



E-LEARNING

Level 5



WA12: Openmindedness and willingness to change

5.3 Demonstrate openness to change

LO5.22 Demonstrate a positive and flexible attitude towards change.

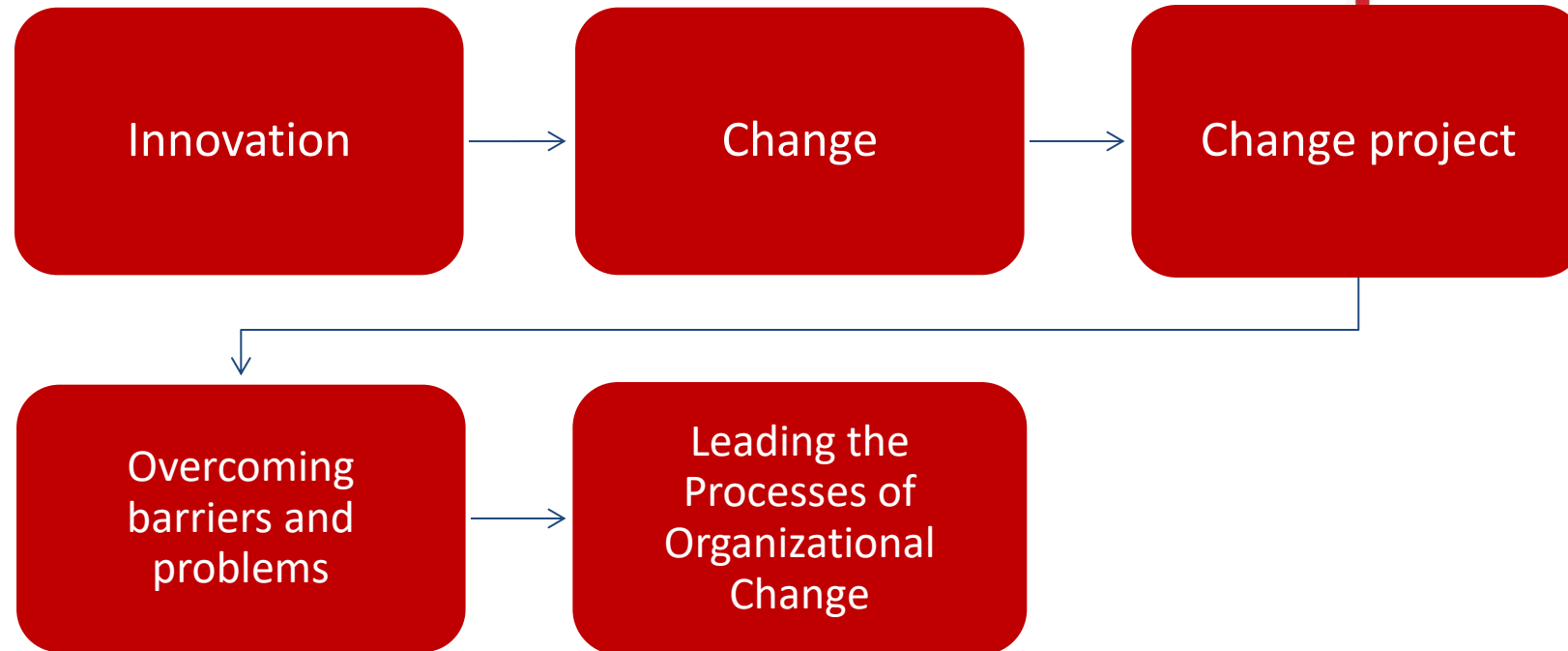
LO5.23 Demonstrate the ability to try out new ideas and initiatives with care and enthusiasm

LO5.24 Demonstrate the ability to identify and develop opportunities for change

LO5.25 Demonstrate the ability to implement change



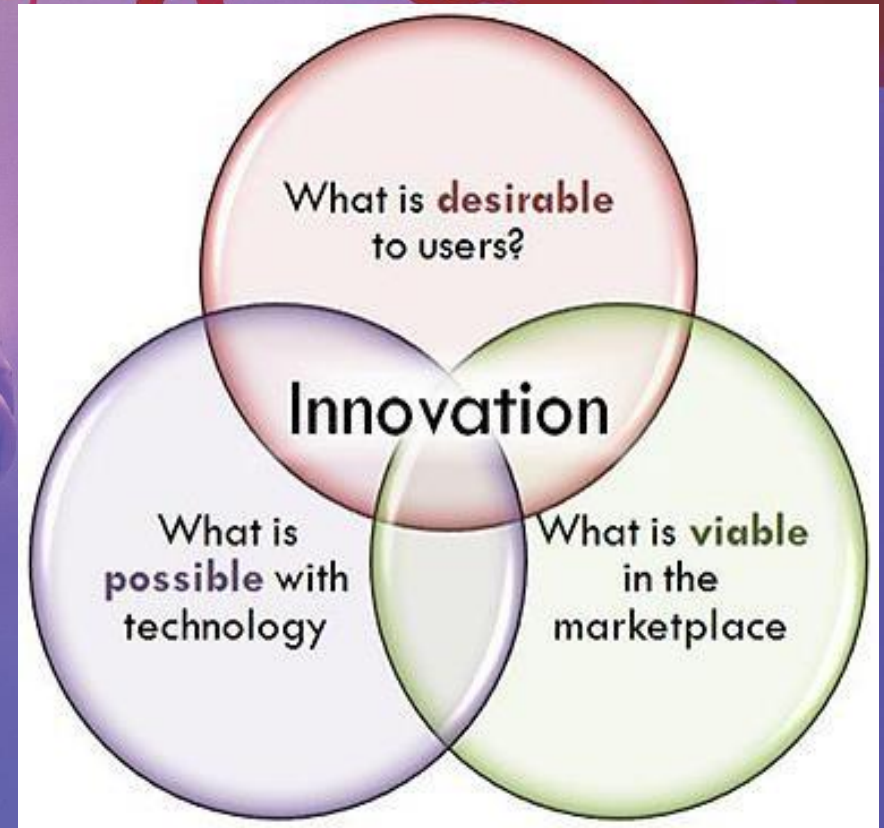
Route Map



Innovation definition

What is innovation?

- **Innovation is:** production or adoption, assimilation, and exploitation of a value-added novelty in economic and social spheres. Renewal and enlargement of products, services, and markets. Development of new methods of production and establishment of new management systems. It is both a process and an outcome.
- Innovation involves the **whole process** from opportunity identification, ideation or invention to development, prototyping, production marketing and sales, while entrepreneurship only needs to involve commercialization (Schumpeter).
- A **new way** of doing things, which is commercialized. The process of innovation cannot be separated from a firm's strategic and competitive context (Porter).



Types of innovation

Types of innovation

- Product innovation
- Process innovation
- Marketing innovation
- Organizational innovation
- Technological innovations
- Social innovations
- Business model innovation

Degree of novelty

- Incremental innovations
- Radical innovations
- Systemic innovations

Innovation management

Innovation management encompasses an integrated approach to managing all dimensions of innovation, from innovation in products, services and business processes to organisational and business models, through continuous monitoring, development and improvement processes.

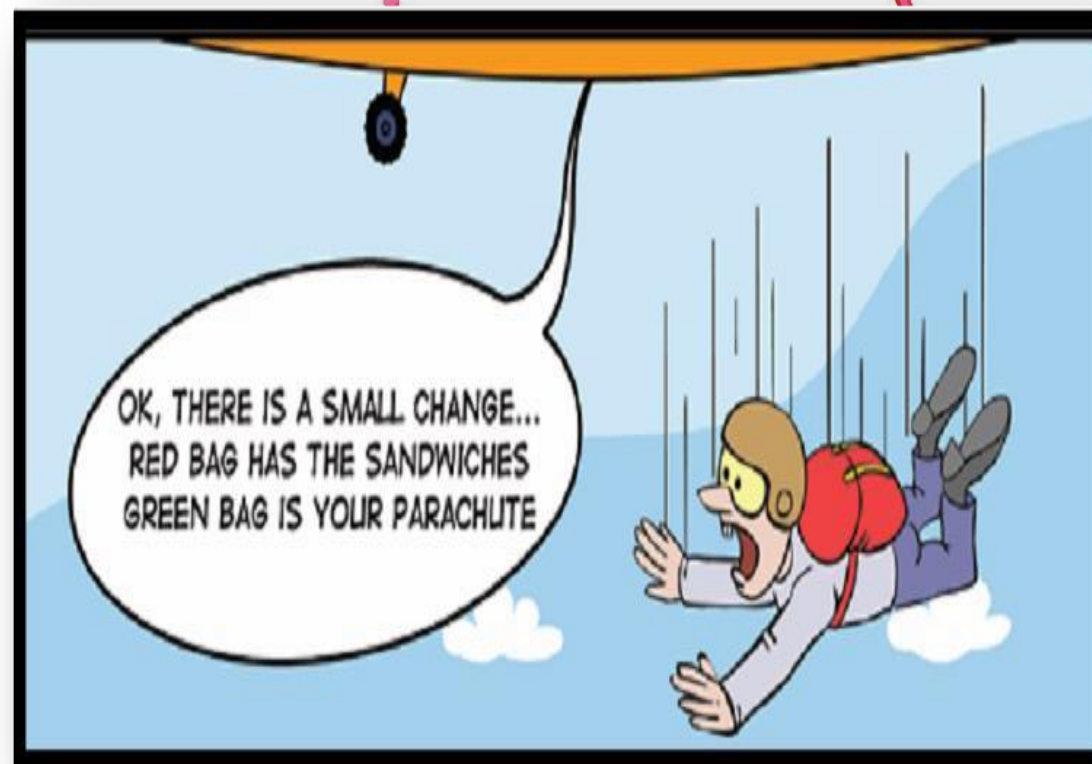
Change

“The process by which the future
invades our lives.”

Toffler

Change

- Change is the disruption of the status quo.
- Slippages when you underestimate the time required.
- Never expects any failure – ignoring the dependencies.
- Most of all “the people problem”.
- Change often makes for interesting times.



Change

Change

- A break in the continuities that represent the steady stream of our lives.
- It may seem positive if you're leading the change.
- It may seem negative if you're on the receiving end of it.
- Change is a significant alteration or disruption in peoples' expectation patterns.

Change types

Standard (Low Risk):

Approval not required changes

Minor (Low Risk with limited potential Impact):

Change Advisory Board (CAB) usually not necessary

Normal (Moderate Risk):

CAB is a must

Major (High Risk):

Higher Change Authority for approval

Emergency (Disrupting Business Impact):

Quick practical approach

Change

Change types

- **Transformational Change:** makes radical changes in organizational directions.
- **Incremental Change:** continuing adjustments to existing ways and practices.
- **Top-down Change** is initiated by senior management.
- **Bottom-up change:** is initiated by empowered persons working at all organizational levels.



Change

Change management (CM)

Refers to any approach to transitioning individuals, teams, and organizations using methods intended to redirect the use of resources, business process, budget allocations, or other modes of operation that significantly reshape a company or organization.

CM focuses on how people and teams are affected by an organizational transition. It deals with many different disciplines, from behavioral and social sciences to information technology and business solutions. In a project management context, CM may refer to the change control process where in changes to the scope of a project are formally introduced and approved.

The Forces for New

External forces

- Technology
- Market Niche
- Human/Social Needs and Values
- Government Policies

Internal forces

- Leadership and Vision
- Workforce Demographics
- Employee Dissatisfaction
- New Ideas
- Performance Failures

Change

Key differences between Change and Transformation

Change:

Transitional change replaces “what is” with something completely new. This requires designing and implementing a “new state.” The organization simultaneously must dismantle and emotionally let go of the old way of operating while the new state is being put into place. This “transitional” phase can be project managed and effectively supported with traditional change management tools. Examples include reorganizations, simple mergers or acquisitions, creation of new products or services that replace old ones, and IT implementations that do not radically impact people’s work or require a significant shift in culture or behavior to be effective.

Transformational Change

Transformation, however, is far more challenging for two distinct reasons. First, the future state is unknown when you begin, and is determined through trial and error as new information is gathered. This makes it impossible to “manage” transformation with pre-determined, time-bound and linear project plans. You can have an over-arching change strategy, but the actual change process literally must “emerge” as you go. This means that your executives, managers and frontline workers alike must operate in the unknown – that scary, unpredictable place where stress skyrockets and emotions run high.

Change

Transformational Change

Second, the future state is so radically different than the current state that the people and culture must change to implement it successfully. New mindsets and behaviors are required. In fact, often leaders and workers must shift their worldviews to even invent the required new future, let alone operate it effectively.



Organizational Change Management (OCM):

- While change happens at the individual level, it is often impossible for a project team to manage change on a person-by-person basis. OCM provides us with the steps and actions to take at the project level to support the hundreds or thousands of individuals who are impacted by a project.

OCM..

- considers the full organization and what needs to change. OCM and practices include CM as a tool for change focused solely on the individual.
- involves first identifying the groups and people who will need to change as the result of the project, and in what ways they will need to change.
- then involves creating a customized plan for ensuring impacted employees receive the awareness, leadership, coaching, and training they need in order to change successfully. Driving successful individual transitions should be the central focus of the activities in OCM.

Important elements of a change project

- Create a sense of urgency
- Create a leading change design team
- Document the case for change
- Develop a preliminary vision and values for the change
- Define the impacts on those affected by the change
- Create your preliminary strategy and action plan
- Identify measures of success
- Develop your communication strategy
- Develop your training strategy

Important elements of a change project

Values

- In order to flourish, change must be entrenched as one of the core values of the organization and the organizational objectives must be visibly aligned with those values.
- Values can provide both a corporate sense of being and a sense of enduring purpose. Without sensible values, change efforts can dissolve into a list of confusing projects that take the organization in the wrong direction.

Objectives

- For change to be effective, objectives should be set
- Based on realistic objectives
- Stated in clear and measurable terms
- Consistent with the organization's overall goals and policies
- Attainable
- Positive reinforcement for goals obtained (rewards)

Communication

One important method for managing change in an organization is to communicate. Have open meetings to discuss the new requirements. Network with employees individually and as a group to get input on what they feel could be done to effectively change the organization with a minimum of drama and stress. Keep an open communication structure throughout the changing process so that individuals can come to you with questions or concerns, without feeling as though they are being bothersome or out of line.



Benefits of innovation and change for the organizations

Benefits of innovation and change

- Increase competitive advantage
- Provide meaningful differentiation
- More adaptable to the external environment
- React faster and more effectively to avoid risk and capture opportunities
- Employees tend to be more motivated
- and involved in the organization
- Employees increase productivity and job satisfaction
- Create a strong sense of teamwork

Overcoming barriers and problems

Barriers and problems to innovation and change

External

- Market-Related
- Government and its policies
- Other (Technical, Societal, Inter-organizational)

Internal

- People-Related
- Structural
- Strategy-Related

Overcoming barriers and problems

Shared vision, Leadership & the Will to innovate

- Clearly articulated & shared sense of purpose
- Stretching strategic intent
- Top management commitment

Appropriate culture

- Encouraging creativity
- Enabling learning & interaction
- Balancing between organic & mechanistic

Key Individuals

- Promoters, champions & other roles which facilitate innovation

Effective team working

- Use of teams at cross-functional & inter-organizational level
- Investment in team selection & building

Overcoming barriers and problems

Continuing & stretching individual development:

- Education and Training of employees to ensure high level of skills & competence

Extensive communication:

- Within and between the organizational and outside

Creative climate:

- Positive approach to creative ideas, supported by relevant motivations systems

Learning organization

- High level of involvement within & outside the firm in proactive experimentation
- Knowledge capture and dissemination

Establish a change relationship

- Establish a sense of urgency for change
- Create and communicate a change vision
- Create a compelling purpose for change & establish unity of this purpose
- Create the environment in which people can become fully involved in achieving the Organizational Change
- Empower others to move change forward

Diagnosis

- Identify the nature and extent of problems before taking action
- Don't process change prematurely

Intervention

- The attempt to correct the diagnosed problems
- Managing the phases of change
- Unfreezing, changing, and refreezing are three phases of planned change
- Identify and deal positively with resistance to change

Evaluation

- The change be evaluated in relation to the achievement of the planned objectives
- The change management processes be evaluated – consider summative as well as final evaluations, assess your change management strategies as you implement them
- The evaluation outcomes be circulated and promoted to stakeholders
- Evaluation outcomes be used in other organizational processes

Achieve a terminal relationship

- Stabilize the change and create the conditions for its long-term continuity
- Keep the message consistent, champion the vision
- Create acceptance and continuity for the new behaviors
- Provide any necessary resource support
- Use performance-contingent rewards and positive reinforcement



The Four P's

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Revision Questions

Revision Question 1

List the benefits of innovation and change for the organization.

Revision Question 2

Explain why communication is important in successful implementation of innovation and change.

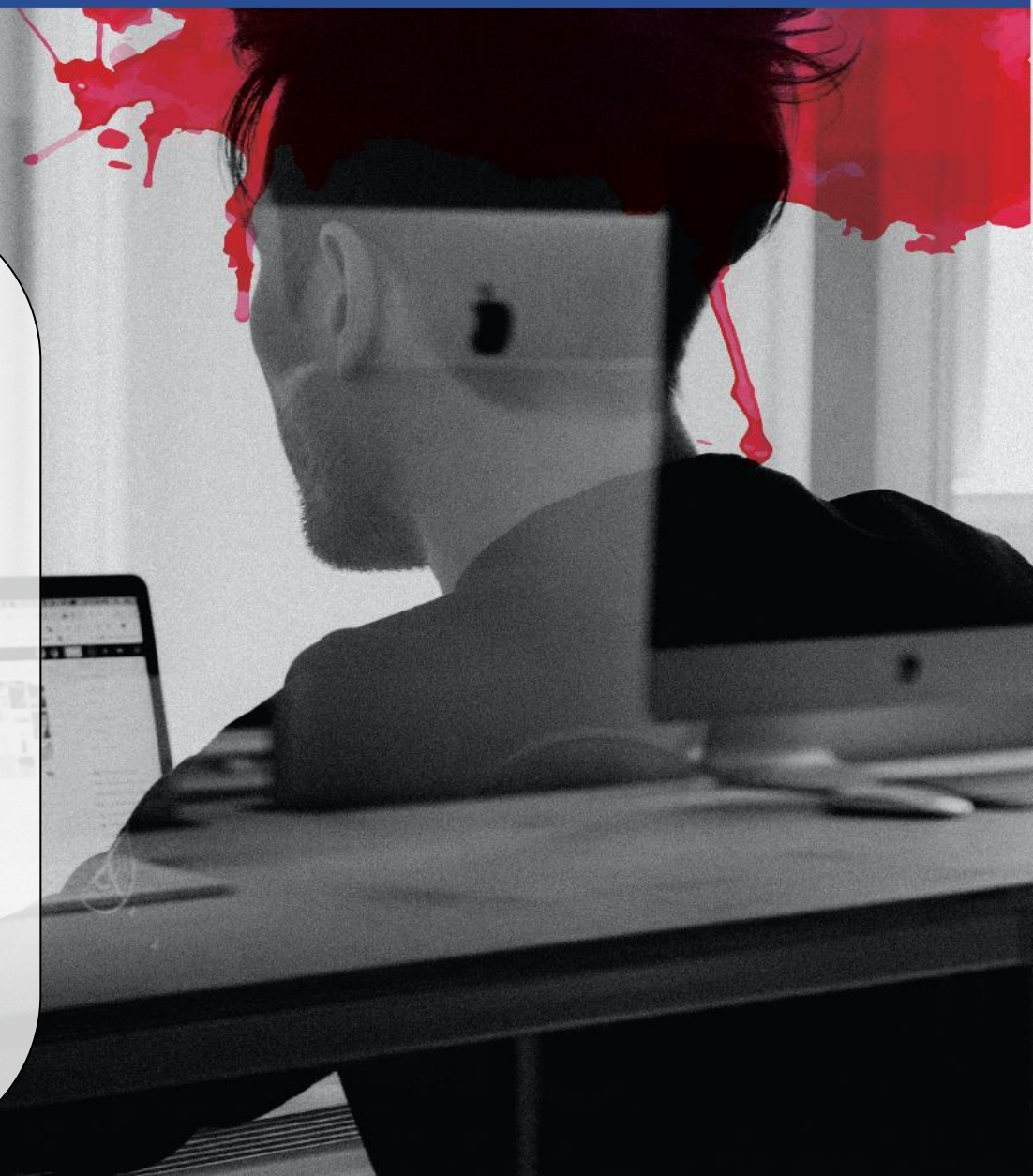
Module Key points

Key Point 1

Innovation and change are integral components in the strategy of an organization.

Key Point 2

When change is happening, people may not be able to perform at 100% of their capacity.



WELL DONE



You have completed Unit 5.3, Part A!



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