

Global Economic Downturn fact sheet

Change management

Series 1 – Issue 8

As part of the Institute's ongoing efforts to provide members with guidance and information on key issues affecting the current business environment, the Institute has developed a practical factsheet series, which presents guidance for members written by members.

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Change management in tough times

Campbell McArthur CA

When a business is going through turbulent times, the challenges for management are quite different than when it's plain sailing.

In the context of the global economic downturn, the turbulence is not limited to industries or geographical areas. We are currently faced with a storm of pessimism across the public arena, downturns across many industries and continually worsening economic conditions across the whole developed world. This then, is a time when effective change management will be paramount, irrespective of the industry, country, size or profile of a business.

The global economic downturn will force many businesses to instigate programmes of strategic change. The resultant changes are likely to be formulated through intricate examination of a range of factors, careful deliberation and planning for implementation. The communication of these changes is likely to receive far less attention, despite the critical role communication plays in the success of any change. In such a climate, it is critical to have a basic understanding of the role communication plays in change management.

The communication process

Simplistically, the communication process involves developing a message from an idea, transmitting it to the recipients, the recipients then interpreting the message, and importantly, providing feedback. Within change management there are nuances to every element of this process:

- > What the message is?
- > When the transmission should take place?
- > What mediums of communication should be employed to different recipients at different times?
- > How to ensure the communication used will best compliment the change taking place.

These are just some of many questions that can make or break important organisational change.

Often the communication of change is left to chance or considered a mere by-product of the change process. Unfortunately this often leads to a much longer and more expensive change process, as the effects of poor communication become apparent at critical points in the cycle. One of the most overlooked and potentially useful elements of communication is a detailed communications plan.

The need for a communications plan

A communications plan will allow effective management of the communications process. Stakeholders will always respond to information, or disinformation, but a communication plan gives a much higher level of control over the information being delivered. This allows anticipation of the response and therefore management of the result. At a minimum, an effective communications plan will be designed over the entire life of the change, including the all important, but often forgotten, feedback stage, where proper communication can add considerable value.

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The need for a communications plan (continued)

The timeline will be designed so that it compliments the change itself. It must also allow sufficient time for the pro-active transmission of every message, which ensures control over what information is available and at what stages. Clearly, in some cases, being pro-active will actually mean not communicating a message until the last minute, or providing less information than might be requested. The content and timing of any message will be subjective, but it is always important to have planned the timing in advance to prevent ad-hoc decisions. These may cause un-planned responses and take further resources than would have otherwise been necessary.

Effective management of the process

The most important element of a communications plan is the process itself, as early consideration reveals potential issues that would otherwise have arisen out of the blue. However, there are some basic elements that should always be present:

- > What is to be said
- > Through what medium should it be said
- > To whom
- > By whom
- > When
- > For what purpose.

If all the major stakeholder communication is covered by this basic framework and is aligned to the goals and timing of the change programme, the success of the change itself is far more likely.

Some common mistakes in planning communications are:

- > Not properly matching the audience with the medium (for example, when is a widely circulated email full of technical data more appropriate than dissemination through the management chain in small groups?)
- > Not using a feedback mechanism to ensure the desired effect of the communication is being achieved
- > Not leaving sufficient time to communicate regularly over the course of the change programme.

A feedback mechanism is often seen as merely providing a forum for dissent. However, the feedback loop can not only provide information to management, it can also facilitate better acceptance of the change by simply giving an official outlet to grievance, some of which may be relevant to management.

Not providing enough time for regular communication can promote uncertainty in stakeholders. Regular communication, timed to compliment the change taking place will alleviate a lot of the uncertainty and allow management to have greater control over the 'rumour mill' which will otherwise be inflamed by a lack of clear information.

Avoiding these pitfalls, and ensuring that a thorough communication plan is in place through a change cycle will help overcome obstacles to change, promote a better attitude to change and give management more control over the most difficult elements of change – the opinions and attitudes of stakeholders.

For more information, guidance and tools on the global economic downturn refer to charteredaccountants.com.au/news_issues/global_economic_downturn

About the author

Campbell McArthur CA has been studying and writing about change management within the broader organisational behaviour for a number of years. He has an extensive background in complex organisations and currently consults to a number of government departments and private organisations.

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