

Change Management in Practice



PARTNERSHIP CASE STUDIES

Case studies for:

- **Boots Contract Manufacturing**
- **Robert Bosch Ltd**
- **Kwik Save Group**
- **EIMC/Balfour Beatty**
- **London Electricity**
- **Reckitt and Colman**

Change Management in Practice

Introduction

The six case studies in this brochure reflect the approach taken by TDA in working with clients who wish to bring about change in their organisations. We are grateful to those clients who have participated in the preparation of the brochure.

The cases all concern change at a personal and at an organisational level. Many of them concern the release of talent within organisations. They are often about the need to equip people with new competencies and skill sets in order to meet the requirements of a rapidly changing commercial environment. In one of the case studies we were asked to work with a recently-privatised organisation where people were required to work within some commercial realities for the first time. Other programmes concerned becoming more customer-focused, managing resources within a clearly shared commercial framework, releasing personal flair, and learning about how to exceed customer expectations in an increasingly competitive environment where customers have real choice.

Personal development plays a part in all of the projects. The achievement of wider organisational goals - which may be structural, cultural, commercial, and are frequently all three - requires change at an individual level.

The TDA approach is to work with clients to find solutions and approaches that suit their culture, their objectives and their business situation. We therefore work with clients to:

- Identify their end goals
- Diagnose the current situation
- Prepare a gap analysis
- Establish a transformation map based on a phased approach to project design and implementation
- Develop appropriate monitoring and evaluation processes

Within this broad outline we use a number of specific tools and processes. For example, a range of diagnostic tools is used in order to assist the organisation to develop an understanding of its current position. Some of the tools are used to examine key aspects of the organisation's operational capability. Others study key behaviours in individuals. The combination allows us to build a composite picture of different levels of organisational and individual competence.

At other stages we similarly use a number of creative and innovative tools and processes. Each of the projects in this brochure is different. Each, however, achieved its objectives, was stimulating and challenging and utilised the unique set of attributes which TDA brings to its clients:

- First-hand business experience and entrepreneurial flair
- Organisational and management development know-how
- Change management experience
- Learning design expertise and processes

Champions for Change

Understanding change in theory is one thing but putting it into practice, and benefiting the company, can be quite another

TDA devised a unique programme for Boots Contract Manufacturing (BCM) in Nottingham, aimed at providing a core team of managers with the practical tools to manage change in their own areas, and become the standard bearers for the new company culture - the “champions for change”.

Meeting Needs

Training and Management Development Manager Tim Gallimore was charged with setting the new programme up. He was keen that it should be seen as genuinely meeting the needs of the people at the sharp end of the business. Supported by executive sponsorship, a high-level ‘reference group’ was established, consisting of senior managers across the range of functions in the company, to decide precisely what the objectives of the programme were to be.

“In many ways, this cross-functional approach to developing the programme represented the way in which we want the business to operate” explained Tim Gallimore. ‘By getting together a senior team from different functions, we immediately broke down some of the barriers and got them thinking more broadly about the business.’

Key Themes

The terms of reference decided by the group centred on a number of key themes, for example: providing an understanding of what change is; giving managers the strategic tools to cope with change (such as knowledge of the market in which they operate). There also had to be reference to leadership and support behaviours, as well as to the existing competencies against which senior managers’ performance was measured. But, above all, the programme had to provide a model for continuous development for the individual, not just a ‘quick fix’ to be forgotten as soon as the programme was over. And, of course, it had to be practical - the individual had to see how the theory translated into practice at the workplace.

“A number of approaches were considered,” said Tim Gallimore. “Essentially we wanted to combine the excellent strategic input of a business school with the practical experience of working with organisations going through change - that is why I approached TDA.”

Tim Gallimore saw the synergistic benefits of combining TDA’s practical input on organisational behaviour with the outstanding set of business tools Henley Management College could provide. “TDA brought the energy and innovation. You could say they put the fuel in the tank in terms of showing how theory would translate into practice.”

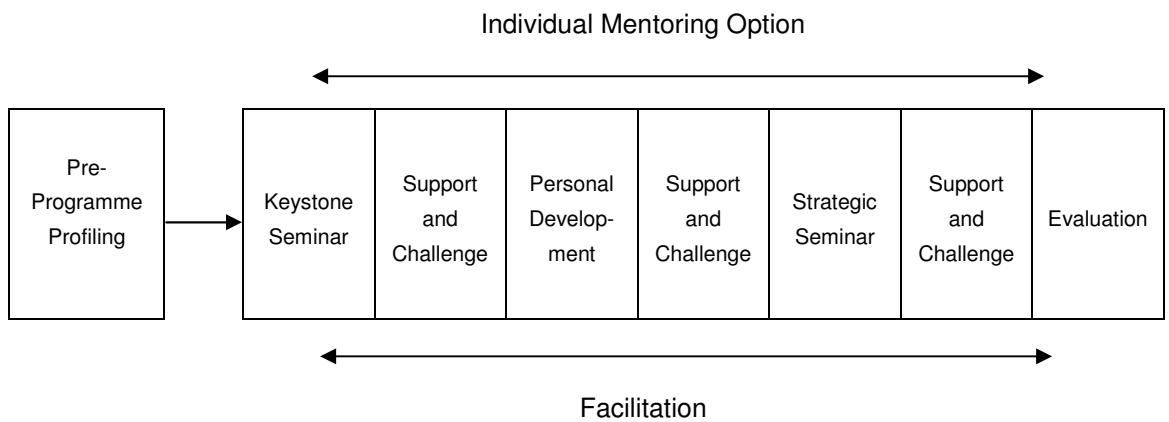
Innovative Solution

The problem was how to co-ordinate the programme and to give it homogeneity, and TDA came up with an innovative solution. The participants on the course were divided up into three 'support and challenge' teams. These teams worked together on the first part of the course - the 'Keystone Seminar' provided by TDA which looked at organisational aspects of change, and how change could be applied in the workplace to benefit the company. They continued working together on the Strategic Business Programme held at Henley five weeks later. In between, the support and challenge teams would meet to discuss their work and to start developing practical ideas for implementing change in their own work sectors - a process that would continue after the programme ended. And so the 'Integrated Management Development Programme' was born.

What BCM wanted to develop through the programme was a pool of managers who would not only understand the culture of change and the reasons for it, but would also be able to communicate that message to their colleagues: they would be BCM's 'Champions for Change'.

Fifteen managers participated in the first programme, chosen from all functions of the business. This group served to pilot not only the programme but inputted significantly into the future development of the IMDP process. This embraced not only content but selection for and ongoing management of the programme.

Model



The Vision

Subsequently the programme has evolved to reflect this feedback. An essential requirement of the programme at the outset was to develop a process, which was flexible enough to respond to the changing nature of the business and the needs of the individual within it. The natural progression of the IMDP has now seen management of the programme return to the BCM Management Development Function. The long-term vision is to see the IMDP managed by the champions that it has helped to enable.

An Objective Assessment

Personal development is not always about career advancement, and development programmes can be used as much to identify individuals' training needs as to prepare them for the higher reaches of senior management.

Robert Bosch Ltd needed a system which would do both. They had to find a way of selecting potential high-flyers to attend the international management development courses held by their German head office while, at the same time, identifying ways of improving managers' performance and targeting training resources where they were needed. Robert Bosch Ltd is a relatively small operation, employing some 500 people at its site in Uxbridge. "The proposed development programme was a large undertaking, and we asked TDA to provide the resources to manage it."

Development Centres

"We had a pretty clear idea what we wanted, so our brief to TDA was detailed and tightly drawn. We intended to run the programme as a series of 'development centres' – off-site to get people away from the work atmosphere - which would provide objective assessment of the candidates' strengths and career development needs".

The basis of the programme and the criteria for assessment were drawn up by a group of senior managers, who were also trained by TDA to be observers for the development centres. "It was very important to get senior managers involved in the project from the start" said Denise Chatterton, Training and Development Manager at the time. "It gave the whole thing credibility. It was also vital that the criteria used for selecting candidates and assessing them at the centres were seen to be objective."

Candidates selected had to have a certain length of service, and to have gained good assessments in the standard appraisal system. The first part of the programme was a half-day of tests, held at Bosch's premises, designed to get 'raw data' on the candidates. These included a psychometric test and a prioritising exercise, the results of which would be fed into the next stage of the programme.

Being Themselves

"One of the most important things in a programme like this is to get people to be themselves" said Denise Chatterton. "Of course, tests and exercises can generate a fair amount of anxiety. That was why we decided to get our participants away from the work environment, and held the centres at various local training establishments."

TDA had devised a series of tests and exercises designed to pinpoint candidates' areas of strength, and where they needed more development. These assessed qualities such as communication skills, leadership and motivation, judgement and analysis, persuasiveness, initiative and flexibility. Also included were one-to-one interviews with an observer, which helped to establish personal career aspirations, management style and motivation; and gave an opportunity to explore further some of the points raised in the initial tests.

The following day, the observers met to discuss the results and to decide development priorities for each individual. From this assessment, a development programme for each individual was drawn up. The observers were also able to select the potential high-flyers who would benefit from being put forward for the company's international management training scheme.

Objectivity

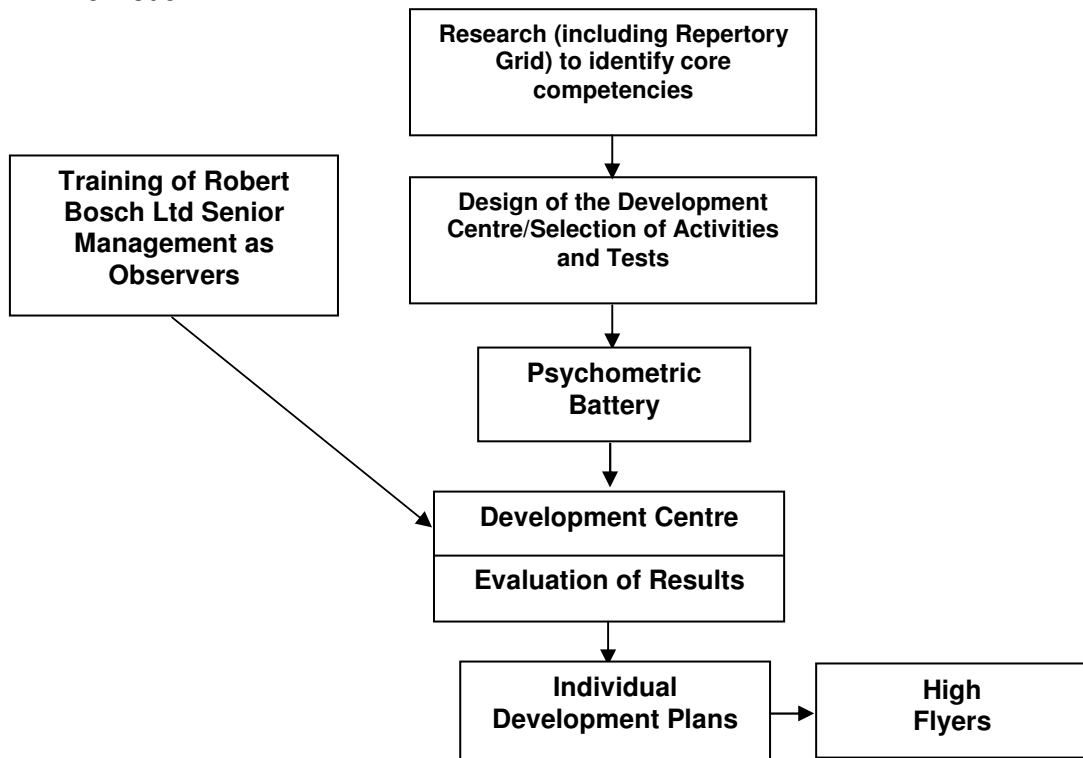
“We believe the most important quality in the development centre programme was its objectivity. At Robert Bosch Ltd, we don't have any preconceived ideas of what makes a good manager, nor do we try to mould our managers to a particular pattern. There were no right or wrong answers to the tests and exercises - the aim was to get people to show us how best we could help them to develop their careers.”

Innovation

TDA's flair for innovation even within a tightly drawn brief impressed all concerned with the project. “They came up with ways of approaching a problem, which fitted exactly with what we wanted.” We can be quite demanding, but TDA understand partnerships and respond very positively.”

The development centres have been successful and popular with the participants. Indeed, many have remarked how accurate the assessment is of their own personality and motivation. And those who go on to training at international level have a clearer idea of what they want out of their careers.

The Model



A Winning Performance

Kwik Save are currently a leading chain of discount food stores with more than 650 outlets throughout the UK. Their policy of offering permanently discounted prices and concentrating on fast-selling brands proved a winner - even during the recession of the early 1990s they maintained or exceeded their target of opening at least 80 new stores every year.

Until then, staff training had been geared towards operational needs only, and the company culture did not allow for managers to take time out for normal training programmes. As Kwik Save's HR Manager, Pam Webb, put it "Our senior managers - the people at the sharp end of the business - are very down to earth and streetwise. They concentrate on getting the job done and are resistant to anything which does not appear to relate directly to their day-to-day work."

Kwik Save's Chief Executive, Graeme Bowler, quickly recognised the need for properly trained professional managers. Many of the group's stores employ a transient workforce, which means there is a constant need for coaching and developing inexperienced store managers. It is obviously important that the people who coach them - the senior managers - should understand their own professional objectives.

Cultural Change

"We needed a massive cultural change to put training in the forefront of our managers' minds - indeed, for them to take it seriously at all," said Pam Webb. "Our challenge was to produce a training programme which would harness the 'no frills' approach, which is the basis of our company culture, and recognise the real working environment in which our managers have to operate."

Clear Objectives

The brief around which TDA developed the training programme, entitled *Winning Performance Through People* was based on five clear objectives. At the end of the programme the aim was for managers to be able to:

- Implement new ways of managing themselves, their teams and the business
- Create an environment of mutual respect in the workplace
- Encourage their team members to contribute their maximum potential
- Draw up action plans for personal and team development
- Evaluate the effectiveness of the programme for other managers.

Practical Element

TDA understood the need to camouflage the theory in the practice on the course. Managers only perceived themselves as successful if they were working, so the course had to have a very strong practical element.

The course programme drawn up by TDA and Pam Webb was piloted with a range of senior managers from all areas of the business, and the feedback incorporated into the final programme. The course was delivered over two long and very intensive days, and consisted of participants working in small groups looking at various aspects of their work at Kwik Save. Areas covered included the company's core values and culture, customer relations, leadership, team development, dealing with different types of people, motivating and influencing people's behaviour, problem-solving, setting objectives and planning to achieve them.

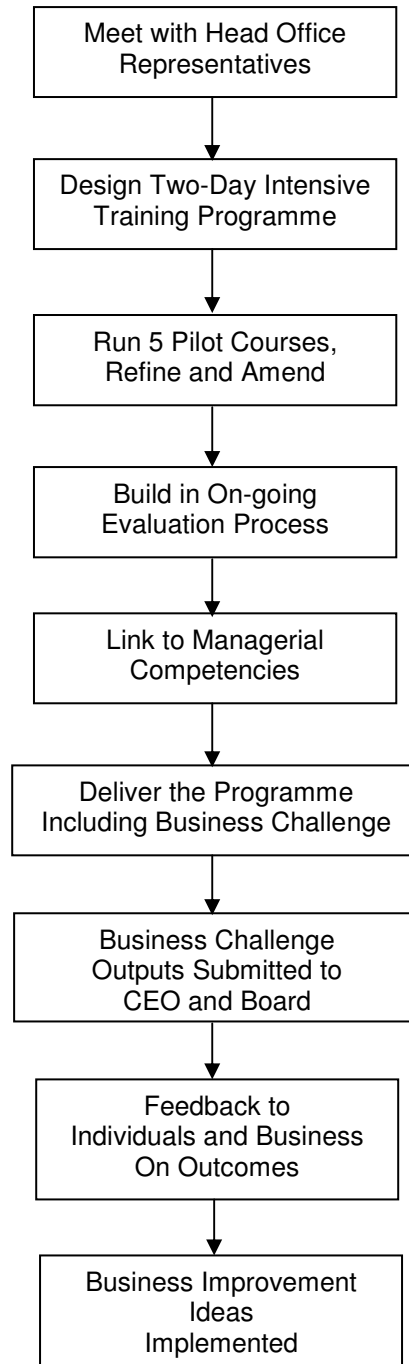
Business Challenge

The course ended with a 'Business Challenge' session, in which participants were invited to develop their own ideas for improvements to the business and to make a short presentation on their proposals. Pam Webb believed that in many ways this was the most successful aspect of the course: "It seemed as if we had suddenly opened up the floodgates to all sorts of new ideas which had evidently been sitting there with no outlet. Graeme Bowler took the trouble to read each and every one of them and to write to each participant personally with his comments. Some of the ideas have now been put into practice and they are bringing real business benefits."

Step-Change

Reactions to the course were very favourable and it has now been delivered to a total of 1800 Managers, from Store Managers up to Board level. Pam Webb believes the course has achieved a measurable difference in the way Kwik Save operates: "I can sense that we have already moved from a very directive culture to one of greater flexibility. It's not a sea change yet, but it's certainly a step-change. Our managers have gone back to their workplaces with a new attitude towards their staff and a much more positive view of what formal training can do for them."

The Model



Learning to Juggle

Privatisation was one of the most potent forces for organisational change when Balfour Beatty took over Eastern Infrastructure Management Company (EIMC). As a former division of British Rail, it inherited a staff principally of engineers who had been used to working with colleagues rather than customers - the commercial relationship had not been part of their culture. They had also been used to working within a very narrow discipline - engineering - and had not had the experience of the various different aspects of modern commercial management. As Steve Kelly, EIMC's Personnel Director, put it, they had not learned the art of 'juggling'.

"Senior managers today have to keep several balls in the air at once," he explained. "While they cannot be expected to be an expert in every field, they must at least have a basic concept of things beyond their own discipline. We had a team of senior managers who lacked this kind of broad experience, and it was our job to help them fit into their new roles."

Development Programme

Steve Kelly and his team decided that the development programme had to have a clear aim in view from the start: "We used focus groups to develop a series of competencies, which our managers would have to measure up to, if we were going to achieve our aim. This was basically to combine people leadership and development with technical innovation and a high standard of contract management to achieve high value staff, customer delight and total owner satisfaction."

Feedback

"The next stage was to identify how best we could help and support each of our 50 senior managers to achieve these goals; to establish their strengths and weaknesses; and to encourage self-development."

TDA was asked by EIMC to put together a programme of development centres for the senior management staff. With so many changes taking place within the company, there was a natural feeling amongst managers that the development centres were simply a covert way of assessing people for possible redundancy. TDA went to considerable lengths to reassure all participants that the information produced by the centres would be entirely confidential and would be fed back only to the individual concerned, not to the company. Unusually for an exercise of this kind, the client company only received a general report on the results. TDA felt that this kind of confidentiality was essential if the centres were to serve their purpose in providing a major impetus for managers to develop their careers within the new framework of competencies.

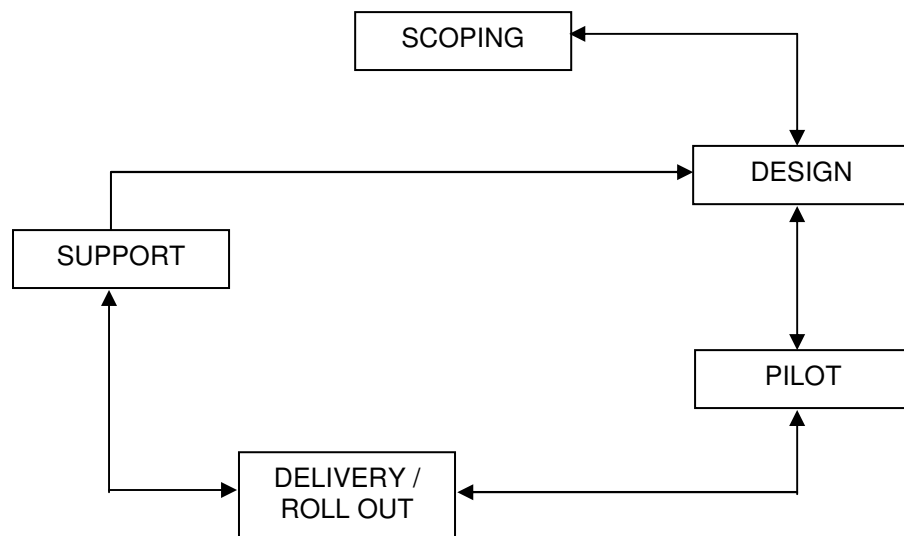
The development centres themselves set out to test managers' competencies in a number of fields: for example, critical thinking; entrepreneurial skills; understanding the commercial side of the business; leadership skills; financial control and resource management. TDA took care to relate each test to actual situations encountered in the workplace, rather than posing hypothetical scenarios. Tools employed included psychometric tests, observed behaviour, interviews, and group working.

Each manager ultimately received an extensive development report, which was then confirmed in a one-hour feedback session between the manager and one of TDA's trained observers. In addition, managers' colleagues on the development centres also provided feedback to each other. The feedback report for each individual was only given to that individual and not to anyone else in the organisation.

The emphasis was very much on getting each individual to understand and accept where he or she needed career development, and to take responsibility for doing something about it. "Half the battle is getting the individual to understand why they need help in certain areas," explained Steve Kelly. "If they do, then they will be far more motivated to develop their skills themselves. Simply telling people they're not up to the mark is very negative and counter-productive."

Because of the rapid pace of change within the organisation at the time, it was difficult to measure the results of the programme reliably; but Steve Kelly felt strongly that it helped many managers make choices about the future direction of their careers. And can all the managers keep six balls in the air at once now? According to Steve Kelly, they are certainly demonstrating greater confidence in everything they do. As one manager remarked: "I couldn't have done what I did last week if I hadn't been on the development centre programme".

The Model



Filling the People Skills Gap

In the early 1990s London Electricity carried out a training needs analysis, specifically for managers. This revealed a serious 'people skills' gap, particularly amongst the new breed of junior managers in Network Services. "It wasn't entirely surprising," said Group Development Manager, Wendy Gordon. "Many of these people came from a very traditional supervisory background where the relationship with staff is very prescribed. What we needed to teach them was how to consider their staff's needs and to develop their careers, rather than simply making sure they got the work done." London Electricity initially set up a series of courses aimed at teaching people skills; working with the firm who had carried out the training needs analysis. The initial response was not as positive as had been hoped, and it was soon decided that a change was needed.

London Electricity turned to TDA for help. Working with the personnel team, TDA took the existing courses and gave them a new structure. The final programme was more orientated towards individual needs, and was flexible enough to recognise that no two sets of participants were going to be exactly the same.

Managing People

The two-day programme divided into two parts, the first being 'Managing People' and the second, 'Developing People'; and were run by two of TDA's senior practitioners, David Mackey and Kaye Thorne. The first part aimed to teach managers how to work with people, and studied techniques for gaining rapport, and dealing with day-to-day situations. Course participants were also encouraged to examine their own strengths and weaknesses as managers, to assess their motivation, and then to look at similar qualities in the people they were managing. Managers were thus encouraged to understand themselves before they tried to assess the needs of the staff they managed.

Developing People

The second part, 'Developing People', followed a similar pattern. Managers were taught to examine their own career development needs first. This included motivation (analysed in Part 1), learning style, their qualities as a team player, and their style of leadership. Having found out about their own career development needs, the managers would be in a better position to assess their staff's requirements and to advise and help them more effectively.

What impressed London Electricity most about the way TDA handled the course programme was their flexibility and their persuasiveness. To begin with, the programme had a rather rough ride from London Electricity's managers. The wind of change was sweeping through the organisation, and many managers were very concerned about their futures. As Wendy Gordon put it: "There was a danger that courses could degenerate into gripe sessions. Certainly they were being used at the outset by staff as an opportunity to get their grievances on the table. The TDA team - David and Kaye - both had the personalities and the skills to turn these sessions around into something far more positive. In addition, to get people thinking not just about themselves, but about the company and the general economic, business and social environment in which we have to operate these days."

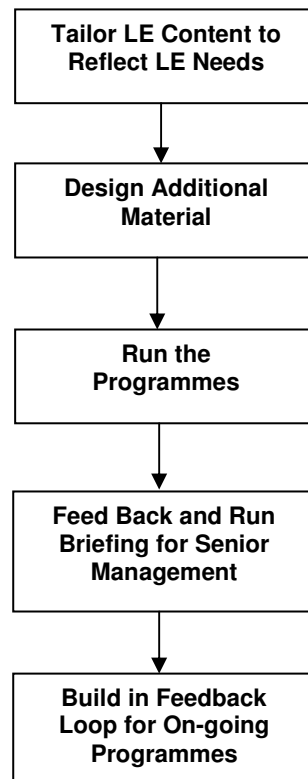
The programme actually provided a very effective channel of communication between the junior and senior management levels. Part of the programme gave managers the opportunity to give their own assessment of the way the company was being run, and to make suggestions for improvements. These were passed up to senior management, and many have since been acted upon.

Importance of Training

The results of programmes such as these are difficult to quantify, but one clear effect has been to improve staff perception of the importance of training and to encourage them to go on mind-broadening courses. It is interesting to note that 50 London Electricity staff were awarded certificates in recognition of educational and training achievements, and significant numbers signed up for assessment in National Vocational Qualifications (NVQs).

But if the days of the 'job for life' are gone, and staff could find themselves moving on from their jobs in five or ten years, why should any firm invest in developing its staff? "If we can't offer cast-iron job security - and who can these days - we have to offer something else; otherwise who would want to work for us?" said Personnel Director, Paul Cuttill. "We are aiming to equip our staff not just for a job, but for a career. If we can provide them with skills that they can sell in the job market when they have to, we are giving them a passport to a career. I see it as part of the new employment contract for the 1990s."

The Model



Journey to Excellence

Multi-national companies today have to achieve consistency in the quality of their products and services in all regions where they operate, and this often means a very thorough re-think about the way in which they conduct their business.

In 1994, Reckitt & Colman* embarked on a process of 'transformation' aimed at changing the basic structure of the business so that it could operate more effectively in the world market. Essentially, this meant moving from a system of regional and local management to a global one, providing consistent excellence of quality and service in all the company's business units. The process of transformation involved all the company's activities, not least training and development. Mark Woodhouse, who was appointed to the new post of Director, Organisational Development just a year after the transformation process had begun, was quick to see the implications for the company's approach to training.

"Prior to 1995, our training activities, like the rest of the company's operations, were carried out on a regional basis. That meant there was very little co-ordination, and a great variation in the quality of training. I saw my job as transforming a collection of regional training managers into a truly global team able to deliver a consistent quality of service anywhere in the world - which precisely reflected what we were trying to achieve for the whole organisation."

Mark Woodhouse had to generate a development programme to achieve this goal from practically nothing, and he looked for a consultancy to assist him. TDA was chosen from a shortlist of five. Regular meetings between Mark Woodhouse and TDA evolved the idea of presenting the impact of transformation on Training and Development as a 'Journey to Excellence'. The final 'destinations' of the journey were summed up as being to achieve:

- a fully aligned training and development strategy across the company
- a team of highly developed internal consultants
- provision of high quality learning
- full integration of training with other human resource processes
- a 'learning organisation' environment
- a customer-focused approach, adding value to the business.

Vision

TDA also evolved a set of standards of excellence against which the company's business units were able to measure their current performance in terms of training provision, and which also provided a way of measuring progress along the Journey to Excellence. The concept was launched at a conference of Reckitt & Colman's training and development managers from the company's seven regions world-wide. TDA had developed a training excellence 'tool kit', a manual which described in detail the various stages of the Journey to Excellence and how they were to be achieved. Similar conferences were to be held every year, which would give an opportunity for training managers to report back on the progress they had made, to review the measures of service delivery, and to set plans for the coming year in motion.

**Now Reckitt Benckiser*

The company's various business units were all at different stages of progress in their training and development activities, so TDA designed the 'journey' to be as flexible as possible, allowing the business units to join the journey at whatever stage was most appropriate for them.

Brand Image

In an organisation such as Reckitt and Colman, marketing and brand image are all-important. Reckitt & Colman people - the customers of the training function - understand the importance of a good brand image. "One thing that TDA achieved very well was to give our training managers a 'brand' which they could believe in and 'sell' effectively All the material produced by TDA was consistent in its presentation and attractively packaged. I think this illustrates how well TDA understood the business environment in which we were operating."

The benefits of the Journey to Excellence are already becoming apparent, according to Mark Woodhouse. "I can now say that we have genuinely consistent and well-focused training strategies that are meeting our global, regional and local needs. We also have standards of excellence and ways of measuring our own performance against best practice, which were not there before. We have a team of experts who work together rather than as a group of individuals and who have a clear grasp of how the training function fits in with the changes taking place throughout the company. Where I notice the change most is at our conferences, where there is now a very positive atmosphere and a real desire to drive change forward."

The Model

