

Change Management

Lecture 10

MGM111
Principle of Management

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Lec. 10

The main points:

Definition of Change Management

What Causes Organizational Change?

Types of Change

A Manager's Role In Organizational Change

Resistance to Change

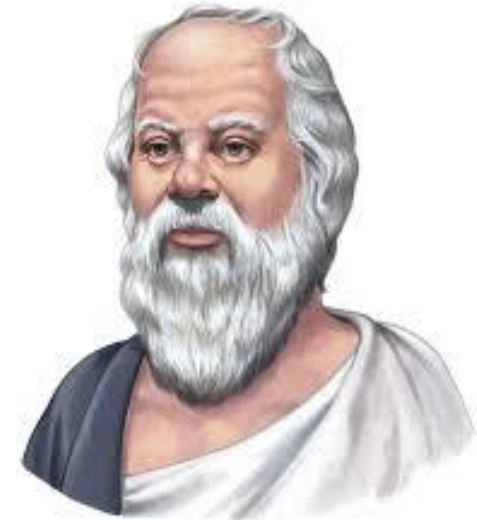
12 Change Management Best Practices



The Secret of Change

The Secret of change is to focus all your energy, not on fighting the old, but on building the new.

Socrates



What is Change



Definition of Change

- A transition.
- The process of going from one steady state to another
- Change occurs when the balance of our capabilities against our challenges is disrupted.



Change is inevitable. When a business is static, a steady decline happens across all areas. To stay competitive, your company needs to be constantly changing. It involves continuous employee training, digital transformation, process improvement, and performance monitoring



71%

of organizations with a change management strategy completed the project on time.

81%

of organizations with a change management strategy completed the project under budget.

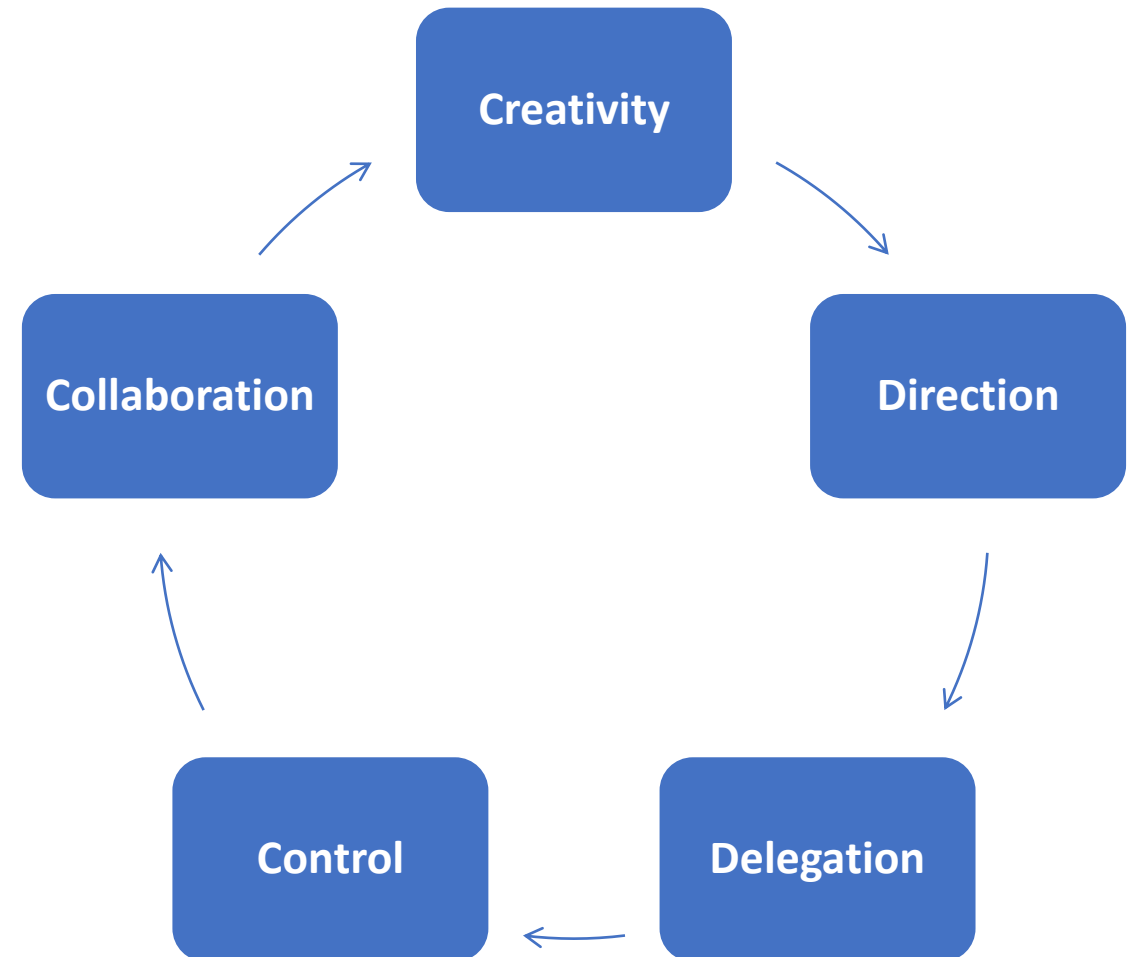


**Managers must predict and diagnose
the need for change**

Diagnosing the Need for Change

An organizational development theory developed by Larry E. Greiner is helpful in change management.

Greiner's model shows an organization as it evolves through the five stages of growth, and the end of each of these stages is marked by a crisis that calls for a change. The five stages of growth are as follows:



Change Management



Change management is organizational or management discipline focused on:

Increasing the organization's ability to adapt

Adopt new ways of going about business activities



Definition of Change Management

the actions in which a company or business alters a major component of its organization, such as its culture, the underlying technologies or infrastructure it uses to operate, or its internal processes.

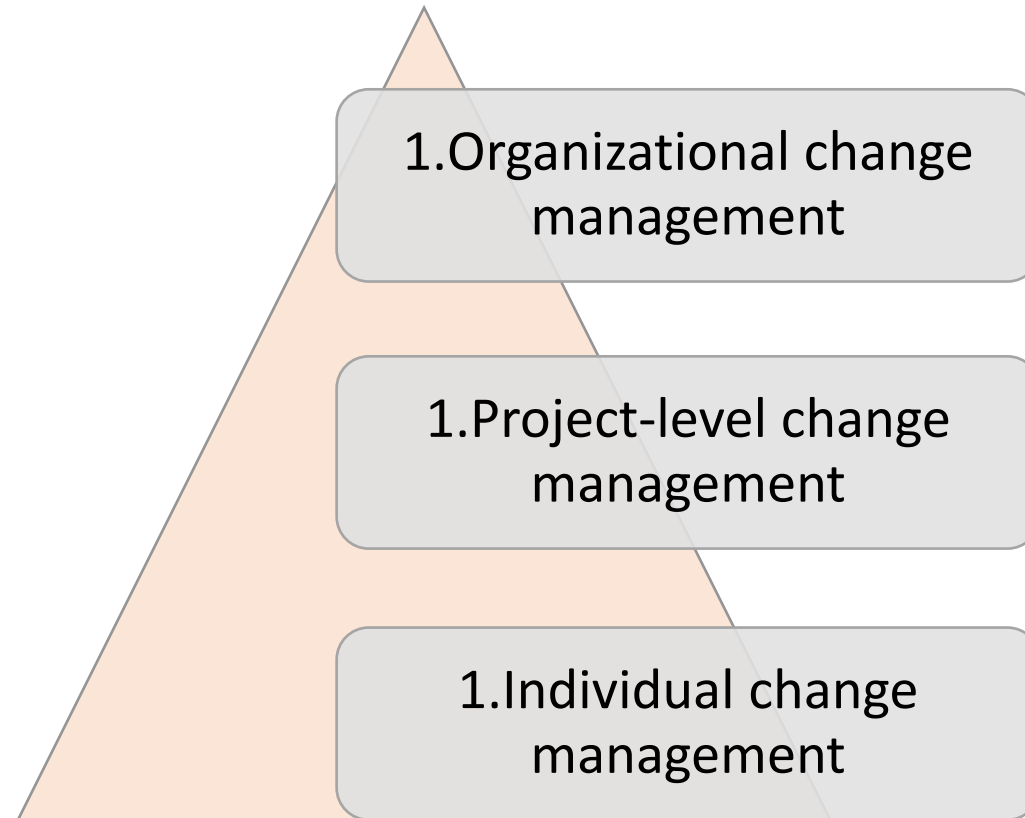


Definition of Change Management

Change management is the process, tools and techniques to manage the people side of change to achieve the required business outcome.

Change management incorporates the organizational tools that can be utilized to help individuals make successful personal transitions resulting in the adoption and realization of change.

Change Management can be split into three levels:





Why is change management important?

Manage change as smoothly as possible

Change management provides a structured approach to managing the complexities of change. As a result, it reduces disruptions to your workflow and helps you enact change as efficiently as possible.

Why is change management important?

Get people on board

A big deal in effective change management is winning the hearts and minds of your people. Real change can't happen without that, but it's human nature to resist change. People need to go from "I hear you, but I don't like it" to embracing the change as enthusiastically as you do. With a change management process, you're better positioned to convince team members that your change is a good idea and get them 100% behind you.

Why is change management important?

Mitigate risks

Change inherently carries risk. There can be disruptions to your work, a decrease in productivity, or negative impacts on employee morale. Change management identifies and assesses these risks, allowing you to develop strategies to mitigate and address them effectively.

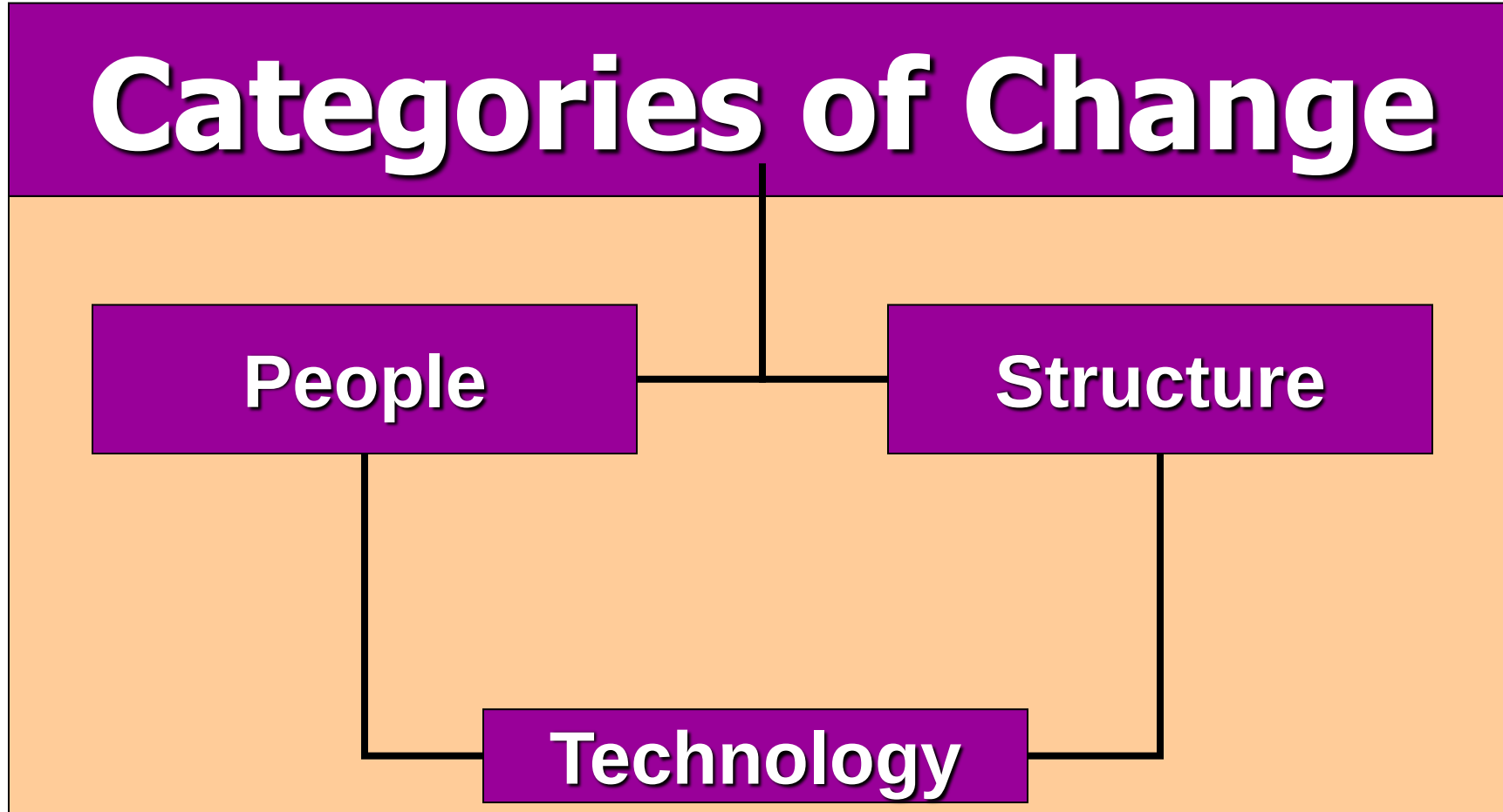
Categories of change

Categories of Change

People

Structure

Technology



Categories of change

Techniques for Managing Change

Structure
Authority

Coordination

Centralization

Technology
Processes

Methods

Equipment

People
Attitudes

Expectations

Behavior

Categories of change

Structure

Work specialization, departmentalization, chain of command, span of control, centralization, formalization, job redesign, or actual structural design.

Technology

Work processes, methods, and equipment.

People

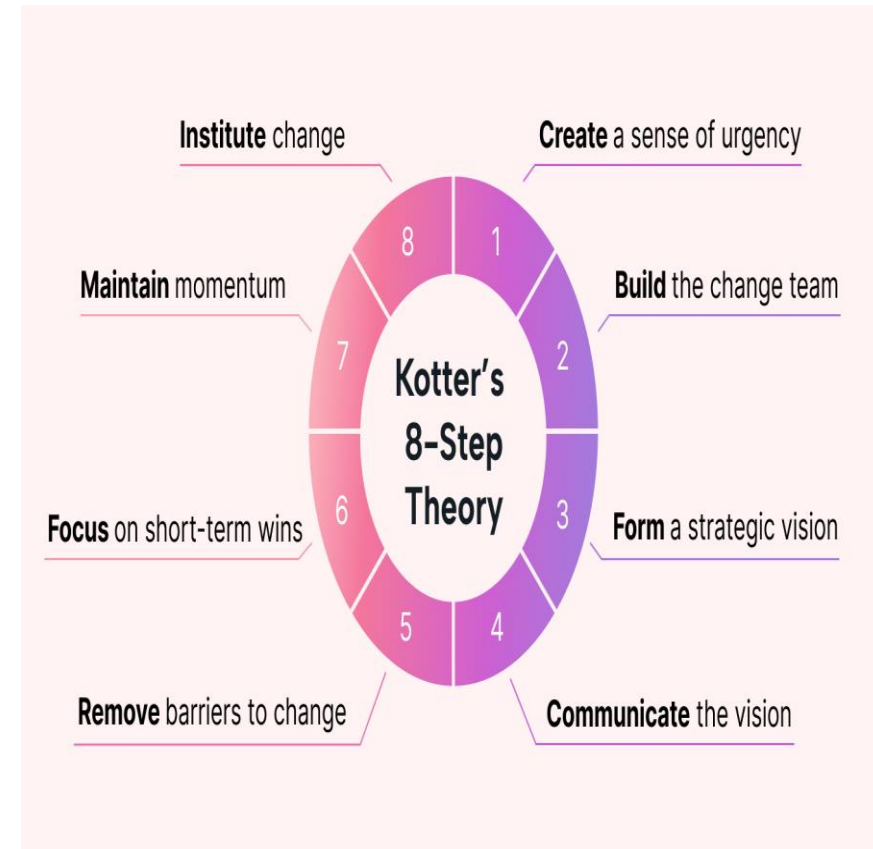
Attitudes, expectations, perceptions, and behavior.

the common change management models?

Kotter's 8-Step Theory

is a framework developed by Dr. John Kotter of Harvard Business School, a leadership and change management expert.

It focuses on the importance of engaging employees and stakeholders throughout the organizational change management process.

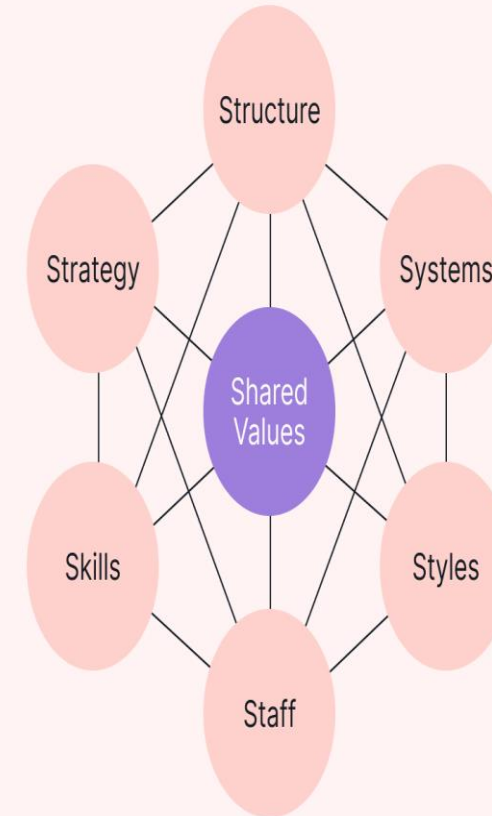


the common change management models?

McKinsey's 7-S Model

McKinsey's 7-S Model is used to assess how different parts of a business interact and influence each other.

Analyzing these elements helps you figure out what change needs to happen and how to implement it effectively.

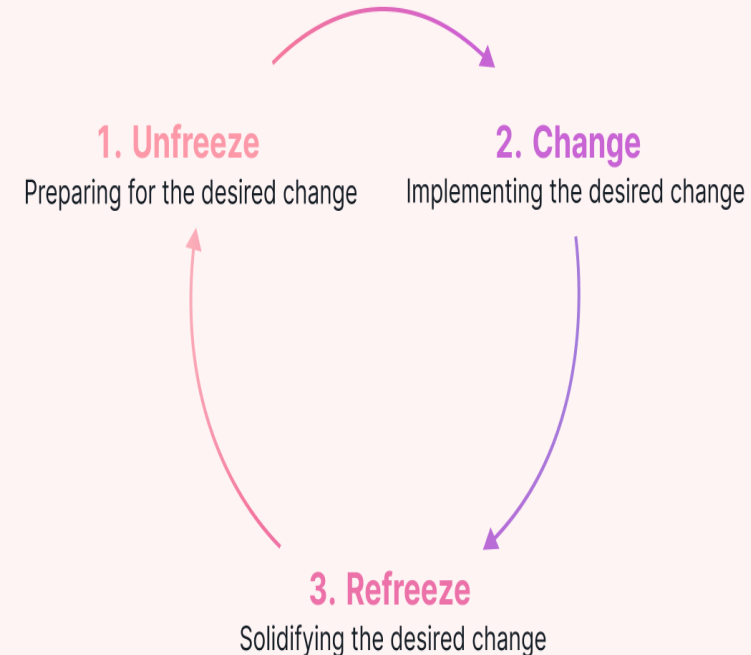


the common change management models?

Lewin's 3-Stage Model of Change

Lewin's 3-Stage Model of Change is a framework that focuses on the importance of “unfreezing” the existing state of your business before introducing change. According to Lewin, this helps reduce resistance and increase acceptance.

Lewin's 3-Stage Model of Change



the common change management models?

Lewin's 3-Stage Model of Change

Lewin explained organizational change using the analogy of changing the shape of a block of ice



Creating a sense a change is needed



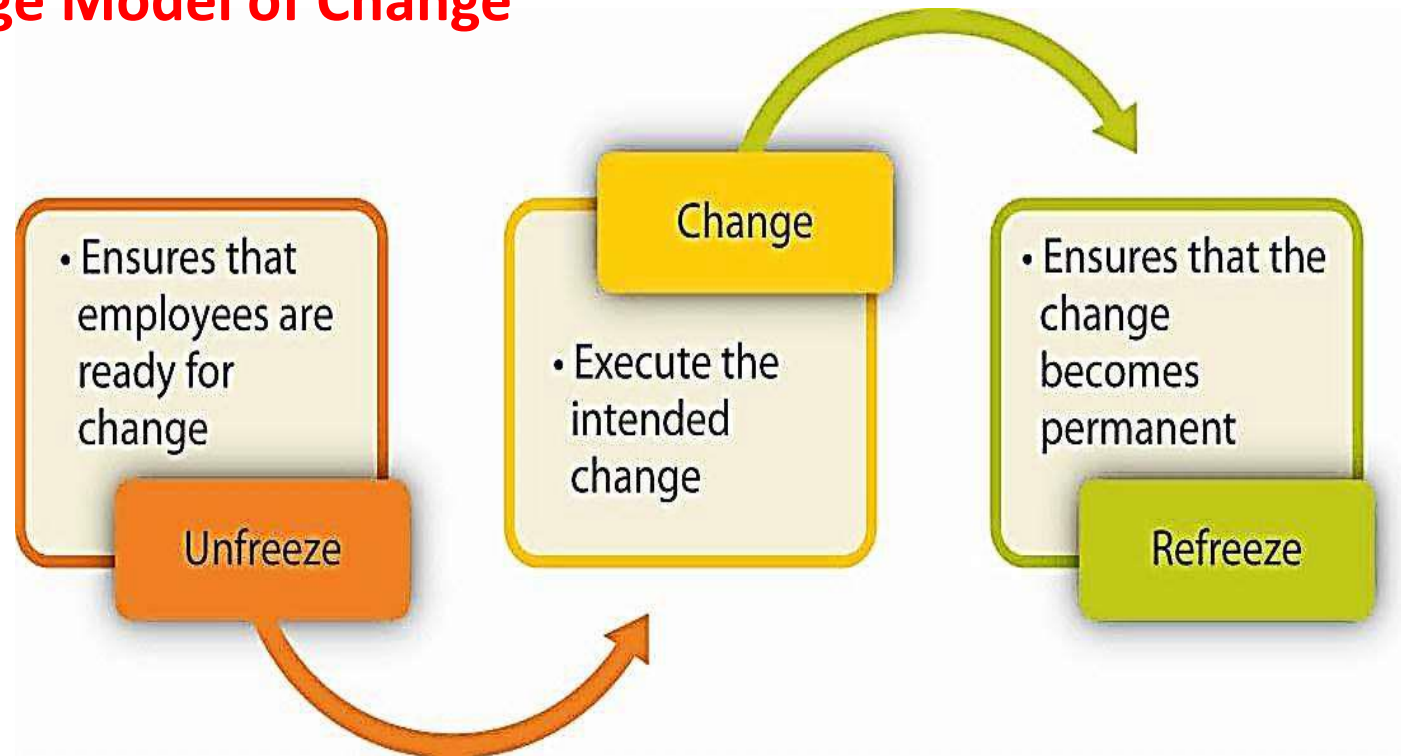
Moving towards a new and desired behavior



Setting this behavior as the new normal

the common change management models?

Lewin's 3-Stage Model of Change

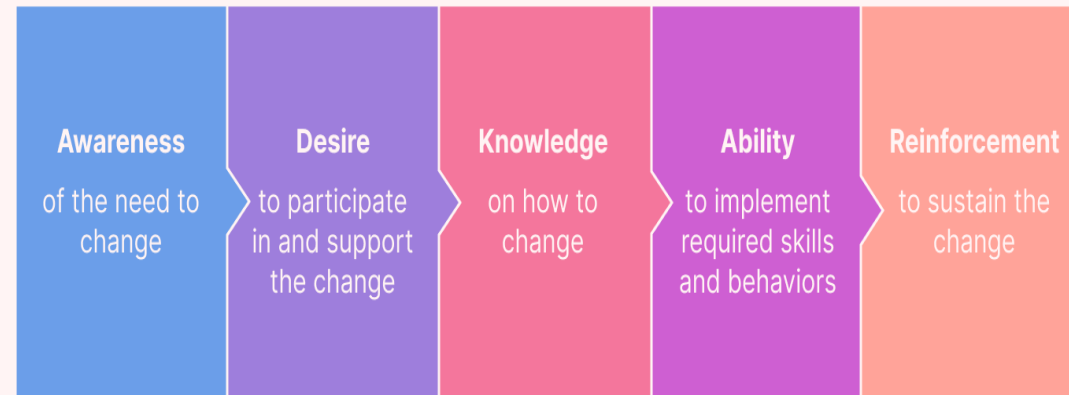


the common change management models?

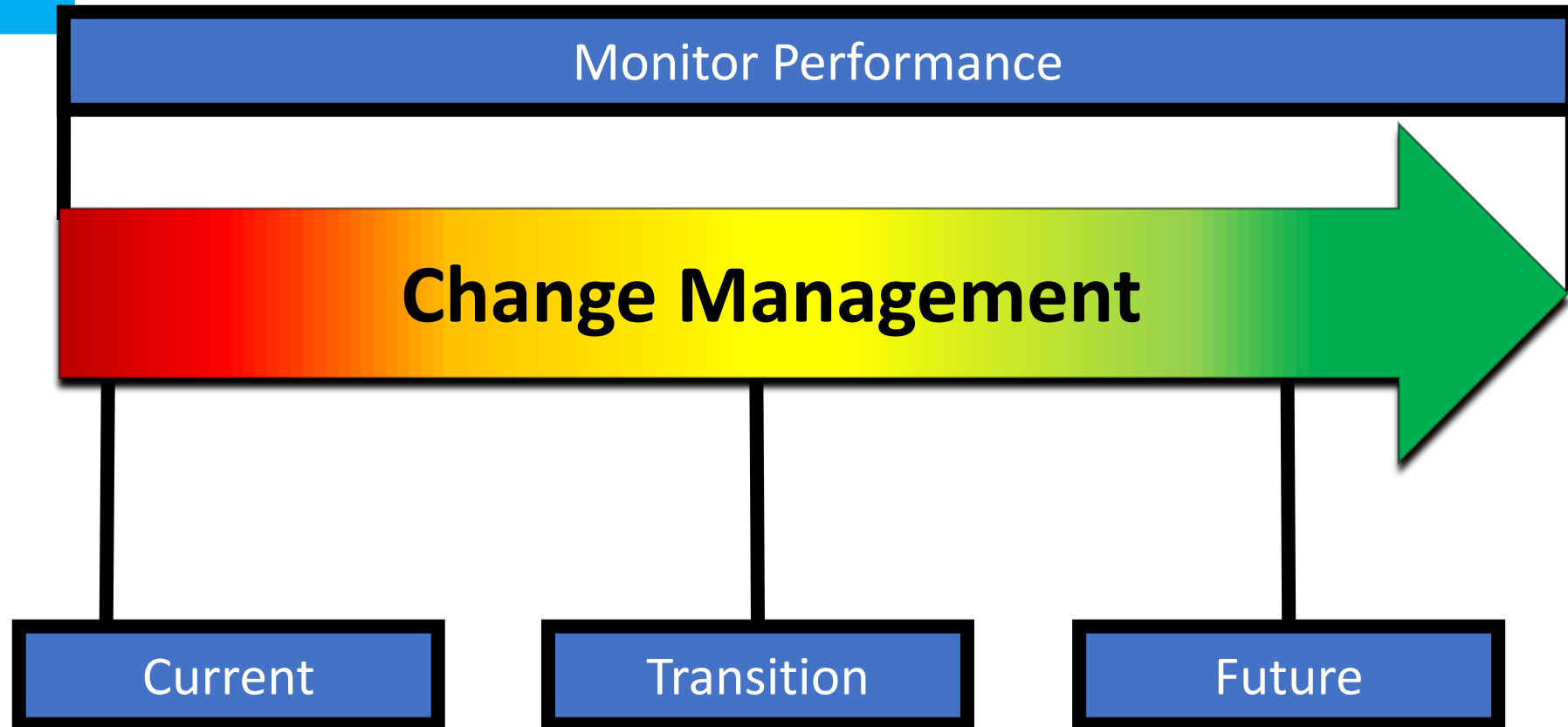
ADKAR Change Management Model

tracks the stages of employee performance to measure how they feel about the change.

ADKAR Change Management Model



Change Management Process

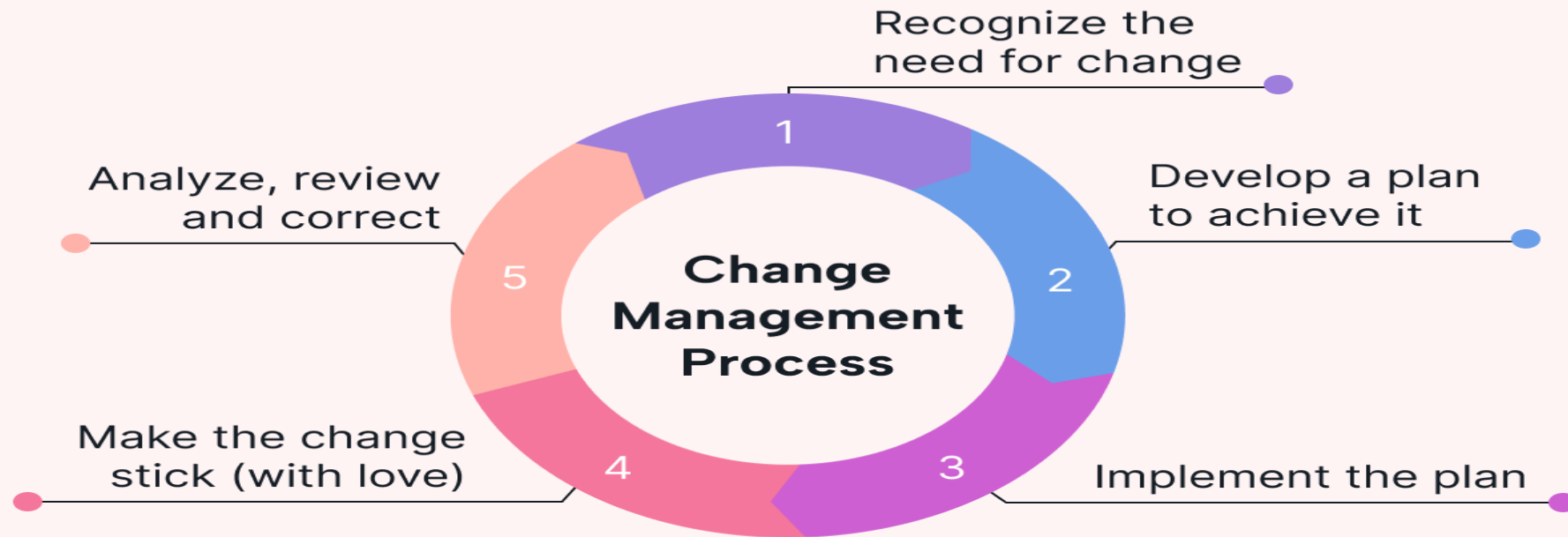


Change Management Process

Change Management using the 7 step Problem Solving Process

1. Problem
2. Gather Facts and Make Assumptions
3. Define End States and Establish Criteria
4. Develop Possible Solutions
5. Analyze and Compare Possible Solutions
6. Select and Implement Solution
7. Analyze Solution for Effectiveness

Change Management Process



Top tips for creating a successful change management process



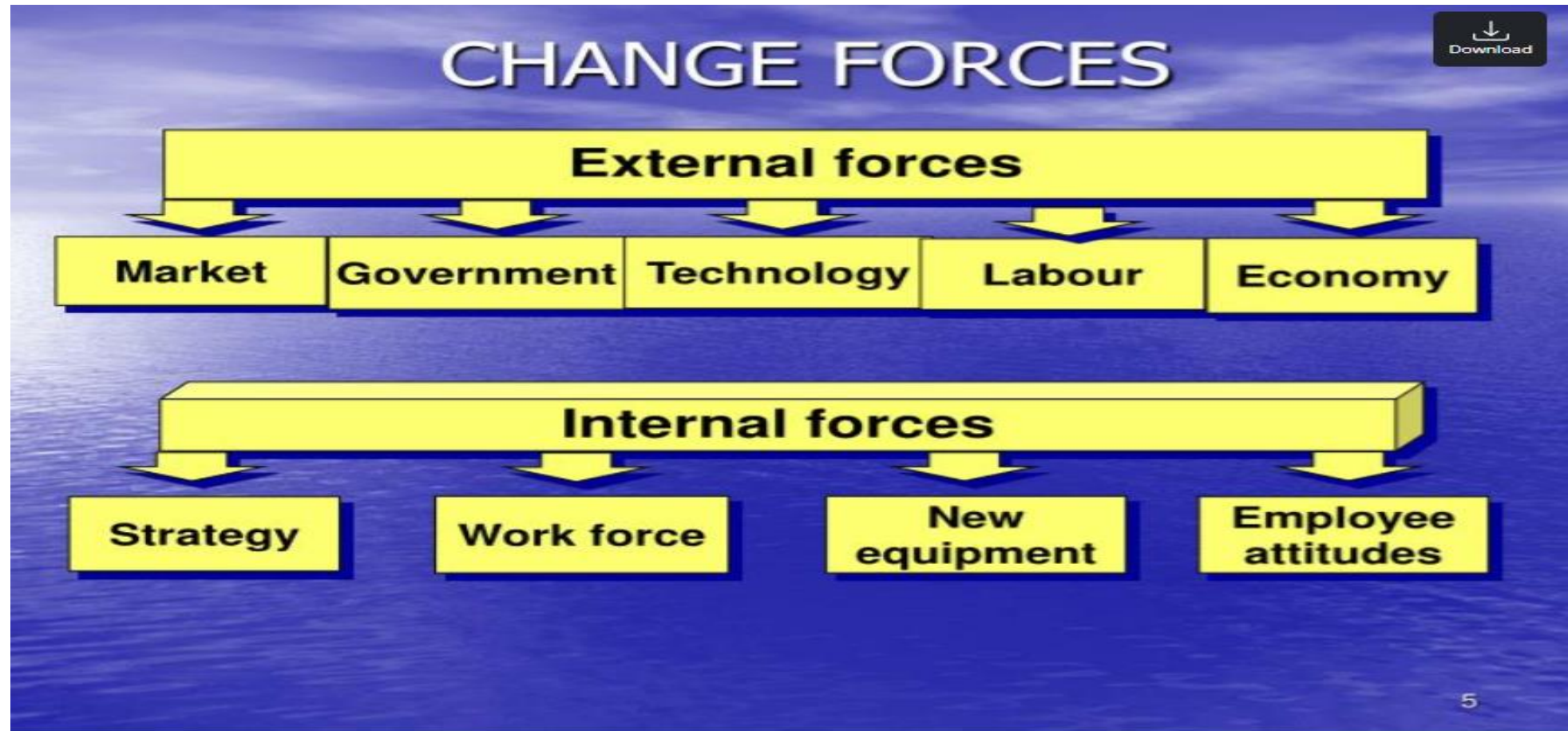


Why Organizations change

Organizational change can be triggered by internal or external factors and is guided by the need to foster growth and success.

It encompasses diverse areas such as restructuring, cultural evolution, process optimization, technological advancements, strategic realignment, and people-centric initiatives.

Source of change



Other Source of Change

External

- Changing nature of markets
 - Economic & Finance
 - Geographic
 - Social
 - Legal
 - Political
 - Technological
 - environmental

Internal

- Accelerating new technology
- New system and procedures
 - New business culture
- New leadership at the company or within its departments
 - Shifts in the organizational team structure
 - The adoption of new business models
 - Equipment/resources
 - Implement E-Commerce

External Drivers for Change

PESTLE Analysis

- **P**olitical
- **E**conomic
- **S**ocial
- **T**echnological
- **L**egal
- **E**nvironmental

3 most common types of organizational change include



3 most common types of organizational change include

1. Developmental change

- Any organizational change that improves and optimizes on previously established processes, strategies and procedures.

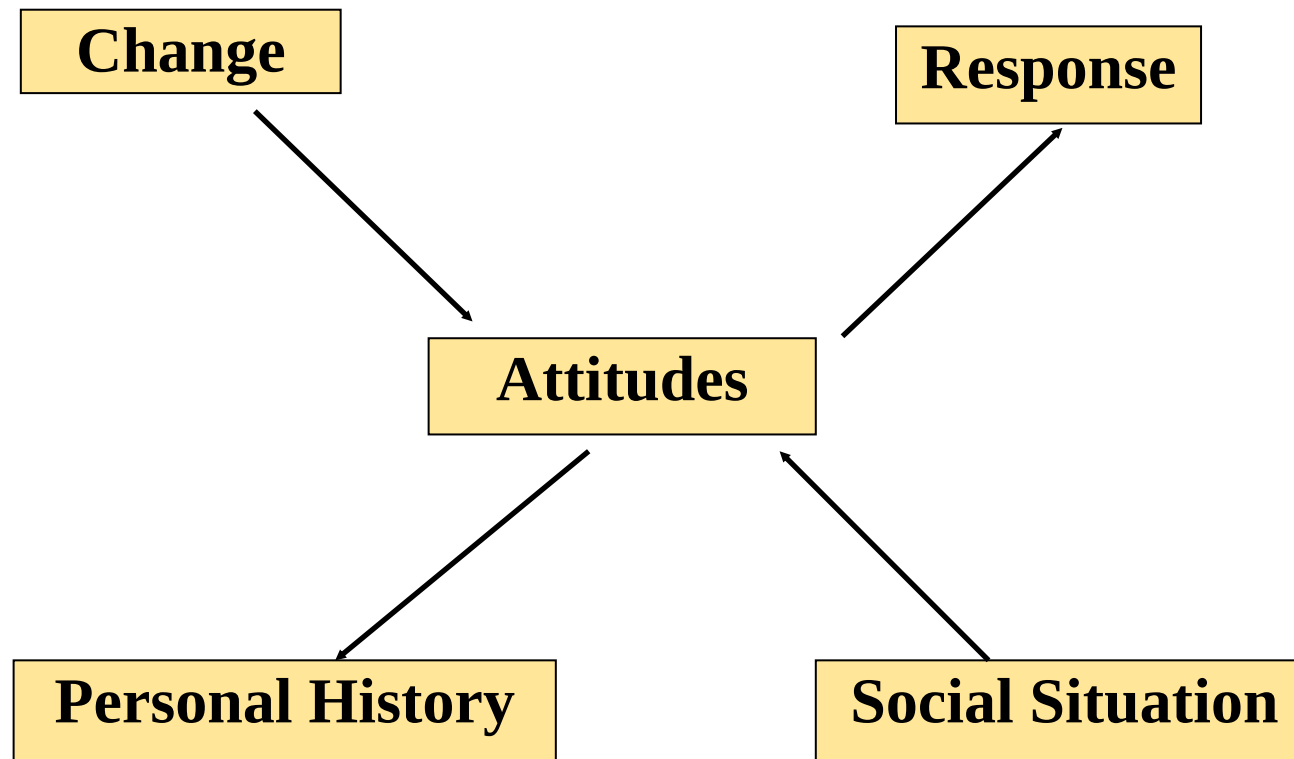
Transitional change

- Change that moves an organization away from its current state to a new state in order to solve a problem, such as mergers and acquisitions and automation.

Transformational change

- Change that radically and fundamentally alters the culture, core values and operations.

Why People Resist Changes ?



Why People Resist Changes ?

Maurer 3 Levels of Resistance To Change

I don't get it

I don't understand the purpose of the change or how to change

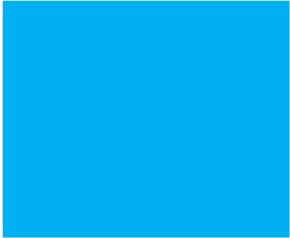
I don't like it

Emotional reaction to change

I don't like you

Lack of trust and confidence





A MANAGER'S ROLE IN ORGANIZATIONAL CHANGE

Within an organization, every employee has a different role in assisting with change. While many staff members may complete heavily detailed work, senior-level executives with longer tenure might have different goals. Even within management, leaders and managers perform different tasks.

A MANAGER'S ROLE IN ORGANIZATIONAL CHANGE

To achieve this, managers must have a wide array of skills, such as:

- The ability to communicate clearly and effectively—this includes actively listening to their team and colleagues
- A highly developed level of emotional intelligence
- Strong organizational skills
- An eye for detail
- Problem-solving and decision-making skills
- Delegating.

Techniques for Reducing Resistance

**Education and
Communication**

Participation

Negotiation

**Facilitation
and Support**

**Manipulation
and Cooptation**

Coercion

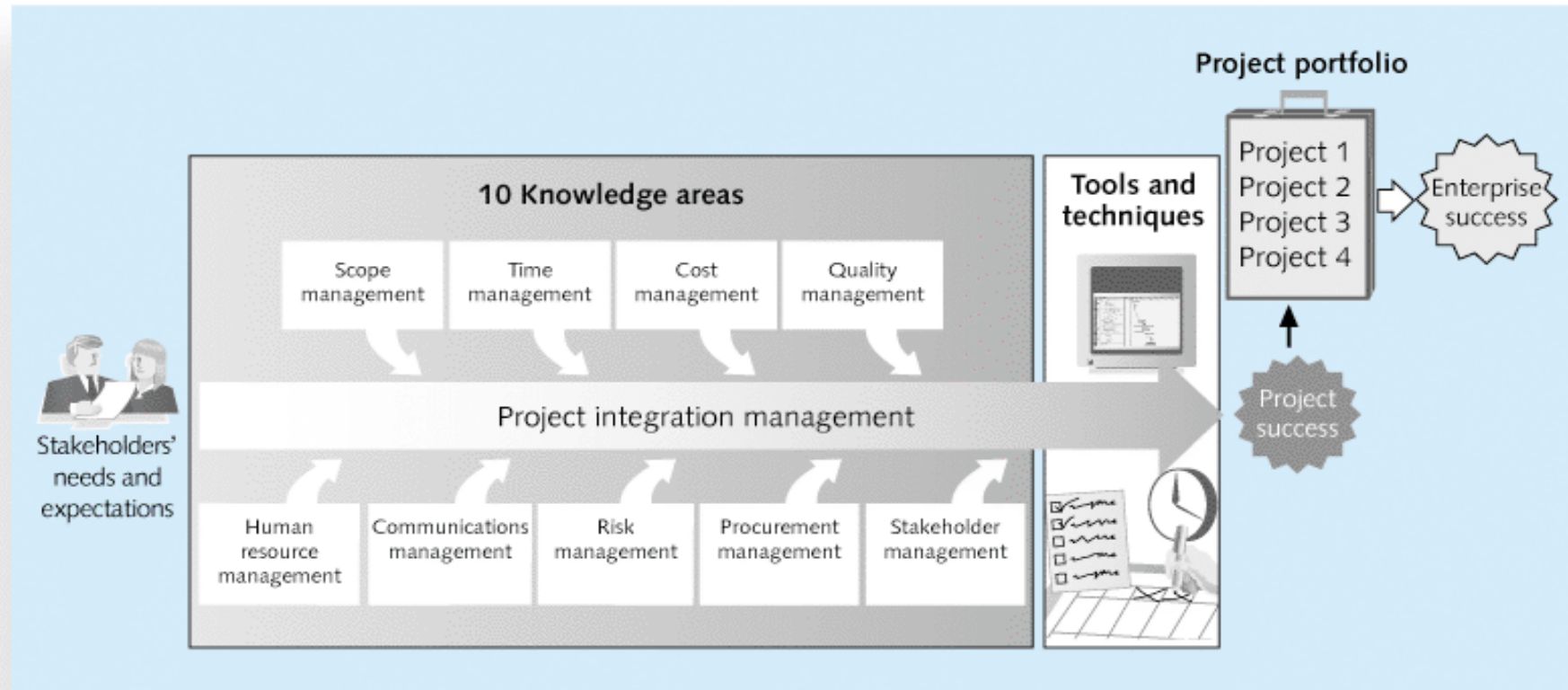
12 Change Management Best Practices

There are some rules and best practices every organization should follow:

- 1. Define clear goals**
- 2. Be honest and transparent**
- 3. Train and reassure your teams**
- 4. Encourage conversations and communicate regularly**
- 5. Listen to your employees**

12 Change Management Best Practices

- 6. Bring your good leaders**
- 7. Choose the right communication tool**
- 8. Empower your employees**
- 9. Encourage knowledge sharing**
- 10. Document and make information easily accessible**
- 11. Recognize and reward**
- 12. Make it social**





Thank You