In order to maximise their success, organisations today need to adapt to a turbulent environment ... Managing change is not easy (Burnes, 2009)

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Introduction

Managers in 21st Century organisations are faced with increasing challenges. One of these is managing organisational change (Cameron and Green, 2009). Managing change is akin to handling the complexities of travel: evaluating, planning and implementing operational, tactical and strategic options to ensure that the journey is worthwhile and the destination is relevant (Paton and McCalman, 2004). Indeed, there is something increasingly true to be said of the cliché ‘change is the only constant’.

Organisations today perceive themselves as less and less stable, and more as a work in progress undergoing continuous change (Burnes, 2009). This is unsurprising considering the frequency of mergers and acquisitions, new technologies, product innovations, as well as threats from new competitors. One of the most important developments and perspectives on change management is therefore the theory of Emergent Change. This is a rejection of Planned Change which, developed by Kurt Lewin and lying at the heart of organisational development, remains the most highly influential change model.

Planned Change advocates an incremental approach to change management and suggests that change can be consciously embarked upon (Burnes, 2009). However, Buchanan and Storey (1997: 127) observe that Planned Change tries to impose an order and linear sequence to processes that are in reality messy and untidy and which unfold in an iterative fashion with much backtracking and omission. Emergent Change, on the other hand, stresses the unpredictable nature of change: while organisations can and should plan for change, change is not a one-off event with a neat beginning and end point (Burnes, 2009). Rather, change management contends with complex analytical, political, and cultural processes of challenging and changing the core beliefs, structure and strategy of the company (Pettigrew, 1987: 650). Indeed, as Burnes (2009) states, with the failure rate of change management projects at around 70%, managing the change process is far from easy.

Definition

Change management is the systematic approach to adjusting and transitioning organisational processes, procedures, strategies, attitudes, functions or technologies from their existing state to one that is considered superior (Burnes, 2009; Cameron and Green, 2009).
Successful Application

Change management is a very broad concept. It can be of importance due to large scale mergers and acquisitions, small scale restructuring of a department or division, or the introduction of new organisational culture. Therefore, prescriptive advice on implementing change management initiatives can vary considerably.

Steps to Successful Application

- Establish a sense of urgency: examine market and competitive realities; identify and discuss crises, potential crises, or major opportunities.
- Create a guiding coalition: assemble a group with enough power to lead the change effort; encourage the group to work as a team.
- Develop a vision and strategy: create a vision to direct the change effort; develop strategies for realising the vision.
- Communicate the change vision: use every channel and vehicle possible to communicate the vision and strategies.
- Empower broad-based action: remove obstacles to change; change systems or structures that seriously undermine the vision; encourage creative and non-traditional ideas, activities and actions.
- Generate short-term wins: plan for visible performance improvements; create those improvements; recognise and reward employees involved in the improvements.
- Consolidate gains and produce more change: use increased credibility to change systems, structures and policies that don't fit the vision; hire, promote, and develop employees who
can implement the vision; reinvigorate the process with new projects, themes, and change agents.

- Anchor new approaches in the culture: articulate the connections between the new behaviours and organisational success; develop the means to ensure leadership development and success.

**Hints and Tips**

- Kanter et al. (1992:382-383) proposed several critical factors for executing change initiatives:
  - Analyse the organisation and its need for change.
  - Create a shared vision and common direction.
  - Separate from the past.
  - Create a sense of urgency.

**Potential Advantages**

- Since change will not disappear or dissipate, and since businesses and managers will continue to be faced with highly dynamic and increasingly complex operating environments, the management of change is central to business survival (Paton and McCalman, 2004).
- Successful change management can amount to a source of competitive advantage (Deutschman, 2005).
- There are a plethora of consultancy firms that can assist organisations in the change management process (if in-house expertise is limited).

**Potential Disadvantages**

- The reality is that many change management programmes are unsuccessful (Burnes, 2009).
- The popular planned approach to change ignores organisational politics and conflicts (Burnes, 2004).
- Poor communication and lack of transparency are key barriers to change which create negative feelings among staff (Proctor and Doukakis, 2003).

**Case Studies**

- Hardstaff Group, an innovative UK transport and logistics firm, implemented a programme of continuous training and a bonus scheme, realising potential savings of £2,600 per year for each vehicle and reducing carbon emissions by 512 tonnes annually (Freight Transport Association, 2010).
- British Airways is a widely cited example of change management: having gone from losing around £200 a minute in 1986, the firm reinvented its organisational culture and
restructured itself to become the world’s most profitable carrier by 1996 and the second most admired company in Europe by 2000 (Grugulis and Wilkinson, 2002).

- The Rural Payments Agency Change Programme case study shows how the creation of the rural payments agency in 2001 improved the system of paying farmer subsidies in England and reduced overhead costs through the integration of IT, finance, HR and inspectorate functions (Office of Government Commerce, 2006)

Further Reading/References

Web Resources

- Changing your organisation’s culture
- Efficiency and managing change at Hammersmith & Fulham
  http://www.local.gov.uk/c/document_library/get_file?uuid=8b7fb9ad-7d3e-4969-a172-95f4fa96c718&grouppld=10171
- Collection of change management articles recommended by Business Week Online
  http://bx.businessweek.com/change-management/
- Good introduction to change management: definition, history and perspectives
  http://www.change-management.com/tutorial-definition-history.htm
- Changing culture and managing change
  http://www.thedelphigroup.com/change.html

Books

- Making Sense of Change Management, Cameron & Green, 978-0749453107
- Managing Change and Transition, Harvard Business Essentials, 978-1578518746

References

Change Management - CIPS Procurement Topic


Video
Managing change and creating a culture of innovation
https://www.youtube.com/watch?feature=player_embedded&v=KyqHGdlIMcas