Managing Change and Innovation

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Managing Change and Innovation

- Managing Change - Conceiving of and implementing new ways for the organization to function.

- Innovation - The initiation and implementation of an idea, process, product, or service that is new to the organization.

- Innovation does not always require radical organizational change.

- Large-scale organizational change always requires multiple innovations.
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Managing Change Principles

- Understand the organization, its history, and why change is necessary.
  - Organizations are social systems, not machines.
  - History matters, but don’t be trapped by it.
  - The reason for change, urgency, and visibility matter.
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Managing Change Principles

- Create a vivid, shared, and well-conceived vision of the future that is better than the current state.
  - People must be able to see and feel where the organization is headed.
  - Create a felt need for change.
  - A critical mass must buy in.
  - The vision must be strategically plausible.
  - Never lose sight of where the change is supposed to show.
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Managing Change Principles

☐ Force separation from the old way.

- Implement innovations that create movement toward the future state:
  - new systems
  - new structure
  - new roles
  - new rewards
  - new culture and management practices

- Seed the organization with champions of the new way.
- Communicate a sense of urgency (no turning back).
- Create symbols of the future and remind people when necessary why the old ways won’t do.
Managing Change Principles

- Develop methods to organize and support the change.
  - Craft a change plan.
  - Assign responsibility to people and groups.
  - Establish an overall steering committee to coordinate, communicate, and decide.
  - Train for new skills and new ways of thinking.
  - Make it okay to be skeptical, but not cynical.
  - Communicate, communicate, communicate.
  - Be clear about results: measure and milestones.
  - Celebrate progress.
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Managing Change Principles

☐ Develop the organization’s capacity to change.
  – Instead of fearing change, fear an absence of change.
  – Emphasize an external focus.
  – Set challenging goals.
  – Always admire someone else; never be satisfied.
  – Seek feedback and actively learn.
  – Focus and re-organize the chaos frequently.
Managing Innovation Principles

- Develop a clear focus and commit to a limited number of innovations.
- Protect innovators and champions.
  - Feed and nurture them.
  - Make them heroes.
- Use dedicated, cross-functional teams that are co-located and rewarded for success.
- Emphasize power sharing, teamwork, and collaboration between groups.
- Devote adequate resources.
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Managing Innovation Principles

- Do not punish prudent actions that fail.
- Develop a culture that appreciates creativity and new ideas.
  - Watch out for idea killers and people who dis-empower.
- Develop a tolerance for conflict and promote positive conflict resolution.
- Operate with as few layers as possible.
Managing Innovation Principles

- Always improve the innovation process.
- Keep the customer and customer value in mind.
- Make sure both good and bad news get communicated quickly.
- Scan the environment creatively and systematically.
- Break down traditional functional and discipline barriers.
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Managing Innovation Principles

- Reduce the number of hoops to a bare minimum.
- Create a culture that thrives on speed, change, and quality.
- Be decisive, but open to new ideas.