the CENTRE for CHANGE MANAGEMENT

C4CM™

Doing Change

1 Introduction

Doing change is hard; doing successful change is very hard. We know this because numerous surveys[1] show that all types of organisations have recognised the change problem and the majority claim that unsuccessful change happens more than half of the time. Can you imagine any other organisational function (finance, HR, IT, production, marketing, etc) that is so important to the survival of an organisation that is so poorly executed? Any other strategic capability would have a Chief Officer on the executive team (now that is an idea: a Chief Change Officer)!

Our definition of success is that a change delivers all of the benefits identified in the business case at the cost in the business case (i.e. delivers agreed value) and does not disrupt the business of the organisation beyond a prior agreed level.

Unfortunately, there is no silver bullet that will ensure success in change. To be successful a number of things have to be done, done well, and done in coordination. What needs to be done can be determined by looking at some common reasons for failure.

2 Problems in doing change

This is not an exhaustive list of common mistakes that organisations make when change fails!

2.1 Senior Management

Whilst change may not always be driven by senior managers, they do control the resources needed for change and their leadership behaviour will influence a lot of people.

The first challenge for senior managers is to be benefits focussed. Benefits are the reason for doing change. This requires a relentless focus on benefits from all managers. Instead they seem to want early action (rather than planned action leading to benefits) and quickly lose interest leaving the change to flounder while senior managers focus on anything else.

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[1] See the Prosci report on Change Management

Success in change needs realistic support from senior managers throughout a change and beyond (when benefits are realised). This requires the senior managers to provide resources commensurate with the challenge of the change and the benefits to be achieved (especially where the benefits include the continuing survival of the organisation). Senior manager's behaviour towards the change will determine the behaviour of the rest of the organisation; if they behave in a positive way and adopt new behaviours required by the change it will demonstrate leadership and commitment. Anything else will demonstrate the low priority of the change and subsequently the change will be treated with low priority!

Doing a change is always new: new behaviours to be learnt, new priorities, and new culture. This is higher risk than business as usual and so there will be failures and false starts along the way. Senior management must persist to seize the benefits and not back off at the first sign of a problem. That is also leadership! Finally, senior managers must create the environment for success. Set up incentives for the new behaviours; disincentives for the old behaviours, motivation structures for going through the change and communicate (continuously) the urgent need for the change.

2.2 Building in failure

It is interesting when looking back at a change that has failed (not delivered enough benefits (if any) to justify the costs) to see that managers have built in constraints and processes that have increased the chances of failure. A common mechanism is to set up a 4-6 year change programme and then rotate senior managers in the programme every 18-24 months. Each new manager has their own agenda and point to make before moving on; none of which will help the longer term change. If this sounds daft ask a serving armed forces officer or senior civil servant.

Another common built in failure is the rush into doing something without some thought to a design. What will be done, how, is it feasible, and are there resources and capability? A rule of thumb is to spend 6-9% of the change cost on design.

Line managers in an organisation are measured and rewarded for the business of the organisation. However, if change is going to be successful in an organisation the line managers have to be active and willing participants. This means conflicts of interests for these managers must be removed. If change isn't in their job description and performance management then they have a conflict in getting involved in change. Not aligning line management with a change is a built in failure.

2.3 Focus on projects and stuff

Projects are an excellent vehicle for doing things which the organisation has not done before, such as change. However, effective projects needs clear direction. A common fault is to fire up projects without sufficient thought which then focuses attention on project progress and doing stuff in the project. The real focus for change should be on the benefits and how the business is going to change to deliver the benefits. Projects have a key role to play but they are not the change.

2.4 Understanding what success looks like

To achieve success it needs to be well defined. This means benefits must be defined and measurable so that there is clear evidence that they are delivered. If there are other constraints – such as delivering an Olympic Stadium by August 2012—these

need to be clearly defined and testable. This takes a little time and thought. Often success criteria are moved as failure looms. Failure to deliver benefits can be cast as success in changing the business; when the change doesn't stick success can be projects that deliver; when the project deliverables don't work success can be just having run a project – which defines success as spending (wasting) money!

2.5 Poor communication

The most common complaint about change is poor communication. How can staff going through change be motivated and encouraged to participate in the change and encouraged not to resist if they don't understand the change? How can all stakeholders adjust to the change if they are not informed? Osmosis is not enough when going through change. It takes a lot of work to communicate effectively; it is very easy to communicate poorly.

3 Mechanisms for success

Not surprisingly the mechanisms for success address and are the inverse of the problems above.

3.1 Building in Success

Change in most organisations is continuous and demanding. Create the right environment within which change can thrive. Make it a corporate competence. Put it on the agenda. Remove the barriers that build in failure and promote the behaviours that will lead to success. If that means senior staff on a change programme should be allocated for the duration of the change then do it.

Constraints built in by standard behaviours and practice should be thought through and their impact on change activities fully appreciated. It may mean moving change activities outside the Business as Usual environment.

3.2 Use a method

Success in change comes from addressing a number of potential sources of failure and ensuring that attention is paid to benefits, stakeholders, designing and planning, execution and people issues. To ensure these are covered with appropriate priority requires the use of a methodical approach. There are best practice approaches that help a manager design what needs to be done for success and then execute for success.

3.3 Invest in capability

A lot of knowledge (method, benefits management, stakeholder engagement, effective communications, risk management, and how people change) along with skills (planning, mapping, communicating, writing, management, analysis, prioritising) are needed to deliver effective change. The capability of your staff to use appropriate knowledge and skills to deliver change across the organisation will have an immediate impact on how successful your change is. Research shows a direct relationship between change capability and success. A change capability takes time to develop and must be sustained through a culture. It requires investment.

3.4 Have a corporate memory

People come and go in an organisation so it is important that the change culture and capability are sustained through a corporate memory. This requires a mature approach to knowledge management, active assessment of performance and improvement, and an idea of how your change capability can be improved as a corporate asset.

4 Knowledge and skills needed for change

Since a range of knowledge and skills are needed for successful change this section looks at them in more detail.

4.1 Benefits management

Benefits are the reason for doing a change and their delivery is the criteria for success. Benefits from change are the last item that is produced so they are usually in the future and therefore subject to risks; so being realistic about them is very important. To identify, plan, deliver and measure benefits requires information and a process to enable them to be properly managed. Benefits management uses a simple process to identify, analyse, and plan benefits; then carry out the changes to the business needed to deliver them; and finally measure the benefits to produce the evidence of success.

4.2 Stakeholder engagement

Stakeholders are people impacted by or interested in the change. The participation of stakeholders in any change is crucial to the success of the change and the source of potential resistance. Effective stakeholder engagement asks "what state will a stakeholder need to be in if the change is successful?" and then sets out to achieve that state with positive engagement. There is a process and skills in analysis, planning and communications to be brought together.

4.3 Risk Management

Each change is always a new activity prone to risk. Effective risk management leads to better decisions; more realistic estimates of benefits; and a deeper understanding of the nature of the change. Risk management in a change uses the same process and skills as generic business risk management; but it requires a different view and a more active application will enable better control of the change.

4.4 Soft (people) skills

In the end, change is about people doing things differently; that means individuals learning new behaviours and often new attitudes (culture) to go with the new behaviour. Understanding how individuals learn, how they take on board the information that enables them to learn and their preferences for responding to change is essential to delivering successful change in an organisation. Skills in listening to other people to see the differences and understanding how to accommodate the differences are required. Knowledge of a range of approaches and psychological models will provide a palette from which appropriate approaches to people change can be constructed.

4.5 Methodologies and language

A methodology for project management is recognised as being key to the success of a project. The same is true for change and is part of the maturity of your approach to change. Along with a method comes a language about doing change that allows more effective communication amongst change practitioners; for instance the difference between an output, capability, outcome, and benefit. A key part of a method is the identification of roles and responsibilities that ensures effective execution of a change.

4.6 Change manager role

One of the main outcomes of the focus on change in organisations is the development of the role of a change manager. This is an experienced manager from the part of the organisation is that is being changed who takes on the responsibility of making the change happen. The requirements for this role, the knowledge and skills, and focus of responsibility define a key success criterion for a change.

5 How to do better

These are practical steps to consider in moving forward to more successful change.

5.1 A maturity model assessment

To know where you are in terms of change capability an assessment against a change maturity model[2] is a good place to start. This will identify what you are good at and need to protect, what you need to improve and the incremental steps that will lead to better change. The assessment will point to work in the next two areas.

5.2 Training

The starting point for improving a competence (measured in a maturity model) is effective training. Effective training should:

*   Be timely: delivered when you want to use it. Because the knowledge and skills acquired in training fade quickly when not used.
*   Be focussed: on those who need to use it and are motivated to do so. No one should turn up on a training course and say "I don't know why I am here, I was told to come".
*   Be applied: immediately in the business, to ensure the knowledge and skills are re-enforced through use.
*   Have a measurable effect: just like any benefit.
*   Involve qualifications which will demonstrate the organisation's capability and individual development.
*   Avoid 'sheep dips' except where you are promoting a common language (e.g. an introduction to a method).

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[2] See our own change maturity model, the Prosci Change Management Maturity Model and the UK Government Portfolio, Programme and Project Management Maturity Model (P3M3).

5.3 Developing an infrastructure and culture

A corporate culture and knowledge for change needs to be maintained in an infrastructure. Starting at the top of the organisation (the Chief Change Officer) and including a Change Office. This may be separate from the Project and Programme structure or closely integrated; it depends on how much it needs to be nurtured and protected. A marker of mature organisations that do have success with change is a defined Change Office supporting a change culture and capability.

An interesting characteristic of a successful culture supporting change is that it only tolerates so much change. The culture rejects rampant change and ensures a focus on being successful within the resources available. It appears that unconstrained change is a stage many organisations go through, some getting stuck there, on the way to maturity.

6   Summary

Doing change successfully is hard; doing it badly is easy! The steps towards success lie in building a capability and culture that embraces change, but only as long as it leads to benefits.