

# Strategy and Leadership PV237

Ing. Michala Homolova, MBA.



# Strategy and Leadership PV237

## Change Management



# Why is it important?

**McKinsey study on 40 companies shows how change management impacts ROI**

**Excellent change management**

**143% ROI**

**Poor change management**

**35% ROI**

- 11 companies with the lowest ROI all had:
  1. Lack of commitment/follow up from senior executives
  2. Poor project management skills of middle managers
  3. Employee confusion about the project



# What did the excellent companies do?

## Senior managers

Commitment	Put initiative at top of agenda
Communication	Relate single, clear, compelling story—no mixed messages
Financial incentives	Reward senior managers if initiative is successful
Nonfinancial incentives	Provide recognition for strong performance
Leadership	Identify owner/champion
Stretch targets	Uphold goals with mantralike consistency; team “lives or dies” by the numbers

## Middle managers

Decision authority	Exercise consistent control over defined set of tasks
Skills in managing people	Provide feedback to employees on status of initiative
Skills in managing projects	Achieve measurable milestones in timely manner

## Frontline staff

Skills	Consider training key aspect of initiative
Tools	Make technology and techniques available to employees
Motivation	Clearly reward excellent performance to improve morale



# Coaching through change exercise part 1

- Explain the exercise and agree some ground rules for the discussion, for example confidentiality, respect for individuals.
- Ask individuals in the team to write on sticky notes how they feel about the changes they are currently subject to at work/school/home.
- Ask them to stick the notes on a flip chart and then get the team to cluster the notes into similar feeling groups.
- Consider the results and draw attention to common ground (people will find comfort knowing they are not the only ones who feel that way).



# Coaching through change exercise part 2

## Group work

- **Put the emotional responses to change on the transition curve**
- **Brainstorm on leadership actions needed for each stage**

Depression

Frustration

Denial

Bargaining

Shock

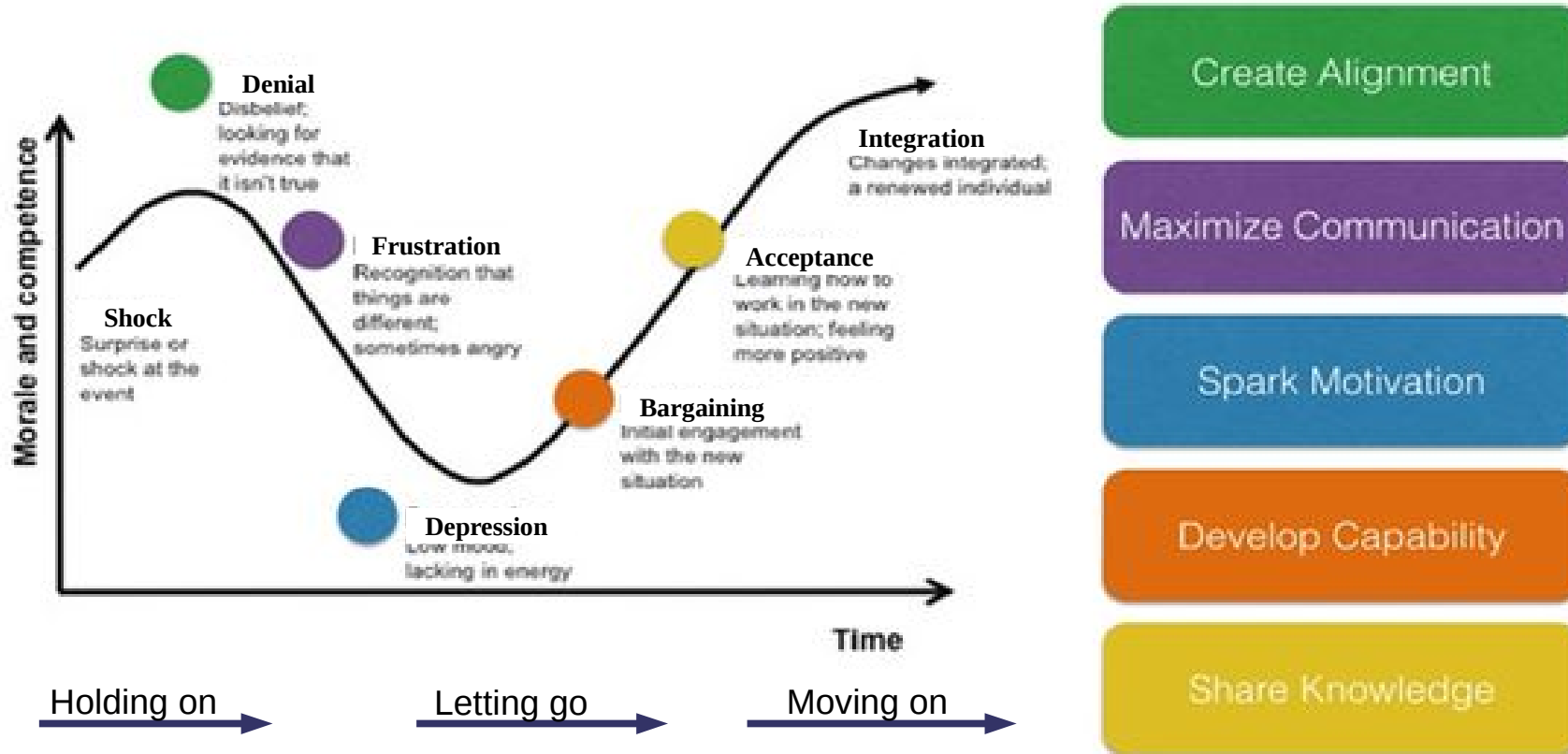
Integration

Acceptance



# Kuebler Ross model

## The Kübler-Ross change curve



The model was first introduced by Swiss psychiatrist Elisabeth Kübler-Ross in her 1969 book *On Death and Dying*, and was inspired by her work with terminally ill patients.



# Coaching through change exercise part 3

- Introduce and explain the Transition Curve.
- Compare the stages of the Transition Curve with the feelings on the sticky notes.
- Ask team members to plot where they believe they are on the curve (they can do this publicly or privately).
- Split the team into pairs.
- Each person, with the help of their partner, to explore their current feelings around change:
  - What are your current feelings?
  - How does that impact on your behavior, performance, ability to help yourself?
  - What other feelings does this exploration evoke?
- Break and get some feedback on this exercise.





# Coaching through change exercise part 4

- **Staying with the same pairs, each person with the help of their partner to explore how they could move positively through the Transition Curve:**
  - **What outcome are you looking for?**
  - **What are you already doing that's helping?**
  - **What other options/opportunities do you have?**
  - **What would it take?**



# Coaching through change - notes

- Recommend to do this exercise when most people are expected to be past the denial stage
- Coaching questions – when the person is done answering, don't satisfy yourself with the answer and ask “What else...?” several times – that's when you are digging under the surface and that's when the person is getting to answers he was not actively aware of
- When leading change – **OVERCOMMUNICATE** - at the moment you think you've communicated a lot, double the effort/introduce new channels ...

