Change Management Toolkit

A Guide for HR to Manage Change Using an Open-Source Approach

CEB
WHAT THE BEST COMPANIES DO

Purpose of This Toolkit

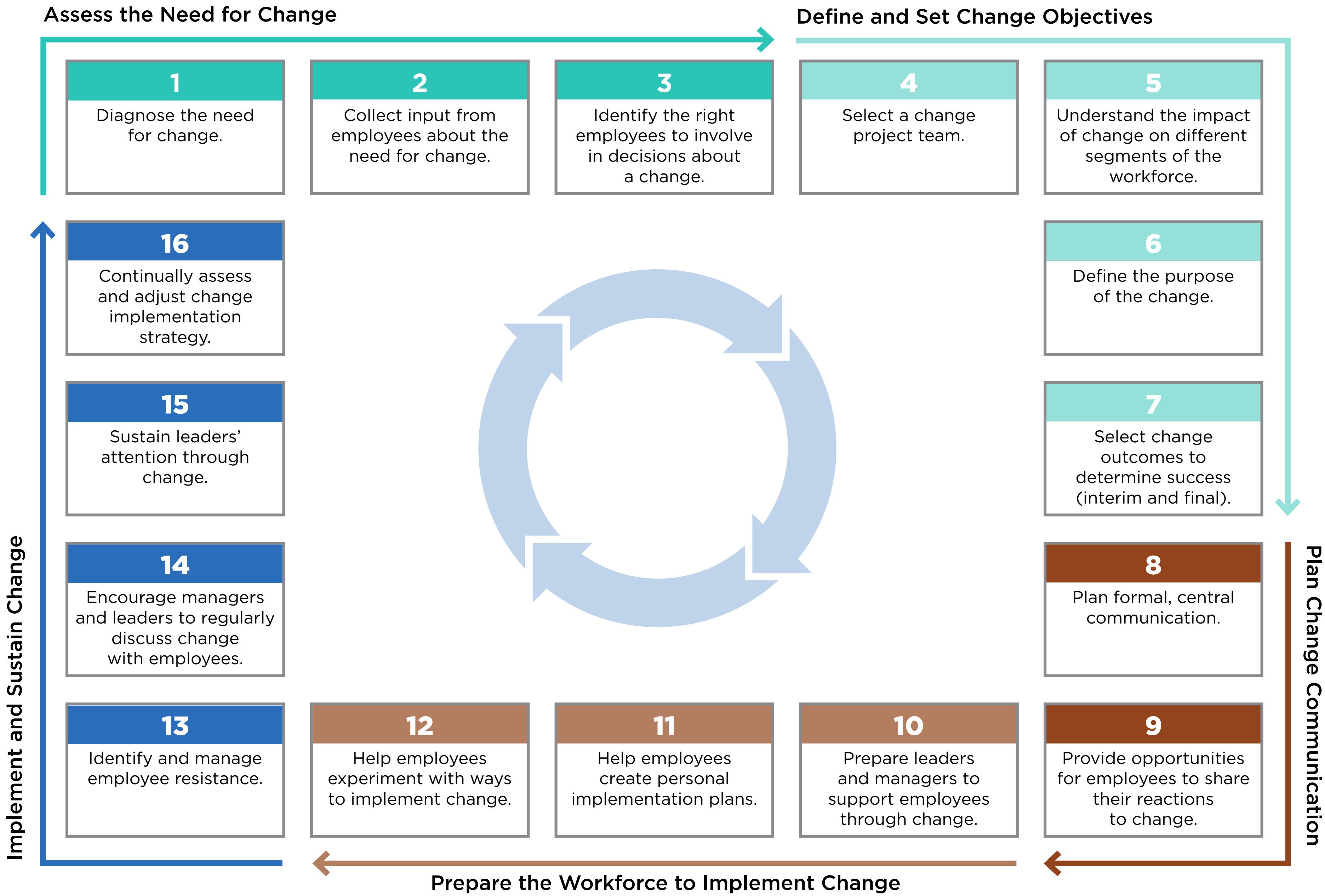
This toolkit provides step-by-step support for HR when implementing a change. It follows our open-source approach to change, increasingly involving employees to improve the likelihood of change success.

How to Use This Toolkit

The first page of this toolkit outlines the five phases of successful change: 1) Assess the Need for Change, 2) Define and Set Change Objectives, 3) Plan Change Communications, 4) Prepare the Workforce to Implement Change, and 5) Implement and Sustain Change. Within each phase, there are steps; clicking on each step will take you to a page with more information and tools to help you succeed.

Key Audience

HR Business Partners



Source: CEB analysis.

1: DIAGNOSE THE NEED FOR CHANGE

Purpose: Diagnose the root cause for a change to determine whether it is really necessary and whether the proposed change addresses the problems identified.
How to Use: When leaders or others in the business come to you with a potential change, answer the questions below to assess the root causes of underperformance and whether the proposed change will address them.

Guide to Diagnosing the Need for Change

Step 1: Framing the Problem/Opportunity	
Answer the following questions to identify the core challenge and goals for the stakeholders involved.	
Challenge/Opportunity	What is the primary performance challenge or opportunity your organization is facing?
Stakeholder	Which stakeholder is responsible for addressing this challenge or opportunity?
Solution	What will happen if we do nothing? What is the stakeholder's proposed solution?
Goals	What does success look like for the stakeholder in addressing the challenge or capitalizing on this opportunity? What are the goals?

Step 2: Diagnosing Root Causes	
Analyze qualitative/quantitative information related to the following areas to identify which is hindering performance against the goals above. Use your analysis to determine if the proposed change addresses these root causes.	
Organizational Strategy	What are the success metrics of your stakeholder's current business strategy? Are they aligned with the stakeholder's current goals?
Talent Capabilities	What are the current and future talent needs for your stakeholder to achieve performance goals? Are the skills or competencies of relevant employees currently aligned with those needs?
Incentives Design	What formal or informal rewards are given for certain behaviors? What objectives or KPIs are tied to performance ratings? Do employees believe current incentives are aligned with the goals they must achieve?
Business Processes	What processes are slowing business decisions? What data can be used to show this (e.g., volume of input, time to market, product quality, employee feedback)? Are these obstacles significant?
Organizational Structure	Are current reporting structures preventing efficient knowledge sharing and economies of scale? What do employees think are the pros and cons of the current structure?

Source: CEB analysis.

2. COLLECT INPUT FROM EMPLOYEES ABOUT THE NEED FOR CHANGE

Purpose: Employees are closest to the customer and often have strong and well-informed opinions about changes that are needed or already in the planning stage. Gather their feedback in a fun and engaging way.
How to Use: Give employees a survey similar to the one below, either regularly (e.g., quarterly) or as part of an upcoming change. Leaders and HR should work together to analyze results. The survey gathers quantitative and qualitative information and uses creative, open-ended questions.

Employee Opinion Survey: Wasted Resources (Example)

1. Please rate the degree of wasteful activities you observe in your organization.

Few Wasteful Activities — **Many Wasteful Activities**

2. Which wasteful activities are commonly observed but rarely mentioned (i.e., the “elephants in the room”)?

   1. The Government IT team and the Government Security Services team run into each other’s swim lanes by developing similar solutions for the same customers.
   2. ....

3. If you were the leader for the day, what solutions would you implement to remove these wasteful activities?

   1. Conduct rolling reviews to ensure that new projects do not expand beyond their defined scopes.
   2. ....

Volunteer to Help: ☑ YES ☐ NO

Quantitative

A quantitative issue score allows HP to easily focus on the most challenging issues.

Qualitative

An “elephant in the room” question helps HR uncover issues that people do not feel comfortable openly articulating.

A “leader for the day” question encourages respondents to take an enterprise-wide perspective on potential solutions.

A “volunteer to help” option identifies employees with the skills and ideas necessary to solve particular challenges.

Source: Hewlett-Packard Company; CEB analysis.

Consider how you could use this tactic for the kind of changes you are facing. For example, ask employees about the strength of your organizational culture or the competitiveness of the organization in the market.

3. IDENTIFY THE RIGHT EMPLOYEES TO INVOLVE IN DECISIONS ABOUT A CHANGE

Purpose: Help leaders determine which employees to include (and which to exclude) in making decisions to shape the change. When employees are involved from the start, they feel more engaged, and their perspectives improve implementation decisions. Leaders can partner with this select group of employees as needed throughout the change.
How to Use: Once the decision has been made about what type of change will be taking place, have leaders use the left side to determine who to include and when. Use the right side as considerations for leaders to successfully facilitate discussion among the chosen employees.

Who to Include and When to include Them

1. **Who?**
   - Who will experience this change firsthand?
   - Which groups might this change affect indirectly?
   - Would this decision benefit from including a skeptical employee?
   - Who normally sits at the decision-making table but doesn't need to be included?
   - Who might care about this despite not being directly affected?
   - Who is outspoken about this?

By asking these questions, leaders realize **who to include and not include** in decisions.

2. **When?**
   - Would sharing any of this information have legal or regulatory ramifications?
   - When should we bring employees on board?
   - How often should we make progress updates?

Leaders should seek to broaden employee involvement based on **open-source principles:** transparency, inclusivity, and customer centricity.

Considerations for Discussing Change with Identified Employees

- ☐ Ask open-ended questions: For example, "What can we do better?" or "How could we make this work in our organization?"
- ☐ Make it safe: Show genuine interest in different perspectives; avoid a critical or dismissive posture.
- ☐ Forge connections: Point out links or contrasts between employee opinions; aim to cultivate a "network effect" rather than a series of direct exchanges with you.
- ☐ Listen, gather facts and details, and validate challenges: For example, "Tell me more about that," or "Keep going, I'm following you."
- ☐ Clarify meanings: For example, "I hear you saying x, y, and z; is that correct?"
- ☐ Invite discovery: For example, "What could we do to make this better?"

Source: Red Hat; CEB analysis.

4. SELECT A CHANGE PROJECT TEAM

Purpose: A change project team typically consists of change-management specialists, business leaders, functional specialists, and select affected employees, depending on the type of change. The team is tasked with implementing a specific change and is held accountable for project managing it. Ensure your change team represents the diversity of your business and has the right employees on it.
How to Use: Use the checklist below when assembling your change project team rather than relying on a permanent, centralized change team to ensure diversity of thought and representation.

Checklist for Assembling a Change Project Team

- ☐ Are multiple levels of employees included in the change team (not just the senior-leader perspective)?
- ☐ Is there a mix of change expertise and experience?
- ☐ Are there clear expectations and ownership rules for what the change project team will own and what the business will own?
- ☐ If we are using external consultants on the change team, have we adequately onboarded them and provided them with the right contacts in the business?
- ☐ Are we requiring those on the team to balance their "normal job" and the change team job? Or is it full time?
  - ☐ If the latter, how long do we anticipate the change to last? Will those selected be able to balance their normal work and working on the change team?
- ☐ Is there a clear mechanism for who the change team will report to and how decisions will be made?

Source: CEB analysis.

5. UNDERSTAND THE IMPACT OF CHANGE ON DIFFERENT SEGMENTS OF THE WORKFORCE

Purpose: A common failure point in change management is the difference in perspective between leaders and employees. Help leaders understand how change impacts employees differently rather than assuming a common effect on all of them.

How to Use: Leaders or members of the change team should fill out this tool to identify how the change will affect individual roles within the organization and how severely they might be affected. Employees in roles that will be affected more severely may require closer monitoring and support when implementing the change.

Assessment for Change Impact on End User

General Information

Project Name: *Enterprise Cash Management*

Project Leader: *A. Smith* Business Sponsor: *F. Jones*

Release Date: *15 June 2015*

Pilot or Rollout Plan

Describe the pilot or rollout plan; list pilot groups and the total number of users affected: *Pilot in regional office with 50 users*

Pilot start and end dates: *11 Sep 2015* to *1 Nov 2015*

Impact on Users

Indicate the severity and nature of the impact on each group; include customers if applicable.

Leadership Team Prep

Describe the leadership actions that show we are prepared to receive the change and that leaders are preparing their staff:

In person visits, video, flyers

Training Team Consulted: Y N

Impacted Roles	Severity of Change (Percentage of User Work Process Affected)	Nature of Change
	High (> 75%) Medium (25%–75%) Low (< 25%)	Work (W) Importance (I) Life (L)
Customer Service Rep.	*High*	*W, L*
Driver		
Maintenance Ops		
Finance	*Low*	*W*
Billing Ops	*Medium*	*W, I*
Box Planner		
Sales Rep.		

The **severity** of the change, expressed as the percentage of a user's work processes affected and measured on a high, medium, and low scale

The nature might be "work" (changes in work processes), "importance" (changes in responsibilities and ownership), "life" (changes in morale or performance), or some combination of those categories.

Source: Schneider National, Inc.; CEB analysis.

6: DEFINE THE PURPOSE OF THE CHANGE

Purpose: Employees generally don't have as strong an understanding of the context of a change as leaders do. Ensure the purpose of the change is not only clear to the change team, but also articulated clearly to everyone else in the organization.

How to Use: Use the checklist on the left when defining the purpose of the change. If needed, use the tool on the right to better articulate the reason a change is taking place.

Change Purpose Checklist

When your team has decided on a change and is determining how to define and articulate the purpose of the change, consider the following:

- Is the purpose of the change clearly tied to the fundamental problem we are trying to solve or opportunity we are trying to take advantage of?
- Could the average employee understand the purpose of the change? Could it be described in 30 seconds or less?
- Is there an aspirational vision for the change and why it is occurring?
- Does our leadership team agree on the purpose of the change?
- Could our leaders articulate a "case for change" and how we got here?

Link the articulation of the change purpose back to any employee feedback you have collected, and test it with employees who are closely involved with the change. If you feel you have not adequately considered the above, use the Case for Change Tool on the right to better define and describe to the rest of your organization the purpose of the change.

Source: Ingredion; CEB analysis.

Case for Change Tool

Case for Change, Step 1: Guiding Questions
Background How did we get here?
Current State Where are we now?
Risk of Doing Nothing What's not working, and how will people and/or the business suffer if it continues this way?
Future State What will it look like if we successfully make this change?
Benefits to the Business How will this change benefit the business?
Success Measures How will we know if this change has been successful? Three years from now, what will be evidence of our success?
Obstacles and Risks What are the major challenges of implementing the change? What could get in our way?
Urgency Why is now the right time?

Source: Ingredion; CEB analysis.

7. SELECT CHANGE OUTCOMES TO DETERMINE SUCCESS (INTERIM AND FINAL)

Purpose: Use this tool to select metrics for determining if a change is successful. Choose both final outcome metrics (e.g., growth, cost savings, efficiency) and interim process metrics (e.g., employee behavior change). This allows you to monitor whether the change is on track or if you have to adjust implementation support.
How to Use: After a change has been decided, the change team and HR should use the following checklist to decide what change metrics will be used to measure success.

Questions to Consider When Determining Change Metrics

- ☐ Do we have metrics that measure both final and interim outcomes of change?
  - ☐ Is there a clear schedule for when and how we will be measuring the change on an ongoing basis?
- ☐ Do we have metrics that clearly assess the impact the change will have on costs and efficiencies? On revenue and profit?
- ☐ What metrics are we already measuring in existing dashboards that can be used to measure change success?
- ☐ Have we confirmed the outcomes with our senior leadership team?
- ☐ Do we have metrics that measure how change is being adopted by the organization, not just how it is deployed (e.g., measure adoption time by measuring how many employees are using a newly launched portal per day or measure adoption correctness by measuring how many employees are still using a legacy system or portal)?
- ☐ Do we have a simple, consumable way to show and demonstrate the change outcomes we've selected?
  - ☐ Is there a method to determine which outcomes should be studied more closely based on need?

Source: Royal Philips; CEB analysis.

8. PLAN FORMAL, CENTRAL COMMUNICATION

Purpose: Most organizations over-communicate change, which leads to confusion and disengagement. Use this tool to determine when and how messages should be communicated formally, and which should go out to the broader workforce as opposed to being reserved for smaller team or individual conversations.
How to Use: HR business partners, together with their business leaders, should use the questions below to prioritize with their internal communications function which messages should go out to employees in their business unit via formal channels.

Key Questions for Message Prioritization

Questions to Ask Yourself

- ☐ Do we understand the underlying challenge and the business goal of the change?
- ☐ Do we know the type of related business decisions different groups of employees need to make?
- ☐ Do we know what information employees would need to spot potential solutions?

If you can answer "yes" to these questions, move on to the following. If you are unsure, improve your own understanding of the change before screening messages to employees.

Questions to Ask Your Internal Communications Function

- ☐ Is this message relevant to our business unit and its needs?
- ☐ Is this message urgent and essential?
  - ☐ Is this message communicating information employees don't already have or understand?
  - ☐ Is this message answering key questions employees have?
- ☐ Are we giving this topic the right amount of focus (as opposed to more than necessary)?
  - ☐ Is performance related to this change poor or dipping?
  - ☐ Is there a perception of message fatigue related to this change?

If you answer "yes" to these questions, the message is "need to know" and should be communicated. If you answer "no" to any of these questions, move on to the following to determine a more differentiated communication approach for your business unit.

- ☐ Can we cut communication without negative effects?
- ☐ Are there upcoming events in our business unit that we can naturally pair with messages related to this change?
- ☐ Do we currently need employees to focus on highly unrelated topics?
- ☐ Are there issues with this business unit on which we should focus more communication?

Source: CEB analysis.

9. PROVIDE OPPORTUNITIES FOR EMPLOYEES TO SHARE THEIR REACTIONS TO CHANGE

Purpose: Employees' resistance to change is highest when they first learn about it. Allow them to express initial frustrations with a change by facilitating sessions to discuss the change, then help them move on to more productive implementation.
How to Use: Use the agenda below to facilitate workshops after a change has been communicated and when employees are reacting to the news. They can be run by either HR staff or external experts.

Workshop Agenda

- **Change Framework and Adaptability Group Discussion**
- **Pairs Discussion: Responses to Change**
  - Name a time when you felt excited, apprehensive, anxious, or frustrated about a change at work.
  - What was the most productive thing you did (or could have done) to manage this change?
- **Group Discussion Debrief**
  - Based on your discussion in pairs, what tips would you offer on handling a change?
  - What traps would you warn people about?
- **Closing Self-Reflection Exercise**
  - What did you learn about your own reactions to change?
  - For this initiative to progress more effectively, what do you think could be done differently or better by the company, by your department, and by you?
- **Distribute and Explain Planning Guides**

Start by acknowledging employees' fears and worries to allow employees to separate their emotions from their rational response to change.

Encourage the team to take control of finding solutions and addressing necessary behavior changes together.

Source: Liberty Mutual; CEB analysis.

Organizations may choose to run these workshops very differently depending on how comfortable employees and managers are with frank opinions and questions. Liberty Mutual intentionally does not have direct managers attend, whereas other organizations ask managers to run similar workshops for their teams. Workshop size can vary from immediate teams to groups drawn from across silos.

10. PREPARE LEADERS AND MANAGERS TO SUPPORT EMPLOYEES THROUGH CHANGE

Purpose: Organizations should give more control to employees in determining how to achieve change objectives because employees are closer to the work. When employees own their implementation plans, managers and leaders take on an advisory and support role. In addition to training and upskilling managers, help them understand what types of conversations they can have to support implementation.
How to Use: Give this guide to managers to help them realize the three most critical types of conversations they need to have when employees own implementation plans.

Determine Training Necessary for Leaders and Managers

- Work with your L&D function and line leaders to better understand what type of skill gaps there are in your manager population.
- Focus on soft skills such as leading conversations and creating dialogues.

Help Managers Understand What Type of Conversations to Have with Their Teams and Peers

1

Review Everyone's Implementation Plans as a Team

Sample Questions for Your Managers

- At the highest level, do we share the same values?
- Can we learn from different methods that individual team members listed?
- What shared obstacles do we face?

2

Share Implementation Plans with Other Managers

Sample Questions for Your Managers

- Are other teams facing obstacles similar to my team's?
- What can I learn from the methods and measures other teams are using?
- How can my team collaborate with others?

3

Raise Misalignment Challenges with Leaders

Sample Questions for Your Managers

- What obstacles did I not realize my employees are facing that I can communicate to leaders to help solve?
- Are the organizational goals misaligned with my employees' goals? What may be the cause of this?

Source: Salesforce; CEB analysis.

11. HELP EMPLOYEES CREATE PERSONAL IMPLEMENTATION PLANS

Purpose: Help employees understand how to create their own implementation plans for change.
How to Use: Give this guide, inspired by Salesforce's V2MOM, directly to employees to help them write their own implementation plans.

How to Write an Implementation Plan:

Vision	In 1–3 sentences, what do you want to accomplish? What impact will it have? Keep it simple and inspiring.
Values	What 3 values are important as you pursue your vision? Values guide everyday decisions and trade-offs.
Methods	What 4–8 things do you want to accomplish? Which are most important to you? Do they align with the Company plan? Do they align with your manager's? Who would you need to work with?
Obstacles	What is going to make accomplishing all of this difficult?
Measures	For each Method, how will you known you've been successful? Focus on measurable outcomes versus activities.

When Should You Update Your Implementation Plan?

To ensure you can use your implementation plan to prioritize your time, you should:

- ✔ Review progress quarterly with your manager and team and course-correct as needed;
- ✔ Update progress on your measures at least twice a year;
- ✔ Update plans to kick off new projects and initiatives to reinforce the process and get everyone on the same page; and
- ✔ Discuss changing priorities with your manager, and update your plan.

Source: Salesforce; CEB analysis.

12: HELP EMPLOYEES EXPERIMENT WITH WAYS TO IMPLEMENT CHANGE

Purpose: It is challenging for employees to know exactly how to implement change. Give them the freedom to experiment with change by following these steps. These guidelines can be used both for a specific change and to develop a culture that welcomes experimentation, which in turn can lead to bottom-up change over time.
How to Use: Use these three steps to create an environment that rewards, not punishes, change experimentation.

Guide to Helping Employees Experiment During Change

Step 1: Reward Experimentation and Celebrate Failure

- Frame both successful and failed experiments as of equal value by highlighting lessons learned.
- Request submissions from across the organization to showcase successful and failed ideas.
- Ask leaders to share their failures to reduce stigma associated with failure.

Questions to keep in mind:
Are employees unwilling to be associated with failed ideas? Is failure recognized for its positive value?

Step 2: Be Transparent on How Risky Behaviors Are Evaluated

- Communicate principles and examples to differentiate acceptable behaviors from excessive risk taking.
- Develop criteria to evaluate the value of successful and failed ideas.

Questions to keep in mind:
Are there penalties to prevent excessive risk taking? Are evaluation criteria transparent and accessible?

Step 3: Ensure Lessons and Ideas Are Adopted

- Use questions and templates to help employees effectively filter ideas before sharing them.
- Create different channels for employees and leaders to share stories (e.g., workshops, forums, videos).
- Provide feedback when major ideas are not adopted, and encourage discussion.

Questions to keep in mind:
Are innovative ideas effectively shared across the workforce? Are obstacles to change being ignored?

Source: CEB analysis.

13: IDENTIFY AND MANAGE EMPLOYEE RESISTANCE

Purpose: Organizations focus a lot of resources on identifying and managing employee resistance to change. However, employees are often mislabeled as resistors when in reality they are engaging productively with a change. Help managers understand the difference between vocal resistance, silent resistance, and skepticism.

How to Use: Managers should use the checklist below to determine whether their employees are exhibiting negative resistance or helpful skepticism. It is important to involve all employees in two-way conversations. When dealing with silent resistors, focus on helping them vocalize their anxieties by asking questions (steps on the left); for vocal resistors, ensure they feel listened to (steps on the right). You should encourage skeptics to work with you to discover solutions (first step on the right).

Identifying Behavior	Vocal Resistance	Silent Resistance	Skepticism
Decline in engagement	✗	✗	
Missed deadlines, e-mails, etc. in relation to change	✗	✗	
Doesn't seek out new information about the change	✗	✗	
Talks negatively about the change, the company, and leadership	✗		✗
Avoids discussing or implementing the change		✗	
Questions the change to you and peers			✗

Get Employees Involved in the Conversation	Be a Great Listener
☐ **Ask them to speak up, and lead with their interests:** Indicate that you would like most of the discussion to be about getting their reaction to ideas and to the issues that directly impact them. ☐ **Ask open-ended questions, and make it safe:** For example: "What could we be doing better?" or "What are we doing that works well?" Show genuine interest, and avoid a critical or dismissive posture. ☐ **Forge connections:** Point out links or contrasts between employee opinions; aim to cultivate a network effect rather than a series of direct exchanges with you.	☐ **Listen, then gather more facts and details; encourage elaboration, and invite discovery:** For example: "Tell me about that," or "Keep going, I'm following you." "Why do you think this problem could be so hard to eliminate?" "What could we do to make things better?" ☐ **Listen, then validate their challenges:** For example: "It sounds like our current plan could make it hard for the team to stay ahead of deadlines." ☐ **Listen, then clarify meanings:** For example: "I hear you saying you are frustrated with the lack of transparency. Is that right?"

Source: CEB analysis.

14: ENCOURAGE MANAGERS AND LEADERS TO REGULARLY DISCUSS CHANGE WITH EMPLOYEES

Purpose: Employees whose managers appear authentic in their change conversations report greater trust in them and the organization. Help managers drive dialogues about change instead of running through talking points.
How to Use: Give this guide directly to managers and leaders to use when talking to their employees about change.

1. **Communicate an understanding of how great an effect this change might have on these employees.**

   Begin the discussion with something like, "I understand this change means___________for you, and I appreciate your giving me some feedback."

2. **Create an open and safe environment in which employees feel free to share their opinions without fear of repercussions. Start the conversation by letting employees know that:**
   - You really want to hear their honest opinion,
   - You will not take negative opinions personally and
   - Expressing concern about any aspect of the change will in no way jeopardize their current job or prospects for promotion.

3. **Ask open-ended questions, such as:**
   - How do you feel about this change?
   - What about this change makes you most nervous?
   - What impact will the change have on you?
   - What can we do to improve your time at work?
   - Is there something we can do to better our communication?
   - Do you have any questions about how this change will be implemented?

Source: CEB analysis.

15. SUSTAIN LEADERS' ATTENTION THROUGH CHANGE

Purpose: Although leaders want long-term behavior change, they often shift their attention quickly to the next priority after implementing the change.
How to Use: This tool from Ingredion should be given directly to leaders to help them appreciate the people risks of change that often don't manifest until after implementation. HR should work with leaders to determine what risks they should call attention to later on in the change process.

Risk Analysis

Ingredion

What Is It?

The Risk Analysis is a guide to help you assess the sustainability of the change (i.e., how likely it is to endure and become embedded in the organization). It will help you uncover potential risks and define strategies to minimize these risks.

When and Why Should I Use It?

You should use the Risk Analysis during the Sustain phase. The Risk Analysis will help you uncover potential risks that could limit the sustainability of the change if not addressed.

What are the major risks to the change being sustained over time?	▪ Employees will revert back to legacy system or fail to use new system effectively. ▪ Customer conversations are not centered around new system. ▪ ...
Who are the stakeholders (individuals or groups) that are most vulnerable to these risks?	▪ Customer-facing employees ▪ Managers of employees using new system ▪ ...
How will you address and/or mitigate these risks? What specific actions will you take?	▪ Training on use of new system for managers and employees ▪ Embedding new system into workflow ▪ ...

Leaders consider the **people risks of changes that might manifest after the initial rollout,** when a leader's attention has moved on.

Leaders work with their teams and HR to create **action plans that ensure employees sustain behavior change.**

Source: Ingredion; CEB analysis.

16. CONTINUALLY ASSESS AND ADJUST CHANGE IMPLEMENTATION STRATEGY

Purpose: Assess change throughout the process, not just at the "end."
How to Use: Ask these questions throughout the change process to assess and adjust change in the moment, instead of waiting until the end of change.

Questions to Consider to Continually Assess Change

- Who should be involved in ongoing conversations about the change (e.g., just the project team, senior leaders, certain groups of employees)?
  - What questions should that group be asking before a change is officially "over"?
  - What metrics should that group be tracking?
  - If that group notices a change is not accomplishing what it was supposed to, what means do they have to correct the change?
  - When and how often should that group meet? (Consider meeting at least quarterly to discuss interim goals and progress)
- The change is going to hit people at different times in the organization; how are we accounting for that?
- Are leaders likely to forget about this change or become too busy to be involved? If so, what can we do to mitigate against that risk?

Source: CEB analysis.