

Change management definition

Change management is a structured approach that allows a company to adapt to and capitalize on new business realities.

Change management is a way to move an organization to a new state of operating to better meet demands of a new market.

Any big shift in the business that requires people to do things differently demands a change management strategy.

“Change management is really about moving people effectively through the transition from status quo to a desired state,” says Nancy Gharib, Provincial Director of the Ontario chapter of the [Association of Change Management Professionals](#).

In practice, managing change requires leaders to identify the “why” behind the change, examine its impact and consider what’s required to effectively transform.

“Done well, change management sequences changes and allocates assets, (including money and people), according to the requirements of the change and the capacity of the organization,” says Phil Buckley, President and Founder of the management consulting firm Change with Confidence.

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Change management is a risk mitigation strategy that’s **essential for responding to disruptions in the market.**

Phil Buckley
President and Founder, Change with Confidence

Why change management is important

Many factors can force a business to pivot:

- Technological transformation
- Supply chain disruptions
- Regulatory changes
- New consumer habits
- Increased competition

“With the pace of external change, your strategies from last year are stale within six months,” says Buckley.

Leaders who embrace change management practices are generally better equipped to respond—mapping out change lowers uncertainty and ensures that efforts are aligned with business goals.

In fact, organizations that react rather than adopt a change management strategy have a seven times greater failure rate, according to consulting firm McKinsey & Company. In an [article](#), they write that “70% of change programs fail to achieve their goals, largely due to employee resistance and lack of management support.”

Implementing a change management framework helps overcome these challenges by ensuring everyone in your business understands why and how the organization needs to move forward to meet its targets.

It also gives a voice to the people in your organization, enhancing the probability that the changes you make will be adopted so you can achieve the results you're aiming for.

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Every company exists to continuously improve how they deliver services and products.
No business can be static.

Nancy Gharib
Provincial Director, Ontario Chapter of the Association of Change Management Professionals

What are the steps in managing change?

There are four basic change management stages:

1. Discovery

Leaders first need to assess what changes are required, the size of these changes and how important they are to the organization. You can, for example, examine gaps between what your business offers and what the market demands. It's at this stage that you will articulate why change must occur now, and [establish a clear vision](#) of what your organization will look like after the change takes place.

2. Planning

Next, you'll need to evaluate how changes will impact your team, and identify the activities, capabilities, technology and other resources required to implement your change project. You'll be able to assess the readiness of your team and the risks changes pose to the organization.

You can then create a precise timeline, naming the people responsible for specific tasks, and stating how much money you're budgeting. Finally, you can establish how you'll measure progress.

At this stage, your role as a leader is to remain committed to the change process so things don't get stalled at the planning stage.

3. Implementation

Implementation is at the heart of any transition. As people in your organization learn new skills, [adopt new technologies](#) or implement processes, managers must maintain a momentum. Establishing timelines, developing feedback loops, and regularly monitoring progress and communication will help keep people focused on the change.

4. Sustained adoption

Changes need to be integrated into regular operations. Communication and investments of time and resources need to be sustained. A permanent manager can be assigned to integrate the change and ensure people in the organization stay on board with permanent adoption.

How to support change?

A change initiative may come from any level of an organization. Initiatives often emerge from people who are closest to the customers, or to the delivery of a product or service.

But ultimately, for change to be successful, company leaders must clearly articulate their vision for this change, so people understand its importance and their role in the change.

“Leaders must create a compelling business case that explains why the change is needed and how it will impact employees,” says Buckley. “The owner or president is responsible for setting the direction of the company and enabling change to happen.”

What steps are needed to create a positive change culture?

Communication

When trying to change an organization, [communication](#) must be transparent, frequent and occur at every stage of the transition to deter rumours and resistance. The change vision should continue to be reinforced, even once it's integrated into business operations, while employees need to be listened to for the plan to succeed.

“The change management approach is networked, rather than top-down, and demands a constant feedback loop,” says Gharib. “The people closest to the customer must be able to speak up when something isn't working.”

Participation

Allowing employees to offer ideas for change and have a voice in developing the change strategy minimizes resistance.

“Instead of change being done to them, employees take on a role of defining their own transition plan and seeing themselves as important to the future of the business,” says Buckley.

Recognition

[Recognition](#) is one of the biggest motivators to sustain behavioural change. If people don't understand clearly why what they're doing matters, it's easy for them to abandon the change process.

Performance reviews should be updated so that performance metrics match the newly implemented skills and capacities of employees.

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The people impacted by the change must have **a voice in that change.**

Nancy Gharib
Provincial Director, Ontario Chapter of the Association of Change Management Professionals

How is change management different from project management?

While transformation requires good project management, effective change management needs something less temporary and more systemic.

“Any good project manager will look at their project and ask the degree to which it will impact people, and the risks to the organization,” says Gharib. “But change management is broader than project management in that it’s helping to increase an organization’s overall readiness, flexibility and adaptability to change.”

With change management, leaders look across the organization to understand the interconnectedness of various changes, both internal and external, and how multiple risks and opportunities line up to set broad goals for the company.

“When a change management approach is adopted, the ability to pivot becomes a core skill required by everyone in the organization to deal with ambiguity,” explains Buckley. “It’s woven permanently into training programs, hiring profiles, and evidence-based hiring.”

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You have to make the business case for change and **champion it at every opportunity.**

Phil Buckley
Founder and President, Change with Confidence

Why change management fails?

There are a few reasons why businesses fail to manage change:

Poor leadership

A [leader](#) is key to any change. Leaders must be out in front of the change, actively and visibly promoting it, listening to their people, removing barriers and ensuring support for the change at every step. As a leader, you need to remember that while you can delegate parts of the implementation, you can’t delegate the responsibility to lead.

Employee resistance

People’s natural resistance to change can come up in a number of ways, including employees failing to show up for mandatory training. Leaders who listen and communicate well at every stage of the change process can mitigate employee resistance when it arises.

Lack of resources

As a leader, you need to properly allocate resources. Without sufficient supplies, teams can burn out and fail. Leaders must prioritize communication efforts and ensure there’s enough left for the adoption stage of the change.

Next step

Set measurable targets for your business and create an action plan by downloading the free BDC guide, [The Foundations of Strategic Planning](#).