

# CHANGE MANAGEMENT AND INTEGRATION

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## Change Management and Integration

### **Abstract**

Change management is an organized, systematic application of the knowledge, tools, and resources of change that provides organizations with a key process to achieve their business strategy. The purpose of “integrated change management” is to achieve the desired target state by integration of the organizational and individual change processes on the one hand and by the integration of project and change management on the other hand. The paper is based on the models of John P. Kotter, the Change Management Learning Center – Prosci, the change experience of Tiba, and the PMI's 2012 Pulse of the Profession In-Depth Report: Organizational Agility” (PMI, 2012). The conclusion is that changes are manageable by applying “integrated change management,” strategic initiatives are more successful and benefits will be achieved by increased organizational agility. During the integration stage, the organization makes the changes it has worked on "part of the way we do business." The changes become integral to how the organization functions. Employees may no longer remember how the organization worked prior to the changes. Or, their memories have faded to the point of not caring about the old ways of doing things.

### **Introduction**

Low economic growth, changing global market conditions, innovation, and cost pressure lead to a complex and dynamic company environment. To be competitive companies must live and manage the constant change. There are permanent changes

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within a company: implementation of new strategies, organizations, systems, culture, and processes. In all of these endeavors, change management is crucial for success and acceptance of the results. Unfortunately, change projects fail often! Why?

Change in the organization is a continuous process in the contemporary world. The organization exists in a turbulent and changing dynamic environment. The existing both external and internal environment always influences the goal of organizations. Business leaders should aware of the existing political, economic, social, technological, and legal (PESTEL) environment to survive. Contemporary organizations are changing, due to the PESTEL environment, they live in. Organizational research manifests as firms transition to a new era of flexible, lateral forms of organizing (Davis 1987, Miles & Creed 1995). It seeks answers to two questions. First, how are core features of organizational research influenced by the changes contemporary organizations are undergoing? Second, what new dynamics and features are emerging as important organizational research issues? During the integration stage, the organization makes the changes it has worked on "part of the way we do business." The changes become integral to how the organization functions. Employees may no longer remember how the organization worked prior to the changes. Or, their memories have faded to the point of not caring about the old ways of doing things (Susan 2017).

As Delich, (2015) cited business leaders in any organization are responsible for answering the questions of how to design organizations to become vibrant performers' by examining their environment what specific actions should be taken, to better implement systems to drive the firm success (Epstein & Manzoni, 2004). To come up with viable ideas researchers played significant role to discover the

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fundamental attributes that lead to high-performing organizations in our social world, so as to the study of organizational behavior critically to understand its effect on all levels (Colquitt, Lepine, & Wesson, 2009; Greenberg, 2003, 2011; E. M. Hanson, 2003; Miner, 2007; Owens, 2001; Sims, 2002; Wagner & Hollenbeck, 2005).

### **Change Management – Definitions and Models**

Change Management is an organized, systematic application of the knowledge, tools, and resources of change that provides organizations with a key process to achieve their business strategy. Change management is a systematic approach to dealing with change, both from the perspective of an organization and on the individual level. A somewhat ambiguous term, change management has at least three different aspects, including, adapting to change, controlling change, and effecting change. A proactive approach to dealing with change is at the core of all three aspects.

### **John Kotter's Eight Step Approach to Change**

John Kotter (1996) created a very popular change management approach. The desired change is conducted in eight steps. Exhibit 1 below shows these eight steps in detail and how they are linked with the four phases of the “integrated change management” approach (Wanner, 2012). The business leaders and practitioners need to understand how to manage different behaviors effectively in their organization. This is because to identify the connection between organizational behavior and performance to check whether they are high -performing organization (Hitt, Miller, & Colella, 2006). Moreover, to attain to a high performance in the organization ( Hitt et al. 2006) the firm

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requires applying the strategic change and a strategic management toward the organizational behavior to maintain appropriate people's knowledge and skills. The authors agree that it is important to understand organizational behavior has influenced organizational performance and how people behave in organizations as well (Clegg, Barling, & Cooper, 2008). Sims (2002) stated that acknowledgment of the true nature of organizational behavior could help leaders to clearly understand the myriad workforce issues and introduce appropriate change. Consequently, changing behaviors at all levels could increase an organization's performance and effectiveness for better organizational achievements. Researchers agree that firms need to recognize and understand the impact of organizational behavior in the workplace what attributes and leads the firm to high-performing organizations.

Change management and integration have reportedly experienced failure rates upward of 70 percent in various industries (Parker, Charlton, Ribeiro, & Pathak, 2013). As a result, the business community continues to search for literature and practice for new processes and tools to implement change. For example, ICON's Human Resource (HR) department is scheduling implementation in the new fiscal year of a new full-service technology platform to integrate all employee information into one hub. ICON has hired a consulting agency to manage integration which will be done in two significant steps; Change initiation and change diffusion. Change diffusion, the most significant effort in integration, includes an analysis of the organizational environment, change momentum, atmosphere, and resistance or receptivity to change (Shin, 2013).

Change management has been defined by Parker, Charlton, Ribeiro, and Pathak (2013) as a continual process an organization undergoes to renew or refresh their

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structure, capabilities, and direction to meet the needs of the ever-changing client and market demands. ICON's HR department services an employee base of more than 12,000 in a global setting. Each country maintains their own HR personnel as agents in charge of country-specific HR law and performance management; however, all employee information will be housed within the system referred to as WorkDay.

WorkDay will be a system accessed by each employee for their specific information such as paid time off, annual reviews, compensation information, and date-specific information pertaining to employment, benefits, and team structures throughout the organization. Access to the system will be as simple as clicking on the link from ICON's home page where employees are already logged into their personal computers via VPN. Incorrect or questionable information within WorkDay can be escalated directly to the HR service center from the system by the employee.

### **Change Initiation**

Change starts with identified change agents (Shin, 2013) whom ICON has identified as HR leaders and the executive team of the organization. Change agents are responsible for identifying areas that need change and also create the vision and specified outcomes (Shin, 2013). Often the role of change agent refers to the individual making the change happen but in the case of ICON, they hired a consulting agency to perform that task.

The consulting agency is responsible for project management of this integration effort which must be structured and rigorous in approach to be successful with such a large organization (Bruhl, Horch, & Osann, 2010). ICON must also be present for this integration in terms of mindset, schema, and orientation toward change as they portray

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the importance to the organization (Shin, 2013). The success of the project will also be the result of successful communication to the organization so it can be embraced, adopted, and utilized by impacted employees (Asif, de ruijn, Olaf, Fisscher, & Searcy, 2010).

Several key concepts have been identified by Parker, Charlton, Ribeiro, and Pathak (2013) for initiating change. These concepts include an analysis of the organization and its need for change, create a vision and common direction, separate from the past, create a sense of urgency, support a strong leader role, line up political sponsorship, craft an implementation plan, develop enabling structures, communicate through honesty and transparency, and reinforce change throughout the organization. ICON's change management team and consulting organization will work through each of these steps as an initiation approach to the rollout of WorkDay by the new fiscal year.

### **Change Diffusion**

Change diffusion refers to all aspects of the culture of an organization, its environment, and how quickly integration can be accomplished with the most successful outcomes (Shin, 2013). A number of tools will be utilized by the consulting agency to during integration, most of which involve the organization through sustained communication and work stream meetings (Aitken, & Kathryn, 2014). ICON utilizes metrics analysis for all project management and rollouts of new technology to assess utilization, user-friendliness, issue reporting, and streamlined functionality. The same will apply to the implementation of WorkDay and the consulting agency will utilize those metrics to maintain focus throughout implementation. Other tools to be utilized include training strategies and plans, team building, status reporting, testing, workstream

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meetings, readiness assessments, process mapping, cultural surveys, deployment plans, go-live readiness assessments, issue tracking, logs and management, and a kick-off meeting (Aitken, & Kathryn, 2014).

### **Environmental factors**

Environmental factors are an important consideration in the diffusion of change initiatives because the size and age of the organization tell the consulting agency a lot about what to expect. ICON employs over 12,000 employees and has been around for about 25 years which results in a very large amount of opinions, and a wide array of experiences with change initiatives. The environmental influence is very much related to the creativity and innovative structure of an organization which helps lay the groundwork for future change initiatives (Shin, 2013). The consultants must also take into consideration the external environment that shapes ICON. They are client driven and although employees of ICON perform work for their organization, the clients of ICON are directly affected by negative change implementation in terms of productivity and satisfaction.

### **Change momentum**

ICON has integrated many technology changes over the years and by looking at the history of implementation, consultants can assess the type of organizational change used in the past (Aitken, & Kathryn, 2014). If successful, they can utilize the same basic structure with minor tweaks and if unsuccessful, they can completely change implementation strategies to change momentum into a success. In theory, the momentum of change is affected by the prior change. The greater a number of changes in the past increases the probability of further change (Shin, 2013). ICON's consulting

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agency will utilize prior change metrics to understand the momentum of the organization and success relating to that momentum.

### **Atmosphere**

ICON is a global organization with a variety of international and cultural atmospheres. By measuring country-specific factors for entrepreneurship, the consulting agency can assess how each country will embrace organizational change (Shin, 2013). Based on how specific countries facilitate entrepreneurship, employers within those countries are more likely to increase economic growth and expansion, and employees are more likely to accept change. Utilizing this information, ICON's consulting agency can determine how each culture assesses growth, change, expansion, and acceptance of new economic activities.

### **Resistance or receptivity to change**

Change is a topic of debate and much research because of the often tumultuous change efforts conducted in the past (Bruhl, Horch, & Osann, 2010). Resistance or receptivity will most likely be a result of change momentum and in the case of ICON; they have initiated change many times over the past couple years. Employees may likely be fearful of change based on prior successes or failures, and the frequency. Allowing teams to adapt to prior change before implementing further change is an important aspect of resistance or receptivity. ICON's consulting agency recognizes previous timelines, successes, and failures, and will implement changes to implementation based on prior employee feedback.

ICON's timeline of implementing WorkDay into the organizational structure is by the new fiscal year and will be managed by a consulting agency hired based on their

expertise and prior successes with other organizations. ICON has implemented many changes in the past couple years and the consulting agency recognizes the stress of which may negatively affect the rollout of WorkDay. They will implement open communication to their strategy and provide as much advance notice and transparency as they can to prepare the organization for the upcoming change. The success of WorkDay will be measured by the consulting agency through focus groups, questionnaires, and a feedback forum directly through the new system.

### **Conclusion**

Strategic leaders and practitioners are the change agent. A change has the high impact on a company or organization. It could be managed successfully by applying “integrated change management.” The most important success factor is the involvement of an active sponsor or stakeholder. A project manager of an organization or project should integrate the organizational and the people side of a change. He should integrate professional change management processes methods, tools, and techniques to the individuals and groups of professional project management team. The following techniques are instrumental to apply: 1) Initiate, 2) Plan, 3) Manage, 4) Reinforce & sustain a change.

In the organization, change is inevitable and important for the growth and development of the organization. The change could be identified by business leaders in the organization by anticipating for the better future of the organization development. The global dynamic environment is an opportunity and threat for the organizations during the change process. Business leaders should be aware of the changing

environments around themselves, and they should give appropriate responses on time to the environment around themselves. In an organization, to introduce change leaders should bring on board appropriate stakeholders from planning, implementation and finally at the evaluation stages to measure the impact of the change in overall the organization mission. Change always faces resistance from the external and internal environment (Rick, 2013).

It is evident that discussions at all levels with employees and senior leaders in the organization will pave ways to avoid resistances for change process in the organization. The employees in the organization feel free to ask questions to their managers and supervisors about the advantages and disadvantages of the change in the future survival of the organization. Understanding critically common reasons people object to change gives an opportunity to plan the change strategy to address the issues on time. Free information flow, the culture of trust, transparent communication is a key to avoiding resistance to change. Change is not always comfortable for all employees in the organization, but strategic leaders can minimize the discomfort. Understanding the sources of resistance is a critical step for leaders towards solutions and getting feedback from the resistors, and that could improve the process of gaining acceptance of the change process (Norrvall, 2013).

Here is a great resource for an overview of effective change models, methodologies, and frameworks. You'll find theories such as the McKinsey's change management framework, John Kotter's change management model, the Prosci ADKAR process, and the Deming Cycle. The Kotter's theory of change could be taken as a popular change process and

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management approach. John Kotter (1996) created a very popular change management approach. The desired change is conducted in eight steps. Exhibit 1 shows these eight steps in detail and how they are linked with the four phases of the “integrated change management” approach (Wanner, 2012).



Exhibit -1



**Kotter's Change Model**

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