

The Impact of Organizational Change Management on Outcomes in Business Transition

Why OCM Makes a Difference

Modern life, more than almost any other factor, is characterized by change. With knowledge, technology, and globalization increasing at exponential rates, change is a common and pervasive experience. Within the business organization, the ability to understand and manage change is essential for successful outcomes through transition. Just as it would be impossible to build a sophisticated product without understanding the materials and processes required, it is impossible to manage change without understanding its key components and processes. Thus, for change outcomes to be successful, it is necessary to define the component and process characteristics of a transition and their impact upon the organization. To assist with this process, it is first helpful to understand the attributes or characteristics of change.

Change may be described by attributes which help us understand its impact upon the individual, and thus, the organization. These attributes are definable, observable, and measurable within a change process and as such serve to characterize and assess its impact. It is essential to define and understand them in order to create an effective change strategy. The first three attributes listed below describe characteristics of change itself. They are self-evident and yet often overlooked in a change process. The final three describe the most challenging element of change management...the human response to change.

Change Attributes

Change Volume – An observable and measurable amount of change.

Question to Ask: How much change will occur?

Change volume is the difference in the state of an entity prior to and after a change. Imagine pouring water into a glass. A change has occurred. The measurement is simple. What volume of water did the glass have before? What volume does it have now? Change volume is driven by the desired outcome of a change and the requirements needed to achieve the outcome. It is essential to define and describe the change volume as it is the core element which impacts all other attributes of change. Not understanding the required volume of change can create insufficient change or more change than is needed. No doubt, we have all been in a room which was too warm. Someone requested the air to be turned down and it is likely several others agreed with the change request. However, by not specifying a temperature at which to set the thermostat, frequently the room soon becomes too cold. A very interesting behavior then often occurs in which the person who requested the air be turned down is now too cold. But since they requested the initial change, and may fear criticism if they request a change in the other direction, they now remain silent regardless of their discomfort. Eventually, when they feel they have suffered enough, they will speak up or take action themselves to rectify the overcorrection. The applications of this simple illustration to the

business environment are frequent and numerous. It is essential to understand the volume of change in order to plan, manage, and evaluate the outcomes of change.

Change Instance – A change volume in an entity or group of entities described by attributes and defined by a period of time.

Question to Ask: What will the change look like at a predefined time?

For example, we may say after seeing someone again after an extended absence, “Wow, Joe has really changed,” when what we really mean is, Joe (an entity) has lost weight (attribute), quit smoking (attribute), gained lean muscle by working out (attribute), and as a result is more energetic (attribute), and has a more positive outlook on life (attribute). The period of time for this change instance is measured by when we last saw Joe. It is essential when modeling change to clearly define the change instance including entity(ies), attributes and time segment.

Change Velocity – The speed at which change occurs.

Question to Ask: How fast will the change occur?

Velocity is important since it influences human perception of the impact of change. We look in the mirror each day and notice little difference in our appearance (low velocity change), but when the high school yearbook is reviewed, the changes are obvious. Depending upon how the individual has aged, the response may be highly emotional. In fact, the outcome or impact of change always creates an emotional response (described below as “Change Perspective”). The speed at which the outcome or impact occurs contributes to the intensity of the emotional response. Thus, rapid change creates greater emotional intensity. Small incremental change (low velocity) is not viewed as a threat as often as high velocity change since the outcome or impact of small incremental change is easier for the individual to predict. To use the yearbook illustration above; when we look in the mirror from day to day we notice little difference and few emotions are evoked. Since the aging process is a low velocity change, we expect to look pretty much the same when we wake up in the morning as we did the night before. This daily small incremental change is readily accepted with little emotional reaction. However, a rapid change in appearance due possibly to an accident creates significant emotional response. High velocity change creates greater emotional intensity. Additionally, since change requires emotional, intellectual, and often physical work effort, people tend to accept small incremental changes (low velocity) more readily than large changes in a short period of time (high velocity). Managing the speed at which change occurs can significantly impact the adoption and outcomes of planned changes.

Change Perspective – The emotional and/or rational response to change in which the same change instance may be viewed positively, negatively, with ambivalence, or with indifference depending upon the outcome for the individual or organization.

Question to Ask: What is the perspective related to this change?

The old joke on perspective is... the definition of mixed emotions is watching your mother-in-law drive your new Mercedes over a cliff. In real life, the replacement of a department head is viewed positively by those who felt he showed favoritism while it is viewed negatively by those who were in his inner circle, with



ambivalence by those who liked his work results but disliked his favoritism, and with indifference by those unaffected. Understanding perspective is required to adequately and appropriately manage change.

Change Absorption – The amount of change an individual or organization is able to absorb while maintaining required work output.

Question to Ask: Is this too much change?

It should be self-evident that too much change too fast in too many areas will overload the ability of an individual or organization to function effectively. During WWII Allied paratroopers were given such heavy backpacks they literally had to be lifted into the jump aircraft prior to takeoff. The intent of the military planners was to provide the troops with everything they might need to be effective in accomplishing their missions. The result, however, was tragic. Many of the paratroopers landed in fields flooded by the Germans to hamper glider and paratrooper landings. Upon landing, the weight of the packs pulled the soldiers under the surface of the water and many who were unable to release their packs were drowned by the very resources intended to make them successful. Change absorption is a function of change perspective, volume, and velocity. Creating too much change too quickly can overload the ability of resources to adopt and use the change for its intended purpose. Effective change management understands and manages the impact of change absorption on work output.

Change Flexibility – The heightened ability to accept additional change instances when major change is already occurring.

Question to Ask: Is there an opportunity to leverage another change?

It may seem counter intuitive, and yet it is true that people are most open to change when significant change is already occurring. People are most open to try something new or different when they have just moved, are on vacation away from home, or with new people. Effective change management recognizes and utilizes this behavioral characteristic to accomplish significant productive change. Periods of significant change offer the opportunity to introduce changes which are beneficial but may not have been part of the original change plan. Successful change management also balances the Change Absorption capabilities of human performance with new change outcomes so as not to overload resources with too much change too quickly.

What benefits does organizational change management offer to the business in transition? To understand this better, let's look at types of change an organization faces.

Structural Change

Organization Structural Transition - Growth, Merger/Acquisition, Reorganization, Downsizing, Process Improvements.

OCM Enables the organization to achieve required outcomes during structural change.

Structural transition often involves the most comprehensive changes to an organization. The transitions listed above often include changes in goals, culture, values, processes, strategy, people, groupings, and hierarchies to name a few. It is no wonder it is estimated that three-quarters of all mergers fail! Many organizations take an approach similar to the Apollo program in sending a spacecraft to the moon; Blast off into space with a big push aimed in the right direction and coast the rest of the way. Since all the calculations needed to get to the desired objective have been made, the initial thrust of the project will take it where it needs to go. In reality, structural transition is much more like navigating through an asteroid field. Collision dangers (project resistance) suddenly appear out of nowhere, large structures (bureaucracy or entrenchment) pull the project off course, and fear of the unknown (personal outcomes) slow progress to a crawl. OCM provides the tools to plan the right course of action, provide course corrections as needed, and align the change results with the desired outcome.

Systems Transition – New, Updated, Retired

OCM Creates an Environment for Adoption and Effective Utilization of Changed Systems.

While the approach of some organizations to systems transition is to notify employees when the old system will be turned off and the new one turned on, the outcome of this approach is typically poor. Some organizations perform better and provide training on the new system for their employees. However, many organizations fail to understand the Change Perspective of their employees to a system change. In reality, the greatest impact on the success or failure of a system change is the perspective of the system users. If viewed negatively, the new system may be underutilized, ignored or even sabotaged. OCM creates processes to develop positive change perspectives to system change. It provides the tools to make system changes successful for the organization and the individual.

Organizational Lifecycle Transition - New Organization, Lifecycle Phase Change Issues, Lifecycle Stagnation Issues

OCM Helps the Organization Thrive In or Move to Its Most Effective Lifecycle Stage Organizations, like people, pass through a lifecycle based upon their age and behaviors.

And just as with people, each stage has its normal set of problems. However, each stage has potential problem issues which if not properly addressed can result in uneven growth, stagnation, or even the destruction of the organization. Just as it would be unhealthy for a human to fail to transition from the teenage years to early adulthood, so too the organization which fails to move to the next appropriate stage will exist in an unhealthy business cycle and will be unable to achieve its full potential. OCM enables an organization to understand the lifecycle phase it is experiencing. It enables the organization to understand normal problems for that stage, successful practices for this stage, and where it should exist to be most

successful. It identifies the human resources and processes required to make the transition. OCM also helps to identify when an organization is demonstrating unhealthy characteristics for its appropriate life stage and provides the mechanisms to remove unhealthy behaviors and replace them with ones which benefit the organization and its clients.

Business Transition - New Products, New Markets, New Customers

OCM Enables the Organization to Achieve Revenue Goals.

Organizations which consistently produce significant revenue growth are ones which focus on developing disruptive products, reaching non-consuming markets, and directing customers' buying choices to their products and services. The necessary changes to achieve these goals require new strategies, people and processes. OCM tools and methods effectively manage the required transitions these new goals inevitably create. OCM focuses on the execution of the required transitional tasks which are essential to achieve superior outcomes.

Facilities/Physical Location Transition - Move to New Location, Redesign of Existing Location

OCM Manages the Impact on Worker Productivity Resulting from Physical Relocation.

A new location or redesign of existing space can dramatically improve organizational performance. Preparing for this transition requires more effort than planning for the physical relocation itself. New physical space changes work processes and dynamics of worker interaction. OCM provides the proactive tools to maximize the physical transition to achieve its business goals. Physical changes which seem small in the planning phase can have major impact on worker productivity. Relocation to a space away from windows, closer to a noisy printer, on a major traffic path which creates constant work interruptions; all can reduce employee morale, create distraction, or even build resentment. OCM examines the impact of physical space change on human performance and creates a change plan which maximizes the total business benefit of the change.

Human Change

Resource Alignment - Skills and Knowledge, Competencies, Emotional Intelligence, Leadership, Character, Personality

Having the right people in the right position at the right time is essential. Every type of change described above has human performance components which will impact the outcome and thus the success of organizational change. With constant change being a key characteristic of today's business environment, continual alignment of human resources is essential.

OCM provides the tools and skills to consistently enable human resources to perform to their maximum potential. OCM examines an individual's strengths and weaknesses and provides the tools to utilize their capabilities, most effectively within the organization, and helps them transition to behavioral patterns which maximize work product. This examination includes the following areas:

Skills and Knowledge – The core knowledge, experience, and behaviors which enable an individual to produce their required work product.

Competencies – The intelligence, motor skills, and perceptual skills of an individual. Competencies enable the individual to perform to a specific level of achievement. Competencies also enable the individual to acquire greater skill or knowledge.

Emotional Intelligence – The ability to be aware of and manage one’s own emotions. The ability to be aware of and manage the emotions of others. The most successful individuals within organizations are those who have high emotional intelligence. They are best able to provide leadership, reduce conflict and stress in the workplace, and direct others to achieve desired outcomes.

Leadership – The ability to inspire others to follow a vision. Leadership is a broad topic which can be described in many ways, but for the purposes of transition, it is imperative that a manager understands how to lead. It is said that the difference between a leader and a martyr is that a leader is one step ahead of his people, and a martyr is ten steps ahead. Knowing when and how to move people forward is essential to effective leadership.

Character – The moral values which drive the thoughts and behaviors of the individual. Discussion related to morals in the workplace has shifted significantly from a past position of evaluating only work performance to today’s standard which examines not only how well goals are achieved, but also how the goals are achieved. The financially devastating corporate scandals of the last decade have highlighted the importance of character in the workplace. On a much less visible level, the ability to trust an organization and those we work with is essential to creating peak job performance. Without trust, which is a key character attribute, self-protection guides the worker and prevents them from contributing to the organization at their greatest potential.

Personality – The emotions, thoughts, and behaviors which describe an individual’s lifelong characteristics. Personality, like character, is a very large and complex issue. Within the change environment it is most important to recognize that personality is formed very early in life and is not easily changed or possibly cannot change. It is vitally important to balance teams with the appropriate personality mixes and to understand the fit between personality and role requirements when assigning an individual to a task. While personality typically does not change, negative personality traits can be managed through coaching with emphasis on behavioral changes.

OCM seeks to understand the best fit between resource and role. It also focuses on providing the tools, training and resources necessary to make each person transition successfully in the changing business environment. It is essential to:

Place the right resources in the right positions

Providing a good fit to a specific job assignment is essential to create successful business outcomes. When transition occurs within the organization, the change requires a reanalysis of the appropriateness of an individual’s “fit” within a specific role. This analysis includes the need to:

Understand their key characteristics – The characteristics described in the section above must match the role requirements for a position. As change occurs, key characteristics must be reevaluated to continually align with responsibilities and desired outcomes.

Understand the team interaction – Understanding the characteristics of each team member, the benefits they bring to the team, and the team dynamics they create is vital to managing change through transition.

Clearly communicate expectations – People don't do what is in their job description so much as they do what they are good at and what they enjoy doing. It is imperative to understand what a team member expects to do and what is expected of them. Good communication clearly defines the behaviors, goals, and desired outcomes for their business activities and enables them to define similar expectations for the organization.

Provide necessary resources – In operation "Market Garden" during WWII, the allies formed an ambitious plan to capture key bridges held by German forces. Capturing the bridges would provide access across the Rhine into Germany and would speed the end of the war. Highly skilled airborne troops were dropped behind German lines at strategic bridges including the one in the town furthest from the Allied lines located at Arnhem in the Netherlands. Troops were given a two day supply of ammunition and light weapons, with the anticipation of rapid reinforcement and re-supply. However, the allied advance was halted before Arnhem and the airborne troops at Arnhem quickly used up their supplies. Even though they fought valiantly, the majority were soon captured or killed. The failure to provide the necessary resources resulted in the failure of the operation to achieve its overall goal. Change not only requires the right skills and capabilities, it also often requires new or different resources to ensure success

Enable resources to perform to their greatest potential
No single individual, no matter how talented, will always possess the needed capabilities for every role they are given. OCM does not seek to shuffle resources with every business change. If requirements dictate, role realignment may be necessary. But talented people can and should be strengthened and supplemented to be successful in roles which are constantly changing and which may require them to use new or underdeveloped skills.

Strengthen and utilize existing innate skills and capabilities – Focus on the gifts, talents, and capabilities people already possess. Placing people in the right roles is the majority of the effort in using their skills to the greatest benefit of the organization. Do not attempt to completely change someone into something they are not in order to achieve a goal. The change will be short-lived and the outcomes will be poor.

Supplement weaknesses – If a skill or capability is essential for a role, but the resource does not possess it, there are several approaches which may be taken.

Supplement them with a team member who possesses the requirement. If they are an incredible performer with customer relations or sales, but struggle with paperwork and forms, find someone who loves administration who can help them with the needed paperwork. Both individuals will benefit from doing what they enjoy most and the organization will achieve its maximum potential by using its talent in the most productive way.



Supplement them with training or coaching. Effective resources are those who are most willing to learn new skills. Add to or teach new skills with appropriate coaching and training which strengthen their innate capabilities and refine the ability to use their current strengths. For example, if a division manager excels in executing business plans, but has poor communication skills, training in emotional intelligence can refine his or her capabilities to be even more effective in execution for the organization.

Clearly, Organizational Change Management provides multiple benefits to the organization. The imperative of constant change in today's marketplace requires tools and skills which manage the leaving of the old, the transition between old and new, and the successful adoption of the new. OCM creates successful outcomes during transition, maximizes the potential of human resources, and celebrates the ability of both people and organizations to adapt to new ways of achieving their goals.