

# Corporate Change Management

by Abraham Simpson & Bill Synnot (2010)

Understanding corporate change management is essential to business organizations today. The fast pace of changes in technology, communication, demographics, product lines, services, organisational structures, concepts of management, business frameworks, workplace protocols, marketing, consumerism, and in almost every aspect of life makes change inevitable to adapt, anticipate and respond to these. The future looks even more daunting: *"...we basically do not know what the world of tomorrow will really be like, except that it will be different, more complex, more fast-paced and more culturally diverse..."*<sup>i</sup>

Peter Drucker states the challenge: *"...organisation today - has to be designed for change as the norm and to create change rather than react to it ..."*<sup>ii</sup> Charles Darwin observes: *"...it is not the strongest of the species that survives, nor the most intelligent; it is the one that is the most adaptable to change..."* Corporations today that are not designed for change are more likely to be occupants of the corporate graveyards of tomorrow or at best shells of existence surviving but just.

How then must we respond to the fast pace changes happening around us? You may attempt to fight it - *"...you can resist change and win one or more battles, but you will lose the war..."*<sup>iii</sup> It is by recognizing and accepting the need for change and proactively effecting the necessary change that corporations not only survive but thrive.

To effect changes, one must understand that "Change management is an art". This is where many fail: thinking that corporate change management is all about restructure, mapping out a plan and implementing such plans as a series of projects they inevitably fail and quietly the enthusiasm for change slips back to the status quo. The employees become more skeptical making it more difficult to work up the enthusiasm the next time.

While restructuring, and having a plan have their place in change management the one element that most challenges is the change of mindset, decision making and behavior that needs to happen. The human journey of change must happen for corporations to change.

*"...The real voyage of discovery consists not in seeking new lands, but in seeing with new eyes..."*<sup>iv</sup> Getting employees and other stakeholders in a corporation to see with new eyes is the art of change management.

Considering human beings as compliant and easily led is a mistake change managers will rue. *"...Given the choice between changing and proving that change is not necessary, most people will get busy on the proof..."*<sup>v</sup> *"...Few goals are more challenging to achieve than significant change in adult human beings..."*<sup>vi</sup>

Force and fear based motivation can only go so far and it can be dangerous as people 'freeze' in their thought processes and may stop being creative. Real change is a matter of the heart and mind. Corporations change when a critical mass of individuals within them changes. It is the art of winning hearts and minds to align with the direction that the corporation should take that is the real challenge

in corporate change. In the local colloquial it is the art of 'vesu mona' not however to deceive, but to win over to a situation where all parties win: the employee, the corporation and other stakeholders.

The restructuring of departments was part of the change program in one large statutory body. One such department was most difficult. The workers in that department were divided between three unions, and included the President and General Secretary of one union. The relationship between the workers and the department management team was one of distrust and dissatisfaction. Several meetings with the departmental head, his team and the unions revealed that the mindset of the workers was focused on a need for career paths and people were overworked. In essence the workers believed there was a need for more positions and workers in the department.

The entity was in a situation where there was a need to reduce manpower costs, and improve efficiency. The differing objectives appear irreconcilable and one party had to change. Forcing the restructure would have resulted in further dissatisfaction, lower morale and increase inefficiency. During the course of a meeting with the workers we decided to undertake a task analysis of the work performed by each section within the department. Each was asked to identify the tasks they carried out, and the number of times a year that task was carried for the current year and the previous two years. (The workers kept accurate records of their daily work in their diaries as they used this to fill out their time sheet) Together we then estimated the time it took to perform each task. Then taking into consideration administrative and travel times, annual leave, sick leave and other considerations we calculated man hours actually required to carry out the tasks and divided that by the man hours available. For the first section we analyzed the result was 40%. The quiet in the room indicated that all understood what this meant. The silence was broken by laughter when a worker of another section commented, 'din maro'. The other sections did not fare any better and eventually the workers were convinced there was no need to increase the department size and if anyone was overworked it was because others were not pulling their weight: That a restructure needed to happen was clearly evident. Following this the restructure went smoothly. Some three months later the union president in that department approached Abe and said: 'I now see that the restructure was good. I could not see it before while we were discussing it but now after experiencing it I can see why the new structure is better.'

Change management is the art of getting people to see with new eyes. To help do this many frameworks and tools are available. Each corporation whilst similar in some aspects has its own unique characteristics and culture and this therefore requires its own unique approach. The astute change manager will select the right frameworks and tools to apply to the situation. Based on our experience, we are convinced there is no one solution to fit all. No one framework or tool is a silver bullet for every situation. Edward Deming would go as far as to say; "all models are wrong, some are useful..."

The framework that we have found most useful is we refer to as the "Seven ingredients to managing change".

The word ingredients indicate that this framework is not to be applied in a flowchart fashion beginning with ingredient 1 through to 7 in that order. Rather the ingredients, like in a recipe, are to be mixed and matched according to the situation. The challenge for the Change Manager is to blend these ingredients to suit the situation that he faces.

The seven ingredients are:

1. Laying a foundation for change;
2. Establishing a sense of urgency;
3. Form a transitional team;
4. Create alignment;
5. Maximize connectedness;
6. Create short-term wins;
7. Consolidate performance improvements.

Laying a foundation for change requires making the case for why change is necessary and getting people to buy in to the change both emotionally and intelligently. *"...it is not enough to change strategies, structures and systems, unless the thinking that produced those strategies, structures and the systems also change..."*<sup>viii</sup> Resistance to change will inevitably be present and this must be dealt with. People will have concerns about real and perceived loss and understanding these concerns is critical. The objective is to win over a critical mass of supporters within the corporation. The focus should be more on the supporters of change rather than the resisters. Every organization will have their CAVEs – citizens against virtually everything – these are best isolated but not ignored as their concerns may identify areas that will need addressing in the change process.

Around 50% of organizations fail to establish a sense of urgency. Often the leadership is to be blamed and it is estimated that 75% of the senior managers must be on-side for change to happen. To establish a sense of urgency one could use a 'burning platform' push strategy or a 'pull' strategy. Generally a blend of both is required. Personal leadership is critical to achieving this.

For the change in FEA, the financial losses and increasing fuel prices was the burning platform used to justify the change. However the hope for job satisfaction and a more meaningful contribution to the prosperity of Fiji were strong incentives. This laid the foundation for redundancy, outsourcing and major cost cutting exercises and eventually an increase in prices. The LTA was a much more difficult proposition: it was financially profitable. The crisis however was one of moral bankruptcy. It was by working the line– it is better to earn your money over the table than under the table (reward the honest and zero tolerance for corruption) and implementing a performance management system based on the balanced scorecard and 360 degree appraisals that the sense of urgency was established.

The formation of a transitional team requires a blend of leaders and managers. People selected to the team should be trusted, respected and influential within the organization. They are fully behind the change program and good communicators. They must be prepared to lead by example. The purpose of the change team is to steer the organization in the direction the organization must take much like the rudder of the ship. Eventually the whole organization should become one large change team.

In setting out on the journey of change, one must begin with the end in mind. Establishing a shared vision is critical to the change effort. The vision statement developed for the FEA was 'Energizing our people and our nation' and for the LTA: "Steering Fiji Safely". In both instances this vision statement was developed in workshops conducted for all workers and the focus it produced was efficacious. The mental picture painted by these vision statements included making a better work life for people, saving lives and contributing to a better Fiji: Themes that appeal to the heart. The statements communicated the sense of purpose and direction and secured commitment.

A necessary part of maximizing connectedness is the removing of obstacles to change. These could be persons, old policies and procedures or cultural factors. A change manager must deal with these situations and ensure they do not hinder the change process.

Short-term wins are essential to build and maintain the momentum of change within the organization. It requires creating avenues for people to participate in making changes and celebrating success. Characteristics of short-term wins are:

- Visible: high impact projects that are most likely to succeed;
- Real: not manufactured wins;
- Produce significant results;
- Unambiguous;
- Clearly related to the change process;
- Achievable within a short time frame;
- Desirable: what staff want and appreciate.

Consolidating performance gains requires patience. The cultural change required does not happen overnight and often the ability of an organization to revert to its old cultural ways is underestimated. Anchoring such change improvements may take years. This therefore necessitates succession planning especially for key leadership positions.

In conclusion: corporate change management is an art, and while many frameworks and tools are available, no one framework or tool is a silver bullet. The successful change manager is one who is adept at using the frameworks and tools appropriate for the unique situation he faces within his organization. On a final note:

Successful corporations have the following characteristics:

- Consistent set of values that they religiously adhere too;
- Have a willingness to change culture;
- Recognize people as their most important business asset;
- Are conservative in managing their finance;

- Actively foster a business environment;
- Practice succession planning.

The effort to be a successful corporation involves change even as the situation changes and while stressful at times it can also be a fulfilling experience for all except those who refuse to take up the challenge.

---

<sup>i</sup> Edgar Schein, 2004

<sup>ii</sup> Peter Drucker, 2001

<sup>iii</sup> Noel Tichy, 1999

<sup>iv</sup> Marcel Proust as quoted in David Osborne et al, 1993

<sup>v</sup> John Kenneth Galbraith quoted in Australian Financial Review, 1999

<sup>vi</sup> Howard Gardner, 2006

<sup>vii</sup> Peter Senge, 1999

#### Authors

*Abraham Simpson has managed change in both government, statutory and private organizations in Fiji as a change manager, Board member and Chief Executive.*

*Bill Synnot is an international change management consultant with over 35 years of experience and around 400 clients mainly in Australia and Fiji.*

*Both Bill and Abe, together with Taito Tabaleka have been conducting Master Class in Change management workshops for executives and change managers in Fiji.*