

# Organisational Change Management

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# Topics to be Covered

- **Latest Thinking (Theories and Trends)**
- **Common Management Errors & Pitfalls**
- **Practical Ways to Boost Your Organisational Change**

# **Change is Everywhere !!!!**

- **Changes in technology, communication, demographics, product lines, services, organisational structures, concepts of management, business frameworks, workplace protocols, marketing, consumerism, etc.**
- **All this demands that all organisations anticipate and respond quickly to a wide variety of new challenges.**

# Background

- Change management is about changing mindsets
- Need to be willing to be challenged and to feel insecure as

*"...we basically do not know what the world of tomorrow will really be like, except that it will be different, more complex, more fast-paced and more culturally diverse..."*

Edgar Schein, 2004

# Latest Trends in Change Management

- **Increasing popularity of behavioural concepts** (including evolutionary physiology, importance of non-rational thinking in decision-making, etc)
- **Increasing neuroscience focus**, ie understanding how the brain works

# Enduring Organisation – Six Key Criteria

(30 high profile & successful firms  
over 100 years old)

- 1 Consistent set of values
- 2 Willingness to change
- 3 People are the most important assets
- 4 Conservatism in financing
- 5 Actively fosters a learning environment
- 6 Organising for continuity, ie succession planning

# Definitions

## Change

means experiencing something different  
and/or doing something differently

Usually with the basic aim of

“...Increasing the organisation’s capability to adapt to and  
adopt new ways of doing business...”

Scott Simmerman, 1997

# QUOTES

*“...organisation today - has to be designed for change as the norm and to create change rather than react to it ...”*

Peter Drucker, 2001

*“...it is not the strongest of the species that survives, nor the most intelligent; it is the one that is the most adaptable to change...”*

Charles Darwin as quoted in Harvard Business Review, 1998

*“...you can resist change and win one or more battles, but you will lose the war...”*

Noel Tichy, 1999



(quotes cont.)

*“...change does not come from a slogan or a speech. It happens because you put the right people in place to make it happen...”*

Jack Welch as quoted in Jack Welch et al, 2001

*“...An organisation is a web of interconnections; a change in one area can throw a different part of the organisation off balance. Managing these ripple effects and the unexpected outcomes is the challenge of change...”*

Harvard Business Review, 1998

*“...The real voyage of discovery consists not in seeking new lands, but in seeing with new eyes...”*

Marcel Proust as quoted in David Osborne et al, 1993

(quotes cont.)

*“...Few goals are more challenging to achieve than significant change in adult human beings...”*

Howard Gardner, 2006

*“...the challenge of unpredictability can be met by remaining flexible at all times, recognising change as inevitable and an opportunity, and not locking yourself into a set path...”*

Michael Chaney in AFRBoss, 2002

# ***Levels of Change***



NB: There is overlap & interaction between the different levels

**Competition comes from**

***“where you least expect it”***

***“...industry newcomers – not the traditional competitors – had taken the best advantage of change over the past ten years.....by profoundly changing the rules of the game...”***

***Gary Hamel, 1997***

***eg Murdoch, Branson, Gates, etc***

# Remember:

*“...Over 50% of technological breakthroughs that influence an industry or organisation come from outside that industry...”*

Peter Drucker, 2001

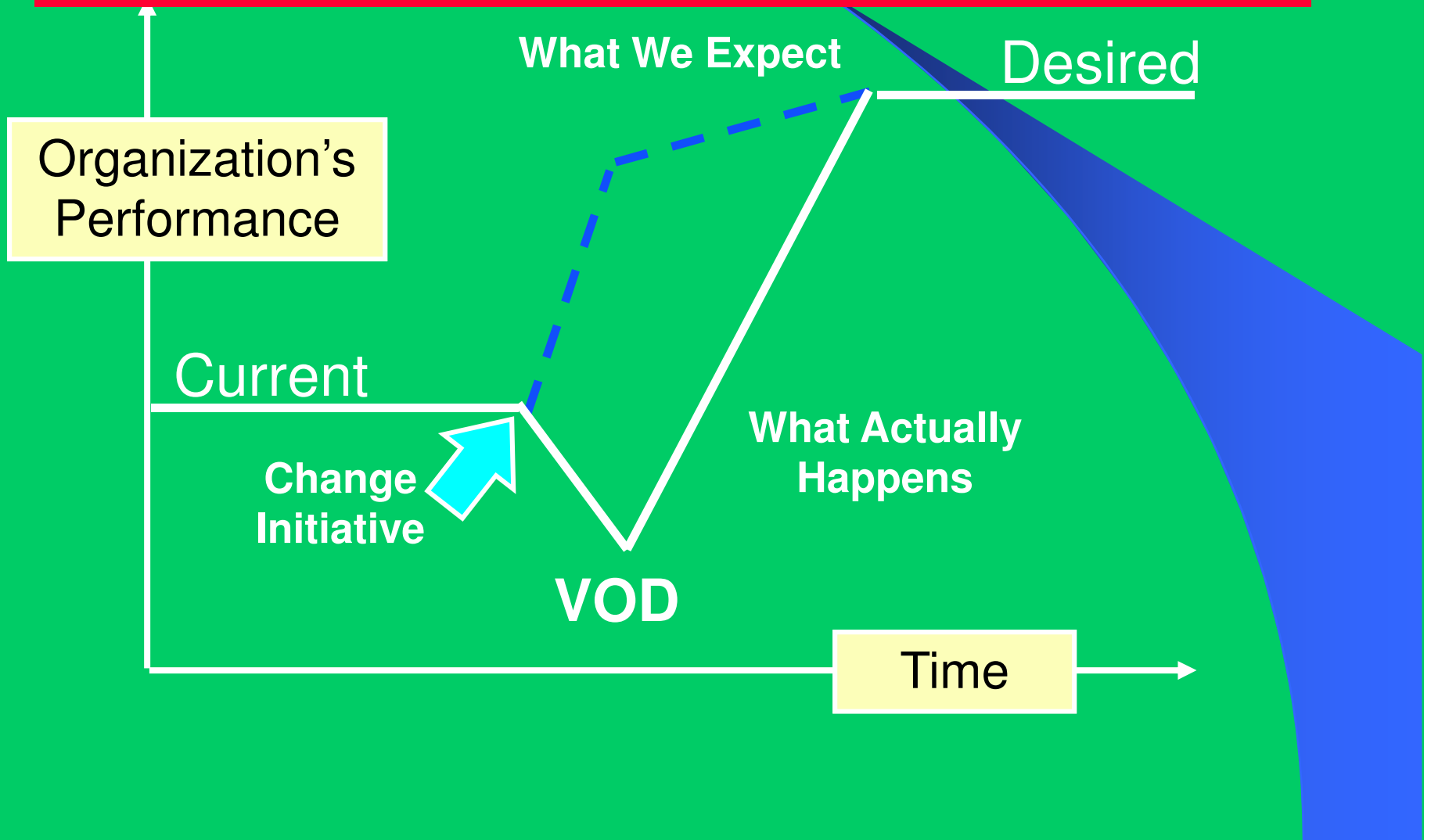
# Current Situation

The formula for success now  
is no guarantee  
of success in the future

# ***Why Do Some Organisational Transition Efforts Fail ?***

In most organisational transitions, the gap between expectations and achievements is very large

# The J-Curve





# Most Common Management Errors

*“...generally social and behavioural causes frustrate change initiatives rather than technical problems...”*

Patrick Dawson, 2005

# The Hardest Organisation To Change is a Successful One

(or one which perceives itself to be successful)

ie why dabble with the formula for success?!!

**BUT**

“...over 40% of the businesses listed in the 1985 Fortune 500 are not in business today...”

Karlson Hargroves et al, 2005

# Active Inertia & Status Quo Thinking

Need to be careful that strategic planning does not become an example of active inertia and status quo thinking

**C.A.V.E**

**(Citizens Against Virtually Everything)**

# Resistance to Change

- **It is normal**
- **People are concerned about loss (real & perceived)**
- **Need to understand what is under-pinning the resistance**
- **Minimise time in this area by focusing most attention on supporters of the change**

**NB We are creatures of habit!!!!!!!**

# Most Models Over-Simplify the Situation

*Change is very*

- *Contextual*
- *Situational*

*(based on circumstances)*

*“...At high tide, fish eat ants; at low tide, ants eat fish...”*

Thai proverb as quoted by James Carlopio, 2007

*Most Models Are Like Supernova*

# Limitations of Overseas Models for Australia

**Australia's situation is different from other countries like USA, Europe and Japan.**

# Seven Ingredients for Effectively Handling An Organisational Change

- 1 Laying a foundation for new ways (includes building on the past)
- 2 Establishing a sense of urgency
- 3 Forming a transitional team
- 4 Creating alignment
- 5 Maximising connectedness
- 6 Creating short-term wins
- 7 Consolidating performance improvements

There is overlap between the Ingredients, and different degrees of emphasis needed in different situations



# Understanding why change is necessary

*“...combining “inner shifts” in people’s values, aspirations and behaviours with “outer shifts” in processes, strategies, practices and systems.....It is not enough to change strategies, structures, and systems, unless the thinking that produced those strategies, structures and the systems also changes...”*

Peter Senge, 1999

***Book***

***(on sale here at a reduced price of \$50 !!!!)***

**Toolbox for Change:  
a practical approach**

**by Bill Synnot & Rosie Fitzgerald**

**Contains 60 widely-applicable, user-friendly tools under  
7 headings**

**(see brochures on table)**