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The five dimensions of change: an integrated approach to strategic organizational change management

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- *This paper argues that organizational change is a complex activity that requires structure and process to be effective.*
- *This structure and process needs to focus on all aspects of the change management model from developing the strategy through to operational implementation and evaluation. Lack of cohesion and alignment through this process will result in change programmes not being optimally devised or implemented.*
- *The paper proposes a cyclical model or approach to organizational change that confirms the inherently iterative nature of the vast majority of change initiatives. This model, called the Five Dimensions of Change, defines each stage in detail and further identifies how each of the various stages are inextricably interlinked within successful organizational change management methodologies.*

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Introduction

It is axiomatic nowadays to say that change is a constant. The globalization of markets, rapid advancements in new technology, higher levels of competition, increasing focus on costs and cost management and the inevitable excess of demand over supply in terms of talented individuals all contribute to the drive for change within contemporary organizations.

Yet there are very few models or approaches that can provide organizations with a robust, integrated and pragmatic approach to enable them to understand the dynamics of the change process and then proactively drive organizational change. Models tend to be either too simplistic or overly academic and therefore of limited use to the organization that wishes to seriously address the issues of a changing corporate context and increasing demands.

Models tend to be either too simplistic or overly academic

Many models tend to be linear in format and these presuppose that change can be defined in terms of some desired future state and then achieved through a series of interventions and actions. In today's reality this is seldom the case — the pace

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and scale of change is so rapid that many organizations find that they are unable to accurately predict or even articulate their 'desired future state' and instead describe it in aspirational overview terms. Following this level of definition the business then works on achieving the vision of the future while concurrently facing up to the often overwhelming pressures of day-to-day management of the business.

As an example of the pace of change and the unpredictable nature of the future — imagine yourself within your current organization three years ago thinking of the future. What would you have said about the business structure, circumstances, markets, competitors, products and customers in 2001? Would your predictions have been accurate or have events and circumstances unfolded in a way that was difficult to predict until you came to live through the experience?

For most people the answer will be that with the benefit of hindsight, the 'future' could have been largely forecast but that at the time it was difficult to see how things would turn out. How realistic is it, then, to believe that our envisioning abilities have developed to the extent that we can confidently predict our business environment three years from now?

Of course, one logical step from this situation is to cease to plan for the future because it will probably be wrong anyway. This is not the contention of this article and there is sufficient wisdom and experience around to inform us of the necessity for forward planning. Rather this paper proposes a flexible and responsive means of managing change — a process through which the desired future can be defined and achieved while leaving sufficient latitude and flexibility to respond to contingent circumstances as and when they arise.

This approach, defined by the authors as *The Five Dimensions of Change*, provides a clear and easy-to-understand approach to change that is applicable in a wide range of organizational contexts. The model is depicted as a cyclical process to reinforce the authors' views that the management of organizational change is an overtly iterative and emergent process. The model is based upon a series of principles that are detailed below:

- Organizational change cannot be easily defined. It needs to be managed proactively and yet the approach needs to be responsive to changing contingent circumstances.
- Organizational change is optimally managed through a structured yet flexible approach.
- Consistency of leadership behaviours is of paramount importance throughout the change process.
- Congruence is needed through every level of the business and at every stage of the change process.
- The interventions that deliver change can also be used to define and secure commitment to the required change.

The Five Dimensions of Change, which defines an approach for integrated organizational change in a model that effectively locks together all aspects of change from corporate vision statements through to devolved implementation of business processes, is depicted in **Figure 1.**

D^1–Direct

The first dimension is called **Direct** and this ensures that the overall direction and purpose of the business are thought through and articulated in an appropriate manner. This is arguably the most important of the dimensions as it provides the foundation and context for the other four. This dimension is concerned with vision, mission and values statements for the business for these state what the business wants to be like and indeed how it believes it should be operating when it achieves this. As aspirational statements of the future these also provide templates or operational blueprints for the present.

For example, if the business determines that it wishes to excel at customer service and

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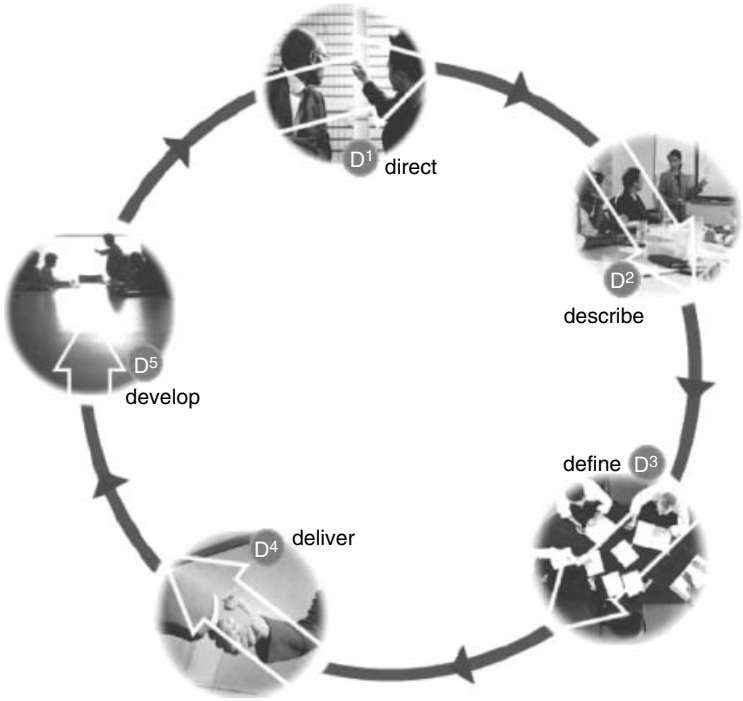

Figure 1. The Five Dimensions of Change.

that this should be evidenced throughout the internal value chain as well as in interfaces with external customers, then these behavioural exemplars need to be incorporated into the performance management systems so that they can be evaluated and developed on an ongoing basis. Achieving the required behaviours does not happen once the strategy has been crafted, they need to be developed and inculcated on an ongoing basis to ensure that they become quite simply *the way we do business around here.*

This cannot be achieved if the behaviours are not defined in clear terms through the process steps of this model and the first stage in this process is the definition in overview terms of the business philosophy, values and purpose. Without this overview clarity people within the business will do what they think is best or what they have done previously which will potentially result in incongruent behaviours, mixed messages and confusion.

In addition to the visionary elements of the business strategy this Dimension also incorporates the strategic objectives of the company in terms of products, markets, customers and competitors. It is vital that the needs of all stakeholders are incorporated within this dimension to ensure that these can be understood and delivered through the ongoing management of the company.

Managing a business through change requires consistency of approach and constancy of purpose, and these cannot be achieved without a clear direction. Direct, the first dimension then, is of fundamental importance to the enterprise and to the success of the change process.

Managing change requires consistency of approach and constancy of purpose

D^2 –Describe

The second dimension translates the vision and direction into enabling strategies and

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operational strategies. By operational strategies we mean the functional plans and approaches adopted by each part of the business through which they deploy their expertise to deliver their part of the business strategy. Clearly the approach will differ across the functions but the manner of delivery needs, as mentioned earlier, to be consistent. Achievement of the required level of consistency is determined by adherence to the overall vision and direction and facilitated by the enabling strategies.

Enabling strategies can be defined as those organizational strategies which define and describe the fundamental operation of the enterprise in terms of people management and which therefore, transcend functional or operational strategies. Significant research in a variety of organizations, including Rolls-Royce & Bentley Motor Cars, Komatsu UK, Daimler-Chrysler UK and North West Water has led the authors to the conclusion that there are four principal enabling strategies that promote and ensure the alignment necessary to achieve constancy of purpose and consistency of approach.

1. Resourcing strategy

This is concerned with the design and structure of the business, the manner and process through which employees are recruited and the deployment of appropriate retention strategies, the training and development philosophy and practice, and the manner in which succession is managed.

2. Performance management strategy

This strategy comprises all activities and processes that ensure the strategic and operational business objectives are cascaded throughout the organization so that every function, team and individual understands their role and the requirements placed upon them. The means by which the business formulates, communicates and deploys its operational targets is a fundamental element of this strategy, as is the development and application of company competence frameworks and performance-appraisal systems.

3. Reward strategy

The reward strategy of a business is vitally important and yet the need for this to be consistent with other elements of people management is often overlooked. Component elements of this strategy include the pay structure and the composition and deployment of benefits packages and bonus schemes. Central to this enabling strategy are any actions and approaches used to ensure that the company becomes, or maintains its position as, an Employer of Choice.

The dearth of skilled and experienced people is an issue for many contemporary organizations and in order to succeed in the quest for talent, businesses must ensure that employees and potential employees choose to work for them rather than one of their competitors. It is currently a 'sellers' market' in many respects and people with highly sought-after skills, such as design engineers, can virtually select for whom they wish to work. The initial response by prospective employers is to increase the salary on offer as a means of attracting the best individuals.

Of course, salary is a prime driver in the early stages of a recruitment process but our repeated experience is that salary ceases to be a sole motivator once initial discussions have commenced. Employees also want, and demand, good career prospects, development opportunities, an appropriate reward structure that meets their lifestyle requirements, and a company culture that is congruent with their personal style.

The successful recruiter can demonstrate that the company pays close attention to these other elements of the recruitment package and thereby seeks to establish a psychological rather than purely financial contract. This approach works effectively for retention as well as recruitment and we propose that all elements need to be fully considered in the development of a suitable reward strategy.

While pay and bonuses arrangements will act as significant motivators in this regard, the manner in which an employer deals with

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its people, recognizes the need for appropriate work–life balance and demonstrably values its employees are also fundamentally important.

4. Communications strategy

Of course, the manner in which a business communicates to its employees is also important, hence the inclusion of this as an enabling strategy. This includes both internal and external communications and it is important to ensure that there is a high level of congruence between the two. Too many organizations fail to recognize that their employees read the press and advertisements and form opinions about their employer based upon external communications media and messages. For example, Rolls-Royce Motor Cars had some difficulty about five years ago when the business was experiencing a downturn in sales and needed to develop an alternative approach to resourcing, while at the same time presenting a buoyant approach to the media and prospective customers. Managing the internal approach was very difficult until the authors recognized that the media messages of success were having a greater impact on the employees than the internal messages of difficulty. In essence, employees believed what they read in the papers above the internal management briefings.

In addition to the process of communications this strategy should also include the manner in which employee relations are managed and the means by which employee attitudes are surveyed and acted upon. Managing employee relations can be made more difficult if there is inconsistency between the espoused values of the business and the manner in which employee representatives are actually valued. Managers need to ensure that they are consistent in their approach and it is appropriate to establish operating principles that govern the way in which employee relations are managed and which are entirely consistent with the preceding definitive strategies and approaches.

These enabling strategies provide the bridge between the overall business vision and the day-to-day management and operation of the business. They provide additional supporting information, which will help employees to understand more fully the nature of the business, and what they need to do individually and collectively to contribute. Their contribution is through this process, understood in terms of both what they need to do and how they need to do it.

This dimension is without doubt the largest as it provides that vital link which in turns ensures congruent and aligned behaviours and business processes.

D^3–Define

The third dimension is usually the one that is either overlooked or ignored in many organizations. The first two dimensions are, by definition, strategic and this is the area where people tend to want to operate because of the kudos of having a strategic role. The third dimension unfortunately, does not carry a similar level of respect but it is nevertheless, vitally important to the ongoing success of the organization. Indeed, without this dimension the work of the strategists will probably never achieve its full potential because it will not be converted into operational practice.

This, then, is an operational dimension and is concerned with the practical implementation of the strategies developed in the first two. This dimension comprises the business processes, policies and procedures that ensure the business strategies are implemented and the goals achieved in a consistent manner. Without clear and unambiguous documentation of business processes people will inevitably revert to former practice or do what they think is best. Whenever an employee does not follow a business process they are potentially compromising costs, quality, delivery, or health and safety, in which case they are harming the business. Alternatively they may have found a better way of doing a particular job, in which case this should be incorporated into the

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policies and procedures documentation so that everybody else can follow this optimal process.

D^4–Deliver

The fourth dimension is concerned with the actual delivery of the business strategies as operationally defined through the preceding three dimensions. It is this dimension that ensures that the processes and procedures are implemented in a manner that is congruent with the overall vision and values of the company. Simply defining the business processes is insufficient to ensure commitment to follow them. It may ensure compliance but this will be insufficient to ensure that the constancy of purpose and consistency of approach are conveyed throughout the business. Communicating the appropriate approaches and demonstrating the desired behaviours as encompassed within the values statements and the competence frameworks should never be underestimated in terms of importance.

Leadership and management behaviours are fundamentally important within any organization and this is particularly the case within an organization undergoing change. It is imperative that the management team consistently demonstrates the desired behaviours otherwise the inconsistencies are likely to be exploited by those not fully supporting the change process. Inconsistencies between the words and behaviours of the leaders will result in the words being seen as hollow management rhetoric rather than a call to behave or act in a given way. Our experience is that employees are more prone to copy the behaviours of the leaders than to follow their espoused philosophies in the absence of confirmatory actions by the leaders themselves.

Provision of exemplars and role models needs, however, to be supported by an effective goal-deployment process which ensures that each individual understands their part within the business, and commits to deliver their accountabilities. In addition to this level of communication and delegation is the need to ensure that the team has the knowledge skills and abilities necessary to deliver the strategy in a coordinated and consistent manner.

Devolving tasks is clearly of limited effectiveness unless those to whom the tasks are devolved are capable of achieving the challenges placed upon. This again links to preceding dimensions in terms of performance management systems and communication strategies.

At an operational level it is important that the delegated accountabilities are measured and evaluated on an ongoing basis to ensure that there is alignment with the strategy and to ensure that the tasks are being achieved. Again the measure here is not simply of task achievement but of the process through which goals are achieved.

D^5–Develop

The fifth dimension sits above the requirements for ongoing review and monitoring processes and comes into operation when one of two preconditions apply — when the strategy and objectives have been achieved or, more commonly, when the contingent circumstances of the organization change to such an extent that the business strategy needs to be reviewed.

There seem to be increasingly fewer instances of the catalyst for change being the achievement of predefined organizational strategies. This is a function of the increasing change discussed at the start of this paper.

The more common situation occurs when the prevailing circumstances change beyond those known or envisaged at the point in time when the vision and strategies were developed. There is therefore, a need to constantly scan the environment to understand the developments in the marketplace in terms of customer requirements, technological advancements, competitor actions, global economic conditions and other factors pertinent to the organization. Understanding the external situation and contingent circumstances will frequently call for nothing more elaborate than undertaking SWOT and PEST

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analyses and, of course, a proactive approach to risk management.

Should the scanning and evaluation processes lead the business to re-evaluate its strategic positioning or operational focus then the process flow moves once more round to the first dimension. This time, however, the business needs to ensure that it does more than a desk-top evaluation and modification of the strategy — rather a full and comprehensive analysis needs to be undertaken to ensure that all of the circumstances and factors are understood and catered for within the new, emergent strategy.

Conclusion

The Five Dimensions of Change is a cyclical process model that effectively locks together all aspects of the change process throughout the organization. It is imperative that change is aligned with a clear vision and business strategy and that all subsequent activities and interventions are coordinated and consistent. For the model to work effectively within an organization it requires overtly exemplary leadership behaviours to be demonstrated at all times. Leadership and effective communication are clearly critical determinants of the change process and managing change is a core competence at every level of the business. These skills need to be learned and developed very quickly indeed and this pragmatic model provides a template for this learning process, encompassing as it does all elements of business management in terms of task and process management.

Leadership and effective communication are critical determinants of the change process

For many people, and indeed for many organizations, task and process skills sit at either end of a single continuum. How often do we hear statements like 'I would be able to network/develop my team/influence others but I do not have time because I am too busy delivering my workload', 'If I did all of those people-focused activities I would never get anything else done' and 'Developing the team is the role of Personnel, we are here to manufacture. . .'

These statements illustrate the danger of viewing task and process at either ends of a continuum because this means that inevitably there is mutual exclusivity at the polar extremes. In reality they do not occupy one continuum but rather sit in parallel. This construct enables us to focus on both task and process concurrently and it is this ability that marks out truly effective leaders. Leaders who are able to achieve results effectively and efficiently but who are able to do so having secured the full support and commitment of their team who have developed the necessary skills and abilities to contribute.

It is the opinion of the authors that such leaders will find The five Dimensions of Change a useful model to support their work and to ensure that all elements of the organization are fully aligned and committed to achieve the strategic and operational objectives of the enterprise. This approach has been developed through our extensive experience in a range of organizations and sectors through which we have analysed and reviewed the critical determinants of successful change management. These have been encapsulated into the approach proposed in this paper, an approach that we are currently using in a very active way to support effective organizational change at strategic and operational levels.

Bibliographical notes

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