



Has Change Management had its day?

Just another fad?

Back in 1985, a survey of major change initiatives in organisations revealed that a worrying 75% failed – either they were not implemented successfully or did not realise their expected benefits. The message was clear: organisations were generally weak at managing change. In response, the last 20 years have seen Change Management become increasingly prominent as a management discipline: practically every consulting firm has its own methodology; practically every organisation has done something under its banner. Several thousand books have been written about it, and there have been countless conferences and articles propounding ways to better manage change.

In fact the subject of Change Management has been current for so long that it is increasingly generating a negative reaction – so much so, that managers' eyes begin to glaze over as soon as they hear the phrase, and consultants have progressed to new angles such as transformation in order to retain clients' interest in the management of change.

This is perhaps a clue to the real issue. Why are consultants trying to bring attention back to a topic that their clients believe is now passé and a fad that is considerably past its sell-by date?

Change won't go away – but we are no better at dealing with it

Let's face it; fads in management are nothing new. Over the same twenty year timescale we have seen the wax and wane of TQM, BPR, SPC,... We have seen customer service rise to the pinnacle of immediate access to the Chief Executive, and then relegated to fifteenth in a telephone queue for the "next available operator". And we have witnessed the deification and subsequent demise of *In Search of Excellence*, *ReEngineering the Corporation* and numerous other concepts. Each of these has had its day, so what is different about Change Management?

The answer is simple. All the fads have been tools, concepts, and perspectives within the broad subject of management. Change is what management is all about. Tools, concepts and perspectives evolve, but change is constant, and the need to stimulate and manage it well is constantly increasing. It will never go away – but the problem with the last twenty years is that we have been managing it as though it will.

This is illustrated by the fact that surveys of major change initiatives in organisations still reveal that failure rates remain as high as they were 20 years ago, despite almost a quarter century of research and investment. Furthermore, a survey of members undertaken by the Chartered Management Institute revealed that 96% admit that Change Management remains a problem for them.

So perhaps the question should be: Why, despite the problems, issues and solutions of Change Management being seen as "well known"; "old hat"; and "not rocket science", are far too few organisations confidently demonstrating proficiency in this area?

The problem is that Change Management has been an add-on, it has been something we do when we can find the time in our busy schedules. To be fair, many organisations also treated TQM, BPR etcetera as an add-on, but when industry failed to make progress in these areas, they could simply

shift their perspective to other tools and perspectives – so TQM and BPR were superseded by Six-Sigma and Lean¹.

But change has not gone away, and while we have been dabbling in various fads, the need to cope with more and faster change has become the reality of our existence as managers. The result is that we are no better equipped to address the change we face now than our predecessors were twenty years ago². In fact, the basic structure of what many of us do as managers still intrinsically assumes that change is a temporary state of affairs to be managed through to the next period of stability.

Management = Change Management

Management is the management of change, and it has been for the last quarter century. Those organisations that treat management as the management of stability have simply been caretaking their operations and probably stumbling from crisis to crisis each time change overwhelms them. And for them the situation will only get worse – unless they address some fundamental aspects of their management principles and practices.

What do we mean by this? After all, they have probably already adopted many of the recommended Change Management practices. Many organisations these days have:

- Set up projects and programmes and ensured they capture, plan and monitor the strategy, rationale and plans for change
- Improved their communication processes and ensured their staff learn about the reasons for change from their CEO and have the means to provide feedback
- Established workgroup and cross functional teams and empowered them to make improvements
- Created staff surveys, suggestion schemes and other mechanisms to consult and involve staff and customers and harvest the fruits of their creativity
- Trained their people in: leadership; teamwork; listening to their customers and colleagues; continuous improvement; facilitation and problem solving tools
- Instituted knowledge management practices and support tools to help staff learn from each other and adopt best practice
- Even created special change roles in senior positions, and recruited facilitators to support change throughout the organisation

The missing link

All of these things are essential elements to equip managers to manage change well. But what few organisations have done is take the essential additional step and refocus their management process so that it becomes one of continually harnessing their available money, technology, materials, talent, energy, knowledge and relationships to achieve an inexorable increase performance.

Without this additional step, change initiatives activities have lost direction, atrophied and fallen into disuse – and even their advocates have become disillusioned and sometimes cynical about their

¹ We do not have a problem with Six-Sigma or Lean, they are good initiatives based on excellent principles, as were the principles of TQM and BPR before them – in many ways, they are a further development of the same principles. And that is the issue, management are often more inclined to move on to the next solution than to face up to the reasons why the last solution did not work – and the reason the last solution did not work is that we have failed to fully realise the implications of the change for our role as managers.

² There is a very real danger that, without a balancing perspective on change, the consistency and efficiency focus of both Six-Sigma and Lean has actually eroded our capacity to adjust quickly to changing circumstances. This is bad news for both effectiveness in change management and also Six-Sigma and Lean, where a lack of a focus on change leads consistency to drift toward inflexibility.

merits. However, in other organisations, similar activities are thriving, generating essential improvements in performance and providing growth and insight for those involved.

What makes the difference? The second, more successful set of organisations have made change an integral part of their management process and the way they drive performance. In other words, change happens because the management process requires it to happen.

How to integrate change and management

BeeAgile has looked in more detail at what actually differentiates those organisations that have managed change successfully over time from all the others. There are six main ways in which they are different:

- They take a **design perspective** and see managers' roles as directing and shaping the organisation to best connect with the market and meet evolving goals
- They have an **integrated approach to planning**; they align responsibility for improvement with that for ensuring day-to-day performance
- They rigorously **instil ownership** for performance; every manager and team is committed to their performance goals and understands how collectively fulfilling them ensures success for the whole
- They take a disciplined approach to **performance management**, developing clear practical plans to achieve targets and methodically resolving any deficits
- They adopt a **double loop learning** approach; taking a system-level perspective on understanding trends and issues so that they can be resolved sustainably
- They actively engage in **partnerships with customers and suppliers** to share understanding and responsibility for change, focus on their core skills, and stimulate each other's learning

Notice that these differentiating characteristics map consistently against the six dimensions of *Organisational Agility* in BeeAgile's model. We find these organisations perform what are conventionally regarded as Change Management activities rather more successfully than average – this is because they are sustained by being tied in with the way managers manage. In other words managers in the organisation see change as part and parcel of their role and behave accordingly.

They have systematically incorporated the reality of change within their management process, and thereby consistently reinforce it through the way leaders communicate, set expectations and respond to events. There is no important exchange which assumes or implies the *status quo* – all discussion is against a set of assumptions about transition toward target performance. Given these assumptions, feedback, team-working, empowerment, problem-solving and training become essential enablers and are therefore applied and built upon every day. The result of such an integrated approach is that change is no longer an initiative, it is the normal way of working; and performance improvements of 50% in a year are commonplace. In fact, with the right integrated management tools, it is possible to triple performance within a twelve month timescale (*"The Designer Organisation"*, *IJQRM Vol 21, No 9, 2004 pp 973-983*).

Has Change Management had its day? It seems a ludicrous question! Has change stopped or the need for management disappeared? Perhaps the question should now be: "Is Management today essentially Change Management?" We believe it is.

To understand more about exactly how organisations have integrated their change and management processes, or to complete our free self assessment of the integration of your own change and management processes, please feel look at the *Organisational Agility* model on this web site or contact BeeAgile (info@beeagile.com, or 0870 421 4047) for a no-obligation discussion.

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