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MAKING NEW REALITIES

making new realities

presents

CHANGE AND DOING THINGS BETTER

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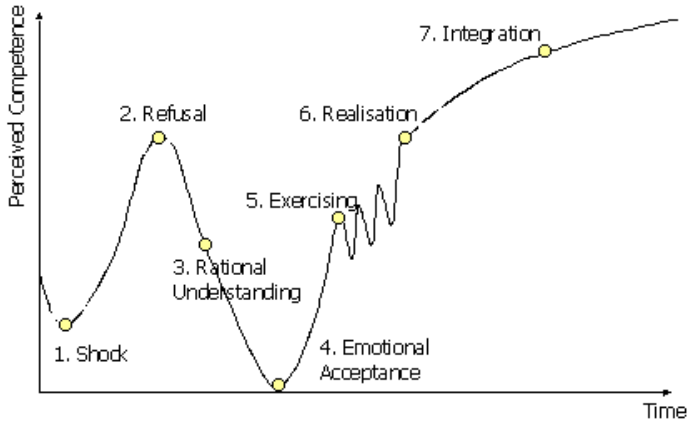
THE CHANGE PROCESS

The level of acceptance and resistance to change would determine the speed of undergoing the change process. This change process goes through a series of phases as illustrated below [9]:



The seven phases of change are described as follows [9]:

Phase 1. Shock and Surprise. This is the phase where one confronts unexpected situations may it by accident (losses in the business) or planned events (personal development or team performance workshops). This indicates that their usual way of doing change does not fit the new situation they have at hand.

Phase 2. Denial and Refusal. People have this conviction that change is not necessary.

Phase 3. Rational Understanding. This is when people realize, after some reflections, that there is a need for change and that they resort to short term solutions without necessarily changing their own patterns of behavior.

Phase 4. Emotional Acceptance. This is referred to as the most important 'crisis' because this is when the willingness for changing values, beliefs and behaviors has been created where the real potentials of the people involved can be exploited.

Phase 5. Exercising and Learning. This is when the person's willingness to learn makes way for new behaviors and processes. This is also when one experiences successes and failures in practicing the changes in thoughts and in actions.

Phase 6. Realization. This is when now people begin to understand which of their new behaviors and actions are effective in their present situation. This is when they become open to new experiences where they become more flexible.

Phase 7. Integration. This when the new behavior becomes a routine and the new acquired patterns of behavior and thinking are fully integrated in their usual and normal activities.

A CASE IN POINT

A new Information Technology system has been adapted by a company and the experience proved to be more expensive than expected as evident in the following:

- It has been established, that the lack of quality and the number of mistakes made every day have several consequences:
  - They result in expense for correcting mistakes.[3]
  - They cause a high and costly staff turnover which in turn further reduces the quality of services. [3]
  - They may make it difficult to operate successful in a market niche, because this is likely to require a higher level of quality in products and services.[1]
- The lack of quality applies to many services such as financial institutions.
- There are times that customer information are becoming inefficient in many respects. This directly and negatively affects the way businesses are conducted and it also causes an unnecessary high cost.
- The lack of recognition of human factors in IT systems directly impacts on quality and cost of our front line business.[2]
- Certain architectural characteristics of current IT applications restrict the business and causes unnecessary cost.[5, 8]
- The total annual cost of these deficiencies can probably gross profit [3]

Most of the above issues are interdependent, therefore removing only selected problems is cosmetic and does not cure the malaise. More reflection points to an opportunity: These are ultimately people issues rather than equipment issues.

THE PEOPLE

The vast majority of individuals and groups in a company resist change. It is asserted that this behaviour has two major reasons:

(1) Lack of understanding of the object of change, and
(2) Fear for loss, and therefore protection, of possessions and position.

Change management addresses the first reason through education, and the second through information.

The question is then, which of the individual's possessions and positions are affected by change that the new IT system can bring in? A few examples may shed some light on people's concerns: Flattening the hierarchical structure is likely to result in loss of power, and, by extension, prestige. Also, the new structure probably requires different output: Instead of supervision, support and training of staff who produce output (i.e. conduct business transactions), the production of exactly the same output will be required. This gives a feeling of descend, loss of prestige and power!

A good supervisor is not necessarily a good executor: The individual may simply not know how to process transactions. Failure means loss of face!

Specialisation, relocation, (e.g. centralisation or decentralisation) automation of activities, data and procedures make information unavailable. The person who previously knew it all is no longer in this desirable (and prestigious) position. Consequently the person's services may be less valuable or desirable: Income and material possessions are at stake! This disrupts the pyramid structure of the company which normally has the Top Management, Middle Management and Workers.

Top Management

Usually Top Management controls and initiates change. This implies that the two reasons for resistance - lack of understanding and fear for loss - do not apply to Top Management.

Middle Management

Many workers perform a small number of narrow tasks. Education to understand the reasons for changing these tasks is relatively easy to provide. There is no position threatened and the threat of material loss is minimised by trade unions (sometimes through resistance to change).

Workers

This leaves the Middle Management (and in future also the Knowledge Workers): Usually charged with the actual implementation of changes, the very threat to the individual as shown above. Resistance, therefore will result in non-change unless education about the object of change and protection for possessions are provided. An alternative strategy would be the removal of parts or all of Middle Management.

THE OPPORTUNITY - CHANGE

The changes required to remedy the shortcomings described above have to go to the root of the problems. This means that changes would require dealing with people first and foremost. It would require a process that is performed by the people involved. This process involvement of the people concerned would determine the quality of the output. Also the changes sought are not formalistic (e.g. reorganisation). It should be a change of the mind set of the people, a change in the mind set of how things are usually done. The aim of the change in the mind set is to "make things work the way they are supposed to, every time" as described by Mike Martin [3].

Which things need to be made to work as they are supposed to? From the analyses stated above, the following objects for change emerge:

The quality of our services as a service institution

This requires improved training, procedures and information, and the ability to use the new IT system.

The quality of the services

This requires understanding of needs, robust design, recognition and application of human factors in the IT system. These require education and training.

Availability of (computerised repositories of) information

This requires understanding of (1) current and potential future needs and (2) information management, which in turn also require education and training.

The recognition and application of human factors in IT systems.

This requires education and training.

The architectural characteristics of IT information repositories and applications

This also requires education and training.

Education and training of our people, i.e. the users and IT staff is crucial to recognise the better ways to walk on i.e. of doing things. The other crucial factor is the will to bring people to build these better ways and to walk on them. This will have to be present in all levels of the pyramid. Crucial in this context means "doomed to fail without".

In addition to the above, some new or changed tools (e.g. software and hardware) may be required for optimum implementation. But it has to be understood, that it is not the tools that provide enlightenment, but the education and training, and it would be fallacious to think the availability of implementation tools would provide the enlightenment.

CHANGE – THE CHALLENGE

The capacity to assimilate new ways of doing things has to be assessed, and depending on this, they may have to be adjusted, i.e. changed.

Recalling the three-level pyramid (top management, middle management, worker), it has been stated that the skills to use at its base and technical skills in its centre, gives a group of people the capacity to react positively to the signals from the leaders.

Our environment may be hospitable to the new ways, skills required for assimilation may be available and the new ways are transferable into our environment, yet the assimilation of the new ways may fail.

In such a scenario, it is asserted that the signals from the leadership are not sent or not received. The power to effectuate change and the motivation to change, including change of privileges, are not evident to the base and centre of the pyramid.

All those factors, i.e. skills in the pyramid, environment, transferability and leadership determine our capacity to change.[7]

Change Management guides the process of change and increases the likelihood of successfully achieving the aim. The change process typically involves two groups of people: a) the agent of change, and b) the object of change.

The agent of change manages the process (i.e. the application to people) and must fulfil five prerequisites:

1. Understanding the change process
2. Communicate
3. Consider organisation and individuals
4. Train
5. Design performance measures

As seen by the object of change, the change process goes through these phases:

(1) Awareness with uncertainty, knowledge, evaluation of impact on one self

(2) Trial and finally

(3) The decision with acceptance or rejection of change.[6]

It is evident that education of the people involved is the central to the assimilation and to the change process.

THE CONCLUSION – CHANGE WITH PEOPLE

The ability to recognise the ways to do things better lies within people, i.e. in their knowledge received through education. Their acceptance and assimilation of new knowledge to the ways they do things would result to the following:

- Quality of our services as an institution
- Quality of services
- Availability of (computerised repositories of) information
- Recognition and application of human factors in the IT systems
- Maximizing architectural characteristics of IT information repositories and applications

The will to build better ways, to walk on and do things lies with people, namely the leaders who know the potential to build these better ways.

The process of building new, better ways is executed by people.

People walk on the new, better ways.

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