Sustainable Enterprise Learning Guide

Chapter 4

Managing the change to a sustainable enterprise: Introduction to change

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Editors' Notes:

These materials are intended for use by academics and practitioners. In order to simplify the language, editors have determined to use the terms instructors, learners or participants rather than facilitators, professors or students.

ACTIVITY INTRODUCTION AND OVERVIEW

Objectives

Upon completion of this activity, the learner will/will be able to:

1. List at least three reasons why change is difficult.

2. Provide an overview of the kinds of things it will take for organization to change to a sustainable enterprise

3.   Provide some examples of tools that can be used in the process of change

4.   Describe at least one example of a company that made a sustainable change

Activity Length
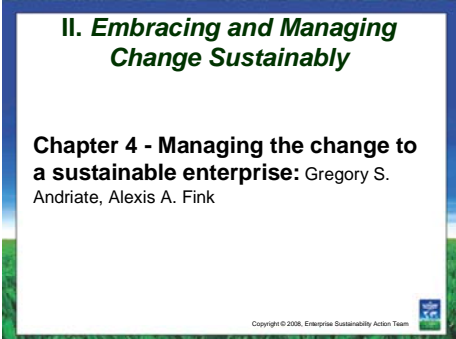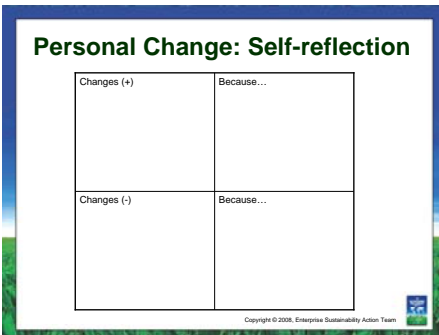
50 minutes

Audience Description

Undergraduate student, graduate level, or practitioner level

ACTIVITY PREPARATION

Activity Name	**Overview on Change**
Preparation Checklist	**One Week in Advance** ❑ Assign pre-reading (see list below) – make and distribute copies of assigned pre-reading **Session Day** ❑ Ensure there is equipment for displaying the overheads
Timing Flow	Step 1 – Activity set-up 5 minutes Step 2 – Personal attitudes about change; self-reflection and discussion + optional debrief 20 minutes Step 3 – Change in organizations 5 minutes Step 4 – Change to a sustainable enterprise 20 minutes Step 5 - Activity measurement Included in Step 4
Total Time	50 minutes
Prereading	Adams, J: Successful Change: Paying Attention to the Intangibles, OD Practitioner | VOL. 35 | NO. 4 | 2003 Andriate, G., Fink A.: The Sustainable Enterprise Fieldbook, Chapter 4, pp 118 - 139
Prerequisite(s):	None

ACTIVITY: OVERVIEW OF CHANGE

This activity helps learners discuss why change is difficult and share their experiences as to why change fails. Once they have thought about their own reactions to change the topic will switch to change in the organization.

Instructor Notes	Activity Description
II. *Embracing and Managing Change Sustainably* **Chapter 4 - Managing the change to a sustainable enterprise:** Gregory S. Andriate, Alexis A. Fink Copyright © 2008, Enterprise Sustainability Action Team Slide 1	**Do:** Show slide 1 **Say:** We are eventually going to talk about how to manage change.
Step 1. Activity set-up	**Say:** Change. Some like it, others do not. Before we talk about changing an organization to become a sustainable enterprise, let's just focus on change for a minute. I am going to ask you to do some self-reflection about your attitudes about change. We will talk a little bit about how we (and other people) react to change, and then talk about what needs to happen to make organizational change.
Step 2. Self-reflection and discussion **Personal Change: Self-reflection** Changes (+) Because… Changes (-) Because… Copyright © 2008, Enterprise Sustainability Action Team Slide 2	**Say:** Take out a piece of paper draw two lines - one line down the middle of the page and the other from left to right in the middle of the page. This will effectively give you four quadrants in which to list your reflections. In the upper left quadrant, write the heading: Changes (+). In the upper right quadrant, write the heading: Because… In the lower left quadrant, write the heading: Changes (-). In the lower right quadrant, write the heading: Because… **Do:** Show Slide 2 **Say:** Your paper should look like this. Now you are going to fill in each quadrant but I want you to do this in the following order.

	1. In the upper left quadrant I want you to list at least 2 or 3 personal changes that you liked and that came easy to you.
	2. In the lower left quadrant I want you to list at least 2 or 3 changes that were particularly difficult for you.
	3. After you have finished the lists about change – go back to the first quadrant and see if you can find commonalities in those changes. List the reasons why these were easy for you in the upper right column titled, "Because…"
	4. Now go back to the lower left quadrant and see if you can find commonalities in those changes. List the reasons why these were particularly difficult for you in the lower right column titled "Because…"
	I will give you 3 minutes to complete this part of the activity.
	Do: At 2 minutes tell them they have one more minute and remind them they should take the remaining minute to put an answer in each quadrant. At 3 minutes, ask them to stop.
	Put them into groups or let them self-select their group partners.
	Say: Please share your findings. What I want you to discuss is the reasons why some changes are positive and others negative. List on the flip charts what causes some changes to be positive and others to be negative. Be prepared to share your findings. You will have 5 minutes
	Do: Have them report out their findings.
(Optional) You can debrief this activity probing into why issues of control, access to information, and buy in are important to them (and others).	
Step 3. Change in organizations	**Say:** Organizations are constructed of people who have difficulties in some change scenarios. **Ask:** What kinds of issues exist about changes when companies add new technologies? Expected response: • Fear of loss of job • Fear of looking stupid/can't use the new technology • Lack of understanding of how this will fundamentally change the way they do their jobs • The "not knowing" what is going on **Ask:** What kinds of issues exist about changes when companies merge or acquire other companies?

<table>
<tr><td></td><td>Expected response:

- Fear of loss of job/no longer being relevant/no longer being on the talent track
- Lack of understanding of how this will fundamentally change the way they do their jobs
- Concern that their boss may change to someone they do not know
- The "not knowing" what is going on</td></tr>
</table>

Step 4. Change to a sustainable enterprise	**Say:** OK let's now focus on the changes to a sustainable enterprise. Here are some key concepts.

Sustainability Change Management Key Concepts
 	
• Cultivate cultures valuing exemplary performance on social, environmental, and financial targets
• Balance needs of internal and external stakeholders through engaging minds and hearts
  – Embrace triple bottom line performance
  – Improve employee value proposition
  – Ensure long-term shareholder value
 	
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Slide 3
	Do:
	Show Slide 3
	
	Say:
	  • Sustainable enterprises create business advantage through delivering superior value to customers while continuously improving performance on Triple Bottom Line (TBL) metrics.
	  • Outstanding performance on TBL metrics demands an organization culture that embraces
	     1. continuous refreshment of workforce talent;
	     2. responsible use of environmental resources, and
	     3. deliberate alleviation of societal ailments.
	  • Balancing needs of internal and external stakeholders is essential for securing success in the 21st century. Engaging the minds and hearts of all employees provides sustainable advantage in the race to deliver exemplary performance on TBL metrics and ensure long-term shareholder value providing the key to sustainable enterprise success.

Sustainability Culture Transformation Challenges
• Create and install core organization values perpetuating sustainable enterprise practices
• Alter deep-seated behavior patterns rooted in enterprise "DNA"
 	
• Focus on intangible components
  – How people perceive their roles
  – How we make choices on a daily basis
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Slide 4
	Do:
	Show Slide 4
	
	Say:
	  • Organizations face a major challenge in developing and installing sustainable enterprise cultures that balance people, planet, and profit goals
	  • Transforming business culture requires altering organizational DNA forming the roots of corporate identity. Successful companies:

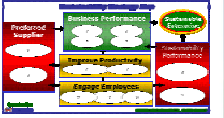|	
	a) envision a compelling future state to which people aspire; b) embrace shared values and behaviors aligned with achieving a new vision; c) build new knowledge and skills essential for future success; and d) ensure workers at all levels see visible examples of new behaviors they've been challenged to embrace • Sustainability values can be created and installed through combining transformational change and project management methodologies a) 3-step process for reframing, reinventing and implementing organization-wide changes in how people think about their work b) Focus on developing sustainability value propositions essential for achieving triple bottom line success in the 21st century • Most change initiatives fail because they focus only on the tangible components of the enterprise: basic structures, technologies, systems, and work processes • Sustainable transformations alter intangible components of the enterprise: how people perceive their roles, approach their jobs, and make choices on a daily basis

Sustainability Change Management Concepts and Tools
 	
Apply four transformational elements: Frame, Align, Ignite, Refresh (FAIR):
 	
– Frame mindsets to infuse new visions, aspirations, and resolve
 	
– Align economic models, work processes, and infrastructure to cultivate fresh capabilities securing sustainability
 	
– Ignite organic growth through innovation, stimulating sustainability capabilities
 	
– Refresh workforce capabilities to generate creativity, energy, and esprit de corps
 	
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Slide 5
	Do:
	Show Slide 5
	
	Say:
	• We advocate the orchestrated redesign of organizational "DNA" using four transformational elements: **Framing, Aligning, Igniting,** and **Refreshing (FAIR)**
	
	• Organizations can change only as quickly as the people in them change. Successful transformations require expansion of conversational space, thus enabling all employees to think and act differently.
	
	  • People learn in many different ways
	  • Successful transformations leverage social and individual learning experiences, as well as active versus passive (or observational) learning.
	
	• Change immersion approach, relying heavily on the principle of modeling, is most effective in helping people make these transformations
	
	  • People learn through their own experience and by observing the experiences of others.
	  • Creating visible examples of the consequences of embracing or rejecting new behaviors fosters organization-wide learning, which can have a profound effect on employee decisions to embrace new behaviors.

Step 5 – Activity measurement (Use this discussion to assess their understanding and grasp of the content.)	**Say:** Let's talk about a real situation as an example. Here is the situation. **The Situation** • Production outages from human errors made by new employees with short tenure and limited prior experience • Steadily increasing percentage of new employees due to unusually high turnover • Planned introduction of new technologies that would: • Further complicate the manufacturing environment • Demand even greater employee production management competencies • Eroding technical workforce capability resulting from inferior employee value proposition in the highly competitive Gulf Coast market **Ask:** OK – what would you recommend? Expected responses: • Review the turnover – analyze the exit interviews and reasons for the turnover • Review the hiring process • Review the onboarding process • Reengineer the processes to simplify them • Improve the employee value proposition 0 to encourage more of them to stay and to encourage more of them to buy into the changes
 Slide 6	 **Do:** Show Slide 6 **Say:** In this case there were several solutions including the following… **The Solution** • Implement a multi-dimensional talent capability development strategy increasing retention through attacking root causes of employee attrition; • Create & sustain gratifying working environment attracting & nourishing technical talent; • Improve interpersonal relationships through developing new interaction patterns (how everyone treats each other); • Provide leading edge operational support tools, equipment, training and information to get the job done; • Install talent development programs supporting professional and personal growth; • Institute competitive, broad spectrum compensation strategies

	focusing on long-term retention

ACTIVITY MEASUREMENT

Type of measurement: (see Step 5 above)