

Introduction

In this executive summary, you'll find highlights of Melcrum's comprehensive report, *Delivering successful change communication*. To find out how to purchase the full report with an exclusive 15% discount, see the order form at the back, call +44 (0)20 8600 4670 or 1-866-MELCRUM, or e-mail info@melcrum.com

Change is a fact of life. It's a natural organizational response to competition and to shifts in the socio-economic environment, as well as being a route to gaining advantage and building business performance proactively. But organizational changes are complex – each stakeholder group has its own part to play and the most important of these are the employees, because, without employees there can be no organization. For the change to be successful, managers need to ensure that employees both understand and support it. It's not surprising that for many internal communication managers and practitioners, communicating change is perhaps the most demanding aspect of their work.

Delivering successful change communication is the latest report from Melcrum, which helps internal communication professionals understand and overcome the challenges they face when planning and implementing their change communication program.

This executive summary gives you an overview of what you'll find in the report's four chapters:

1. The psychology of change
2. The role of internal communication
3. Supporting key stakeholders
4. Successful change in action

Delivering successful change communication provides:

- **Exclusive case studies** – learn from the experiences of best-in-class organizations including Avaya, Ericsson, Ford Motor Credit, Her Majesty's Revenue and Customs, Intel, Mayo Clinic, Parcellforce Worldwide, Royal & Sun Alliance, Scottish Enterprise, Scottish & Newcastle, Shell, Sun Microsystems, Visa Europe and Vodafone
- **27 in-depth interviews with international thought leaders**, including Roger D'Aprix, Robert Schaffer, Andy Szpekman, Octavius Black, Linda Dulye, Gary Grates, Billl Quirke, Brendan McCann, Arnie Witchel, Christopher Hannegan, Angela Sinickas, David Ferrabee, Darren Briggs, Sally Harris, Colin Carnall, Kathryn Yates, Tony Quinlan, Jean Gomes and Nicholas Ranken
- **The latest thinking** to help you design and develop dynamic change communication programs that win the hearts and minds of employees during uncertain times
- **Top tips** to help you identify and capture best practice when it comes to planning, implementing and measuring the success of your change communication initiatives
- **Practical materials and tools** from leading organizations, which have secured strong buy-in and active involvement from their employees while their organizations have been restructuring, rebranding or changing ownership
- **Key insights** from experienced communication managers about how to build relationships with chief executives, senior leaders and other key stakeholder groups, and get them to add real value in the transition process

***Delivering successful change communication* gives you the tools to make a difference when you're planning and implementing change programs.**

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Case study organizations from the full report

Avaya	Royal and Sun Alliance
Ericsson	Scottish Enterprise
Ford Motor Credit	Scottish & Newcastle
Her Majesty's Revenue and Customs	Shell
Intel	Sun Microsystems
Mayo Clinic	Visa Europe
Parcelforce Worldwide	Vodafone

Thought leaders

Roger D'Aprix	David Ferrabee	Billl Quirke	Andy Szpekman
Octavius Black	Jean Gomes	Tony Quinlan	Arnie Witchel
Darren Briggs	Gary Grates	Nicholas Ranken	Kathryn Yates
Colin Carnall	Sally Harris	Robert Schaffer	Christopher Hannegan
Linda Dulye	Brendan McCann	Angela Sinickas	

1: The psychology of change

Change is a fact of life. Our personal lives are a series of endings and new beginnings. Relationships start and end, children are born, people die, we move houses, and change jobs.

In our organizations too, change is business as usual. In *The Management Agenda 2007*, a study of the issues facing managers in the workplace, the Roffey Park Institute asked respondents what were the biggest issues and challenges for their organization. For the third year in a row, top of the list was “managing change”. In the same study, 89 percent of respondents said their organizations had gone through structure and systems changes in the past two years.

During times of organizational change, employees can become less productive and question their job security. They're likely to go through a whole range of emotions and if the psychological aspects of transition aren't planned for and managed, the likelihood of achieving the promised benefits may be slim, and the risk to business performance high. In 2006, HM Revenue and Customs announced a five-year transformation program, which meant developing a framework for building and measuring employee engagement and buy-in to the organization's long-term change program, case study extract below.

The number one issue faced by managers is “managing change”

The Management Agenda 2007, The Roffey Park Institute

Her Majesty's Revenue & Customs: Communication underpins long-term organizationwide change

HM Revenue & Customs (HMRC) is the second largest UK government department, responsible for collecting direct and indirect tax and protecting the UK from illicit goods coming in at its ports and airports. It's also responsible for giving tax credits to those below income thresholds.

It was formed on 18 April 2005, following the merger of the Inland Revenue and HM Customs and Excise. The merger involved 100,000 staff – 80,000 from the Inland Revenue and 20,000 from HM Customs and Excise

Four key drivers for change

Although HMRC has fairly high productivity – it costs roughly 1 percent of revenue to run the department – the merger highlighted opportunities to improve efficiency and cut costs. In 2006, a five-year transformation program was announced, directed at consolidating the merger, improving productivity and delivering a better service to customers and stakeholders. Changes include significantly decreasing the size and therefore the cost of HMRC's estate and reducing its workforce by up to 25 percent by 2011.

Russell Grossman, head of internal and change communications, identifies four key drivers for change:

1. To bring in the maximum amount of tax that's due – i.e. to increase business productivity.
2. To meet customers' expectations – “For example, people expect to go online,” says Grossman. “They expect to be phoned back at different times of the day and night. In turn, we believe that if we understand what our customers want and respond to their needs, we can help them pay the right amount of tax and save more work for them and us.”
3. To meet employees' needs and preferences by transforming HMRC into a great place to work.
4. To produce efficiency savings by streamlining services and reducing staff numbers.

Discover what challenges internal communicators are facing when their organizations go through structural change, mergers and strategic transformation in response to competitive and socio-economic forces. Learn about the key theories that are driving change management and the impact that changes and their communication can have on employees' emotions and perceptions of the organization. Case studies from **HM Revenue & Customs** and **Intel Corporation** show how forward-thinking organizations are acknowledging these crucial factors in innovative approaches to change communication strategy. Expert insights and advice are provided by **Angela Sinickas, Sally Harris, Colin Carnall, Kathryn Yates, Tony Quinlan, David Ferrabee, Jean Gomes** and **Robert Shaffer**.

CASE STUDY EXTRACT

2: The role of internal communication

Research suggests most internal communication roles now include at least an element of change communication, but we're not convinced we're managing our change responsibilities as effectively as we could be. So where can internal communicators add value in change scenarios? What should we be doing to maximize our impact? How can we make the best use of our resources?

Communication planning needs to be based on a thorough understanding of the change concerned, the associated business issues and the impact on different stakeholder groups. It should also be underpinned by a solid development framework. The case-study extract below provides an overview of Sun Microsystems' "Knowledge, Attitude, Action (KAA)" model, while the extract overleaf summarises the five-step process developed by Andy Szpekman of the US communication consultancy AHS Communications.

"We focus on how people feel about the credibility of our leadership. If they believe in our leaders, they believe in the company."

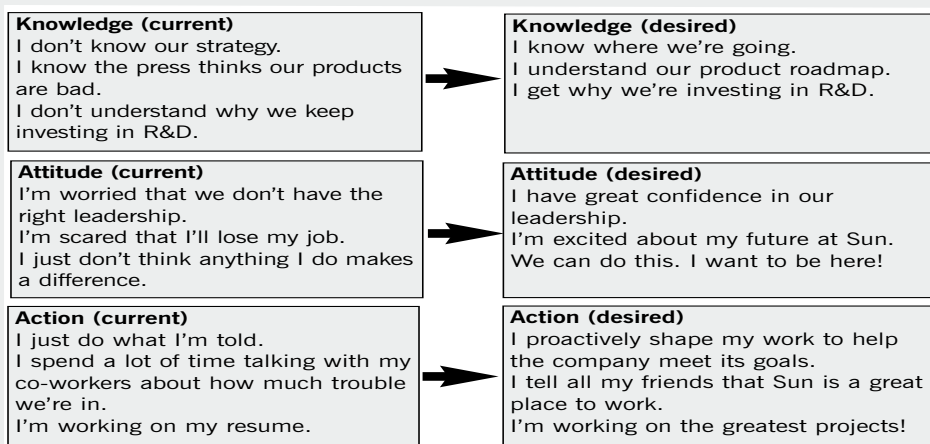
Terry McKenzie,
Senior Director, Global
Employee Communications,
Sun Microsystems

Sun Microsystems: How strategic communication supports leadership transition

In 2003, when Terry McKenzie, senior director, global employee communications, joined Sun Microsystems, the company was still smarting from the dot.com crash. Survival entailed a shift in strategic direction, which included a series of closures and layoffs that negatively affected employee morale and perceptions in the market and in the media...

McKenzie and her team responded first by creating a new charter for the global employee communication group, with the objective of building an informed, engaged and aligned workforce. "This charter has been a driving force for our group over the past four years, shifting our emphasis from tactical to strategic, business-relevant activities," says McKenzie. "We needed some basic tools to guide our work and help us think like change management professionals as well as communicators, so we developed a communication goal tool we call the KAA model: Knowledge, Attitude, Action." This innovative model (see below) underpins the delivery of the communication charter.

Sun's Knowledge, Attitude, Action model – strategy example



CASE STUDY EXTRACT

Find out how to develop structured, business-contextualised approaches to change communication, choose successful tactics underpinned by robust process frameworks and toolkits, and manage your communication resources so that you can accomplish your change communication program without having to sacrifice your day-to-day work. Read case studies from **Sun Microsystems, Vodafone, Shell, Intel Corporation, Ford Motor Credit** and **Ericsson**. Plus get expert advice from **Nicholas Ranken, Andy Szpekman, Octavius Black, Linda Dulye, Gary Grates** and **Jean Gomes**.

Andy Szpekman: Five steps to a successful change management

According to Andy Szpekman of US communication consultancy AHS Communications, five steps can help the internal communications department ensure the smooth progression of change communications. Outlined in his change communication model depicted below, these steps, Szpekman says, offer companies the best chance of altering employees' perceptions and beliefs.

The importance of relevant communication

"If all change is given equal weighting and communicated to employees regardless of whether it affects them or not, communication becomes background noise," Szpekman warns. "Internal communicators must consider the business objectives behind the change and how employee communication fits into achieving these objectives."

He stresses the importance of customizing communication based on what employees need to know: "The mistake is in blasting out mass communication under the assumption that everyone wants to know all things. In reality, most people feel overwhelmed with information and are more concerned with teasing out the bits that are

relevant to them."

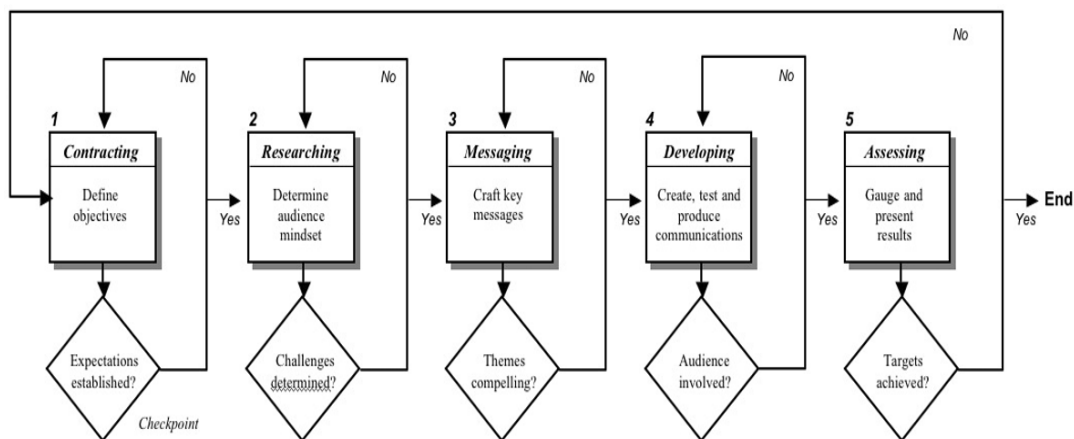
Target your message

Matching your message to the audience is key, Szpekman advises. For instance, if one group of workers are being made redundant, communication with them should differ from communication to the rest of the company. Employees to be made redundant are likely to be interested only in their personal situation and factors such as outplacement and severance benefits.

"A common mistake," says Szpekman, "is to give people a detailed explanation of why they are losing their jobs. At this point they couldn't care less about changing business conditions or why job eliminations are in shareholders' best interests. Employees remaining with the company, however, might have more interest in such topics, particularly as they relate to future job security."

Szpekman has developed five steps to help companies define and communicate a message (see figure below).

Five steps to a successful change management



3: Supporting key stakeholder groups

Leaders have a critical role to play in managing change. And it involves more than explaining what's happening and why from a set of PowerPoint slides. From role modeling new behaviors, to storytelling, to understanding how to support their team through transition, we ask a lot of leaders. How can we best support them? And where else in the organization should we be forming closer working relationships?

While every leader in our organizations has a role to play in managing change, the CEO is the leader people ultimately follow. So the signals they send are crucial. As at Shell (case-study extract below) they demonstrate just how successful an employee behavior change program can be when an internal communication team and CEO work closely together.

"We operate in a highly competitive, fast-moving market. We need to make sure people know where we're going and what they need to do to deliver our strategy."

Helena Norrman,
Vice President Internal
Communication, **Ericsson**

Shell: Maintaining a balance between the role of leaders and communicators

Internal communication is now a well-established specialisation in most organizations, often carrying specific job titles and clear role expectations. But does this special role let leaders "off the hook" in terms of their communication responsibilities, particularly during times of change when communication is essential for obtaining buy-in from employees and, perhaps, altering their behaviors? Anthea Cudworth, global internal and management communications manager at Shell, is helping leaders understand the balance point between their responsibility for communication and that of the organization's communication specialists.

Focus on leaders

Cudworth says that a key role for the internal communicators throughout all the changes has been to help Shell's leaders understand the inherent value of employee communication. They were shown how it can motivate people and contribute to company performance. "We do this by demonstrating why managers should care about employee communication and how they can communicate effectively," she says. "Our strategic aim is to demonstrate to leaders the importance of employee communication and their role as communicators," Cudworth says.

An important element in the communicator-leader relationship is to maintain a balance between the two roles. "Often leaders assume, because they have a communication team, that their communication is provided for. So we need to remind them that communication competencies are embedded in their performance criteria."

But Cudworth realized that leaders' performance criteria alone are not enough and that it's necessary to explain to leaders why communication is so important in contributing to company performance. The communications leaders went suitably armed with persuasive information, beginning by exposing the perception gap when it came to leadership communication performance. This included results from Shell's half-yearly communications effectiveness survey, which showed what staff thought about their leaders as communicators. The diagnostic measures the credibility of senior leaders' communication by analyzing their ability to "walk the talk". Cudworth's team questioned staff about senior leaders' communication capabilities. "We could look at the numbers and see they were not what the leadership would have wanted them to be," she reveals.

This article will also examine how Shell dealt with issues including:

- Getting the support of the chief executive
- The executive committee and other senior leaders
- Communication professionals as trusted advisors
- Measuring success
- Measuring behavior change
- Difficult audiences

CASE STUDY EXTRACT

Meanwhile, helping managers deliver change remains key and, as the Mayo Clinic (case-study extract below) points out, adopting a structured and synchronized approach and keeping an eye on what has been successful and not so successful can help improve the approach in the future.

Mayo Clinic: Training managers to support employees during change

Mayo Clinic is a not-for-profit medical practice dedicated to the diagnosis and treatment of complex medical problems in every speciality. It employs 51,000 people, including physicians, medical scientists and health and administrative workers, and treats more than half a million people each year.

The organization is so big that change tends not to be global, but rather affects different parts at different times. Communications manager Amy Davis has used the change curve to guide communication around the various changes and create some tailored tools and guidance to enable supervisors to support employees facing specific changes.

A CONSISTENT AND COORDINATED APPROACH

A key challenge is maintaining a consistent and coordinated approach to change communication through the organization. "As our overall approach is centralized, we can coordinate our communication efforts and use change management tools and tactics to help managers and supervisors plan and deliver communication around upcoming changes," says Davis.

Tips on successful communication change

1. Use face-to-face communications. Putting leaders in front of employees to provide information and answer questions helps them gain credibility with employees. It can go a long way toward alleviating stress for employees and keep them focused on the business.
2. Communicate, communicate, communicate. Don't stop. Don't lull. Employee stress levels aren't pausing.
3. Be aware of employee anxiety. When a significant change is announced, employees will be focused on themselves and their futures with the organization. Anxiety will shift their attention from doing their jobs and the company, so communicate with them to help them through this time.
4. Don't lie. When employees ask questions, don't lie. If you don't know the answer, get it for them. If the answer to a difficult question is unknown, don't be afraid to say, "I don't know." Employees will appreciate the honesty.
5. Use FAQs and talking points. Share talking points with supervisors and keep FAQs current to make sure everyone has the same source of information. Consider posting information on your intranet site as a great way for instant information and a place for employees to ask questions.
6. Listen. It's easy for leaders to get into a "tell" mode and forget to listen for reactions, discussions and emotional hot points.

This chapter shows you how to work more closely with your CEO and senior leaders, to help them understand the impact of the change and the process their teams are likely to go through. It also provides essential insights into how to train and support line managers more effectively, so they can bring the change program to life for employees. Packed with expert advice and practical tips from **Darren Briggs, Bill Quirke, Brendan McGann, Sally Harris, Jean Gomes** and **Christopher Hannegan**, and there are also extensive case studies from **Shell, HM Revenue & Customs, Mayo Clinic** and **Ericsson**.

4. Successful change in action

Theories of change can give us a good general insight into the reactions we can expect from people and the factors that make the difference in managing transition effectively. But every situation is different, and the approach has to be right for the organization and the change scenario concerned. So what does successful change communication look like in practice? What can we learn from how other organizations do things?

Technology moves so swiftly these days that, inevitably, organizations have to introduce new HR, financial and customer-management systems from time to time. Meanwhile, as organizations grow through mergers and acquisitions, they often need not only to consolidate and integrate systems, but also to reshape its senior leadership teams and develop whole new strategic objectives for the resulting business – the results of which could be perceived very negatively by employees. Scottish Enterprise (case-study extract below and overleaf) shows how organizations have been successfully meeting the challenges of communicating change during these difficult situations.

Scottish Enterprise: Pushing through a major change program

Tom Brannan of communication and marketing consultancy YesCity assisted Scottish Enterprise to achieve buy-in to a major new system and to embed it into the organization.

Action and reaction

Scottish Enterprise was running numerous customer contact management systems across its locations. There was no comprehensive view of a customer, nor any truly effective way of reviewing and managing customer interactions. The potential benefits of a single system were assessed and calculated; the financial gain promised to be very significant.

The decision was taken to move ahead – and to do so as rapidly as possible. A Customer Relationship Management system was sourced and installed. Inevitably, given the speed of implementation, there was considerable adverse reaction from staff. The new system necessitated changes in their ways of working, and it heralded a major shift in how their performance was to be measured.

Brannan and his team were appointed to help overcome the barriers to acceptance.

Understanding the issues

The starting point was to identify the real issues. For example, many employees argued that their previous system (one of the many) was better than the new one. The truth is that they had always complained about the old system – irrespective of which of the many they personally had been using – but it had been familiar. They had been taken out of their comfort zone and, they felt, with relatively little consultation.

There was, however, a general feeling that some key functionality had been lost.

The second key issue was a lack of cohesion amongst senior managers in dealing with the introduction. Indeed, several were themselves highly critical.

Tackling the change

The change strategy fell into three broad parts: resolve the immediate issues, create a team to “own” the system for the future, then hand the system from the project team into the business – with a process for embedding it already in place.

CASE STUDY EXTRACT

> Read the full case study in the report, including the key activities undertaken by **Scottish Enterprise** and the outcome of the change program.



Delivering Successful Change Communication

Executive Summary

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