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Frank Voehl and H. James Harrington
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Introduction to Change Management

In a Nutshell: What Is Change Management? This is the proverbial question that has been asked from the beginning of time (management), one that many practitioners have heard from colleagues or coworkers in passing or in formal presentations, in and around the water cooler each day. While many of us may know intuitively what change management is, we often have a hard time conveying to others what we really mean by it. In thinking about how to define change, it is important to provide context related to two other related concepts—the change itself and related management systems. This book shows how the change management process works with the three management systems—quality, project, and daily work management—as critical disciplines that are applied to a variety of organizational change interventions to improve the likelihood of success and return on investment. Ultimately, the goal of change management is to improve the organization by altering how work is done. Accordingly, there is increasing pressure on organizations to deliver working solutions to business in ever-shorter timescales—without compromising quality. The processes by which solutions are developed must be agile and deliver what the business needs when it needs it. This book presents a framework based on best practice and lessons learned by the authors over their collective 100-year career-span. Its promise is to offer a flexible, yet controlled and sustainable, change process that can be used to deliver solutions, combining effective use of people’s knowledge together with techniques such as iterative development and modelling to achieve tight project delivery time frames. Typically, a fast-paced change-oriented change intervention can deliver a workable solution within timescales of three to six months, sometimes even within eight weeks.
INTRODUCTION

Definitions:

1. Change management is a disciplined framework for driving business results by changing behaviors (Nelson and Aaron 2007).* It entails managing the effect of new business processes, changes in organizational structure, or cultural changes within an enterprise. The challenge is to apply effective practices to anticipate and minimize resistance.

2. Organizational change management (OCM) is a systematic approach to planning and integrating change aligned with business strategy that focuses on both the business and its people. From a business standpoint, OCM focuses on planning and implementing transactional change (quick, short-term change activities), along with or in addition to transformational change (deep, long-term fundamental change), in order to facilitate delivery of sustainable organizational outcomes and benefits at minimum cost and risk.

3. Culture change management (CCM) contains many of the elements of the above but focuses on the human side of change as it affects the employees in their day-to-day work activities by creating a culture of assessment.† CCM emphasizes that it is the people that make the change happen (or not, in some cases), and their ability to adapt, absorb, and assimilate new ways of operating ultimately defines success.

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* The Change Management Pocket Guide is a solid resource for people who need to make change happen. This tactical, hands-on guide will lead you through the steps in the entire process from planning for a change through sustaining new ways in your organization. In this book, you will find 31 valuable change management tools that can be easily customized for any organization. These tools are detailed and flexible, and you can adjust the scale to fit your needs. Many can be used throughout the project or with different audiences.

† A culture of assessment is an organizational environment in which decisions are based on facts, research, and analysis, and where services are planned and delivered in ways that maximize positive outcomes and impacts for customers and stakeholders alike. This culture exists in organizations where employees care to know what results they produce and how those results relate to customers’ expectations. The organizational mission, vision, values, structures, and systems support behavior that is performance- and learning-oriented.
According to Tim Creasey, Director of R&D for Prosci, change management can be defined as*: “the process, tools and techniques to manage the people-side of change to achieve a required business outcome.” When we introduce change to a client organization, we know that we are ultimately going to be impacting two or more of the following four parts of how the organization operates:

1. Processes
2. Systems
3. Organization structure
4. Job roles

While there are numerous approaches and tools that can be used to improve the organization, all of them ultimately prescribe adjustments to one or more of the four parts of the organization listed above. Change typically results as a reaction to specific problems or opportunities the organization is facing based on internal or external stimuli. While the notion of becoming more competitive, becoming closer to the customer, or becoming more efficient can be the motivation to change, at some point these goals must be transformed into the specific impacts on processes, systems, organization structures, or job roles. This is the process of defining the change. However, according to Creasey, it is not enough to merely prescribe the change and expect it to happen—creating change within an organization takes hard work and structure around what must actually take place to make the change happen.

There are three key disciplines required to bring change management to life. These include

- Project management
- Change management
- Daily work management

* Source: An interview with Tim Creasey, April, 2014. Prosci’s change management methodology is based on research with over 2600 participants over the last 14 years. What is unique about the methodology is that it comes from real project leaders and teams reflecting on what worked, what did not, and what they would do differently on their next projects. At its core, Prosci’s methodology is the collective lessons learned by those introducing change across the globe. Based on this research, Prosci’s goal has been to develop a methodology that is holistic and at the same time easy to use. The resulting process, tools, and assessments have been developed with one goal in mind: that organizations can put them to use on projects and change initiatives, building upon the organization’s own internal change management skill set. See the Prosci website, www.prosci.com, for related details.
To begin, let’s look at the formal definitions of each of these. Here are a few commonly accepted definitions that help us begin to think about these distinct but intertwined disciplines.

As described in Table 1.1, both project management and change management support moving an organization from a current state (how things are done today) through a transition state to a desired future state (the new processes, systems, organization structures, or job roles defined by the change). Project management focuses on the tasks to achieve the project requirements while change management focuses on the people impacted by the change. Daily management, on the other hand, is an approach to running an organization where staff members take the time each day to evaluate their progress toward meeting the organization’s improvement targets, and then take the time to measure how they compare against the organization’s overall progress.

Management decisions are based on facts and data, with equal attention paid to results and processes. In other words, daily management allows the organization to stay on track and creates the groundwork for effective problem solving. Key elements of daily management are the brief 15–20 minute daily huddles, visibility walls, and standard work. Daily huddles, or meetings, bring staff together to get on the same page using visibility walls, which consist of relevant charts and data, making the work of

<table>
<thead>
<tr>
<th>TABLE 1.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definitions of Project Management, Change Management, and Daily Management Activities</td>
</tr>
</tbody>
</table>

| Project management | Project management is the application of knowledge, skills, tools, and techniques to project activities to meet project requirements. Project management is accomplished through the application and integration of the project management processes of initiating, planning, executing, monitoring and controlling, and closing.  
* From PMBOK® Guide, Third Edition |
| 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. |
| Daily management | Daily management is the process, tools, and techniques used to make the work of the organization or unit visible and create a visual workplace. |
the organization or unit visible. Creating a visual workplace makes work abnormalities apparent and able to be addressed through change management improvement work, while the gains can be nurtured and sustained. Standardized work, which requires defining a uniform way a task is done, is an important element because it serves as the baseline for further improvement work.

**TECHNICAL AND PEOPLE SIDES OF CHANGE MANAGEMENT**

Any change to processes, systems, organizational structures, and/or job roles will have a technical side and a people side that must be managed. Project management and change management have evolved as disciplines to provide both the structure and the tools needed to realize change successfully on the technical and people sides, as shown in Figure 1.1.

The goal of project management is to effectively deploy resources in a structured manner to develop and implement the solution in terms of what needs to be done to processes, systems, organizational structure, and job roles.

**FIGURE 1.1**
Transitioning between functions.
roles. The goal of change management is to help each individual impacted by the change to make a successful transition, given what is required by the solution.

**BLENDING IN THE RIGHT AMOUNT OF MANAGEMENT**

Each initiative or project that we undertake requires some level of involvement of the project management, change management, and daily management systems approach (see Table 1.2). These disciplines are tools used to support the implementation of a variety of changes that you may be undertaking.

**Note:** Most of the project/intervention types that we have been discussing need both project management and change management, while some need a blend of two or three of the four disciplines. There are very few instances where you will not need at least two of the three disciplines.

**ERP:** enterprise resource planning.

These management methods and tools must be applied independent of the actual change that you are undertaking. Any time you alter processes, systems, organization structures, or job roles, you need a structured approach to manage both the technical side and the people side of the pending change.

**TABLE 1.2**

Analysis of Change Management from a Management System’s Perspective

<table>
<thead>
<tr>
<th>Project/Intervention Type</th>
<th>Project Management</th>
<th>Change Management</th>
<th>Daily Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deploying an ERP solution across the entire organization</td>
<td>Always</td>
<td>Always</td>
<td>Always</td>
</tr>
<tr>
<td>Reengineering the work processes and contact scripts of your call center agents</td>
<td>Always</td>
<td>Always</td>
<td>Always</td>
</tr>
<tr>
<td>Integrating two organizations and their information systems following a merger or acquisition</td>
<td>Always</td>
<td>Always</td>
<td>Sometimes</td>
</tr>
<tr>
<td>Redesigning the physical layout of an office space</td>
<td>Sometimes</td>
<td>Sometimes</td>
<td>Always</td>
</tr>
<tr>
<td>Developing a new sales channel</td>
<td>Sometimes</td>
<td>Sometimes</td>
<td>Sometimes</td>
</tr>
</tbody>
</table>
DIFFERENT VIEWS OF CHANGE MANAGEMENT

While the right amount of project management and change management is often always needed, each of their associated tools are at their best when they are customized for the unique situation that you are facing and are fully integrated. Your organization (with its unique culture and history) and the specific change that you are implementing all influence the right amount of project management, change management, and daily management. So far, in most change-oriented handbooks, project management and change management are discussed as two distinct disciplines, and daily management is rarely brought into the conversation. While separate as fields of study, on a real project intervention, most of these management systems should be (but rarely are) integrated. The steps and activities move in unison as teams work to move from the current state to a desired future state.

As an example, think about what activities occur during the planning phase of a project. On the project management side, teams are identifying the milestones and activities that must be completed. They are outlining the resources needed and how they will work together. They are defining the scope of what will be part of the project and what will not be. From a change and daily management side, teams begin crafting key messages that must be communicated. They work with project sponsors to build strong and active coalitions of senior leaders. They begin making the case of why the change is needed to employees throughout the organization even before the specific details of the solution are complete. The most effective projects integrate these activities into a single project plan.

All major improvements within an organization are driven by the implementation of projects and/or portfolio of projects. For years the project management methodology was based on the major content areas:

1. Project integration management
2. Project scope management
3. Project time management
4. Project cost management
5. Project quality management
6. Project human resource management
Noticeably lacking from the project management body of knowledge was culture change management and daily management. It is unfortunate for when the body of knowledge for project management was assembled, these methodologies were still in the development stages and the impact that they have on the potential success of the project was not thoroughly understood by most organizations. As a result, there has been an extremely high failure rate in the value created by a high percentage of the project. In the past when the majority of employees were poorly educated, the resistance to change was minimized and it was just accepted that someone “up there” knew what was best. Historically, these employees blindly followed direction, never questioning the legitimacy of the change initiatives. Today with a highly trained and educated workforce, employees are questioning the need for them to change. They are not questioning the need per se; in fact, they are all for change as long as the change does not impact them.

**SUMMARY**

Rapid changes in external environment, consumer behavior, global economics, and disruptive technologies are throwing off the most rigorous business strategies and the best-trained managers. Everyone expects to see big changes ahead but people react differently to change. Over 60 percent of companies out there are operating on a dated business model and 20 percent are operating with a mental model that has been expired for more than five years. There are few reasons for those 20 percent of companies to survive another five years or even three, and the other 60 percent only have a short window of opportunity to design and orchestrate their transformation.

Many people become accustomed to the status quo and don’t want to alter the way things are being done regardless of the potential benefits or the disruptive threats from emerging competition. For many, fear of the unknown and the concern about the ramifications on their careers are barriers to acknowledge the need for change. Although people don’t like
change, winning belongs to those who thrive with change. History shows that any business transformation process is painful. The way many organizations manage change or transformation, using existing change management models, is too slow, and by the time they refreeze, the market has shifted and they find that they will need another transformation.