Organizational Change Management

THE CHANGE-PATH MODEL FOR ENSURING ORGANIZATIONAL SUSTAINABILITY

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What is the issue?
The rate of change is accelerating and intensifying. The landscape of escalated disruption has become the new normal and it has led to a less predictable future, where organizations find themselves struggling to remain relevant and viable.

Why is the issue important?
Without a crystal ball to predict the future, organizations recognize that their long-term viability and success hinge on their ability to proactively and adequately respond to this accelerating rate of change.

What can be done?
Organizational leaders need to develop change management processes with the capability to navigate change and generate outcomes that will lead to sustainable long-term success. This involves developing the capabilities of those in leadership roles to identify and effectively communicate what needs to change, constructively engage others, build and sustain interest and enthusiasm in the change initiative, and effectively navigate the change process.

Who is this guideline for and how can it be applied?
This guideline is written for professional accountants who want to initiate changes in their organizations or who have been asked by others to lead and/or manage change initiatives.

MANAGEMENT ACCOUNTING GUIDELINE

GUIDELINE

Overview

The primary purpose of this guideline is to provide guidance to professional accountants in business, government and not-for-profit organizations on what measures and steps to take to frame, advance and manage organizational change in a systematic manner. The underlying goal is to increase the prospect for an organization to be resilient, adaptive and innovative, and to ensure its ongoing sustainability and success through the development of more effective change management practices. It will do so by applying the **Change-Path model**.[1] This model provides guidance for those wishing to assess their current practices and develop a more disciplined approach to change. At its core, the Change-Path model deals with two fundamental and interrelated matters that are instrumental considerations.

- What needs to change (and why)?
- How should we go about managing the change process?

These "**what**" and "**how**" questions lie at the core of all change initiatives. The four key phases contained within this model include: awakening, mobilization, acceleration and institution-alization. We will also address key skill areas required for success in the development and implementation of change initiatives. Such actions will ensure the RAISE philosophy is adopted in your organization and will adequately equip you as a professional accountant to engage in the Canadian ideal of good business.

The guideline takes you through the **Change-Path model**[2] step-by-step to assist you with your change challenges. It is "change agnostic" in that it can be used when considering the imple-mentation of balanced scorecards, launching a new strategy or reorganizing a department. It provides a disciplined process to help guide the financial professional wanting to facilitate incremental modifications through to truly transformative undertakings.

1   Deszca, G., Ingols, C., & Cawsey, T. (2019). *Organizational change: An action-oriented toolkit* (4th ed.). Thousand Oaks, California: Sage.

2   Cawsey, T.F., Deszca, G., & Ingols, C. (2016). *Organizational change: An action-oriented toolkit* (3rd ed.). Thousand Oaks, California: Sage.

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Though larger private sector organizations may command more press coverage when it comes to change, this model is equally relevant to small and medium-sized enterprises (SMEs), not-for-profit organizations, government and other public institutions. The model's capacity to deal with differences in scale, complexity, context and culture makes it very useful to all those who want to play a role in advancing changes in their organizations.

It is recommended that you read it with a change initiative that you have experienced directly in mind, as well as a change initiative that you are contemplating undertaking, pausing at the end of each phase for reflection and application.

How emerging trends impact your business

The rate of change and levels of disruption are accelerating on all fronts. Concerns related to the efficacy of change are warranted. Change pressures impact all facets of corporate life, and responses vary from avoidance and denial to significant investments of time and energy to assess how best to proceed. When major changes are undertaken, roughly 60-70% fall significantly short of their objectives. Since half of the "failures" report achieving some of their objectives, the total failure category lies in the 30-35% range.[3] Given the frequency of partial and complete failure, people's reluctance to enthusiastically embrace major (and even more minor) changes is understandable. Embracing change carries risks, and the levels increase as the ambiguity and complexity related to the change rise. However, avoiding change is not an option. Flexibility, adaptability and the capacity to innovate are critical to sustainable organi-zations. In other words, change is inevitable and our responses to it are critical to sustaining organizational success over time.

How can an organization position itself to remain in business 10 years from now? Market disruptors are changing the game for many longstanding, well-established companies. Think about Amazon vs. bricks-and-mortar retail, Uber vs. radio-dispatched taxis, or VRBO and Airbnb vs. large hotel chains. Successful organizations recognize the threat and know that they need to look inwards and rethink strategy.
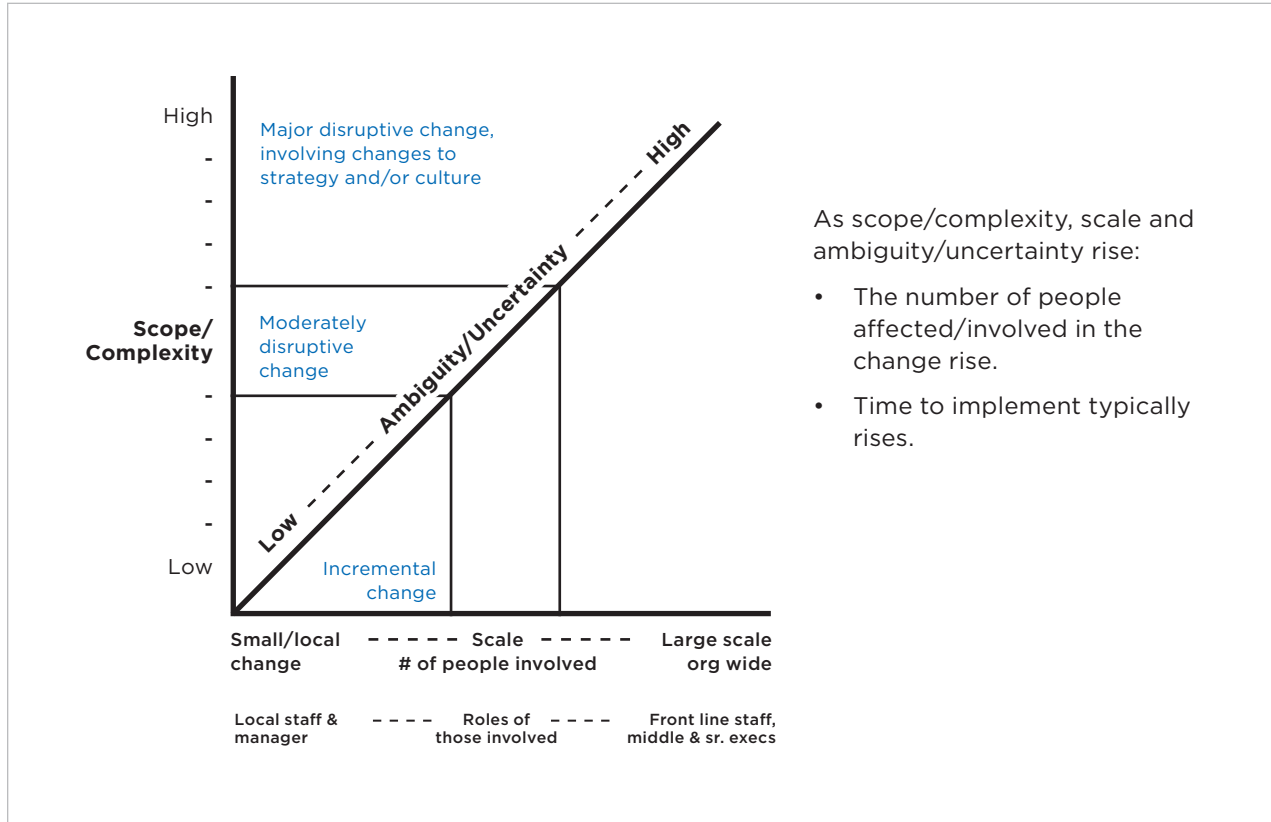
The change continuum

For long-term success, organizations need to learn how to better recognize and balance the different types of changes they should be investing in, to effectively deal with ambiguity, complexity and scale-related issues. Simpler incremental initiatives lie at one end of the change continuum, with significantly disruptive undertakings at the other end. The magnitude of what must be done and who must be involved to successfully implement change increases as one moves from the lower left to the upper right on Figure 1. Initiatives aimed at bringing about changes to corporate strategy and/or organizational culture are located in the upper right. These types of changes are inherently more complex, disruptive and difficult to implement. Organizations need to be able to effectively respond to the entire continuum, both reactively and proactively, as appropriate. Organizations that demonstrate sustained success and

3   Aiken, C. & Keller, S. (April 2009). The irrational side of change management. *McKinsey Quarterly*.

superior financial results have well-developed change management processes and related skill sets to assist them in navigating their way.[4]

FIGURE 1 : THE NATURE OF THE CHANGE[5]

As scope/complexity, scale and ambiguity/uncertainty rise:

- The number of people affected/involved in the change rise.
- Time to implement typically rises.

The corporate world is littered with casualties that failed to adapt quickly enough, both incrementally and in more disruptive ways. Misperceptions of risk and the level of urgency, plus an unwillingness to initiate appropriate actions in a timely manner, are impediments that need addressing.

What can be done to increase an organization's prospects for success? If you Google "organizational change and change management," millions of results are produced. There is no shortage of advice, and yet high failure rates persist. Change management is inherently messy due to uncertainties, complexities, and the fact that people are involved who have vested interests and are emotionally impacted by what is happening to them and to those around them.[6]

4   Bradley, C., Hirt, M. & Smit, S. (2018, February). Strategy to beat the odds. *McKinsey Quarterly.*

5   From support materials for Cawsey, T.F., Deszca, G., & Ingols, C. (2016). *Organizational change: An action-oriented toolkit* (3rd ed.). Thousand Oaks, California: Sage.

6   Sites offering advice to change agents include Smartsheets (**www.smartsheet.com/8-elements-effective-change-management-process**), Prosci's ADKAR approach (**www.prosci.com**) and Brightline (**www.brightline.org/?msclkid=ebb64d7fc0f31d0a49b4161622bbcaba/**).

Adopting a more disciplined approach: The Change-Path model

The Change-Path model that underpins this guideline seeks to adopt a disciplined and balanced approach to organizational change management. It deals with both the question of "what" needs to change and "how" to manage the change process. It recognizes that change management is about facilitating the transition of the organization to a desirable future state. However, it also recognizes that an important part of that transition involves ensuring that the organization is able to honour its commitments to internal and external customers for the goods and services they are expecting. Failure to do so can be very damaging to existing relationships.

The model is evidence-based and firmly entrenched in the change management literature. It recognizes that change initiatives can come from virtually anywhere in an organization and that, at its core, change management is an intensely human activity, involving careful consideration of individual values, beliefs and perceptions, reactions and the cultures of affected parts of the organization. The odds of success increase when the advocates of change know how to undertake needed analyses, engage others in the change journey, create support for the initiative with those affected, and effectively manage the process and risks related to it, and the model accounts for these key processes.

Introduction to the topic

In 1964, Bob Dylan famously released a song about "the times they are a-changin'" – and he was right. Dylan wrote the song as a deliberate attempt to create an anthem of change for the time. However, these universal lyrics have withstood the test of time and had a significant influence on society. Fast-forward to today and you are faced with the question on how fast these times are changing. Exponential technological advancements, cyber threats, social media's capacity to evoke large-scale responses, climate change, shifts in economic power to developing markets, and globalization are just some of the factors heightening complexity, uncertainty and volatility for all organizations.

What is organizational change management?

Organizational change management (or OCM) focuses on systems and processes used to advance change in organizations. To make them operational, it also addresses the knowledge, skills and abilities needed to identify what needs changing, obtain approvals and critical support, and manage the implementation. Specific activities undertaken will be idiosyncratic to the nature of that change, its magnitude, and the people and organization involved. However, the basic phases and process steps that need to be managed are generic in nature and can scale to address all types of change.

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Key questions to ask yourself

- Did leaders in banks and governments, let alone supply chains, utility operators and manufacturers, have blockchains and crypto tokens front of mind five years ago?

- Did retailers and retail property owners have an appreciation for how their world was changing due to social media and digital transformations such as the "Amazonification" of the retail space? If yes, did they take appropriate steps to adapt? Some did, many didn't.

Example: Organizations successfully navigating change

Firms such as 3M, Microsoft, Amazon, Google, and Cisco seem particularly adept at being aware of what is going on both in the external and internal environment. As a result, they can effectively manage both incremental and disruptive challenges and opportunities. Such firms are reported to have cultures that are innovative and open to change:

- They scan their internal and external environments for challenges and opportunities.

- They experiment with ideas and approaches.

- They have a tolerance for and capacity to learn from failures.

- They have strong, well-disciplined change management processes.

- They have well-developed change management skills.

The need for a disciplined approach to change management

Firms with successful change track records don't approach change in an ad-hoc manner. They make it a primary activity by adopting disciplined approaches to assessing and acting on challenges and opportunities and develop staff skilled in the use of these approaches to facilitate the process. Competency builds with practice when those involved are able and willing to learn from past experiences and adapt their approaches accordingly.

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Consider the situation where you are undergoing a major medical procedure: would you want a seasoned surgeon who has a strong record of success but doesn't think they know it all and is keen to optimize their approach and learn and develop further? Or someone who was new to medicine or the procedure altogether?

It is likely that when it comes to life-and-death decisions, you would err on the side of the skilled and experienced professional who knows how to use and adapt proven systems and process to increase the prospects for a successful outcome. You would want someone who is open to learning and personal improvement. The same holds true for change management. To increase the probability of successfully navigating difficult change challenges, organizations need access to disciplined professionals who are skilled in the art and science of leading and managing change.

Process

The Change-Path model defined

The **Change-Path model**[7] provides guidance for those wishing to assess their current practices and develop a more disciplined approach to change. At its core, the Change-Path model deals with two fundamental and interrelated matters that are instrumental considerations.

- What needs to change (and why)?
- How should we go about managing the change process?

These "**what**" and "**how**" questions lie at the core of all change initiatives.

The four interrelated and overlapping phases in the model involve initiatives needed for:

1. awakening key stakeholders to the need and vision for the change
2. mobilization of the people and resources needed to launch the change
3. acceleration of efforts to the broader group of change recipients
4. institutionalization of the change, in ways that will allow the organization to reap the optimal benefits of the changes and set the stage for future improvement-based initiatives

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7   Cawsey, T.F., Deszca, G., & Ingols, C. (2016). *Organizational change: An action-oriented toolkit* (3rd ed.). Thousand Oaks, California: Sage.
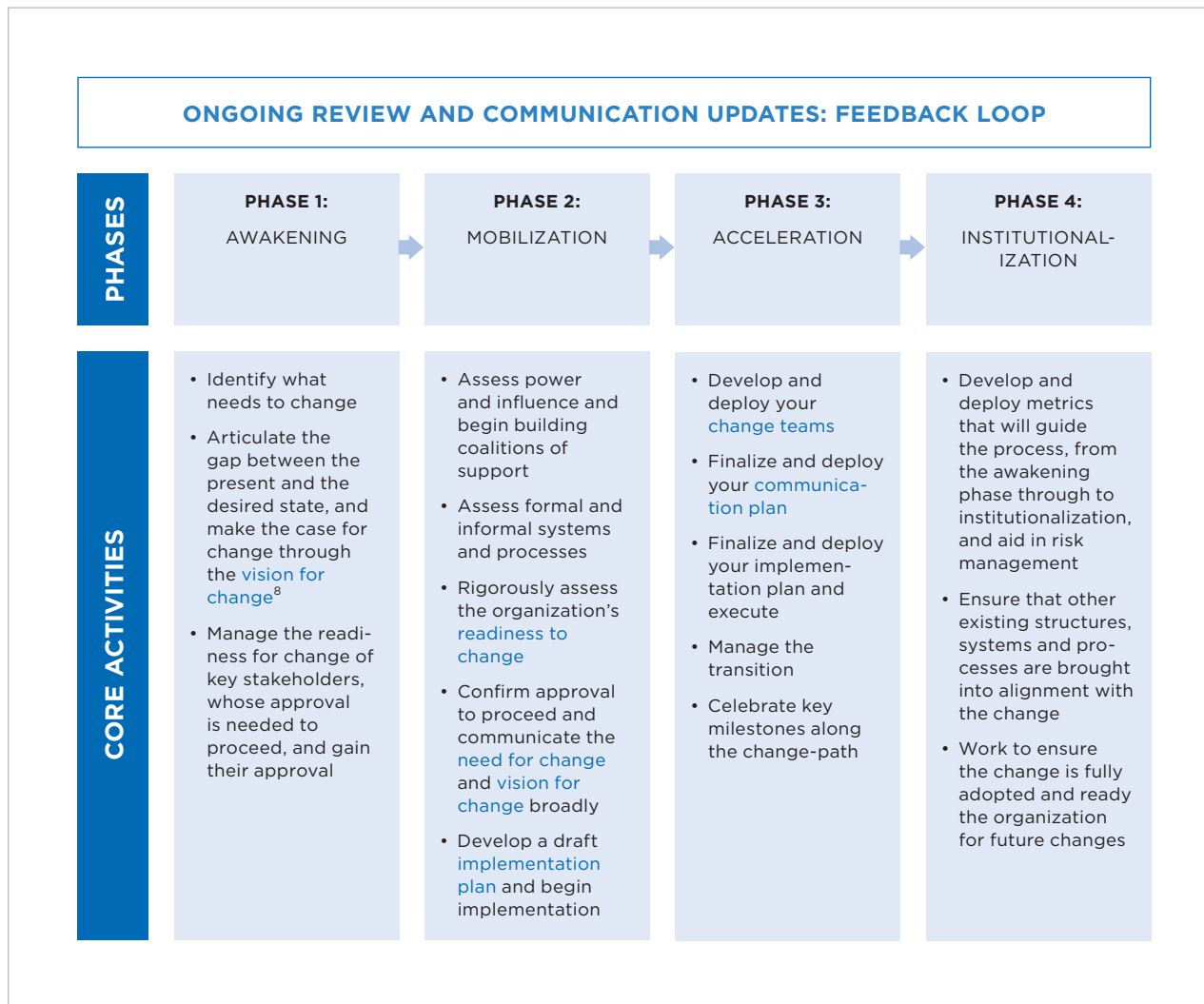
FIGURE 2: THE FOUR PHASES OF THE CHANGE-PATH MODEL

ONGOING REVIEW AND COMMUNICATION UPDATES: FEEDBACK LOOP

PHASES	PHASE 1: AWAKENING	PHASE 2: MOBILIZATION	PHASE 3: ACCELERATION	PHASE 4: INSTITUTIONAL-IZATION
CORE ACTIVITIES	• Identify what needs to change • Articulate the gap between the present and the desired state, and make the case for change through the vision for change[8] • Manage the readiness for change of key stakeholders, whose approval is needed to proceed, and gain their approval	• Assess power and influence and begin building coalitions of support • Assess formal and informal systems and processes • Rigorously assess the organization's readiness to change • Confirm approval to proceed and communicate the need for change and vision for change broadly • Develop a draft implementation plan and begin implementation	• Develop and deploy your change teams • Finalize and deploy your communication plan • Finalize and deploy your implementation plan and execute • Manage the transition • Celebrate key milestones along the change-path	• Develop and deploy metrics that will guide the process, from the awakening phase through to institutionalization, and aid in risk management • Ensure that other existing structures, systems and processes are brought into alignment with the change • Work to ensure the change is fully adopted and ready the organization for future changes

What does it take to effectively lead and manage the implementation of change?

Addressing questions of *what* needs to change and *how* to successfully implement those changes requires individuals in the organization who have open, inquiring minds and have the skills needed to lead and manage the process. Such individuals are flexible and adaptive, and have a higher tolerance for ambiguity, complexity and uncertainty. They have a reputation for honesty and integrity and know how to:

• Exercise disciplined approaches to environmental and organizational assessment.

• Effectively frame and communicate the need for change and the vision for change.

• Engage others and build support and commitment for the change.

8   The definition of terms that appear in blue throughout this guideline can be found in the **key terms section**.

- Develop and deploy the implementation plan, manage communications related to the change, and develop and deploy teams to advance implementation.

- Create and use metrics to help monitor progress, make mid-course corrections as needed, and celebrate successes with those involved along the way.

- See the change through to its conclusion.

- Learn from the experience for future initiatives, because change is an ongoing process – not a destination.

The Change-Path model provides guidance in the development of these individuals in these areas, increasing the prospects for the effective leadership and management of the change journey and the achievement of the desired results in both the short- and longer-term.

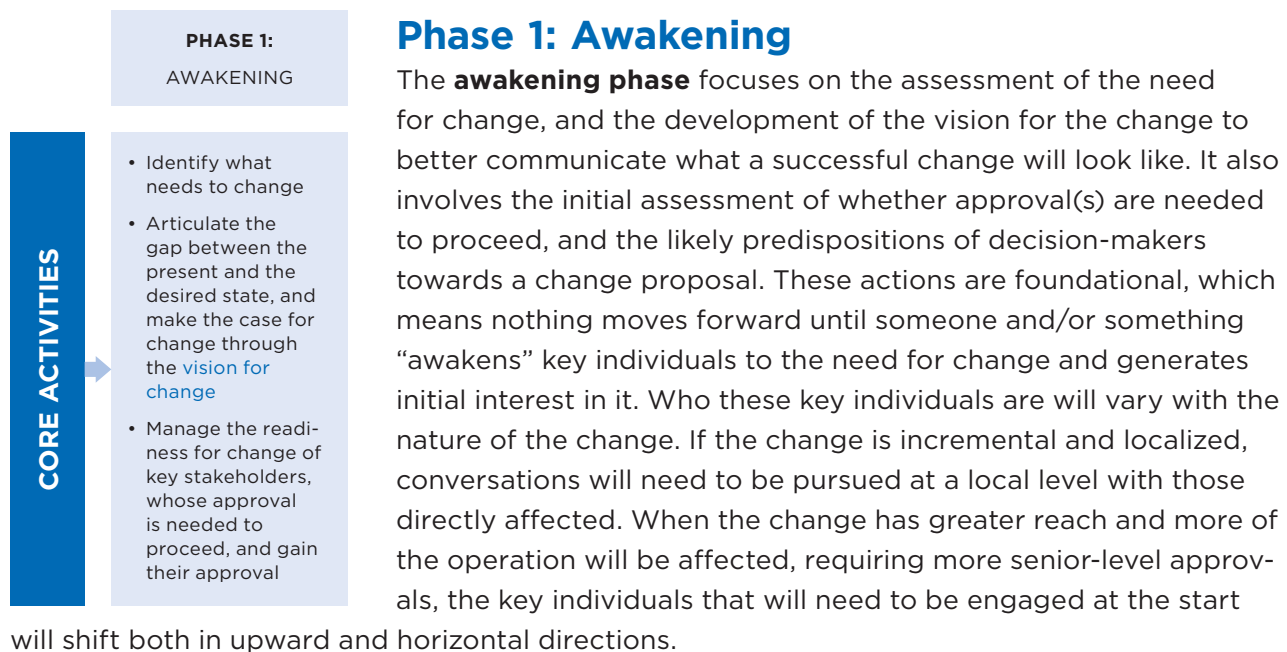# Applying the topic to your organization

The Change-Path model (Figure 2)[9] contains four phases that can and will overlap with one another. For example, a major change will often involve several interrelated initiatives that take time, and while one might be at the institutionalization phase in one part of the organization, the change may be at earlier phases (e.g., mobilization) in other parts of the organization. Finally, the metrics and risk-management element that are key components of the institutionalization phase play important roles in all three earlier phases, as the change agent seeks to frame and guide the change initiative forward to a successful conclusion.

<table>
<tr><td>

PHASE 1:

AWAKENING

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CORE ACTIVITIES

- Identify what needs to change
- Articulate the gap between the present and the desired state, and make the case for change through the vision for change
- Manage the readiness for change of key stakeholders, whose approval is needed to proceed, and gain their approval

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Phase 1: Awakening

The **awakening phase** focuses on the assessment of the need for change, and the development of the vision for the change to better communicate what a successful change will look like. It also involves the initial assessment of whether approval(s) are needed to proceed, and the likely predispositions of decision-makers towards a change proposal. These actions are foundational, which means nothing moves forward until someone and/or something "awakens" key individuals to the need for change and generates initial interest in it. Who these key individuals are will vary with the nature of the change. If the change is incremental and localized, conversations will need to be pursued at a local level with those directly affected. When the change has greater reach and more of the operation will be affected, requiring more senior-level approvals, the key individuals that will need to be engaged at the start will shift both in upward and horizontal directions.

Change agents: Essential to beginning and sustaining change initiatives

Consistently, however, the awakening phase begins with a change agent, the individual(s) responsible for advancing organizational change. Change agents can fill a variety of different roles in the process and many wear different hats at different times. They may be: change leaders, providing leadership in initiating in the process of change and identifying the "what"; change managers who manage the implementation process and identify the "how"; or change facilitators/advisors such as a senior management team member who provides advice, council and support (directly and indirectly, through their ability to influence others) to those striving to move the change forward. An individual acting in any of these roles will be referred to as the

9   Adapted from Deszca, G., Ingols, C., & Cawsey, T. (2019). *Organizational change: An action-oriented toolkit* (4th ed.). Thousand Oaks, California: Sage.

change agent in this guideline. Since this guideline is intended for readers interested in advancing change, it will also refer to the change agent as "you."

The reality for individuals involved in assessing, designing and implementing change is that they are regularly shifting roles as the situation requires. At times leadership roles and the related competencies/attributes will be the ones change agents need to deploy, while at other times managerial roles and related competencies/attributes will be the ones most critical to moving the change initiative forward. Individuals who are skilled change agents typically have developed the capacity to adapt their approach to meet the needs of the situation at different points in time. The attributes associated with change leadership and change management roles are indicated in Figure 3.

FIGURE 3: ATTRIBUTES OF CHANGE LEADERS AND CHANGE MANAGERS[10]

Attributes of change leaders (scores ranked by experts out of 100)		Attributes of change managers (scores ranked by experts out of 100)	
Inspiring vision	92	Empowering others	88
Entrepreneurship	87	Team building	82
Integrity and honesty	76	Learning from others	79
Learning from others	72	Adaptability and flexibility	69
Openness to new ideas	66	Openness to new ideas	64
Risk-taking	56	Managing resistance	58
Adaptability and flexibility	49	Conflict resolution	53
Creativity	42	Networking	52
Experimentation	38	Knowledge of the business	37
Using power	29	Problem-solving	29

10   Adapted from Caldwell, R. (2003). Change leaders and change managers, Different or complementary? *Leadership and Organizational Development Journal,* 24/5, 2003, 285-293.

Being an effective change agent involves risk-taking, even when incremental interventions are the focus. This escalates when more disruptive change is on the horizon. Effective change agents:

- have open, inquiring minds that challenge existing approaches, develop alternatives and communicate this information in ways that promote understanding and confidence that the analytic work and recommendations have been thoroughly and competently done

- must be able and willing to create a compelling shared vision of the change and provide guidance that empowers others to take actions that advance matters

- act as role models who walk the talk in ways that develop others and instill trust and confidence

- engender commitment to the change that appeals to people's hearts (we're doing this for a higher purpose) as well as their minds (the logic) and bodies (getting on with the actual doing)

- demonstrate tolerance for ambiguity, complexity and uncertainty and help others deal with these by helping them interpret events in ways that make things more understandable and actionable

- have access to a well-developed network of individuals that they can draw upon for additional assistance and guidance

- are honest and trustworthy individuals who act with integrity

Assessing what needs to change, selecting the best paths forward and then effectively implementing the change initiative(s) requires a disciplined and proactive approach encompassing assessment of internal and external elements, the building of support, and the development and implementation of the change management plan.

The three main steps of the awakening phase are outlined below.

Step 1: Identify what needs to change

Questions related to "what" needs to change are often triggered by an event or observation. They are central to this first phase and are anchored in organizational analyses, as well as in environmental[11] analyses such as external environmental analyses, which help highlight factors that may represent opportunities and threats to the organization, and internal environmental analyses, which provide information on what is occurring internally in the organization.

Changes that are smaller and incremental tend to rely on internal analyses to highlight areas for improvement. However, there may be value in extending the analyses externally. For example, competitor benchmark data in the operations area could open minds to new incremental initiatives.

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11   Note that "environmental," in this context, refers not to the natural world or biosphere but rather to the external and internal elements that surround an organization and that are having or could have an important impact on performance.

As the complexity, ambiguity and scope of the change increase, so do the level of analytic effort. Internal organizational analyses extend to all parts of the enterprise that might be affected. This is accompanied by a significant escalation in the level of external environmental scanning and analysis, reflective of the magnitude of what is being considered. When reactive changes are involved, these analyses are used by the change agent to awaken key decision-makers of the need for action (e.g., loss of market share or eroding margins). When proactive changes are involved, the internal and external work is more focused on the magnitude of the opportunity, the consequences of not moving proactively, and the associated costs, benefits and risks.[12]

Environmental assessment activities contribute to the legitimacy of the resulting observations, because those observations will be evidence-based. Therefore, it is useful to involve others in this analytic work, if possible, because it heightens the sense that ownership of the findings is shared.

Putting metrics and risk assessment tools to work

As noted earlier, metrics and related risk-management strategies are important components of Phase 4 (institutionalization) that are deployed throughout the change process. This begins with the awakening phase. Using measurement tools to assess situations, evaluate options, assess risks, and determine and monitor a course of action, increase the probability for successfully institutionalizing the desired changes. During the awakening phase, metrics related to internal and external analyses, future prospects and risk assessment tools such as heat maps (impact/probability risk matrices) are very helpful when assessing what needs to change, the opportunities and risks, and possible paths forward.

Effective internal and external environmental analyses and risk assessment will serve as an important platform for the next two steps of Phase 1.

Step 2: Articulate the gap and make the case for change

When things are going along well in an organization, those with decision-making authority may underestimate the risks of continuing along their current trajectory, underestimate the benefits of change and question the likelihood that these benefits will be realized. When things are going very poorly, people's willingness to take risks can escalate to unreasonable proportions, causing them to take ill-considered actions.

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12   There are a variety of analytic models that can be used for internal and external assessments. The ones which are most appropriate will depend upon the nature of the changes being assessed. These models can be found in strategy and organizational change books, articles and through web searches. For example, PESTEL (**www.salemalanzi.com/pestle-analysis**), SWOT (**https://en.wikipedia.org/wiki/SWOT_analysis**) and Porter's Five Forces models (**https://en.wikipedia.org/wiki/Porter%27s_five_forces_analysis**) are useful when changes are more strategic in nature. The Nadler-Tushman Organizational Congruence model (**www.mindtools.com/pages/article/newSTR_95.htm**) is very helpful when assessing what changes to internal alignment may be needed.

The analytic work undertaken in Step 1 provides the change agent with a stronger under-standing of the gap between the way things are currently operating and the desired future state and assists them in crafting an effective vision for change. The vision for change and the earlier-mentioned analytic work are critically important, because they frame the change in more compelling terms. They enable those in decision-making authority and those who will be affected to be confident that you know what you are talking about, are clear about where you are proposing to take them, can explain why it is worthwhile given the costs and risks, and are able to demonstrate that the perceived value of the change and its chances for success are greater than the perceived costs.

The characteristics that underpin a vision for change are like those found in corporate vision statements (see Figure 5). However, a change vision has a shorter time horizon (the time required to implement the change) and is focused on the tangible outcomes to be achieved and their anticipated impact. By definition, the vision for change should be aligned with the corporate vision.

FIGURE 4: CHARACTERISTICS OF A STRONG VISION FOR CHANGE

The change agent may be the person charged with articulating and communicating the need and vision for change, but their development is often a shared undertaking. The engagement of others may lengthen the time required at this step, but this approach usually strengthens the quality and completeness of the underlying analyses, enhances the sense of legitimacy of the work undertaken and facilitates the development of coalitions of support for the initiative as it moves forward.

Step 3: Manage the readiness for change of key stakeholders whose approval is needed to proceed

To help ready the organization for a proposed change, solid analyses and a compelling vision are typically not enough. Key stakeholders' past experiences with change initiatives may have been less than positive. They may underestimate the costs and risks associated with staying the course. The status quo is often perceived as the lower risk option because it is the "devil they know." Conversely, when things are going very poorly, their willingness to take risks can escalate to unreasonable proportions, causing them to be willing to take ill-considered actions.

To gain interest and approval to proceed, key stakeholders with decision-making authority concerning the proposed change must come to believe that the change can and will be accomplished and that it is the right thing to do. These key stakeholders need to believe that:

- The analyses are sound and that the change is the right thing to do.

- Risks have been carefully considered and can be managed.

- Other pressures and priorities have been factored in.

- The perceived value of the change and its chances for success are greater than the perceived costs.

- The overall approach to planning the details of the change and its implementation will be thoughtfully and competently attended to.

- The "**what's in it for me/us**" question has been addressed with the key stakeholders, and careful consideration given as to how things will be perceived by others on the receiving end of the change.

- The change agent is trustworthy, credible and capable.

This confidence in the change agent is developed through the quality of their analytic work, the compelling nature of the vision for change, their interpersonal skills, their past change management experience and their reputation.

PHASE 2:

MOBILIZATION

CORE ACTIVITIES

- Assess power and influence and begin building coalitions of support
- Assess formal and informal systems and processes
- Rigorously assess the organization's readiness to change
- Confirm approval to proceed and communicate the need for change and vision for change broadly
- Develop draft implementation plan and begin implementation

Phase 2: Mobilization

Mobilization involves extending the awakening to others in the organization who will be affected by the change and advancing the readiness both of people and of systems for the planned change.

Step 1: Assess power and influence and begin building coalitions of support

There are various approaches that can be used to assess power, cultural dynamics in the organization, and predispositions towards the proposed change. One particularly useful approach is to conduct a stakeholder analysis.

A stakeholder analysis involves the identification of all those individuals and groups who can have a material impact on and/or who will be impacted by the proposed change. Its purpose is to develop a better appreciation for their positions, perspectives, predispositions towards the change, and the types of power and influence they can exercise. Knowing this will add to your understanding of the context and how best to approach and manage the various stakeholders to nurture needed support, reduce concerns and advance the change.

Tips

Key stakeholder analysis questions include:

- Who are the stakeholders (individuals and groups)? Which ones are most critical? Why?

- How will the different stakeholders be impacted by the change? Who will have to change their behaviour due to the change and how will they likely react?

- Which stakeholders are likely to support you once they are engaged in conversations about the change? Why? Why not? What prevents them from supporting the planned change?

- Whose influence will be increased or decreased as the result of the change?

- Which stakeholders have the potential to particularly ease the path to change? Which have the potential to be particularly disruptive? Can you influence them directly? Indirectly?

- Who influences the influential stakeholders who are particularly relevant to either the success or derailment of the change? Can you influence the influencers? If so, how?

- Can these different stakeholders be co-opted or involved in the change in ways that will nurture support or minimize resistance?

This information can be captured in charts and tables, such as those in Figures 5 and 6, which are then updated and used for planning and implementation purposes.
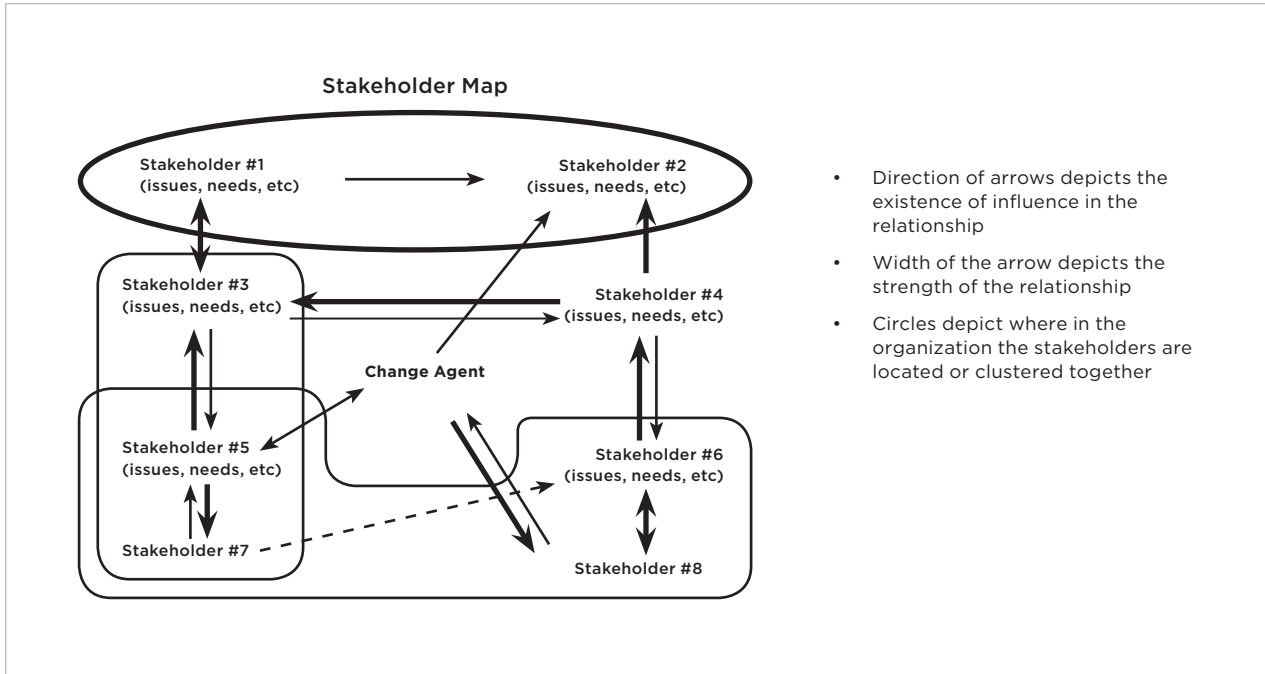
FIGURE 5: STAKEHOLDER MAP[13]

Stakeholder Map

- Direction of arrows depicts the existence of influence in the relationship
- Width of the arrow depicts the strength of the relationship
- Circles depict where in the organization the stakeholders are located or clustered together

FIGURE 6: STAKEHOLDER TRACKING TABLE[14]

Stakeholder	Their view of the change, their issues, needs, etc.,	Where are they in the adoption process? [from: (1) unaware; (2) aware & opposed; (3) aware; (4) interested; (5) desiring action; (6) adopting]	How important is their reaction to the change?	Their power and influence	Who influences them?
Stakeholder #1					
Stakeholder #2					
Stakeholder #n					

13   Cawsey, T.F., Deszca, G., & Ingols, C. (2016). *Organizational change: An action-oriented toolkit* (3rd ed.). Thousand Oaks, California: Sage.

14   From support materials for Cawsey, T.F., Deszca, G., & Ingols, C. (2016). *Organizational change: An action-oriented toolkit* (3rd ed.). Thousand Oaks, California: Sage.

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Step 2: Assess formal and informal systems and processes

During the awakening phase, formal and informal systems and processes were probed to see whether they were part of what needed to change. The task here is somewhat different: the purpose is to identify how other parts of existing formal and informal systems and processes might act as impediments or potential sources of facilitation for the proposed change.

For example, understanding formal approval processes and the nature of the budgeting and funding processes may provide useful guidance on how to go about timing and structuring your request for project approval. If a supportive local manager has approval authority for requests under $50,000, it may make sense to break the bigger project into smaller ones that the local manager could fund. Then you can use their success to build momentum and support for the larger request that the full-on implementation will require.

A useful technique to apply in this area is a force-field analysis to identify supportive forces and restraining forces that can be leveraged to facilitate the change or that may act as barriers. Once these forces are identified and charted, this knowledge can then be incorporated into the implementation plan.

At the beginning of most changes, there will be many more forces aligned to support the status quo than the desired future state. The proposed change may be new to those affected, existing formal and informal systems and processes likely have evolved to support the current state, and people may believe they have a vested interest in its maintenance. By mapping the forces, the change agent puts themselves in a position to reflect on what they can do to add or strengthen driving forces, weaken or remove restraining forces, or convert resistors into potential drivers. For example, if a key part of the existing information system is acting as an impediment because it is not delivering needed information, some modifications to the information system and user training might turn this situation around.

Step 3: Rigorously assess the organization's readiness for change

Matters related to the organization's readiness for change were explored in a preliminary way during the awakening phase. It is now time to deepen this analysis. The stakeholder and force-field analyses will assist in this regard. An understanding of the past experiences of organizational members with change and their sense of the current state of the organization are important to consider as one begins to move forward.

Tips

Typical dimensions explored when assessing an organization's readiness for change include:

- previous change experiences
- beliefs about the need for change
- level of executive support
- level of credibility and trust organizational members have in the leadership of the organization, its managers and its change champions

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- openness to change of various stakeholders and organizational members
- level of alignment or readiness of systems and processes to aid in advancing the changes
- rewards for change vs. rewards for staying the same
- measures available for assessing changes and monitoring impact and accountability

Various tools for measuring organizational readiness exist. Some are free and can be found on the Internet while others are available for a fee.[15] Some are simple surveys while others involve interviewing along with questionnaires and require the involvement of a consultant. Alternatively, after reviewing different options, you could develop your own assessment tool. If an existing readiness assessment tool is used, some customization may be needed to ensure it reflects the unique attributes and culture of your organization. Face-to-face conversations with key individuals will prove helpful when assessing readiness for change and, if a survey is used, may improve the response rate.

Step 4: Confirm approval to proceed and communicate the need and vision for change broadly

Final permission and budgetary approval to proceed must be sought, if needed, from those with decision-making authority regarding the change. If it is a smaller, incremental change, the authority to proceed may lie with the local manager or be entrusted with you. However, when the change is more disruptive, the approval of others will likely be needed, with approval levels escalating with the magnitude of the proposed initiative (see Figure 7).

FIGURE 7: DECISION-MAKING AUTHORITY[16]

Type of change	Magnitude of change: Number of departments and/or people affected	Organization policies related to change approval	Threshold ($M)	Approval authority required

15 For example, see the California government publication: https://cdt.ca.gov/wp-content/uploads/2017/02/OCM-Readiness -Guide.pdf; the blog published by Prosci: http://blog.prosci.com/when-should-you-use-a-change-management-readiness -assessment; TSI's introductory tool: http://transforming.com/business-and-information-technology-consulting-services/ organizational-change-management/change-readiness-assessment; S. Zolzo's readiness measures published in the 2009 Pfeiffer Annual Training document. Retrieved from www.proactionassociates.com/site_ProAction/section_publications/PDFs/PRO_article_hosReadyChangeReadinessChecklist.pdf.

16 From support materials for Cawsey, T.F., Deszca, G., & Ingols, C. (2016). *Organizational change: An action-oriented toolkit* (3rd ed.). Thousand Oaks, California: Sage.

Once the approval to proceed has been given, communications about the change will need to extend to everyone affected.

As you articulate the need and vision for change:

- **Be realistic about the nature of the journey that lies ahead and don't fall prey to the temptation of underestimating time and cost.** Overpromising and under-delivering breeds cynicism, damages your professional reputation and makes future initiatives more difficult.

- **Use insights developed in this phase to expand communication efforts concerning the vision for change and why it's needed**. Be ready to respond constructively to change recipients and other stakeholders. Seek to nurture their interest, energy and enthusiasm.

- **Be ready and able to show stakeholders what is in the change for them as well as the organization**. When rewards are involved, be careful of excessively high individual rewards for success or high individual penalties for failure, as these may engender behaviours that are not in the best interest of the organization. For example, they may cause individuals to compete when collaboration is needed or hide evidence of problems rather than have them surface, so they can be assessed and effectively addressed.

Step 5: Develop the draft implementation plan and begin implementing

At this point, the words of the Cheshire Cat in *Alice in Wonderland* are particularly relevant: "If you don't know where you're going, any road can take you there." Flying by the seat of one's pants is not a recipe for a successful change initiative. For this reason, the development of a detailed implementation plan is essential and is often a requirement for securing approval to proceed. The plan should, at a minimum, include:

- what needs to be done, by whom and with whom

- the timelines involved, including the start and finish dates for key steps along the way

- how the needed work will be undertaken and how progress will be assessed (metrics)

- how the change initiative will govern itself and be managed

- what budgetary requirements exist

This document can and should be refined and modified as the initiative proceeds and things are learned along the way.

CORE ACTIVITIES

- Develop and deploy your change teams
- Finalize and deploy your communication plan
- Finalize and deploy your implementation plan and execute
- Manage the transition
- Celebrate key milestones along the change-path

Phase 3: Acceleration

With mobilization underway, the focus shifts to actions needed to accelerate progress. Efforts intensify to ensure the initial implementation initiatives undertaken during the mobilization are solidified and that implementation efforts are extended to the other parts of the organization targeted for change. The constructive engagement of the recipients of change continues. It involves listening carefully to their concerns and insights, adjusting your approach where appropriate and helping them adapt and better understand what is in it for them and the organization.

Organizations rarely stop everything they are doing when implementing changes. Products and services still need to be produced and customer expectations met. Actions during the **acceleration phase** need to address how to manage the transition to avoid fallout on this front.

Step 1: Develop and deploy your change teams

Apart from smaller interventions, change agents will need the help of the following change teams to advance implementation in a timely manner.

a. The steering team

This team plays a governance role, providing guidance and support to the change agent and their implementation team. They help with the framing of the change mandate, sorting out higher-order policies and approvals, and major go/no-go decisions. If the change is a smaller one, a single person can fulfill these roles. Teams in this area become increasingly valuable as complexity, uncertainty and size of the change rise.

Tips

What should one look for in the design of a steering team?

- individuals who have needed influence to support the team with others and leverage access to resources the team may need (people, time, money, equipment)

- individuals who are trusted, respected and willing to commit the time needed to help

- individuals who have the competence needed to provide guidance and governance to the implementation team

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The last bullet is particularly important, because the change agent and the implementation team are likely to be very committed to the initiative. While their commitment and cohesion are highly desirable, these factors also create conditions that can lead to "group think." The steering team is there to help prevent this.

In addition to the steering team, change agents often find it useful to develop direct access to other credible senior executives who are willing to advocate for the change and provide additional support and guidance. Their sponsorship and guidance on matters such as the internal political dynamics of the organization provide change agents with valuable information and support.

b. The implementation team

This team is responsible for the detailed design of the implementation plan and its execution. Membership on the team will vary over time, to reflect what is required at different points in time for a successful implementation.

What should one look for in the design of an implementation team?

Tips

The ingredients that go into creating a successful implementation team are essentially the same as one would want to see in any high-performance team[17]:

- clear, engaging direction from leaders who are authentic, credible and trusted

- real team tasks that reinforce the need for cooperation and mutual support

- rewards for team excellence

- team members who possess the right mix of knowledge, skills and attitudes

- authority vested in the team to manage the work

- team goals that are truly shared and generate a sense of shared accountability

- team promotion of strategic, critical thinking and a predisposition to focusing with the tasks at hand

- team members' belief that they have the support of key senior leaders

- access to timely and required information

- the emotional capacity to deal with ambiguity and complexity

- team members who trust one another fully and don't withold information

- an environment where effective conflict management skills and a positive attitude are the norm (rather than the exception)

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17 For example, see Katzenbach, J.R., & Smith, D.K. (2015). *The wisdom of teams: Creating the high-performance organization.* Boston: Harvard Business Review Press.

Change agents face two underlying challenges in the team area. The first is to nurture the development of a steering team that will give them the guidance and support they need. The change agent may not be able to exercise much influence in this area, but their sponsors may be able to help.

The second challenge is to recruit, develop and manage the implementation team. As in the above case, they may be in a situation where they do not have much direct control over membership, but frank conversations concerning needs (talent, personalities, reputations, release time, etc.) with project sponsors and the steering team can assist in this area. Nurturing the interest of skilled individuals in becoming more deeply involved can also prove helpful.

Step 2: Deploy your communication plan

Communicating with impacted stakeholders focuses on ensuring that:

- Key messages are reinforced.

- Appropriate documentation and training is provided to people impacted by the change.

- The reactions of impacted stakeholders are noted and attended to.

- Timely and engaging communication updates are delivered, to ensure you have the buy-in, support, interest and engagement of those impacted.

- You celebrate progress, most notably key milestones.

When the change is simple and straightforward, the nature of the communication plan is also simple and straightforward. When changes are larger and more complex, the prospects for success are greater if you have a well-thought-out communication plan that has been developed with four major purposes in mind:

1. to instill awareness of the need for change throughout the affected parts of the organization and nurture interest, support, engagement and the persistent effort needed to stay the course

2. to help individuals understand what is expected of them, how the change will affect them and how they will be supported

3. to communicate and support any changes to structures and processes in a timely manner, including job and role changes

4. to keep people informed about progress, notably status updates on initiatives undertaken, successes and setbacks, impending activities and timelines

Communication plans are not static. The messages and methods of communication will vary with size and complexity, as you move through the various stages of the change process (see Figure 8).

FIGURE 8: METHODS OF COMMUNICATION THROUGHOUT THE CHANGE-PATH MODEL

Phase	Type of communication involved
Awakening phase	Seeks to build awareness, interest, buy-in and support among key stakeholders regarding the: • need for change • vision for the change • overall path forward
Mobilization phase	• seeks to expand awareness, interest, buy-in and support for the change to all those who will be affected • provides the additional information needed by those who will be the early participants in the change initiative • celebrates early successes and achievement of milestones
Acceleration phase	Provides timely information to the remaining change recipients regarding: • current activities • next steps • recognition and celebration of the achievement of key milestones
Institutionalization phase	• confirms what has been accomplished • reinforces the benefits achieved by the change • celebrates success and the contributions of those who have contributed to it • identifies lessons learned that may help inform future change initiatives

As one develops the communication plan, consider carefully how technology could assist in assessing the need for change, spreading the word, providing timely responses to questions and concerns, and building confidence in the process being undertaken and the credibility and trustworthiness of those charged with leading it.

Tips

As changes increase in scope and complexity, electronic communication tools can help if they are handled competently and are viewed by their intended audience as credible and honest.

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Tips (cont'd)

Sentiment assessment tools such as those developed by IBM are being used to capture issues and assess a firm's working environment through the ethical monitoring of themes contained in emails and social media content. IBM uses their social media platform to engage their employees on various issues and reported using it to help them revamp their global performance management system in a matter of months.

The list of available electronic communications tools is long and growing. The more familiar include email, instant messaging (IM), blogs, tweets and various types of collaborative groupware tools.[18] Workplace by Facebook[19] provides access to a suite of such tools, and similar services are offered by other firms. The key is to select those that change agents can deploy competently and that recipients are likely to trust and use.[20]

Step 3: Fully deploy your implementation plan

Remember that the prime purpose of an implementation plan (also referred to as an action plan) is to advance the implementation and effectively manage related risks. As the pace of change accelerates in the organization, continue to implement and fine-tune your implementation plan, your communications plan and the associated measurement tools you will use to guide and monitor the initiative.

In addition to scheduling activities, a well-developed implementation plan can help you in a variety of ways, provided you populate it with the right tools. The earlier discussions of tools related to assessing the need for change, readiness for change, force-field and stakeholder analysis, change teams and communication plans are all examples of implementation planning tools that are deployed in different stages of the process. These and other implementation planning tools are worth exploring when developing your implementation plan (see Figure 9).

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18   A discussion of collaborative groupware tools can be found at: http://wps.prenhall.com/bp_turban_ec_2012/207/53241/13629784.cw/content/index.html

19   Workplace by Facebook: www.facebook.com/workplace/m/news-feed

20   Waddell, K. (2016, September 29). The algorithms that tell bosses how employees are feeling. *The Atlantic*. Retrieved from www.theatlantic.com/technology/archive/2016/09/the-algorithms-that-tell-bosses-how-employees-feel/502064

FIGURE 9: IMPLEMENTATION PLANNING TOOLS

Action planning tools	Intended use
Administrative tools: • responsibility charting • to-do lists • scheduling tools • budgets • follow-up documentation • confirmation of completion	Used to keep track of such factors as: who is responsible for what (including backup); task schedules and timelines; progress on action items, milestones, and objectives; and expenditure rates relative to budgeted amounts.
Surveys and survey feedback tools	Survey instruments used to assess such factors as: employee awareness of the current situation; their understanding of the reasons for change; and their attitudes, beliefs, reactions, level of support for and commitment to the change. The content contained in the tools will vary with where the organization is at in the change process.
Competence assessment and remediation tools	These tools assess whether individuals can do what is being asked of them. For example, if the change involves new software, can employees effectively and efficiently put it to use? Testing for competence, error monitoring, mentoring and retraining (when needed) fall into this category.
Project planning tools such as critical path methods used to plan the task schedule, identify resource requirements, identify and manage potential bottlenecks, etc.	A variety of useful tools are found in the project management literature. When needed, these can be deployed to provide additional guidance to the scheduling of specific steps in the change plan, identify bottlenecks and alternative paths, improve logistics, and strengthen the coordination of effort.
Contingency planning tools	These tools are used to identify risk points and develop contingency plans, if the preferred path becomes problematic and a "Plan B" is required. Decision-tree analyses and scenario planning can prove helpful in this area.
Tracking support tools	Tools in this category are used to track the support and commitment of individuals and their potential to influence the actions of others and outcomes.

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Action planning tools	Intended use
Tracking support tools *(cont'd)*	Approaches adopted can be very basic, such as the simple tracking of the sentiments contained in conversations and emails. However, the approach can also be more complex, involving surveys and other electronic tools used to gauge sentiment.
Influencing tools	Used to identify, track and assess the value of different influence approaches with different stakeholders at different phases of the change process. The previously-mentioned sentiments, assessment tools and stakeholder monitoring tools fall into this category.
Transition management tools	Tools used to ensure the organization can continue to successfully operate and meet the expectations of internal and external customers while implementing the changes.
After-action review tools	Tools used to ensure the lessons learned during the change process are captured for future use, and that they provide recognition and support for change team members who will now transition into other activities.

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Step 4: Manage the transition and sustain energy and enthusiasm

Continue to work to sustain energy and enthusiasm for the change with your implementation team and through them, the change recipients. This is easier said than done because it is easy to lose momentum and commitment due to competing priorities, change-related stresses and strains, setbacks, fatigue and exhaustion, particularly when implementing larger, more complex changes. Figure 10 below illustrates common challenges of transition management and possible responses.

FIGURE 10: TRANSITION-MANAGEMENT CHALLENGES AND RESPONSES

Challenge	Response
The change initiative gives rise to a cascade of related change initiatives in different parts of the organization.	To ensure that progress is not slowed or impaired, the change agent discusses the collateral change initiatives with the other parties involved so that efforts can be better coordinated.
Other change initiatives are underway in the organization.	The overall change agenda in the organization will need to be managed so that changes don't get in the way of one another.
Organizational members are struggling to fulfill their pre-existing responsibilities for delivering on commitments to internal and external customers.	Change agents give careful attention to addressing how commitments will be managed during the transition period, to avoid frustration, anger and exhaustion on the part of organizational members and/or frustration and anger on the part of their customers.
Change can be stressful. It can get lonely and frustrating at times and feel repetitive as you roll out the change.	As the change proceeds, the change agent takes time to celebrate successes and assess hiccups and failures. The change agent needs to manage their own energy and enthusiasm, while helping others involved with the change to do the same, and prevent burnout.
Failures and setbacks occur (inevitably) in larger and more complex changes.	The change agent establishes "safe" spaces in which conversations with team members regarding energy flow and personal reactions to change can be held, to debrief and learn from the experiences.

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Another significant transition-management challenge that warrants attention is resistance. When implementing change, you will often encounter individuals who are not supportive and may seek to push back. The undertaking may be relatively new to the recipients and they may have serious concerns:

- Will it hurt long-term customer satisfaction and retention?

- Are there the resources and organizational commitment needed to see it through?

- Will it really work as proposed or will it make things worse?

- Will it divert attention from more important matters?

- Will it adversely affect me and my team?

- Will we be able to do what we are being asked to commit to?

- What is in it for me?

Tips

How to deal with resistance to change:

- **Do not** fall into the trap of automatically viewing this as full-blown resistance to change that must be aggressively repelled or neutralized. Often what one is really hearing are ambivalent reactions to the undertaking. The term "resistance" oversimplifies things in a dangerous way and can become a self-fulfilling prophecy.

- Avoid getting frustrated and jumping to the conclusion that you are dealing with full-blown resistance by individuals. It is safer to assume that what you are observing is ambivalence or milder forms of resistance. Engage in dialogue and seek to understand their perspectives and concerns. View the reactions of others as valuable information. There may be elements that you have missed or need to reconsider to smooth the path forward and remove roadblocks.

- It is much easier to shift hearts and minds when dealing with ambivalence or milder forms of resistance versus full-blown resistance. If you respond in ways that result in full-blown resistance, you have just made your change challenges much more difficult. Don't get into a war unnecessarily. It is far easier to get into a war than to successfully exit it.

- Change agents also need to temper undue exuberance and excitement by those favouring the change and instill in them the importance of treating everyone with respect and dignity. If people develop realistic expectations concerning the impact the change will have and the time, energy and resources needed to achieve it, they are far less likely to become disillusioned and potential opponents along the way. They are also less likely to turn on those with concerns about the change if the change agent instills the importance of treating others with respect and dignity.

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Tips (cont'd)

- When more disruptive changes are involved, provide recipients with the opportunity to grieve and celebrate what was previously accomplished. Don't drive these feelings underground by failing to honour the past. Instead, use this as a bridge to help them move on and adjust to the changes.

- Ensure that recipients adversely affected by more disruptive change (e.g., layoffs, demotions) are treated fairly and equitably. Those remaining will be watching closely and their attitudes towards the change agents and the initiative will be affected by how this is handled. Decisions concerning whether they should stay or go will be based partly on: how others are treated; whether or not they believe there are good reasons to hope for a better future in the organization; whether there are other good reasons to stay; and what they see as their employment alternatives.

- Ensure recipients receive the training and support needed to effectively adjust to what is now expected of them, due to the changes.

- If full-blown resistance surfaces in the form of passive and active resistance designed to derail the change and other forms of influence have not succeeded in altering behaviour, change agents will need to seek permission (if needed) to undertake more aggressive action with those trying to sabotage the initiative. This could include reassignment or disciplinary actions, up to and including dismissal. However, use these approaches as a last resort, unless the actions have been truly egregious (e.g., engaging in sabotage).

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CORE ACTIVITIES

- Develop and deploy metrics that will guide the process, from the awakening phase through to institutionalization, and aid in risk management
- Ensure that other existing structures, systems and processes are brought into alignment with the change
- Work to ensure the change is fully adopted and ready the organization for future changes

Phase 4: Institutionalization

The **institutionalization phase** focuses on actions that help to solidify the change initiative and make it the new normal.

Step 1a: Develop and deploy metrics that will help frame and guide the process

Measurement and monitoring activities provide guidance to change agents, steering and implementation teams throughout the change process, from the initial assessment of costs, benefits and risks to the tracking of progress and final assessments of what was achieved. They are used to:

- clarify what successful change will look like
- make sense of how to proceed
- allocate resources
- help clarify what people are expected to do
- monitor progress
- signal the need for midcourse corrections
- manage risks throughout the process

Examples of the metrics used at different phases of the change process are set out in Figure 11.

FIGURE 11: EXAMPLES OF CHANGE METRICS

Phase	Role of metrics (quantitative and qualitative)
Awakening	• Perform external environmental monitoring and assessment. • Assist in assessing how the organization is currently performing and what needs to change, what successful change would look like in concrete terms. • Assist in characterizing what successful change would look like in concrete terms when institutionalized. • Assess risks related to staying the same and those associated with different possible courses of action. • Assess whether proposed changes are aligned with the mission, vision, core values and beliefs, strategies and risk tolerances of the organization. If no, metrics are used to assist in assessing whether changes are needed in these areas and what those changes might look like.

Phase	Role of metrics (quantitative and qualitative)
Awakening *(cont'd)*	• Boundary control systems highlight what sorts of actions and behaviours are viewed as acceptable and unacceptable by the organization.[21]
Mobilization	• Measurement tools used during this phase are largely steering or directional controls. • Chart progress relative to milestones, assist in making mid-course corrections. • Track the allocation of resources (time, people, money) to various activities. • Assess the impact of the change on other important productivity and quality factors (e.g., the delivery of existing products and services). • Identify progress/successes milestones and celebrate these.
Acceleration	• Measurement tools used during this phase are largely steering or directional controls. • Chart progress relative to milestones, assist in making mid-course corrections. • Track the allocation of resources (time, people, money) to various activities. • Assess the impact of the change on other important productivity and quality factors (e.g., the delivery of existing products and services). • Identify progress/successes milestones and celebrate these.
Institutionalization	• Assess overall progress. • Conduct a formal post-change review, to assist in capturing what has been learned along the way and formally document it for future use. • Celebrate what has been accomplished and set the stage for changes that may come next.

21   Simons, R. (1995). Control in the age of empowerment. *Harvard Business Review*, 73(2), 80-88.

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Institutionalizing major changes takes significant time. It can get lonely, confusing and frustrating for those charged with implementation. At times they will have to deal with competing pressures and serious concerns expressed by change recipients and other stakeholders. As a result, one needs to monitor not only physical progress, but also the health of the implementation team, as well as the recipients of change. Work to ensure that their spirits are maintained, even as they work to adjust their approaches to the change. Don't wait until the end to celebrate progress in at least small and meaningful ways![22]

When communicating change initiatives to organizational members, metrics can enhance awareness of what you specifically have in mind. Vehicles such as planned timelines, activity charts (who is responsible for what, when and how) and related metrics will reduce ambiguity and complexity for change recipients and others with a vested interest in the change. Ensure the key metrics are highlighted so that those receiving the information are not left feeling that they are drowning in data. Such data will assist them in charting progress and readying themselves for what is to come.

With larger more complex changes, more sophisticated methodologies such as strategy maps can be used to create a greater shared understanding of what changes are being attempted and why, allow assumptions to be made more explicit and tested, and help both recipients and change agents to manage and monitor progress along the way.

As the change initiative reaches its conclusion, celebrate successes within the organization and within the implementation team. Extract as much learning as possible through the debriefing. As the implementation team disbands, try to ensure that their new assignments are aligned with their career interests as well as the needs of the organization, so that new competencies can be leveraged.

Step 1b: Managing risk

All changes carry risks, as does sustaining the status quo. Informed risk-taking is an important element in organizational success. Factors that add risk may also bring potential benefits. Change agents need to identify, assess and manage risk factors. By identifying factors that are keeping risk levels too low or elevating risks above acceptable levels, change agents can intervene in a timely manner and keep risks within an acceptable range.

Metrics that monitor key aspects of the change (e.g., timelines, performance levels, performance relative to key milestones, employee sentiments and reactions) can provide early warnings of the need for corrective action. What gets monitored and measured is what gets attended to. The specific measures and monitoring approaches to use with a specific change initiative will vary with the nature of the change and context. Members of the accounting profession are well-positioned to provide expert advice in this area.

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22   Kaplan, R.S., & Norton, D.P. (2000). Having trouble with your strategy? Then map it. *Harvard Business Review*, 78(5), 167-176.

Risk management tools also come in the form of: credible and responsive change agents and leaders; timely and transparent communications; sufficient resources; and strong change management processes that include a well-thought-through and adaptable implementation plan. Tools such heat maps (impact/probability risk matrices) and Sirkin, Keenan and Jackson's D.I.C.E. model[23] can be used to assess risks related to the change process, in order to keep them within acceptable boundaries. It looks at: the amount of time between formal reviews of the process; the confidence others have in the capacity of teams of managers, supervisors and staff to successfully execute the change; the level of dedication and support for the change exhibited by top management and employees; and the amount of additional effort required of those implementing the change.[24]

Step 2: Bringing other structures, systems and processes into alignment

Changes to existing structures, systems and processes are often primary targets of the change initiative. However, once the change is underway, one may find that modifications need to be made to other structures, systems, and processes, to bring them into alignment with the planned changes. As a result, change agents need to be on the lookout for such areas and seek approval (if needed) to pursue these additional modifications.

For example, consider a change goal that is focused on improving the customer experience by enhancing staff collaboration and teamwork when interacting with customers. If the existing reward system is subsequently found to be individually oriented and highly competitive in nature, it will need to be brought into alignment with the desired change. If this does not occur, staff will find themselves receiving mixed signals as to what actions are valued and, as we said above in 1b, what gets measured (and rewarded) is what gets done. As you undertake initiatives to bring these existing structures, systems, processes into alignment, recognize that they represent change initiatives that will need to be carefully managed and not just treated as add-ons.

Step 3: Ensure the change is fully adopted and ready the organization for future changes

The goal of the institutionalizing phase is to solidify the change so that it becomes the new normal. As the change initiative concludes, steps need to be taken to confirm and reinforce what has been accomplished by the change in concrete, measurable terms, so that backsliding into the pre-change approach does not occur. As noted earlier, ensure that there are both public and private celebrations of what has been achieved and public recognition for those who have contributed to it.

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23 Sirkin, H.L., Keenan, P., & Jackson, A. (2005, October). The hard side of change management. *Harvard Business Review*, 91(9), 108-118.

24 Information on D.I.C.E. can be found on the Brightline website: **www.brightline.org/resources/ dice-a-tool-for-executional-certainty**

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Finally, have someone not directly involved with the change conduct a post-event review to capture and distill what has been learned from the experience. This information can then be used to assist in the professional development of those involved with change and to strengthen change management processes.

In the end, the completion of the institutionalizing phase must not make the organization resistant to future change – just the reverse! It should reinforce the importance of questioning assumptions about how things operate and why, and the value of organizational flexibility and adaptiveness. **Change is an ongoing journey.**

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This guideline addresses the management of planned change initiatives from their inception through to their conclusion. It has done so by describing a four-phase process. Though these phases have been depicted in linear and sequential terms, the process of change is messy. Stages overlap and may recur. Here are four final thoughts ("**key tips**") to consider.

1. **When thinking about change, remember that it doesn't occur in isolation.** There are typically multiple changes going on in an organization at any given point in time – some small and some larger – some predictable and some unforeseen. These all take energy and, at times, will influence and intersect with one another, for better or worse. Change agents need to be cognizant of such factors and be prepared to incorporate them into their planning and implementation, when necessary.

2. **Larger changes have their own cascading effects as they manifest themselves in a variety of smaller change initiatives in different parts of the organization.** As such, the same change may look a little different when working with marketing professionals than when working with the operational sides of the enterprise. Such differences should not be a problem as long as they are aligned with the change vision.

3. **Change requires the engagement of others.** Change can be an intensely personal experience for stakeholders – particularly those who see themselves as the change recipients. Approaches to engagement must be effectively managed to nurture awareness of the situation, why change is needed, the vision for the change, its impact on them and what is in it for them. Be empathetic. Nurture support through engagement and avoid creating unnecessary enemies and obstacles. While change agents may first focus on more senior management to gain approval to proceed, the need to nurture support extends to all staff working in the affected parts of the organization. Further, its importance escalates when the news is confusing, problematic or negative. Don't hide!

4. **Change requires skills in energy generation and management, from the awakening phase through to institutionalization.** Care must be taken to ensure the initiative does not run out of energy along the way, and that those involved are protected from becoming burned out, turned off or alienated in the process. Celebrate the achievement of milestones and other successes along the way. Finally, remember that the change you are working on is setting the stage for future changes. Change is an ongoing process, not a destination.

Both change management and the Change-Path model seek to advance and support CPA Canada's RAISE philosophy. When capabilities are properly applied, they nurture **r**esilience, **a**daptability and **i**nnovation. These three factors underpin the **s**ustainability of **e**nterprises. Organizations that possess more effective change management practices develop a greater capacity to effectively adapt to changes in the external environment and experience greater resilience. Innovation in such organizations is reinforced and advanced by well-designed change processes that are leveraged by leaders who are searching for new and better ways to operate and deliver value to their customers. Finally, change management is ultimately concerned with the sustainability of the organization, obtained through advancing the resilient, adaptive and innovative drivers, or RAISE.

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Gene is a Professor Emeritus in the Lazaridis School of Business and Economics at Wilfrid Laurier University, where he played major leadership roles in program development in both the MBA and international business areas.

He has published and/or presented more than 100 papers, cases, monographs and technical papers, as well as six books (with coauthors), the most recent being *Organizational Change: An Action Oriented Toolkit, (4th ed.)*. He has served on both public and private sector advisory boards, including six years on the board of directors of the Society of Management Accountants of Canada.

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Appendix

Organizational change management key terms

Command and control: an authoritative, top-down style of supervision in which senior management is in command and has control over employees.

Complexity of the change: the number of variables that must be managed when designing and implementing the change.

Disruptive changes: those that are larger in scope and impact, significantly altering how the organization manages its operations and/or its approach to existing and potential markets and customers.

Environmental analysis: an analysis of the external and internal elements that can affect the organization's performance. An external environmental analysis helps to highlight factors that may represent opportunities and threats to the organization, whereas an internal environmental analysis provides information on what is occurring inside the organization.

Force-field analysis: a process used to identify and analyze the force field affecting the organizational change and then to consider how one could go about altering those forces to facilitate the change. The force field is made up of driving and restraining forces.

Formal systems and processes: those that have been formally documented by the organization, to characterize how things should be done.

Incremental changes: those that build upon the organization's existing strategic trajectory and are smaller in scope and impact.

Informal systems and processes: those that have emerged organically in the organization over time that may or may not be consistent or aligned with the formal ones.

Open systems analytic framework: a framework that facilitates the analysis of the organization and its context and recognizes that organizations are affected by environmental factors that are not static. These dynamics need to be factored into the analyses of both the current and anticipated future conditions and of how to proceed.

PESTEL analysis: a tool for strategic planning that facilitates the analysis of an organization's external environment from various angles, each corresponding to a letter in the acronym PESTEL: **P**olitical, **E**conomic, **S**ocial, **T**echnological, **E**nvironmental, and **L**egal.

Post-change review: the final phase of the transition management process. It seeks to bring closure to the change and engage participants in a process that will allow the learning gained from the experience to be extracted and codified in some manner, for future use.

Proactive change: change undertaken in anticipation of what may unfold, to better position the organization for the future.

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Reactive change: change undertaken in response to factors that are seen to be having an impact on the organization that warrants change.

Readiness for change: the degree to which the affected parts of the organization perceive and accept the need for change.

Restraining forces: those factors that have the potential to impede movement toward the desired state:

- Which restraining forces represent the biggest obstacles to a success change?
- Are there important restraining forces that might emerge at different stages of the process, that we need to be aware of? If so, what are they and why might they emerge?
- Are certain restraining forces more important at certain times than others? If so, what do we need to do to manage their influence?
- Are there certain restraining forces that can be eliminated? If so, how and when?
- Are there any restraining forces that could become supportive forces? If yes, which ones are they and how should they be managed?
- How can we best manage the restraining forces to advance the desired changes?

Scope of the change: the reach of the change and the number of people and/or departments and divisions that will be affected.

1. *Small/local changes*: These are incremental and much more localized in nature, typically requiring no more than local approval.
2. *Moderate changes*: These are often incremental in nature, though their scope is greater and aspects may be disruptive for some affected departments. More parts of the organization are affected by changes of this scale and approval to proceed rests with higher management.
3. *Large-scale changes*: Changes of this magnitude involve large portions through to all parts of the organization. While the nature of the changes may be incremental in nature, they can also be disruptive and may extend to matters of strategy and even to the culture of the organization.

Stakeholder analysis: the identification and assessment of those who can affect the change and those who will be affected by the change. Included in this is the analysis of the positions, motives and power of all key stakeholders. It is the identification of the relationships in the organization, the formal and informal connections between the people, structures and systems. Stakeholder management is the explicit influencing of critical participants in the change process. As such, it is common to see stakeholders reflected in the force-field analysis.

Supportive forces: those that have the potential to provide support and momentum to move toward the desired state. Though these will often be internal to the organization, they can also come from external sources, such as governmental incentives to firms who pursue certain initiatives:

- What driving forces are present? Are they the ones most critical to success?

- Are there important driving forces that need to be added? If so, how and when?

- Are certain driving forces more important at certain times than others? If so, what do we need to do to ensure they are present when needed?

- Are there certain driving forces that need to be strengthened? If so, how and when?

- Are there any driving forces at risk of becoming restraining forces? If yes, which ones are they and how should they be managed?

- How can we best leverage the driving forces to advance the desired changes?

SWOT analysis: a tool for strategic planning that facilitates the analysis of an organization's internal realities and external environment from various angles, each corresponding to a letter in the acronym SWOT: **S**trengths, **W**eaknesses, **O**pportunities, and **T**hreats.

Team charter: this document is normally developed by implementation team members. It sets out the ways in which they will work with one another. Typical content includes team goals and objectives, team values, norms of behaviour, roles and responsibilities, timelines, how decision-making and conflict resolution will be managed, and any other items deemed by members as important to clarify. If needed and appropriate, teams will seek the approval of senior manage-ment or the steering team they report to, to affirm the content of their charters.

Transition management: the process of ensuring that the organization continues to operate effectively while implementing changes.

Vision for change: the idealized view of the short-term future after a specific change has been enacted.

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