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How should an HR team prepare for radical organisational change?

Looking at the process from a People Perspective

On Wednesday 8th September we brought together a panel of experts to discuss how leaders should prepare a business for organisational change when it's no longer fit for purpose, or needs to make a significant change in direction.

Our open and informative discussion addressed the methods and approaches that leaders and HR professionals should be adopting and what questions they should be asking the business.

The panel gave a balanced view and debate on the following:

- Which communication strategies and methodologies prove most effective in the contemporary organisation setting?
- Should HR facilitate change initiated elsewhere in the business?
- How important is the communication workstream in a change project?
- Should HR initiate and lead the change?
- What are the most common pitfalls and things that go wrong?
- How should HR manage employee resistance?
- Other common obstacles?

If you wish to listen to a recording of the on-demand webinar you can do so here.

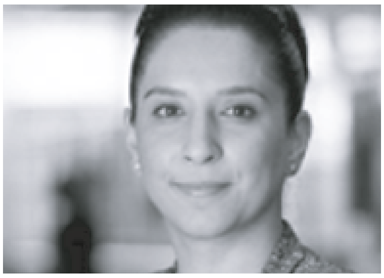
To find out more about our Organisational Change Support Services, click here.

Our open and informative discussion looked to address the difficult questions of managing this process when employees are working from home, and how to prepare colleagues for delivering, hearing, coping and processing bad news when working remotely.

Meet our panellists

We invited a selection of experts from a wide range of sectors and environments, with firsthand experience of managing organisational change in recent times, to join our host Nicky Valmas, NFP's Director - **Organisational Change and HR Services**. Our experts shared details of their own experiences of change projects they have been involved in, their learnings, guidance and wisdom on what can make the difference.

Nicky Valmas
Head of Organisational Change & HR Services
NFP



Mandeep Dhatt
Executive Director of Human Resources
Mclaren Automotive

Chris Keenan
Co-Founder & CEO
Unibeez

Maryann Johnson-Hill
Director of Industrialisation (Reduced Risk Products)
Phillip Morris International

Lynda Rollason
Founder & Co-owner
The Hub (Management Sevices) Ltd

Whatever type of change your business is undertaking, communicating the need for change, and involving those impacted by the change in the planning process can really help to reduce resistance. The change management communication is essential to helping stakeholders and employees move from where they operate today towards the desired "future state."

It's essential to remember that when change occurs, everyone involved is somewhere on the change curve.

Therefore, to successfully deliver a change initiative, businesses need a change management communication plan because **the people affected by the change are ultimately the ones responsible for making it happen and sustaining it.**

We know all organisations have different challenges when facing change, and one of the reasons for failure (that we will cover in more detail later in this report), is that the **need for change**/the business imperative isn't understood before the process begins.

"Working from home adds a completely different dynamic to the redundancy process, so it's important to consider what additional plans and processes should be put in place, especially in a collective consultation scenario."

Q1) How would you verify the initial need for change?

Lynda Rollason commented "It is essential that the **baseline is established from the beginning,** identifying exactly what the business imperatives are to bring about this change. It's very often external changes in the market, such as changes in society, or the mechanics of government change, that influence the need for changes in the first place. Whatever the reason, the case for change – the "story" – that you must communicate to your workforce through your leaders, must be consistent. **All leaders must be behind the same story** so that they can articulate it in a way that makes sense to everyone at all levels of the business.

Great communication is about how to tell that story consistently, ensuring it is understood, but for me good communication is actually part of the **engagement strategy.** My approach to engagement is to **start with a stakeholder mapping exercise** whereby you capture each stakeholder, whether groups, individuals, or other organisations, so that you understand the role they have to play, and you move them around a quadrant as the change process moves forward. **The communication plan** then forms part of that upfront thinking. In addition, **a cost benefit analysis** at the start of the strategy really helps with the stakeholder mapping too, in order to identify clearly why are we doing this? What will we get out of it? What will it cost? (Not just in terms of money) and what will it achieve? You must be very clear about the outcomes and deliverables.

It is also important to remember that **these elements do not stand still. Therefore it's imperative to constantly review** the change progress. You must continue to take stock, asking questions such as how is the case for change holding up? Is the business rationale still robust? Is it holding up to scrutiny, is it well thought through and are the consequences clear and understood? **So it is all about that story, that business case."**

Nicky Valmas added, "There is always that ongoing piece of, **is it still fit for purpose?** Do people understand and do we know where we have got to?"

Q2) How consistent are leaders in their ability to communicate and share messaging?

Mandeep said, "In my experience it has been very varied and where it has been successful is when it has been planned for. As Lynda pointed out - it is really **important to be clear and upfront** as to what the communication plan is and in particular, we need to think through **what we need from a leader**. This is because they (leaders) need to go through the change before the business does. In actual fact, leaders are being asked to process that change usually much faster than the business will have time too.

Consequently, you need to prepare your leaders in advance and for that consistency piece, this is essential, because if we need them to be the change agent and deliver that change, it can't be a surprise to them.

I think **a framework to support your leaders with mechanisms of support** is going to be essential in terms of ensuring that consistency thereafter. At a micro level that's things like crib sheets, one-to-one coaching and at a macro level, businesses can pull together the entire leadership community in calls or face-to-face conversations and have real conversations. Covering what the situation is, what's going to need to happen, this is what we expect, this is the line, and we need to get behind it is helpful. There is a real need for openness and transparency to create that sense of **"we're in this together,"** and we need to lead it together. The platform defining the 'why' needs to be personalised, so that they can take it and make it real to ensure the message lands.

From a HR perspective, the broader role I've seen the function play is about **making sure that the message is then supplemented through different mechanisms.** This is because we all receive, interpret and accept information in different ways. Research suggests you must tell someone something at least 7 times for the message to hit their subconscious and for them to translate that into acceptance. So for me, part of the gift of being in the people function is to say, well what are the other ways in which we deliver this message as well as supporting our leaders in communicating?

If we don't do it this way, we can risk people adding a spin to the message, delivering the wrong point, or perhaps emphasising the wrong things, resulting in mixed messages throughout the organisation. This means we require, a **constant need for check in with those leaders to make sure we are all still on the same page.** In my experience, we have literally done a check in, in the morning, a check in, in the day and one in the afternoon to make sure we are all aligned. Once confusion sets in, my experience has shown me that this is when the validity of what you are trying to get across in a sincere way can be lost."

Q3) When the need for change is external or driven by external forces – how easy is it to translate the message into language that the employees will understand?

Maryann explained, "The art of communication is a funny thing and simplicity is actually the most difficult thing. Good old-fashioned communication, there's 3 elements to it:

1.We want people to know something:	2.We then want people to do something:	3.Everyone needs to feel invested in the change:
That fact-based conversation, the case for change, the compelling business intent, needs to be simple to understand.	Everyone has a part to play during change and so people need to know practically at all levels what they need to do.	So the art of communication, the metaphors, the story needs to show that this is what good looks like and this is what it can do for you.

This piece is very difficult, it relies on really putting jargon to one side and having a simple conversation and having people see the part they have to play in this change. This straightforward conversation can often be overlooked within the communication plan, but making it easy to follow and easy to distil means that everyone can act as ambassadors. It takes time but it's a worthy investment.

We constantly test this in different parts of the business to make sure that all employees understand the message. So really **questionnaires, NET promoter scores and mood surveys** at all levels are useful, because unless we have that 'feel good' element that everyone wants to be a part of change, we know it's going to be incredibly difficult. For communication to work in a large organisation of 77,000 people, its essential that everyone understands the intent and feels invested in it, and that's incredibly difficult to do. So, check in routinely with one-to-one's, face-to-face and engage in having authentic conversations at all levels."

Q4) For a smaller organisation in a rapidly changing marketplace – how do you ensure your business imperative is still valid as you have to adapt and flex?

Chris answered, "I've had the benefit of working in both larger and smaller organisations. In a larger organisation, putting together and building that business case is imperative in terms of then taking forward the change and the planning required."

One of the benefits of say a start-up, is the speed at which we can make agile decisions. So yes, we still go through the process of making the business decision, but in terms of how we communicate that internally to begin with, it allows us to gain a competitive edge.

One of the downsides of being so agile however, is that you can make mistakes. So **identifying mistakes and rectifying them quickly is key.** This is why **communication and responsibilities relating to change before the change is activated, have to be consistent and delivered by the whole team.**

So, a constant review of change – mainly around data in our organisation – helps us to track success of the change and identify any of the problems, which in turn will activate a contingency plan.

In essence, we almost work backwards from the bigger model in that, if we need to make change at the back end of having made the previous adjustments, (that everyone is aware of) then they all know what their role is and what they have to do. And I think for smaller businesses, that agility is a gift, but it has to be handled with care."

Nicky Valmas added, "So it's clear that communication is paramount once you've interrogated the 'why' and fully understand why the change is necessary."

Q5) Within a start-up environment such as Unibeez, who do you need to consider when planning for communication? Have your stakeholders required a different style of communication or approach?

Chris explained, "I think the first thing to make clear is that it is **essential that you know who all of your stakeholders are.** It sounds like an obvious thing to say, but it's easily misunderstood, especially in the cut and thrust of a growing business.

Shareholders to consider with different messages for each

Prospective Investors	Shareholders	Employees
Client Hirers	Supply Chain	Candidates

In all instances you **are trying to get stakeholders to buy into the vision** of what you are trying to achieve. For example, a product function change is communicated differently to each party in order to obtain the buy in. At the moment we are building a search function where businesses can come on and search for candidates. Now in terms of **shareholders and prospective investors**, we need to tell them how this will impact the existing revenue model for example. This needs to be communicated formally and clearly.

For employees, they need to know **if their role will be impacted, will their responsibilities increase?** What will they need to learn?

And then **externally to our candidates** (who are primarily generation Z), **we communicate through channels they understand** such as social media, highlighting the benefits of changes, why we are making them.
Then **to employers**, we need to **get to the right decision maker** so that they know what the benefits are, the changes in the functionality of the product and how it will assist them. In the case of employers (our clients) we may need direct contact with them to ensure we get a strong, consistent message across.

So all stakeholders need to know about change, **communicated in a way tailored to the audience,** using different methods that are appropriate for that group.

The impact of the change is different to each of the groups so the outcome and the messaging is different and must be communicated in a way that gets buy in. This is a very holistic approach to change."

Q6) When you are managing multiple workstreams and have continuous change programs underway, how do you utilise or adapt the existing commutation channels that you have in place? How do you ensure that the message gets heard and isn't lost amidst the noise?

Mandeep answered, "The starting point is **to ensure that there is alignment and a central place where all communication comes from,** so we are not bombarding the workforce with multiple messages. For us, we are going to be making external communications, so we need to make sure that internally we have taken the time to explain what we are about to share with the rest of the world.

Last year (during the pandemic) really taught us to **continuously check in on our communication channels**, because what was effective at the end of last year suddenly isn't effective now. It is shifting fast; for example we introduced new communication chanels as a result of working remotely such as weekly recorded messages to share with teams and virtual calls etc.

In just the last month we learned that our video messages are not being viewed. Here and now getting people on a call or a face-to-face meeting is more effective to talk through our messages.

Holistically, there is a more general awareness around skill level. We have been working on this and have **invested a lot of time in leadership and management training and rallying that community to utilise their skills.** We've got some **coaching and mentoring networks** that we leveraged to support the business in terms of delivering messages and checking that the message has been landing. In addition, I have been talking to the people on our production lines and personally asking questions and checking in to see if the message has landed in relation to their world or picking up the phone to our teams in North America to see how the message has landed differently in their world.

We have a very **open and transparent culture** where we can ask these kinds of questions and receive a direct answer.
So we've got multiple mechanisms and communities we tap into in order to check in, such as our culture champions who are supplied with the message and crib sheets and asked to communicate the message out.

From an HR perspective, what I'm finding is that leadership sometimes need signposting towards the need for this skillset - that this is an expectation of them as part of their role and therefore providing them a safe space to practise if required. Because of the volume of change and workstreams that we've got going, it can feel overwhelming at times. I find as a people professional, that I am very much aware of the story telling that's needed so it makes sense in the grand scheme.

So we help facilitate the change dialogue to join the dots and understand how to receive the information, interpret this (regardless of the size of the organisation) **and then deliver it in a way that makes sense,** depending on who is receiving it. You need to accept that you may not always get it right, so we need to take a moment to be brave and pause, reflect, and check in about what we are doing so it's effective."

Q7) Maryann was asked specifically - As an ever-evolving business that is shifting from being a tobacco company to a technology company and driven by product change in response to societal needs – how do divisional leaders like yourself influence the communication and who takes responsibility for it. Is it an HR lead communication or a business lead communication?

Maryann explained, "So HR support vastly from the perspective of capability building. Everyone is considered a leader and we ensure everyone is equipped to understand:

- **How do you have authentic dialogue?**
- **How do you reinforce the necessary messaging and if it doesn't land?**
- **How do we pivot?**

Bottom up and top-down conversations aren't always easy, it requires practise.

The **HR teams would bring in training whether it's online, external consultancy or even on the change management curve.** It takes time to understand this curve and that it really is a rite of passage that everyone has to go through. So we get a lot of business partnering, but it's very clear that in order to have a swathe of change within an organisation, it has to be a one-to-one at all levels, which means that everyone acts as a leader, everyone has those authentic conversations and there is a feedback loop if the messaging isn't there. So the ownership is on everyone, we are all leaders and peers, regardless of level.

This is a pivotal change we've had in our organisation, so we've had internal and external transformation in that everyone has skin in the game, everyone needs to play a role, making the compelling narrative around change so important."

Q8) In more traditional industries and the public sector, who really owns the communication planning and what are the challenges?

Lynda answered, "In terms of communications, one of the things that is important (and relates back to the engagement strategy piece and considering who the stakeholders are) is forcefield analysis thinking. It really helps in terms of what's actually driving this change and what's going to get in the way?

Video - **MindTools - Forcefield Analysis hinking**

A good example of this is when I worked for a small Civil Service Department. We needed to bring about transformational change, and I needed the Cabinet Office and Treasury Office on side, so understanding where they were coming from, building relationships and rapport was critical. But there were times when I needed the Chairman of the Chief Executive to actually talk to key stakeholders aswell. And so I don't think you can ever get away from the personal because for me there are lots of different channels of communication, but what you get with a more personal interaction is the ability to ask questions. It also gives you – the change agent – the opportunity to understand where people are coming from in the workforce, things that are worrying them etc.

It's also really important to make sure that whatever messaging you're doing – simplicity is key. What people cannot handle is if you don't tell them the truth. You must explain the 'what', the 'why', and do it simplistically, whilst giving the opportunity to have 2-way communication.

Being transparent will give people the opportunity to change and to choose if this is for them – some may not go on this journey with you. As long as you have good processes and systems in place, transparency and great communication, then you are doing the best you can in terms of managing the change to the best effect. Take stock regularly because surprises will hit you."

Nicky added, "Being completely honest, you're never going to hit everyone square in the middle unfortunately, you will never be able to please everyone, but having an approach to try and satisfy the majority and to keep listening and having 2-way dialogue is key. If you find the message isn't landing, stop, rethink and try again."

The next key topic explored by the panel was - why do change projects fail?

Poll 1:

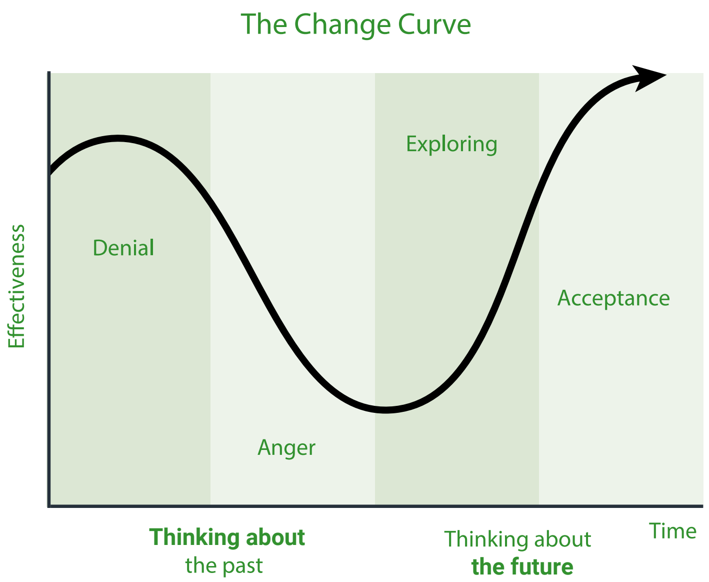
What percentage of change programs fail according to research by McKinsey?

90% = 7% of votes
70% = 43% of votes
65% = 29% of votes
52% = 14% of votes
40% = 7% of votes

The correct Poll answer was : **70%** of change programmes fail by not meeting their initial objectives.

Q9) Given the high percentage of failure rate, it could be assumed that there are fairly consistent reasons why the required outcome doesn't land. Apart from getting communication right – what are the other common reasons for the project to fail or at least not meet the original expectation?

Maryann answered, "Engagement, engagement, engagement, and acknowledgement that there is a change curve.



Everyone has their right to take their time with where they are on the curve which can't be misconstrued as resistance, because that's not always the case. So having that **authentic dialogue** with individuals so they understand the place they are in with enough support around is important.

Q10) What are some of the additional key observations from our panel?

Mandeep described, "There's an acknowledgement that an organisation can be going through change fatigue, particularly when we think about the volume of change we've experienced over the last 18 months.

Another point is that **change is continuous.** It may sound obvious to some, but it's not obvious to others who are waiting for a start/stop and then a normalisation (whatever that might be). And some of the fundamental conversations that we have been having is about that continuous process of change. In fact, we've restarted our management programme and one of the cohorts asked, "when do you think the change will be done?" And I explained that it isn't ever done.

Exploring this as a topic and thinking about **how we get comfortable as individuals** and an organisation in terms of how do we leverage that – big change, small change, impactful, less impactful – is important and looking at how do we give people the skill to deal with that?

Recognising that we are in a place of fatigue, how to we get that energy back? How do we make that compelling, so people feel engaged in the cultures that they work in again? So we are having some really interesting conversations and debates around people feeling tired. It's ok to be tired and being honest and realistic is important and giving people permission to accept they are tired.

Mindset shift has been fundamental in understanding that our direction is one of continuous evolution of change. It may feel negative at times, but it's actually a good thing.

Q11) When previous projects have failed – how do you get buy in and support for the next initiative?

Lynda explained, "It is essentially moving from being braced, through to transformational change, to then **accepting its evolutionary change.**

People worry that change is about continuous flux when it doesn't have to be. **Evolutionary change is much more about continuous improvement** really, and it's **how you position** it that makes it more acceptable to people.

What I've always found helpful when doing transformational change is to have a review at the end of each phase to see what has worked well and what hasn't worked well. I haven't done a change process that has absolutely failed, I think **very often it's a hearts and mind thing where afterwards, the business needs to consider how to pick people up.**

So you must think about the hearts and minds thing right from the beginning. If you are going through change where you are restructuring and people will be leaving, you've got to think about how you are going to do that. Typically, I **put an EAP in place at the beginning** because people worry about things like their finances, their stress levels go up etc, so to have independent external support is important.

For those at the end who are going to be exiting, **always have an outplacement service** in place as well because **not only is it about the dignity of the people leaving, it's also about helping those staying.** Survivor's guilt is a real thing. But if they feel that for those leaving that the process was fair, it was consistently applied and there was support in place, it does really help you with coming out of the other end of it.

So, whether staying or leaving, people will feel comfortable that the organisation is treating people fairly and with dignity and respect, thereby remaining still as the employer of choice. Here is a link to our **Redundancy White Paper: The do's and don'ts of Redundancy with a remote workforce.**

Q12) Looking at a smaller organisation, how do you avoid Change initiatives impacting your business as usual (BAU) and being a distraction? For instance Chris, you've had to adapt your approach at Unibeez by digital transformation – how have you managed this successfully and who in the business supports you?

Chris answered, "Touching upon the McKinsey research, there's a reason why businesses make changes and that can be for a number of different reasons – internal/external/regulatory - so change success is never guaranteed, so it's not actually a surprise it came in at 70%. I think when there are multiple factors at play, nobody can go into a change programme thinking this will 100% succeed.

With the transformation we've seen over the last 18 months, it's been extremely beneficial. The premise of our offering is to enable businesses to cope and thrive during and subsequently following transformation and therefore accessing a new market in an agile way. So in a strange way, the enforced changes to business has been beneficial and as a result, businesses are finding new ways to work with a contingent workforce.

For a start-up, the first few hires are crucial, and new employees have to come in with their eyes wide open. When you have a small team it has to be dynamic, and **they will be living with change on almost a daily basis** and that is not an exaggeration. Decisions are made in a very agile, dynamic way and so having the right people creating the first steps of that culture is super important.

I believe it's important to listen to every team member and let them have their say, and in doing that, you are building loyalty and instilling inclusiveness and creating a cohesive and strong working environment. So when we do then decide to make change, everyone is involved from top to bottom and the outcome will have complete consensus.

As the business grows and the team becomes bigger and you are managing larger teams, then it's less easy to involve people in key decisions, but the principle remains the same – to be inclusive in how change is constructed and communicated will bring the engagement you need to succeed."

Lynda added, "I think the whole issue around inclusivity is absolutely right. However, what I have found that can make a change process stumble is a lack of clarity around who the decision makers actually are. At the end of the day someone has to make a decision. In a project last year this became an issue due to who actually has the authority and who will make the decision? On one hand you want to be inclusive, and on the other hand someone has to make a decision."

Chris continued, "One way to overcome this is to **be very clear of peoples' roles and responsibilities**. In our business there is a lead decision maker, however the rest of the team can communicate and have an inclusive dialogue in terms of the changes expected to be made. But yes, knowing who has the final say and understanding who is being lobbied is key. This is why with very small teams, getting the dynamic of how they work together is so important."

Q13) If you encounter a particularly resistant individual, team or department when running a change initiative, what steps do you take to manage their expectations?

The panel answered:

"You have to **do a lot of up-front thinking to anticipate the resistance** but you're always going to have some surprises. This goes back to communication and engagement and having your ear to the ground so that you are picking up messages and vibrations.

You need to also keep people close, whether that's managers, unions, individuals, whoever your key stakeholders are from your mapping. **You need to be accessible to them** and although you may be buried in the 'doing' of the change process, you still need to find time to actually speak to people and make yourself available to them as they may want to share something that is really important that you need to know about.

This is where the **informal networks such as the drop-in sessions,** the being visible, the being available and also one to one catchups have been invaluable. Sometimes this can tell you what the actual feedback is and in some cases this may require a very direct or different response.

Being clear on the expectation of where this is headed is helpful to everyone in terms of understanding how we are going to be dealing potentially that disruption, or that challenge. We don't want anyone to derail.

Not every individual is going to be accepting of the change so it's about **being transparent and honest and giving people the opportunity to understand** so that they can make their choices in an informed way.

And whilst you will get resistance in pockets of the organisation in every programme, it is rare that the issues raised are unique or different. It's usually the same problems, just in a different organisation in a different environment and it's because **it all comes down to employees particularly wanting to know what is going to affect them and often not understanding the message because the communication and storytelling haven't worked."**

Engineers are some of the most challenging people to change, but it's painfully ironic given the nature of the jobs they do

Maryann said, "Anyone in a STEM (Science, Technology, Engineering & Mathematics) based role or career, is typically quite dogmatic and so there's no room for ego or fluff, and this is the notion – being understanding and being factual, data based, whilst leaving egos at the door is key. My best moments are when I've had to be very direct and clear to ensure buy-in of the message being shared. It's my most pleasurable moment being on the production floor with my engineers because they hold me to rights and it's what I value."

Mandeep, "I wouldn't say engineers are challenging - I would say **they need specific information** and need to go to a depth of understanding that others may not want to. So in terms of no surprises that's what's anticipated and they are one of the first communities to go to with change that is coming in terms of understanding landscape, motivation, mood and morale. You must understand they are in a different position on the change curve, and you **have to approach each of your audiences with a slightly different message but with that consistency of, "this is what we are doing."**

To Conclude

Radical Change, or change of any type in any organisation requires a number of key components and methodologies:

Planned and effective communication strategies are essential for achieving business goals required by the change, whilst minimising employee and stakeholder discontent.

Ahead of starting any program, leaders and change agents should ensure they have considered the following:

- I'm fully versed in the background, importance, and impacts of this change and can explain it to others.
- I've made sure all mangers and team leaders understand the change as fully as I do.
- I've created a communication plan for announcing this to staff, and considered the appropriate forum to handle questions.
- I've emphasised benefits of the change in everything I'm planning to communicate.
- I'm reinforcing elements of the status quo in all communications where appropriate.
- I've anticipated likely questions from staff and developed appropriate responses.
- I know how I will handle staff reactions to the change as they experience the steps of shock, fear, acceptance, and commitment.
- I've made arrangements for support and training to be made available to staff if required.
- I've considered how best to collect staff feedback to the change and planned how and when to deliver this.
- I've planned when to provide updates to staff, in what formats I'll deliver the updates, and what will be communicated at each.
- I have measures in place to track progress towards change implementation, and staff adoption of associated changes.

How we can help

Are you planning redundancies? Are you in the process of redundancy consultations but need support to manage this in a new working world?

At NFP, our team of experienced consultants can partner with you to deliver the full range of redundancy support services. We will manage your people and managers through this sensitive time in a way that keeps them engaged and comfortable with the process.

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