# Openness to change Definition

Openness to change refers to **a person's level of acceptance and awareness.**
An important element is recognising the fact that change may be needed in different situations and scenarios, as well as the willingness or motivation to make this change.

The main factors of openness to change are:

- Acceptance of the need for change.
- Readiness to support change.
- Pozytywny afekt lub emocje związane ze zmianą lub jej potencjalnymi konsekwencjami.Positive affect or emotions associated with the change or its potential consequences.
- Willingness to make or engage in change.

They are seen as "a necessary prerequisite for a successful planned change".
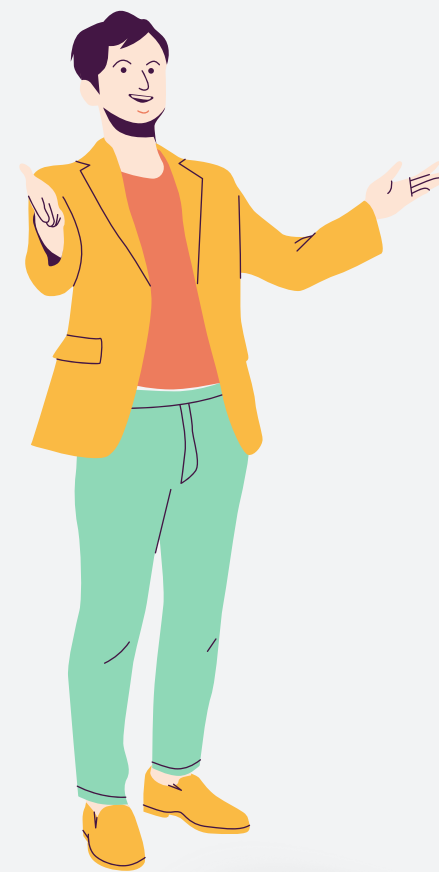
Sources of change in the company

GROWING SHAREHOLDER DEMANDS

GLOBALISATION, New technologies

EMPLOYEES

NEW SOCIAL AND DEMOGRAPHIC TRENDS

NATIONAL AND INTERNATIONAL REGULATIONS

GROWING AND UBIQUITOUS COMPETITION

CHANGES IN MARKET TRENDS (NEW CLIENT)

Changes in the company

Changes in the company can be divided into internal and external:

Internal

- Internal, caused by forces occurring within, such as **new strategies, management policies, changes in attitudes and expectations of employees.**

External

- External, covering **any changes in the business environment; general and immidiate.**
- The general environment is common to all organisations operating in a given economy, while the immediate environment is different for different enterprises.

Internal changes

COMPANY AREA

INTERNAL FACTORS OF CHANGE IN THE COMPANY

SOCIAL CAPITAL

Human resources potential:
- qualifications, motivations, attitudes, work efficiency
- organisational culture (values, norms)
- systems in the sphere of people management (HRM)
- management style

STRUCTURE

Formal organisational structures
informal structures related to interest groups

SYSTEMS (PROCESSES, TECHNOLOGIES)

IT and telecommunications systems
new production technologies
reorganisation and restructuring processes

AREA OF THE COMPANY'S ENVIRONMENT

FACTORS THAT DRIVE CHANGE IN THE COMPANY

INTERNATIONAL ENVIRONMENT

Political changes, wars, resource crises, integration and disintegration processes.

ECONOMIC SITUATION ON A NATIONAL AND INTERNATIONAL SCALE

Globalisation of economies, inflation levels, exchange rates, bank lending policy

LEGAL ENVIRONMENT

Tax, customs, labour law

MARKET FORCES

Globalisation and virtualisation of markets, strong increase in competition, increase in customer requirements

SOCIAL AND CULTURAL TRENDS

Demographic and social phenomena, lifestyle

External changes

TECHNOLOGICAL CHANGES

Rapid IT development, new solutions in materials, processes and products

OWNERSHIP CHANGES

Sale of enterprises, acquisitions, mergers and strategic alliances, privatisation of enterprises

ECOLOGY

Changes in the natural environment, pro-ecological legal regulations, ecological movements

People's reaction to change includes the following phases:

Shock – a person feels overwhelmed by a new situation or event. This may lead to the rejection of the change process and the conclusion that the change will not occur

Negation – a person rigidly insists on the current ways of acting. At this stage, resistance is the strongest. Characteristic of this attitude is the statement: "I will never allow this to happen"

Depression – a person sees that they have no influence on the development of the situation, which results in sadness, anger and withdrawal from the process of change

Resignation – a person accepts change, but does not necessarily approve of it. This is a turning point in the process of change

Fitting – a person tries out new behaviours and methods of work

Consolidation – new experiences and ways of acting are transformed into new norms and routine behaviours

Assimilation – Through reflection and learning, the person begins to identify with change. A typical statement for this attitude is: "The world is changing, you have to keep up with it."

WHAT INDICATES THE NEED FOR CHANGE AND HOW TO CHECK IT?

MODIFICATION OF JOB EVALUATION CRITERIA

If a given company has a set of criteria of evaluating work, they must modified from time to time so that the evaluation process keeps up with the company's needs and changes in the labour market. This is important because it makes it easier to manage the change process and applies to most management systems.
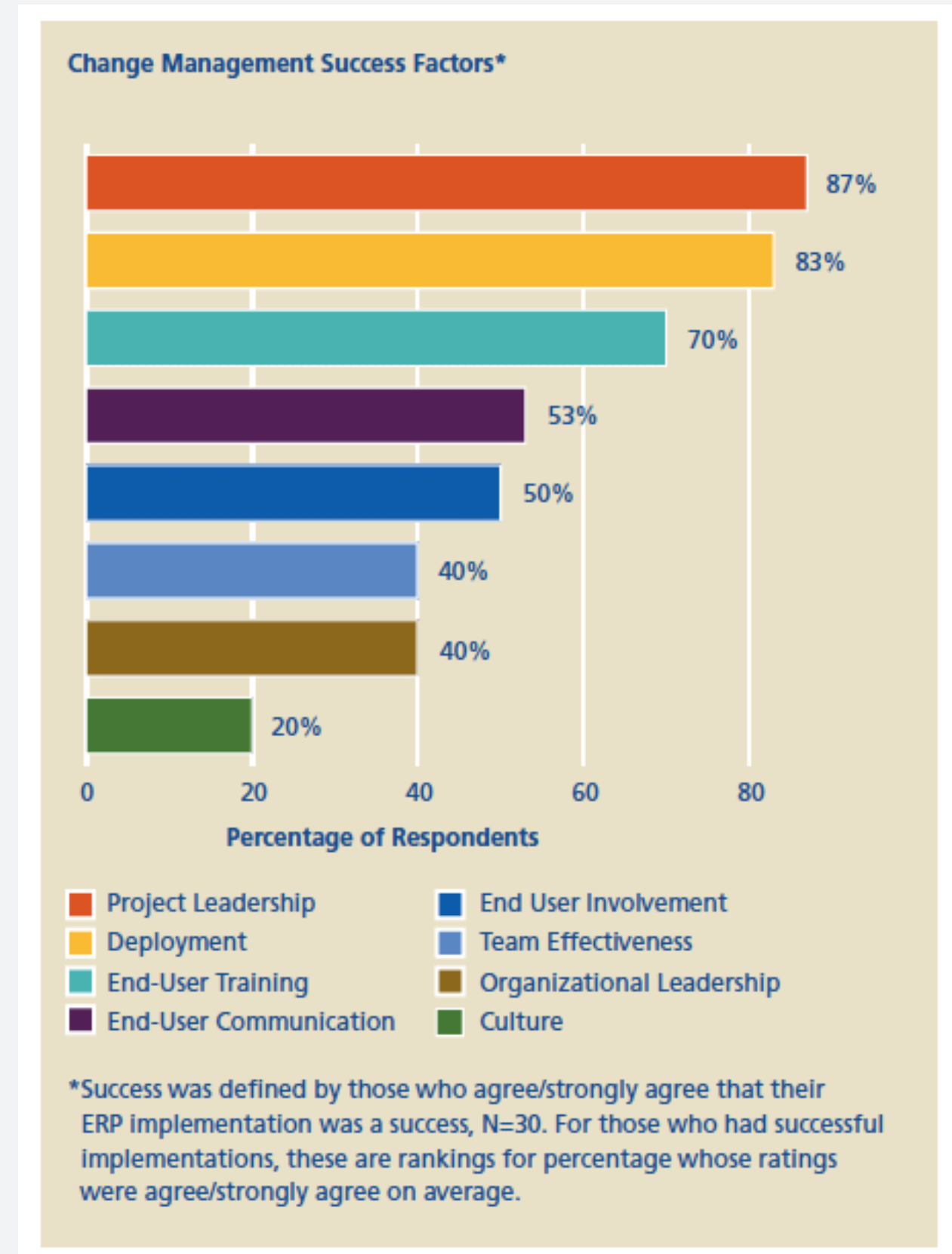
EXAMPLE

A good example will be a company that has expanded significantly as part of its activity, began to provide new services and new jobs were created. Evaluated employees from new businesses had difficulty finding themselves within the framework of the current system, which was prepared before these departments were created.
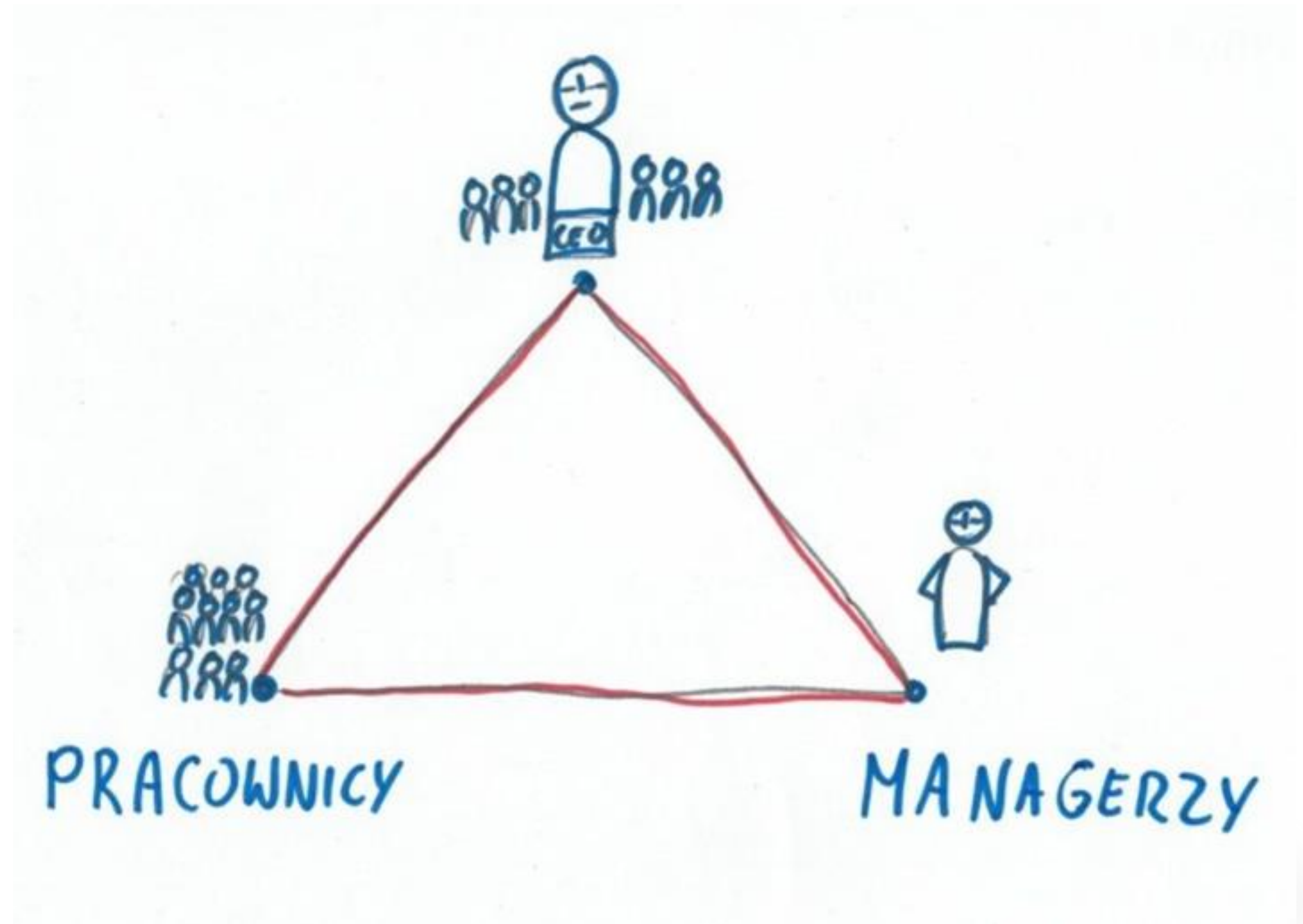
DISTINGUISHING GOOD EMPLOYEES FROM WEAKER ONES

From the employer's perspective, the evaluation has ceased to fulfill an important function: to distinguish strong employees from weaker ones. The ratings focused on two points on a 5-point scale (with a rating range of 1 to 5). In practice, most often employees were assessed at level 3 (meets the requirements) and 4 (exceeds the requirements). Monitoring of the rating system allowed to "catch" this situation. In a company where the evaluation of work is associated with a bonus, this was an important signal, because it reduced the motivation of employees. The assessed people in such a situation received bonuses of a similar amount, because the differences between the ratings were small. This demotivated primarily those who thought they were trying harder than others. The small difference in the amount of bonus received was unfair to them.

Factors influencing the success of change management:

Change Management Success Factors*

Percentage of Respondents
87%
83%
70%
53%
50%
40%
40%
20%

Legend:
- Project Leadership
- Deployment
- End-User Training
- End-User Communication
- End User Involvement
- Team Effectiveness
- Organizational Leadership
- Culture

*Success was defined by those who agree/strongly agree that their ERP implementation was a success, N=30. For those who had successful implementations, these are rankings for percentage whose ratings were agree/strongly agree on average.

Change from different perspectives

Management and change

This view is usually intended for large companies, where changes occur more slowly. It's a strategic view from a distance. Trying to predict trends and adapt to them. Global change, connecting and seeking strategic partnership.
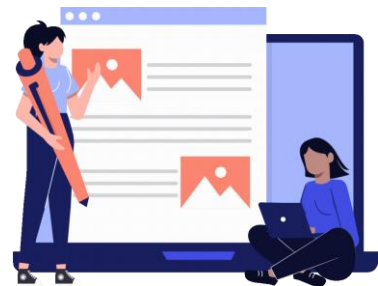
Examples:

Restructuring and mergers – Almost all acquisitions and deep structural changes require change management. Companies and institutions that thought otherwise,usually, "rot" from the inside.

Digital transformation (IT), Industry 4.0, etc. - i.e. new technology at the level of the entire or larger part of the organisation.

Healing the company, changing the organisational culture - if, despite the right products and competitive advantage, the company does not develop and there is a toxic working atmosphere.
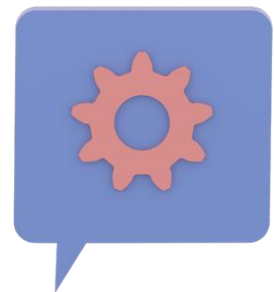
Changing the company's business model - in stable large organisations it happens less often, but changing the business model is a difficult process and often requires the support of "change management".

Managers and change:

Business owners, managers and project coordinators usually do not need highly formalised tools for designing and implementing changes. However, knowing the need to implement change and agile frameworks, psychological aspects of implementing change, typical stages and reactions to change, and the ability to manage and lead change help in:

- Project management and coordination
- Making changes to the team
- Improving the efficiency of the team's work
- Implementation of procedures and changes in processes, etc.

Employees and change:

This is the third point of view to consider when determining the need for change and designing change. Just looking at the planned changes from this perspective gives a lot to think about and helps to prepare for possible complications. In smaller companies, the need for change often comes from employees - who often may not communicate expectations in the right direction, but it is worth taking this voice into account and treating it as a measure whether the company is functioning well.

Examples:

- High employee turnover and negative opinions about working in the company
- Overall "bad" working atmosphere
- Low effects of the work of employee teams
- Customer service issues and conflicts between departments, etc.

Why is change management so difficult?

Change management is an interdisciplinary field. In practice, this means that if you want to make large and profound changes in the company, it is impossible to do it by yourself.

You need experts with different competencies, e.g.
- Technology knowledge
- Ability to lead teams and projects
- Legal knowledge

Change management is about people. You cannot talk about the success of implementing e.g. a new CRM, ERP, ISO system if people do not use these tools effectively. We often have to wait for the effects of the introduced changes, and in addition, we can observe their side effects in places where we did not expect.
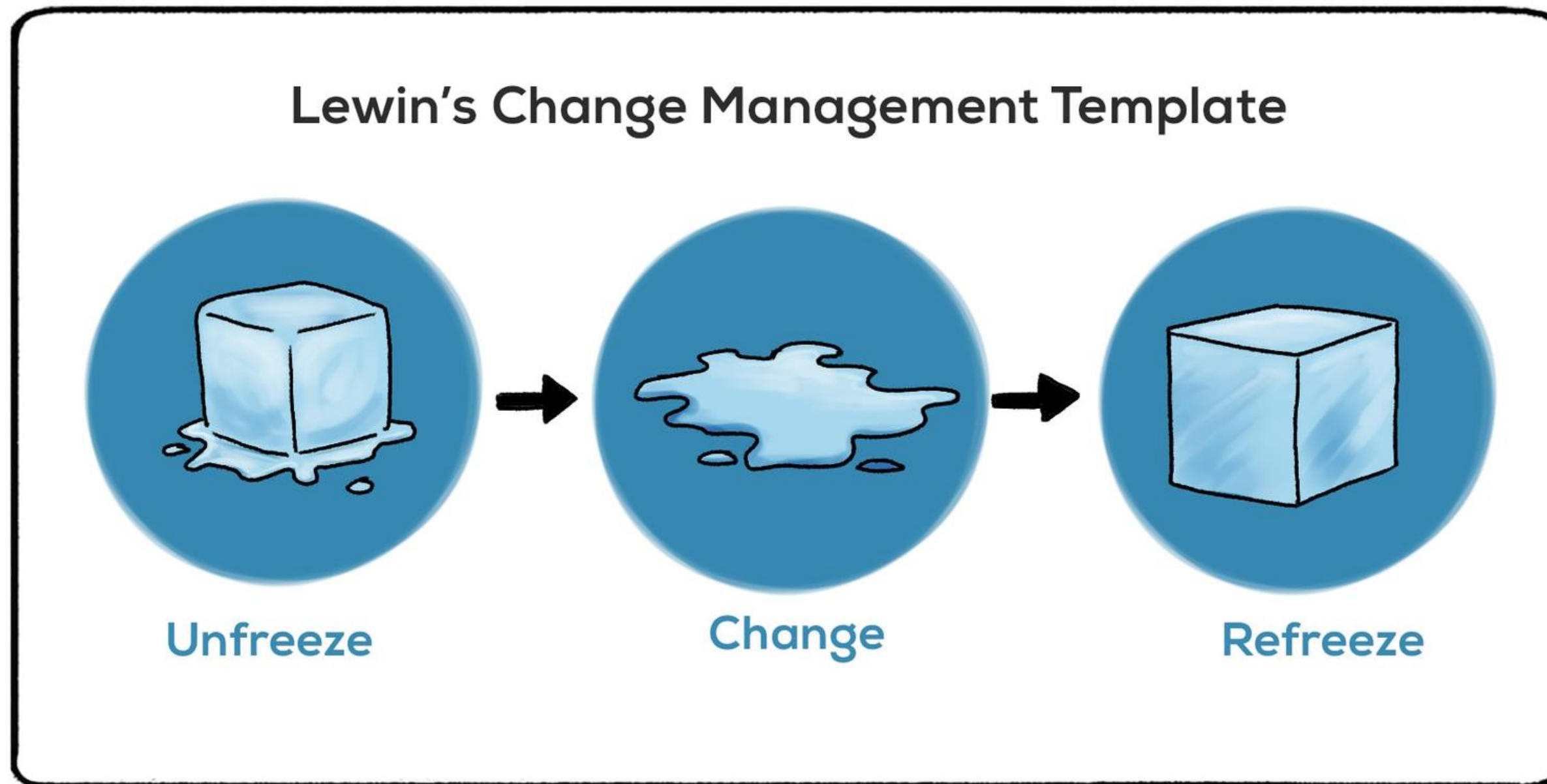
Change management models

- KURT LEWIN'S CHANGE MODEL
- 7S CHANGE MODEL
- JOHN KOTTER'S 8 STEPS TO CHANGE
- ADKAR MODEL

Kurt Lewin's change model

Lewin's Change Management Template

Unfreeze → Change → Refreeze

Phase I

The goal at this stage is to build the willingness and necessity of change in the team. Forcing a sudden change creates a natural resistance, so it is necessary to prepare employees for new processes and elements of work.
This is the stage where we undermine the current way of functioning and thinking.

- We question the current way of operating, we show its deficiencies, errors and nuisances. We encourage the team to report their concerns and feedback.
- Collecting this information, on the one hand, will reassure us that the decision to change is necessary. On the other hand, it will be a way of showing the problems that we might not have taken into account, but are important for the team.

However, this is also a phase that may cause anxiety in employees due to the loss of stability and status quo. We should keep this in mind and constantly suggest the benefits of change.

Phase II

According to the theory, if we prepared the first stage well, most employees should be ready for the change. **Now is the time to implement the necessary changes.** However, it is necessary to train and educate the team. If you are implementing a new technology – prepare a package of educational workshops. If you have a new marketing policy - show employees where to look for it and set a deadline after which you will check understanding and execution, etc.

- Make sure that each employee has a designated person with whom they can discuss any problems or concerns related to the changes. It is important that this person (mentor) is technically well prepared (knows the process, technology), but also has the necessary communication skills and attitude.

- The right people who help implement the change will be a very important element of the implementation stage because often their task will be simply to reassure employees that they understand the new procedures/changes properly and as a result they will be collecting feedback from employees. Feedback will allow you to ensure that changes are going according to plan or to make necessary adjustments.

Phase III

After implementing changes, measuring indicators, making necessary corrections based on feedback, it's time to freeze the change and set it to our new standard.

This is the stage when most people got used to the changes introduced. Errors and shortcomings in new procedures and processes are much less common.

Be prepared to adequately communicate the new level of expected standards. **Refresh all documented processes. Schedule regular inspections. Also introduce cyclical feedback for teams and employees.**

If the feedback from the previous step was taken into account, it will be much easier. The changes that have been implemented should become a habit. There is no golden formula here, but if mechanisms have been created to strengthen the new order, after some time the new way of functioning will become a fact.
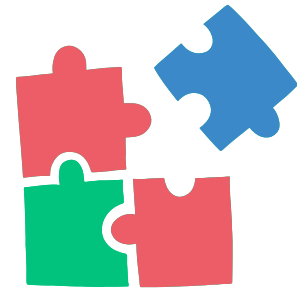
7s change model

McKinsey 7S Framework

Structure
Strategy
Systems
Hard S
Shared Values
Soft S
Skills
Style
Staff
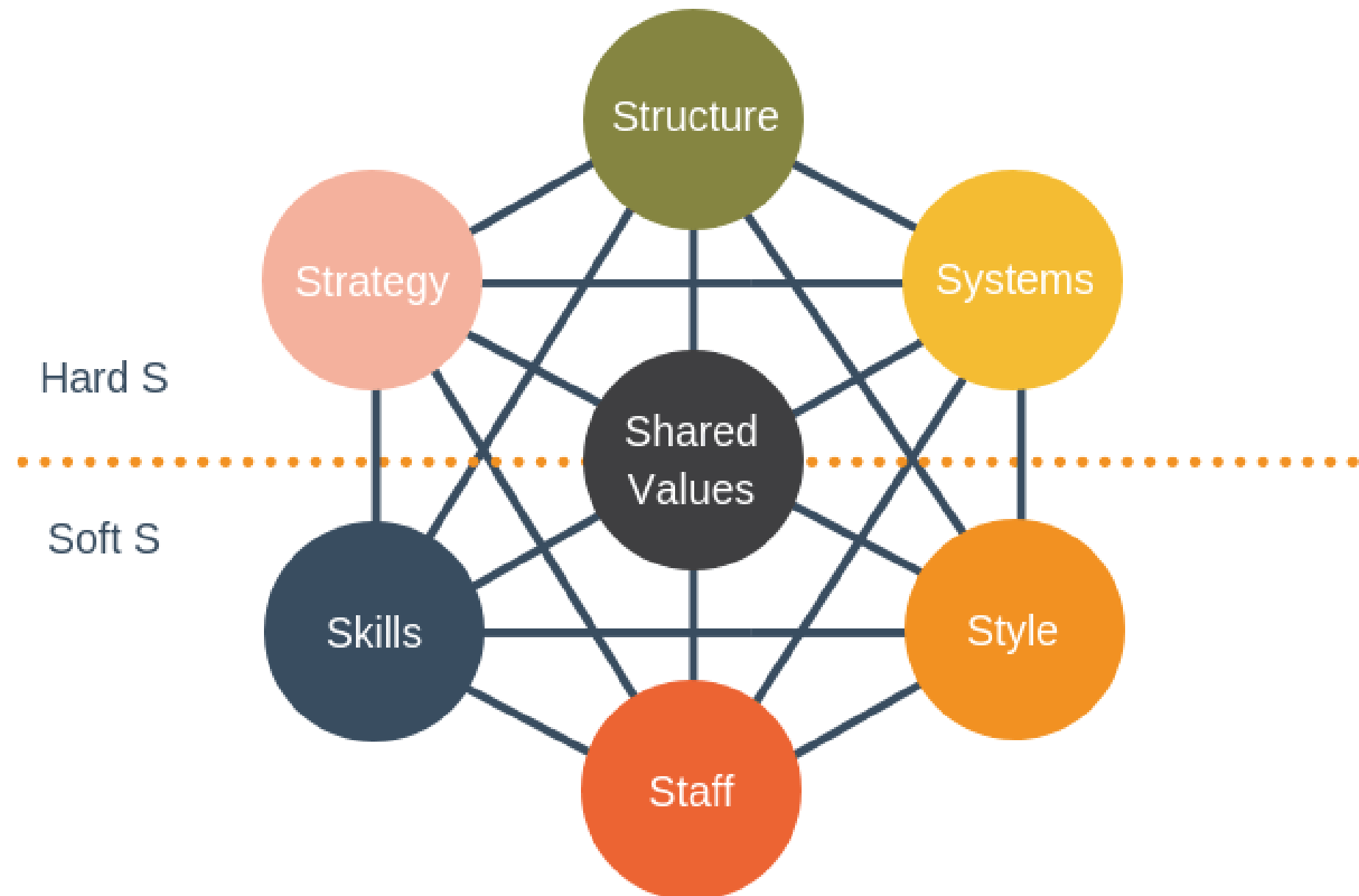
Hard Elements

- Strategy

- Systems

- Structure

Soft Elements

- Shared Values
- Style
- Staff
- Skills

John Kotter's 8 steps to change

Kotter's 8 Step Change Model

- Create a Sense of Urgency
- Create a Guiding Coalition
- Create a Vision For Change
- Communicate the Vision
- Remove Obstacles
- Create Short Term Wins
- Consolidate Improvements
- Create the Changes

LUCIDITY
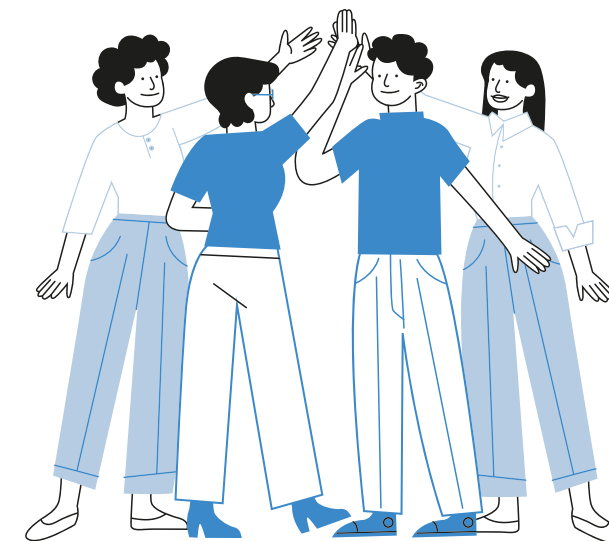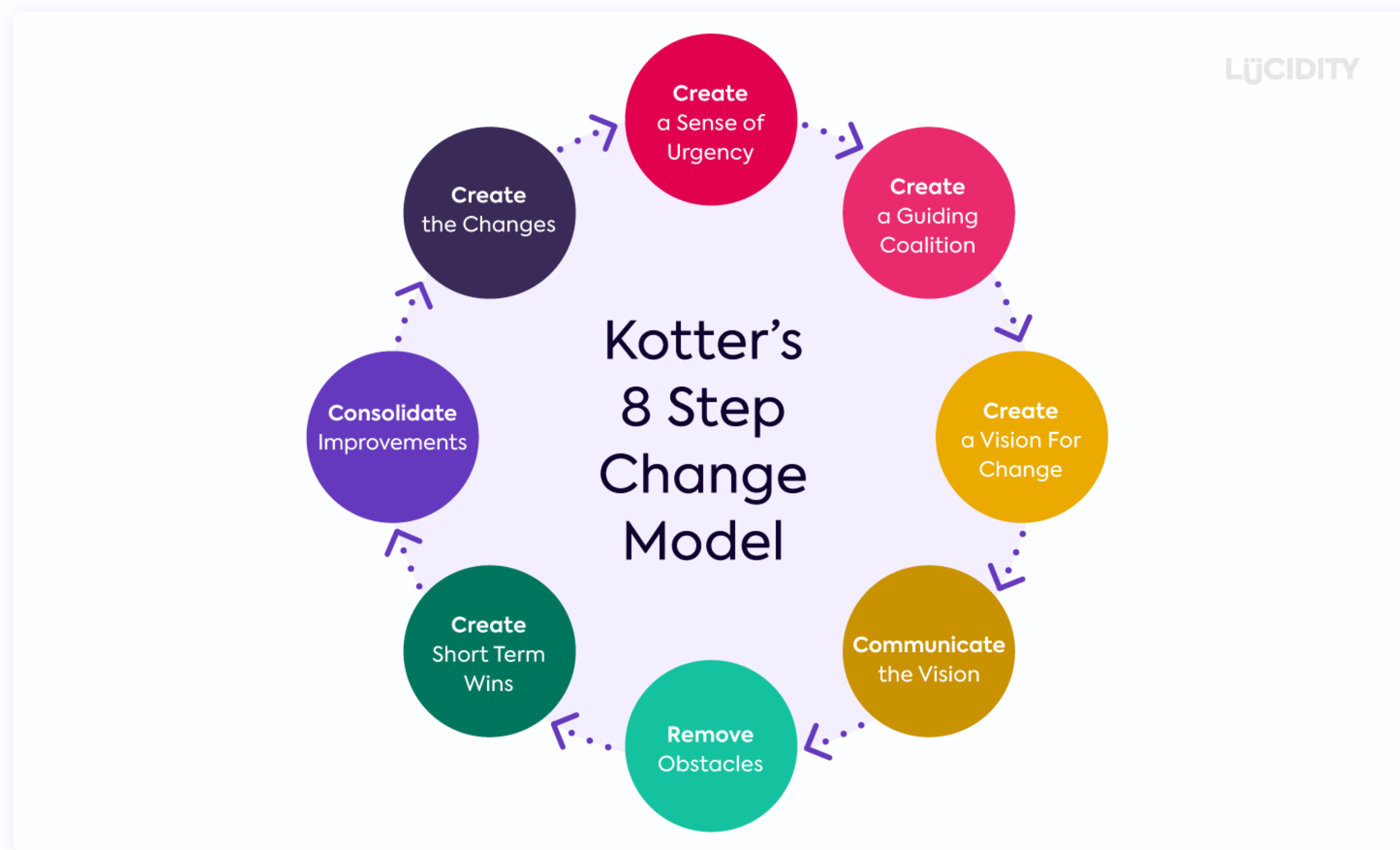
ADKAR MODEL

ADKAR
Change Management Model

A

Awareness

1. What is and isn't working in my organization
2. What are my options
3. Communicate that there is a problem
4. Focus attention on the most important reasons to change

D

Desire

1. Communicate benefits for adoption of scrum
2. Identify risks involved
3. Build momentum
4. Address fears

K

Knowledge

1. Learn new technical skills
2. Learn to think as a team
3. Learn how to time box
4. Share information
5. Set reasonable targets

A

Ability

1. Empty a suitable governance framework
2. Training the basics
3. Start small
4. Don't do it by stealth
5. Adjust processes that touch the scrum teams

R

Reinforcement

1. Engage a scrum coach identify champions
2. Share scrum experience
3. Learn from early mistakes

ADKAR model change management:

Awareness - Tell people why change is needed here and now

AWARENESS

To be able to start the process of change, employees must be aware that change is necessary. It is not enough for the Management Board to issue a decision that we will be working in a new reality from tomorrow - the ground must first be prepared.

RESISTANCE AND ANSWER

Changes, even the most necessary ones, if not understood by the team, will arouse resistance and reluctance.

CONVINCING TO CHANGE

At this stage, it is not enough to just inform about the need for change. It is important that those responsible for implementing the changes show creativity and use the available resources to inform and persuade others to change.
This is the stage when we can afford more than usual discussions, find out about doubts, checking other perspectives, accumulating ideas and working out a vision together.

Desire - Make people want to make a difference

If we get the first awareness step right, some of the staff will be convinced of the need for change.

- We should strive for employees to start supporting the change.
- To do this, we need to create desire by presenting the benefits of change and pointing out the dangers that threaten us if the change fails.

Knowledge – Provide people with the knowledge that change requires

At this stage, it is important that you provide new knowledge that is needed, for example, to perform new duties, behave in a new way, etc.

- This is a good time to prepare schedule, implement plans and next actions.
- Prepare the necessary set of trainings for employees. Prepare managers in such a way that they can provide new knowledge and skills in their areas on an ongoing basis.

Remember, employees need to learn new realities and behaviours.

Ability - Make sure people have the skills they need to make the change

It is important that you develop a skills assessment model that will help you assess the degree of change implementation. It is also a time for experiments and introducing the elements that employees learned during training and workshops into their daily work.

This is a time of uncertainty, so we should appreciate all efforts and gently correct deviations from the norm.

- Managers and team leaders should be more patient than usual with their teams and more available in this phase. This is the moment when employees will need a lot of support and correction of behaviour and attitudes.

Reinforcement - Reinforce the change to effect.

Change will end if people act in a new way without additional control and with their own free will and attitude.

The introduced changes should be consolidated and strengthened by employees' positive attitudes. Otherwise, people will return to the usual patterns and previous ways of doing things.

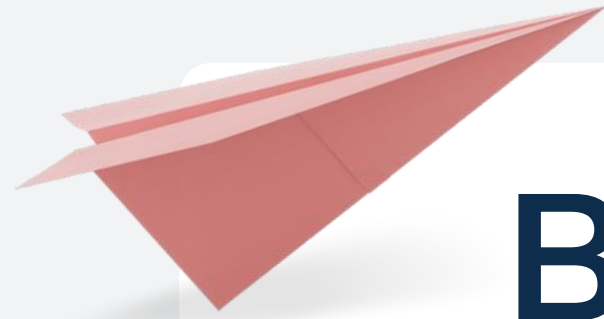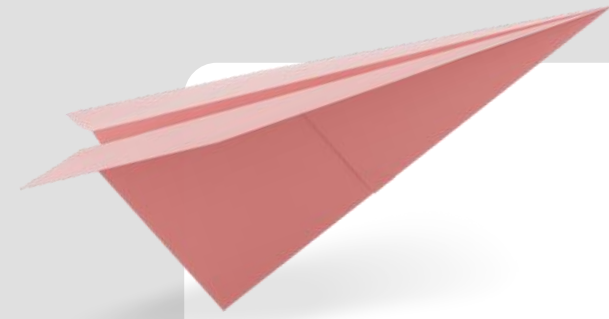# AN EXAMPLE OF THE STAGES OF IMPLEMENTING THE CHANGE BASED ON THE "INDUSTRY 4.0"
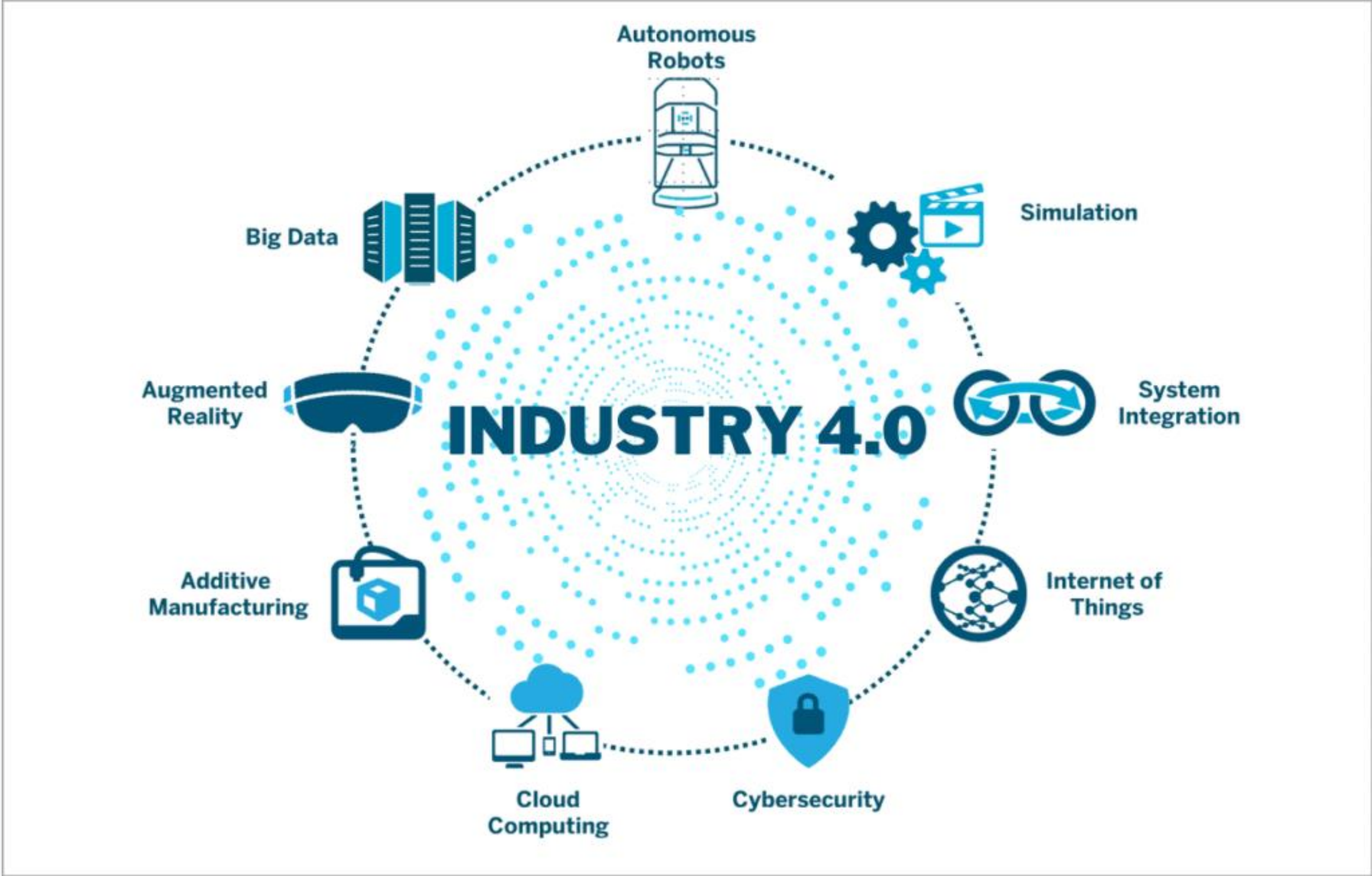
Summary

- creators of changes must themselves be responsible for their introduction
- the project of introducing changes should be presented to the public by the management among subordinates
- members of the organisation (company) should believe that the changes will contribute to reducing their work effort rather than increasing it
- the change must not violate the values that the members of the organisation have long recognised
- new information and experiences related to the change should be consistent with the existing interests of the members of the organisation
- it is good for the participants of the organisation to become convinced that their current autonomy will not be violated

- people should be encouraged to join the process of diagnosing the state of the institution, thanks to which they themselves will contribute to determining the so-called efficiency gap (they will see what is being done now and what can be done in the future),
- the change should be accepted by the majority of the group
- systematic feedback should be used and the need to introduce the change should be explained (creating the possibility for the employee to identify with the introduced change),
- the possibility of a project revision of the proposed change should be taken into account,

Bibliography

- https://sjp.pwn.pl/sjp/zmiana;2546666.html
- https://www.menedzer-produkcji.pl/artykul/jak-wdrazac-zmiany-w-firmie-praktyczne-wskazowki
- https://oxford-review.com/oxford-review-encyclopaedia-terms/openness-to-change/
- https://www.projektgamma.pl/strefa-wiedzy/artykuly/czym-jest-zmiana/
- https://slideplayer.pl/slide/3091682/
- https://bemind.pl/zarzadzenie-zmiana-zacznij-od-tego-najwazniejsze-modele-i-narzedzia-z-przykladami/
- https://przemyslprzyszlosci.gov.pl/zarzadzanie-zmiana-7-kluczowych-czynnikow/
- https://www.intology.co.uk/the-mckinsey-7s-framework
- https://www.calsoft.com/what-is-industry-4-0
- https://online.visual-paradigm.com/diagrams/templates/adkar/adkar-change-model
- https://getlucidity.com/strategy-resources/guide-to-kotters-8-step-change-model/
- https://practicalpie.com/lewins-change-theory/
- https://www.researchgate.net/publication/267297395_