MEETING THE CHALLENGE

MANAGING CHANGE IN THE NINETIES

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Canadä

Preface

This research study focuses on determining the principles underlying effective change management practices, and identifying the specific management competencies, attitudes and behaviours essential to that process. The knowledge and insights gained will serve managers in both the public and private sector who are responsible for initiating significant change efforts in their own organizations.

This report is based on the work of more than thirty managers who recently participated in an innovative executive development program jointly designed and administered by The Conference Board of Canada and the Canadian Centre for Management Development. These managers dedicated much time and effort to benchmark the change management practices of twelve public and private sector organizations, which have made a considerable contribution by sharing their experiences in this manner.

James R. Nininger, President
and Chief Executive Officer
The Conference Board of Canada

Ole Ingstrup, Principal
Canadian Centre for
Management Development

About the Canadian Centre for Management Development

The Canadian Centre for Management Development is a learning centre for the executives of the Public Service of Canada. Through a program of courses, executive briefings and publications, the Centre improves the knowledge and skills that respond to change and manage government programs, services and personnel. In particular, the Centre focuses on improving the ability of executives to lead, to manage diversity, to innovate and to provide high quality service to the public. The Centre also conducts research into the theory and practice of public sector management and encourages a greater awareness in Canada of the issues related to public administration.

About the Conference Board

The Conference Board of Canada is an independent, not-for-profit research organization with affiliates in the United States and Europe. Our mission is to help our members anticipate and respond to the increasingly changing global economy. We do this through the development and exchange of knowledge about organizational strategies and practices, emerging economic and social trends and key public policy issues. Since 1954, the Board has been committed to researching innovative practices, designing new strategies and providing our members with the most up-to-date information, analysis and expertise to help them excel in Canada and around the world.

Highlights

- Organizations have to develop the infrastructure necessary to plan, implement and sustain their respective change strategies.

- A clearly articulated and communicated vision can provide a real focus for the organization and a rallying point for employees.

- There is no question that the C.E.O. and senior executive team play a critical role in both initiating and sustaining the change management process.

. It is only when employees truly understand the need for change, the direction set, and are actively engaged in the process that change can happen.

- It is imperative that we view the successful management of change not as a one-time event, but rather as a continuous way of doing business.

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THE CHALLENGE

Organizations have always had to face change, but today's environment is characterized by a significant increase in the rate, scale and complexity of change. This trend is so pervasive that it is now common to define organizational effectiveness in terms of management's ability to contend successfully with the manifest uncertainties of that continuous change. Change is a natural process and no organizations are immune from its effects. The challenge is to deal effectively with change as part of a formalized and systematic organizational process.

Faced with this reality, managers frequently function in a purely reactive mode struggling to respond to the latest threat rather than effectively adapting to change, because few organizations have the structures or processes in place that will allow them to cope.[1] Adopting proactive strategies for managing the issue requires better understanding of the fundamental principles involved, and managers must develop the appropriate skills, attitudes and behaviours if they are to become effective change agents. To be successful, organizations must develop the capacity to exploit the opportunities created rather than merely become adept at avoiding the worst consequences of change.

In response to this demonstrated need, the Canadian Centre for Management Development and The Conference
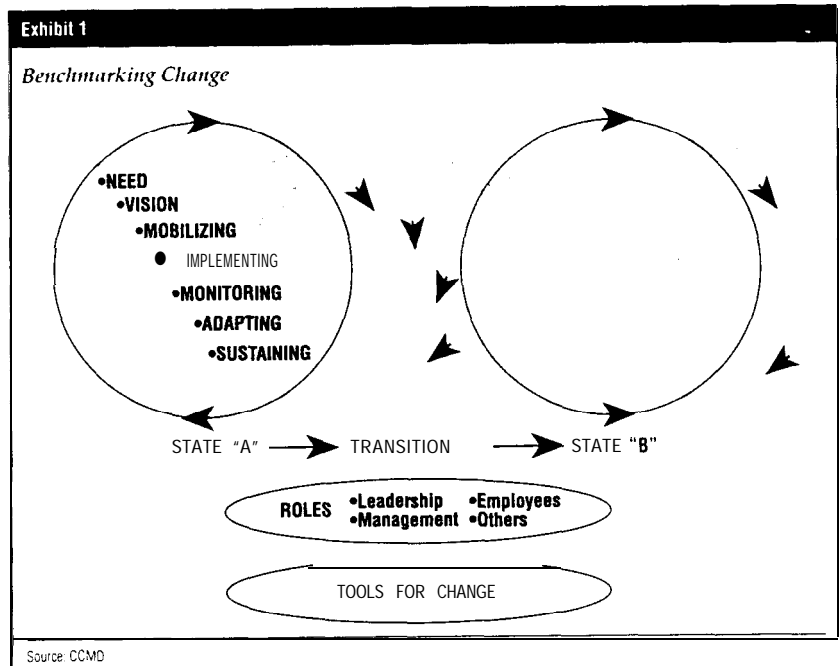
Board of Canada recently sponsored an action-learning program that involved benchmarking successful change management practices in the public and private sectors. This initiative has served to enhance our substantive knowledge with respect to how Canadian organizations are managing change, and provided an invaluable executive development program for organizations in both sectors.

BENCHMARKING CHANGE

The intent of the program was to investigate how organizations have managed large-scale, complex change processes. While the context within which a particular organization operates will largely determine corporate strategy and the specific means employed to achieve change objectives, the process by which organizations plan and manage change initiatives may be successfully applied by others.

The specific focus of the study was to determine the fundamental principles underlying effective change management processes and identify the specific management competencies, attitudes and behaviours that are essential to making those processes work successfully. These principles and factors transcend industry or sector, and this program offered a unique opportunity for managers in the public and private sectors to learn from each other.

Exhibit 1

Benchmarking Change

STATE "A" ⟶ TRANSITION ⟶ STATE "B"

ROLES •Leadership •Employees
•Management •Others

TOOLS FOR CHANGE

Source: CCMD

PROGRAM DESIGN

This program was, in essence, a strategic benchmarking exercise, which Gregory Watson defines as a "systematic process for evaluating alternatives ... and improving performance by understanding and adapting successful strategies." Strategic benchmarking is useful when considering fundamental changes to the organization as a whole, and it is a learning process that supports other benchmarking activities dealing with specific operational issues.*

The program was designed in three distinct phases involving a combination of learning methods including a conventional presentation format and action-learning techniques. Teams comprised four to six senior public and private sector managers currently responsible for managing a change activity or acting as a change agent in their own organizations.

The first phase saw the formation of six benchmarking teams and provided participants with the necessary background in change theory, the context for change, the role of leadership, and a common framework for analyzing organizational change. Because each team would visit only two organizations, it was essential that teams apply a common diagnostic framework to ensure consistency in reporting and to maximize the cross-team

learning. This phase of the program also provided the opportunity for team building, which is critical in this type of exercise.

The second phase involved each team visiting both a public and private sector host organization over a five-day period. In all, six teams studied twelve host organizations selected on the basis that each had recently been involved in successfully managing a large-scale, planned change activity which significantly affected the entire organization. These organizations are generally recognized as being on the leading edge of management development and organizational effectiveness within their own milieu.

Finally, the benchmarking teams participated in a two-day debriefing session where they presented their findings to the other teams and representatives from the host organizations. This phase of the program was necessary to synthesize the findings, facilitate cross-team learning, and provide the material for this report.

THE DIAGNOSTIC FRAMEWORK

There are many ways to look at the change process itself. One of the simplest is Kurt Lewin's model of unfreezing/refreezing corporate culture, which has been a staple of traditional change management, while other models of resistance to change focus on equilibrating mechanisms at work in the organization.[3] There is no consensus that any one model is demonstrably superior, although models that better capture the dynamics of change and emphasize the need for acceptance of continuous learning and improvement, flexibility, and anticipation of new opportunities may be more appropriate in today's environment.

> Models that ... emphasize the need for acceptance of continuous learning and improvement, flexibility, and anticipation of new opportunities may be more appropriate in today's environment.

We elected to apply a model that was largely based on General Electric's *Change Acceleration Program.* This program has been effective in developing GE's change agents through formally sharing the company's accumulated learning

about the change process.[4] The emphasis is on determining the roles played by key stakeholders and identifying the tools for change used in specific change inititatives.

Exhibit 2

The Diagnostic Framework

The Need for Change
- **the internal and external environment**
- **the drivers** for change and type of change

Vision
- the desired outcome
- the process for selecting priorities

Mobilizing Commitment
- developing organizational capability
- overcoming resistance to change

Implementing Change
- planning/transition/action

Monitoring Progress
- developing appropriate measures for assessing effectiveness of action

Course Adaptation
- acting on the feedback and changing course

Sustaining Change
- entrenching change in the organization

Source: CCMD

KEY FINDINGS

The Need for Change

The need for change in most of the twelve organizations was, essentially, forced by negative drivers such as substantial financial losses, declining market share, reduced funding in the public sector, or generally adverse market conditions. Only four organizations initiated significant change initiatives when operating in a generally positive environment.

Negative drivers often appear to lead to the adoption of relatively focused change strategies such as identifying and building on core business competencies or developing high performance work processes. In effect, competitive pressures create a "burning platform," which causes organizations to concentrate their primary effort on improving existing management systems and operational processes.

In contrast, organizations responding to positive drivers appear to adopt more generalized change strategies that involve seeking to expand product markets or to expand operating mandates. These organizations generally enjoy the flexibility

> All organizations have to develop the infrastructure necessary to plan, implement and sustain their respective change strategies.

and have the resources necessary to invest in new products and services, and to exploit opportunities otherwise as they are identified.

Notwithstanding this fundamental difference, all organizations have to develop the infrastructure necessary to plan, implement and sustain their respective change strategies. In this respect, the organizations studied were all engaged in similar activities, were required to exercise the same discipline, applied many of the same tools for change, and encountered similar frustrations.

The Document Company – Xerox

In the early 1980s, after the expiry of its patents, Xerox lost 40 percent of its market share within five years. After extensive benchmarking it was detennined that Japanese competitors were performing better in essentially all aspects of the business and were delivering products to the consumer at Xerox's cost of production.

Ault Foods Limited

Ault is one of North America's largest dairy foods producers in an industry where most competitors are relatively small and localized. Ault's C.E.O. saw an opportunity to expand beyond the Canadian marketplace through innovation, quality products, and highly skilled resourceful people. His leadership and vision of the future were the prime movers for change.

Vision

Much of the change management literature places considerable emphasis on the importance of having a corporate vision. The role of the leader in creating the vision is also central to much of the discussion. Rosabeth Moss Kanter characterizes "change masters" as the people "with the ideas that move beyond the organization's established practice, ideas they can form into visions." She goes on to state that "the concepts and visions that drive change must be both inspiring and realistic."[5] However, visions need not be profound nor leaders inspirational to achieve strategic change objectives.[6]

> **New Brunswick Department of Economic Development and Tourism**
>
> *Driva by Frank McKenna's vision of making New Brunswick self-reliant through fundamental change in the way government does business, the department's deputy minister recognized that this recently merged department needed to focus on output, not process.*
>
> *He moved the department along the way, guided primarily by a single principle: continue to be responsive to the changes in the market. A new management system was established that clearly Linked employee performance expectations with measured outputs that contributed to corporate objectives.*

We found evidence to support the view that a clearly articulated and communicated vision can provide a real focus for the organization and a rallying point for employees. However, we also saw instances where the stated corporate vision was not embedded or even really clearly understood at most levels of the organization, and yet there was little evidence of any negative impact on operational results or change objectives.

University of Alberta Hospitals

Seeing a system bombarded by the escalating cost of health cure, increased demand and reduced funding, the UAH's C.E.O. recognized the need for fundamental change. He mobilized his management team and employees behind the vision of UAH being "a leader in creating the future."

That future is a better health care system made affordable through continuous improvement and process re-engineering rather than closed hospital beds; a system based on co-operation, collaboration and cohesion where employees are fully involved, empowered and accountable.

There is no question that the C.E.O. and senior executive team play a critical role in both initiating and sustaining the change management process.

In the final analysis, success in managing change appears to be far more dependent on how management actually deals with mobilizing commitment and otherwise sustaining the change effort. Vision may be an important element, but it is leadership, not a formal vision statement as such, that drives the organization to achieve change objectives.

Mobilizing Commitment

There is no question that the C.E.O. and senior executive team play a critical role in both initiating and sustaining the change management process. These individuals assume the responsibility for providing the necessary leadership by articulating the vision and setting a clear direction for the organization.

They demonstrate their continuous commitment to the chosen change strategy by means of consistent action premised on a well-defined set of values and principles. When necessary, they

change their own behaviour to demonstrate that the change process includes everyone in the organization. They involve people through the extensive use of project teams, which serves to mobilize commitment behind the change effort. Finally, they work to create an environment where leaders can be developed at all levels of the organization, thereby providing the capacity to sustain change.

Whether the change process was carried out through consensus building or exercising the charismatic power of the C.E.O., we found that organizations adopted a cascading approach to mobilizing commitment. Each subordinate level of management was presented with the strategic change objectives, provided with training and support where necessary, and made responsible for developing operational plans consistent with those objectives.

While there was evidence of resistance to change in all cases and many instances where senior management were forced to leave organizations, it seems clear that a cascading approach is the only feasible way to ensure that managers and staff are

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Boulangeries Weston Québec inc.

When Gaétan Lussier was appointed C.E.O. of Weston's, the company was experiencing a significant loss of revenue and market share. Its plant was obsolete and the union-management relationship was characterized by distrust and conflict. His mandate was to turn the business around and regain the company's place as the market leader in Quebec.

Lussier's leadership was the catalyst that mobilized management, employees and the union behind the change effort. From the beginning, he established his credibility by being open with everyone about the situation facing the company, and being fully consistent in his words and actions.

aligned behind the change strategy. Alignment is necessary for demonstrating the corporate commitment to change and to the process of changing management behaviour. It is only when management behaviour is consistent with the stated direction and values of the organization that employees are more able to accept both the need for change and the change strategy adopted.

GE Motors

GE Motors had been a high-ouerheao!, underutilized plant slow to respond to the market, managed by staff with a traditional mindset engaged in a traditional adversarial relationship with its unions.

Acting on the vision of General Electric's C.E.O. Jack Welch, this business unit now seeks "boundaryless" behaviour where the focus is on teams, training, visible goals and results. The organization seeks to ensure that all employees have the encouragement and opportunity to develop and contribute their talents to making "their" business #1. Results from the company's regular employment inuolvement survey indicate that GE Motors is achieving demonstrable success in that regard.

B.C. Systems Corporation

The Corporation has worked with external consultants to develop the "Heads Up" program, which is designed to help employees cope with change, and the "Leadership Conference," which is geared toward the needs of managers.

The Heads Up program is focused on exploring some of the behaviours employees are expected to operationalize in B. C. Systems as a result of the ongoing business redesign effort. The Leadership Conference also emphasizes a strong behavioural element to ensure that management behauiour is consistent with business direction.

> A cascading approach offers the opportunity to increase employee involvement and to develop a common vocabulary in the organization.

A cascading approach also offers the opportunity to increase employee involvement and to develop a common vocabulary in the organization. As lower levels of the organization are "brought into the loop," there is often a shift in focus from the corporate strategy to the operational implications of that strategy. Throughout this process, all employees necessarily start using the same vocabulary to describe where the organization is going, and this contributes to the development of a common sense of purpose.

To mobilize the commitment of all employees effectively, there must be recognition that individuals respond to change differently and are not equally receptive to change at the same moment in time. Where organizations provided employees with the appropriate training and support, and treated all employees equally in terms of respecting their need to adapt to the new environment, we saw evidence of high levels of employee commitment and participation.

Implementing Change

Prior to developing the change strategy, it is essential that management give full consideration to the role to be played by all stakeholders in the organization and the impact of change on them. Without this understanding, the best implementation plan is at risk.

> In the final analysis, it is *employees* who allow an organization to realize its change objectives.

In the final analysis, it is *employees* who allow an organization to realize its change objectives. It is only when they truly understand the need for change, the direction set, and are actively engaged in the process that change can happen. Faced with a "burning platform" in particular, most will be responsive to new approaches, but it is only when the infrastructure and support mechanisms are in place that they can give their support to implementing change.

Middle managers tend to be placed under the most pressure and experience the highest degree of stress when change strategies are implemented. Comfortable structures and processes are replaced with new roles and responsibilities, and they often feel caught between employees challenging the change process and executives driving it. Host organizations generally conceded that they were not certain they were providing the necessary support to the middle-management group.

The importance of *stakeholders* in supporting the change strategy should not be underestimated. In the first instance, the C.E.O. must have the confidence of the organization's principals because the change process is long and difficult. There will be setbacks along the way and operating performance may not meet expectations within the period desired. Without that

confidence, the senior management team will simply not have the time necessary to mobilize commitment or build the infrastructure essential to sustaining change in the organization.

Finally, the role of unions cannot be ignored. Where management recognizes the union's legitimate interests and does not attempt to compromise its status, there are the beginnings of a positive relationship. Where organizations demonstrate that they are prepared to deal openly and honestly with unions, management's credibility is enhanced and it is possible to implement change with greater assurance of success.

Once these factors are understood, it is possible to design the change strategy. In most cases studied, organizations adopted a comprehensive planning framework focused on goals and outputs that were explicitly linked to the corporate strategic direction. To a greater or lesser extent, all organizations identified appropriate metrics for measuring progress

> *After developing the strategic plan for transforming the corporation, it was necessary to cowider how to implement those changes. Marine Atlantic chose to adopt a performance management program developed by an Atlanta-based consulting firm, which focuses on achieving measurable results by means of empowering employees.*
>
> *Employees are provided with the training necessary to plan, measure and assume responsibility for their actions. The program also has a strong behavioural component and employees are taught decision making, problem solving and conflict resolution skills. Each employee is given an "empowerment card" which authorizes employees to use their own good judgment when responding to customer needs and problems.*

and established the use of milestones, which introduced discipline to the process.

All organizations developed comprehensive communications plans to ensure that employees understood the corporate direction and their role in achieving corporate objectives. Most demonstrated a serious commitment to training all employees with respect to coping with change, as well as the development of process and technical skills. In a number of cases, this required significant increases in the training budget in support of the change effort.

They also focused on breaking down boundaries by building effective cross-functional teams and developing corporate programs that cut across those organizational lines. They created

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Syncrude Canada Ltd.

Historically, the company has provided substantial technical training to employees, but is now complemating this with a focw on "soft" skills such as leadership and change management. Over 800 managers and supervisors have participated in leadership training, starting with the C.E. O., Eric Newell, and the senior management team. This approach is considered essential as Syncrude moues from a 'direct and control" to a "'coaching and leading" environment.

Canada Communication Group

Previously best known as the Queen's Printer, the CCG is now a Special Operating Agency (SOA) that competes with the private sector for federal government business. To survive in this environment, it has focused on total quality and vision/values-based operating principles. To support this effort, the CCG has significantly increased its training effort from 1.4 days to 5.3 days a year per employee.

> Risk taking was encouraged and serious attempts were made by management to learn from both successes and failures.

high levels of employee involvement and empowerment with signiftcant degrees of employee accountability. Generally, there was transparency in terms of roles, processes and results rather than a hidden agenda at work. Risk taking was encouraged and serious attempts were made by management to learn from both successes and failures.

NOVA Corporation of Alberta

One mechanism used to operationalize change at NOVA is the establishment of councils that integrate functions, leverage resources and optimize business results. Councils are composed of senior members representing each business and from various functions with a clear mandate. They are empowered to address specific business issues in an integrated fashion. They serve to create a mindset where people naturally work together across NOVA's business functions and respond to issues in the best interest of the corporation at large rather than the needs of a specific division.

In those cases where the change strategy had been implemented for some time, we had the opportunity to see what organizational change might actually look like. Employees felt they had *real involvement in real decisions*. Employees and managers used the same language and were focused on the same objectives. Performance objectives were clearly understood by all employees because the operational metrics used were meaningful and highly visible.

Monitoring Progress

In many respects this aspect of managing change is

Monitoring progress is essential if the organization is to achieve its change objectives.

both the most straightforward and most difficult to carry out effectively. Where change initiatives are comprehensive and affect the entire organization, traditional corporate performance indicators relating to sales and profitability are subject to a great deal of interference, and the relationship between cause and effect is extremely unclear. However, once the appropriate measures are identified, it is relatively easy to institutionalize their use within the organization.

It is also apparent that monitoring progress is essential if the organization is to achieve its change objectives. An organization needs effective measures to know where it has been and where it is going. Those measures must be focused in terms of linking operational processes with results. They must be simple, accurate, credible, timely and highly visible throughout the organization. Finally, there must be an ongoing review process in place that checks milestones attained against actual results.

In addition to traditional operational performance measures that are generally

Boulangeries Weston Québec

The commercial nature *of the* business made *identifying objectives and appropriate measures based on a quality management program relatively easy. Accounting by activity was adopted to measure the viability of each product,* and *concrete quality and performance standards such as rejection rate are clearly posted throughout the plant.*

However, the most important factor is that employees actually understand the significance of these measures. They understand that the profit lost due to the rejection of one loaf of bread can only be recovered by producing five additional loaves.

still valid, complementary measures can be established in consultation with both employees and customers. Once established, these production and quality standards must be regularly assessed and evaluated to ensure that they remain meaningful to the organization. The involvement of customers in identifying those measures will serve to make those measures relevant where it ultimately counts. The involvement of employees in this process will serve to sensitize workers to the critical issue of cost and the impact of quality on customers.

Regularly measuring the response of employees along a number of dimensions, including general satisfaction levels and response to specific change initiatives, was almost universal among the organizations studied. Insofar as it is employees who are often most immediately affected by change initiatives, it is reasonable to expect that they can provide early indications of

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Ault Foods Limited

For the last five years, Ault has been applying a "Human Resources Index" to measure the value and quality of human resources in the company. The HR Index has bea rigorously tested over this period and Ault has demonstrated that there is a significant relationship between **index** *results* **and** corporate *performance at the operating level. Management has wed this tool as a measure of employee response to change initiatives and as an indicator of the need for human resource management intervention.*

B.C. Systems Corporation

The Corporation has established a customer focus group composed of its largest government users which provides an effective means for the corporation to identify current customer needs, deal with issues relating to rapid technological change, and respond to sources of customer dissatisfaction.

> Customers are becoming increasingly more sophisticated and this creates the need for ever faster feedback with respect to their wants and needs.

success or failure in achieving change objectives.

Aside from employee climate surveys, other means of determining employee response to change include reporting employee involvement statistics, introducing 360-degree feedback in the performance management system, and formalization of employee advisory boards. In some cases, management is held specifically accountable for employee satisfaction levels and mechanisms are in place to link employee satisfaction explicitly with operational performance.

Customers, including internal customers, are becoming increasingly more sophisticated and this creates the need for ever faster feedback with respect to their wants and needs. Many of the organizations studied have now instituted regular customer surveys or regularly convene focus groups of selected customers. Other organizations have created formal customer councils that provide advice, while some regularly bring employees to the customer so that they can better understand customer needs.

Course Adaptation

Once the appropriate systems and measures are in place, organizations have the capacity to track their progress in terms of realizing change strategy objectives. In a number of instances these systems have served as intended. For example, one organization had initiated a number of operational projects that were

not attaining the set milestones, and it responded by assigning corporate planning staff as advisors to each project team. This action helped to establish a clearer focus, as well as to improve project integration and alignment.

It is also essential to recognize that throughout the change process, the organization must continue to improve operating results. Referring to a specific change practice in the workplace, one employee characterized the situation as being like "trying to change the oil in your car while it is still running." As well, where the expected results are not forthcoming in the desired time frame, the organization may have to reconsider its strategic commitment to some business units, and it must be understood that the environmentai context may change to such an extent that the organization may have to make fundamental changes in its corporate strategy as a whole.

> It is essential to recognize that throughout the change process, the organization must continue to improve operating results.

Sustaining Change

The change process is extremely stressful for most individuals and there is a natural tendency to relax once short-term goals are achieved. Few of the organizations studied had actually reached the point where they had to pay a great deal of attention to sustaining the change effort, but some were beginning to anticipate the need for renewal. It is imperative that we view the successful management of change not as a one-time event, but rather as a continuous way of doing business.

For organizations that have been particularly affected by changes in technology, organization and mandate over the last decades, renewal may be particularly difficult. Employees may perceive the renewal effort as being one more instance of "flavour-of-the-month" management. Great care must be taken to communicate effectively with employees about both the need for renewal and the means adopted.

Any significant change effort is subject to false starts and dead ends that drain the organization of energy. It may be useful to apply the lifecycle concept to change management and recognize that the need for renewal does not signal failure but rather should be seen as an indicator of success in having reached a major milestone.

> **Senior** management commitment must remain total, continuous and visible throughout the organization.

Where the organization has provided training and support to individual employees and succeeded in helping them to see opportunity in change, and where the focus has been on changing behaviours, we can anticipate successful renewal. However, senior management commitment must remain total, continuous and visible throughout the organization.

Senior management must continue to be aligned, accessible and prepared to learn from its mistakes. The active participation and involvement of all employees must be encouraged and it is essential that the change process itself becomes entrenched in the organization. The importance of this last point cannot be overemphasized. Recently, the C.E.O. and a senior vice-president of Marine Atlantic resigned and the future of its transformation would have been at risk had the organization relied solely on them to sustain organizational change.

Finally, organizations must devclop the capacity to learn effectively from past successes and failures and to apply the lessons to renewal. In this context, we must look beyond narrow concepts of individual and team learning that are relatively well understood, and move to system learning, which Nancy Dixon says "takes place when the organization develops the systematic processes to acquire, use and communicate organizational knowledge."[7]

Office of the Registrar General (Ontario)

Few organizations have experienced the extent of change faced by the ORG. In 1991, it relocatedfrom Toronto to Thunder Bay and only a few employees elected to transfer. The ORG seized the opportunity to make a number of fundamental organizational changes.

Management decided to hire an entirely new work force composed of the government's employment equity target groups, flatten the organizational structure, and adopt generic, multi-functional job classifications. Further, the decision was taken to movefrom a paper-based system to state-of-the-art optical scanning technology. This presented the ORG with an enormous challenge in that management had to maintain service delivery standards throughout the change process.

Over the past four years, there has been a need for constant coaching, counselling and training. Management has learned that a bold vision needs the complete support of all stakeholders and appropriate performance measures have to be adopted that are fully aligned with that vision.

CANADIAN CENTRE FOR MANAGEMENT DEVELOPMENT

SUMMARY

While much of the preceding discussion refers to the specific processes and programs used by organizations to achieve their change strategy objectives, it is important to emphasize that these organizations used tools for change that were comprehensive and that both reinforced and complemented one another.

> All developed extensive communications plans to ensure that everyone in the organization knew where they were going.

A number of organizations made considerable use of external change management consultants who were mainly involved in developing the formal corporate vision and in mobilizing commitment behind that vision. Some made the investment in benchmarking the change management practices of other organizations, and all made extensive use of environmental scanning prior to setting the new corporate direction. All developed extensive communications plans to ensure that everyone in the organization knew where they were going. They made the effort to create high levels of employee involvement and ownership of the change process, thereby making employees responsible and accountable for results. It was

> A focus on performance measures allows organizations to manage by results rather than supposition.

understood that success was in their hands, not the hands of the senior management team.

Organizational structure and staffing practices were extensively reviewed and redesigned to ensure alignment with the new change strategy. Many significantly increased their training budgets and allocated higher proportions of those budgets to "soft" skills development. It was widely recognized that while employees often need new technical skills as new product and process technologies are adopted, the real emphasis has to be on changing the behaviours of employees so that they can be truly effective in the new organization. Rewards systems were changed to reinforce the desired employee behaviours.

Meaningful performance measures were developed in consultation with both customers and employees to ensure that they reflected operational needs, and these were used to keep the change initiative on track. This focus on performance measures allows organizations to manage by results rather than supposition. Properly designed, these measures have the power to identify a need both for program intervention and for evaluating the effectiveness of those interventions.

Finally, while it has been said that no single model may be demonstrably superior as an aid to the manager faced with substantial organizational change, it can also be argued that any reasonably thought-out and systematic framework for planning and implementing a change program is essential to successfully achieving change objectives. It is hoped that the framework used in carrying out this benchmarking study may be useful to some in that regard.

Notes

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6. Jay R. Galbraith, Edward E. Lawler III & Associates, *Organizing for the Future: The New Logic for Managing Complex Organizations* (San Francisco: Jossey-Bass Publishers, 1993), pp. 267-68.

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Appendix 1
Host Organizations

Ault Foods Limited

With sales of $1.2 billion and 3,000 employees, Ault is one of the largest dairy foods producers in North America. It is striving to become a world leader in the dairy foods and related businesses through innovation, quality products, and highly skilled resourceful people.

British Columbia Systems Corporation

This Crown corporation is a leader in the innovative and cost-effective use of information technology in the public sector. It has become a customer-oriented organization, with a mission to provide information technology services that improve fundamentally the quality, efflciency of delivery and accessibility of government.

Boulangeries Weston Québec inc.

Weston has invested heavily in state-of-the-art food processing technology and adopted Total Quality Management principles in its effort to re-establish itself as the number one bakery in Quebec. The commitment of managers, employees and unions to achieve that goal demonstrates the extent of culture change possible in an organization.

Canada Communication Group (CCG)

CCG offers its federal government clients services in printing and publishing. It is a Special Operating Agency, which requires that it compete for government business with the private sector. The challenge for the organization has been to develop its entrepreneurial talent and focus on the needs of the customer.

GE Motors

GE has undergone a major transformation since the early 1980s — downsizing, restructuring, delayering, and undergoing a dramatic culture change. GE Motors' experience in making itself into a "world-class" manufacturer demonstrates what is possible in an extremely competitive marketplace.

Marine Atlantic

Marine Atlantic has changed from a traditional organization with an operational orientation to one with a clear service focus. Its new performance management system emphasizes providing service to the customer by empowering employees to use their best judgment in responding to customer needs.

New Brunswick Department of Economic Development and Tourism

With a new vision and strong leadership commitment, this department has undergone a fundamental change over the last four years. It has adopted an innovative management style resulting in more autonomy for employees, greater teamwork, and a new role for managers.

NOVA Corporation of Alberta

NOVA is undertaking a comprehensive review, assessment and repositioning of its business operations. Following the establishment of an integrated vision, NOVA began leveraging future initiatives in pursuit of its vision. Through a determination of its core competencies and business transformation, NOVA will leverage future initiatives to maximize customer focus, productivity and operating effectiveness.

Ontario Consumer and Commercial Relations, Office of the Registrar General (ORG)

The ORG, responsible for registering Ontario citizens' births, deaths and marriages, relocated from Toronto to Thunder Bay while undertaking a major organizational restructuring, implementation of a business re-engineering process, development of a work-team concept, and significant employment equity initiatives.

Syncrude Canada Ltd.

With oil prices in decline over the last decade, Syncrude has effectively managed its costs so that it has avoided much of the type of restructuring experienced by Canada's oil and gas industry. Much of its success is attributed to management practices that focus on continuous improvement, multi-skilling and redeployment of the work force, and the use of semi-autonomous and cross-functional work teams.

University of Alberta Hospitals

The U of A Hospitals, using TQM, addressed problems of hierarchy, bureaucracy, functional structure and lack of teams, and changed to a streamlined, decentralized organization, centred around patients and their needs, creating a strong focus on patient care.

The Document Company – Xerox

With U.S. sales of over $14 billion and 100,000+ employees, The Document Company – Xerox is a world leader in document services. Over the last 10 years, Xerox has transformed itself into a "customer first" organization through the deployment of Total Quality. Recently, Xerox has restructured into strategic business units in order to increase its customer line of sight. The company has also introduced a new management model called Xerox 2000: Leadership Through Quality, which is designed to enable Xerox to become the most productive operating company in the world.

Appendix 2
Benchmarking Team Participants

Mario Bedard	Teleglobe Canada Inc.
Robert Bentley	Veterans Affairs Canada
Glenn Booth	National Energy Board
George Cornwell	Indian and Northern Affairs Canada
Michel Damphousse	Canadian National Railway
Don Donovan	Canadian Radio-television and Telecommunications Commission
Jacques Doran	Farm Credit Corporation Canada
Brian Dornan	Canada Mortgage and Housing Corporation
Monty Doyle	Social Sciences and Humanities Research Council
Bruce Drake	Industry Canada
Rosalind Eichhorn	Syncrude Canada Ltd.
François Gauthier	Federal Office of Regional Development (Quebec)
Frederick Hemphill	Syncrude Canada Ltd.

Stephen Hertzberg	Industry Canada
Terry Kremeniuk	Farm Credit Corporation Canada
Jean Lacasse	Hydro-Québec
Marcia Lalonde	Treasury Board of Canada
Lise Lamadeleine	Treasury Board of Canada
Claude Laverdure	Foreign Affairs and International Trade
Donald Lemaire	Justice Canada
Michel Marion	Industry Canada
Micheline Martin	Royal Bank of Canada
Basil Orsini	Revenue Canada
Eugénie Prévost	Industry Canada
Serge Rand	NOVA Corporation of Alberta
Jean Régnier	Industry Canada
Aruna Sehgal	Canadian Centre for Management Development
James Smith	Environment Canada
Ginette Stewart	Public Service Commission of Canada
John Treleaven	Foreign Affairs and International Trade
Barbara Wynne-Edwards	Canadian Centre for Management Development

Appendix 3
Program Staff

Program Design and Facilitation

Carolyn Farquhar	The Conference Board of Canada
Stewart Goodings	Canadian Centre for Management Development
Michèle Ledoux	Canadian Centre for Management Development
Francine Lyrette	Canadian Centre for Management Development
Sheila McIntyre	Canadian Centre for ;Management Development
Ken Mozersky	Canadian Centre for Management Development
Terry Peach	GE Canada/Canadian Centre for Management Development
David Shepherdson	The Conference Board of Canada

Site Logistics and Administration

Nicole Lamothe	Canadian Centre for Management Development
Michelle Villeneuve	Canadian Centre for _Management Development

Marketing and Communications

Aruna Sehgal	Canadian Centre for Management Development
Bill Young	Canadian Centre for Management Development

CCMD Publications on Public Management

List No.

The John L. Manion Lectures

P36E   The 1994 John L. Manion Lecture
Globalization, Government and Competitiveness, *Nancy J. Adler*
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P20E   The 1993 John L. Manion Lecture
Partners in the Management of Canada: The Changing Roles of
Government and the Public Service, *Marcel Massé*, 1993/04

P11E   The 1992 John L. Manion Lecture
Post-Modern Government, Richard *D. French*, 1992/05

P2E   The 1991 John L. Manion Lecture
Public Management: Emblem of Reform for the Canadian Public
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The Jean Edmonds Lectures: Women and Work

P41E   The 1994 Jean Edmonds Lecture
Equality, Human Rights and Women, **Rosalie** *Silberman Abella*, 1994/10

Ethics and Values

P49E   Only Those Who Believe Can Stay the Course in Turbulent Times:
A Value-Based, Strategic Approach to the Management and
Development of Corrections, *Ole Ingstrup*, 1995/03

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Values in the Public Service, *Canadian Centre for Management
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Equity and Diversity

Employed Mothers: Balancing Work and Family Life, *Catherine Lee,*
Linda *Duxbury, Christopher Higgins*, 1994/10

P39E   — Complete Version
P40E   — Summary

Negotiation **and Conflict Management**

P38E   **Negotiation:** Redefining Success, *Joseph* Stanford, 1994/06

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Continuous Learning: A CCMD Report, 1994/05

P34E   — Complete Version
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Leadership for a Changing World: Developing Executive Capability, **Peter Larson, Robert Mingie,** 1992/10

P24E   — Detailed Report
P17E   — Highlights

P6E   Learning in an Organizational Setting: The Public Service Context, **R. Bruce Dodge,** 1991/06

Govemance in a Changing Environment

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P31E   The Public Service, The Changing State and Governance, **B. Guy Peters,** 1993/12 (Reprinted 1995/03)

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P29E   Reinventing Osborne and Gaebler: Lessons from the Gore Commission, **B. Guy Peters, Donald J. Savoie,** 1993/11

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P23E   Strategic Management in the Public Service: The Changing Role of the Deputy Minister, *Frank Swift*, 1993/11

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A. W. Johnson

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A Case Study in Multi-Stakeholder Consultation: The Corporate
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P9E2 Volume 2. Practical Considerations for Process Managers and
Participants

P8E Public Managers and Policy Communities: Learning to Meet New
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