The Change Management Life Cycle

Every organization is affected by change. Still, organizational change initiatives fail at an alarming rate. This is because most initiatives fail to consider how changes affect the people in an organization. To successfully implement change initiatives, organizational leaders must identify the need for change and communicate it throughout the organization. This article, which is an excerpt of ESI's newest white paper, The Change Management Life Cycle: How to Involve Your People to Ensure Success at Every Stage, introduces a three-phase Organizational Change Management Life Cycle methodology (Identify, Engage, Implement) designed to help organizations successfully manage a change initiative.

The statistics are undeniable most organizations fail at change management. According to the Wharton School of the University of Pennsylvania Executive Education Program on Leading Organizational Change, researchers estimate that only about 20 to 50 percent of major corporate reengineering projects at Fortune 1000 companies have been successful. Mergers and acquisitions fail between 40 to 80 percent of the time. Further, they estimate that 10 to 30 percent of companies successfully implement their strategic plans (Leading Organizational Change Course Page).

Why do organizations have such a poor track record of managing change? According to the Wharton School, the primary reason is people issues (Leading Organizational Change Course Page).

Without understanding the dynamics of the human transition in organizational change, change initiatives have a slim chance of success. If organizations, whether private or public, cannot change and adapt, they will not thrive or worse, they may not survive in today's dynamic environment.

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Change management is a cyclic process, as an organization will always encounter the need for change. There are three phases in the Organizational Change Management Life Cycle: Identify, Engage and Implement. By paying close attention to how people are engaged in each phase, an organization can manage that change to adapt to any business or economic condition.

Phase 1: Identify the Change

In the Identify stage, someone within an organization typically a senior executive spearheads an initiative to change a current process. A single voice at a very high level is often the first step in establishing the need for change. This need is then presented to the organization with a general description of the current state of affairs, offset by a high-level vision of the desired future state.

While it seems obvious, identifying the change is an absolutely fundamental first step in successful change adoption. It is important that the changed condition be described in a common, consistent language. However, organizations often fail to identify and communicate the need for change in a way that is understood and embraced by people working at all levels of an organization. Many leaders do not adequately consider how a proposed change (or even the rumour of one) may be received at an intellectual, emotional and neurological level by the people it will impact the most.

The best way for leaders to make a compelling case for change is to consider the need for change at every level in the organization, not just at the top tier. The top-level need for change is almost always driven by bottom-line goals, and does not touch the day-to-day work experience of the organization's staff.

Some additional people-related items to consider when identifying change opportunities include:

- Possible frustrations in performing (new) work
- Clear job definitions
- Job definitions and metrics that match the process
- Understanding of the end-to-end process
- Cultural dynamics within the organization that may inhibit people from moving to a new, changed state

Phase 2: Engage the People

Once the need for change has been identified and communicated, the next critical step is to engage people in planning for the organization's response to the change. Successive levels of the organization must be included in a dialogue to help design an implementation plan. People within an organization must be allowed an opportunity for intellectual, emotional and psychological reaction to the desired change. Providing this opportunity enables people to become accustomed to the idea of change and to align their thinking in ways that will help both identify potential problem areas and contribute substantively to process improvement.

Wise leaders know that successful change adoption depends on engaging the hearts and minds, as well as the bodies, of the people facing a changed condition. Organizational leaders need to engage the energy and enthusiasm that comes from people having their own insights, for this is where true commitment to change comes from, and where the ownership of results are truly developed (Koch).

One technique to encourage people's adoption of a change is to conduct organization-wide response/ adoption alignment workshops. When practiced effectively, these sessions allow people to contribute their own ideas about how a deliverable should be used within the organization. Once these contributions are aligned through multi-party conversations an aligned approach for managing and adapting to the change will emerge. When reactions have been aligned and individuals within an organization are asked to be involved in responding to change, typical human behaviour moves to addressing the problem creating a desired direction to facilitate change.

Phase 3: Implement the Change

In the Implement phase, change strategies developed during the Identify and Engage phases are translated into tactics, or actions, for moving toward the desired future organizational state. Here again, people are critical to how processes and technology are created and implemented. They have direct, daily experience with these processes and technology and, consequently, they are most knowledgeable about how these components must be customized for the best results.

During implementation, employees throughout the organization need to remember why they are working so hard on implementing a change. Therefore, change leaders should continually remind people, using multiple media (formal e-mails, progress celebrations, informal conversations) what the change is and why it is so important.

Additionally, organizational leaders should ask themselves the following people-related questions to help ensure successful implementation:

- Does the individual have the ability or desire to work in the new environment?
- Are additional skill sets needed to transition to the new job?
- Are changes to job descriptions needed?
- Are job grades or pay impacted by this change?
- Does the change impact short-term productivity? If so, will additional support be needed to ensure business success?

Conclusion

At the highest level, business leaders are driven by financial goals and government leaders are driven by legislative mandates. Their urgent need to meet these objectives may lead them to impose change unilaterally, rather than engaging the people to find the best way to meet a more generally understandable desired future state.

Executives who neglect the human transition required in change management will be less successful at implementing change. Successful change management boils down to improving the relationships between people in the organization in the attainment of a mutually desirable end state. An organization that is too focused on objectives runs the risk of losing sight of personal relationships.

The human transition that is required to move from a historically acceptable way of working to one that is completely new or radically different is not to be underestimated. Good leaders will make the reasons for change personal for everyone, not just for executives or shareholders. End-user benefits, down to the day-to-day experience of the individual worker, will create a more receptive environment for fostering new ideas and a receptive environment is essential to creating any lasting, positive change.