CHANGE MANAGEMENT - INPUT

INTRODUCTION

The main principle in organisational change is that the ones to change are individuals, if we do not put the focus on them we will rarely succeed in implementing the change. But what are good models we can rely on? In this section we will use the insights of Pedro Parada and Ignasi Ferrer from ESADE Business School in Barcelona (founded by the Jesuits more than 50 years ago). We will present the model they propose for organisational change the "Experience Change Model".

MAIN IDEAS

Why does change matter?

- We know that change is necessary for organisational survivor

- Around 90% of institutions implemented a major change during the previous year (BCG) while academic research shows that only around 20% of change processes are considered successful (between 66% and 80% of change initiatives fail to meet the objectives set).

- This shows that the difficulty is not in strategy formulation - but implementation. (and this is despite the fact that Amazon lists almost 200.000 books on change)

- According to the Economist Intelligence Unit, some 63% of C-level managers are increasingly involved in change projects because of uncertainty and the growing complexity of the environment.

- Business Week survey of 1,087 companies showed that 31% of CEOs who were dismissed from their general management functions were fired because they could not properly manage processes of change

How do we resolve this contradiction? How do people and companies change when their nature (and, in many cases, common sense) resists change?
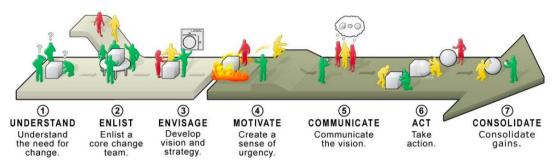
A model for organisational change

To help with organisational change many experts have proposed theoretical models that guide you through different the steps of a change process. The most prominent model is Philip Kotter's 8 stages of change, but other good ones to review include the ADKAR model from ProSci (more focused on change at the individual level), the Change Acceleration Process (CAP) from GE based on the change effectiveness equation (Effectiveness = Quality x Acceptance), the Lewin Model which is one of the oldest models that has survived the test of time, the Bridges' Transition Model focused on the psychological process that individuals go through when adapting to change, or the Switch model by the brothers Heath that present a more emerging approach that links the personal and organisational change

In this section we turn your attention to the Experience Change model and the 7 stages that constitute it. The aforementioned models could be fitted into this one. The model is divided in two sections:

- Steps 1-3: Aligning Key Stakeholders (understand, enlist, design)
- Steps 4-7: Engaging the Organisation (adapt, communicate, execute, consolidate)

The proposed steps are the following:

① UNDERSTAND	② ENLIST	③ ENVISAGE	④ MOTIVATE	⑤ COMMUNICATE	⑥ ACT	⑦ CONSOLIDATE
Understand the need for change.	Enlist a core change team.	Develop vision and strategy.	Create a sense of urgency.	Communicate the vision.	Take action.	Consolidate gains.

Why leadership?

The idea is that you need leadership to push change forward. To be able to manage change you need to convince, align, and implicate people in the process so you will need credibility and some sort of capacity to seduce individuals to follow along and to become promoters of change themselves.

We would say that the leader needs to pull individuals towards the change not push it in them - "Auctoritas, No Potestas". The process of change is an interplay of three key ideas:

- **Vision**: having a strong vision that captivates individuals and that is truly stimulating, credible, and inclusive.

- **Communication**: Formal and informal, verbal and non-verbal, bidirectional (giving and receiving).

- **Resistances**: in any change process you will encounter. If you start your process of change very early you will have more time and resources but the change will be seen as less evident to others. If you want to change when a crisis is already happening you will have less time and resources but the need for change will be evident.
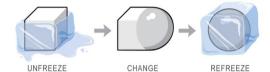
There is a thing called the 20-60-20 principle that says that in any process of change you will likely find 20% of co-workers supporting the process and working for it, 20% that are unfavourable to the process and will likely put roadblocks and 60% of the people who fall in the center and who are not against but not quite convinced. Think about it as the "Yes (20%), No (20%), Maybe (60%) rule. Your role as a leader is not to get stuck with the figures but to understand what each of these groups requires, especially those that fall in the 60% category.

An article published in the Academy of Management Review in 1999 by Quy Nguyen Huy suggest that reactions from individuals to change can take many forms but they move around a threshold that goes from:

1 Active Resistance ⎯ **2** Passive Resistance ⎯ **3** Compliance ⎯ **4** Enthusiastic Support

Finally, it is interesting to note the contribution of Kurt Lewin's 3-stage model of change, a simple model that tells us how to execute a change process effectively:

1. **Unfreeze**: ensure that employees are ready for change
2. **Change**: Execute the intended change
3. **Refreeze**: Ensure that the change becomes permanent

UNFREEZE → CHANGE → REFREEZE

IGNATIAN NOTE

The general congregation emerges as the instrument of change in the Society. There is no other instrument of change because no one else has the power to introduce a significant change. Not the Holy See, because it has a subsidiary, not a creative, function in the life of religious communities. Not the universal membership of the Society, because they need a constitutional organ to bring the change about, which organ is precisely the general congregation. Not the superior general, because his competence does not extend to issues of great importance. If they arise, he must convoke a general congregation. To say the general congregation is the instrument of change is to attribute to it a singular role among all the structural resources of the Society. It may be merely a structure, a means to an end; but if it does not function well, the forces of life and growth cannot be properly channelled. Stagnation and paralysis may infect the whole body, with disastrous consequences. - Ladislas Örsy (1972)

EXPECTED LEARNINGS AND OUTCOMES

1. Internalising a concrete model for organisational change
2. Developing a new perspective about the challenges of organisational change

"'If you rush, you will miss the beautiful things around you. If you're stuck, you'll never reach the dazzling peak in front of you'. 'Since we live by the Spirit, let us keep in step with the Spirit'

Translation of old Italian song inspired on Galatians 5 - See Aloysius Pieris