A NEW PARADIGM FOR CHANGE MANAGEMENT

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Imagine a whole new world where many of our assumptions about how we manage change are no longer true – where change processes are much more condensed and much less unwieldy than the ones we have gotten used to. We think that this is a real possibility and our claim is that resistance to change would be largely reduced in such a world.

Four assumptions from the old paradigm

For many years, we have planned and managed change processes by relying on a number of outdated facts and assumptions. Some are explicit, while others are more implicit and may not always be obvious to us, although they determine the way that we set up change processes. Here, we compile the ideas of the old change paradigm into four assumptions.

Assumption one:
Change is a top-down process

Change management is often seen as a top-down process, where strategic change initiatives are developed by top management and subsequently rolled out downwards through the organisation. The assumption has two historic roots, each of which results in two different perspectives on managing change:

1. From early history, we see examples of organisations that use a top-down approach to management, i.e. the

church and the armed forces. Going on to the beginning of the 1900s, scientific management also developed methods based on hierarchical structures and top-down management. They developed management models that separated the control functions from the implementation functions, where the manager's role was to lead, manage and follow up. In the event of change, management had explicit responsibility for analysis, strategy and decision-making on the basis of managers' knowledge, power and influence in a hierarchical organisation. If there were important questions within the organisation, the best answers were found at the top. The role of middle managers and employees were to implement top management's decisions.

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2. In the 1930s, the organisational development movement began conducting scientific studies of groups, group processes, development and change. Among its pioneers was well-known thought leaders such as Kurt Lewin. Looking at a change process, they put emphasis on the ability and power of the organisation's employees and on the different processes and methods for engaging and motivating people to implement changes. But even this approach was based on the assumption that changes are initiated from the top and will subsequently take place at the lower levels of the organisation and in the later stages of the change process.

Even in today's change processes, most of the analysis, strategic thinking and planning is carried out in closed rooms and involves just a few people who dedicate themselves to describing (often in detail) and preparing for the future changes. They see their role as analysing reality in order to formulate objectives, strategies and change programmes on the basis of the analyses.

Once all the thinking has been completed and packaged, the change activities begin and the broad mass of employees become involved in the process.

Assumption two:
Change is a linear process
Another assumption about change is the "planning school". Here, the belief is that change can be planned and managed in a linear process similar to a project with a clear start and end point. The most important representative of this school is Kotter and his 8-step model. The model is the archetype for a whole raft of subsequent change management models and has helped to make change management an issue that occupies all top managers.

Kotter's 8-step model brings together the two historical roots of change management into one process model that is business-driven, project-oriented and sequential, but also takes the human side of change into account.

As the name indicates, the model describes an 8-step linear process where most of the "thinking" is done by management during the introductory step and where the following steps concern how the planned change programme should be implemented and how resistance can be overcome.

Assumption three:
Change generates resistance
Generally, theory and models relating to change management assume resistance from the people who are the target group of the planned changes. A central theme becomes how to overcome the resistance from the people who must change in accordance with what management has decided.

The assumption of resistance results in avoiding resistance being a primary concern in models, tools and communications on change management. And consequently, management training revolves around overcoming resistance and persuading people in the target groups of the change initiative to do their work differently from how they previously did it and/or to change their attitudes.

Assumption four:
Change is an issue for HR

The focus on resistance means that change has become a HR issue. Based on the knowledge and methods of behavioural sciences, current change management mainly focusses on the "human side of change" – on persuading people to do something that someone else has decided on and that has a major impact on their behaviour. The HR responsibility normally concerns the ownership of models, change management training for managers and support for managers during the change process.

In 2016, we conducted a study involving 25 major Swedish and global companies, where the majority said that HR was the home of change management in their organisation. Only a few of the companies had placed responsibility for change management in a different place in the organisation, and in these cases, it was closer to the executive management team.

Several respondents felt that it was a problem having HR as the home of change management. They felt that it resulted in too great a distance between the people responsible for the strategic issues of the business and those who owned change management.

Our study also showed that the use of the methods and tools which had been developed and agreed on an organisation-wide level often worked well in the case of minor changes organised by middle managers, perhaps in co-operation with smaller project groups. However, these methods and tools were often less effective in the case of major initiatives covering the entire organisation, such as digital transformations or large-scale restructuring that is managed centrally.

Five driving forces that call the paradigm into question

Times have changed. The old paradigm on change management was developed in different times where the pace of change and the focus of work life was different from today. We see five main driving forces

that influence the paradigm of change management.

Driving force one:
The exponential pace of change

Almost all businesses are affected by a number of major global trends and drivers. They represent fundamental changes in business logic which are driven primarily by digitisation, automation and globalisation. This in turn leads to new types of behaviour from customers, users and citizens and also to the emergence of new competitors which are often based on an entirely different type of business logic from that of the existing players.

This changing business logic has a dramatic impact on the old change paradigm in two ways in particular:

- The sequential, project-oriented approach is severely challenged by the speed of change. We simply cannot organise our change activities in the traditional way. Instead, we need to move much faster.

- It is no longer useful to have a clearly defined objective for change processes due to the complexity of change and the high level of innovation. Although it may sound irrational, the change journey must be started and taken forward without specific objectives. It's change for change's sake – in a positive sense.

We have reached the stage of what could be called "hyper-change". This is a situation where change is constantly taking place, often at a high speed, and where renewal is increasingly the result of innovation. Also, the boundaries and rules concerning how we run a certain type of business are repeatedly called into question. Against this background, the old rules of change management no longer apply. They were formulated at a time when change happened at a very different pace and when the future was still to some extent predictable.

Driving force two:
Everyone knows everything

In the old change paradigm, it was

assumed that managers had a greater knowledge and understanding of the business than other people in the organisation. While this of course may be the case, managers' knowledge advantage has generally decreased significantly over time.

This is because:

- The general **level of education** has risen dramatically as more and more people go to university. This has increased employees' ability to understand and make a contribution to complex issues.

- The knowledge we need is often only a mouse click away on the **web**. In different contexts, consumers, users and citizens are increasing their own power by acquiring knowledge from a range of different digital platforms. Patients who visit their doctors will have already researched their illness. In the same way, employees are gaining an understanding of the environments and driving forces that businesses are exposed to. Thus, employees are sometimes well-informed about the choices that companies are facing.

The old model consisted of a few people who did the thinking and a large mass of employees who implemented the ideas of the few. In an era when more and more people have the knowledge needed to make a valuable contribution, this top-down model is no longer the most effective solution.

Driving force three:
Aggregated knowledge
In the old paradigm, it was not effective or even possible to involve many people in the early stages of a change process. Nowadays, the situation is different. Digital working methods offer opportunities for early participation and involvement in change processes and are now quick and easy. This makes it possible to gather "the wisdom of crowds" bringing together contributions from many individual people in order to resolve complex problems more effectively than a few experts are able to.

The wisdom of crowds can and must be used if businesses are to remain competitive. The old change model is being called into question and we must be prepared to include far more people much earlier in the process. In addition, this enables us to eliminate resistance and encourage employees to commit to the forthcoming change.

Driving force four:
Unlimited digital communication
Social media and digital platforms have changed the way we communicate. Through both channels, we can access a large number of people quickly and have conversations with them. The platforms also allow us to bypass different levels in the hierarchy and reach out to people in a way which was not possible in the past. Another key feature of digital communication is that it is seldom one-sided. It is based on a dialogue, often allowing for an ongoing exchange of ideas.

As an example, there are political movements which would not exist without social media. They have used digital platforms to circumvent the old structures and groups that previously managed information and determined how we talked to one another.

A glance at the heart of our organisations shows that we are only at the beginning of this process. When compared with how we use social media in our private lives, these digital forms of communication are relatively undeveloped in most businesses. There is not even a well-designed model that defines how companies should make use of the opportunities that digital communication has to offer.

The old paradigm, which was based on a significant physical, social and mental distance between management and employees, is already disappearing. It will soon become obvious to everyone involved in managing change that they must begin to engage in conversations with all the relevant groups, regardless of where they are located and how many people they consist of.

Driving force five:
Equality

Equality has risen. And despite occasional setbacks in the past, in many parts of the world, there are now powerful movements within society which aim for a society that values people equally. This is becoming clearer to each new generation as it joins the labour market. Young people increasingly feel that they are living in a globalised world both digitally and geographically, with greater equal opportunities to travel, study and work abroad.

This development is reinforced by the internet and, most importantly, social media. The digital platforms have a "flatter" structure than traditional media, which scales back hierarchies and makes it harder for elites to dominate the conversation. As everyone's voice has a more equal chance of being heard, you can acquire power and influence by having something interesting to say and by persuading other people to listen and to appreciate your opinions.

This phenomenon has considerable implications for a number of social constructs. For example, we can see clearly that the positions of power are shifting. These include:

• Consumers increasing their power in relation to suppliers

• Patients increasing their power in relation to the healthcare system

• Employees increasing their power in relation to managers

This powerful trend is influencing the old models of change by reducing the opportunities for using traditional, top-down power and by increasing the risk that this type of power will be met with mistrust and will not correspond with most people's view of reality.

A new change paradigm

The old paradigm has become obsolete, and there are therefore strong reasons for developing a new change paradigm that organises, designs and manages change in a new way. We have identified some important principles of the new method of managing change. We base our new paradigm on the environmental trends and driving forces described above – as well as current research and knowledge in change management.

1. See the change process as recurrent waves

In the old paradigm, we divided change processes into separate phases with the typical stages of analysis, decision and implementation. Instead, we should see the phases of change as one coherent process where, to put it simply, we try to get as many people involved as early as possible.

At the start of the process, managers identify a direction rather than specific objectives. The direction must be underpinned by a clear "why" – that is, the factors that make up the reason for the planned change.

The change process will then not be linear in nature. Instead, it will be designed to take place in "waves" which switch between involving large numbers of people and narrowing down to allow a small management group to set priorities, check developments against the planned direction and make the necessary decisions. We find an important success factor in having clear rules for the divergence and convergence of the process.

When you set up the change process, a key consideration is to focus on co-creation (including external resources if this is applicable). Keep in mind that "you don't have time to rush" – in the short term, a process structured in this way can take a little longer, but in the long term, it will be much quicker, as it ensures both participation and joint ownership and also generates more ideas, improves the quality of the analysis and supports decision-making. Transparency and clearly defined decision-making points are important factors for ensuring that the process is seen as fair and honest and, at the same time, is not long-winded or lacking in energy.

When designing processes of this kind, it is a good idea to borrow methods from agile development which include iterations, pilot projects, tests and prototypes as some of their main cornerstones. In many cases, innovation and change activities merge together, and it is often useful to regard them as a coherent process.

2. Introduce a new type of change leadership

One starting point for the new change paradigm is that it is possible to significantly reduce resistance to change by introducing a new type of change leadership. This new form of leadership applies the principles of designing and managing processes that we described earlier as "waves" and are characterised by:

- **Giving meaning** – leaders who make a sometimes turbulent and chaotic environment comprehensible and allow changes to be introduced.

- **Early involvement** – leaders who enable everyone to contribute to problem-solving, analysis and implementation.

- **A fair process** – leaders who drive the process with the maximum openness, honesty and respect for everyone involved.

In this type of leadership, leaders sometimes meet new demands during change processes. Leaders, who succeed in the new change paradigm, have a number of clearly defined characteristics:

- They explain the strategic requirements and clearly indicate the direction of the process, but they are able to hand over control, ask the right questions and request help with the process from others.

- They have a reasonable level of practical knowledge and good judgement, but they do not always have answers to all the questions, do not always know best and cannot always do more than everyone else.

- They are making clear and transparent decisions, but they design an iterative/ learning process and facilitate this process without taking over. They also create an environment that enables other people to contribute.

3. Combine traditional and digital methods and tools

We must make deliberate and active use of a combination of the methods and tools available to allow for the type of facilitated process that we have described above. These include traditional methods of creating meaning and encouraging involvement, such as small or large workshop-style meetings and, most importantly, digital tools and methods.

To ensure the maximum level of involvement, participation and commitment, we propose using the following three keywords:

- **EARLY** – start involving everyone at an early stage. Do not wait until all the thinking and planning has been completed.

- **MANY** – involve as many target groups as possible, preferably all of them.

- **OFTEN** – better to be simple and often, rather than seldom and complex.

Digital tools and methods are an essential means of achieving this. These can include simple survey tools, social media platforms and co-operation tools or more advanced applications that have been specially developed to manage and support transformation and change processes.

An important element of the early stages of the change process is identifying the direction and creating a shared overall view of who should be involved. This can be followed by collecting, aggregating and prioritising knowledge and data in the later stages. Hypothesis-driven development and other development scenarios can also be useful tools in the early stages.

The methods we use should also encourage everyone involved to learn during the course of the process by creating the space needed for follow-ups, feedback and reflection.

For the change process to function efficiently, it also needs to be supported by transparent communication about the change which is continuous, clear and accurate. Some of the digital tools specially designed for managing change which are mentioned above provide good communication functions, together with intranet pages, emails and various social media such as Twitter and Facebook.

4. Assign responsibility for change management outside HR

In 2016, we carried out our study of change management involving 25 major Swedish and global companies. The study shows that the majority of large companies and organisations have a specific function which is responsible for developing their internal capacity for change – currently the responsibility lies with the HR department in the majority of cases. This function takes responsibility for identifying a suitable framework for change management and providing training in using the framework for managers and project leaders. The function often provides tools and methods that can be used in conjunction with change and transformation processes.

In the new change paradigm, the focus is not on managing resistance to change. Instead, we focus on linking together and opening up the different areas of the change as part of a transformation process. This makes it possible to move change management out of HR and give it a new "home" closer to the executive management team in organisational terms, because the ownership of change management can be more easily integrated with strategy and innovation than with HR.

This means that training in change management for managers can be incorporated into other management development activities and, if appropriate, can remain the responsibility of HR. We see the natural home for change management closer to the executive management team, perhaps in the form of a strategy group or something similar.

However, this is also about where the practical responsibility for change management lies during the implementation of the change processes and programmes. The responsibility is often within the project or programme organisation, without this having been considered more closely. As a general rule, the practical change functions should be linked to the management team of the organisation that is the recipient of the change process, rather than the project organisation that is delivering the change.

New times – new change paradigm

Times have changed and this calls for a new way of managing change. The new change paradigm makes it possible to improve the quality of analysis and decisions, while also significantly reducing the resistance to change and introducing faster and simpler change processes.

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