

# Managing Change

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## 1 Management of change issues

### **The motivation to change**

Change can be a gradual evolution or a sudden transformation. The factors of change from the external environment include:

- ◆ Regulatory changes that organisations must comply with.
- ◆ Sudden economic shocks leading to transformational change.
- ◆ Social changes.
- ◆ Technological developments.

The internal forces that can bring about change include the following:

- ◆ There is a continuous reaction to historical changes.
- ◆ innovation - the company may develop a new product or a new manufacturing process.
- ◆ individual executives' ambition.
- ◆ the pursuit of growth.

### **Attitudes to change**

The role of management is to anticipate the need for change, create an atmosphere of acceptance of change and manage the stages of introduction and implementation. Negative attitudes towards change can be due to the following:

- ◆ Lack of understanding of the need for change.
- ◆ Uncertainty of the effect that the change will have on their lives.
- ◆ Self interest - people may resist change because it could take away something they value.

### **The management of change**

The organisation can create an atmosphere in which employees are willing to consider change by:

- ◆ setting simple and clear goals for what the change should achieve.
- ◆ creating an agenda for change (ie, state clearly what is going to be changed and when).
- ◆ creating a supportive organisational structure (ie, set up help desks to deal with concerns).
- ◆ selecting key people to lead change - chosen because of their position or influence.

Kurt Lewin's 3-step model of change includes:

- ◆ Unfreezing habits or standard operating procedures
- ◆ Changing to new patterns, and;
- ◆ Refreezing to ensure lasting effects.

## 2 Types of strategic change

### **Incremental and transformational change**

Incremental change is usually the result of a rational analysis and planning process. It does not challenge existing assumptions and culture.

- ◆ There is a desired goal with a specific set of steps for reaching it.
- ◆ It is usually limited in scope and is often reversible.
- ◆ If the change does not work out, there is a belief that the organisation can always return to the old way.
- ◆ Incremental change usually does not disrupt past patterns - it is an extension of the past.
- ◆ Management feel that they are in control.

Transformational change involves changing existing structures, the existing organisation and the existing culture. It will be a top-down process, initiated and possibly imposed by the top team and may come about because

- ◆ the organisation is faced with major external events that demand such large-scale change.
- ◆ the organisation anticipates changes and initiates action to make shifts in its own strategy.
- ◆ strategic drift leads to deteriorating performance and requires transformational change.

Transformational change differs from incremental change - it requires new ways of thinking and behaving, is major in scope, discontinuous with the past and generally irreversible.

## 3 Strategic change programmes

### **The Gemini 4Rs framework**

The transformation process must create a vision, make the company lean and fit, create market opportunities and impart new ways of doing things. Gouillart and Kelly argue that the transformation exercise fails if one of the 4 Rs - reframe, restructure, revitalise and renew - is missing.

- ◆ **Reframing** - is the process of setting a corporate vision.
- ◆ **Restructuring** - is the process of removing the fat from an organisation.
- ◆ **Revitalising** - is the process of finding new products and markets.
- ◆ **Renewal** - is the process of development that focuses on the individuals. It is needed to align individual skills with organisational requirements.

### **Force field analysis**

Force field analysis (Kurt Lewin) is a general-purpose diagnostic and problem-solving technique.

- ◆ There are forces that push for change (driving) and forces that hinder change (restraining).
- ◆ If the forces offset each other completely, it results in equilibrium and status quo.
- ◆ Change is brought about by increasing the driving forces or reducing the restraining forces.

The change process consists of:

- ◆ Identifying the restraining forces and overcoming/removing/getting round them.
- ◆ Carrying out the change.
- ◆ Stabilising the new situation by reinforcing the (now changed) behaviour of individuals and work groups with praise and encouragement.

#### 4 Management roles in the change process

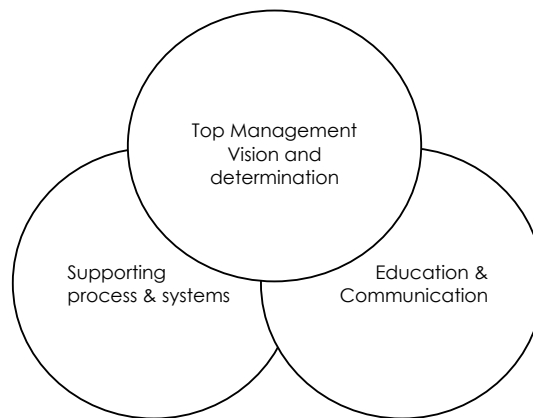
##### Strategies for managing change

The organisation can manage change by using the following methods of communication.

- ◆ Participation - involve employees in decision-making.
- ◆ Education and communication - this will educate employees about why change is necessary.
- ◆ Power/coercion - management impose changes on employees.
- ◆ Manipulation - works as part of a power strategy but may not be as overt.
- ◆ Negotiation - should avoid future conflicts, but again is lengthy.

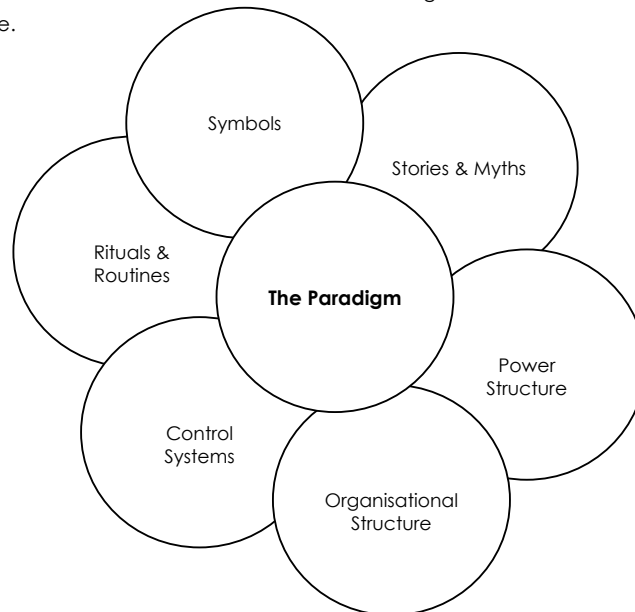
##### A model for cultural change

Andrew Mayo describes a simple model of cultural change illustrated by the diagram below.



- ◆ Top management vision and determination - senior management must share and own the end goals so that they visibly drive and articulate the changes needed.
- ◆ Education and communication - in order to change the way people think in an organisation, educational programmes are required; first for management and then for all staff.
- ◆ Systems and processes - are the lifeblood of the organisation and will affect every employee.

Jerry Johnson speaks of a Cultural web, which creates an organisational culture, which could facilitate change.



## 5 Managing the strategic change process

### **The agents of change and the change agent**

An agent of change - sometimes called the champion of change - can be defined as the person who seeks to initiate and manage a planned change process.

Davenport has identified several 'players' in the change process:

- ◆ the advocate, who proposes change.
- ◆ the sponsor, who legitimises change.
- ◆ the targets, who are the people who undergo change.
- ◆ the change agents, who implement change.
- ◆ the process owner, who is typically the most senior target.

**The change agent** - is the individual or group who carries through change in an organisation.

### **Change strategists, implementers and recipients**

The implementation process involves three broad roles:

- ◆ Change strategists are usually leaders - identifying the need for change, creating a vision of the outcome, deciding what is feasible, choosing who should sponsor and defend it.
- ◆ Change implementers - make it happen by managing the day-to-day process of change; they must respond to the vision from above and the responses from below.
- ◆ Change recipients - the largest group including those who must adopt and adapt to the change; they are strongly affected by the change and determine whether it will hold.

### **Common pitfalls of implementation**

A recent study identified these problems that a majority of firms experienced:

- ◆ Change took more time than allocated.
- ◆ unforeseen problems surfaced.
- ◆ coordination of implementation activities was ineffective.
- ◆ competing crises distracted attention.
- ◆ insufficient capabilities and skills of those involved in the implementation.
- ◆ inadequate training was given.
- ◆ uncontrollable external factors had a major adverse impact.
- ◆ inadequate support for change.
- ◆ failure to define expectations and goals clearly.
- ◆ failure to involve all those who will be affected by change.