CHANGE MANAGEMENT IN ORGANIZATION BASED ON APMG CHANGE MANAGEMENT METHODOLOGY

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Abstract

The article will refer to the description of international change management methodology. The author describes the main features of recommended levels of change management and management techniques useful for each of these levels. The author also describes the relationship between processes of change management, strategic planning and project management.

Key words: change management, methodology, project management, strategy.

Introduction

The purpose of this article is to present the philosophy and structure of APMG Change Management methodology against the backdrop of selected theories and techniques of change management. The author compares them with the process of strategic decision making, the creation of the strategic objectives and implementation of projects and processes as a means to achieve them. The author's intention was to show the usefulness of the chosen approach and – more broadly – management methodologies in the process of change management in organizations.

In order to write the article, the author used source literature on change and project management.

If you keep doing what you're doing you'll keep getting what you get.
Anonymous (Cameron, Green 2012: 29)
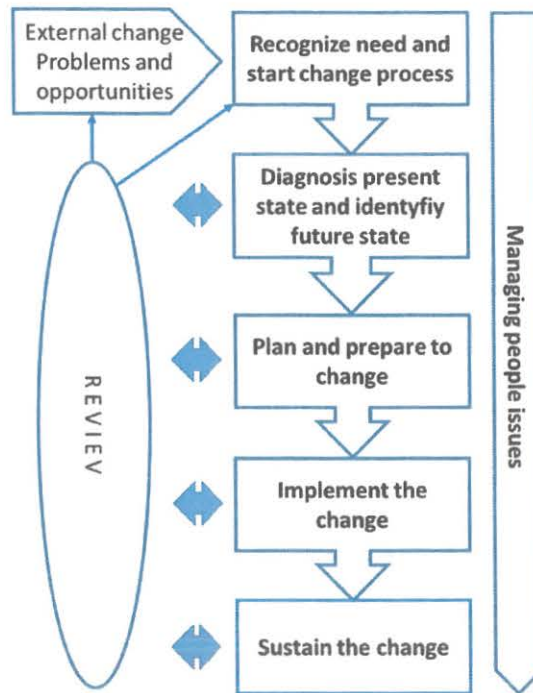
1. Changes and change management in an organization

Change in an organization can be defined as a deliberate and conscious act of moving the organization from the current state to another state, uniquely different, which should take place in a planned and properly coordinated manner (Kożuch, 1999: 179). Changes may occur at the individual, group or organization level and affect the whole organization or only some of its areas. They can occur both in terms of strategic management (changes are mostly initiated at board level, with impact on the entire organization), tactical (changes within a separate part of the organization, such as department or division or region in which the branch of the company operates) and operational management (changes with the smallest impact on the whole organization, concerning various business goals of a group of employees or individuals). In retrospect, we can distinguish between changes in long-, medium-and short-term. For example, typical organizational changes may relate to the following: (Melton et al. 2008: 63):

- management restructuring,
- changes in work practices,
- changes in operating procedures,
- new work patterns,
- skills development,
- operational development.

Senior management can be persuaded to undergo change process under the influence of such factors as the economic crisis, declining market share, strong competition, low profitability and low employee morale, which affect the efficiency of work (Kerzner, 2005: 31).

Managing change generally consists of approaches, tools, techniques and measures to identify, plan and carry out the transformation from the present to the desired target in the organization and consolidating its effects. In other words, change management can be defined by four main components: defining change areas, adapting to change, handling the change and effectively putting forth that change (sustaining the change). A more detailed model of that approach is presented in Figure 1.

Figure 1. The generic change management model

Source: Hayes, 2010: 55.

Change management is an essential element of the process of managing any organization, enabling the introduction of new or a revision of existing measures taken to rationalize the strategic objectives of the development and optimization of resources used to achieve them.

Although in the source literature we can observe a variety of approaches to defining the stages of change management theories, tools and techniques, there is a clear lack of comprehensive management methodologies, describing a coherent vision of the actions in the implementation of changes in the organization. The few existing ones include such approaches as PROSCI Organizational Change Management methodology with ADKAR Approach (Hiatt, 2006: 43-130) or LaMarsch Managed Change Methodology (LaMarsh Global, 2014). Compared to them, APMG Change Management methodology (Cameron, Green, 2012), appears to be particularly interesting. Its structure and philosophy will be described in detail later in this article, with particular emphasis on selected theories and techniques of change management.

Figure 2. Cycle of change – APMG Change Management methodology
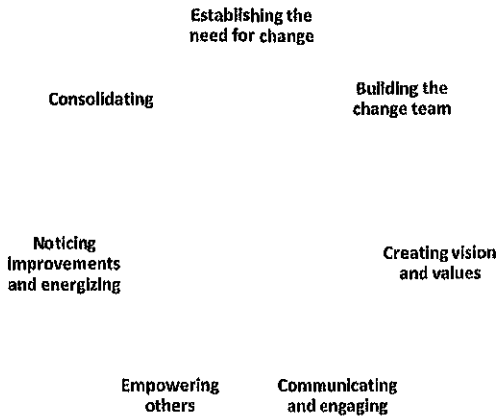
Source: Cameron, Green: 2012.

Despite its diversity, changes in the organization typically involve organizational structures, work teams and attitudes of individual employees, which are affected with the change management process. Each of these perspectives can generate other challenges for leaders, agents and sponsors of change, although they may affect the organization as a whole to a different extent. As any significant change in the organization can have an impact on its strategic development goals, it is worth locating the change management elements on the background of the strategic planning process and its implementation tools – projects and processes.

2. Change managememt vs strategy planning, project and process management

Unless commitment is made, there are only promises
and hopes; but no plans.
*Peter Drucker (Padgett, 2009: 15)*

In the process of strategy development, a manager faces four key questions about strategic change (Kurtyka, Roth, 2010: 10):
1. How to guarantee the accuracy of strategic vision in relation to the capacity of the enterprise and potential of its employees?
2. How to build competencies and how to motivate people in the process of strategic change?
3. How will the organization and the management system support the implementation of the strategy and the significant changes re-

4. In what order and how should we introduce new projects to manage change?

These elements of success of the organization mentioned above: accurate vision of development, competent and motivated people, the system of organization and management, and the process of implementation of strategic changes mesh with each other and are interdependent. The role of the manager is to ensure consistency between these components and to remove obstacles that occur in these processes.

Figure 3. Change management vs. strategy and project benefits of management success
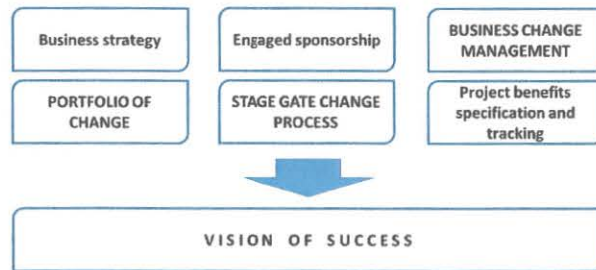
Source: Melton et al. 2008: 12.

Business strategy contains a clear direction for the business with articulated benefit criteria that allow project and BAU (Business As Usual, day-to-day operations) change selection and prioritization.

Engaged support means leadership and support to ensure that the strategy goals have all the necessary resources (people, funds, decisions) ensured.

Business change management – the business integrates the desired changes so they becomes BAU and are sustained.

Portfolio of change consists of a defined set of projects which deliver the required changes to the business.

Stage gate change process means a formal process to start the pace of change against clear benefit decision points.

Project benefits specification and tracking – a formal process to define benefit metrics, measure baseline, set targets and then track delivery.

Strategic objectives are resulting from the development strategy adopted to implementation, favored by the current Management Board,. Projects and processes are both considered ways of achieving these objectives and tools for making changes achieving their objectives (for example making changes to management structure or processes is considered one of the main areas of modern project management (Burton, Michael 1996: 3). On the other hand, all of the above are a basis for identifying the changes necessary to implement within the organization, and influence their strategic significance,

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length, cost effectiveness and scope of the impact on the organization, teams of workers and individuals. These relationships are shown in figure 4.

3. Levels of change management by APMG Change Management methodology

The APMG Change Management methodology is one of the few attempts to arrange knowledge, best practices and approaches in the field of change management in organizations. What is significantly unusual about it is that – as opposed to project management methodologies such as PRINCE2 or PMBoK – it does not present an orderly and unambiguous model of a methodological approach[1]. On the contrary, it consists of a considered set of theoretical concepts and practical techniques of change management with respect to its three levels, which – although presented in the methodology separately – combine into a coherent whole, acting in a comprehensive change management approach. These levels are: change to the structures of the organization, teams and individuals that are affected with change management process. Each of them is described in the methodology as an essential part of the whole process of identifying and implementing changes, which, taking into account the action plan, is necessary to apply the changes effectively and to ensure the long-term effect desired by their initiators.

Figure 4. The relationship between the levels of change management acc. to APMG Change Management approach and strategy, projects and processes
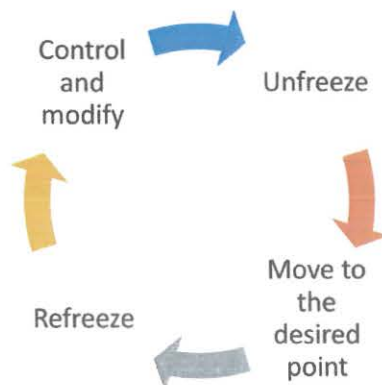

Source: own elaboration.

4. Organizational change

There are many approaches to managing and understanding change to choose from, none of which appears to be complex enough to include all the issues concerning implementing changes within an organization. Therefore APMG Change Management approach enumerates several useful theories that can contribute to better understanding and designing organizational change.

Two best-known approaches used in that level of managing change are the Levin change management model and Morgan organizational metaphors (the machine, political, organism and transformation metaphor).

Levin's model is considered to be one of the most common tools for planning and implementing changes within an organization. Originally, it consists of three management steps: unfreeze, move towards the desired point and refreeze.

Figure 5. Change management model based on Levin approach

Source: own elaboration based on: Cameron, Green, 2012: 122.

The first phase of that model (unfreeze) is comprised of examining status-quo, setting up the main goals of the change, decreasing resisting forces against change simultaneously with increasing driving forces toward change. During the second step (moving towards the desired point) taking action, making proper changes and involving teams and individuals are taken into account. The last step (refreeze) requires making implemented change permanent, establishing new way of things and rewarding desired outcomes. The last step is to control the outcomes of the whole change process and – based on that and prospects for future grow – to implement new changes necessary to achieve better results, which, in turn, may lead to the first phase of the new change management lifecycle.

Other worth mentioning approaches are: 8-Step Change Model by Kotter, Beckhard and Harris's Change Equation, Nadler and Tushman's Congruence Model of Change, Transition Management Approach by Bridges and Systemic Change Management Model by Senge (Cameron, Green, 2012: 148-149).

5. Team change

Considering change management issues, teams can become more effective by addressing five elements (Cameron, Green, 2012: 105-106):
- team mission, planning and goal setting,
- team operating processes,
- team interpersonal relationships,
- inter-team relations.

One of the best known change team management approaches recommended by APMG Change Management methodology is defined by R. Tuckman. He divided group dynamics into five stages: forming the group, storming (setting the relations between group members), norming (clearing and normalizing the inter relations), performing (working over change with desired efficiency) and adjourning (collecting experiences and lessons-learned from change management process and dismantling the team).

Other useful approaches are based on theories of Belbin (how to compose the team to get a successful change) or Myers-Briggs (how teams can initiate or adapt to change).

Considering team change management, according to the APMG Change Management methodology, there are several important issues to be addressed before, during and after change process (listed below):

1. What types of team are affected by change? Where are they located in the organizational structure? How might they respond to change?
2. What do those teams need to be supported through the change process?
3. How can change leaders and change agents use those teams during the change process?
4. What resources are needed to ensure the teams achieving their objectives as far as business as usual and change management goals are taken into consideration?
5. What organizational process is necessary to ensure that teams clearly understand their roles and responsibilities, strengths and weaknesses, powers and restrictions, change goal settings, operating

All of the issues mentioned above need to be considered for the change to be successfully planned, managed and implemented. The leader of the change should be aware of interpersonal relations between team members as well as their attitude toward change and they should discuss their professional future after change to ensure their maximum motivation and dedication to challenges that can occur.

6. Individual change

According to APMG Change Management approach there are four key approaches as far as individual change is concerned (Cameron, Green, 2012: 67):

1. The **behavioral approach** is about changing the behaviors of others through reward and punishment. This leads to behavioral analysis and the use of reward strategies.
2. The **cognitive approach** is about achieving results through positive reframing. Goal setting and coaching are associated techniques to achieve results.
3. The **psychodynamic approach** is about understanding and relating to the inner world of change. This is especially significant when people are going through highly affecting change.
4. The **humanistic psychology approach** is about believing in development and growth and maximizing potential of individuals. The emphasis is on healthy development, authentic relationships and healthy organizational culture.

Each of the approaches above leads to a set of practical guidelines for managers, change leaders or agents.

Table 1. The recommended solutions for individual's change management strategies according to APMG Change Management methodology

Name of the Approach	Recommended solution
Behavioural	Get your reward strategies right and clear
Cognitive	Link your goals to motivation factors clearly
Psychodynamic	Treat change affected people and their needs as individuals. Understand their emotional states as well as your own.
Humanistic	Be authentic and believe that people want to grow and develop.

Source: own elaboration based on: Cameron, Green, 2012: 67-68.

There are several key factors in an individual's response to implementing changes. The major ones are as follows: personality type, individual's history and work experience, the organizational culture, the type of change implemented and the consequence of that change. All of them are important to an individual and the extent of that factors varies among organizations.

7. Other useful change management techniques

As far as the individual change is concerned, there are several good practices that are worth implementing to ensure the managed change is a success. Among them there are: giving full and early communication about grounds and direction of change, paying attention to people's needs and concerns, being in sufficient contact with those affected by change, recognizing hot change can threaten up-to-date existence of individuals, creating clear goals to be achieved, creating development opportunities and celebrating successes.

According to the author, apart from the aforementioned techniques, there are at least two more approaches that are worthy of notice, as they are widely applicable in chance management practice. These are: ADKAR approach and change management formula by Beckhard and Harris.

ADKAR is a Prosci[2] change management tool. According to that approach, effective management of individual change requires managing five key goals:

- **Awareness** of the need to change,
- **Desire** to participate and support the change,
- **Knowledge** of how to change (and what the change looks like),
- **Ability** to implement the change on a day-to-day basis,
- **Reinforcement** to keep the change in place.

The higher the overall note is, the higher possibility for the chance is to be accepted without serious challenges among individuals.

Beckard and Harris accounted for APMG Change Management approach and defined change management formula, that allows to check whether it is possible to implement proposed change.

It can be expressed by the following formula:

$$C = [A x B x D] > X, \text{ where}$$

C = Proposed Change,

A – Level of dissatisfaction with the present situation (status quo),

B – Desirability of the proposed change or end state after change implementation,

D – Practicality of the change (minimal risk and disruption),

X – 'Cost' of changing.

Factors A, B and D must outweigh the perceived costs (X) for the change to occur. If any person or group whose commitment is needed is not suf-

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[2] Prosci is an American company specialized in benchmarking research and change management products. The Prosci change management methodology based on ADKAR technique has become one

ficiently dissatisfied with the present state of affairs (A), eager to achieve the proposed end state (B) and convinced of the feasibility of the change (D), then the cost of implementing the proposed change (X) is too high, and that person will resist the change (Cameron, Green, 2012: 128).

Conclusions

At a global level, change management methodologies are integrated with other management processes, such as project, process, risk and quality management or management by objectives. A synergy effect, as a result of this integration, is expected to reduce the level of bureaucracy in decision-making path of input changes, to rationalize the chattiness of work and to optimize the amount and type of resources used to make desired changes. The methodology itself can also become a channel of communication between the party commissioning and performing work in favor of the changes to the organization (own elaboration based on: Kerzner, 2005: 149). Based on APMG Change Management methodology (as well as related theories and techniques), it should be noted that it allows for a comprehensive assessment of changes carried out and for preparation of process of identification, planning and implementation of changes with respect to organizational, team and individual perspective of changes being made. It can be of great value to those responsible for implementing changes to guide them through the whole process of transition or to help them avoid typical challenges originating from organizational structures or people involved in conducted changes.

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