

*Course of*  
**Management Consulting**

**Change Management. The consultants' perspective**

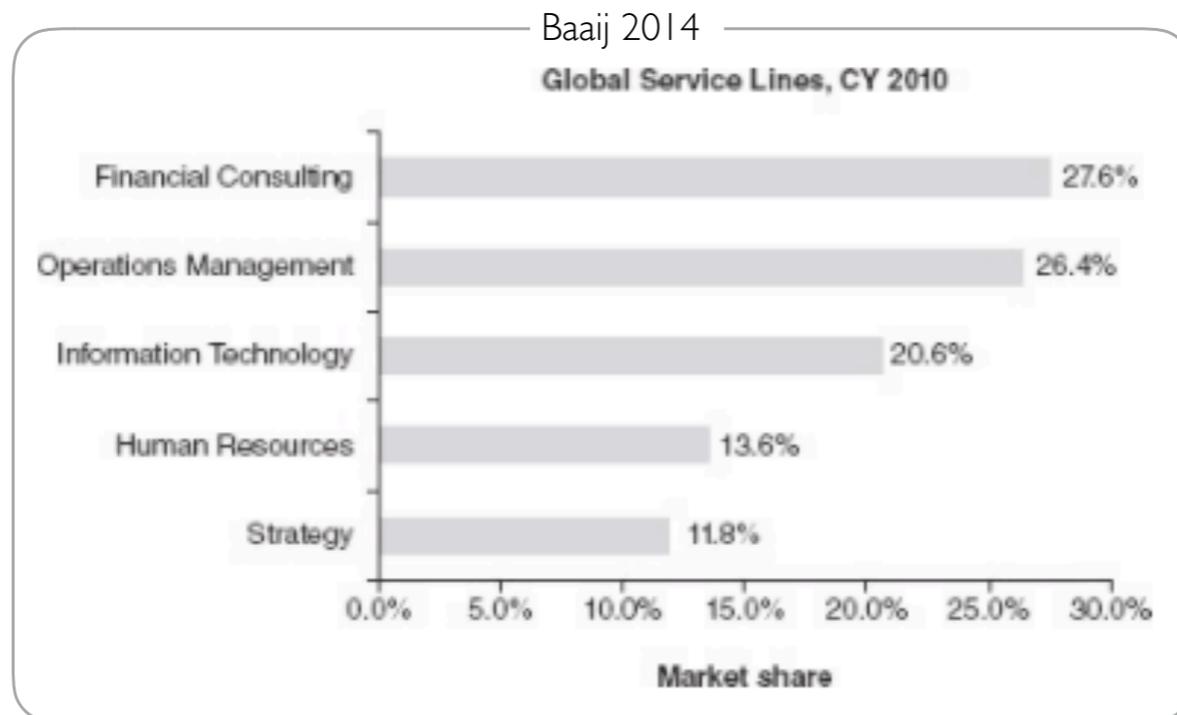
**Dr Daniele Binci**

*Academic Year 2018/2019*

# Change Management. The consultants' perspective

- The importance of Change Management for consulting projects
- The objects of change and the role of the consultants
- Planned Change and Emergent Change. The consultants' perspective
- RtC: the consultants' perspective
- Design Thinking. Introductory concepts

# The importance of CM for consulting projects



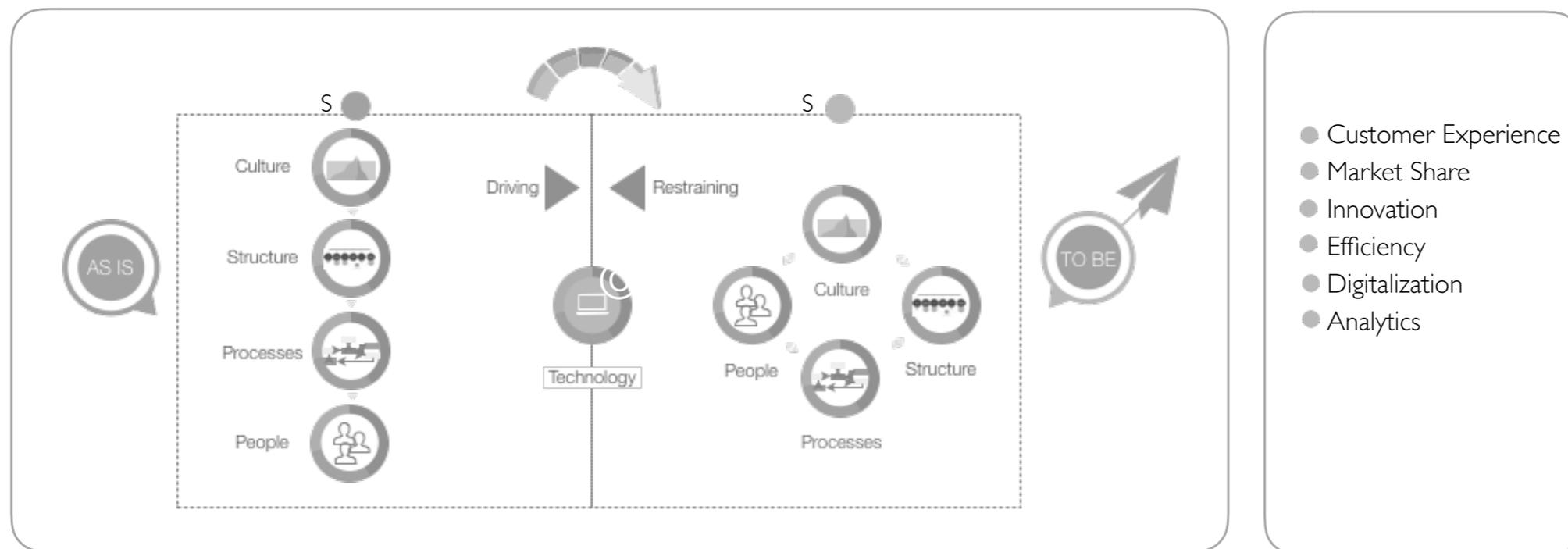
Change management is a key factor for value creation process



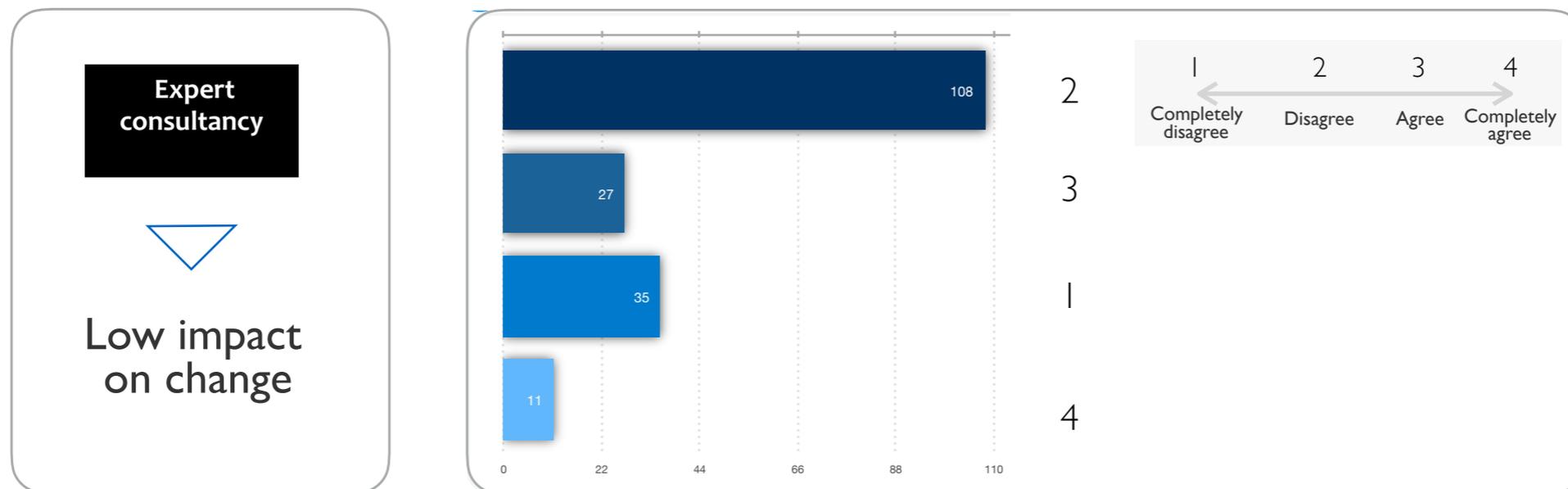
“Change management is missing. This may come as a surprise because management consultants are often seen as agents of change. More than half of consultancy projects are about change management. It does not appear in the taxonomy of Figure because change management is inherent within each category. Change management can be applied to each of the services, for instance a change of strategy and a change of operations” Baij, 2012.

# The importance of CM for consulting projects

Change management is a comprehensive, cyclic, and structured approach for transitioning individuals, groups, and organisations from a **current** state to a **future** state with intended business benefits. It helps organisations to integrate and align **people, processes, structures, culture, and strategy** (Managing changing in organisations: A practice guide, PMI institute, 2013).



# Change Management: The consultants' perspective

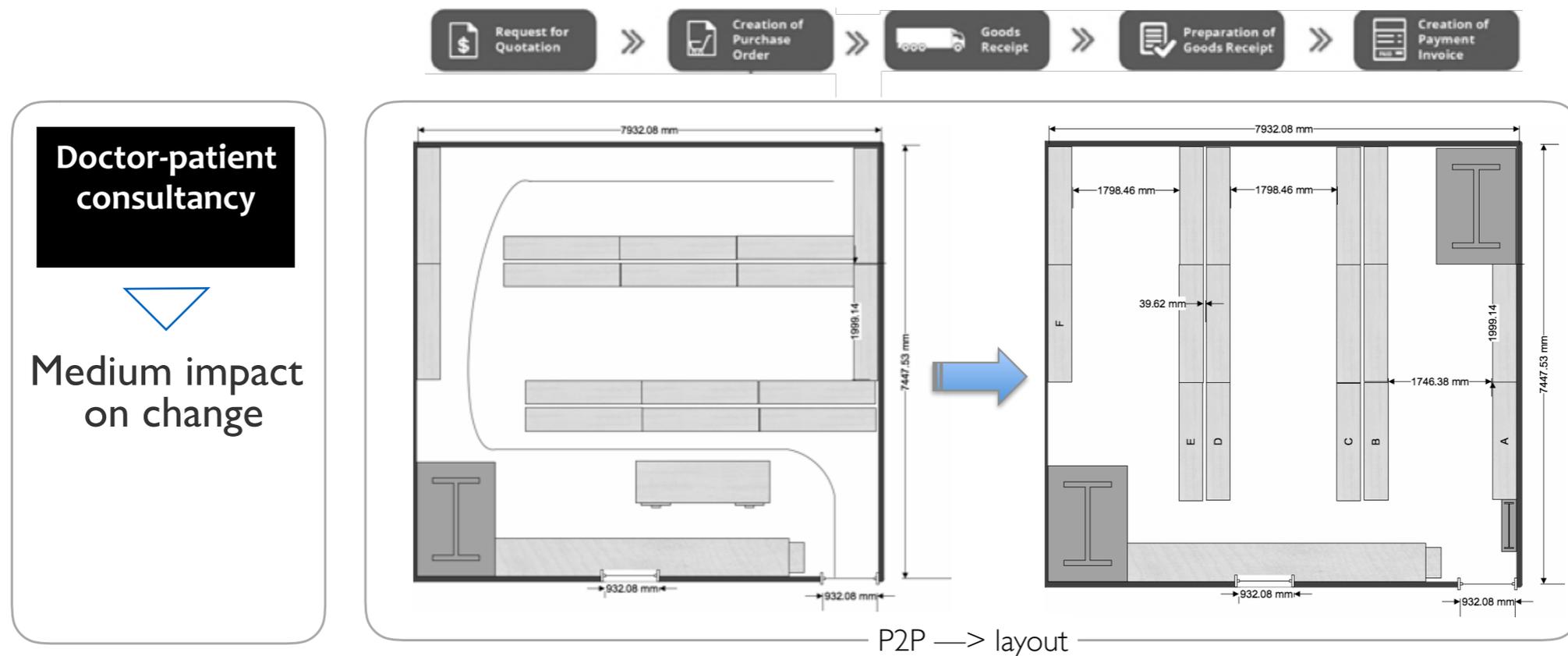


Clients hire an expert to provide knowledge. Purchase specific expertise from the management consultant to solve a problem or to seize an opportunity for their organisation.

kw: (content) Solution providing

Descriptive approach

# Change Management: The consultants' perspective

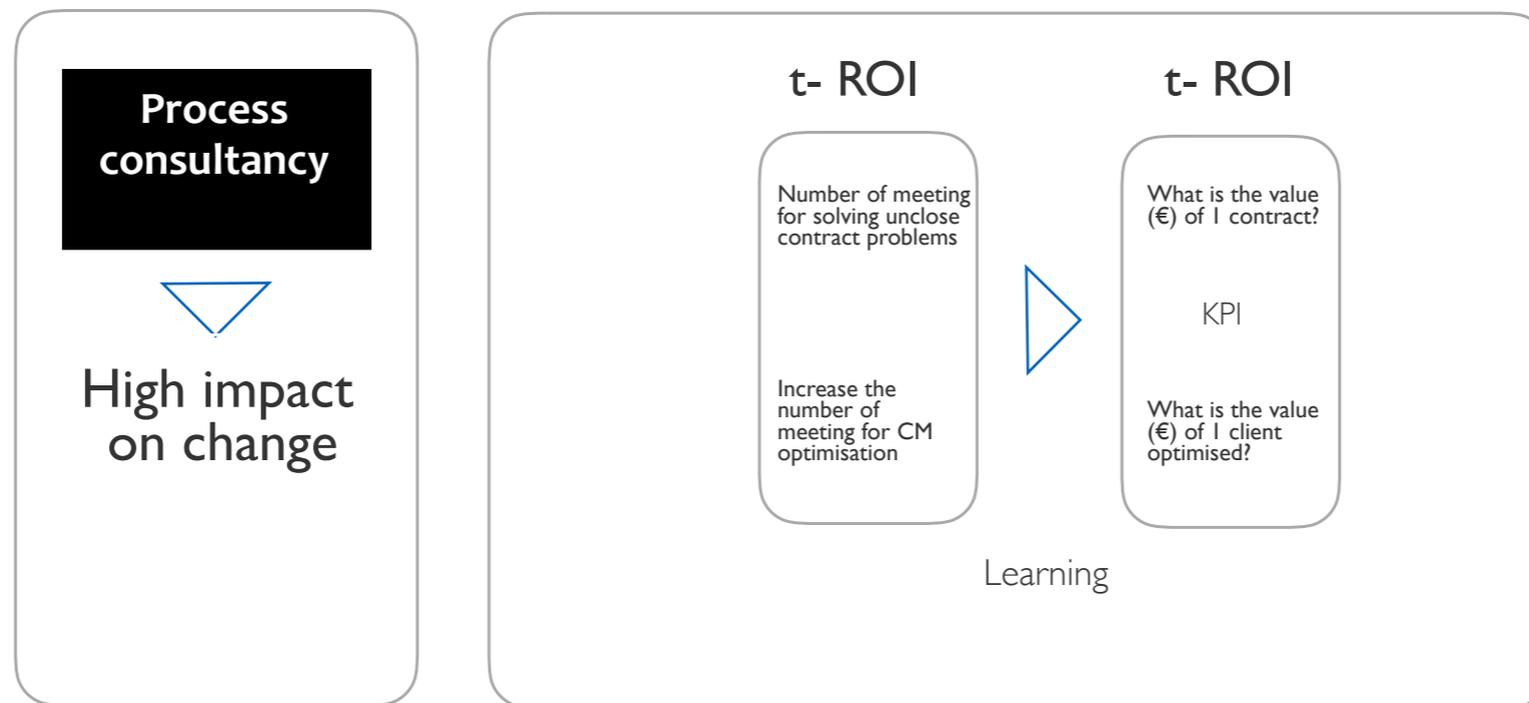


Clients may think they have a problem, or an opportunity but cannot define it. Consultants diagnose the client's situation in order to define the problem, or opportunity and prescribes a treatment, develop a solution for the client's problem, or opportunity. diagnose and solve the client's problem and implement the solution. Consultants may also assist client in monitoring and controlling the implementation of the solution.

kw: (content) Prescription providing

Prescriptive approach

# Change Management: The consultants' perspective



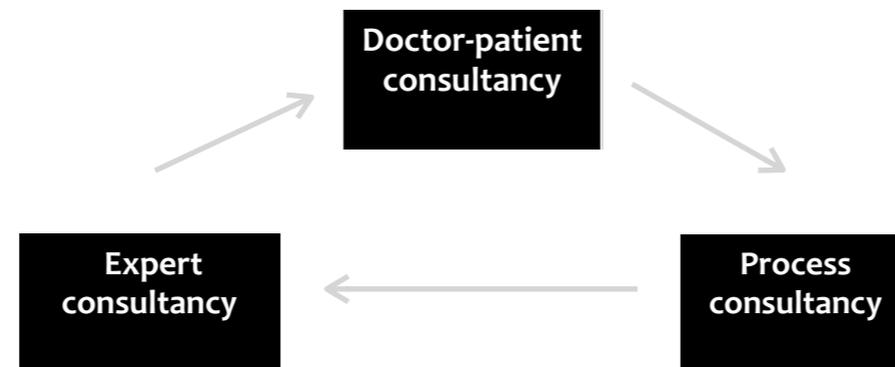
Consultants providing a process by which clients may define and solve their problems themselves. The consultant has a facilitator role and helps clients to develop the content themselves.

The client wants to develop a new strategy and hires a management consultancy firm to provide it with the method and techniques for strategy development of facing internet-based competitors. In process consultation, the client does the work under the guidance of the management consultant. Process consultation helps to get acceptance of solutions and eases the implementation of solutions because it is the client's own work.

kw: (process) Method providing

Learning approach

# Change Management: The consultants' perspective



In a change management perspective, is not always possible separate the roles.

In fact, a project:

starts with solution providing

continue through prescription

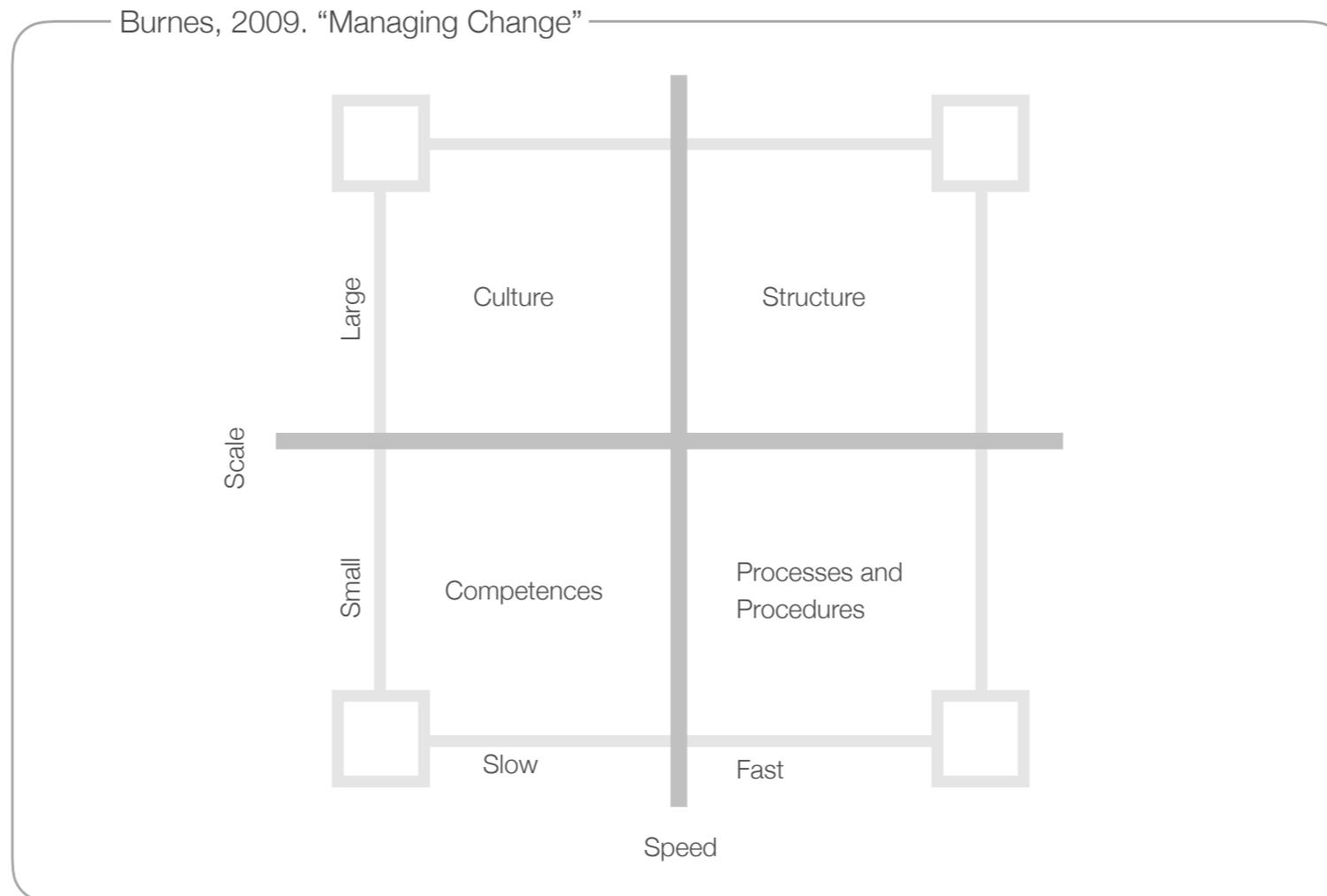
ends with clients learning

## Change Management. The consultant perspective

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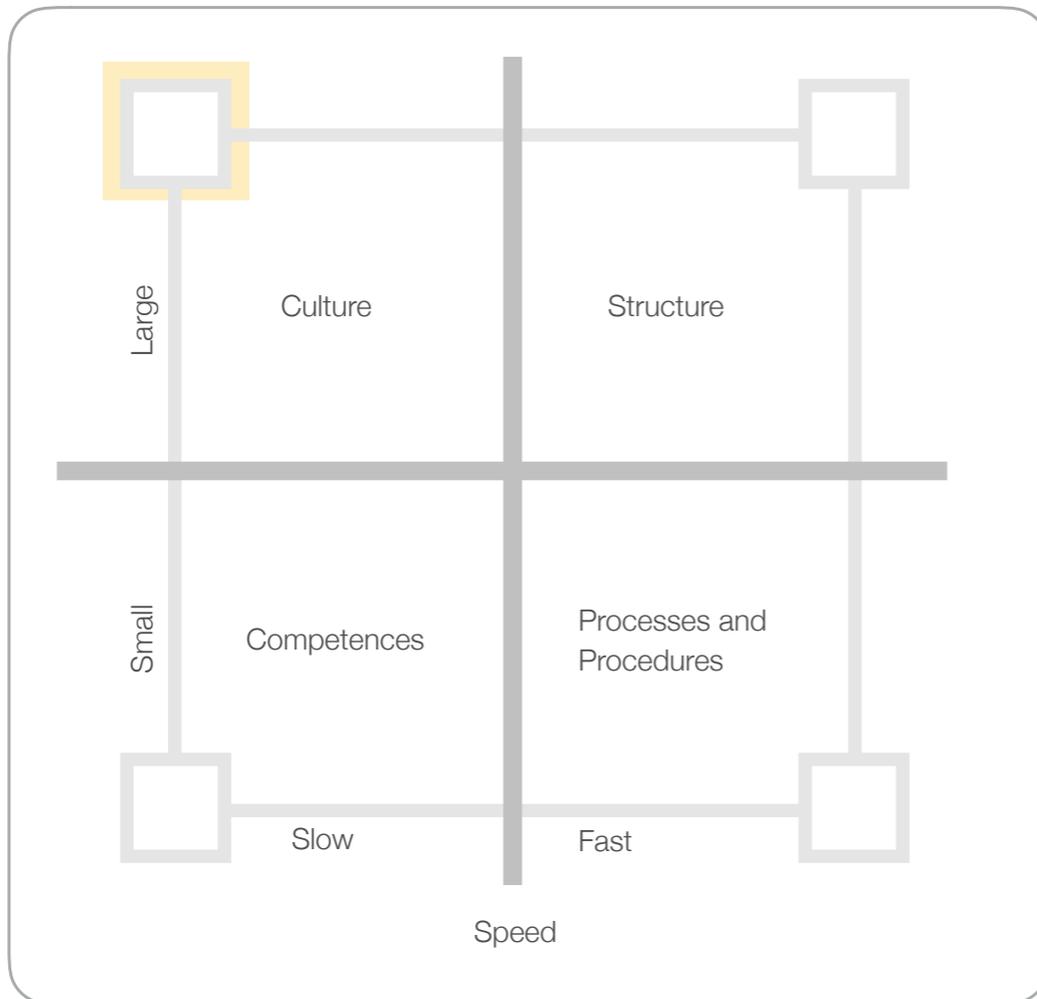
# The objects of change and the role of the consultants

## Artefacts of change



# The objects of change and the role of the consultants

## Culture



### The consultants' role

A: how people dress at work, speak to and behave toward one another, and talk about and treat their customers.

V: the shared standards that members use to evaluate whether they have helped the company achieve its vision and goals.

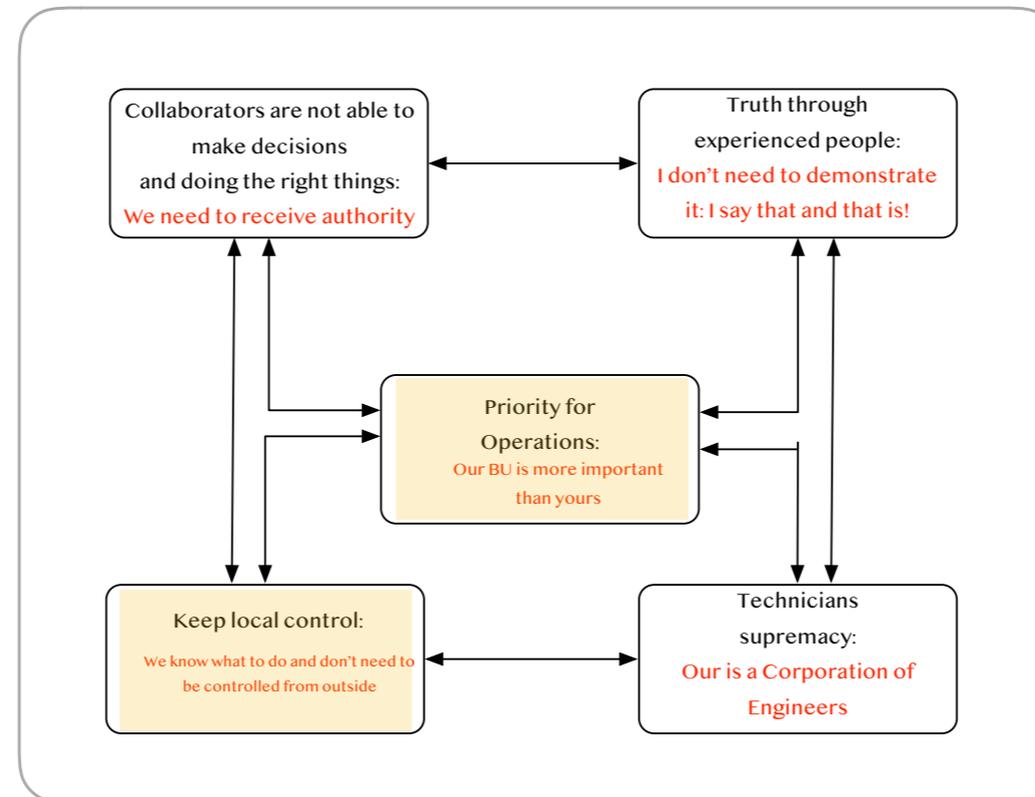
Excellence, stability, predictability, profitability, economy, creativity, morality, and usefulness.

As: how people really behave in order to solve a certain issue.

Understanding the culture by discovering assumptions

# The objects of change and the role of the consultants

Basic assumptions of a sub-culture team that works in the field of logistic distribution.



Such assumptions are informative for understanding change reactions.

A centralised (holding related) geographic tracking system (GIS) can't find consensus among people despite the awareness of the benefits related to technology.

In order to understand resistance the assumptions "Keep local control" should be discovered: team believes that control should be a local issue, linked to their units and boss.

Such assumptions, linked to that one related to the importance of organisational unit creates a culture for which it is important defend the unit in terms of control, that should be local and not centralised. This is a setback for changing

# The objects of change and the role of the consultants

Culture can be analysed by asking people their perceptions about specific items.

**AS IS**

50% New ideas  
50% Risk Taking  
100% Failure accept  
25% Openness

**Items 'organizational risk taking'**

When a person tries something new and fails it, it will be considered disadvantageous for the individual's career. (R)

My business unit places high value on taking risks, even if there are occasional mistakes.

Failure is acceptable in this business unit, if the effort on the innovation project was good.

In this business unit, risky activities are common place.

ddl

**TO BE**

50% New ideas  
75% Risk Taking  
100% Failure accept  
25% Openness

## Culture for innovation

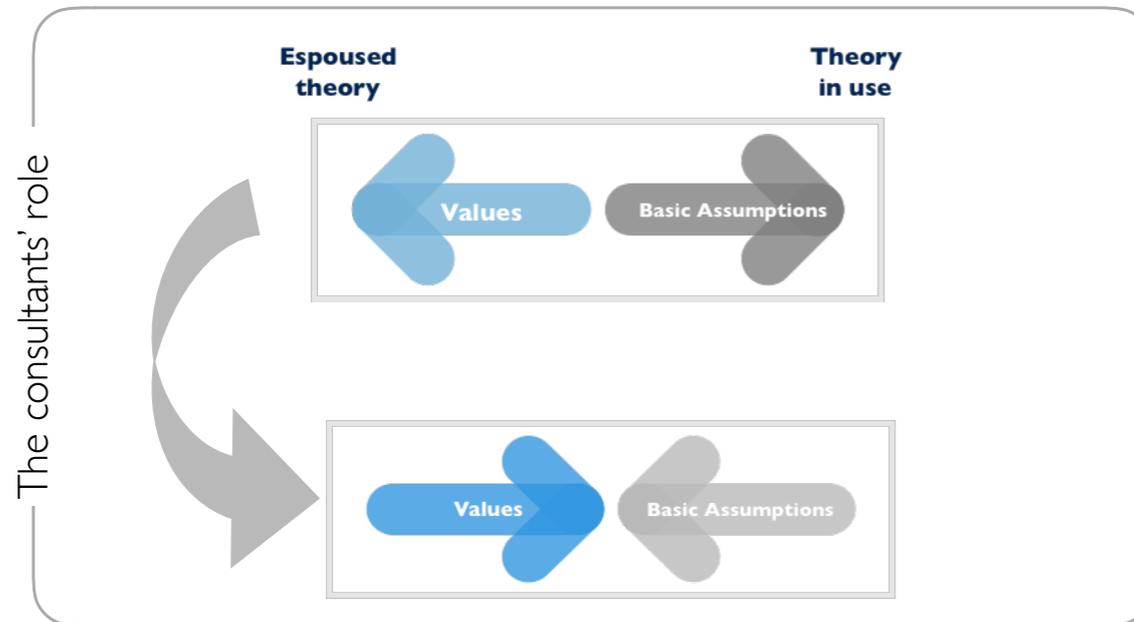
New ideas new ideas – regardless if the idea comes from internal or external sources – requires employees to pay attention to and appreciate new ideas

Risk Taking usually associated with greater risk and experimentation. Therefore, firms with a strong innovation culture create an atmosphere where risk taking is encouraged.

Failure accept teams are not punished when innovation projects do not deliver expected results.

Openness innovation participants do not perceive pressure to adhere to group and if conflict is viewed rather as a chance for improvement than as being destructive.

# The objects of change and the role of the consultants



## The consultants' role and the gap

The boss declares to make his decisions only after having collected and carefully checked all the relevant data (ET), while he decides on the basis of what he knows and what satisfies him at that moment (TU)

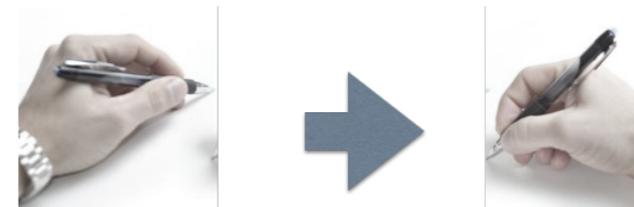
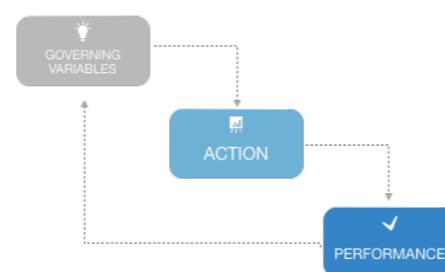
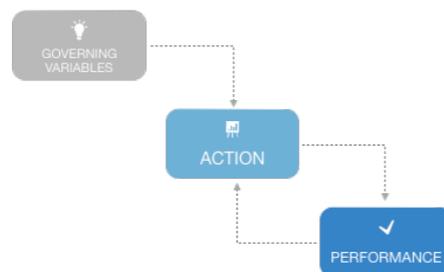
The boss declares to be willing to innovate (ET), while in concrete he pursues a conservative policy (TU)

A head of department declares that all information relating to the functioning of the office (ET) is transferred to the superiors, while in fact it does not communicate the negative data that

SLL



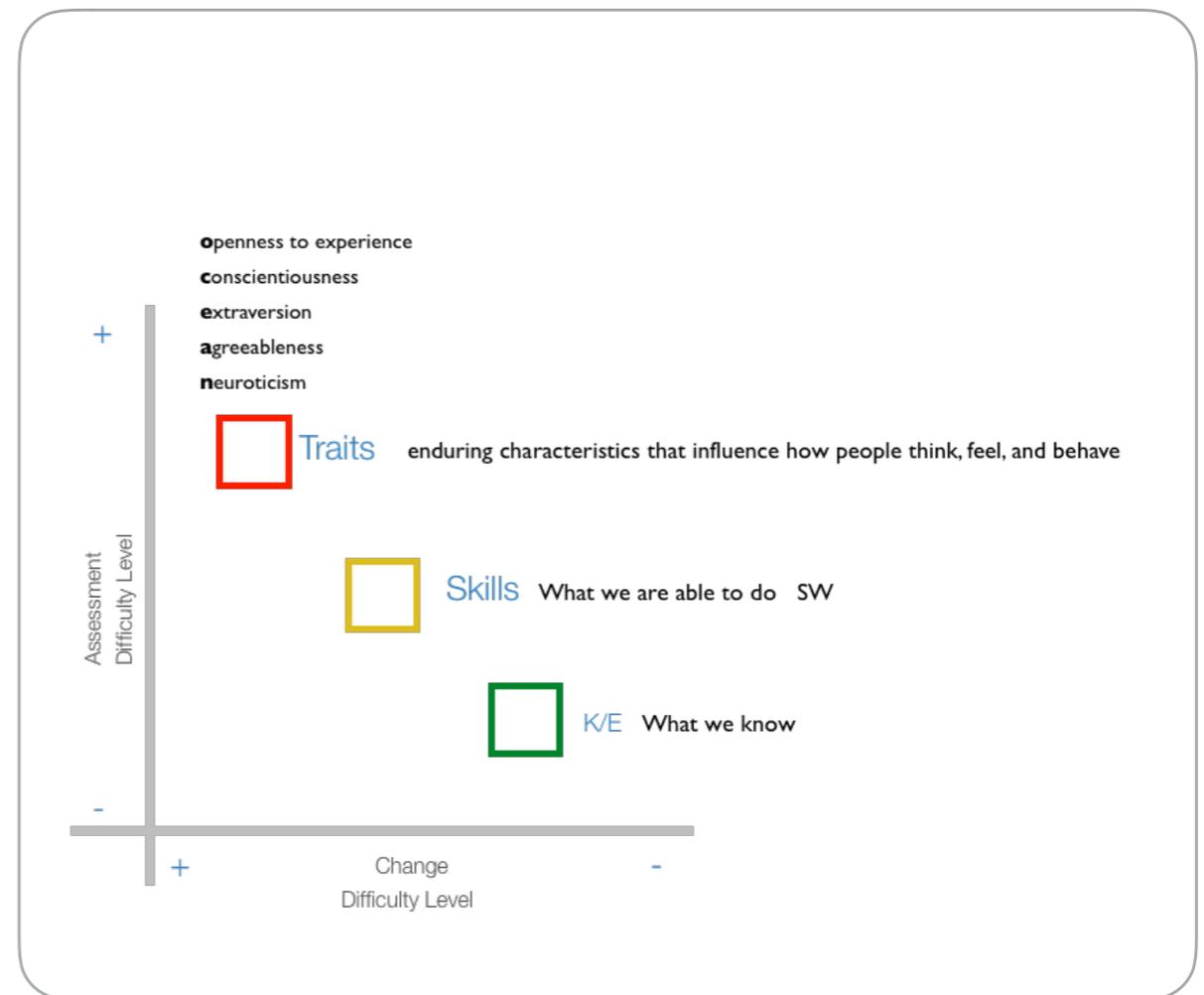
DLL



Argyris and Schon, 1978 "Organizational learning, a theory of action perspective"

# The objects of change and the role of the consultants

**Competences** are “underlying characteristics of people’ that are ‘causally related to effective or superior performance in a job’, ‘generalizing across situations, and enduring for a reasonably long period of time’ (Boyatzis, 1982; Spencer and Spencer, 1993)



# The objects of change and the role of the consultants

## Knowledge



### The consultants' role

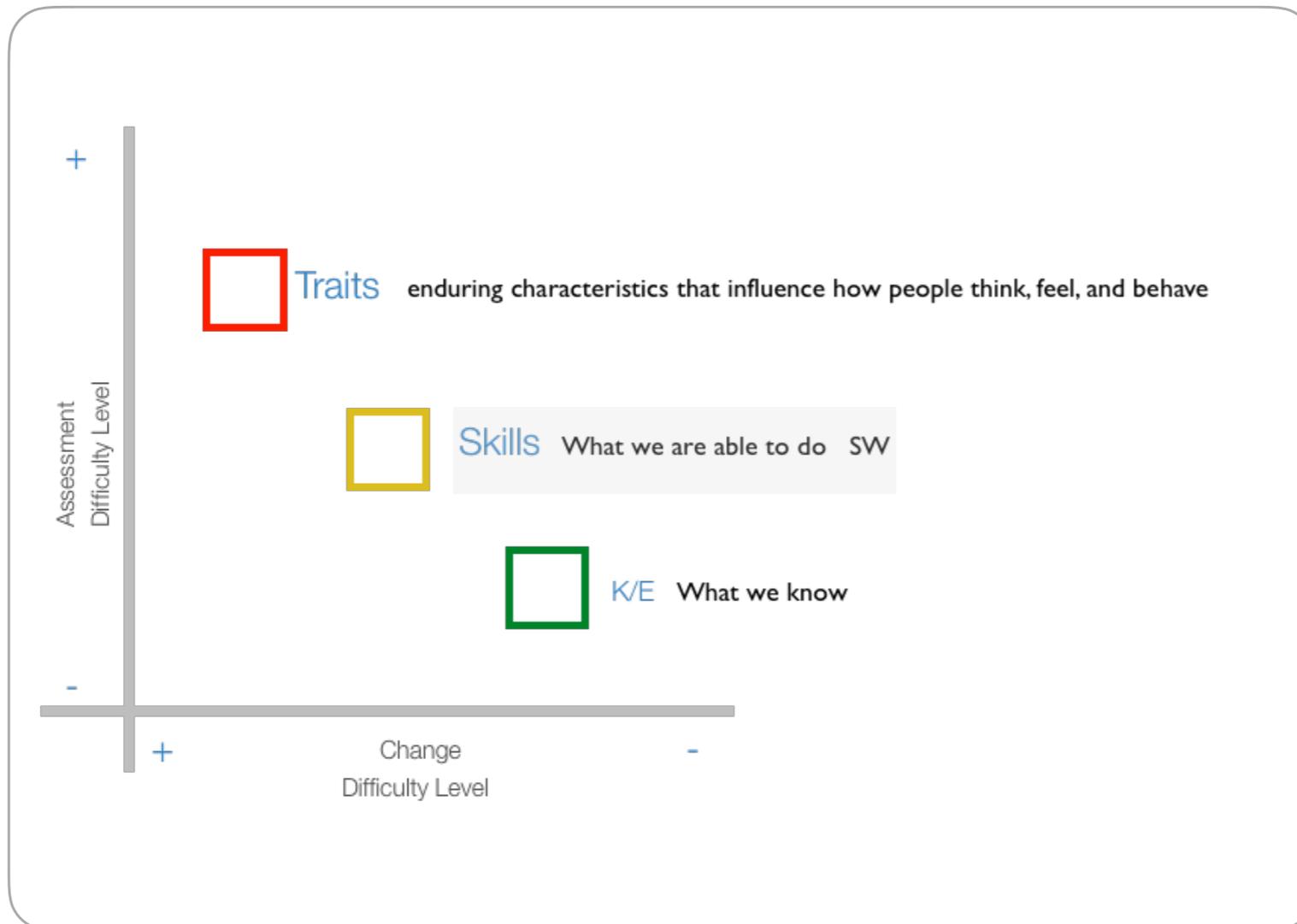
Knowledge are quite simple to transfer: what I'm doing in this lecture, and are quite simple to absorb.

Knowledge Change: Formal Training (i.e. frontal lecture), as well as experiential learning;

Knowledge Evaluation: It is simple as we can read a CV of a person in order to understand if he-she fits on a vacancy.

# The objects of change and the role of the consultants

## Skills



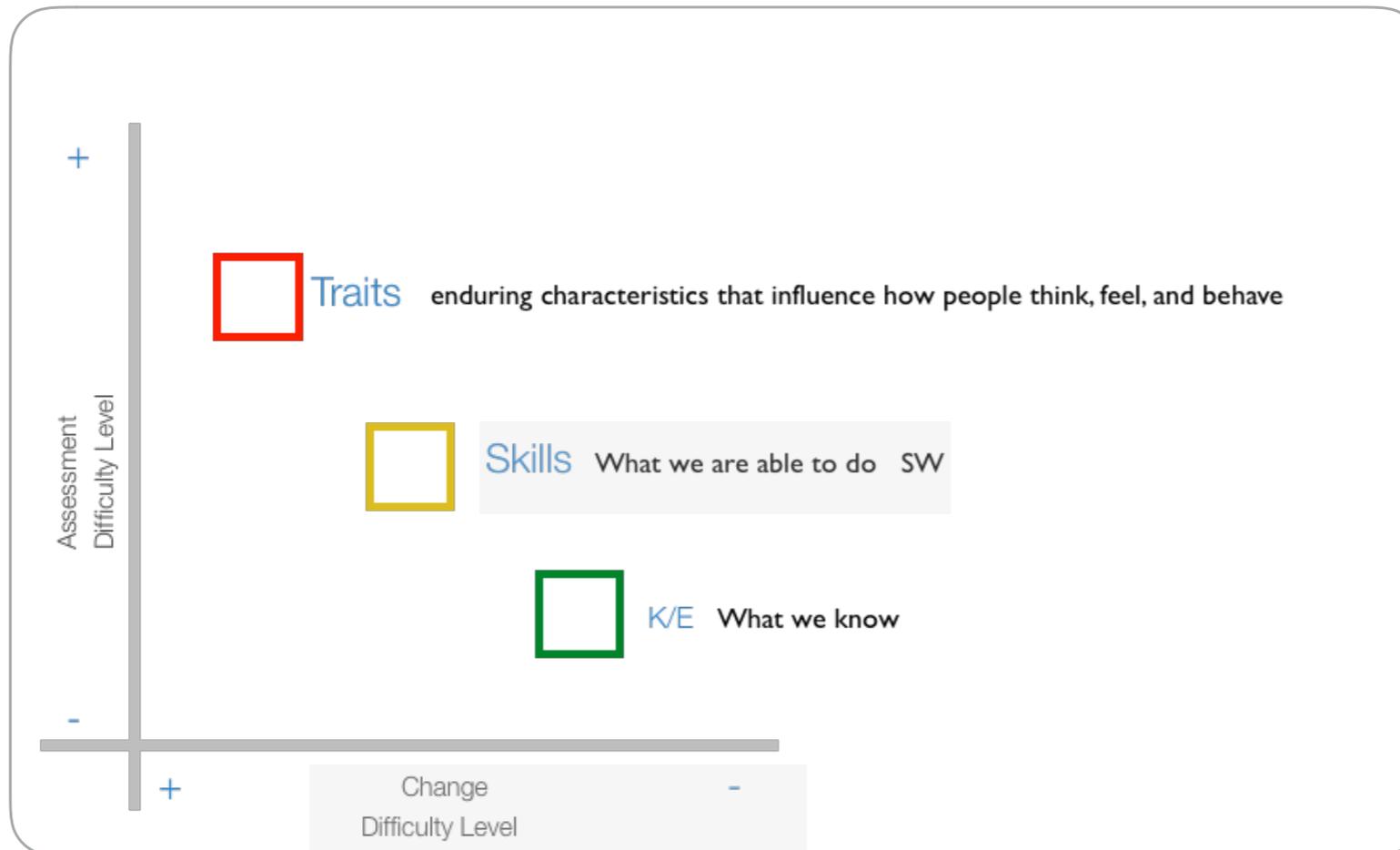
## The consultants' role

What we are able to do. Basically skills are less modifiable than knowledge.

1. intellectual capacity: the ability to frame a problem in a theoretical way;
2. relational capabilities: be a leader or a follower, by accepting or exercising influence;
3. achievement capabilities: related to the ability of achieving objectives;
4. emotive capabilities: related to the stress management;
5. innovative capabilities: oriented to the possibility of thinking in a creative way

# The objects of change and the role of the consultants

## Skills



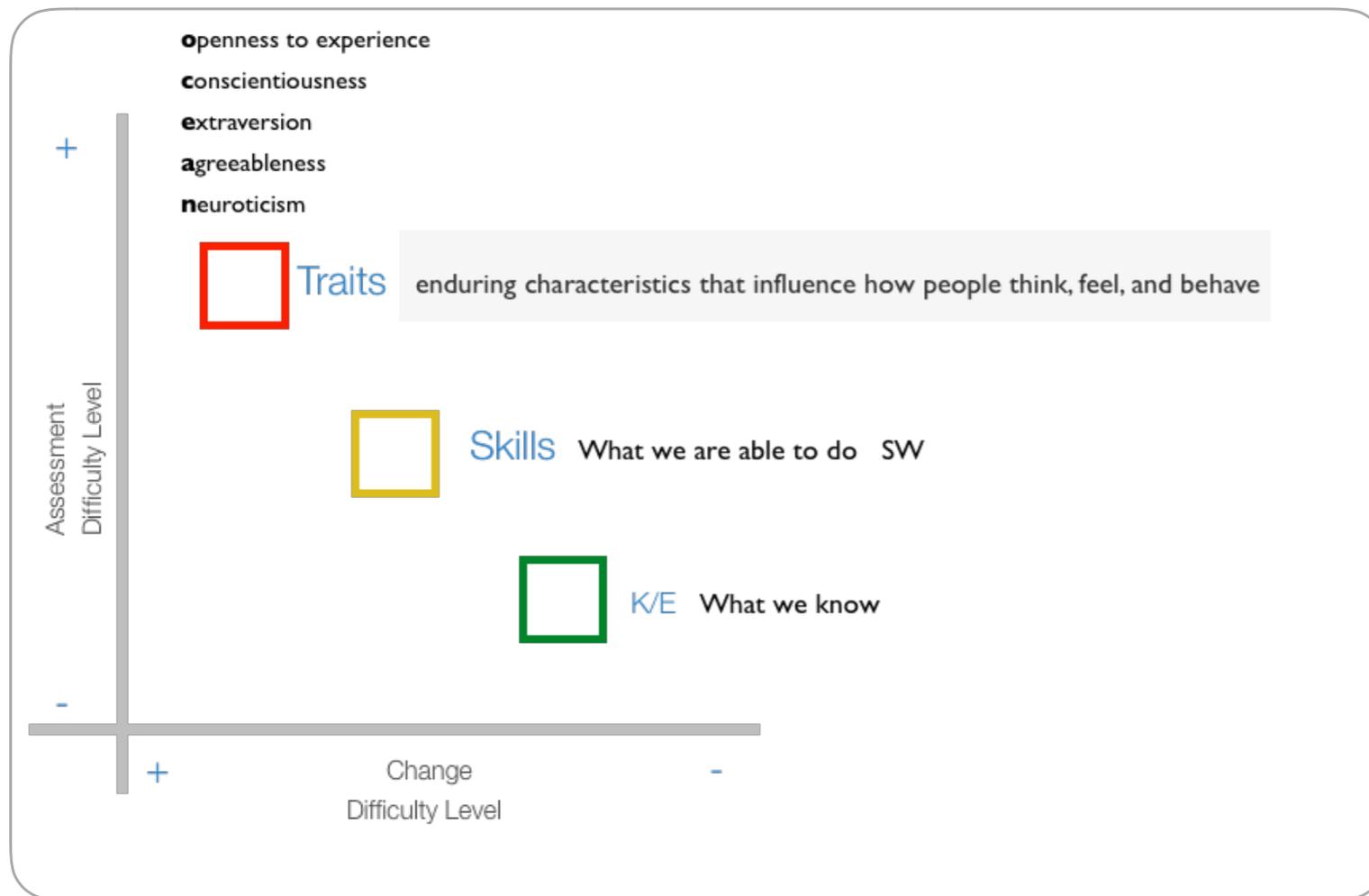
### The consultants' role

Observe in terms of **evaluation**, Change (with more difficult than knowledge), they are strengthens and weakness, therefore, we can only improve the strengths and reduce the weakness, but our weakness can't never become a strength.

Skills are **modifiable** by job rotation: we can occupy different position in order to improve strengthen and reduce weakness, and also by coaching: a coach usually provides feedback in order to allow the growing of people and through feedback it is possible to improve skills.

# The objects of change and the role of the consultants

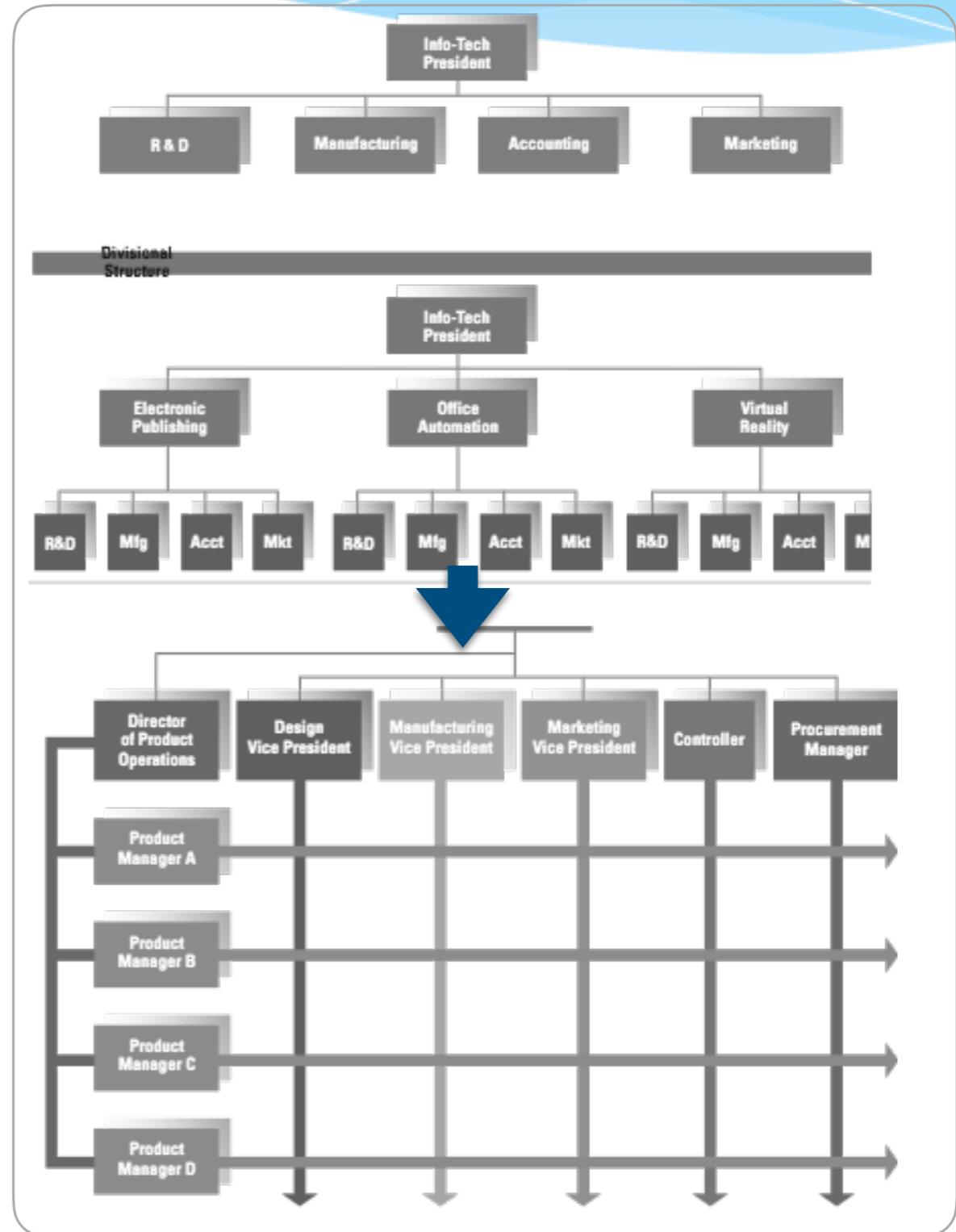
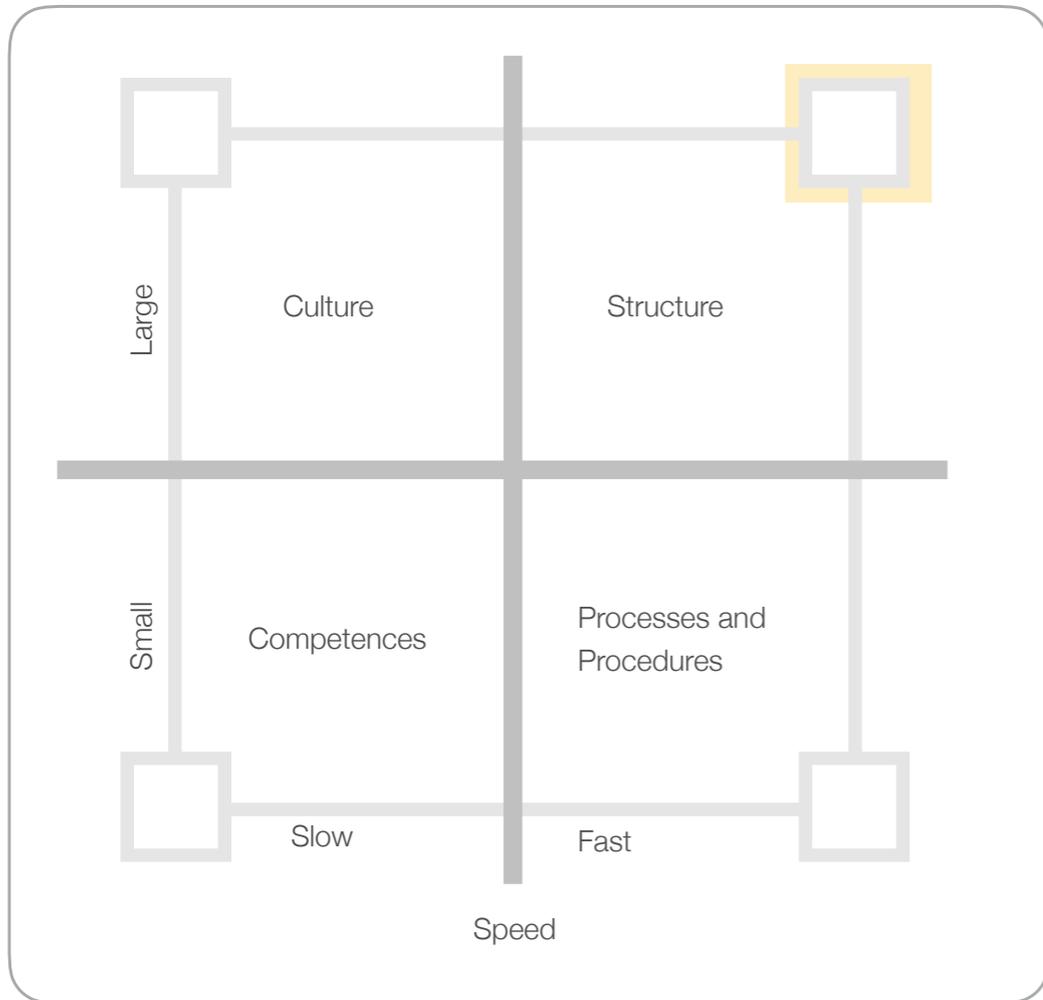
## Traits



## The consultants' role

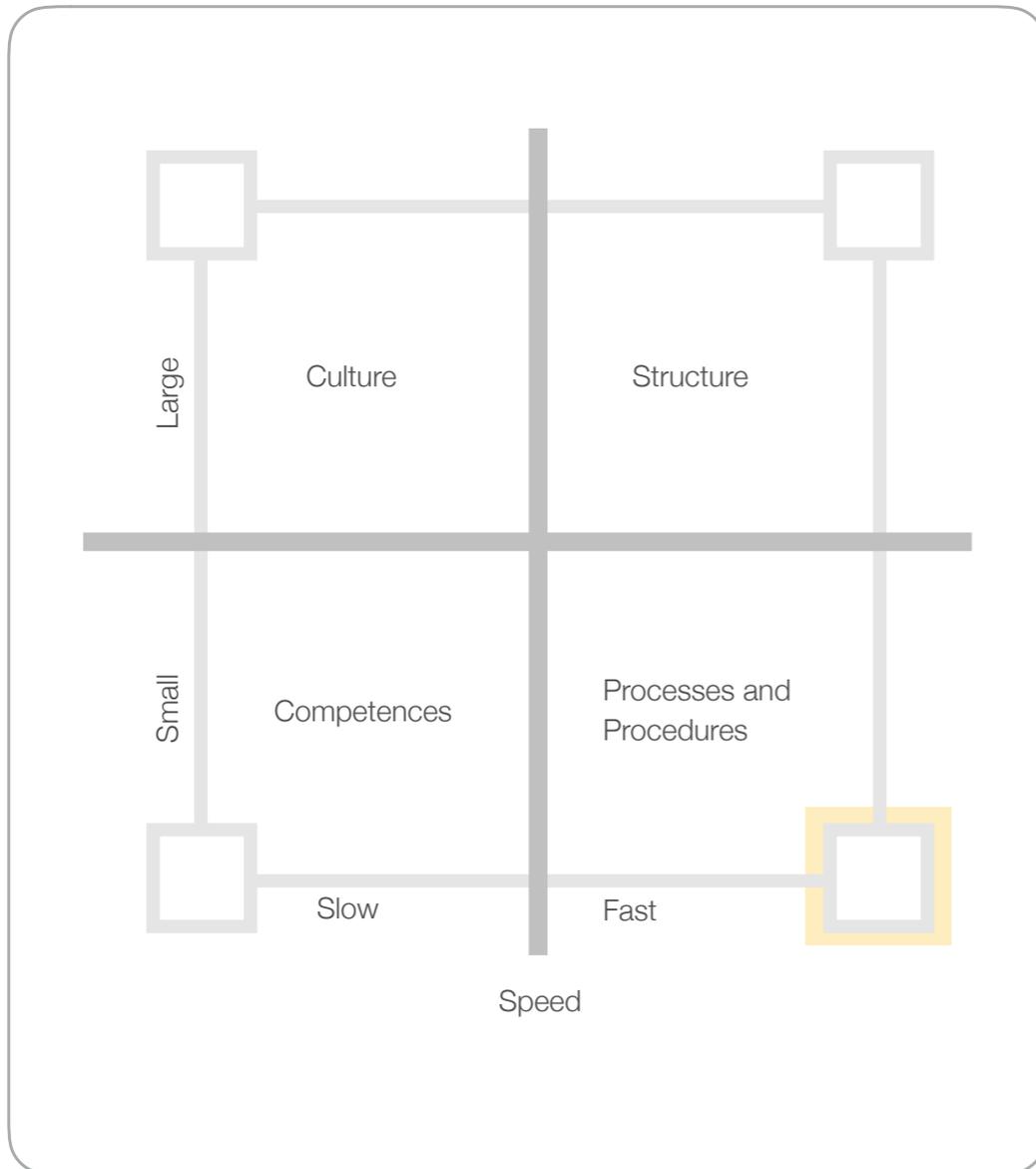
Personality. Can be assessed but it is impossible to change.

# The objects of change and the role of the consultants



# The objects of change and the role of the consultants

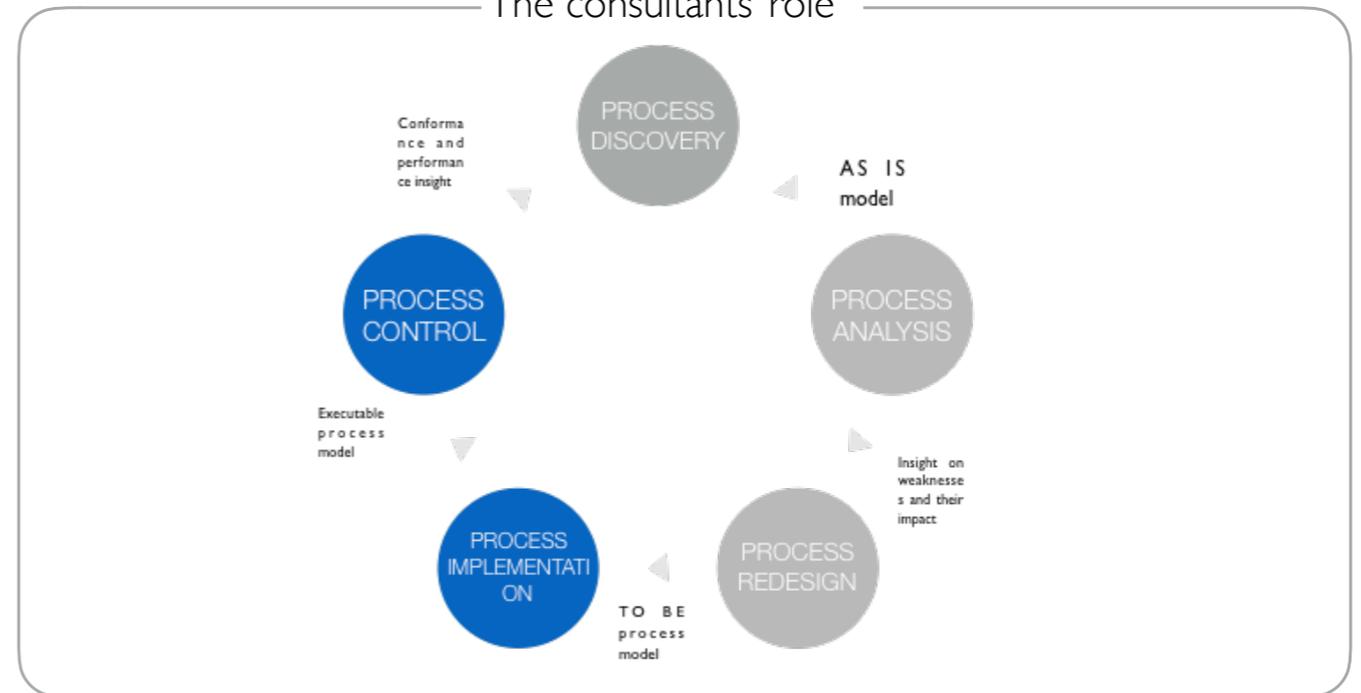
## BPM



Improvement: focused on **analyzing** existing business processes in pursuit of continuous or incremental process improvement (Total Quality Management, Lean Management, and Kaizen).

Process Reengineering: Hammer and Champy (1993) presented an approach that **questioned** existing business processes and demanded the radical redesign of extant processes from end-to-end in light of organizational goals, particularly capitalizing on the potential of information technology (IT)

### The consultants' role



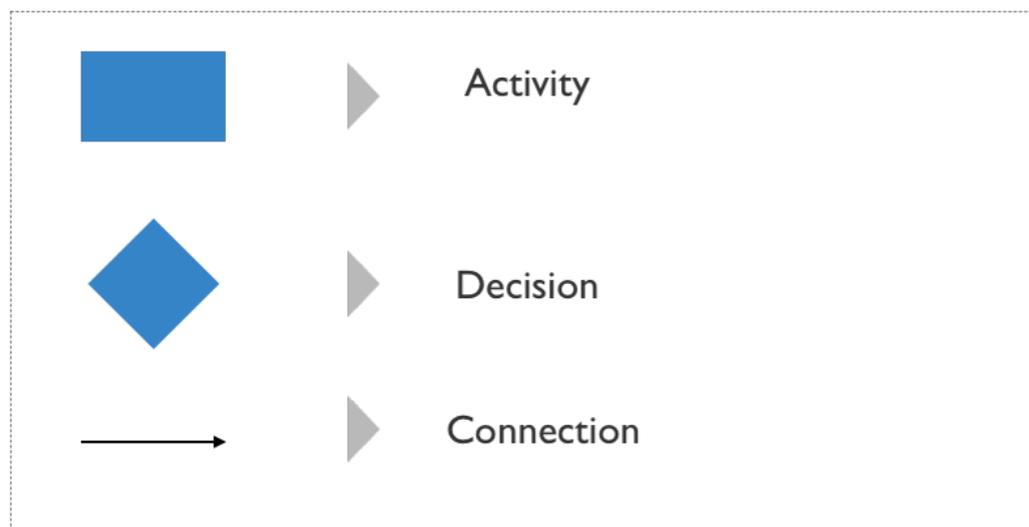
## The objects of change and the role of the consultants

### AS IS process for purchasing a book from a physical bookstore.

PROCESS  
FLOWERY

Purchasing a book from a physical bookstore requires many steps to be performed by both the seller and the customer.

Consider what happens when a customer visits a physical bookstore and searches its shelves for a book. If he or she finds the book, that person takes it to the checkout counter and pays for it via credit card, cash, or check. If the customer is unable to locate the book, he or she must ask a bookstore clerk to search the shelves or check the bookstore's inventory records to see if it is in stock. If the clerk finds the book, the customer purchases it and leaves. If the book is not available locally, the clerk inquires about ordering it for the customer, from the bookstore's warehouse or from the book's distributor or publisher. Once the ordered book arrives at the bookstore, a bookstore employee telephones the customer with this information. The customer would have to go to the bookstore again to pick up the book and pay for it. If the bookstore is unable to order the book for the customer, the customer would have to try another bookstore.



\* Laudon and Laudon, 2015

## Change Management. The consultant perspective

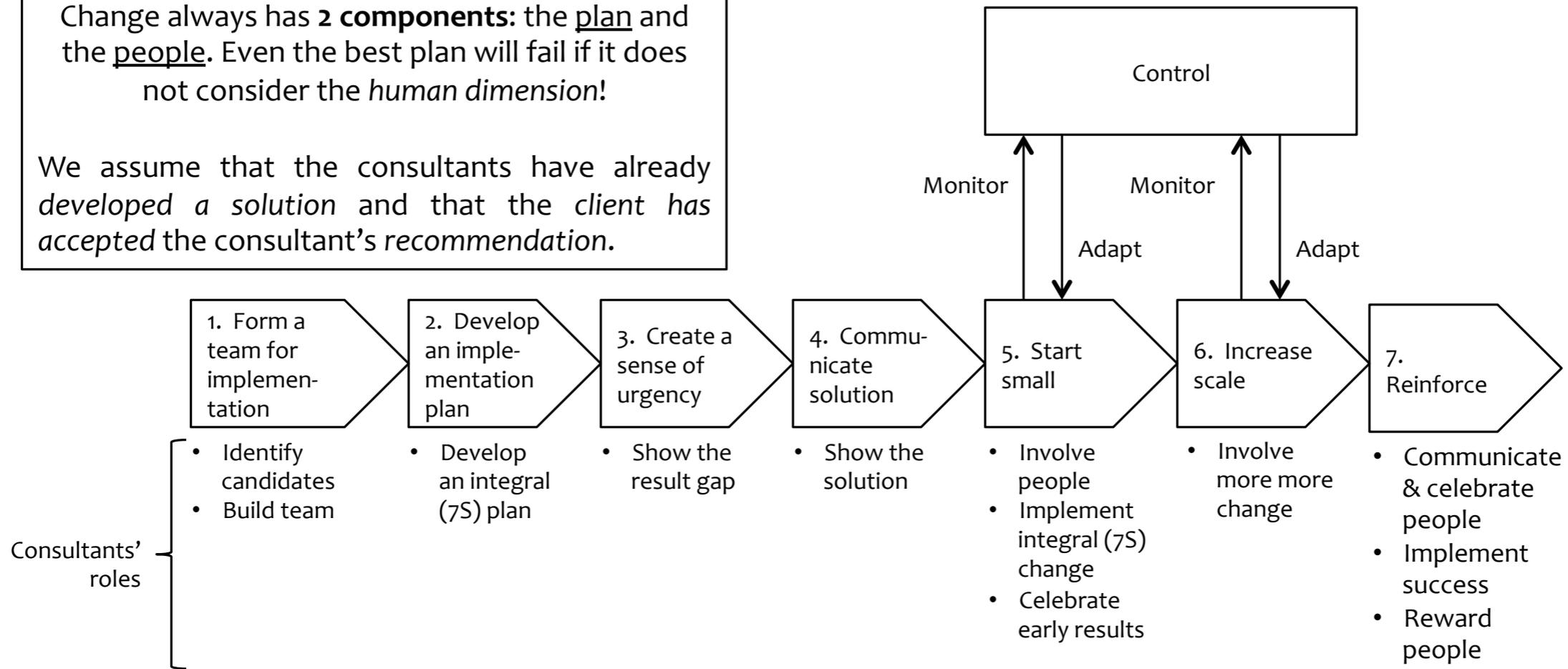
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# Structured implementation



Change always has **2 components**: the plan and the people. Even the best plan will fail if it does not consider the *human dimension*!

We assume that the consultants have already developed a solution and that the client has accepted the consultant's recommendation.



# Planned approach to change

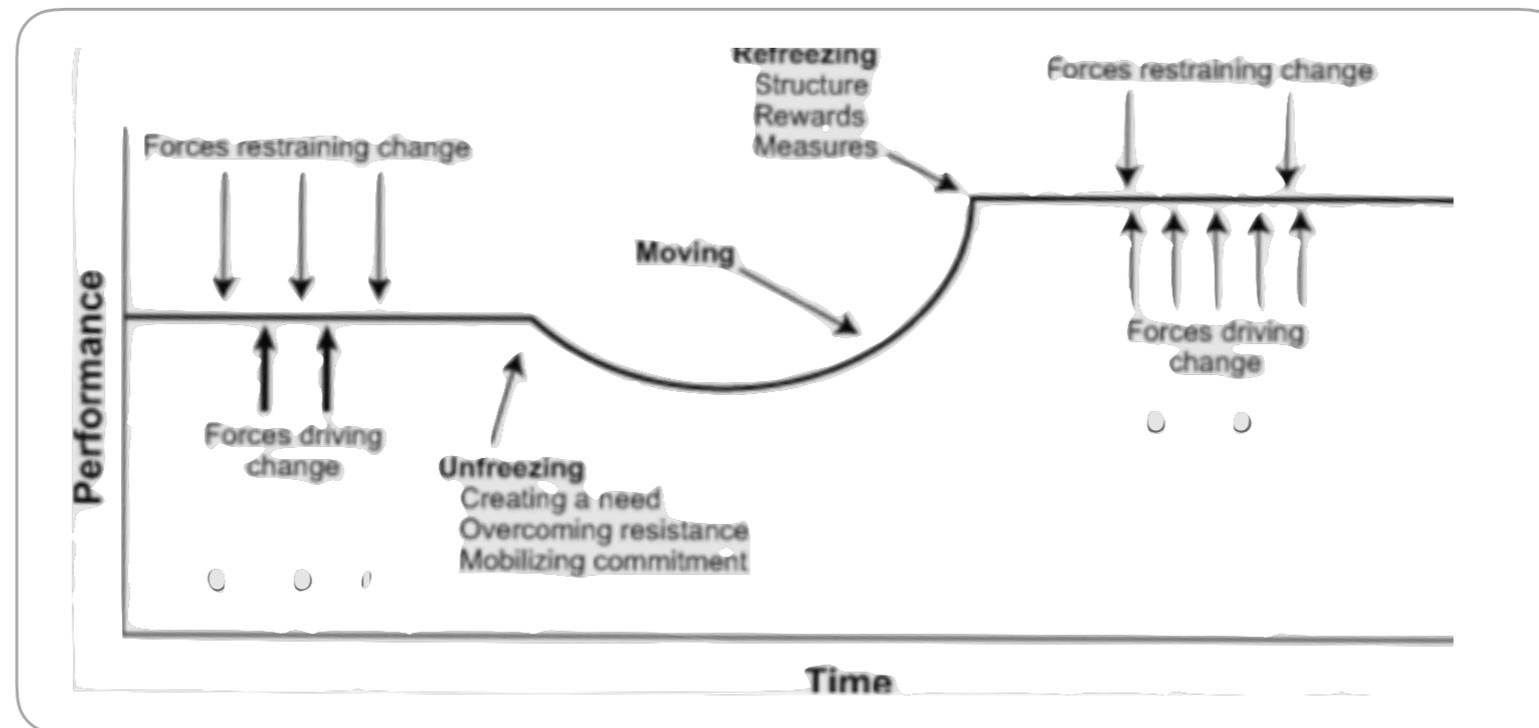
Planned change is aimed at improving the operation and effectiveness of the human side of the organisation through participative, group- and team-based programmes of change

## An overview of Planned Change

**As:** - Human behaviour is based on a quasi-stationary equilibrium supported by a complex field of driving and restraining forces.

- Equilibrium needs to be destabilized (unfrozen) before old behaviour can be discarded (unlearnt) and new behaviour successfully adopted.

Consultant should support organisation to move from a starting point to a new direction



# Planned approach to change

## Model Prescriptions

## Company perspective

## Consultant's Role

Unfreezing

1) Disconfirming data



discomfort and disequilibrium

sales are off, customer complaints are up, products with quality problems are returned more frequently, managers and employees are quitting in greater numbers than usual, employees are sick or absent more and more, and so on

Reaction

"It is only the bad people who are leaving, the ones we don't want anyway."

"This is only a reflection of a minor recession."

**Diagnostic** approach to describe organisational problems.

**Pronounce** the business problem, goal, potential resources, project scope and high-level project timeline.

**Data collection** for establishing process performance baselines.

**List and prioritize** potential causes of the problem

**Prioritize** the root causes (key process inputs) to pursue in the Improve step Identify how the process inputs (Xs) affect the process outputs (Ys).

Data are **analysed** to understand the magnitude of contribution of each root cause, X, to the project metric, Y.

Statistical tests using p-values accompanied by Histograms, Pareto charts, and line plots are often used to do this.

(2) connect data to organisational goals



anxiety

"Sales are off as we need more training about  
"Customer experience"

(3) learning anxiety



psychological safety

"Cannot learn this without losing a feeling of self-esteem or group membership."

# Planned approach to change

Unfreezing is not an end in itself; it '... creates motivation to learn but does not necessarily control or predict the direction'.

Moving

## Model Prescriptions



Cognitive restructuring

### (1) Unlearning



The most difficult challenge is unlearning: what we have learned has become embedded in various routines and may have become part of our personal and group identity.

### (2) Learning



Learning New Concepts and New Meanings for Old Concepts. You were asked to think of yourself as a member of a consulting organisation selling its services to customers who could purchase those services elsewhere if they did not like your deal.

## Company perspective



“being a member of a division working as an expert technical resource with a clear career path and a single boss”

Competence destroying vs enhancing

“sells services for set fees”

The key to understanding resistance to change is to recognise that some behaviour that has become dysfunctional for us may nevertheless be difficult to give up because this might make us lose group membership or may violate some aspect of our identity.

## Consultant's Role



Identify and **implement** a solution to the problem

Identify **creative solutions** to eliminate the key root causes in order to fix and prevent process problems.

Training. For example, if the new way of working requires teamwork, then **formal training** on team building and maintenance must be provided.

Involvement. Each learner will learn in a slightly different way, so it is essential to involve learners in **designing their own optimal learning** process.

Practice fields, coaches, and feedback. Learners cannot learn something fundamentally new if they don't have the time, the resources, the coaching, and valid feedback on how they are doing. Practice fields are particularly important so that learners **can make mistakes without disrupting the organisation**

# Planned approach to change

## Unfreezing

The Persa engineers simply could not imagine how they could function as freelance consultants. They had no skills along those lines as they are technical skills and not consulting skills

Power electrical workers were in a panic because they did not know how to diagnose environmentally dangerous

DEC, engineers knew how to do things differently, but it was a formidable task for them to change manufacturing processes from building everything to just putting together components purchased from others.

RtC

## Moving

Temporary Incompetence.

give up the old way and master the **new** way. The best examples probably come from the efforts to learn to use computers.

Punishment for Incompetence.

If it takes one a long time to learn the new way of thinking and doing things, **lack of productivity may exist**. In the computer arena there are some striking cases in which employees never learned the new system sufficiently to take advantage of its potential, because they felt they had to remain productive and thus spent insufficient time on the new learning.

Loss of Personal Identity.

may **not wish to be the kind of person** that the new way of working would require one to be. For example, in the early days of the breakup of the Bell System many old-time employees left because they could not accept the identity of being a member of a hard-driving, cost-conscious organisation that would take phones away from consumers who could not afford them.

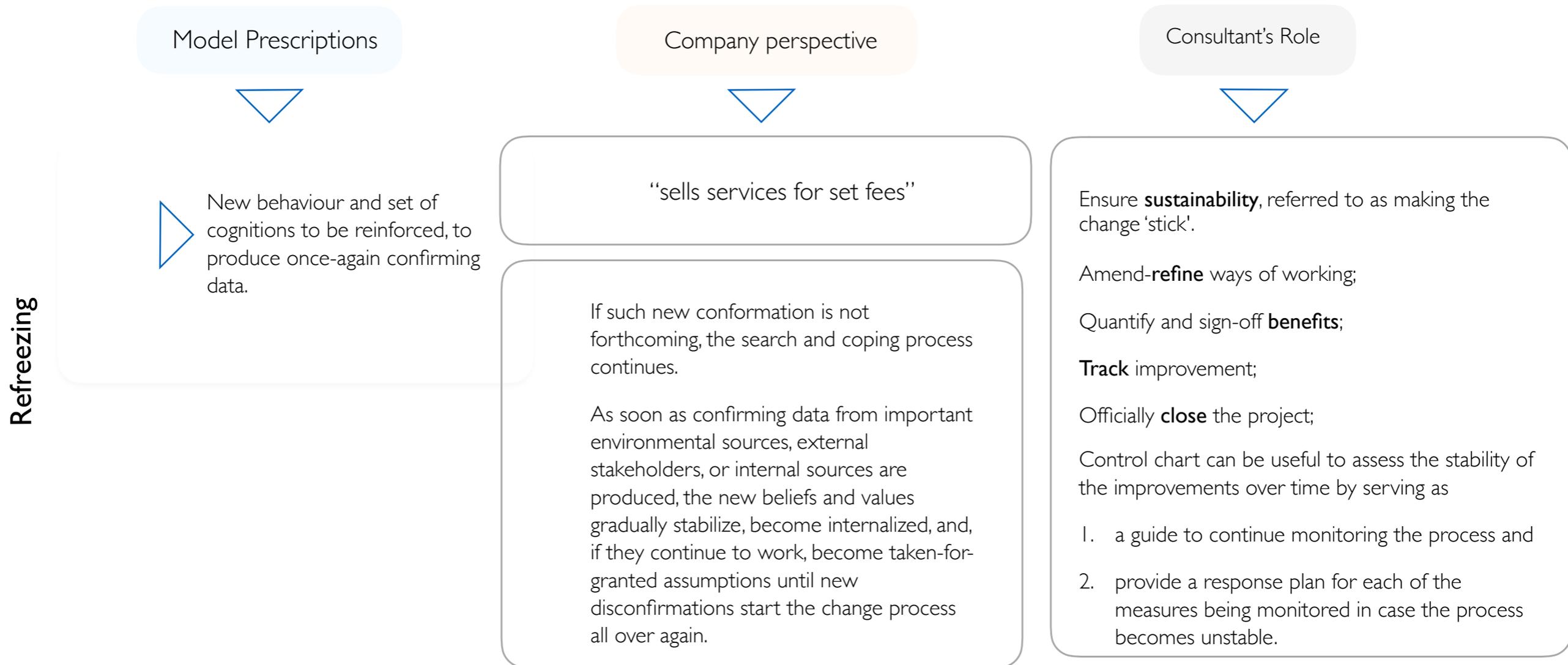
Loss of Group Membership.

The shared assumptions that make up a culture also identify who is in and who is out of the group. If by developing new ways of thinking one will become a deviant in one's group, one may be rejected or even ostracized. To avoid loss of group membership one will often resist learning the new ways of thinking and behaving. This fourth force is perhaps the most difficult to overcome because it requires the **whole group to change** its ways of thinking and its norms of inclusion and exclusion.

Schein, 2003

# Planned approach to change

The final step in any given change process is refreezing.



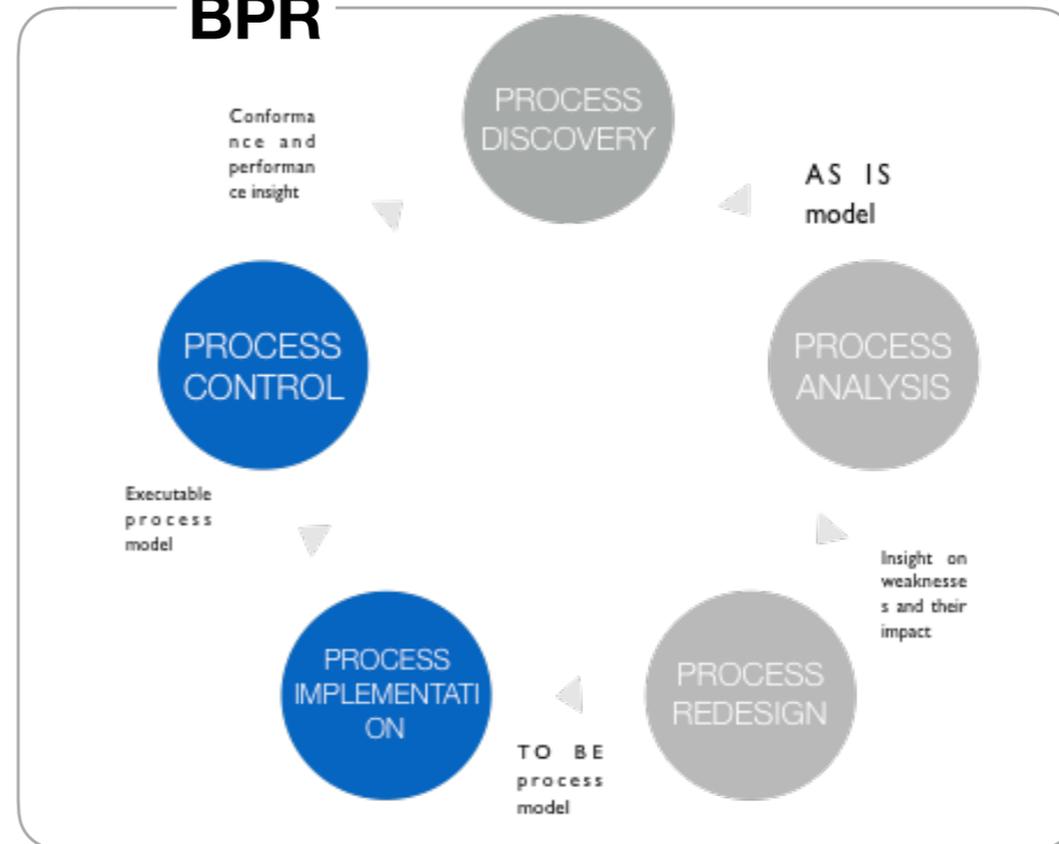
# Planned approach to change

Example of nowadays planned change approach

## TQM



## BPR



# Planned approach to change



Define the following:

A problem  
The customer(s)  
Critical to Quality (CTQs) — what are the critical process outputs (time, quality, efficiency)

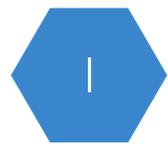


Establish current baselines as the basis for improvement.  
Data collection step, the purpose of which is to establish process performance baselines



Identify, validate and select root cause for elimination. A large number of potential root causes of the project problem are identified via root cause analysis (for example a fishbone diagram). The top 3-4 potential root causes are selected using multi-voting or other consensus tool for further validation.

List and prioritise potential causes of the problem  
Prioritise the root causes (key process inputs) to pursue in the Improve step  
Identify how the process inputs (Xs) affect the process outputs (Ys). Data are analysed to understand the magnitude of contribution of each root cause, X, to the project metric, Y. Statistical tests using p-values accompanied by Histograms, Pareto charts, and line plots are often used to do this.  
Detailed process maps can be created to help pin-point where in the process the root causes reside, and what might be contributing to the occurrence.



Identify, test and implement a solution  
Use brainstorming or techniques  
Focus on the simplest and easiest solutions  
Test solutions using (PDCA) cycle  
Create a detailed implementation plan  
Deploy improvements

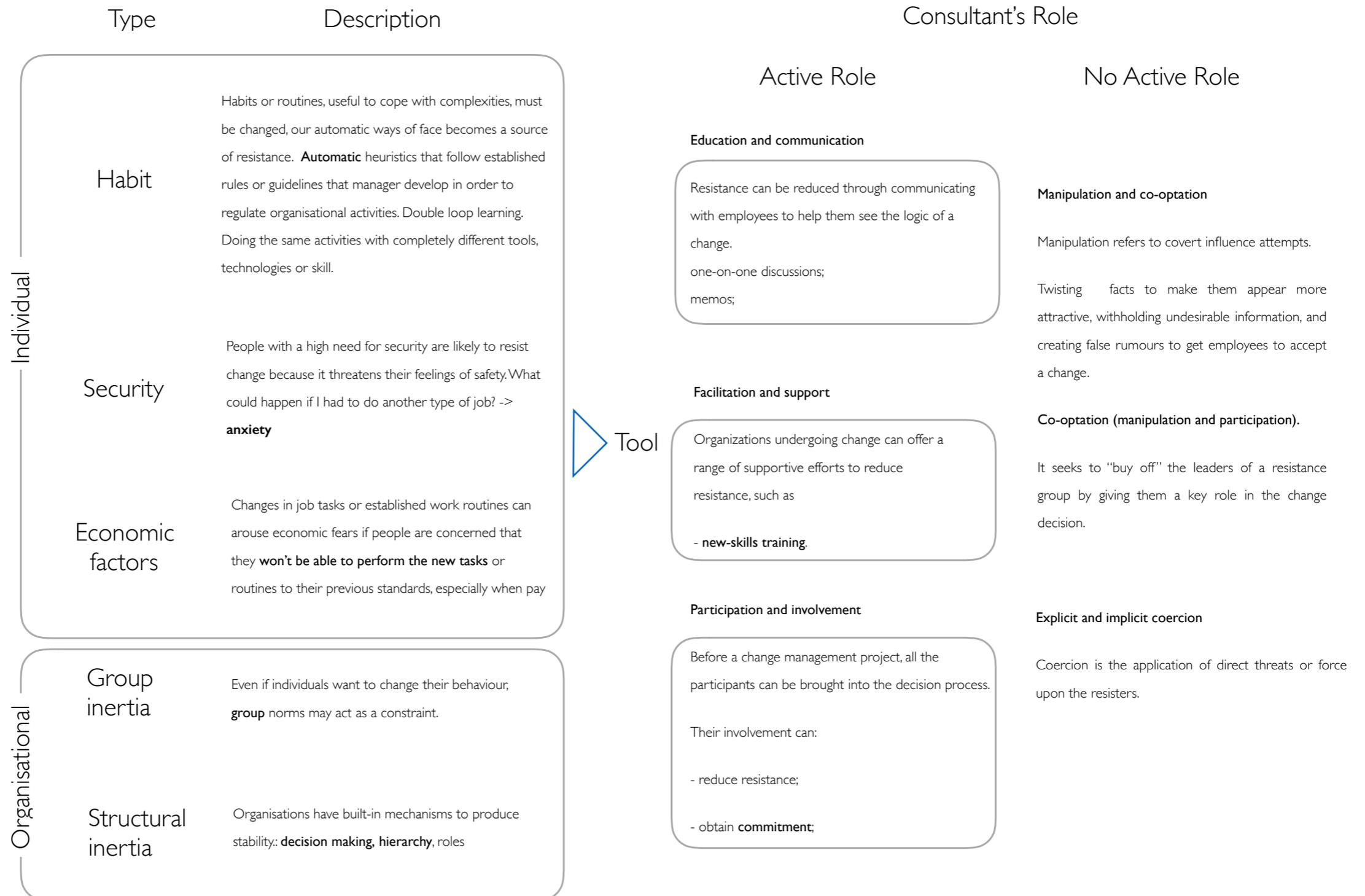


The purpose of this step is to embed the changes and ensure sustainability, this is sometimes referred to as making the change 'stick'.

A Control chart can be useful during the Control stage to assess the stability of the improvements over time by serving as

1. a guide to continue monitoring the process and 2. provide a response plan for each of the measures being monitored in case the process becomes unstable.

# Resistance to Change: the consultant perspective



# Emergent approach to change

## Planned model

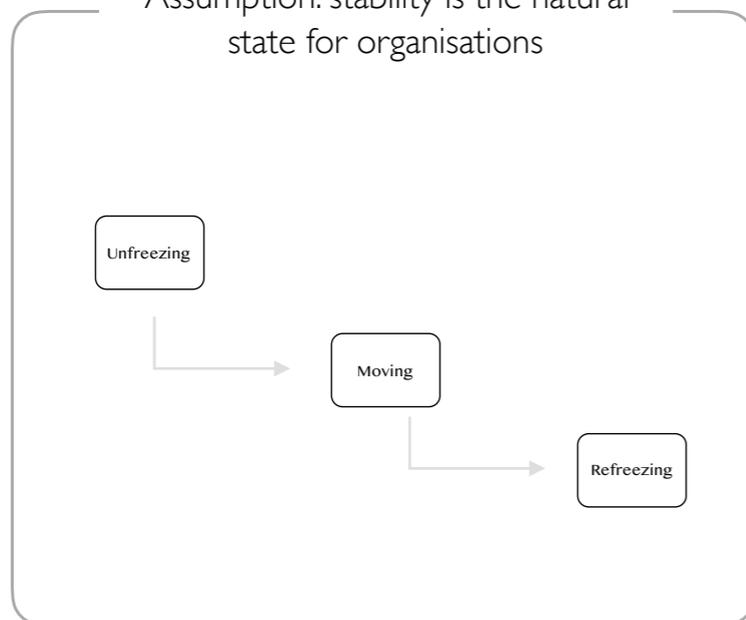
Quaintly **linear** and **static** conception

so wildly inappropriate (?)

organizations **are never frozen**, much less refrozen, **but are fluid** entities with many 'personalities'.

stages overlap and interpenetrate one another in important ways.

Assumption: stability is the natural state for organisations



## Processual (Emergent) approach

**Complex** and **dynamic** process which should not be solidified or treated as a series of linear events. ... central to the development of a processual approach is the need to incorporate an analysis of the politics of managing change.

**ongoing** accommodations, adaptations, and alterations that produce fundamental change without a priori intentions to do so.

People re-accomplish routines and when they deal with **contingencies, breakdowns,** and opportunities in everyday work. Much of this change goes unnoticed, because small alternations are lumped together as noise in otherwise uneventful inertia.

Assumption: turbulence and unpredictability is the natural state for organisations



self-organization, iterative, continuous learning and on-going realignment with the environment.

Control or stable structures can be counterproductive. Instability should create the ability to stay responsive according to the environment, as a compensation to reach a greater stability at the end.

# Emergent change

## Step 1: Establishing a sense of Urgency

Create a sense of urgency around a single **big opportunity**

Atmosphere of commitment and drive, to keep the goal visible for everyone and to align it with the overall strategic direction of the organisation.

The visibility of the possibility enables the workforce to see the "**big picture**".

It transfers the necessity to prevent risks or to take opportunities and relating the mission towards the emotion of the employees. Hierarchy driven managers need to take a step back, away from their strategic papers.

## Step 2: Creating the guiding coalition

The guiding coalition **volunteers** from the existing hierarchical system from each department and from each hierarchical level.

The guiding coalition is forming the heart of the network. Everyone should have the ability to join.

The focus is placed on **diversity**.

People with diverse backgrounds and a broad range of skills, develop solutions, that employees with the same knowledge characteristics, would not be able to achieve.

All members of the volunteer army are equal.

Teamwork can be uncomfortable, but it has the ability to create incredible social dynamics.

## Step 3: Developing a Vision and Strategy

The vision serves as guidance for the **dual organisation**.

It will deliver an orientation basis for the volunteers.

A vision is a phrase, a simple and easy formulated future goal that is catching the attention of the employees and is understandable for everyone.

This goal should be linked to **emotions**, to create **motivation** for the workforce.

The overall vision is important to keep the implementation procedure on the right direction.

According to this direction, initiative can be selected, which are supporting the broad perspective.

## Step 4: Communicating the change Vision

Communicate the vision and the strategy to create **buy-in** and attract growing volunteer army

right communication and transmission of the vision and strategy, can create a multiply effect.

**motivation** is created not by forcing people to **participate**, furthermore the people engage, because their colleagues are participating.

People with established relationships inside the hierarchical system and the right know-how should be included. This guarantees that the mission has a growing support inside the company.

Volunteers, who will participate in the network structure, will cut back ineffective work processes

# Emergent change

## Step 5: **Empowering** broad based actions

Accelerate movement towards the vision and the opportunity by ensuring that the **network** removes barriers.

Enable an uncomplicated development of solutions without bureaucratic processes between departments.

The focus is based on empowering employees to remove obstacles, created by hierarchical structures. The empowering process needs to address structures, skills, systems and supervisors.

HI: problems are identified at step 5(!)

For example a problem will be identified by the sales team, communicated to the network and solved by a diverse team. Such a team could include from sales representatives to employees from the R&D department anyone throughout the organisation.

## Step 6: Celebrate visible short-term wins

**Success** must be made visible. It will remove **scepticism** about the strategy and the new changes. Furthermore employees will be attracted in participating and sharing their knowledge. It strengthens the credibility of the Network structure, supports the decision of their creation and gives a massive boost to the volunteers.

Short-term wins deliver the impression, that the change initiatives are creating the expected results.

Short-term wins motivating across the whole organisation.

## Step 7: Consolidating gains and producing more change

Never let up. Keep learning from experiences. Don't declare victory too soon: Continue to focus on the improvements. Don't lose control of the accelerators. The establishment of an on-going process is the key.

The **mentality** of constant change needs to be implemented in the organisational culture.

## Step 8: Anchoring new approaches in the culture

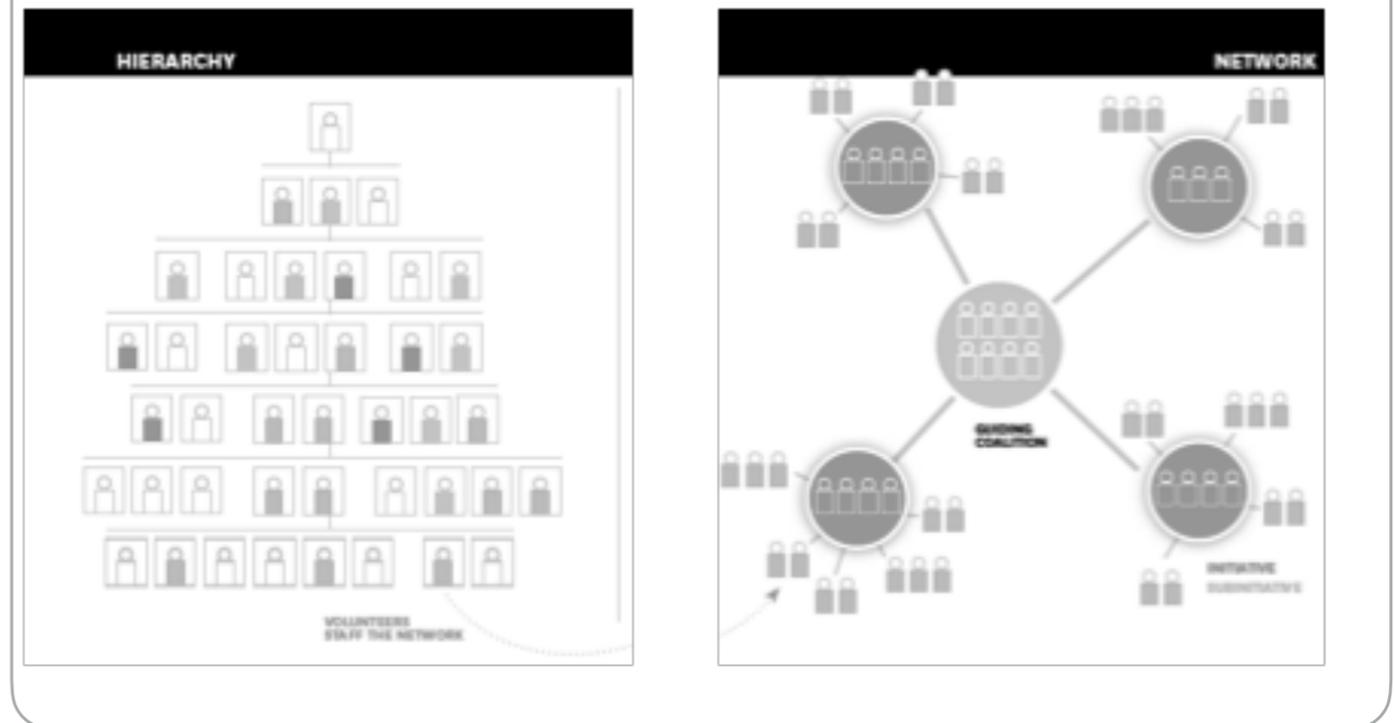
**Institutionalize** strategic changes in the culture: Initiatives need to be implemented in the "day-to-day" working environment. Success needs to be made visible. The approaches and beliefs should be established into a certain routine. The approaches and beliefs should be established into a certain routine.

# Kotter's model

## Accelerators



## Dual Model



Core Business  
Problem solving

Innovation  
Problem finding

# Kotter's model

## Agility

- The dual organisation serves for reaching agility and adaptability.
- The completion of one step is not any more necessary to reach the next step.
- Organisation can choose the steps according to the relevance of the context: change is more than simple planned methods with their orderly fashion of completion. Accelerators are designed to be executed parallel and so fostering the whole speed of adaptability and change.
- Through the empowerment of the employees, opportunities can be detected faster, structures are getting more dynamic, leading in a faster decision-making and implementation process.
- The dual organisation support companies in giving a contemporary management technique, demonstrating a new way to reach more agility inside an organisation.

## Efficiency

- Hierarchical structure keeps up the core business reliable, including functions as production processes, budgeting activities or monitoring procedures accomplished. Network structure ensures agility and quick reactions.
- This system is build up on the assumption of balancing the chaos that can result out of loose network structure with the connection to the classical organisation.
- To ensure stability and connectivity, the network structure will be linked to every hierarchical level.
- The core business continuous to work exceptional well in combination with a grater dynamic and flexibility.

## Change Management. The consultants' perspective

- The importance of Change Management for consulting projects
- The objects of change and the role of the consultants
- Planned Change and Emergent Change. The consultants' perspective
- RtC: the consultants' perspective
- Design Thinking. Introductory concepts