

Future thinking

How do airport operators best accommodate changes in leadership, organisational structure and corporate culture? Dr Richard Plenty and Terri Morrissey investigate.

Airport CEOs might not like to admit it, but in any modern gateway there is no shortage of areas where change is necessary.

There is, for example, a constant need to look at new ways of working to improve efficiency, effectiveness and reduce costs.

New technologies have to be introduced, and developing the commercial side of the business to boost revenues and improve the passenger experience is now high on the agenda of most airports.

And in today's ever-demanding world, who can forget the need to change and adapt to ensure that airports embrace sustainable development and more customer focused strategies.

Whilst these things may sound reasonably straightforward to implement, the opposite is often true, and it appears as if one of the main difficulties airport leaders face today when introducing change is to how to get the new philosophy to stick. Why is this?

The most frequently cited reason is 'resistance to change'. Major changes require people to change their attitudes and behaviour; to work in ways they have not done before; to think of things differently and to get out of old habits. And the battle for hearts and minds is a tough one to win.

Just telling people what to do differently is rarely effective. People have their own ways of doing things and don't always take kindly to being instructed what to do by others who don't know the details of their situation.

Still, the temptation to order people to do things in a new way and leave it at that – without much explanation – is always there, particularly when time is short. It doesn't always work very well, though.

How many managers have asked in frustration when a major change doesn't live up to their expectations, 'why won't they do what we tell them?'

Management of change matters

Change happens all the time. Every day the sun rises and sets. The moon and stars come out.

From this perspective, change is natural and resistance to change is a strange phenomenon. Still, we see that people can find it very hard to adjust their mindset and to behave and act differently when change is needed in the work situation.

There are many possible reasons for this. People may have genuine concerns about the practical details of implementation and doubt whether the change will work.

They may believe the benefits are unlikely to be worth the effort involved. At a deeper level, they may be concerned about the loss of control that the change brings or feel vulnerable and uncertain about the future.

And they may be worried about their job security or whether they will have the skills needed to do what's required.

The simple fact is that no matter how well people line up behind a change and become deeply committed, it depends not only on what the change is but how it is communicated and implemented.

To win hearts and minds, it's important to develop a change strategy that suits your situation. If you find the right approach, resistance to change can melt away and change can feel as natural as the changing seasons.

So if you're a leader wanting to bring about fundamental change in an organisation, how should you go about it? There are, of course, a number of approaches which can work. Listed below are just a handful.

Change as a journey

A systematic and logical approach to change management has become the classic way of managing change, much beloved of change management consultants.

The approach focuses on defining the size and nature of the gap between a vision of the future and the current reality. A plan is developed to ensure that everything that needs to be done is done, with the details of the change process planned as far as possible in advance and implemented from the top down.

Success depends on disciplined planning and implementation, good communication and high quality project management.

This works really well for clearly defined pieces of work, but hits snags when the environment is complex, unpredictable and changing meaning that such an approach to a project is often too rigid and over detailed.

It's also liable to sabotage if key individuals don't see the change as meeting their sometimes vested, interests.

Change as revolution

A time-honoured approach to bringing about change is to get rid of the people at the top of the organisation and replace them with 'fresh blood' who are supportive of both the leader and the change.

After all, change cannot be implemented if those around you in influential positions can't or won't support you.

However, experience shows that whilst changing the people can be a very important first step, this approach is rarely successful if that's all that is done. The reason is that it doesn't alter the fundamentals of an organisation's reality – its strategy, systems and processes.

You can also lose collective knowledge, key skills, and networks of business relationships and there is a risk that the replacements aren't as good as you thought they would be and that they have to go through a substantial learning curve.



Change as learning

A more sophisticated approach to bringing about major change involves a people-centred approach.

The idea is to minimise resistance to change by involving people in the process and helping them to develop a shared understanding of why the change is necessary, the vision for the future, and what needs to be done to make it work.

Leaders that take this approach have to spend a fair chunk of their time bringing people together in workshops and meetings – making sure that the reasons for change are clearly articulated and communicated – and helping people develop shared mental models and a systems view of the issues.

People's ideas and contributions are actively sought – this is not 'management by photocopier'.

This approach generally works well, but requires a fair amount of patience and skill. It can also be costly to bring people together.

It essentially needs people who have good communication skills and are themselves prepared to learn – skills which may in themselves require (sometimes costly) development.

Change as emergence

The most recent approaches to managing organisational change take their cue from nature, where change 'emerges' naturally. Seasons change, flowers grow and populations spread without the need for a top-down, pre-conceived strategic plan or the mandate of any single individual or boss.

This type of change can happen very quickly if the conditions are right. The key to emergent change is connectivity.

Change begins as local actions spring up simultaneously in many different areas. If these changes remain disconnected, nothing happens beyond each locale. However, when they become connected, local actions can emerge as a powerful system with influence at a more global or comprehensive level. The Internet and social media now make this feasible – this is what happened in the Arab Spring.

One way leaders can shape emergent change is through adjusting the system parameters, developing policies and systems which 'nudge' people to make their own choices in ways which, at first glance, look free but are in practice heavily influenced by the way the reward system is structured.

Ryanair, for example, has shaped attitudes and the behaviour of large numbers of airline passengers around queuing, Internet check-in and hold baggage, through a calculated system of incentives.



Putting change theory into practice

So much for the theory. How does this work in practice, as implementing major change is rarely straightforward?

The amount of effort involved is nearly always underestimated as is the time needed to manage the organisational politics.

All approaches to major change have their merits, but it is rare that the linear project management approach to change ('change as a journey') will decisively influence attitudes, behaviours and mindset of the organisation as a whole. For that a more people-centred approach is necessary.

The starting point should always be the business case for change. Change is a means to an end rather than an end in itself. And the reality is that the change process itself is typically frustrating and iterative – sometimes you feel like you are having to take two steps backwards for one step forward rather than progressing smoothly to your destination. It is a never-ending journey.

If you need to win hearts and minds and to change attitudes and behaviour, you will need to think as carefully about how you go about change as what you are trying to do.

And it's important that the way you go about things fits with the business objectives you need to achieve and the style of the organisation.

It's also useful to bear the various approaches to change in mind and decide whether there's one predominant style that makes sense for your organisation and culture.

Dublin Airport Authority

Between 2006 and 2010 a massive €2 billion infrastructure development programme took place at Dublin Airport, at the same time as a large organisational change programme was implemented.

As the CEO at the time, Declan Collier, recalls: "Transforming the airport meant transforming the organisation and its leadership as well as its infrastructure: it's two journeys, not one."

An approach to change was developed, which was heavily influenced by the business environment, pressure for delivery and organisation realities.

Elements from all of the major approaches to change were incorporated, with a particularly strong component of organisational learning. The approach to change during this phase had the following characteristics:

- Business driven
- Clarify and communicate vision, mission and values (VMV)
- Broad top-down framework, focusing on management alignment
- Set clear strategic objectives and targets
- Set high standards around delivery
- Create opportunities for leaders to discuss business, vision, strategy
- Expect people to take initiative, fill in the detail, get on with their jobs
- Build leadership capacity and capability
- Develop, promote, recognise and reward the talented and committed
- Hold regular reviews and learn from them

And it clearly worked as satisfaction levels in ACI's Airport Service Quality (ASQ) survey have soared since then and the new terminal was delivered on time and on budget.

Bologna Guglielmo Marconi Airport

In the case of Bologna, the airport wanted to transform itself into a high performance meritocracy.

Here, the problem was that there was an urgent need to improve airport performance characterised by low profits and growth.



The organisation was hierarchical, formal and bureaucratic with ageing staff and promotion through tenure/contacts. As a result it was known for having a very slow, low-accountability role culture.

Their change process involved a very strong management commitment, a focus on developing soft skills, communication and the implementation of a comprehensive performance management framework.

The Italian gateway also made some key management changes and, as result of its all-encompassing approach, progress was rapid.

Indeed, a spectacular improvement in its results led to Bologna winning ACI Europe's Best Airport Award in the one to five million passengers per annum category in 2009.

The judging panel's comments that it won the award for being "a great all-rounder in operations, retail, community engagement and airline relations", probably tells you all you need to know about the effectiveness of the new organisation.

Final word

In conclusion, there really is no substitute for developing a 'customised' approach to major change that fits the circumstances, as happened at both DAA and Bologna.

If you need to change 'hearts and minds', don't just think of the mechanics of the change, but consider the impact on individuals, and pay particular attention to the 'learning' and 'emergent' paradigms, which are more people oriented.

You should consider seeking help and support from outsiders if you have a major programme of change to undertake, as it can be difficult to do all the work in-house at the same time as running major infrastructure such as an airport.

Having said that, here are a few tips free of charge!

- Always start with business objectives
- Think through your change strategy, as well as what you want to achieve
- Explain what you are doing and why
- Engage and involve people in the process – in particular, key influencers
- Set boundaries and encourage people to develop their own solutions within these boundaries
- Make it clear 'old behaviours' are unacceptable and don't tolerate them
- Look for people doing the right things and recognise them
- Make sure the reward system is aligned with what's required
- Build leadership capability and capacity – provide development on soft skills
- Continually review progress
- Don't give up too quickly!
- Communicate, communicate, communicate

If you make the effort to explain to people what is happening, involve them in the change process and give them the time and opportunity to learn for themselves, you won't have to tell people what to do to make change work – they will tell you. AW

About the authors

Dr Richard Plenty and Terri Morrissey are directors of leadership and organisation development practice, This Is. They provide HR management training for ACI World and are co-organisers of ACI Europe's Airport Leadership and Change Management Forum being held in London this October, 17-19. Contact Richard and Terri via info@thisis.eu for more information about the event.