do the same. They don't let people get away with not changing, and work to understand the underlying reasons so they can remove obstacles. Leaders follow through on delivering consequences when people don't do their part. The Enforcer is exacting and fair.

Effective leaders recognize that change cannot happen unless they fulfil the roles that only those in authority can. Enlist their support and clarify the roles you need them to fill in their areas and in different situations. Help leaders in your organization see the importance of the unique part they play in change.

5. Implications of this Practice on Organizational Effectiveness

Change management is faced with the fundamental difficulties of integration and navigation, and human factors.

One of the major factors which hinder the change management process is people's natural tendency against change. People are resistant to change in organisations because it can be uncomfortable. Doing things in a familiar way is always comfortable. New ways of doing things are hard to overcome.

6. Conclusion

Change management demonstrates permanence in organizations across the world. The internal competency to lead change is increasing and more structured tools for change management are being integrated into day-to-day leadership practices. The future direction for change management suggests that change management will become an expected leadership competency for managers at all levels in an organization.

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