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**CHANGE COMMUNICATION AND STAKEHOLDER MANAGEMENT
DURING TRANSFORMATIVE CHANGE INITIATIVES**

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**КОМУНІКАЦІЙНІ ЗМІНИ ТА ВЗАЄМОДІЯ ЗІ СТЕЙКХОЛДЕРАМИ
В УМОВАХ РЕФОРМ**

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**КОММУНИКАЦИОННЫЕ ИЗМЕНЕНИЯ И ВЗАИМОДЕЙСТВИЕ
СО СТЕЙКХОЛДЕРАМИ В УСЛОВИЯХ РЕФОРМ**

**The Need for Stakeholder Management and Communications
in support of Ukrainian State Reforms**

As the Government of Ukraine embarks on large scale efforts to modernize the State financial system and align with European Union requirements, effective change management will be critical to ensuring that unique reform initiatives fully achieve their intended results. Change Management will ensure that the Ukraine Government is able to not only deliver the right technical solution, but also the right behavioral solution around each reform to realize the full benefits

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from these reform efforts. Two important and complimentary areas within change management that will be key for motivating the desired behavior of a public-sector workforce are stakeholder management and change communications. The ability to identify and effectively communicate with stakeholders is vitally important. The complexity of the Ukrainian reforms, with multiple efforts happening concurrently, means that there will be numerous stakeholders and maintaining effective communication methods will be a challenge.

To prepare for these challenges, the Ukrainian Finance Ministry is working with Evans Incorporated, a US-based consultancy specializing in leading human-centered change, to ensure that the employees involved in managing these changes know the most effective methods of stakeholder and communication management. Most recently, several members of the Ukraine Ministry of Finance and the Ukraine Finance Academy took part in a half day workshop, hosted by Evans Incorporated, preparing them to map stakeholder roles and determine communication needs.

Identifying the Stakeholders

Stakeholders are defined as the people who are impacted by a change initiative. Stakeholder management encompasses all the efforts undertaken to assess the expectations of those stakeholders and engage them positively at various points in the change effort. This process is crucial because if the stakeholders are unhappy, they are less likely to support a change, and they may even work against it.

Stakeholders can be divided into many groups, and while all of the groups are important and require their own considerations, this article will primarily consider the sustaining sponsors, the change agents, and the front-line employees. It is essential that there is a high level initiating sponsor who can begin and legitimize the change. However, once the process has begun, the sustaining sponsors need to maintain support across groups, promoting the change and helping their employees to implement it. Many traits define a successful sponsor, including remaining active in the change, visibly supporting the change, and consistently and effectively communicating with their employees. Many sponsors do not recognize how important they are, or the need for them to remain active in the change efforts, and this puts the change at a much higher risk of failure.

The change agents, on the other hand, are typically middle managers who are inspired to support the change by the sponsors and can then support and implement that change among their employees. These individuals are the most critical for a change effort's success. However, in many cases middle managers are the most resistant group to change since they can feel pressure from both above (supervisors expecting a successful change implementation) and below (employees looking to them for guidance on the change). It is, therefore, important to have enthusiastic managers who can reach out to both their peers and their employees, and ensure that the change is sustained over time.

Finally, the front-line employees, cannot be neglected because they are the people who must enact the change in their daily work, and they can resist a change

on either the group or individual level. Once resistance to a change has been identified, sponsors and change agents should make an effort to understand why the resistance is occurring and to address and alleviate concerns.

To help identify the many stakeholders in the upcoming change initiatives, Evans Incorporated's change specialists led members of the Ukrainian Finance Academy through a stakeholder mapping exercise, choosing one of the many upcoming reforms as a point of focus. Working from the impacted front-line employees upward, the team also began to identify existing and potential change agents and sponsors. Once completed, this map will help them to identify potential change risks and to create a more effective change communication plan.

The Importance of Trust

Change communications face unique challenges that differentiate them from standard communication efforts. Special consideration must be given to how various groups will react to a change, either favorably or with resistance, and outreach and clear communication should ideally be begun before a change has even been started.

One reason to start these communications early is to build trust among the various groups of stakeholders. If they feel that are being informed consistently and clearly, stakeholders are more likely to feel engaged and to believe that the change will be beneficial. They must trust that the reasons for the change are good and valid, that their organization has the ability to enact this change, and that the information coming from their superiors is accurate.

The stakeholder map, mentioned above, is also useful for tracking the levels of support in and resistance to the change across different individuals and groups. Outside change specialists can provide the framework and expertise to plan and enact a change, but having sponsors from inside the organization is necessary for building trust. Employees (especially managers) who are strongly in support of the change should assist with promoting the change since people are more likely to trust their own coworkers and friends than an outside change specialist. On the other hand, employees who are more resistant should receive specialized communications and outreach efforts aimed at earning their trust and support.

The Change Communication Plan

Communication can take many forms, and includes both verbal and non-verbal components. Spoken and written language are the primary methods of communication, but humans also convey a tremendous amount of information through body language, tone, inflection, gestures, and other non-lingual methods. This means that written communication, or even spoken communication not done in person (such as phone calls or recordings), is limited in how much information it can convey. For example, since writing does not convey tone, subtle cues about seriousness or levity can be lost.

These limitations also affect the ability to build trust. People make many assumptions about a speaker's trustworthiness from subtle cues such as eye contact, body language, and speech pacing. These are lost in written communication. Furthermore, any group of stakeholders will have their own assumptions, values, memories, perceptions, and beliefs, all of which are very difficult to perceive from a distance and can hinder the successful building of a trust relationship. For these reasons, it is important to consider a variety of methods when developing a change communication plan. Written or digital communication is a powerful way to reach many people, but it should not entirely replace in-person communications such as individual conversations and group meetings.

In addition to how the message is delivered, the communication plan should include who delivers what message to whom and how often. It is important for large messages and enthusiasm about the change to come from top level officials, but affected employees will also want to hear from their immediate managers about how a change will impact their day to day lives. This means that there must be a mix of messages and a mix of messengers from multiples levels of an organization. The communication plan should also include details about specific messaging and frequency. Each group of stakeholders may need to receive different types of information with some groups requiring more technical, financial, social or other information to various levels of detail.

Not every group will want or need to know the same details as a different group. Perhaps the most critical aspect of effective change communications is to convey and share information about the personal implications of a change. This information should be delivered by an employee's supervisor in face-to-face communications. This type of communication around the personal implications of change is important for informing individuals about practical aspects of the change, in terms of timing, their potential involvement, and other key details, but it also can be key for explaining to an individual how a change will improve the way they work and sharing other benefits of the change.

It is also important to remember that communication does not only go from the sponsors and change agents *to* the affected stakeholders; good change communication must also flow *from* the stakeholders and that communication must be acknowledged and responded to. Telling stakeholders what the plan is does not create buy-in on its own; stakeholders should also feel that their opinions and concerns are being heard and considered. Providing channels for stakeholder feedback and demonstrating that the feedback is important will create goodwill and allow stakeholders to feel like they are really part of the change. Further, effective change communications can ensure lasting benefits from the change, facilitate the change in the short term, and make stakeholders more likely to maintain that change later.

When creating the change communication plan, all of the above factors must be considered. The various stakeholders need to be mapped and categorized, identifying potential sponsors, change agents, front-line employees, and others;

the various types of communication need to be considered, creating a mix of in-person and electronic/written methods; the content and frequency of messages should be planned based on stakeholders' unique change requirements; and there must be a method for receiving and responding to feedback from stakeholders.

Moving Forward

Each change will have its own requirements and stakeholder map, and each will necessitate a unique communication plan; however, this planning is well worth the time and effort since a well-executed communication plan makes a change much more likely to succeed. The plan can help to move stakeholders from being unaware or resistant to understanding and supporting a change. This movement in understanding then supports the change being enacted in the short term and can ensure that the change is fully institutionalized and delivers sustainable benefits over time.

The recent webinar enabled the Ukraine Finance Academy to begin creating a stakeholder map and to begin assessing their communication needs for one of the many important upcoming government initiatives. Evans Incorporated looks forward to continuing this collaboration, working with and supporting the Government of Ukraine. Through these joint efforts, government officials and managers will have the tools and techniques that they need in order to motivate their stakeholders and enact significant, long-term change.