

Managing Change Exercise

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Building The Case for Change

The following are designed to help you think about some of the various challenges one experiences when managing a change process. As each of you works on your assigned case(s), you may identify new strategies or insights to help you think about change differently. In addition, building your capacity to analyze changes situations more will help the Country Office manage change more effectively. For each exercise, assume that proposed changes are clear and are what is needed. Also, assume that the SMT understands what the proposed change/solution is. You do not need to focus on coming up with a solution – the solution (a new system, a new structure, etc.) is provided in your scenario.

Your Assignment

You are the SMT member who has been assigned the responsibility for implementing a major change. Review the assigned case statements and identify some of the key issues so that you can influence/engage the CO SMT to support the proposed change effort. You will also be responsible for help to build commitment amongst staff in the Country Office. Please note that some of the strongest resistance may be coming from members of the SMT itself, and they may not be so easily convinced that they need to actively support the change. To help you begin the assessment process and strategize effectively please read the case and then respond briefly in writing, to the questions below.

1. Why is this change needed? What organizational issues/problems does this change seek to address?
2. Who are the two – three key stakeholders (the different categories of people who will be affected by this change) e.g. (senior management, middle management, staff in general, finance staff, etc)
3. Where in the organization (among which stakeholder group) would you expect to experience the most resistance to this change?
4. What types of resistance do you anticipate? What will the resistance look like e.g., passive support, fear/anger, sabotage of efforts, gossip, building support among resisters)?
5. What can you do to proactively manage the stakeholders who are resistant?
6. What would effective SMT support look like - what specific behaviors/actions do you need from your colleagues to address the resistance.
7. What type of personal support or assistance will you need to implement the change?

Scenario A

Organizational Downsizing

The Country Office has recently lost a \$5 million RFA, which will result in an immediate 30% decrease in the budget. In response, the Country Office Senior Management Team (SMT) has been meeting behind closed doors for the last month, and has decided to cut 30% of existing core and program staff positions (20 staff members) and reorganize its operational structures.

Everyone in the country office is aware of the financial loss and understands that some level of staff reduction will be necessary, but so far no formal communication has gone out about the extent of cuts, timing, etc. As to be expected, people are very nervous, and this has only served to exacerbate the rumors about who and how many jobs will be eliminated. Overall morale is low. Several key employees (that are keepers) have already begun looking elsewhere for work opportunities. Supervisors are worried about having fewer employees to do the same amount of work. Cooperation among units has greatly decreased, as everyone is concerned about their own future. And productivity is starting to suffer.

The Country Director understands the severity of this reduction and the importance of transparency in this process. At the same time, he realizes that this SMT has not demonstrated a strong track record when faced with tough human resources issues. In the past they have been accused of lack of information sharing, indecisiveness on major issues, making decisions in isolation, and “playing politics” favoring some staff over others.

In order to demonstrate change in the leadership and management style and minimize the trauma associated with this unfortunate budget reduction, the CD has asked a cross-section of individuals to form a task force to advise the SMT on proposed strategies for making this transition transparent, inclusive and as smooth as possible.

You have been chosen as the leader of this task force. You will be responsible for making a presentation to the entire SMT on their strategic roles and responsibilities in leading this organizational change. You will also need to help them understand where they are likely to encounter resistance. You recognize that several members of the SMT are not particularly excited about a task force coming together to advise them on executive decisions, particularly a group that is comprised of line management staff some of which might be affected by the final decision. However, the CD has given you this responsibility, and has promised to support your recommendations for the viability of the Country Office.

Scenario B

Implementing an HIV Policy

The Country Office estimates that a significant number of its staff is HIV positive or has family members that are HIV positive. In response to this, the CO implemented a new HIV/AIDS benefit policy last year. The policy ensures that all staff and immediate dependents will be covered for up to \$300/year for HIV related medical treatment. The policy also speaks to the rights of existing staff to be treated fairly and with dignity, and that all personnel decisions should be made without prejudice based on health status.

Though the policy was rolled out a year ago, there have been relatively few employees who have come forward to access the benefit; and there have still been reports of discriminatory conduct among managers towards HIV/AIDS affected staff. The results of the recent climate survey showed that many staff were still not aware of the policy, and for those who were, there was still a strong hesitancy to reveal their health status for fear of risks to their career. In addition, the local health centers that served many CARE employees were being asked to endorse employee claims before any HIV/AIDS reimbursement claims are paid out. They are also required to reveal employees' HIV status to HR for record keeping, however there was a perception that this information was not being kept confidential.

As the leader of the CO support team, you were responsible for developing and rolling out this policy. It is clear that this policy is not being adhered to on many levels, and that staff concerns about this policy are outweighing any benefit it may provide.

You believe it is your team's responsibility to bring this to the attention of the SMT. The current policy does outline consequences for discriminatory practices and breaches in confidentiality – but they need to be enforced. Likewise, all staff need a greater understanding of the policies and the benefits that are available for them and their families. Finally, the organization needs to make an effort to increase the level of trust among staff to be candid about their needs and rights.

As members of the support team, you know that one member of the SMT was recently diagnosed as HIV positive. That person is the one who approached your team about the need to address this issue. None of the SMT members know of his status, and he would like it to remain that way. You will be responsible for making a presentation to the SMT proposing how the leadership team needs to both reinforce and support this policy, and how to address current staff concerns pertaining to discrimination and lack of confidentiality.

Scenario C

Restructuring The Procurement Function

The Country Office has experimented with different ways of managing the procurement function. Initially, procurement was centralized at the main office, and all requests from sub-offices for contracts, equipment, and supplies had to come through this central unit, and were processed manually. As the number of sub-offices grew the volume of requests increased, and the Jambo-Sana main office was not able to deliver goods in a timely manner. As a result, three years ago, the function was decentralized, giving all sub-offices complete autonomy over purchasing and vendor contracts.

In the beginning of this fiscal year however, the decision was made to go back to a centralized structure. This was due to the gross inconsistencies in vendor selection criteria, monitoring of purchasing expenses and management oversight. Sub-offices were not following the proper ordering and procurement procedures, and there seemed to be no accountability to follow procurement standards.

As the SMT member recently assigned the newly re-created Procurement Unit you are responsible for the management oversight of all procurement activities in the sub-offices and the main office. To simplify this process your team has come up with a new system that will automate and simplify procurement transactions for all sub-offices. A major benefit of this system is that it will still enable sub-offices to quickly procure the goods and services they need, while at the same time allowing for improved management and tracking.

The announcement of this new system went out one month ago with instruction that usage of it would be phased in. There has been considerable pushback from the sub-offices. Several managers have publicly denounced the new system as one more Jambo-Sana main office initiative in an effort to control the field where the “real” work is taking place. They see it as a decrease in their authority and rapid responsiveness to field needs. As a result, the sub-offices that have not even used the new system are already resistant to the idea. Right now, your unit is spending all its time chasing after others to get needed contract information.

In establishing this new unit, the SMT has been somewhat supportive. They have provided you with adequate staffing and expertise. They have provided training budgets for each sub-office. They have even sent out a couple of written communications early in the project expressing their support. The issue, however, is whenever they are in forums where negative talk of the new system arises; they refer staff to talk to the Procurement Unit because, “they know best.” This might seem like “support” from their standpoint, but it has truly undermined your ability to get sub-office management staff to own the system. You are now concerned that you are not going to meet your project goals, and it really will turn into just one more “Country Office Initiative.” The SMT has granted Procurement team space on the agenda at its next meeting to discuss this problem. During this meeting, you want to make sure they agree to more actively own and support this project, and help your unit to remove barriers of resistance.

Scenario D

Enhancing The Performance Management Processes

The Country Office has been sued three times in the past year as a result of staff “terminations without cause.” All three staff were terminated because of abuses to the paid time off (PTO) policy. Each individual, however, claimed that they received no warning that this was a performance issue. In fact, they complained that they were “sacked” for actions that they say are common place in the organization “everybody plays sick once in a while.” They believe that if they had been told that this was a problem up front, they would have had ample time to change their behavior. Fact is, many employees within the CO do take advantage of PTO, but there has been very little discipline throughout the organization for any type of performance issues. Employees do not even see this as a performance issue.

To make matters worse, the CD is new to the mission and to the role of country director. She has been with CARE for 20 years, but this is her first CD post, and she feels like she has a lot to prove both within the organization and outside. She is very upset about these inherited lawsuits, and blames HR for not protecting the organization from these types of risks. Because of their severity and the need to protect the organization in the future, she has you, as leaders of the HR department, to come up with recommendations for fixing the problem as an immediate priority.

After careful review, you have concluded that indeed there are some flaws in the current HR practices, specifically performance management. First off, adherence to policies is not even evaluated. Secondly, there is little consistency among managers in how they evaluate employee performance. Finally, there is no requirement that managers and staff discuss performance until the end of the year, which allows performance issues to go unchecked for too long.

Recognizing that these flaws can be addressed by changes to the process, a larger issue is the need for Country Office management and leadership to take a more proactive role in managing performance. You have tried to convince the previous CD of this to no avail. You are hoping this CD will be more receptive.

Your team has incorporated the changes to the performance management process, but now has to persuade the SMT to champion these changes in management behavior. It must be communicated that this is not just an HR responsibility. They must demonstrate effective performance management with their own direct reports, and set the example for all staff in the Country Office.