

KENTUCKY CERTIFIED PUBLIC MANAGER PROGRAM

**APPLIED PROJECT FOR
ANALYTICAL/CONCEPTUAL SKILLS**

**SURVIVING CHANGES IN PURCHASING
AND STORING LABORATORY SUPPLIES**

Submitted by

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Prepared for

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Part 1. Background and the problem addressed in the project.

I have worked in state government for 30 years and have been Branch Manager of Technical and Administrative Services in the Division of Laboratory Services (DLS) for over 15 years. During this time period, I have experienced many changes in the way business is done including introduction of E-Mail, FAX machines, electronic filing, and word processing. Some of these changes have introduced paradigm shifts such as eliminating the need for personal secretaries for many managers.

Although these paradigm shifts drastically altered the way business is conducted, most of the changes were implemented slowly and incrementally, giving one time to adjust to the differences each made. A change that came rapidly and without much warning was decentralization of the purchasing process and closing of state government warehouses. A system that had evolved over a 30-year period, and which most people felt was working fine, was now being altered. This change proved to be a significant emotional event for several staff in our organization.

With annual purchases of over \$3,000,000 from over 800 vendors, the DLS represents the largest purchasing agency in the Department of Public Health. Decentralization of the state purchasing system as part of Empower Kentucky presented a special challenge to DLS staff in procuring necessary supplies, reagents, and equipment required to continue uninterrupted laboratory testing within the required time frame. Timeliness is especially critical in several medical

laboratory procedures where the most favorable patient outcome depends on quick responses.

The Warehouse Optimization effort, another Empower Kentucky initiative, led to closing the warehouse used by DLS for storing supplies. Many of these supplies consisted of custom-made items such as specimen mailing containers manufactured to our specifications. Our staff felt that just-in-time delivery was not appropriate for this situation and regarded the whole event as another significant emotional event.

Part 2. Expected Goal.

My goal in dealing with the warehouse closing and change in purchasing process was three-fold, (1.) to minimize the negative effect of the change on our productivity, (2.) to ensure the continuation of the testing process and (3.) to minimize the emotional effect on our staff. These goals were obviously closely related in that the outcome of one would directly affect the outcome of the others.

In "Managing Organizational Change" I learned that when a paradigm shift occurs, everyone goes back to zero. With this in mind, it was apparent that we would experience a temporary work slow down and a delay in procuring supplies. I wanted to minimize these effects as much as possible.

By understanding how change affects individuals, I hoped to help our staff understand and adapt to the changes. When change is introduced, productivity, morale, and commitment initially fall off. It is the job of the change agent or manager to implement or help implement the change. Since I couldn't manage the emotional reaction to the change in a rational manner, I hoped to circumvent

some of the problems by using techniques I had learned in the workshop for introducing change as painlessly as possible.

Part 3. Workshop knowledge used in project and applicability.

In "Managing Organizational Change" I learned that the change process goes through several stages. The present state is defined as a solid. The unfreezing or changing of the solid into a liquid represents the transition stage. Re-freezing the liquid back into a solid represents the future target. Certain roles must be filled to achieve the desired change or outcome. The **change sponsor** has the power to initiate the change. The **change agent** is responsible for implementing the change and the **change target** must alter their knowledge, skills, attitudes, or behavior.

Managing people through change involves managing through the transition curve. The first phase of the transition curve is **denial**, then **resistance**, followed by **exploration**, then hopefully on to **commitment**. Management should confront the denial stage with communication. During the resistance stage, people feel anger and grief. The manager should concentrate on channeling the energy in a positive way and to saying goodbye to the past. Once the manager channels energy in a positive way, the exploration phase begins. Strategies during commitment involve recognizing accomplishments. This is the time when people should be rewarded for a job well done.

In implementing change, one must be concerned about the content of the change as well as the process of the change. **Content** is rational and relates to what needs to be changed. **Process**, which is seen as emotional, relates to how

the change is to be made. Content involves identifying the need for change, developing a plan for change, and implementing the plan. Three criteria are required for successful implementation of change: empathy, involvement, and communication.

Driving forces help the change to occur while restraining forces are those which inhibit or block the change. In "Managing Organizational Change" I learned that a **force field analysis** is a tool useful in identifying driving and restraining forces. I also learned that working through the process of identifying forces encourages creative thinking by forcing those implementing the change (agents) and those affected by the change (targets) to think through the various aspects of the desired change.

Part 4. What I did and how I applied the workshop knowledge.

In the workshop, we learned that the organization can be seen as a human organism consisting of family, systems, history, and culture. The change process of unfreezing, changing, and re-freezing requires certain roles to be carried out. The change sponsor in this case is the agency who sanctioned optimizing warehousing and implementing and administering the new purchasing process in state government. As one of the change agents I was responsible for implementing or helping to implement the change. The change target is DLS staff, who in this case, must alter their knowledge, skills, attitudes, or behavior regarding the way we purchase and store supplies.

I observed and noted behavior to determine the various levels of emotional reactions staff were experiencing. Many verbal cues and observed behaviors

indicated a wide range of emotions from anger to confusion. Some of the verbal cues included statements like, "closing the warehouse won't work - we're different, we don't want to do this, they'll be sorry, and it's not fair". Observed behavior included lack of commitment, raising voices, uncooperative behavior, asking questions, and withdrawal or doing just enough to get by.

My first step was to do a **Commitment Level Assessment** of the people involved in implementing the changes. This provided an analysis of each individual's current position and the level of support needed to successfully implement the proposed changes. Attachment 1 summarizes my assessment. I used this information in implementing a change action plan.

My action plan involved managing staff through the transition curve that follows a path through **denial, resistance, exploration, and finally commitment**. My first step in confronting **denial** was to provide information about changes involving purchasing and the warehouse closing. Since buy-in and commitment are critical, I also arranged for as many staff as possible to attend department meetings held to discuss the new purchasing process and closing the warehouse. I used the Commitment Level Assessment when deciding which staff should attend specific meetings. Priority was given to staff who had the widest gaps between present level commitment and level of commitment needed. Since early involvement helps build commitment, at the onset I held regular meetings including all seven staff to keep communication lines open and to ensure that everyone knew what was going on.

To help counter **resistance**, I set aside time each day to meet with individual staff. While I met with all involved staff, I paid particular attention to those who evidenced the greatest opposition and who had the widest gap between present level commitment and level of commitment needed to successfully implement the changes. During the sessions, I was careful to remain calm and in control. I concentrated on listening to individual staff concerns and acknowledging their feelings. As they began to express negative feelings, a strange thing happened. They began to get over them and to gradually accept the inevitable changes.

The individual and group meetings provided a forum for exploring ways to implement the changes in the least disruptive way. As one of the key change agents, it was my job to help implement a decision made as a part of Empower Kentucky. Since I had responsibility for implementing a decision made at a higher level, I was mindful to understand the struggle of forces involved – the driving and restraining forces. With this in mind, I sought input from other staff in developing a **force field analysis**. The force field analysis we developed can be seen in Attachment 2. This exercise proved useful because it forced all of us to think through different aspects of the necessary changes. By identifying the restraining forces, we could now concentrate on eliminating them, thereby helping to overcome resistance to the necessary changes.

As time passed, staff stopped complaining so much and began to explore ways to implement changes. They began to verbalize concerns and to ask questions. From all indications, we had now moved into the **exploration** stage.

The exploration stage involved trying to channel energy in a positive way. At this time, I arranged for a group of three staff to make a field trip to a local health department to explore alternate storage space for our specialized mailing containers. While this did not result in a solution to our problem, it did channel their energy in a positive way. Eventually the staff settled on a storage solution that involved keeping supplies in our own facility in a previously unused core area. This area was unused because everyone had the erroneous impression that items could not be stored there due to safety violations. After consulting with the state fire marshal, we learned that the area had a sprinkling system and that storage of supplies there was acceptable

Further exploration of ideas led to implementation of an electronic purchase order form. Prior to the use of an electronic purchase order form, each section supervisor prepared a handwritten order form for items to be purchased. The information on this form had to be typed onto a Form-156 before being approved and sent to Purchasing for processing. This process resulted in duplicate work and required a cumbersome manual filing system to keep track of encumbrances and expenditures.

The successful implementation of the electronic purchase order form was a major milestone in winning staff over to the changed purchasing process. I was now beginning to see signs of **commitment** to the change. Several staff began to show initiative in implementing the changes and a willingness to help others through the transition. Fear was now being replaced by self-confidence as support for the change increased.

As a reward for their hard work, I nominated key staff members responsible for implementing and administering the new purchasing process and for making the transition from the state warehouse to an in-house storage area by nominating them for the Commissioner's Intradivisional Group Award for Excellence. While they did not receive the award, they felt that being nominated was at least a sign of recognition of their hard work and cooperation in implementing two very difficult changes in our work environment.

Part 5. Project outcome.

My project was very successful in implementing the change to a new purchasing process and overcoming the loss of a storage facility for supplies as a result of closing our state warehouse. Early involvement of key staff was critical to seek their buy-in and commitment in implementing the necessary changes. While work productivity was initially affected in the denial and resistance stages, as we progressed through exploration and commitment several positive aspects began to emerge. The end product was a purchasing and storage system with many improvements. Just as importantly, we all learned the power of working together as a team. To emphasize our team effort in implementing the changes, we have adopted the slogan used in "Managing Organizational Change, "If a nail pops up, everyone is responsible for hammering it down."

Part 6. Personal benefit of the project.

As a result of this project, I know that I am subject to the same negative effects of change as the staff that I manage. I am also quick to assume that the

status quo is the right way and that no improvements can be made in systems that trained professionals have perfected over the years.

I have learned that managing change requires a great deal of empathy for workers feelings, it requires early involvement of those effected, and communication to help allay fears and to gather as many thoughts and ideas as possible regarding the impact of the proposed changes.

While involving staff early in this project, I would be mindful in the future to involve them from the outset. The ultimate success of this project was due to worker buy-in and the support they gave to each other and to me in making the transition to a new purchasing system and locating and adapting to a new storage area.

Part 7. Benefits of project to my work unit or agency.

The initial perception was that changing the purchasing process and closing the warehouse would be a disaster for our operation. This has not been the case. On the contrary, we have derived several benefits as a result of the changes.

In-house storage in the core area of our facility has provided several advantages over warehouse storage. We no longer have to pay for storage space since we are now using our own facility. Another advantage is having the items close at hand to allow for easy retrieval when they are needed.

Implementation of an electronic order form was well received by our staff. The electronic form eliminated duplication of filling out information on multiple

forms and allowed for electronic filing, a time saving device allowing for easy retrieval of information.

In the Burning Platform Analogy, Daryl R. Conner says that change is often implemented as the result of pain. He believes that commitment to change early in a situation is often due to fear of pain, whereas commitment to change late in a situation is inspired by current pain. Regardless of the timing of change, Mr. Conner astutely observes, "successful organizations and managers today cannot wait until they feel the pain, they must see the opportunities for improvement. This is the essence of the new quality movement in both the private and public sectors."

As an organization, we observed first hand that people don't object to change, they object to being changed. Our organization benefited from this experience because people felt empowered when they were allowed to think about and implement solutions which they had a role in identifying. As a team we experienced that, while change may be scary, it often results in improved performance, and that kaizen or continuous quality improvement is necessary to remain competitive in today's world even for a state government agency.

Attachment 1						
COMMITMENT LEVEL ASSESSMENT						
Key Persons	Evidences Opposition	Does Not Oppose	Gives Formal Support	Active Supporter	Unknown	
Charles	<input type="radio"/>			<input checked="" type="checkbox"/>		
Bill	<input type="radio"/>			<input checked="" type="checkbox"/>		
Debbie	<input type="radio"/>			<input checked="" type="checkbox"/>		
Sharon		<input type="radio"/>	<input checked="" type="checkbox"/>			
Angie		<input type="radio"/>		<input checked="" type="checkbox"/>		
Jeanette	<input type="radio"/>			<input checked="" type="checkbox"/>		
Deborah		<input type="radio"/>	<input checked="" type="checkbox"/>			
X = Level of Commitment Needed						
O = Present Level						

FORCE FIELD ANALYSIS

Driving Forces

Restraining Forces

