# Chapter 7
# Best Business Practices for Incorporating Change

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## ABSTRACT

*Organizational changes are made for business decisions that aim to improve performance and achieve short- and long-term strategic goals. The decisions to change are usually based on analysis of the organization, and success is evaluated by improving bottom-line performance. And many changes are unplanned. Despite all the preplanning, external factors can change or even divert the progress of the organization. Change is inevitable, and a good change management process can help ensure the potential for success.*

## INTRODUCTION

Change presents a challenge. In major transformations companies focus their attention on developing the best strategic and tactical plans. However, it is necessary to consider the human side of change management—the alignment of the company's (Intellectual Capital)—culture, values, people, and behaviors to encourage the desired results. Plans themselves do not capture value; value is realized only through the sustained, collective actions of employees who are responsible for designing, executing, and living with the changed environment.

If we were given a list of possible changes ahead that were positive in nature. Changes that would represent progress and improvement. It's likely that we would embrace all of them. But if the change requires us to change, we may find change harder to do. We don't really resist the change—we resist bring changed (Senge, 2018).

Understanding the Human side of change is critical for success. Leaders and employees need a clear understanding of what the change is, why the change is necessary, how it might affect them personally, and how they will benefit, either by better working conditions, higher wages, shares in the company, increasing of knowledge, etc.

Understanding some basic principles and the change process, will lead to success.

## CHANGE METHODOLOGY

There are a significant number of change management methodologies (CIOpages. com, n.d.). The leaders in the industry include, Areopa, Lewin's Change Management Model, McKinsey 7-S Model, Kotter's Theory, La Marsh Global, Satir Change Management Model. They all have a set common and unique principles and processes. One of the beliefs in the most successful model states that the easier it is for employees to move along on the change journey, the easier it will be for the organization to move toward success.

No one methodology fits every company, but there is a set of principles, tools, and techniques that can be adapted to most situations. Listed below or some of the most critical guiding principles. Using these as a framework, executives and employees can understand what to expect, how to manage their own personal change, and how to engage the entire organization in the process.

### Understanding Human Capital

- Whenever you share your vision and challenge people to achieve something greater, they will tend to fall into three groups. Typically, 25 percent of the people will support you, 50 percent of the people will remain uncommitted or uncertain, and 25 percent of the people will resist. On average 63% of leadership likes change while only 55% of employees like change (Murphy, 2016).
- Any significant transformation creates "people related issues." New leaders will be asked to step up, jobs will be changed, new skills and capabilities must be developed, and employees will be uncertain and resistant.
- Dealing with these issues on a reactive, case-by-case basis puts speed, morale, and results at risk. A formal approach for managing change — beginning with the leadership team and then engaging key stakeholders and leaders — should be developed early and adapted often as change moves through the organization. This demands as much data collection and analysis, planning,

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