Organizational Change Management

THE CHANGE-PATH MODEL FOR ENSURING ORGANIZATIONAL SUSTAINABILITY

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Disclaimer

This case study describes a major change to mining practices at one of an international firm's operations. The name of the firm and its operation have been disguised for purposes of confidentiality.

MANAGEMENT ACCOUNTING GUIDELINE | CASE STUDIES

Overview

Background

Brenex Mining Inc.

Brenex is a well-established international mining firm, which is viewed by industry analysts as well-run. Brenex has long recognized the importance of efficient mining and reliable order fulfillment in the highly-competitive, globally-traded, boom-and-bust potash industry. It has built its growth strategy around:

a. acquiring undervalued, scalable operations that fit its product portfolio

b. bringing expertise and financial resources to the acquisition of its holdings, to improve operational performance

c. making managerial changes when needed, to align the acquisition with its way of operating

d. empowering local management to run things with fairly high levels of autonomy

Brenex acquired Great West Potash in the winter of 2014.

Great West Potash (GWP)

The GWP mine was forty years old at the time of acquisition, but it had decades of productive life left. Previous owners had treated it as a "cash cow," and its equipment was dated. It had traded hands twice in the previous ten years. A total of 85 unionized employees were employed in above-ground operations (such as processing and shipping) and 350 were employed underground. There were also 72 employees who were exempt from union membership (foremen, and middle and senior managers). Staff turnover was low due to relatively high wages and the absence of attractive employment alternatives in the area. The average age of employees was 46, and many had spent their entire working life there. Local 51 of The Union of Miner Workers represented the 435 non-exempt employees and had done so for twenty-two years.

Following GWP's acquisition, Brenex decided to have GWP retain its name, but added the words, "A Division of Brenex Mining."

The new owner first focused on:

• integrating accounting and management information systems with the parent organization

• assessing managerial talent and making key senior managerial changes

• building positive relationships with GWP's new employees and union, and keeping them informed of plans and activities to reduce anxiety over what lies ahead

- forming GWP's new senior management team (SMT), consisting of:
  — a general manager and a director of operations recruited from other Brenex mines
  — an externally-recruited director of finance
  — an externally-recruited director of human resources

The underlying message to the employees and the union was, "We have great faith in this mine's future and the quality of its staff, but major investments in plant and equipment will be required. Your commitment to make things work will be needed to realize this bright future."

Once senior management changes had been made, GWP's SMT pursued low-hanging mine-improvement fruit (easy-to-enact operational efficiencies and process improvements) while demonstrating their commitment to sustaining the mine's exemplary safety and environmental records.
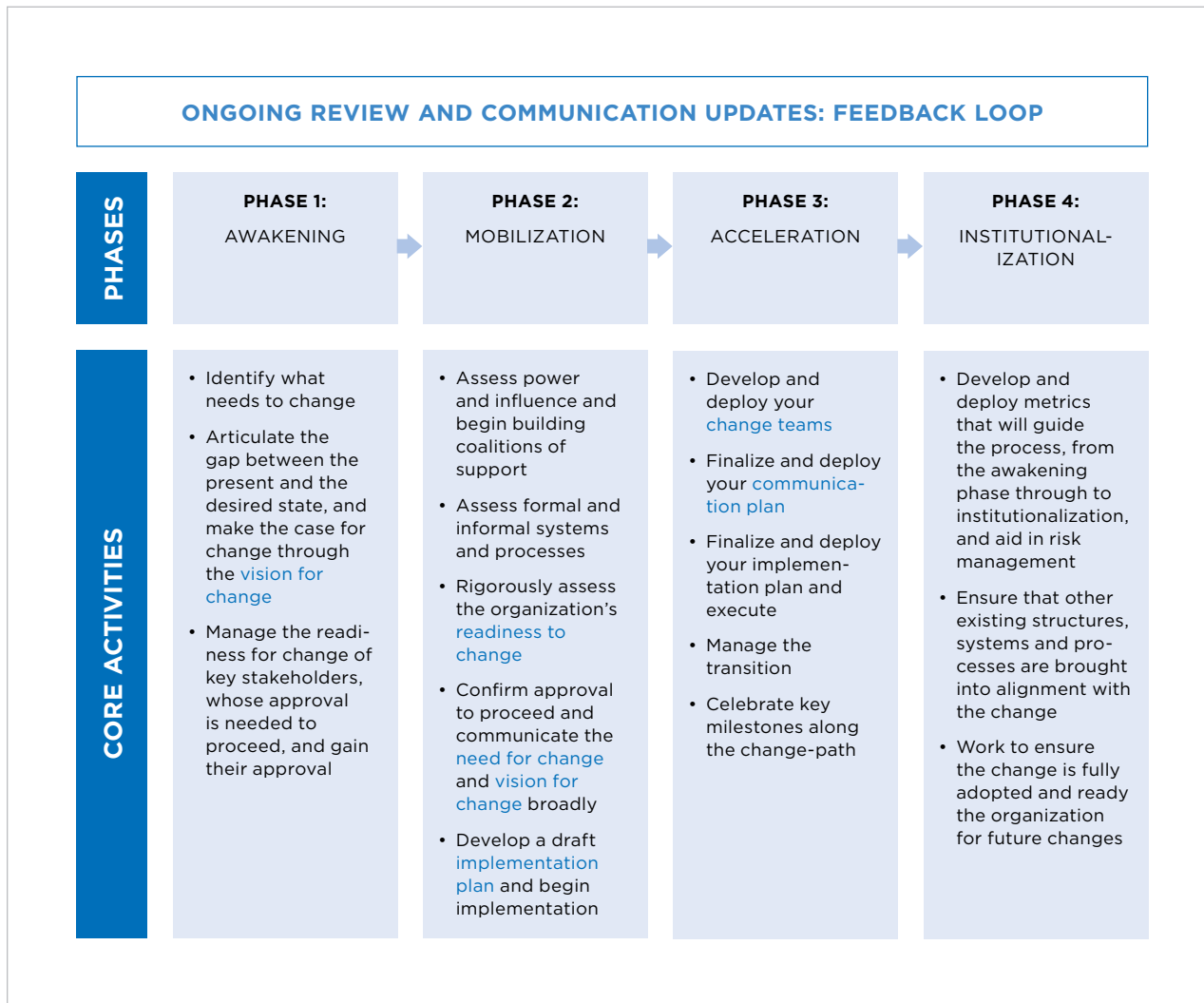
The labour relations environment was generally positive. Grievances, absenteeism and turnover were low, the safety record was excellent, and employees seemed proud to be working at Great West. Many wore their company jackets and shirts when in the community, slowly transitioning over to the new jackets, shirts and related workwear (with the new logo referencing both GWP and Brenex) that were purchased for employees shortly after the acquisition was completed.

The firm demonstrated its commitment to the community on multiple fronts, including support for amateur sports, health services, emergency preparedness and the environment. Four months after the acquisition, the union and employer reached agreement on a three-year contract, but union officials remained suspicious of the new owner's motives.

The organizational change management journey: Activating the four phases of the Change-Path model

With the initial integration, relationship development and the harvesting of the low-hanging fruit underway, the GWP's SMT readied itself to embark on a major organization change journey, following the four-phase Change-Path model – a disciplined, systematic approach to change management, which is detailed in the Management Accounting Guideline *Organizational Change Management: The Change-Path Model for Ensuring Organizational Sustainability* and is outlined in Figure 1 below.

FIGURE 1: THE FOUR-PHASE 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 • 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

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

Phase 1: Awakening – Setting the stage for major post-acquisition changes throughout GWP

The SMT identifies the need for change at GWP and the gap between present and desired state

The reconstituted SMT thoroughly assessed the need for major changes in below- and above-ground operations. They used open systems analytic frameworks[1] to assess the external environment and the internal realities of GWP, using tools such as PESTEL (political, economic, social, technical, environmental and legal) analysis and SWOT (strengths, weaknesses, opportunities, threats) analysis, internal performance data and industry benchmark data. When they met with the VP of Brenex's Potash Division in April 2015 to report their findings, the results confirmed that existing mining, processing and handling practices needed major technical overhauls, and that these investments were economically viable, even under pessimistic scenarios.

The environmental, technical and financial evaluation of needed improvements to underground mining operations[2] identified two firms as the ones most capable addressing GWP's needed technological upgrading. Both offered equipment that would significantly increase the level of automation, smooth production flows, strengthen safety, and significantly enhance productivity and the total tonnage mined.[3] They were shortlisted to be invited to bid on the project.

Senior management selects the change agent for the underground mining changes

To assist them with their equipment decisions, to advance local buy-in, and to set the stage for implementation, GWP's SMT decided to offer the opportunity to lead efforts to change mining practices to Pat Kowalski, a talented and respected GWP mining engineer with an MBA. Pat met with GWP's GM and Brenex's VP of potash operations in mid-May, to discuss the new role of change agent they wanted her to consider, and she accepted the assignment two weeks later.

The change agent receives approval to use the Change-Path model

Pat had completed an elective in change management in her MBA program and saw this as an opportunity to put that knowledge to work. She met with GWP's SMT in June, to discuss the four-phase Change-Path model. At the end of the meeting, some SMT members were still concerned that the approach seemed theoretical. However, they trusted Pat's judgement and agreed to her recommendation. It provided a disciplined approach for tackling an important part of their strategy for improving the cost competitiveness of the mine.

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1   You can find the definition of key terms that appear in blue in this Case Study in the appendix to the guideline document.

2   This case will focus only on the below-ground changes to the mining of potash.

3   The continuous extraction equipment (the machinery that did the actual mining) would be coupled to a flexible and expandable conveyor system that would automate the movement of the potash ore from the mine face to where its transportation to the surface would be managed. Other changes were required to efficiently move the greater tonnage to the surface, but these are outside the scope of this case.

To make it possible for Pat to undertake her new assignment, an Assistant Shift Manager was promoted in July to take over approximately 70% of Pat's regular responsibilities. Pat knew her new assignment would be stressful, complex and time consuming, but she believed it was important to retain some involvement in day-to-day management, to maintain the relationships and credibility she had developed with underground staff. Pat was provided with a budget to support initial exploratory work related to the evaluation of the two alternative solutions being considered, with the promise that her budget and staff support would be revisited once decisions on how to proceed were made.

Pat affirms the need for change in mining operations

Pat decided that her first task was to revisit the three core activities in the awakening phase of the Change-Path model in Figure 1. While the SMT was supportive of the need for change, Pat had not had an opportunity to review the evidence and the options in depth, and other GWP employees knew very little about what was being contemplated. Her approach to the task was to:

1. Use evidence-based approaches to assess the problems and/or opportunities that give rise to the need for change, and identify what needs to change.

2. Articulate the gap in performance between the present and the envisioned future state.

3. Discuss the need and vision for change with key stakeholders who have decision-making authority concerning the matter, and seek their approval to proceed.

Pat first reviewed documents the SMT had used to assess the need for change and concluded that major changes were indeed essential to the long-term viability of GWP. To assist Pat with the final assessment of the two options identified by the SMT, two engineers were drawn from the parent organization and a mining engineering consulting firm was retained to assist in developing the specifications for the RFP.

Following the document review, Pat, the two engineers from Brenex and a representative from the engineering consulting firm visited two potash mines that used the technical systems being contemplated, so that they could see them in operation and talk with users.[4] These visits were followed by meetings with the technical staff of the two firms that had been shortlisted as potential suppliers.

The visits to the mines and to the potential suppliers proved valuable. It advanced their understanding of the technology's capabilities and limitations and how best to implement and operate it. One insight of particular relevance to GWP was that staff at both mines visited and the two potential equipment suppliers believed there was significant value to be gained from placing more responsibility for the operation of the systems in the hands of well-trained front-line miners operating in teams. This represented a significant shift from the current supervisory approach at GWP, which was command and control. As a result, Pat was made aware of the fact that there would be cultural as well as technical implications to consider when planning this change.

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4   One mine operated with equipment from one of the shortlisted potential suppliers, while the other mine operated with equipment from the second shortlisted supplier.

During September Pat also met with small groups of miners, their managers and their union representatives, to let them know what was going on and get a better sense of how they might react to change.

Identifying the gap between the current mode of operation and making the case for change

Following her preparatory work, Pat met with the SMT to recommend next steps. Her analyses confirmed their assessment that the gap between GWP's current performance and the desired future state was large and needed to be acted on. The mine's cost efficiency was lagging behind its competitors and needed to improve significantly. This would require new mining management practices and new technology that, if properly executed, could make GWP one of the top performing mines in the industry. Her preparatory work also helped the SMT to further clarify the technological and logistical paths forward, the rough costs and time required, and some of the implementation challenges.

The estimated investment was in the order of $100 million for four sets of equipment, operating at four of the mine faces. Even pessimistic financial projections of the impact of such an investment strongly favoured pursuing the changes. The pace of change could be either sped up or slowed down, taking as little as two years or as many as four to fully implement.

Following a detailed discussion, the SMT agreed to seek budgetary approval from Brenex, issue tenders and proceed with implementation in stages that could be sped up or slowed down over as little as two years or as many as four. Brenex's VP of potash operations confirmed the approval by the parent company on all fronts. He had been regularly updating Brenex and it was prepared for the request.

The tendering process with the two finalist suppliers began on October 1, 2015 and closed 40 days later. Both finalists knew GWP's existing operations well and were prepared for the request.

Making the case for change
At this point, Pat veered from the order suggested by the Change-Path model and received approval to form an implementation team responsible for implementing the changes and a steering team responsible for providing the implementation team with guidance and support. The selection of implementation team members was done jointly by Pat and the SMT. Although the Change-Path model recommends the development of both these teams during the acceleration phase, the SMT was already committed to undertaking change, and Pat saw the early installation of the teams as an excellent way to ensure that team members fully understood and were committed to fostering that change, due to their earlier involvement.

The implementation team[5]	The steering team
• a shift supervisor	• members of the SMT
• a senior above-ground engineer, with expertise in equipment assessment and resource planning	• Brenex's VP of potash operations, when possible
• a "people-development" professional from the HR department	
• a talented manager from the finance department, with a deep understanding of cost behaviour in the mine	
• Pat Kowalski	

Once formed, the implementation team got a briefing from Pat on activities to date and all relevant documents. An initial statement of the need for change was developed by her team in October, and the statement was affirmed by the steering team, as follows:

GWP's need for change
GWP, with the full support of Brenex, will implement new continuous mining technology. This approach will provide GWP with a platform for future innovation and long-term success.

Reasons why the company has decided to change:

• Existing mining practices worked well in the past but have now put the mine at a competitive cost disadvantage when compared to mines with more modern equipment.

• Improved health and safety are possible through remote operations of the type contemplated (no blasting, cleaner air, lower-speed continuous processing).

• Simplifying the mining technique (fewer moving vehicles, steady pace) will reduce downtime and significantly improve output.

• Decreases in operating costs will result from improved energy efficiency, lower maintenance costs and lower labour costs per tonne.

• Improved operations that will accompany continuous mining technology will provide our miners with more stable long-term employment and more interesting, less risky work.

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5   Mine management took steps to ensure that members of the implementation team were able to offload a proportion of their normal responsibilities so that they could give this initiative the attention it deserved.

The implementation team next developed materials and approaches that could be used to communicate the changes to employees, the union and other stakeholders.Key topics included the gap between the current way the mine operated and the desired future state, and the vision for change.

GWP's vision for change

The goal of **Project Mine Renewal** is to ensure that innovative mining processes are established that will improve our ability to provide high-quality potash to our customers, mined in a safer and more cost-effective way. This will be achieved by:

- showing our **commitment** to our employees at Great West Potash, by placing in their hands the best equipment and processes available

- ensuring the workforce is **fully prepared** for daily work and available to do so

- ensuring the machines and equipment necessary **are always ready** to use

- **setting expectations** that are **clear** and **reasonable**

- Working with employees to ensure that everyone **understands** these expectations and has the skills to do what is asked of them

- having **committed** employees who hold themselves **accountable** for their actions

- having managers and supervisors who will **support** a work environment that encourages **innovation** and **continuous improvement**

- having managers and supervisors who will hold themselves **accountable** to the employees and all others for their actions

- **ALWAYS having safety as our *FOREMOST PRIORITY*!**

By doing the above, we will hit our goal of 6.5 MT/year within three years.

By doing the above, we will secure the long-term viability of the mine and create excellent future employment prospects at GWP for our miners.

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

Assessing and improving readiness for change

Pat and her implementation team began the mobilization phase by undertaking additional preparatory work to assess and improve the readiness for change of the underground employees. Though they did not undertake a survey, implementation team members systematically discussed the changes being contemplated with a sample of miners, supervisors and union representatives (n = 33).

What they heard confirmed the team's suspicions: The consensus was that previous management had failed to demonstrate commitment to announced changes and follow through. Despite the new ownership and management, employees, union representatives and first-line managers remained skeptical of whether things would really change for the better. They were mistrustful of senior management's motives and were concerned about the impact the changes could have on them and their continued employment.

The implementation team also shared information concerning the changes being contemplated through meetings with representatives of the above-ground staff. Since no equipment acquisition decision had yet to be made, the information was of a general nature, designed to increase transparency, promote interest, reduce fear and reduce the level of misinformation to which an increase in rumours would give rise. These face-to-face initiatives were accompanied by short articles in GWP's newsletter to update staff on what was occurring and why.

Recurring themes in the messages communicated to employees by implementation team members:

a. The underground working environment would be enhanced, further improving health and safety.

b. More stable employment would result from change, meaning employees would be less likely to experience anxieties related to layoffs.

c. Miners, operating in teams, would be trained on the new equipment and be given more control over its operation.

d. The changes would not lead to a reduction in the workforce for at least three years, and if reductions were required in the future, they could be managed through normal retirements.

e.   If changes to mining methods were not made, employment at the mine would likely suffer due to its higher production costs.

f.   This anticipated investment in mining equipment was a huge vote of confidence in the mine, demonstrating the long term commitment of Brenex to GWP and the community.

The implementation team hoped the above communication initiatives would assist in readying the miners and their managers for change. Initial meetings were completed by the end of October 2015.

Assessing power and influence patterns and formal and informal systems, processes and structures

Pat and members of her implementation team also met with representatives of the two potential suppliers, individual members of the steering team, and select professional staff at the parent organization around this time. These internal and external meetings, combined with the previously-mentioned employee meetings, provided them with the basis for their stakeholder analysis. They used this analysis when developing their implementation plan and related communications plan. They used the following template to create a confidential "living document":

Stakeholder analysis template

Stakeholders	Predispositions towards change	Power and influence	Who influences them	Who is influenced by them

The team regularly updated this document as they learned more, and used it as an aid for the development and refinement of their action plan.

In addition to the stakeholder analysis, Pat and her team developed a force-field analysis that assessed the various forces supporting and restraining the change vision, including structures, systems, processes, stakeholders and cultural factors. In conjunction with the stakeholder analyses, they used this analytic tool to help them consider how best to approach implementation, in order to increase the prospects for success.

Developing the draft action plan and gaining approval to proceed

Pat and her implementation team were in regular contact with the steering team, and as a result, the SMT was fully aware of what the implementation team was doing. Obtaining the required approvals to proceed was managed in a straightforward and timely manner. With the background work undertaken, the implementation team developed their proposed implementation plan in greater detail at this stage. This work included the proposed path forward,

specific milestones and key metrics that they would use to guide the change and assess progress. Governance and reporting recommendations were developed, as was the communication plan that was a companion part the implementation plan.

The implementation team began this work by first developing a Team Charter. This document set out their commitments to one another. It included performance and relationship expectation, team norms, ethics, and conflict resolution processes. All members signed the document and posted it in the implementation team's "Action Room," which was located underground. The implementation team met with the steering team in early November to discuss and refine the implementation plan.

The plan that was approved by the steering team provided for a phased-in approach to change, over a two- to three-year period, and involved the installation of four deployments of the new equipment and related technology (software and hardware). This was a large mine. While there were advantages to pushing forward more quickly in terms of gaining significant cost savings and yielding improvements sooner, there were also serious risks in terms of disrupting ongoing production processes, misalignment with other systems and processes, lagging employee acquisition of new skills and abilities, and general pushback from miners, their union, and some supervisors that might jeopardize the outcomes achieved by the change. It was decided that the first installation would be positioned as the pilot project that would then be used to fine tune how subsequent installations should proceed at other mine faces (the place in a tunnel where the potash was mined). Great West Potash had multiple mine faces and thus would require multiple installations to fully convert to the new approach.

The successful bidder was selected on November 25, with first equipment slated to be delivered four months later. The commitment of more than $100 million for the installation of four underground mining systems by the parent organization was a clear signal that the acceleration phase was about to begin.

The final selection was made by the steering team, in consultation with Pat and her implementation team. While some members had preferences for the other supplier, there was confidence that they had approached the decision thoroughly. This would be a long-term relationship with the successful vendor, and all were confident that either of the two suppliers would be a partner they could work with.

Members of the steering team confirmed the recommendation of Pat and her implementation team to position the initial implementation as both a pilot and the first phase of a firm commitment to a staged implementation of the technology. The pilot aspect would stress the value of allowing the technology to be tested and adapted to local conditions. This staged approach would allow miners and supervisors to contribute their insights to its deployment and operation, assess its overall performance and provide advice for future installations. However, the firm commitment to modernize mining methods at GWP was also to be stressed. Failing to modernize production processes was not an option if the mine was to remain viable in the years ahead.

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 well underway, Pat and her implementation team turned their attention to accelerating progress towards successful implementation.

Activating the implementation plan

As noted previously, both the Implementation and steering teams had been formed earlier in the change process, due to the fact that the SMT was already committed to proceed with major changes and the belief that the formation of these teams at that time would facilitate progress. The implementation team revised the draft implementation plan in late November.

The revised plan provided greater details about the steps that would be undertaken over the next two to three years, key milestones, and metrics that would be used to monitor progress. In addition to detailing the involvement of internal staff in the change (e.g., the use of miners trained on the equipment to help develop the next team of operators), the plan also identified the external personnel who would be involved with preparing the physical sites, and the staff from the successful bidder who would be responsible for the installation work and initial training of operators, engineers and maintenance personnel.

A senior engineer was formally added to the implementation team in late November, to project manage the physical site preparation and the installation of new equipment. He was a highly skilled project manager from another Brenex mine who meshed well with others on the team.

During the transition period, the SMT and the implementation team recognized that steps would need to be taken to ensure sufficient potash was available to meet customer needs. As a result, adjustments were made to production schedules. Stockpiles would be drawn down somewhat and those mining crews not involved with the change at that time would be asked to increase their tonnage mined by agreed-to amounts. The union and management signed off on these plans in November.

The successful vendor was announced on December 2, 2015 and the announcement was followed by two two-hour townhall meetings. As with other change-related initiatives, these were organized by members of the implementation team and scheduled so that all personnel could attend. They were held on the second Saturday in December. The GWP's GM and Brenex's VP of potash operations both spoke, expressing their enthusiasm for what lay ahead. Pictures of the equipment to be deployed were displayed and the VP of the successful vendor was present to describe what was being installed and how its installation would be accomplished. Pat and her team followed the earlier speakers and explained the implementation plan.

Attendance was voluntary and over 85% of personnel attended. Those who attended were compensated at the overtime rate. There were lots of questions and concerns voiced, but reaction was generally positive. People were pleased to see what looked like a long-term commitment to the mine by the owners. They seemed to appreciate the fact that a staged approach had been adopted, beginning with the pilot program, and assurances that their world was not about to be turned upside down. They also appreciated the frankness and candour used to respond to questions.

Managing the transition: First set of equipment installed and made operational
Removal of existing equipment and site preparation for the pilot project began in the second week of December. It took four months to complete this work and see to the delivery of the new equipment to its underground location. This was followed by a month for the assembly and installation of the new equipment, which was completed by the end of April 2016.

The three crews selected for the pilot project (three shifts operated at the mine) were those who had been working with the existing equipment at the mine face selected for the pilot project. They were asked to avoid taking holidays during the first three months after the equipment became operational. The crew leads (foremen) were individuals known to be generally supportive of the initiative, and crew members were representative of those in the mine in terms of their ages and attitudes towards the change.

From December 4 onwards, those assigned to the pilot project were actively included in conversations related to the final plans for the installation and launch of the new equipment. They were also involved in site preparation, initial training and helping the contractors with equipment deployment. Their selection was framed as an opportunity to be involved in an exciting initiative that would make their work safer and more satisfying.

The commencement of the pilot project gave rise to increased interest, apprehension and then growing enthusiasm as the new equipment was installed and employees began training on and working with it. They were impressed with what they saw and reported liking the impact it had on how they would work with one another. There had always been a strong culture within the underground work teams due to their reliance on one another, and they liked the fact that the changes provided them with a greater ability to self-manage their activities. This aspect initially created confusion for both the miners and the three crew leads, who were used to a more traditional command and control approach to supervision. Members of the implementation team addressed this matter in the training sessions. Members of the pilot project, including the crew leads, came to embrace this new approach during those first months.

Union stewards kept a close eye on progress, assessing the impact this new technology would have on the jobs employees were asked to perform. Stewards voiced concerns about whether the work employees were being asked to perform was appropriate, given their current job classifications, and whether these changes in working conditions should justify changes in pay for operators. However, the stewards' comments became more muted as the pilot crews' enthusiasm grew, particularly once they got their hands on the new equipment.

The equipment became operational at the beginning of May 2016. Within 15 days, its benefits were beginning to become apparent. Worker attitudes were very positive (as reported in face-to-face conversations with members of the implementation team), but there were still areas of confusion that were identified and addressed. Several technical factors constraining the system needed attention (conveyor calibration, and other equipment and software issues), and two of the crew leads still reported some confusion as to their role. They were uncertain about how to manage teams whose members were now expected to be cross trained, more involved in decision-making, and more responsible for overall performance. Some of the issues that were dealt with are noted in Exhibit 1.

EXHIBIT 1: ISSUES IDENTIFIED AND ACTION TAKEN

Issue identified	Action taken by the implementation team
Employees not getting to the mine face in a timely manner	Address hours of work, cage (elevator) times, and underground vehicle availability.
Machines not starting up soon enough at the beginning of the shift; problems with handoffs between the shifts	Adjust hours of work, arrange 15 minutes of overlap between shift foremen for updating. Improve how key information is monitored, logged, accessed and used via training. Schedule overtime for such training.
Need to increase the volume of potash being mined	Continue to work on employee training and improving processes related to equipment operation.
Foremen confused as to their role and how their teams should work	Coach foremen and team members.
Mechanical fine tuning of equipment	Ensure technical specialists are on site for the first two to three weeks of operation.
Unreliable conveyers causing downtime	Improve hardware deployment and software protocols and focus appropriate team members on streamlining conveyor usage.
Too many visitors dropping by to see the new equipment	Schedule and host visits (via a foreman or an available implementation team member), so that they are less disruptive.
Crew leads uncertain as to they should approach the management of their teams, given the move towards self-management	Provide further training in how to coach and develop their teams.

By the thirtieth day after the new equipment had become operational, the pilot project was tracking in the desired direction. Expectations were that performance during the first month would be at about 50% of the total tonnes mined by previous methods and 53% was achieved. Performance on the other key metrics was also positive and in-line with expectations. These included worker satisfaction with the changes, costs per tonne mined (when the equipment was operational), and health and safety. Crew members, along with technical staff, continued to fine tune its operation. Over the next four months, the total number of tons mined rose to 87% (month two), 116% (month three) and 128% by month four. Senior management were delighted by the results.

Continued activation of the communication plan and the celebration of milestones

The implementation team members responsible for the communication plan led efforts to widely communicate the experience of the pilot project through multiple channels, including pictures and stories detailing achievements, setbacks and the experiences of those working with the new equipment. Arrangements were made to allow other miners (particularly those who would be involved with the next installation) to see the new equipment in operation, beginning in May. The implementation team, the GM and the pilot project operators and crew leads met for dinner at the end of the first month of operation to celebrate their progress, and followed this up with a second celebratory meal when production exceeded 115% of the tonnage mined by the previous methods.

Installing and activating the second site

Pilot team operators and supervisors continued to refine their methods, with the assistance of implementation team members. In mid-May, Pat and one member of the implementation team turned their attention to finalizing plans for the second installation. Site preparation and training began in June and the equipment became operational in mid-September. Because the equipment was pre-ordered, its delivery to the mine site and movement underground was expedited. Processes used by the implementation team for the second launch reflected things they had learned during the first deployment. The implementation plan for all subsequent installations over the next two years was updated by the team in early June and approved during the monthly meeting with the steering team.

By mid-October, the second site was producing positive results on all metrics and the first installation was continuing to exceed performance expectations.

Subsequent installations and the celebration of milestones

The implementation team continued to update the steering team monthly, and actively communicated progress, setbacks and next steps with all GWP staff. Milestones were celebrated by the mining crews and the implementation team, and progress was shared with all the employees though internal newsletters, posters and pictures posted in the change rooms and lunch areas.

Continued management of the transition process

The implementation team continued to refine its implementation process and liaise with sup-pliers and other parts of the organization during this period, to ensure that best practices were adopted and changes undertaken, when needed, to better align the equipment with other systems and processes. These activities produced subsequent change initiatives that involved others. For example, the sensors contained within the extraction and conveyor equipment allowed operators and maintenance personnel to significantly reduce downtime once they learned how to leverage the information. To leverage this capability, though, Pat had to first engage IT staff to develop an easy-to-use dashboard that displayed critical information and to then work with operators and maintenance personnel to ensure it was used. Mines are difficult environments for the smooth operation of visual monitoring systems such as this, and the implementation team worked with IT personnel to ensure that they understood its importance to the effective operation of the equipment. IT's responsiveness was aided by the high-profile nature of the project. They did not want to be seen as an impediment.

By October 2016, it was clear that a significant majority of below- and above-ground employees wanted to be part of the mine's modernization drive. Feedback came in the form of supportive comments, requests for information on when they could get involved, unsolicited suggestions for further improvements, and the union's unambiguous statements of support for mine mod-ernization. The initiative had been managed in a transparent, inclusive and committed manner and this was something that the employees and the union had not experienced under previous management. The SMT and implementation team had said they would operate in this fashion and they had honoured this commitment.

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

Both the implementation and steering teams took the measurement challenge seriously from the start. Measurement played important roles in internal and external environmental assessments, equipment selection, implementation planning and the overall assessment of progress and performance. Different measures were used at different stages, to reflect the change challenges being navigated at that time. These were regularly reviewed and updated by the implementation team and were important topics during the monthly review meetings with the steering committee. The indicators were shared with the teams of employees working with the new equipment and used to promote problem-solving and local decision-making. The achievement of milestones was celebrated by all involved. Finally, the crews who had been a part of the most recent implementation played an active role in preparing the next crews for the challenges they would face when they began to operate the equipment. Exhibit 2 provides an example of the measurement tools used as each installation went live.

EXHIBIT 2: EXAMPLE OF THE MEASURES USED TO MONITOR PROGRESS OF EACH MINING SHIFT TEAM[6]

Performance of shift #1[7]	Avg. monthly pre-change performance	Month 1 Performance	Month 2 Performance	Month 3 Performance	Month 4 Performance
Safety: Number and severity of incidents	2 incidents; 0.1% lost time	0 incidents 0 lost time	0 incidents 0 lost time	0 incidents 0 lost time	0 incidents 0 lost time
Tonnes mined by shift #1	100% = past average	53%	87%	116%	128%
Machine availability	85%	NA	88%	92%	95%
Unplanned downtime[8] and cause	15 X	NA	14 X	12 X	8 X

6   In addition to this data on the performance of actual mining teams, the implementation team maintained their own set of metrics to track their performance relative to their implementation plan.

7   Data was tracked for each shift daily and was summarized at the end of each week and each month.

8   Causes were tracked and assessed in a separate chart.

Performance of shift #1[7]	Avg. monthly pre-change performance	Month 1 Performance	Month 2 Performance	Month 3 Performance	Month 4 Performance
Cost per tonne mined by each shift	100% = avg. past cost	NA	98%	88%	83%
Opportunities for improvement identified/acted on by each shift	No data	NA	23	15	10
Team satisfaction[9] with equipment	NA	5 out of 7	6 out of 7	6.5 out of 7	6.9 out of 7
Team satisfaction with support	NA	4.8 out of 7	6.2 out of 7	6.9 out of 7	6.9 out of 7
Satisfaction with way the team is operating	5 out of 7	5.4 out of 7	6.5 out of 7	7 out of 7	7 out of 7

Recognizing the continuous nature of change

Both the implementation and steering teams treated seriously the need to continue to adapt structures, systems and processes to further improve operations and foster adaptive stability in the transformed organization. This was clear in the follow-on initiatives that were undertaken by senior management. For example, it did not make sense to significantly increase the capacity to mine potash, if you did not have the capacity to get the additional potash to the surface, process it and transport it to customers who were willing to commit to purchasing it. These significant undertakings were outside of the scope of the original implementation team and the SMT formed new implementation teams to undertake these additional change challenges, recognizing the continuous nature of organizational change.

By November, the original implementation team recognized that they had created well-developed, repeatable processes for equipment installation, staff training and activation and had succeeded in aligning related systems and processes with new mining methods. They met with the steering team in November to further solidify what had been learned, celebrate successes and set out the process for handing off the installation responsibility for the next two equipment deployments to a new team, so that change management skills could be developed in others.

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9   Data was tracked on a seven-point scale (1 = very unsatisfied, 4 = neutral, 7 = very satisfied) and included comments.

Pat and her team members retained contact with the new team, once it was formed, to assist them with taking on their role as change agents. Pat's team was formally disbanded in late January 2017, with team members assigned to roles that reflected their new knowledge, skills and abilities. For Pat, this meant a transfer to an above-ground role, as the assistant director of operations. The retirement of the director of operations (a senior management team member) was expected within 24 months, and the plan was to use this period to prepare her for that role.

Lessons learned

1. The Change-Path model's disciplined, systematic approach to change management can prove helpful to you in tackling more complex change initiatives. Predictable stages and challenges will be encountered, and the model can assist you in managing those stages.

2. Be ready and willing to adapt the Change-Path model, so that it is aligned with the realities of your change challenge.

3. Change management begins with careful analyses, the clear articulation of the change vision, careful planning, attention to detail and lots of hard work to ensure the plan is effectively communicated and competently implemented. Prepare well and use available change management tools such as stakeholder analysis to assist you in managing the process.

4. Remember that effective communication requires careful listening as well as the sharing of your perspectives, insights and requirements with others.

5. Successful change management requires honest, authentic, empathetic communications with all involved, and the active engagement and involvement of those who will be the recipients of the change, so that they come to view the change as their initiative.

6. Balance patience with impatience, so that the pace of change is neither too fast nor too slow. Avoid getting too high or too low in response to events – learn to manage your energy and help others to do the same, celebrating small successes along the way.

7. Competent, well-respected team members on both the implementation/action and steering teams are critical to success when changes get larger. Taking time to carefully select and develop your teams will pay dividends when it comes to executing.

8. Learn to be flexible and adaptive, while still being true to the vision for the change.

9. A change agent's reputation for trustworthiness, competence and integrity is critical to their success. It takes time to earn the respect of others, but these can be destroyed in minutes though ill-advised actions.

10. Measurement matters. Use it to help in assessing the situation, setting the path forward, monitoring progress, celebrating accomplishments and learning how to do things better as you proceed.

11. Change is a journey, not a destination. Today's change initiative sets the stage for changes to come.

12. When leading change, remember that **a person can accomplish almost anything if they don't care who gets the credit.**

Key learnings

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 innovation. These three factors underpin the **s**ustainability of **e**nterprises (RAISE). 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.

Resources

About the author

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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.)***.[10] 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.

An interest in entrepreneurship has led to his continued involvement with early-stage firms. He continues to teach internationally, deliver workshops, consult and write. His current research interests focus on the evolution of organizations under the stress due to disruption, and organizational change.

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