

“LEADING & CHANGE IN INSTITUTIONS” CHAPTER

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Any change of course sits within an organisational and / or institutional structure. In this chapter, we will be exploring the reasons for change and the role of the leader within a workplace context. We will give an overview of the context of organisational change and discuss what needs to be considered. Added to this we will share with you some key ideas on how to encourage buy-in from stakeholders, management and staff.

Why Change?

Charles Handy once said that ‘the nature of change is changing’ (1989). Perhaps we could go one step further now in saying that ‘change is accelerating’. In the health service industry, the gap between changes is decreasing and more changes are happening simultaneously or at least overlapping. One change is not yet in place before another layer of change is introduced.

Why the need for all this change? If things work okay, why not just leave them alone? Why risk interfering with what isn’t broken? For the private sector, the answer is something along the lines of ‘to be more competitive’ and ultimately ‘to make money’. However, in the public sector, a more likely answer is ‘to be more efficient’ and ‘to save money’. The bad news is that the cost of *poorly considered* change tends to be greater than the money it saves. However, change does not have to be a difficult and lengthy process. By taking the time to think it through and getting buy-in at the beginning, change becomes an easier and smoother process for all involved.

The Reasons for Change

Change tends to come about for three reasons (all of which are interconnected):

- To solve a problem: Something isn’t working and needs to be fixed. Alternatively, there is a tension or dilemma of some kind that is creating a split or schism. The cost of a problem and its implications requires action to deal with it. This might be considered ‘reactive’ change.
- To maintain or improve a situation: Something needs maintaining or perhaps it isn’t great and could be better. Whilst it may not be broken, it might be tarnished

in some way. Alternatively there is a need to keep up with the environment (e.g. Government policies, advances in technology, increases in standard of living). This might be considered 'responsive' change.

- To achieve a goal: There is an opportunity to be leading edge, to become the first to do something, to pioneer, to be at the top or to be number one. This might be considered 'proactive change'.

The first reason for change (i.e. to solve a problem) is usually the easiest to sell because it is more visible and affecting the system/people 'now'. However, it is about maintaining a status quo with *how things have been*. It does not necessarily account for the changing environment. We may well change to fix a problem, but this brings us back to where we were before.

The second reason for change (i.e. to improve a situation) is a tougher sell because it is harder to see the immediate impact on the system/people. This type of change is about maintaining a status quo with *how things are now*. With a focus on the need for evidence in healthcare, research and compelling data will often be required. Sometimes we need to keep moving just to stay still! Of course, if this kind of situation is left unchecked, it will probably manifest as an overt problem and then you are back to the first reason for change.

The third reason for change (i.e. to achieve a goal) is the toughest sell because it is about getting ahead of the environment. This type of change is about maintaining the status quo with *how things will be*. There usually needs to be a clear and visionary leader who is able to demonstrate evidence of how new initiatives are working. The benefits here need to be outstanding because the cost of pioneering is usually expensive and potentially risky. If a hospital invests in 'experimental' research or equipment, there is a risk that that research will amount to nothing or the equipment will not deliver. In addition, tomorrow's knowledge and technology will be history once tomorrow passes.

In essence, as a leader, you will need to seek to stay current with responsive change (which will prevent some problems) and fix problems as they occur (reactive change). Regularly review the current state and the potential future, and then where necessary and possible, pioneer (proactive change). Of course, you will need to avoid making changes just for the sake of changing... there needs to be a reason and purpose for investing in change.

A recent NHS report (Neath 2009, p26) suggests that: “The most powerful change themes often have their origin in a dilemma.” This is where there is a belief that the organisation can do **either** one thing **or** another. The change is then designed to allow the organisation to achieve **both** one thing **and** the other. Moving from ‘either/or’ polarities, dilemmas and tensions to ‘both/and’ solutions is proving to be an essential shift in the cultural mindset of all organisations that intend to survive and thrive through the ever increasing paradoxes of the current working world (Cheal 2012).

Reflection:

Think of a recent change in your organisation. What sort of change was it? What evidence existed for the need for change? How effective was the change once implemented?

The Role of a Leader in Organisational Change

As a leader, you may find yourself in different roles (or a combination of) in connection with a change initiative:

- **Leading Change:** This is where the change is initiated and driven by you and hence comes *from* you.
- **Managing Change:** This is where the change is implemented by you and hence comes *through* you. This might be a change you yourself have initiated or more usually it is delegated from ‘above’ and you are required to ‘make it happen’ (whether you like it or not!) This would also include shared leadership structures where you are in the role of selling and communicating the change to others in the organisation.
- **Facilitating Change:** This is where the change is supported by you and you are working *with* others to help them implement the change. This is the classic role of Organisational Development and HR consultants (in-house or external) where they are helping with the process but not necessarily delivering it themselves.

The Context of a Change: The Big Picture

Every change will take place within a context or a ‘frame’. At the start of any change initiative, it is important to establish the scope, for example:

- Who has initiated the change?

- Who are the stakeholders?
- Who is likely to be resistant and who is supportive?
- What are the boundaries?
- What is being delivered and what is *not* being delivered?
- What is changing and what is *not* changing?
- What is the change dependent on and what is dependent on it?
- What resources do you have?
- What restrictions are in place (e.g. policies, politics)?
- What are some of the forces for and against the change?

When considering the scope of the change within the organisation, a useful model to work with is the McKinsey 7S model (Peters & Waterman 1990). This model breaks an organisation down into seven components:

1. Systems: Including procedures, policies and IT systems.
2. Structure: How the organisation is divided up, e.g. departments and levels.
3. Strategy: Including plans, goals, targets and mission.
4. Shared Values: What is important to the organisation and the people, i.e. culture.
5. Skills: What does the organisation do? What skills do people have?
6. Staff: Who are the people? How many? How are they treated? Morale?
7. Style: The style of leadership and management, e.g. autocratic, supportive etc.

The value of the model is in recognising that each of the components has a relationship with every one of the others. If you change one component, there will be a ripple effect through some of the others (and in this sense, the model is 'systemic'). For example, if you update Systems, you will also need to update the Skills, otherwise you will have demoralised Staff.

When initiating change, it is useful to establish:

- What specifically is changing in each of the components (*from* what *to* what)?
- How might each of the components impact on the change (positively and negatively)?
- How might the change impact on each of the components (positively and negatively)?
- What, if any, tensions exist between the components currently?
- What, if any, tensions might the change create between the components?

By understanding the 7Ss and exploring these questions, you are going to align your change with the way the organisation works. If your change is congruent with the 7Ss of the organisation, you have a greater chance of success.

Using the 7S Model to Handle Uncertainty

In the health service industry now, leaders have to get used to uncertainty, learning how to handle and embrace it. When layers of change are introduced into an already complex and dynamic environment (like the health service industry), the results can become genuinely unpredictable. Where chaos and uncertainty are a given, new initiatives can often bring about 'unintended consequences' (Merton 1996). It therefore benefits any leader of change to familiarise themselves with the nature of systemic thinking (see chapter Y).

For our purposes here systemic thinking would mean understanding and exploring the potential 'ecology' (i.e. 'ripple effects') of a change to predict and hopefully prevent some of the otherwise unintended consequences. You can use the 7S model to consider the ecology of your change by asking for each of the Ss: "What would happen if we did implement this change?" and "What would happen if we didn't implement change?"

Reflection:

For a change you are planning in your organisation, use the 7S model and these two questions to explore your context in more depth. What new insight did this give you? What will you do differently as a result of that insight?

The Psychology of Change: How to Gain Buy-In

In the same NHS report (Neath 2009, p4) mentioned above, it was suggested that: "70% of change programmes fail and 70% of those that fail do so because cultural barriers impede successful implementation." The 'cultural barriers' were measured by "management behaviour not supportive of change" and "employees resistant to change".

In the initiation, planning and implementation phases of change, there is a need to build and maintain buy-in from various parties, particularly stakeholders, colleagues, management and staff. From observation, it is apparent that some leaders try to 'project manage' their way through change. Whilst project management is essential, it is usually

not enough. The difference between change management and project management is the additional attention that needs to be given to people engagement. Linking back to the 7S model, there is a correlation between project management and the 'hard Ss' (systems, strategy and structure), and then between change management and the 'soft Ss' (shared values, staff, skills and style). Consider an office move. It is possible to treat the move as a project and manage it as such. However, if you don't take the feelings of the staff into account or involve them in the process, you may find yourself spending much of your time and budget handling disengaged staff, 'people issues' and increased staff turnover rather than managing the technicalities of the office move!

1) Buy-in from stakeholders and collaborators

Stakeholders will tend to be those who could affect the change, those who are affected by the change or a combination of both. For any change you are leading, draw up a list of stakeholders (or stakeholder groups) and then ask yourself:

- How much power does each stakeholder have?
- How positive are they about the change?
- What is their intention in the change?

It is worth investing time in relationship building with anyone who has power over your change initiative in order to get them on board. These stakeholders are sometimes known affectionately as 'spanner-holders' because they have the potential to throw a spanner in the works! However, if they are engaged and bought in to your change, they also have the ability to help you by tightening or loosening things up.

One way to engage a stakeholder at the early stages is to ask what we call the 'involve' question. After pitching the need for the change, ask them for some input/advice, starting your request with something like: "*If you were involved in this change...*" (e.g. "*If you were involved in this change... how would you X?*" or "*...who would be good to speak to about Y?*" or "*...what would we need to consider about Z?*") Not only is asking for their input/advice useful, but if they answer your question, they have also psychologically bought into the idea of the change. You can then utilise their suggestions (or the spirit of their suggestions) and let them know you have done this. Now, they know their idea has been incorporated and they are less likely to throw a spanner in the works... People don't tend to reject their own ideas!

Depending on who the stakeholder is, you may also need to 'contract' with them, i.e. set some basic agreements about roles and expectations. What do you need from them

and what do they need from you? How will you communicate with them? How much collaboration and involvement do you want from them and how much are they able to give?

The issue of contracting is also essential when working in collaboration with others. When setting up a collaborative style partnership, we recommend you use the following as areas for agreement:

- What is the objective and purpose of the change? Is there a deadline?
- What is the ultimate deliverable of the change? How will things be different?
- What is negotiable and what is not?
- How will you know you have achieved the objective? How will others know? Is it measurable?
- What are the needs and desires of all parties? What would be considered a “win” for each party?
- How do you want to work together?
- How will you make decisions?
- How much time, budget and resources are available (or are parties willing to commit)?
- Are there any other expectations?
- What other outside influences could help/hinder the partnership/change?

Sometimes you will be working with people who want an alternative approach or outcome to that which you are proposing. If this is the case, seek to find out what it is they are attracted to and what the benefits are. By combining their benefits with the benefits of your own approach/outcome, is there a ‘third way’ solution that meets the positives of both sides? By adopting a ‘win/win’ stance, you have a better chance of working through conflicting positions and turning a potential issue into an opportunity for a better solution.

Reflection:

Think of a change that was resisted. What was the intention of the stakeholders resisting the change? What change (if any) did they want to see and what ‘3rd way’ options might have been possible to offer a different route to getting needs met?

2) *Buy-in from staff and management*

As well as stakeholders and collaborators, how do you encourage staff and management engagement? The simplest way to look at how human beings are influenced (e.g. to make a decision or to act in a certain way) is to imagine a seesaw in their mind(s). On one side of the seesaw is resistance and on the other side is motivation. If the collective resistance to change outweighs the motivation then the change will be extremely challenging and time consuming. At worst it may not be sustained or it may even fail.

When considering resistance, some people might resist the content of the change (i.e. the 'what') and some people might resist the process (i.e. the 'how'). Even if they do not resist the change itself, they may resist the feeling of *being changed* particularly when they have a lack of input and perceived control. In addition, no matter how positive a change is, there is also likely to be some degree of loss. In this sense, resistance is often caused by the *fear of losing* something (e.g. security, control, status, knowledge, power, variety or working with people they like).

It is useful to draw up a list of what people's resistance might be to the change and then use that list as a basis to draw up a list of motivators for change. Remember, the motivators have to be applicable to them, not just to the organisation. For example, if the change means working in new teams and you have identified that a resistance might be working with people they don't know, make it clear that they will still be working with some of their current colleague (if true) and that there will be some opportunities to meet and work (or socialise) with their new colleagues before the change takes place. Of course it is important to avoid making promises that cannot be kept as this will simply create another level of resistance.

In addition, you can help to counter the resistance by (a) removing some of it and (b) outweighing some of it with motivators. Ultimately, by understanding the resistance and using that to inform *how* you present, motivate and implement the change you will tend to experience a smoother transition.

Some people don't see the need for change and are happy with the way things are now. In this instance, you may need to 'pace and lead' them. This means starting from their position and leading it to where you need to go. The first step is to create a sense of dissatisfaction with the current situation (e.g. start by talking about the current situation and what is not working). Then present the vision (i.e. the future outcome of how things could be along with the benefits of this outcome to the people and to the

organisation). Finally, present the immediate tangible actions that will need to be taken to get the change underway. In addition, throughout this process, it is important to listen to concerns and to ensure support where possible.

As a final note on building and maintaining buy-in, it is essential that you manage both reality *and* perception. Not only do you need to deliver on the change project, you also need to keep people up to date with what you are delivering. If things change but people don't know or perceive that things have changed, they will continue to act as before and systems are likely to return to the status quo! To prevent the change coming to a grinding halt, it is important to 'keep the wheels oiled' by consistently resolving resistance, inertia and practical issues in order to maintain momentum.

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