

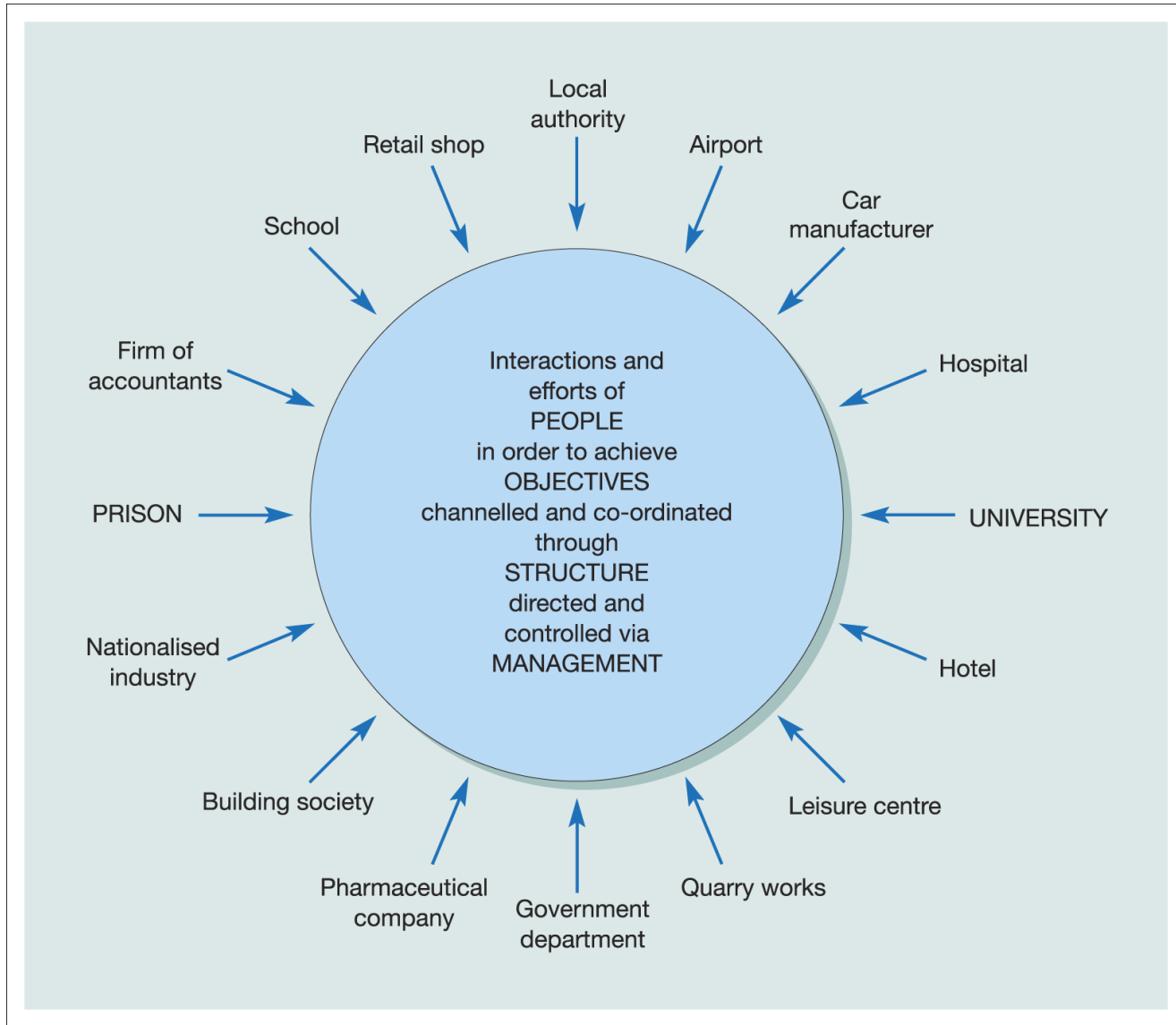


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Change Management





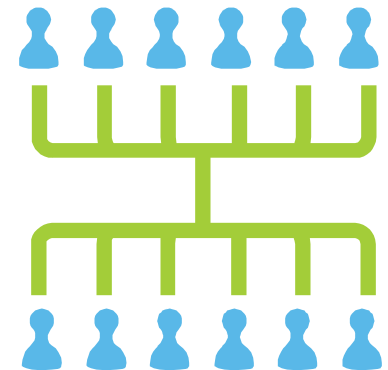
Common factors in organisations

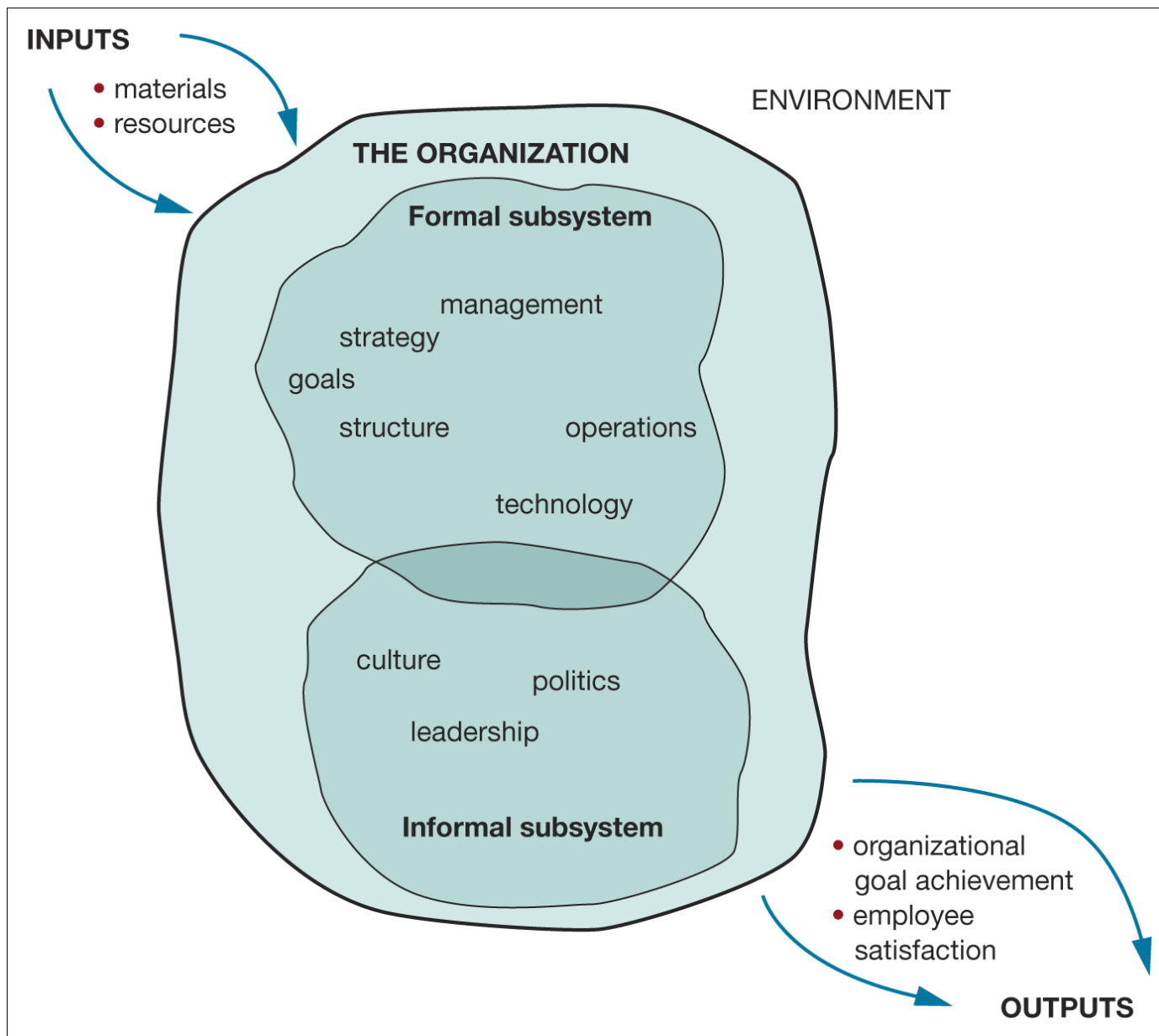
Organisations are...

'...social constructs created by groups in society to achieve specific purposes by means of planned and co-ordinated activities.

These activities involve using human resources to act in association with other inanimate resources in order to achieve the aims of the organisation.'

Farnham and Horton

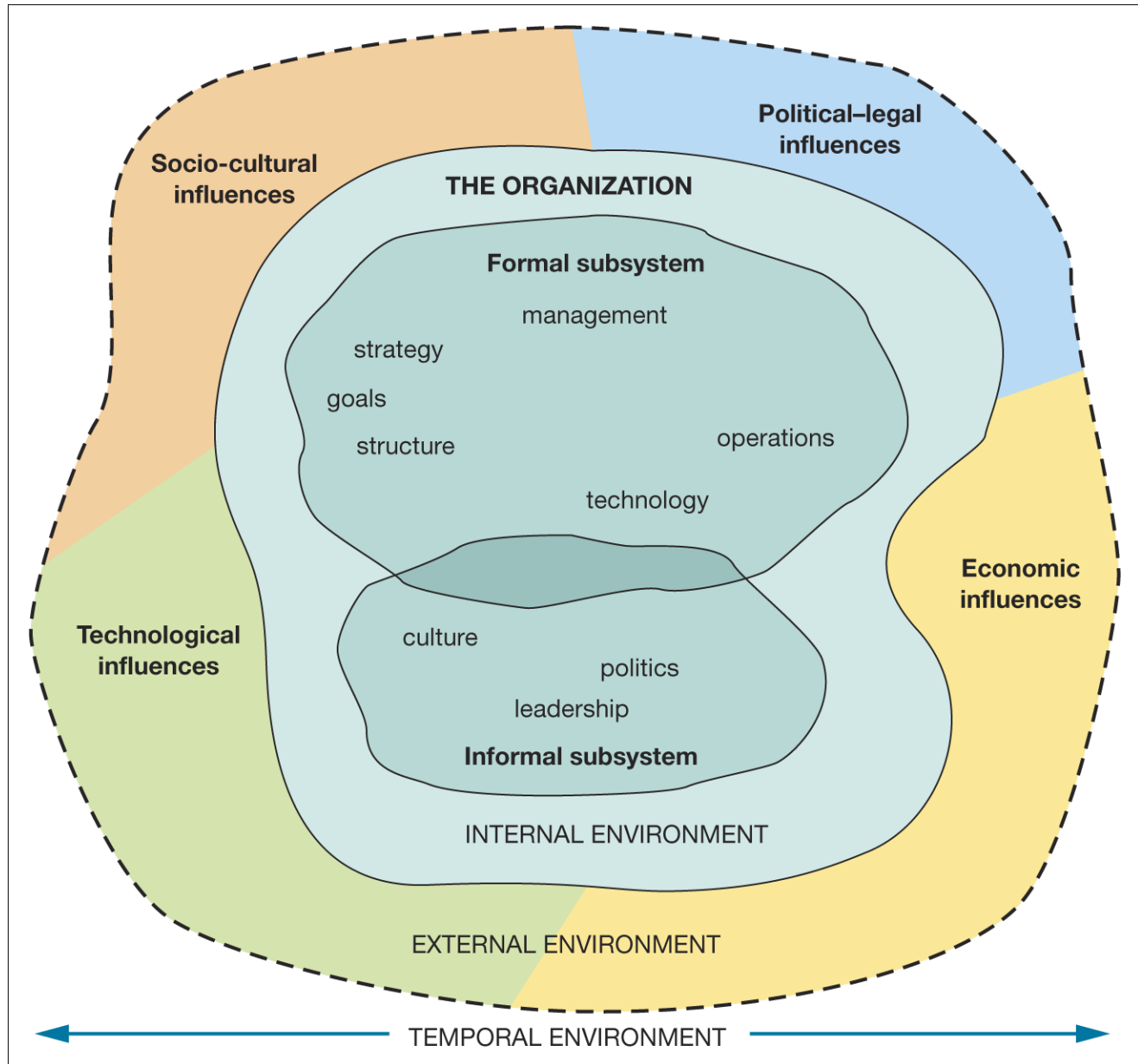




The organization as a system

Why study organisation theory in a change management module?

- Provide the context in which organisations are structured and run
- Guide changes which are made
- Helps to understand why they are as they are
- THEN we can consider how/why they are changing
- Linked implicitly or explicitly to change management itself



Today's world

- What's changing?



Dynamic Change

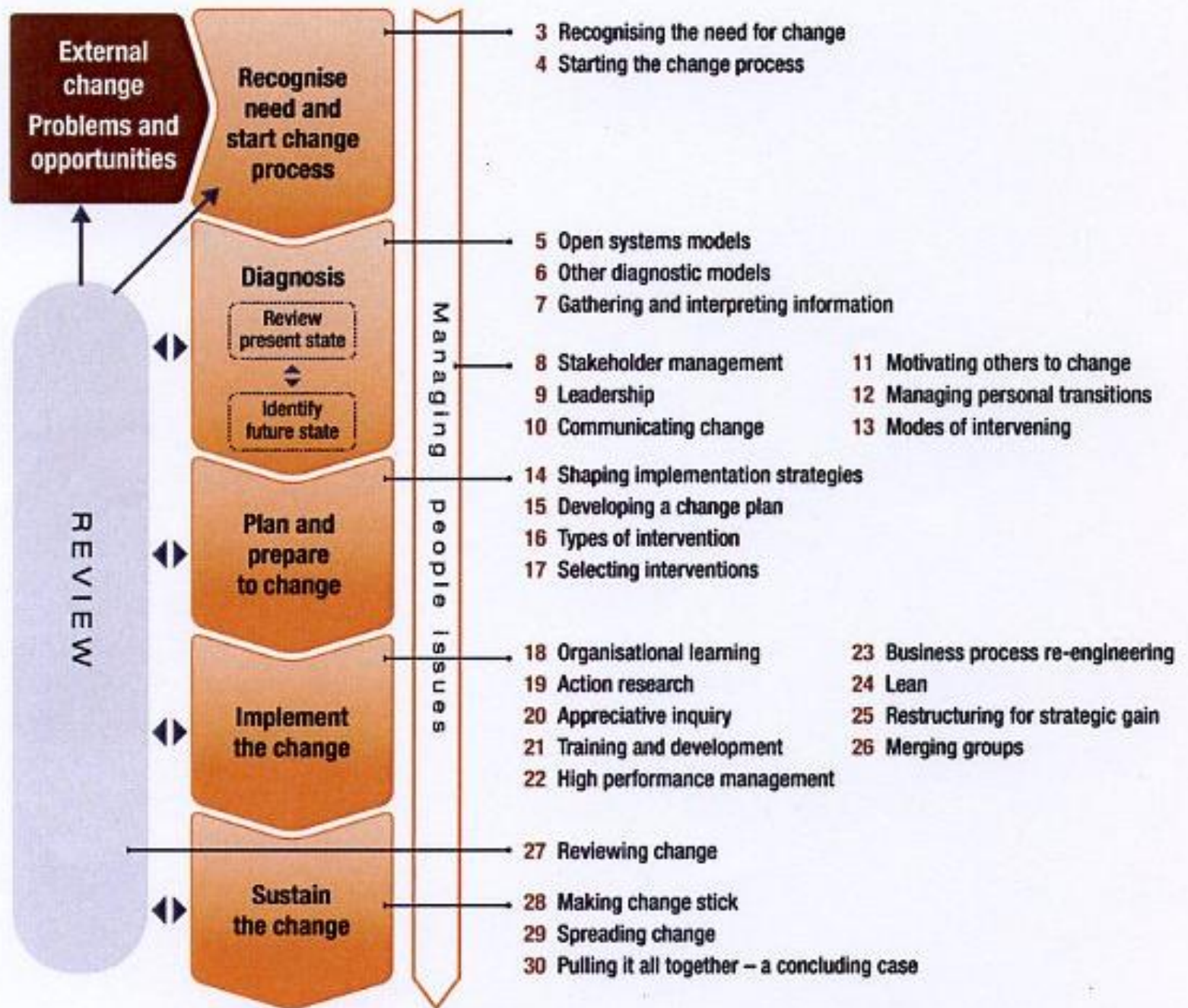


- 9/10 company change initiatives are partially reacting to current economic conditions (The Economist, 2010).
- Real competitive advantage comes from:
 - timely responsiveness
 - rapid, flexible product innovation
 - management's capability to cope/help organisations change effectively

Process of Managing Change



- How people can be **encouraged and empowered to work with the new resources**
- What **support strategies** are needed to help overcome resistance to change
- Methods of **consultation**
- **Roles of managers** at different points in the change process
- Influence of organisational climate, structures, and ways of working on **how well change is managed**



Is it bad news from start?



- People have a natural resistance to change
- 70% of companies fail in implementing reengineering programmes
- 70 - 80% of companies do not obtain the expected return on quality improvement investments
- 75% of cultural change initiatives do not achieve the required change in the organisation's culture
- 50 - 60% of customer service programmes do not result in benefit to the customer
- 60 - 70% of companies do not realise expected benefits from implementing technology initiatives

www.mrs.org.uk

Change is curious – True/False



- Change is linear
- Change is predictable
- We can plan to manage change
- Leaders and managers have some control over change
- Most external change factors are outside the organisation's control
- Most uncontrollable changes are largely exceptional

(After 'Innovation and Change in Organisations', King and Anderson, 1995)

Successful change

- Ensuring top sponsorship 82%
- Treating people fairly 82%
- Involving employees 75%
- Giving quality communications 70%
- Providing sufficient training 68%
- Using clear performance measures 65%
- Building teams after change 62%
- Focusing on culture and skill change 62%
- Rewarding success 60%
- Using internal champions 60%

Source: Organisational Behaviour, Buchannan & Hysincki (2008)

% of key managers who cited this as a barrier. Interviews with 500 global companies



Sharing Economy: Hype or Paradigm Change in Tourism

<https://youtu.be/BG85q5-lhFE>

Impact on hotels of sharing economy

<https://youtu.be/KgfUzTtUIEQ>

<https://youtu.be/XcOqlDg6BxQ>

The Changing World of Work: Does the Sharing Economy foster trust or inequity?

<https://youtu.be/OEmS0obpyJU>

The State of the Sharing Economy

<https://youtu.be/rmybVwtY554>



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Change Management

Analysing Stakeholders





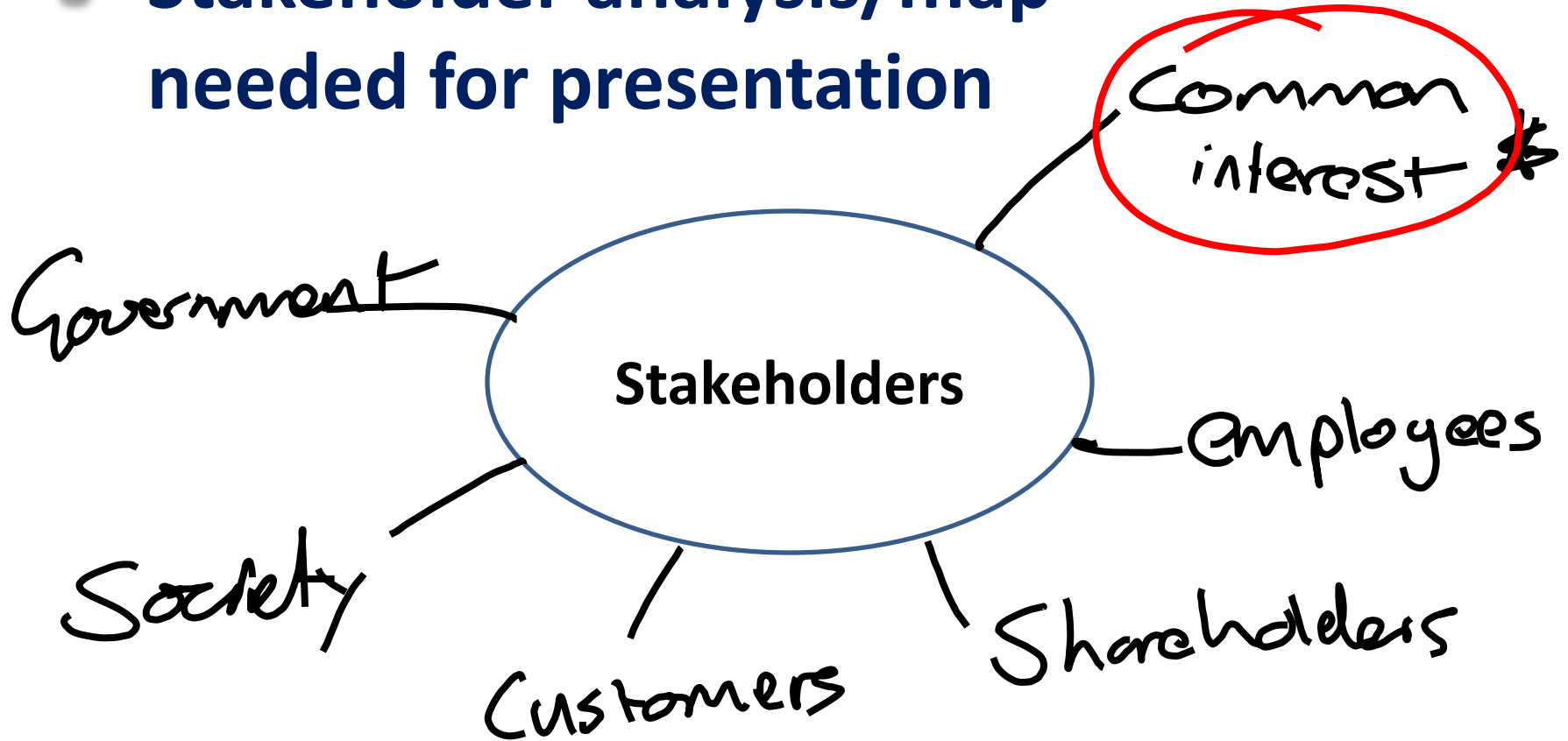
Stakeholders



Reminder:

**Stakeholder analysis/map
needed for presentation**

5



Stakeholders

Stakeholders are any individuals or groups who can affect or will be affected by the outcome of a change.



**Should change managers take account
of all or only selected groups of
stakeholders?**

Exercise

Identifying stakeholders

Consider the following questions

1. Who are the people/people/units in your organisation that change will effect?

Notes

Which stakeholders are most important?

➤ *Normative theories.*

- According to normative or ethics-based theories of stakeholder management the interests of all stakeholders have intrinsic value and should be taken into account when planning and implementing change.

➤ *Instrumental theories.*

- managers will only attend to the interests of stakeholders to the extent that those stakeholders can affect their interests.
- Managers are selective in who they attend to and are not motivated by a concern for the welfare of stakeholders in general.

Jawahare and McLaughlin's stakeholder theory

- At any given life cycle stage certain stakeholders become more important than others because of their potential to satisfy critical organisational needs,
- It is possible to identify which stakeholders are likely to be more or less important at each stage of the life cycle.
- The strategy that will be used to deal with each stakeholder will depend on the importance of that stakeholder relative to other stakeholders.

A life cycle approach to stakeholder management

- different pressures threats at different stages in its life cycle.
- Over time, certain stakeholders become more important than others because of their ability to satisfy critical organisational needs.

The contribution of resource dependence theory

- Change managers pay most attention to those stakeholder groups who **control resources critical to the organisation's survival.**
- It is possible to identify four ways of attending to stakeholders:
 - Proactive
 - Accommodating
 - Defending
 - Ignoring

The contribution of organisational life cycle models

- Resource requirements will vary
- interact proactively with those who control the critical resources.
- ... and ignore or act in a defensive mode towards other stakeholders
- When the flow of resources is not threatened, pursue a risk-averse strategy, and actively address the concerns of all stakeholders.

Managing stakeholders

Key steps are:

- a stakeholder analysis to identify important stakeholders
- the development of a strategy for persuading influential stakeholders to support the change.

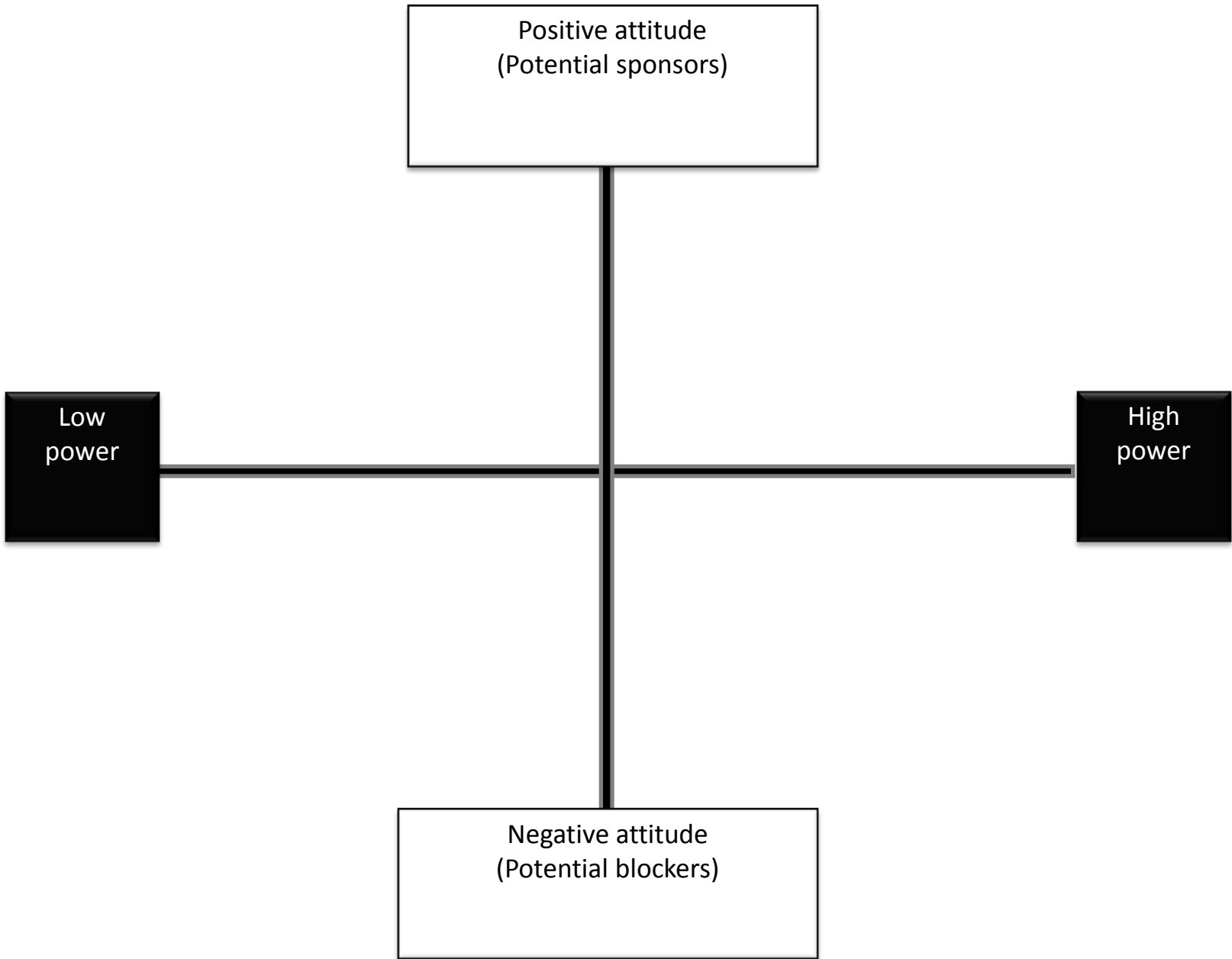
Exercise

Identifying the Sources of Power

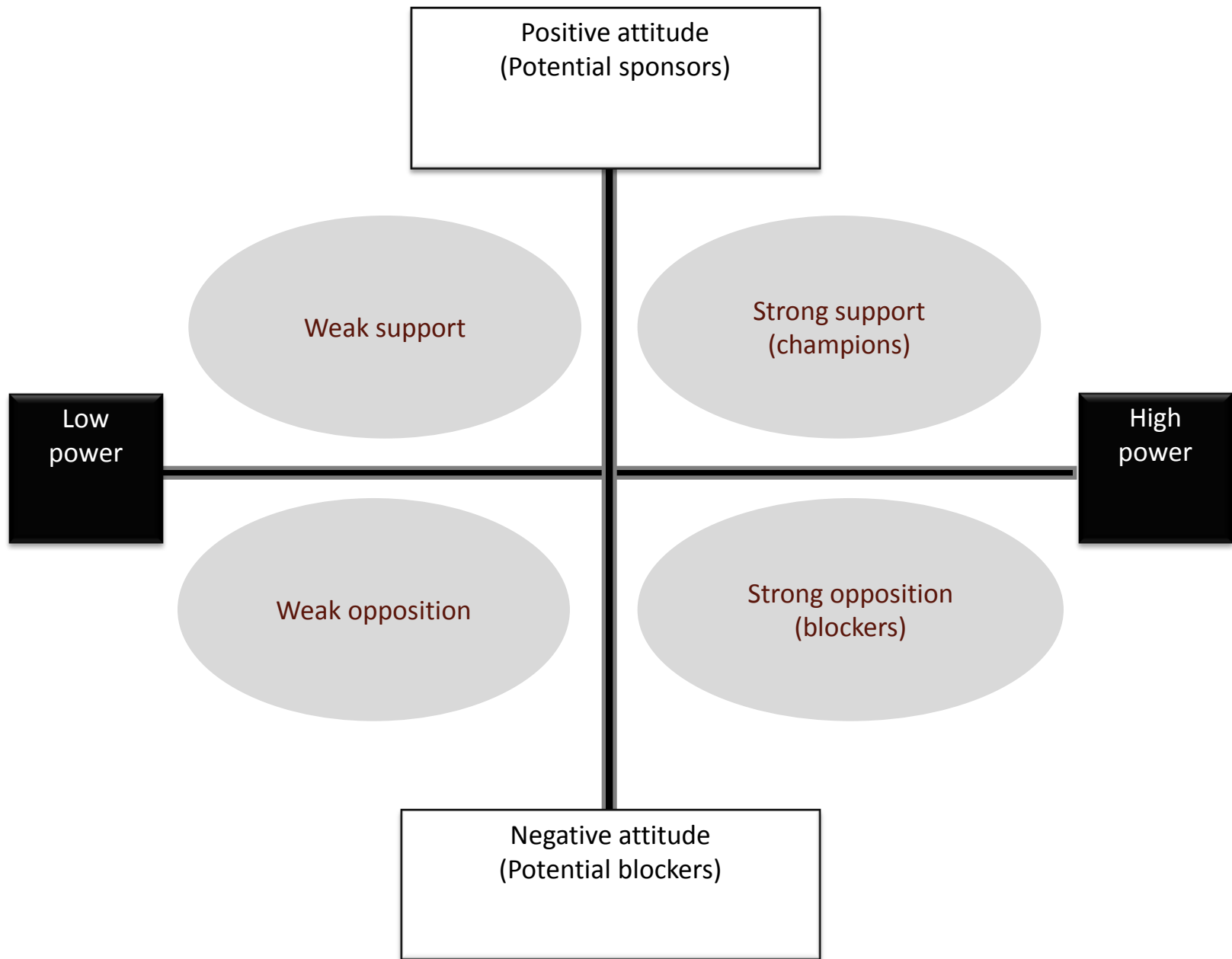
Consider the following questions

1. Who are the most powerful people/units in your organisation?
2. Why what is the basis of their power?

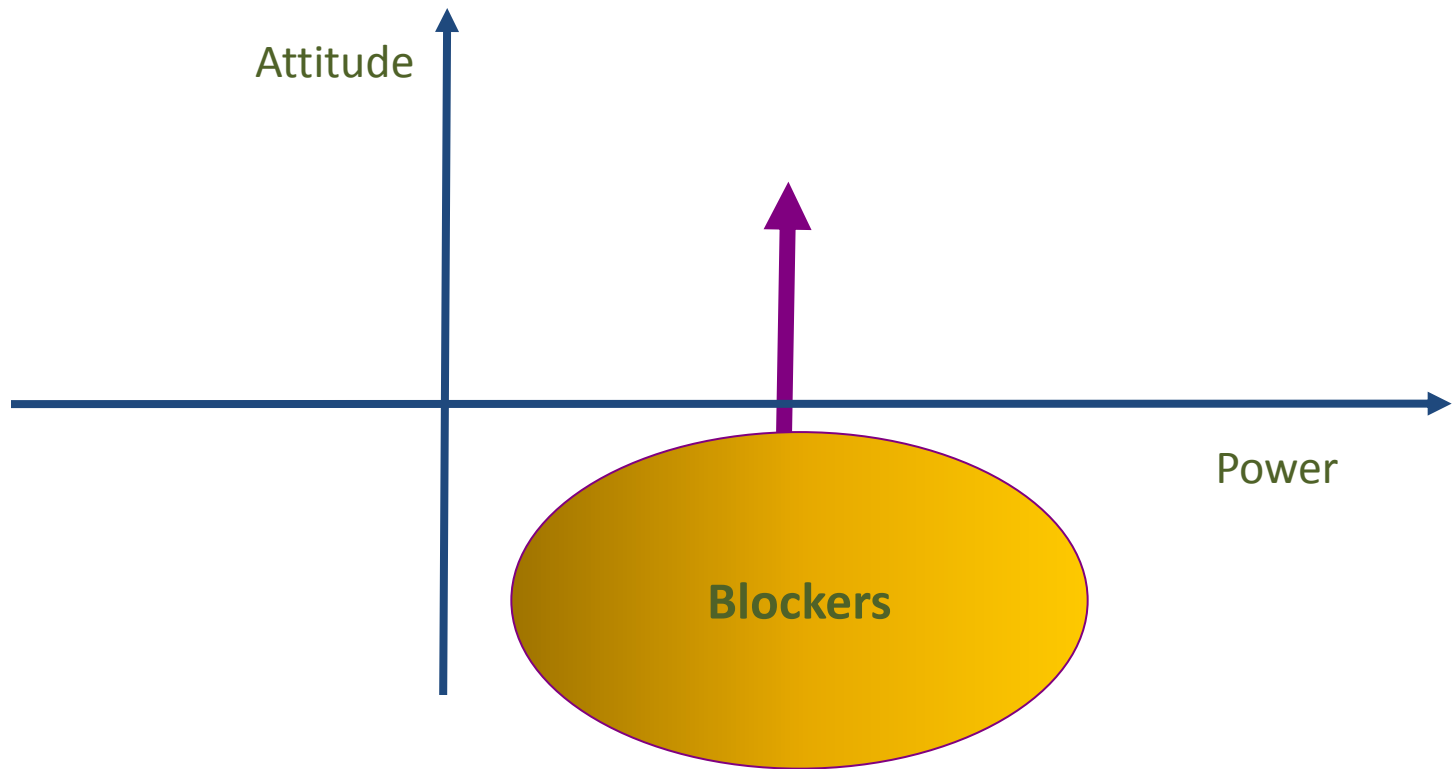
Notes



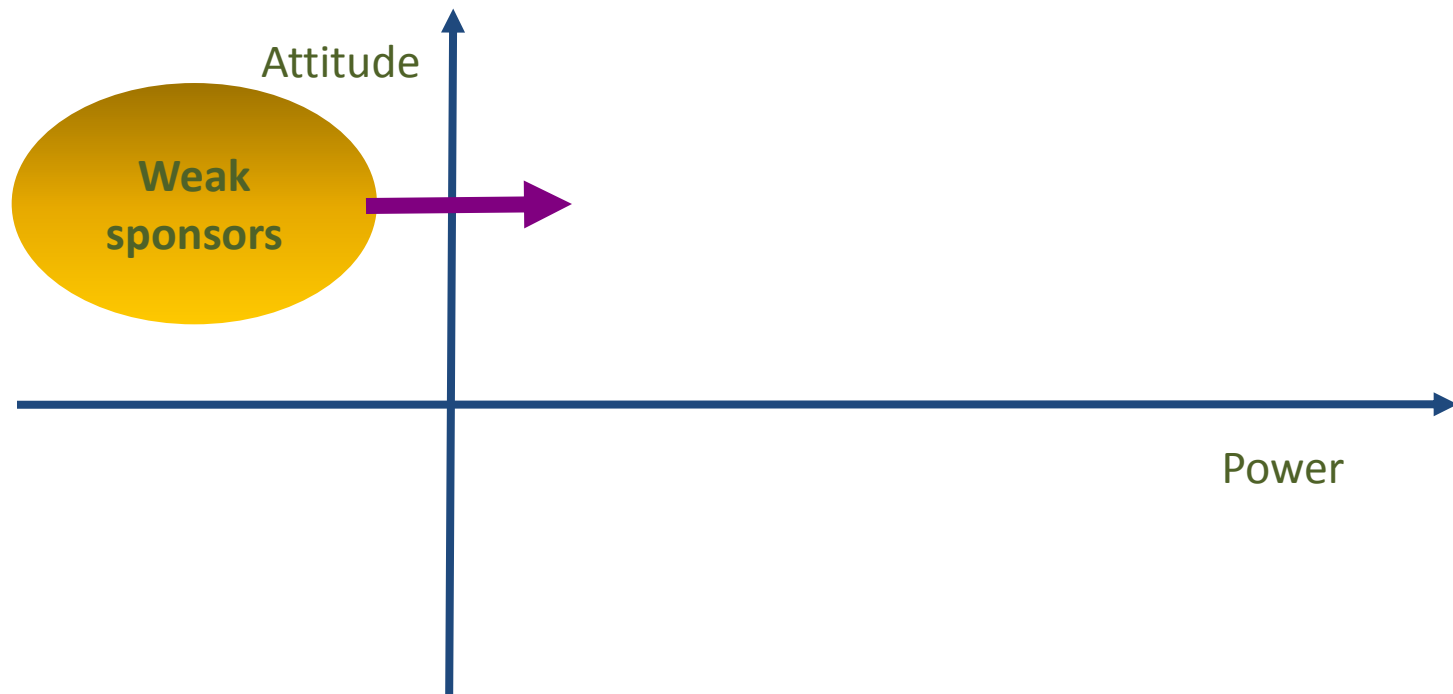
Stakeholder Map



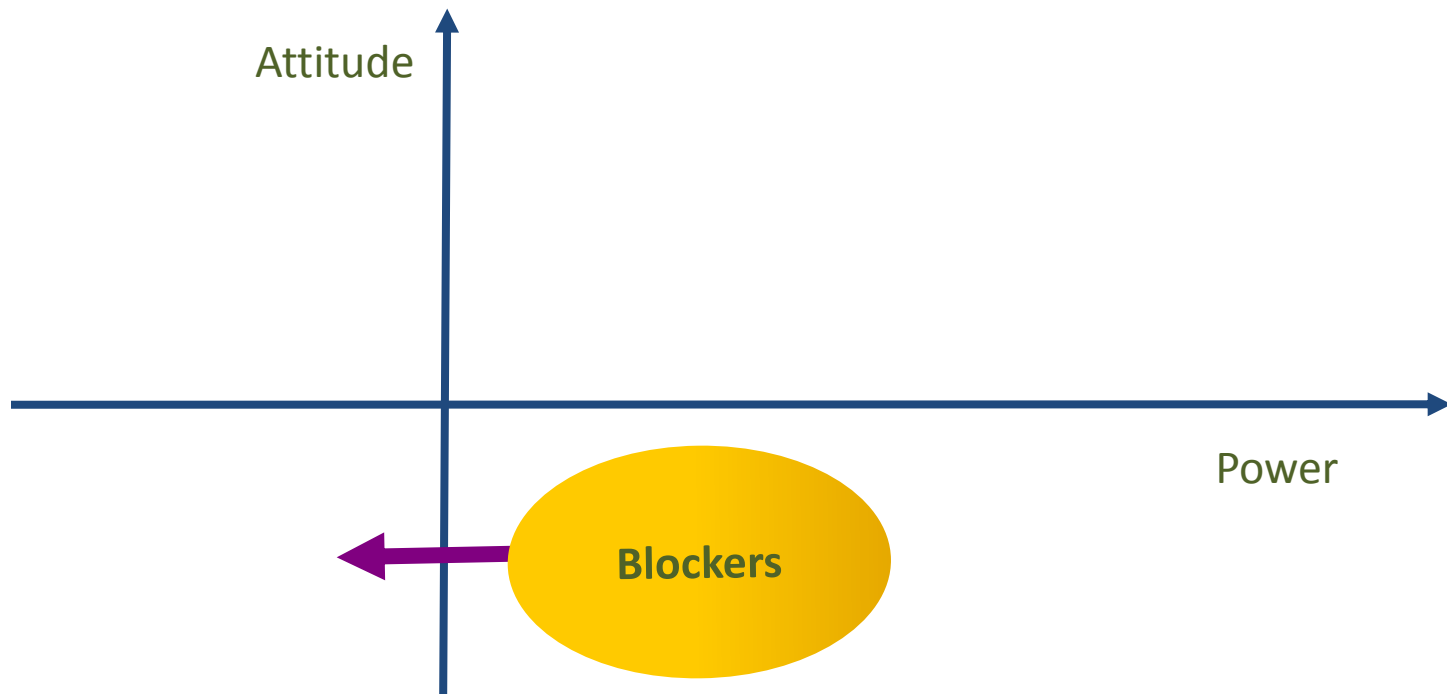
Winning the support of those who oppose the change
and who have the power to influence the outcome



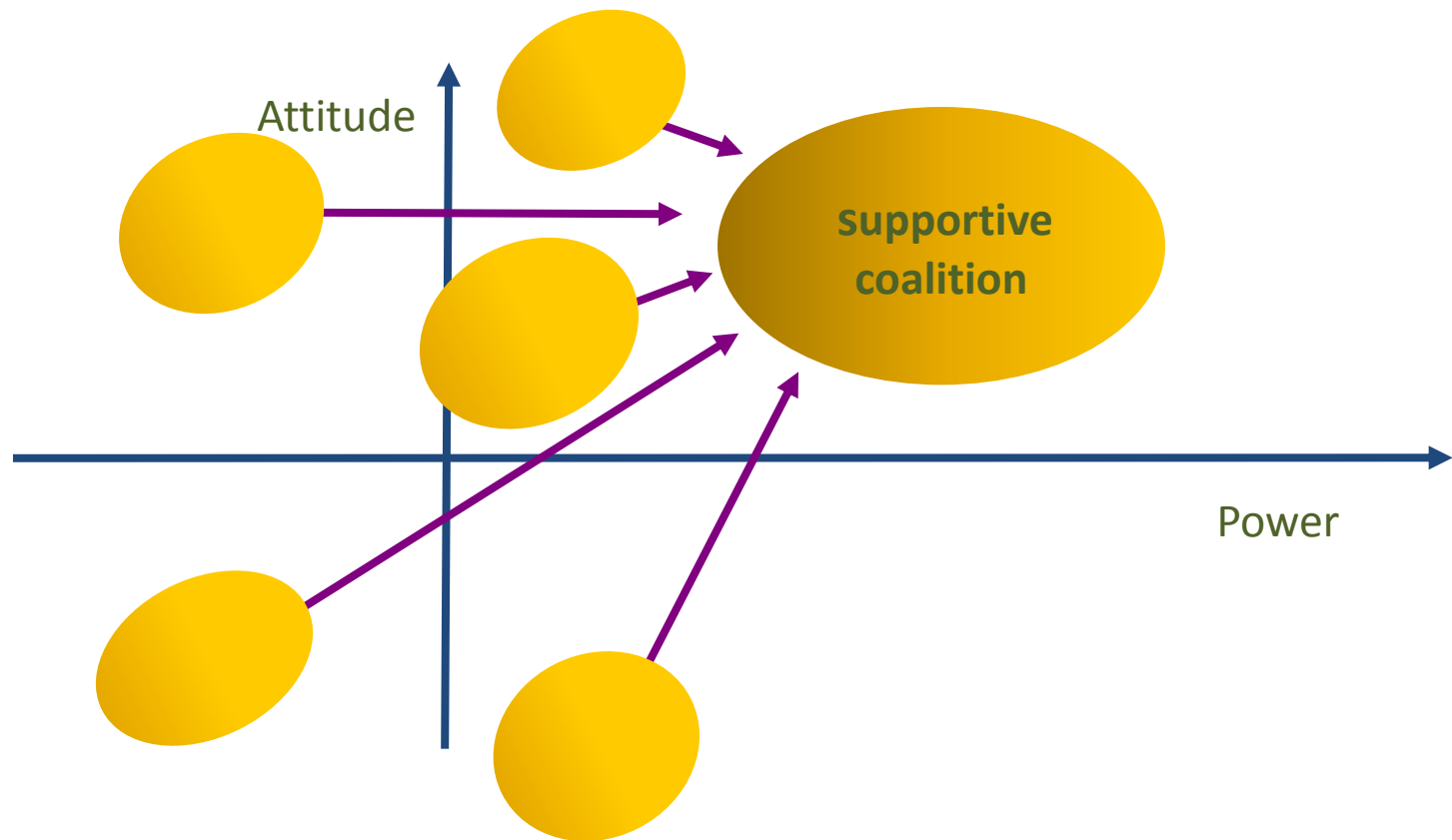
Increasing the influence of those stakeholders who are already supportive



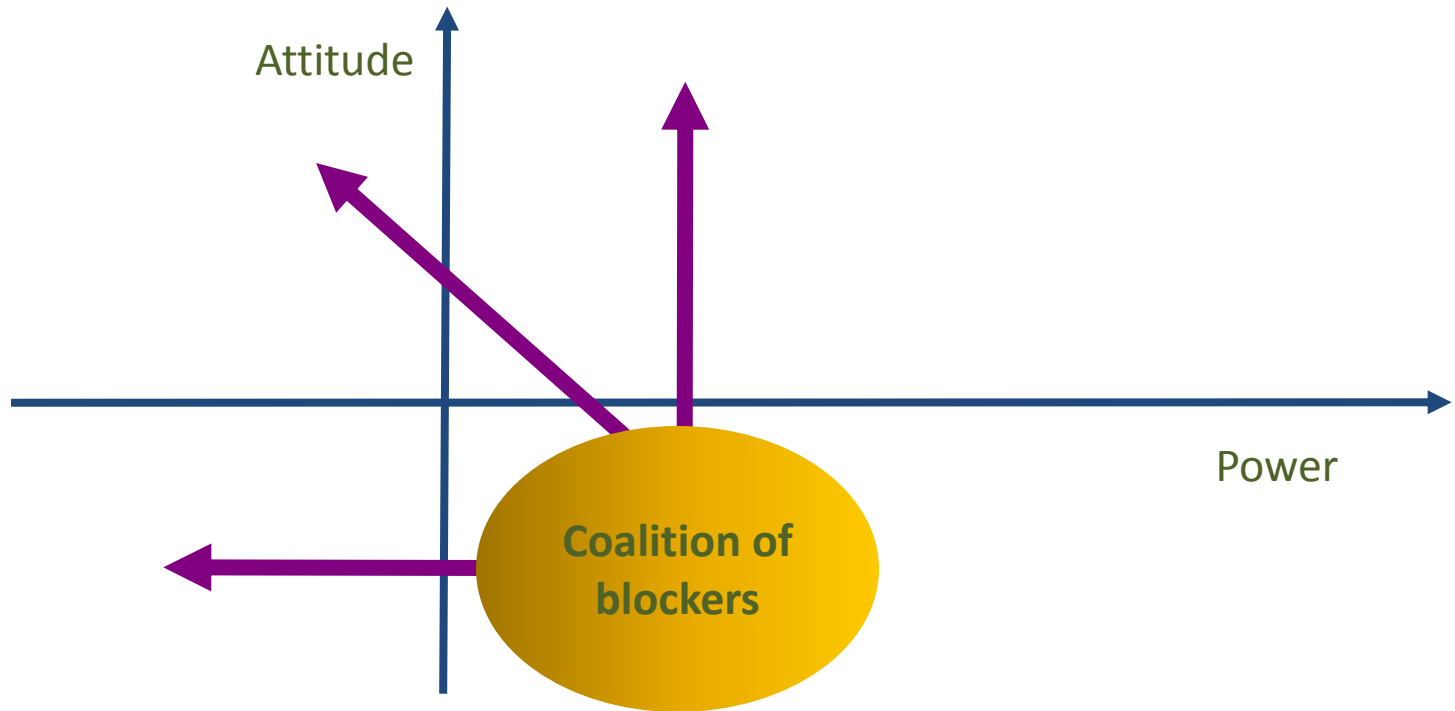
Reducing the influence of powerful blockers



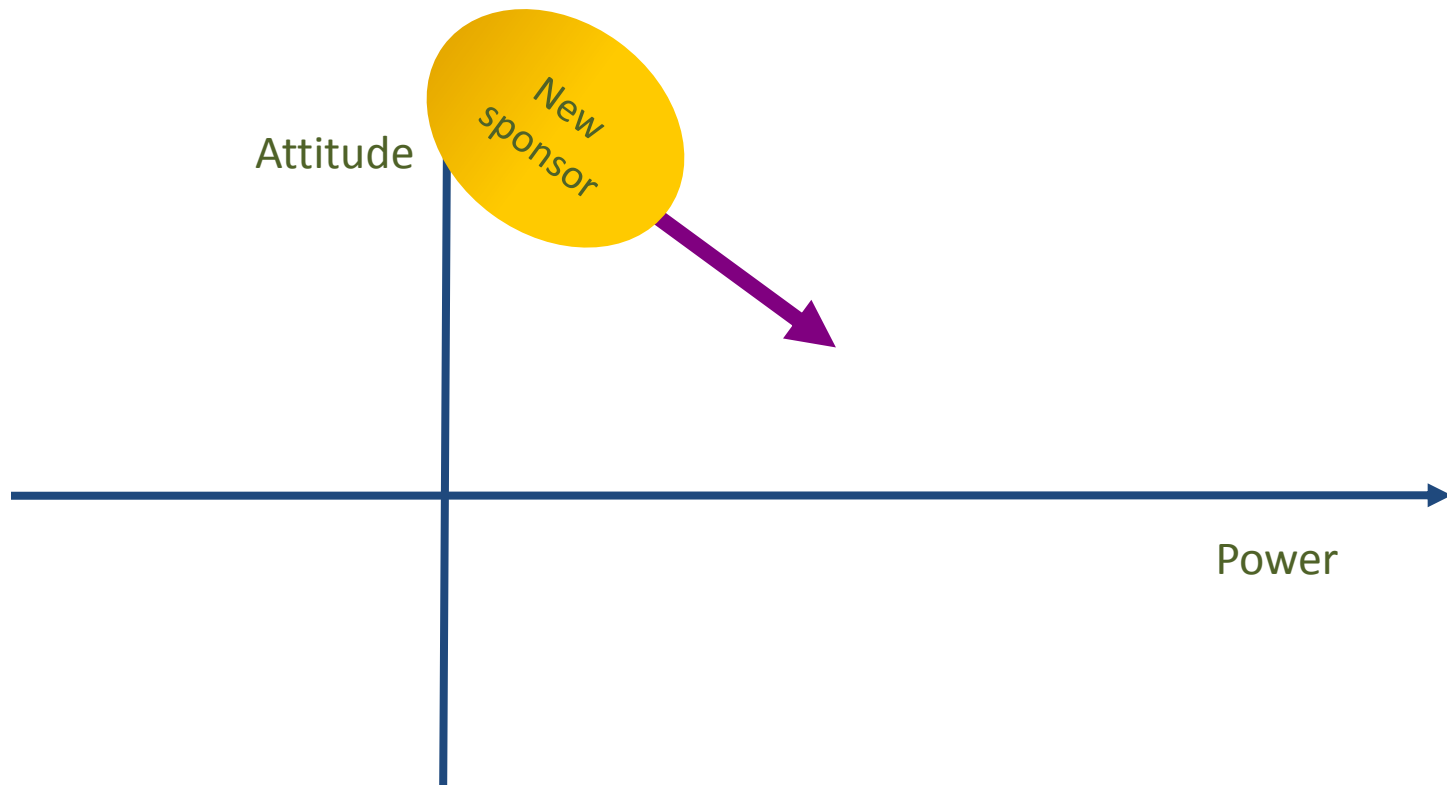
Building a coalition of supportive stakeholders who will be prepared to work together to support the change



Fragmenting existing coalitions who are antagonistic towards the change



Bringing new sponsors or champions into play



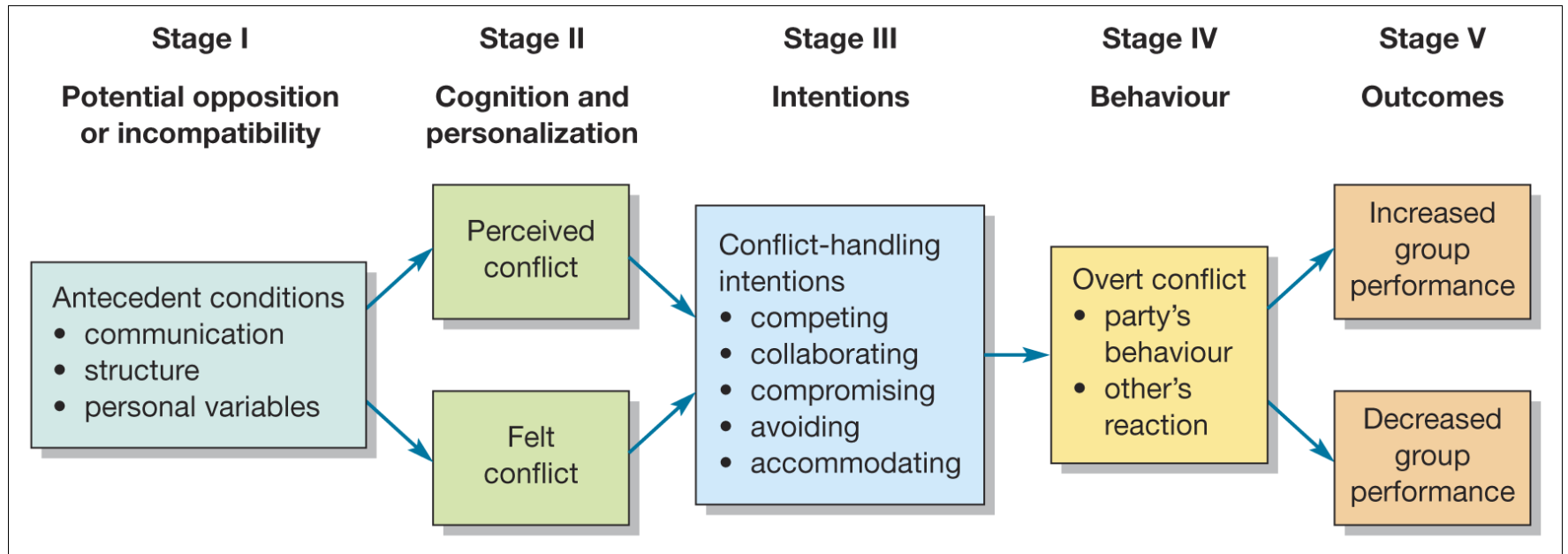


Figure 5.4 The conflict process

Source: Robbins, S.P. (2005) *organisational Behavior: Concepts, Controversies, Applications* (11th edn), Englewood Cliffs, NJ: Prentice Hall, p. 424

Changes over time

- An Important point to remember is that as a change project unfolds and as circumstances change **the identity of key stakeholders may also change.**
- https://www.ted.com/talks/yves_morieux_as_work_gets_more_complex_6_rules_to_simplify/transcript?language=en

Summary

- At any given stage in a change project certain stakeholders emerge as more important than others because of their potential to satisfy critical organisational needs,
- It is possible to identify which stakeholders are likely to be more or less important at each stage.
- The strategy that will be used to deal with each stakeholder will depend on the importance of that stakeholder relative to other stakeholders.
- The stakeholder grid was introduced as a useful tool for identifying the power of stakeholders and their predisposition to support or oppose the change.