

# The future of change management



AllegraConsulting

<i>Foreword</i>	2
<i>Change management - from then to now</i>	3
<i>The problem/issue</i>	6
<i>The way forward</i>	10
<i>Allegra Consulting change capabilities - 'The nifty nine'</i>	11
<i>Conclusions</i>	14
<i>Acknowledgements</i>	14
<i>About the Authors</i>	15



## Foreword

**“You may have heard it before - we live in disruptive times and we have the opportunity as Change Practitioners to lead and guide people and organisations through any disruption.”**

**CAROLINE MILLS**  
MANAGING DIRECTOR,  
ALLEGRA CONSULTING

Both our external world and internal work environments are in a constant state of flux, we require different approaches and capabilities to swiftly anticipate and act upon this change.

Allegra Consulting’s inaugural Change Management ThinkTank was led and facilitated by industry leaders. The interactive session provided participants with a unique opportunity to work collaboratively with peers and delve deep into the grey matter to explore the world of the Change Practitioner and uncover strategies to overcome many of the challenges faced by some of the most experienced Change Practitioners globally.

In particular, to explore the questions:

- **How do we manage emerging capabilities in Change Management and the future of work in a rapidly transforming digital landscape?**
- **What role can Change Practitioners play in leading organisations through these disruptive times?**

Before we can look to the future it is important to reflect on what has been done in the past. This paper acknowledges the evolution of change management from something that was formed in essence around the “grief” people go through during times of change - something that was often seen as an afterthought to now being recognised as its own discipline. It is also acknowledged that to effectively and successfully build change competency within an organisation begins with the Change Practitioners, who possess a set of skills enabling them to manage change as required. The capabilities required of a Change Practitioner are explored and developed beyond the present frameworks to reflect the capabilities required for the future.



## Change management – from then to now

**Managing change within organisations is not a new concept. Even in the days of the village bartering system, there was a need to adapt to changes in the wider environment, such as supply and demand, and being able to effectively introduce new technologies and improve ways of doing things.**

In its early days, the idea of applying a change management approach in organisations had early support from Elisabeth Kubler-Ross' work on *Death and Dying* in 1969 and *Stages of Grief*. Kubler-Ross expanded her work, which was focused on personal loss to include things like loss of job and changes in the workplace.

The way we recognise, understand and respond to environmental threats and opportunities has certainly evolved and Change Management is now recognised as its own discipline. Diane Lynch, Director Change & Transformation at Allegra Consulting, says “the discipline has made gigantic strides forward in recent years with quality change management implementation considered to be a key factor in achieving organisational success.” Organisations are cognizant of the need to successfully manage large-scale change, to not only thrive but also to survive. Our environment, both external and internal, is in a state of constant flux, therefore, managing change cannot be left to chance – it needs to be strategic, deliberate and most importantly embraced. Recognising and adapting to change has often been an after-thought. Diane says, “the game had well and truly started before any change thinking was incorporated, not to mention the employment

of a Change Practitioner”. The data is evident – the better we are at managing change the more likely we meet our objectives (Prosci).

Since change management has become a recognised discipline we are not without a range of definitions. There are formal definitions, such as, “the application of a structured process and set of tools for leading the people side of change to achieve the desired business outcome” (Prosci). Change management can be defined in the context of the concerns and values of your audience whereby change management is presented as the application of processes and tools on an initiative. Perhaps, you can define change management as a benefits realisation tool, a way to ensure achievement of results and outcomes, or as a vehicle for optimizing adoption and usage (Allegra Consulting). Caroline Mills, Managing Director Allegra Consulting views change management as comprising of having three parts – the actual process, as a practitioner competency and as an organisational strategic capability.

**“What can be agreed is that change management is together a process and a project that an organisation might use, a competency that practitioners and people leaders should have, and an organisational capability I think most organisations should have to survive and thrive in today’s world.”**

**CAROLINE MILLS | MANAGING  
DIRECTOR, ALLEGRA CONSULTING**



## SECTION II

### There are many definitions, but we use three key descriptions:

1. A **process** used by project teams and business, to manage the change from **a current state to a future state** which typically involves the people side of system, process and organisational changes and integrates as we have indicated the change vision/future state and governance model.
2. A **competency** applied by people leaders to help employees through the transition from the current state to the future state.
3. A **strategic capability** to increase the organisational change capacity and to accelerate changes within an organization.

Anyone who has worked in change would be familiar with Kotter's 8-step process for change management:

1. **Create** – a sense of urgency
2. **Build** – a guiding coalition
3. **Form** – a strategic vision and initiatives
4. **Enlist** – a volunteer army
5. **Enable** – action by removing barriers
6. **Generate** – short-term wins
7. **Sustain** – acceleration
8. **Institute** – change

According to Hamel and Zanini (2014), Kotter's 8-step change management model is still a helpful guide, however, there needs to be a shift in beliefs about who is responsible for launching change and how change is implemented. Allegra Consulting advocates that leading organisations of the future know that to be successful in managing change and transforming your business you need to have the right culture and right capability. Having the right capability and the right work environment is critical to ensuring you can

maintain the rate of internal and external change required to hold your competitive edge (Allegra Consulting).

Building change competency within an organisation begins with the Change Practitioners, who possess the right set of skills to manage change as required. They anticipate change, react appropriately and continue to perform during and after the change. A competent Change Practitioner makes change "business as usual" (Prosci). The Change Management Institute (CMI) defines a Change Practitioner as someone who "has mastery of change principles, processes, behaviours, and skills necessary to effectively identify, manage, initiate and influence change, and manage and support others through it." The Institute launched a capabilities model back in 2008 that is recognised by change management practitioners. Deloitte's describes Change Practitioners as needing to "adapt their approach, mindset, and toolkit." Prescribing to Agile change management, a set of principles that can help practitioners focus efforts on the most important activities determined by customer value and stakeholder impact (Deloitte).

## SECTION II

Allegra Consulting looks for Change Practitioners who have an understanding of the principles of Change Management and associated methodologies, but more importantly we want Change Practitioners who are pragmatic and flexible in their approach.

To truly be able to anticipate, recognise and manage change, practitioners need a set of guiding competencies that are evolutionary, that move beyond the safe skill sets. The Change Practitioners of the future possess capabilities that are bold, futuristic, intuitive and reflective, while always taking into account the needs of the organisation.





## The problem/issue

**It is not possible to predict the future, but it is possible to anticipate and recognise the major forces shaping it and be at the forefront of that knowing and understanding.**

Before we can attempt to solve the problem we face we need to intimately understand the problem.

How do we manage emerging capabilities in Change Management and the future of work in a rapidly transforming digital landscape?

What role can Change Practitioners play in leading organisations through these disruptive times?

Tracey Penington (author *Business Transformation in the Digital Age*) writes in her book “the fast-paced 21st century, businesses face new challenges to remain competitive. The digital era favours innovative, responsive business models that can adapt and evolve within a constantly changing marketplace. Businesses which fail to keep up with the pace of change and think differently about transformation, risk losing customers, revenue and potentially their actual market.

Tracey continues “there is no doubt that this time in our history is a real game changer. Even those companies once considered ‘too big to fail’ are now truly under threat. In the United States, for example, public companies now face a one in three chances of being delisted in the next five years — that’s six times the delisting rate of companies 40 years ago”.<sup>1</sup>

All of this change requires organisations to respond more quickly to the speed of the change and requires Change Practitioners to be able to produce results and lead organisations through this journey.

### Global Trends

#### The Future of Work, Social, Digital Disruption and VUCA.

The pace of technology advancement in the past 20 years has been unprecedented and that pace is likely to continue for the next 20 years. And the activities previously considered forever outside the scope of programming are increasingly being undertaken by computers such as IBMs Watson – where does that leave people? As more roles are being made redundant, proactive steps need to be taken to ensure workers develop the skills needed to remain in the workforce – lifelong learning, self-awareness, empathy and emotional intelligence. Workers need to be transitioned out of declining industries.

Workers will be able to choose their location for work-life balance reasons which means they can compete for highly skilled jobs with other people in other geographies.

- According to IBM research, 4.7 quintillion bytes of data are created every day. That’s equivalent to 340 newspapers being delivered to every man, woman, and child on the planet
- Until now, the cognitive capability of computers has not come close to that of the human brain

<sup>1</sup> Martin Reeves, Simon Levin, and Daichi Ueda, *The Biology of Corporate Survival*, Harvard Business Review, Jan Feb 2016.



## SECTION III

### The Fourth Industrial Revolution

Klaus Schwab, Founder, and Executive Chairman, World Economic Forum notes that we stand on the brink of a technological revolution that will fundamentally alter the way we live, work and relate to one another. He goes on to say that we are experiencing the Fourth Industrial Revolution distinct from the third in its velocity, scope and systems impact that is characterised by a fusion of technologies that is blurring the lines between the physical, digital and biological spheres.

- Others describe the change we are going through as the connection of human to machine. The possibilities of billions of people connected via mobile devices, even electrical goods such as refrigerators, to technology that can learn (artificial intelligence) are unlimited.
- It is also likely to mean a radical change in jobs that end up replaced by this “intelligent” technology.
- The Committee for Economic Development of Australia (CEDA) major research report states that 47% of people are employed in job categories that could essentially be lost to computerisation. The report says to understand why jobs are amenable to computerisation, you need to focus on the combined impact of technologies whilst keeping aware that the biggest changes will be due to artificial intelligence. And the jobs that are not susceptible to computerisation include those that require perception and manipulation, creative intelligence, and social intelligence. Change Practitioners are safe probably! However.....Practitioners need to have an understanding of the impact of changing technologies on the workforce and on organisations.

### Australia Trends

- 5 million+ or 40% of Australian jobs that exist today have a high likelihood of disappearing in the next 10-15 years due to technology advancements.
- The CEDA report says ‘creating a culture of innovation must be driven by the private sector, educational institutions and government. However, the government must lead the way with clear and detailed education, innovation and technology policies that are funded adequately.’
- Computers will reshape the labour market in two key ways. They will:
  - Directly substitute labour, with a high probability that as many as 40% of jobs in Australia could be replaced by computers within a decade or two; and
  - Disrupt the way work is conducted, expanding competition and reducing the costs to consumers but also reducing the income of workers.
- Australia is usually a swift adopter of technological developments, but this strategy is going to be less and less useful as there will be greater gains for the developer of innovation.
- The Internet, broadband, mobile, social networks all cause disruption to existing business models. E.g. Uber and the taxi industry, or the shake-up of the tourism industry caused by online reviews on Trip Advisor.

## SECTION III

### Business issues

*Pace, global, connected, changing expectations on employee and employer relationship*

“Businesses must be agile, flexible and innovative, constantly evolving and building the capability to adapt in this fast-moving digital age. Old ways of operating and transforming business are too slow, and the planning is too linear, for a dynamically changing marketplace” (Tracey Penington)

“The dawn of the digital era has brought with it dramatic changes to the way individuals, communities, and organisations function and interact with one another” (Tracey Penington).

Disruption is occurring everywhere and business models that have held true for many years are now being forced to change and adapt. The introduction of bitcoin and cryptocurrencies is challenging the Banking & Finance model and as it is further developed it is showing the ability to transform many other types of industry.

We have four generations of people potentially in the workforce at the same time, all with different expectations of work and different ways of how we connect and communicate with each other. This and other trends are pushing our business leaders to lead, manage and run organisations in new, responsive and adaptive ways.

“In an environment of technology disruption, organisations are increasingly challenged to make change happen at scale and at speed. Their ability to be responsive to customer and stakeholder needs and adaptive to changing priorities will drive competitive advantage. Agile has a key role to play in enabling these outcomes.” (Deloitte Australia 2015)

### In summary ....a VUCA world

It's become a fairly trendy acronym bandied around by people: VUCA is short for volatility, uncertainty, complexity, and ambiguity and a catch-all phrase for the change and disruption facing the world, VUCA has its origins in the American Military used to describe extreme conditions in Afghanistan and Iraq. Often you hear people talking about the VUCA world as if it's an impossible task to be able to manage through. In fact, that isn't true, VUCA describes four types of situations you might find yourself in and many management theorists have described ways to manage organisations through this – the detail perhaps for another white paper!

In summary, the problem we look to resolve or solve is establishing what capabilities do Change Practitioners need to lead us through this ever-changing, fast-paced environment and how do Change Practitioners lead organisations through this well.

“...truly agile organisations, paradoxically, learn to be both stable (resilient, reliable, and efficient) and dynamic (fast, nimble, and adaptive). To master this paradox, companies must design structures, governance arrangements, and processes with a relatively unchanging set of core elements—a fixed backbone. At the same time, they must also create looser, more dynamic elements that can be adapted quickly to new challenges and opportunities”.

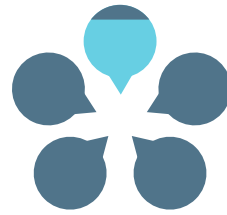
MCKINSEY QUARTERLY DEC 2015



### SECTION III



**1 in 4**  
AUSTRALIANS WERE  
BORN OVERSEAS



NEARLY  
**20%**  
OF AUSTRALIANS SPEAK  
ANOTHER LANGUAGE AT  
HOME

Many organisations around the world today are in trouble. The world is changing around them while they stagnate.

The larger the gap grows, the greater the chance these organisations will not survive.

However surviving is not enough and organisations must want to thrive and be competitive in a new rapidly changing world.

**“To do this requires pioneering change, not waiting for tragedy or crisis to force change.”**

JACOB MORGAN —  
THE FUTURE OF WORK



IN 2013, OVERSEAS  
MIGRATION REPRESENTED

**60%**  
OF AUSTRALIA'S POPULATION  
GROWTH IN THE YEAR





## The way forward

**As noted earlier Allegra Consulting held its inaugural Future of Change Management ThinkTank in 2017 to explore with a group of practitioners what capabilities are needed to manage and lead change into the future.**

250 practitioners joined together, heard from some key thought leaders, and worked through facilitated exercises to output the key capabilities needed.

The types of capabilities focused on by different groups had significant crossover and duplication indicating the agreement of what these areas of focus need to be.

In summary, some of the key thoughts and ideas were:

**Learning Agility** – the need for Change Practitioners to be constantly learning, owning their development, and looking to challenge themselves and expose themselves to new ideas and skills

**Leadership Skills** – the need for Change Practitioners to be able to influence others and in particular leaders and executives. The key discussion here was the need for Practitioners to be influencing the focus on people and change impacts, and gaining executive buy-in about the need to be constantly changing in response to the needs of the fast-changing market and expectations of our people.

**Business Acumen External** – Discussion at the ThinkTank focused on the external world, markets, innovation, technology and the digital disruption. ThinkTank practitioners agreed there was a strong need for the Change Management Industry to stay abreast of the latest research and information to anticipate the need for organisations to respond to this.

**Business Acumen Internal** – Coupled with a focus on the external world was solid recognition that there was a continuing need to understand the business model of the organisation Change Practitioners work in and to have an ability to talk the language of that particular organisation.

**Being the ‘Voice of the future’** – Several discussions and presentations from the ThinkTank group clearly demonstrated that we need to be the ‘voice of the future’. Coupled with our External Business Acumen, practitioners have a role to play in educating executives, leaders, and employees about the future of work and the need to be looking at how we do what we do differently.

**Tech Savvy** – Change Practitioners need to use the latest technologies in their change management interventions, ensuring they know how the latest technology tools can help engaged people and embed change. There was a strong feeling and some self-declaration that many members of the group weren’t the early adopters of technology and technology solutions as part of change management and really needed to be

**Human Focus** – Finally, our discussion about digital disruption, Artificial Intelligence, and our changing world, the need to have strong empathy, strong emotional intelligence and to keep people at the centre of the work we do is paramount.

Outside of the ThinkTank, the Allegra Consulting Team held more conversations, carried out surveys and did some general research. This work combined with the ThinkTank outputs has resulted in nine core capabilities that will keep Change Practitioners at the forefront of our changing world.



# Allegra Consulting change capabilities - the 'nifty nine'

Building on the work of the ThinkTank participants and the Future of Change ThinkTank Squad below are the nine core capabilities we believe will ensure we stay relevant into the future and as a practice and industry leading and assisting organisations to manage the changing world.

## CAPABILITIES OF SUCCESSFUL CHANGE PRACTITIONERS:

### 1. AUDACIOUS: courageous and progressive

- Challenges what has previously been done
- Views failure as an enabler of growth
- Embraces the unknown

### 2. LEARNER: self-learner focused on professional development

- Ownership of learning and behaviours
- Embraces Social learning
- Understanding of the human ability to transform behaviour

### 3. MAVEN: An expert who can influence leaders

- Influencer, connoisseur, expert
- Facilitates outcomes and decisions by consensus
- Collaborative approach
- Credible ability to influence senior leadership

### 4. PRAGMATIST: Pragmatic and delivery focused, having commercial acumen

- Focused on the internal and external customer
- Ability to apply knowledge, tools, and techniques to meet the expectations of a project
- Awareness of cost versus benefit
- Understanding of the organisations business strategy and business model

### 5. EVOLUTIONARY: embracing the future and the changing world

- Embraces the digital revolution and trial technologies that can deliver change programs
- Future-oriented in thinking and understanding
- Constantly looking for ways to bring new thinking into the organisation and change approaches followed

### 6. HUMAN-CENTERED: Engaged and empathetic (using a human-centered approach)

- Forms relationships that benefit the team and the organisation
- Deep engagement and truly understanding impacts to individuals and groups
- Understanding of human-centered design thinking principles
- Ability to identify personas and tailor your approach



## SECTION V

### **7. CHAMELEON: Adaptive and flexible in their approach**

- Confident to change approach
- Maintains a holistic perspective
- Identifies the best approach for individual projects
- Is able to work in a moving and changing environment

### **8. COACH: coach, facilitator, mentor and guide**

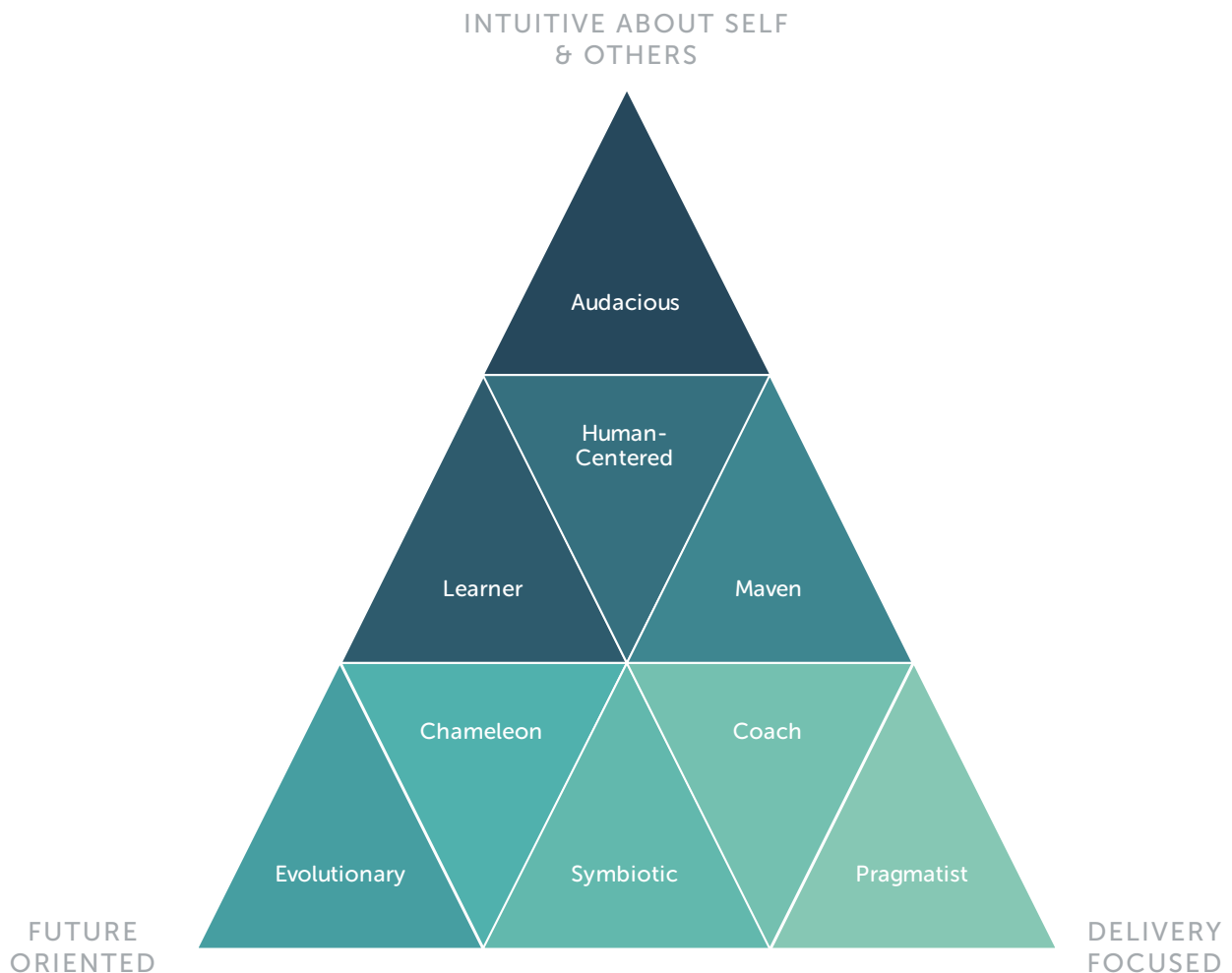
- Uses coaching to improve the organisation's ability to move through change
- Uses deep listening to facilitate outcomes
- Executive coaching with individual leaders
- Strong facilitator of groups and outcomes

### **9. SYMBIOTIC: co-operative and interdependent**

- Developing mutually beneficial relationships between different people
- Works closely with others in the team and across organisations to the benefit of all
- Strong team player

**In summary as a Change Practitioner... I am:**

1. **Audacious** – courageous, brave, progressive
2. **Learner** – professional development, life-long learning, student
3. **Maven** – influencer, connoisseur, expert
4. **Pragmatist** – business acumen, results oriented
5. **Evolutionary** – tech-savvy, future-oriented
6. **Human-Centered** – EQ, relationships, empathetic
7. **Chameleon** – being adaptive and flexible
8. **Coach** – facilitator, coach, mentor, guide
9. **Symbiotic** – co-operative and interdependent



## SECTION VI



# Conclusions

**Both the external world and internal work environments are in a constant state of flux, we require different approaches and capabilities to swiftly anticipate and act upon this change.**

Helping organisations lead their people through this constant, fast-paced and challenging time takes special Change Practitioners.

Embracing this revolution and focusing on building your core capabilities as a Change Practitioner will ensure your relevance through the coming years.

We can be a source of inspiration and hope to people and organisations, leading people through the change, showing and guiding leaders how to role model a path through the forest of technology, globalisation and the digital age.

## SECTION VII

# Acknowledgements



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Finally, thanks to the Allegra Consulting team for your support and passion in all things Change Management.



## About the authors

### Caroline Mills

*Managing Director Allegra Consulting*

Caroline is an Organisational Change & Transformation Specialist with hands-on operational experience taking people on transformation journeys across a range of industries. With extensive experience as a senior leader in large corporates, Caroline really understands what it's like to lead large teams and deliver results. Caroline has considerable practical experiences leading change & transformation across many businesses and industries.

Caroline is the co-author of the book *Business Transformation in the Digital Age*. Caroline is a passionate advocate of change management as a strategic capability that organisations need to survive and thrive in to the future and believes change practitioners can be huge advocates for leading organisations through these changes.

As part of Caroline's values around giving back to the community on a "Not for Profit" basis she also works with several small businesses and clients supporting through coaching and development programs. In conjunction with her business partner Tracey Penington, they also run workshops in the community to support an understanding of Health and Wellbeing and how it can positively influence work-life balance.

Caroline's qualifications include a Diploma in Business Management, Post Graduate Diploma in Human Resource Management, Bachelor of Arts in Education & Psychology, Diploma in Psychotherapy, Advanced Diploma in Metaphysics, Diploma in Energy Healing and she is an accredited Executive Coach and NLP Master Practitioner.

### Diane Lynch

*Director Specialist Placements*

Diane is a Practice Lead, a Change and Transformation Specialist, and the Placements Manager in our Allegra consulting business. Diane has been the driving force behind the Allegra Specialist Recruitment team for Change and Transformation roles for the last 12 years.

Diane is recognised for her knowledge and experience in the management of resources across transformation programs across many large organisations in Australia and New Zealand. Her global change management networks ensure our clients and our practitioners are always getting current, leading edge learning.

Diane will match clients with the best-fit practitioners who are qualified and experienced in change management, communications, project management, learning and development/training, organisational development, business analysis and other business transformation roles.

Diane has a Bachelor of Nursing and is accredited as a Prosci Change Practitioner.

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Please reach out to **caroline.mills@allegraconsulting.com.au** if you would like a presentation of this paper to your organisation or team.

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