

Ignore the people factor in change projects at your peril

Few project managers now assume that they can cheerfully complete their projects – especially those involving changes in practices or processes – without any consideration of the affect they may have on other people. But how can they ease the projects path and get people on their side? Jeff Hall says effective and timely communication is the key



We are all aware that speed of change is essential to get a competitive edge in the 'global' marketplace. Yet when contemplating change, the decision-makers - the board and its executive directors - invariably focus on strategy, planning, systems (processes and technology) and the associated structure of the company. However, because change always involves people, it is 'the people factor' that can make or break it. If people choose not to cooperate it may sabotage a company's plans and the business will suffer - it may even founder.

I want to look at the 'the people factor', how it can influence success or failure of change, and suggest an approach that will maximise the chance of success. But firstly here is a note of caution. Don't assume that the 'people' are just those employed by an organisation. There are others who may be just as vital to the success of a change. By and large these will be customers and suppliers,

but even the public reaction could influence your success. Their buy-in to change will be important if it affects any aspect of your relationship with them. So when considering the implication of change on staff also take into account the how it will affect all those associated with the company.

Change is a continuous 360-degree cycle

As change in today's global economy will occur often, it can be viewed as happening over a 360-degree cycle. Figure 1 illustrates the '360 degree change cycle'. This change model is based on a series of events that happen over a period of time - but they always follow this 360-degree path, which could take anything from months to years to complete depending on the industry sector.

The first event happens when something triggers a need to make a change. It could be to counter a threat to your market position, reduce operating costs, a desire to offer new products, merge with another company, change suppliers, offer an Internet/Web service, upgrade your operating plant, outsource a

service, downsize the company, etc.

The second event kicks in once staff get the first whiff of a change to their normal way of life at work and begin to contemplate the consequences of the change - to them.

The next event arrives as the changes are implemented and staff begin to undertake new ways of working. (Perhaps customers and suppliers too have new methods to cope with.)

One way of describing people at this early stage of implementing change is to call them the 'victims' of change. They may see themselves as having to pick up the pieces and carry on as if nothing had changed: they may have seen lifelong friends made redundant — could they be next! This stage of the change cycle is soon followed by the next event. Now the company expects these victims to apply themselves wholeheartedly to the new ways of working to help the company achieve its new business model, goals etc.

The final event is reached when eventually the company succeeds in attaining its plan and its new business model reaches a stable

state - the 'today-state'.

At some point the need for change is triggered again - and the 360-degree cycle commences once more.

Assuming that those aspects of change that involve strategy, planning and design of the new ways of working are accomplished well, what can be done to achieve a similar level of success dealing with the people factor?

Getting the 'people factor' right

People are naturally suspicious of change. It's also human nature to discourage change: the status quo is fine unless there is something more desirable to be gained. Here are some issues that staff may raise when faced with change.

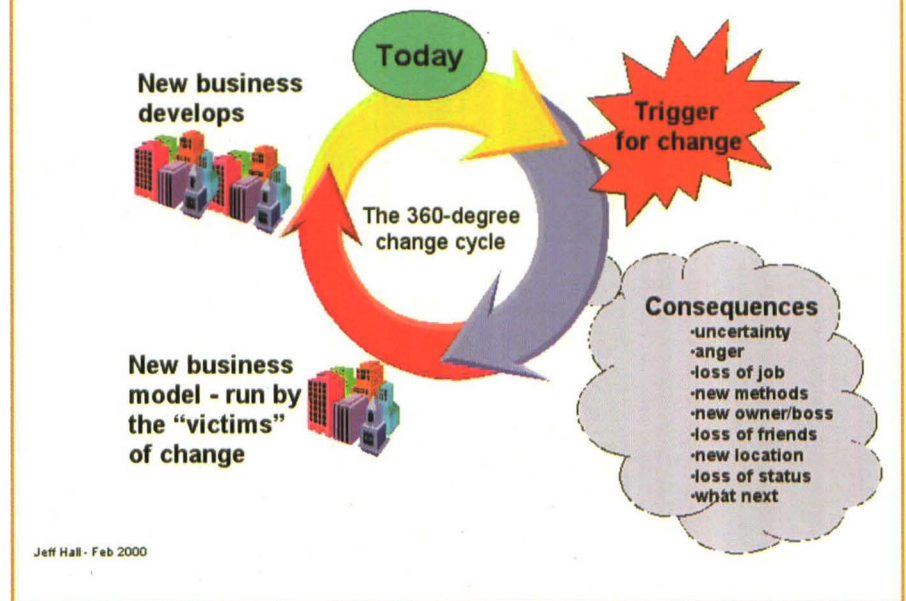
- Is it beneficial - what's in it for me.
- How will it affect pay and conditions.
- Why us.
- Is this the only choice - what else has been considered, what other options are there.
- What are the consequences of the change on methods, jobs, pay, conditions, etc.
- Is the company being honest/trustworthy
- is something being kept back.
- Will staff be re-skilled, re-trained.
- Will there be redundancies - if so what is the package.
- Will staff be treated fairly.
- What are the implications on current working conditions - what changes are planned.
- Will staff be re-located - if so what are the conditions
- What is the timetable for change.
- Who is responsible for implementation and communications.
- How can staff feedback their views, concerns, etc.
- How do the unions think - what is their policy on handling the change.

How well a company addresses these issues - and there may be more - will decide the success or otherwise of the planned change. A key factor to achieving success here is the quality and effectiveness of the culture that has been cultivated within the company and in its relationship with customers and suppliers. Does the company have a culture that:

- promotes open, honest provision of regular information?
- encourages company values and pride in everyone's work?
- respects people and treats and develops them as company assets?
- keeps everyone involved and encourages participation?

The 360-degree change cycle

Figure 1



● gives clear direction?
Culture is not a one off event, it should be part of the fabric of an organisation - it's part of 'business as usual'.

Even if a company has such a culture in place it will still have to overcome resistance to change, still have to convince people that the change is essential and give good and acceptable reasons for the change. A company without an effective culture will have a steeper hill to climb.

Irrespective of the cultural state of an organisation, a great deal of focus and effort is required to take people willingly along the road of change. How can this be accomplished? How can people be convinced they must take this leap across the chasm of uncertainty so that the company can achieve the benefits of the planned change? The answer is simple; it is for the company to:

- Keep people informed from day one - not half way through or just before the change is to be implemented.
- Be seen to treat everyone fairly.
- Proactively seek and obtain their buy-in for what is proposed.
- Encourage participation all along the way - it's the people that will have to adapt to the new business model and they may have some good, constructive suggestions to improve on what is proposed.
- Provide clear direction at every stage so there is no misinterpretation of intention.

These are fine ideals, but can they be achieved. The answer is to develop a first class communications programme (and if required, couple it to a re-training programme).

People associated with organisations are the same people you live with, meet in the street, and see in a restaurant. None of them like to be kept in the dark about anything that affects their lives - even more so if it affects their livelihood! The only way you can make sure people are not kept in the dark is to communicate with them - make them feel comfortable about what matters to them.

Developing the communications programme:

The first action is to appoint a dedicated communications manager - essential for all change projects.

The programme must satisfy the following minimum objectives:

- In initially to inform people that change is taking place
- To gain everyone's commitment by explaining the reason why change is necessary (eg to introduce new products, to improve business operational excellence)
- To provide regular updates on progress, what happens next, etc
- To gain feedback from staff (customers and suppliers too) and use it to improve the quality and accuracy of the communications programme
- To help ensure everyone involved knows about what is involved when moving from the old to the new business model

Also, don't forget that communications outside the company might also be necessary. Additionally, the communications



programme should maintain close contact with the training departments to:

- provide guidance on presentation material to familiarise staff with the implications of the changes on processes, systems, organisation, etc.
- help produce re-skilling/raining programmes that meet staff's expectations,
- ensure user manuals (process maps, system user guides, etc) are updated to reflect the changes and are acceptable to all end users
- give feedback on any new training requirements that have been requested through the communications programme.

As with all good change management practice, a communications plan should be developed and agreed. It may be necessary to produce different approaches to communications if, for example, there is more than one culture in the company. Although there may be a generic culture, there also be a number of sub-cultures on the shop floor, or in heads offices or branches in other countries, etc. Understanding these sub-cultures will influence the method of approach (delivery channels, media, terminology, etc) for the communications campaign.

The method(s) that are chosen for delivering communications must match the audience's preferred style. Typical methods to chose from will include:

- presentations/discussion groups
- video tape
- video conference
- telephone conference
- audio tape (useful for mobile workers)
- newsletters and house magazines
- posters
- e-mails
- roadshows
- and, more often these days, through a company Intranet

Most of the above is targeted within an organization and with its suppliers, if they are involved. If change involves the public or customers they will need to be given special attention. This might include personal visits and could even require a dedicated

marketing initiative involving press conferences, TV, radio and national and local newspapers. If you have a Web site, then this will also be another channel for communicating the change.

Remember that you cannot communicate enough. There are four main rules governing effective communications. The first is:

- to identify your audience and understand their preferred method of communication (vital if you want to cater for a generic company culture and any sub-cultures that exist).

The other three rules all support this, they are:

- remember the old adage 'KISS' (keep it simple, stupid) - don't overcomplicate your messages; clarity is essential aid understanding and gain commitment,
- tell, tell and tell again - don't assume your message gets across first time - you may have to tell it several ways,
- seek feedback to check that your message is getting through as intended (if it's not find out why and, if necessary, amend your communications programme) - failure here will only encourage rumour and gossip.

And finally

The price of getting the 'people factor' wrong is high. It could result in non-cooperation, anger, low morale and a total lack of commitment to change. All this could result in bad press, lose customers, upset suppliers, and reduce profitability - even the demise of the business. Get it wrong and you will suffer the consequences - get it right and you will prosper.

Over the past 30 years Jeff Hall has successfully delivered a number of business change programmes in the finance, retail, transport and education sectors in the UK and overseas. He has worked in all areas of IT, business consultancy and project management. His current focus is on helping clients deliver e-commerce/e-business solutions from setting up the project team with the right e-skills and knowledge to managing the entire cycle of building and launching the e-service.

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