Change Management and Employee Engagement at the City of North St. Paul

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Culture and Its Importance to North St. Paul

Culture is commonly discussed in the terms of a workplace environment shaped and molded by employees, "attitudes, actions, beliefs, values and norms" (Parr 2012). Culture embodies the social, communal and spiritual needs of employees and can be discovered within "conversations, decision-making processes, communication processes and departmental cooperation" (Parr). Organizations attempt to describe culture through "vision statements, mission statements, core values and goals" (Parr). Many organizations strive to have a "performance-oriented culture, vibrant, alive and flourishing with employee involvement, strong communication and innovation" (Parr). After interviewing the City of North St. Paul manager Jason Ziemer and some of his employees, we've determined workplace culture is of great importance here. The current culture has been described as an "internal hierarchy culture of rules, procedures and governance" where "department heads are not visible, employees are just expected to do their jobs, approvals are required to work cross-departmentally, employees are uncomfortable approaching supervisors with ideas and concerns, council is overly involved in employee's work and council is not taking ownership for original decisions" (Cameron & Quinn 2011, Ziemer 2014). While some of the opinions above need further validation via professional employee engagement tools (not just casual conversation), there is a strong case here for a cultural change.

When considering organizational changes, we recommend first understanding the definition of change management. An organization begins with a "change problem" (CLC 2008) where a, "formal and systematic approach" is used to "define and adopt strategies, structures, procedures and technologies" to deal with that problem (SHRM

2007). Change management "enables people to accept new processes and helps transition from their present way of working to the desired way of working" (Lambeth Change Management Team 2008).

Jason has started the initial stage of this process through diagnosing some change problems and communicating (via individual discussions with staff) that changes are coming. He has highlighted that previous attempts at instituting workplace changes in the area of culture have been done, but follow-through has been very poor and ineffective. Another area of diagnosis and gathering of feedback has been at the staff retreats.

What tools should we use for change?

Kotter's 8 transformational steps, the 6 Stages of Change Readiness, and the Robert Harris 4-box influencing model are academic and practitioner "best practices" that can be followed to help bring about change in your organization. (Processes are outlined in Appendix A.) It is important to remember that change management tools are basic guidelines that give organizations a direction for change, but are not complete roadmaps that take into consideration all outside forces or obstacles.

The key element, common to all the change models, is *communication*. For any cultural change plans to take effect, communication will be the key – without effective presentation of the need for the change, the processes involved in the change, and the goal, the city will eventually resort to status quo. The tools in Appendix A are a way to visualize how the process might unfold, but we want to underscore that communication is the central tool necessary above all else. We will discuss this more in later sections.

Potential Obstacles and Pitfalls

From the retreat recap, "communication", "lack of leadership", "lack of direction" were identified as top weakness between organization and staff in the city of North St. Paul. It seems that employees don't understand the need for change or the future state.

Kotter (2007) notes that "not establishing a great enough sense of urgency" is one of biggest errors for successful change and 50 % of the enterprises fail in *this* stage (the first stage!). Often, leadership underestimates how difficult it can be to ask staff to step out of their comfort zone (Kotter). The challenge here is that the urgency has to be communicated in a more intrinsic way: this isn't a for-profit company, so the underlying reason for change can't be market value or stock price.

In addition, there is no powerful guiding coalition. Jason mentioned that he is still working on buy-in from department heads through individual discussions.   Not only the leadership – also the staff -- need to support and participate in the change to ensure the change quality. Having a strong coalition that supports the change will become more and important over the change process (Kotter).

From the focus group interview, many employees agreed that transparent and open communication could engage them with regards to changes. The city of North St. Paul can facilitate more effective communication to make sure everyone is on the same page. Also, there is no reward or recognition to celebrate short-term wins. People get tired of the long journey if they do not see any expected result in 12 to 24 months (Kotter). If the employees can see the influence of the change such as increased customer satisfaction and improved work performance, they will be more engaged.

Recommendations

Overall we recommend that any changes be a thoughtful planned process that fully involve employees and are actively communicated to them. After these initial steps, the processes of change management outlined in the appendix (Kotter's 8 transformational steps, the 6 Stages of Change Readiness, and the Robert Harris 4-box influencing model) can be used to meet larger goals.

Build Trust

The city employees have been through many changes recently leaving them in a place of uncertainty. For any change effort to succeed, employees must adopt the changes willingly and continuously. Building trust is the first step to gaining support for changes from pivotal stakeholders. Trust can be built through credibility and an experience of fairness; employees and stakeholders must see the people enacting change as credible. Credibility comes from several factors: communication, doing what you say you will do, listening, continuing to learn, and discovering what employees want. (Kouzes and Posner, 2005). Transparency in communication is also important to building trust; when leaders in particular are visible and transparent it helps employees feel that they are honest and should be followed. Transparency adds to credibility as well as informing employees how to respond to change because they understand where they are going and why.

Prioritize Changes

 So far, North St. Paul employees have been through a series of changes; over the next 12-24 months, more are obviously coming. If you exist in a sea of constant change at work, you ultimately become either indifferent or frustrated, and neither of those help

productivity. We'd recommend focusing on 2-3 changes at first, and prioritizing those based on ROI for the city of North St. Paul (and feasibility). Trying to implement all changes at once while also maintaining base day-to-day responsibilities would doom this process.

Once those 2-3 changes are rolled out (with success), an implementation plan and timeline can be created for further changes. Choosing feasible changes that can be completed in a relatively short time frame will help build a feeling of success and momentum for change as well as trust in the process.

Communicate

 Communication is the most important aspect of change management, and we'll discuss it more in the implementation section below. Overall, regular, overt communication is important to break down fear that has been created through uncertainty and to build credibility for the change process. It is important that communication is two-way; feedback is not only encouraged, but may be rewarded for suggested improvements. Acknowledging that change is different and difficult is also helpful in building trust and creating a two-way dialogue for a more successful change process. Regular communications provide a way to tie actions to goals so that employees continue to build understanding and connection to the new vision. Communication helps the changes become the cultural standard.

Create a Vision

A vision explains what will happen and why it needs to happen now. Having a vision helps guide change and give employees direction. An important first step is to refine

the goals, and to create a vision. The vision should be simple enough to explain in a few minutes and encompass the goals already defined.

Once a vision is created it is important that it be communicated to employees. In order for the vision to support change and align support it must be visible and understood. Having a vision also creates common understanding of goals and guidance in decision-making.

Support Culture

Changing an organizational culture is a long and complicated process. As part of continuing to manage change on all levels, changes in culture should be considered carefully. There is much debate about the type of changes that should be undertaken first -- cultural or structural -- in any change process. For the city of North St. Paul, we recommend that *processes and structures* be changed first to support new values. These changes can begin right away whereas planning for and building new culture takes time. Structural changes can build support and understanding of new values if they are aligned with strategic plans of the city.

Create Guiding Coalition

Creating a coalition for change will help create support from employees and distribute responsibility among multiple stakeholders. A successful coalition will include employees from multiple departments and levels. Specifically consider those who have the respect of their peers and those who might be resistant to change. The coalition can also provide a voice for different groups and aid in planning.

Celebrate Small Wins

Focus on short-term goals (3-6 months) that are most tangibly related to the change initiative. Specific implementation ideas for this are discussed in the next section.

Implementation and Evaluation

Communication Plan

Communication plans include which communications will happen, how often and the method. More than one method of communication may be necessary to ensure that all employees know and understand what changes will happen and why. When planning communications, including both immediate and long-term goals will prepare employees for next steps in the process. The immediate focus should be on engaging the current employees in changes. Other methods of communication: a newsletter (probably twice a month), small 20-minute gatherings in the morning (every week, say on Thursdays) to celebrate an employee and discuss "the theme" of this next week (work hard, customer service, embrace change, etc.), Town Hall sessions (once a month, Jason can tell employees what processes are and aren't working for them, and at the next Town Hall, he opens by following up on the previous one), and Goal Boards in the office are potential communication methods. A goal board would be akin to a thermometer being used to track a university's fundraising, for example; you make a board with a goal at the top – say, "Streets plowed by 8:30am" – and then you track where the goal landed in different situations (9:01am, then, would be bad; 8:16am would be good). This is a way to visually communicate some of the best things that the office is doing.

There has been some discussion of digitizing the office. This shouldn't be an immediate goal, because the roll-out will interfere with daily operations at the city, but it's

something to consider possibly, a year or two from now, especially if the workforce will include more younger employees in the next 15 years. (Google has grant programs for wiring civic offices; if interested, we can provide Jason with information on those options.)

One-Sheets

This goes back to communication; "one-sheets" (i.e. simple guides) describing the vision of change and the perceived benefits of change are a useful tool. That way, an employee can look at a simple document that explains why a certain procedure (i.e. morning meetings) is changing, what the perceived benefit is, and opportunities for them to speak up about it.

Core Values

Including employees in building and defining core values can be a helpful tool for engagement. Holding a larger meeting (half a workday) where employees make suggestions for the core values of North St. Paul. When all the ideas are expressed, as a team (employees and managers), determine (together) their five core values. This gives everyone a hand in shaping the vision of the future of North St. Paul, and if they feel bought-in to the vision, the change process will ultimately be easier.

Small Wins

This is very important because it promotes buy-in to the ongoing change. Goal boards can be used for small-to-medium sized city change objectives being visually displayed. One other crucial thing in the feedback was that employees often thought managers only talked to them to *correct* a behavior, not to *praise* for a behavior – so we think Jason should set up a system for his department heads. For example, *praise* two of

your direct reports for something (large or small), and hold managers accountable. This will help build trust and encourage positive feelings about the manager level, which can help with buy-in to change as it evolves.

Stretch Assignments

This is also a more long-term goal, but it should be easier for people to (a) work across departments if they're interested in other opportunities and (b) work on things not related to their core responsibility, so long as their core responsibility is being addressed. *All barriers* to pursuing other opportunities should be removed within about 1.5-2 years. This is important because, financially, North St. Paul probably can't offer tremendous promotions (compensation-wise); their engagement model needs to focus on the ability to adjust one's role and pick up projects of interest. One of the most cited aspects of Google consistently being ranked as a top place to work is that they allow a majority of employees to have 15 percent of their work time devoted to side projects, so long as the projects could eventually benefit Google. North St. Paul employees may have great ideas for the city and they should be allowed to work on those, even if infrastructure is not in their job description. This will build up their connection to the organization: "I don't work on this, but it interested me, and they let me." That's how you keep good people. Allowing employees to work on change projects are great first stretch assignments.

Evaluation: It is important to evaluate each change initiatives to determine its level of success and make adjustments to the plan. To evaluate any change, choose specific measures that can monitor and evaluate the change outcomes. (Example measurements include: cost, turnover, ROI, customer satisfaction, or employee

satisfaction). Once the specific measurements have been chosen, gather pre-change

measurements through financial information, internal reports, questionnaires, or

interviews to use as a base measurement, which will be compared to data gathered

after the change, has taken place to determine the results of the change.

What Should Be Done First?

We'd recommend starting with (a) the meeting where core values are set collectively,

(b) picking two aspects you'd like to change first, (c) modifying a communication plan

using some of the ideas above and (d) figuring out 2-3 ways to recognize small wins

(related to the changes), again using some of the ideas above. We'd recommend

focusing on these areas for the next 3-6 months and, if it seems like buy-in is being

achieved (this can be measured in one-on-one conversations or an official survey), you

can gradually begin to shift to other concerns, such as 2-3 more change ideas.

Remember, it's cliché, but this is a *marathon, not a sprint*.

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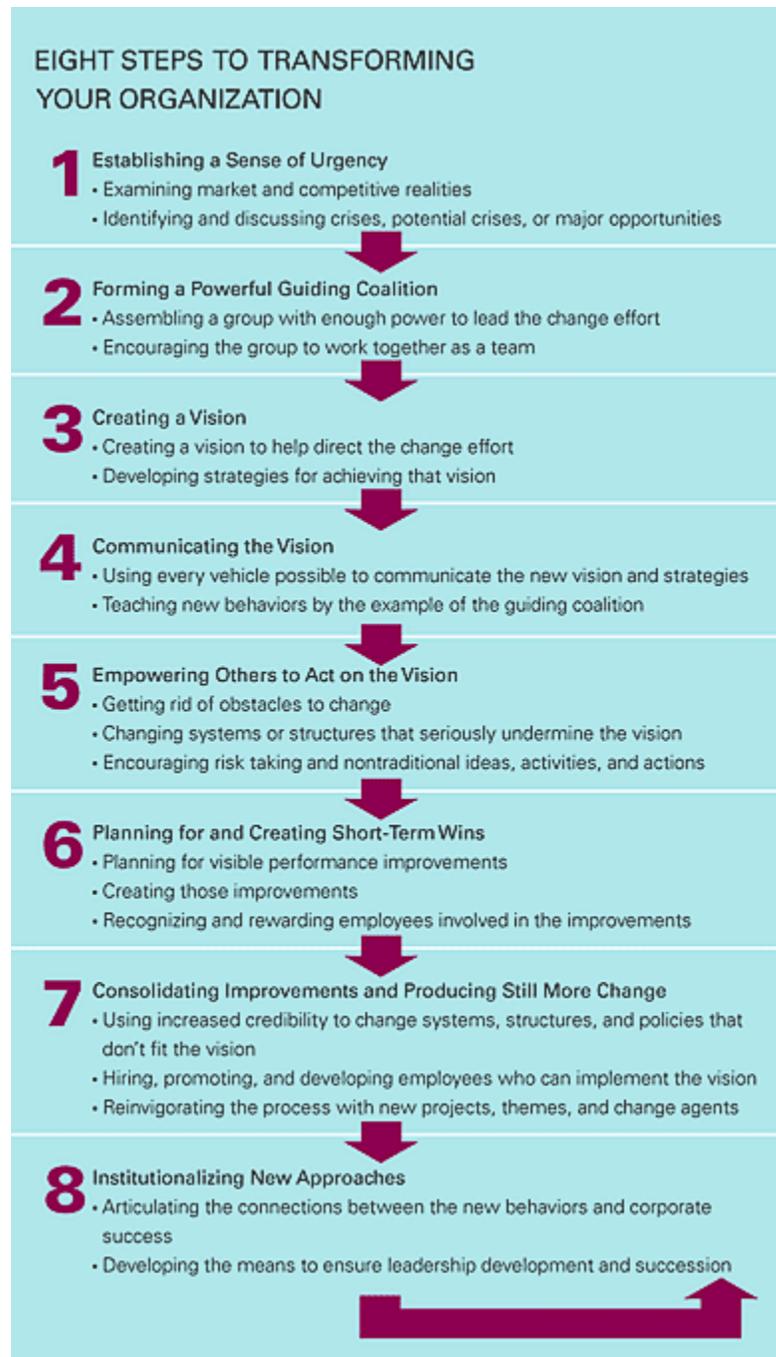
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8 Steps to Transforming Your Organization
By: John P Kotter

EIGHT STEPS TO TRANSFORMING
YOUR ORGANIZATION

1 Establishing a Sense of Urgency
- Examining market and competitive realities
- Identifying and discussing crises, potential crises, or major opportunities

2 Forming a Powerful Guiding Coalition
- Assembling a group with enough power to lead the change effort
- Encouraging the group to work together as a team

3 Creating a Vision
- Creating a vision to help direct the change effort
- Developing strategies for achieving that vision

4 Communicating the Vision
- Using every vehicle possible to communicate the new vision and strategies
- Teaching new behaviors by the example of the guiding coalition

5 Empowering Others to Act on the Vision
- Getting rid of obstacles to change
- Changing systems or structures that seriously undermine the vision
- Encouraging risk taking and nontraditional ideas, activities, and actions

6 Planning for and Creating Short-Term Wins
- Planning for visible performance improvements
- Creating those improvements
- Recognizing and rewarding employees involved in the improvements

7 Consolidating Improvements and Producing Still More Change
- Using increased credibility to change systems, structures, and policies that don't fit the vision
- Hiring, promoting, and developing employees who can implement the vision
- Reinvigorating the process with new projects, themes, and change agents

8 Institutionalizing New Approaches
- Articulating the connections between the new behaviors and corporate success
- Developing the means to ensure leadership development and succession

1.) Establishing a Sense of Urgency

This first step requires you to gather information regarding your organizational climate (e.g. market trends, financial position, and technological advances) and how it relates to your change efforts. For example, your efforts to create a culture that is less hierarchical and focused on cooperation and information sharing should be tied to the needs of your organizational climate. Then, the information is used to jolt the current system into change by broadly and dramatically distributing the information creating a sense of urgency.

Keep in mind – This stage may seem easy, but it is not, and it is crucial. Also, downplaying the necessity of change because of worry for morale or management defensiveness usually halts change. Uncomfortable conversations with unpleasant news will be required and is sometimes best given by outside consultants.

2.) Forming a Powerful Guiding Coalition

It is important to gather allies in your organization that will support the change initiative. In a smaller organization like N Saint Paul, it may consist of 3-5 people at first. The coalition can consist of different members of the hierarchy but should include powerful people in terms of titles, expertise, or relationships.

Keep in mind – Not all senior leaders or department heads may come on board but a majority with shared values and urgency is needed for strong success.

3.) Creating a Vision

This vision is usually created by one or two people. In N St. Paul's case, Jason has started this vision. Successful visions are usually shaped by the guiding coalition; they help provide a picture of the future that is easy to communicate, provides a direction of how to get there, and entices other stakeholders.

Keep in Mind – If the vision cannot be communicated to someone without gaining their full understanding and interest in 5 minutes, the vision is not complete.

4.) Communicating the Vision

Successful communication involves using ALL possible communication channels to the best of their ability. The change effort and its vision should be incorporated into all communication (e.g. in day-to day meetings, in newsletters, in quarterly meetings) in a manner that engages and excites its audience.

Keep in Mind – We also communicate nonverbally, so our actions must match our vision.

5.) Empowering Others to Act on the Vision

You need to remove obstacles that prevent employees from engaging in the vision. Obstacles can come in the form of organizational, job, or compensation structure. They may also take the form of a powerful leader or department head that is undermining the vision. Planning for and Creating Short-Term Wins

Transformation takes time, but organizations can lose momentum, so you need to plan for short-term goals that you will be able to meet. This commitment to short-term wins will help maintain interest and a sense of urgency.

Keep in Mind – Managers may complain about being forced to show short-term results, but it is important to share with them why short-term goals are important.

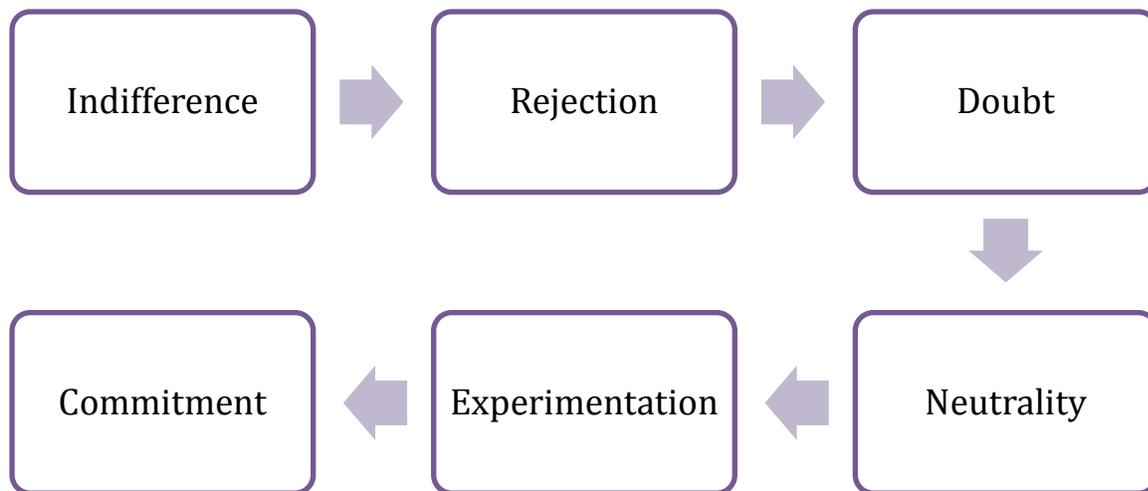6.) Consolidating Improvements and Producing More Change

Use the momentum from the short-term wins to undertake even bigger problems. Now is time to change any systems or structures that do not engender change and support the vision. Also, you need to focus on your hiring, promotion, and development to make sure these human resource functions are supporting the change.

Keep in Mind – People who are still resistant to the change or overwhelmed employees may feel that the change is finished, and they may return to old habits. This is a time to become reinvigorated to the change not to declare victory, so communicating the next steps and vision is necessary.

7.) Institutionalizing New Changes
There are two main factors to institutionalization. First, you have to deliberately show how the new approaches, behaviors, and attitudes have improved your organization. If you don't, employees may contribute the organizational successes to other forces than your planned change. Secondly, you have to make sure that your top management and the succession plan for top management completely embodies the change initiative. If not, the new leaders can unravel the improvement.

Six Stages of Change Readiness:

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┌──────────────┐      ┌──────────────┐      ┌──────────────┐
│              │  ▶   │              │  ▶   │              │
│  Indifference│      │   Rejection  │      │     Doubt    │
│              │      │              │      │              │
└──────────────┘      └──────────────┘      └──────────────┘
                                                    │
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┌──────────────┐      ┌──────────────┐      ┌──────────────┐
│              │  ◀   │              │  ◀   │              │
│  Commitment  │      │Experimentation│     │   Neutrality │
│              │      │              │      │              │
└──────────────┘      └──────────────┘      └──────────────┘
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Provides insight into the human aspect of change.   When faced with change, your employees may go through these stages, and it is important to be aware and acknowledge these possible reactions.

6 States of Change Readiness
SHRM Toolkits, Managing Organizational Change
  1.) Indifference - lack of interest in your state of change
    It is important to provide clear and appealing information at this stage to engage your
audience.
  2.) Rejection - clear negative reactions and opposition
    At this stage, you need to acknowledge concerns and problem solve.
  3.) Doubt – lack of confidence in the ability or success of change
    Continue providing clear information regarding the vision and its urgency.
  4.) Neutrality – neither positive or negative affect towards change and detachment from
    cause
    Continue providing clear information regarding the vision and benefits of commitment.
  5.) Experimentation – adapting to change slowly
    It is important to provide positive feedback and encouragement.
  6.) Commitment – change advocate
    Reward commitment and provide detailed benefits of their dedication.

Four-Box Model:
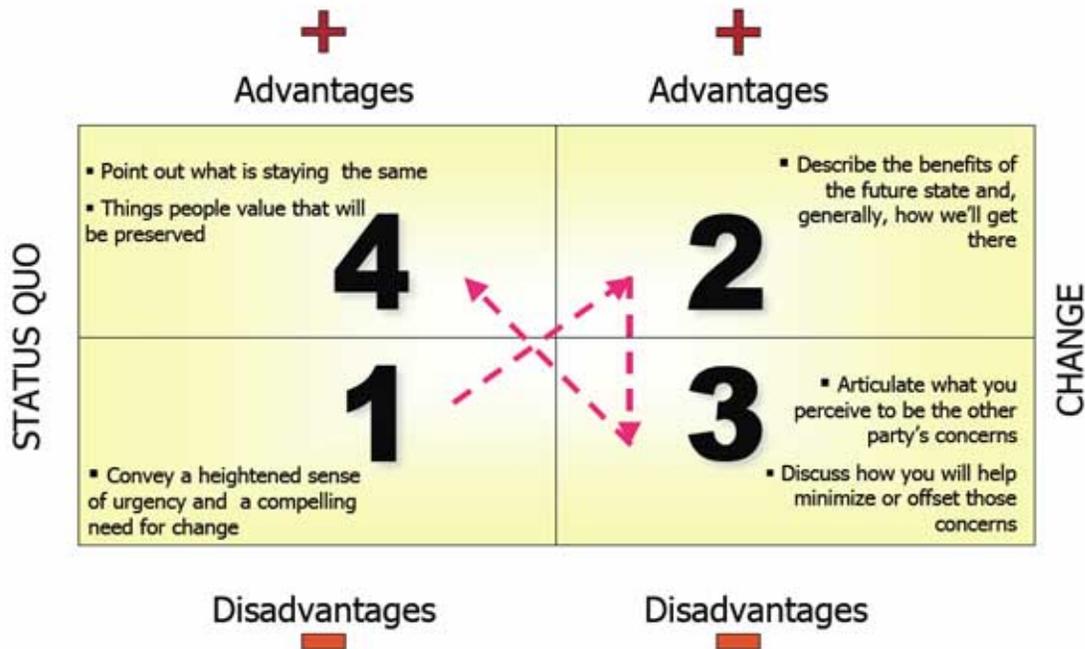
Communication is an integral part of any program that requires change, and these steps will increase the likelihood of success. This communication tool will be useful when applying all of the 8 steps by John Kotter and will allow you to guide your employees through the 6 stages of Change Readiness.

4 Box Model Strategic Influencing Model
By: Robert Harris
Step 1: Communicate the Reasons for Change
People find it difficult to understand and accept change without a clear explanation. This step involves providing clear facts that provide the rationale for change.
Step 2: Communicate the Benefits of Change
Communicate the specific organizational, department, and individual benefits that will be received by changing the status quo. Initially, keep communication on benefits brief because too much focus on the benefits in the beginning can come across as false and an attempt to force change.
Step 3: Communicate the Audiences Possible Concerns and How You Plan to Address Them
People want to know that their feelings and positions are being considered when initiating change, and by providing a message that comes across as balanced and credible, you can help foster trust. At this stage, it is important to work with all stakeholders to gather information and problem solve. This stage acknowledges their concerns and attempts to eliminate them, but it can rarely alleviate all issues.
Step 4: Communicate Valued Elements of the Organization that Will Not Change
This stage provides a calming effect and demonstrates acknowledgment of successful elements of the organization. It also reinforces the message that the changes being made are for the reasons provided and not just for the sake of change itself.