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1.0 Introduction

Whilst many businesses place their employees' welfare high on their list of priorities, it's a sad fact that others do not. Likewise, many businesses often disregard the importance of the needs of change within their own organisation, and this can often lead to detrimental consequences. Firstly, recognising that change within an organisation is needed is essential, but thereafter it is crucial that such change is implemented correctly and efficiently. Almost always, changes that occur within a business will have some sort of effect – good or bad – on employees and their welfare.

The video games retailer, *GAME* Group have encountered barriers throughout their many years of business, and have recently implemented a strategy which was to increase the overall customer experience, and increase profitability and public awareness amongst the entertainment business sector. The company claims that in the 20 years of selling PC and video games within the UK, "Much has changed, but we've watched, listened and learned to position ourselves to benefit from changing trends" [1]. However, the ways in which *GAME* have adapted to such trends have been criticised somewhat within society and within its own market, and some may even argue that the change management processes that were used may not have been as effective as initially once thought.

2.0 *GAME* Group: Brief Historical Overview

GAME group is Europe's leading video games retailer, with over 1,300 stores operating worldwide. 396 of these stores are located within the UK and are the only company within the industry to be listed on the London Stock Exchange [2]. The company first began business under the name 'Rhino Group' in 1992, but only 3 years later *Electronics Boutique* took part ownership of the company, which led to a change in management, and re-branding to the new *Electronics Boutique* name. In 2002, the company decided that another re-branding was appropriate whereby all stores would be changed to the name, *GAME*. With the ever so popular trend in video gaming on the rise and the entertainment business sector looking more prosperous, the group were then able to acquire a takeover of then rival competitors *Gamestation* in 2007, which increased the store total by 217 [3]. It is interesting to note, that from the historical chart, as shown in *Appendix A*, no recent developments have occurred since 2008. This is highly likely due to the economical climate, and other factors having a high impact on trades across all business sectors throughout the world. But this could also suggest that any change management processes that were implemented from 2008 have not been done correctly. As can be seen, the group were making developments within their organisation every 1-3 years, but in recent times this has not been the case.

3.0 Changing Nature of GAME & Change Drivers.

It is certain that the group have been through more than one change during their 20 years of trading. However, *GAME* face challenging times ahead, these issues are closely linked to internal and external factors within the business' environment, which highlight the need for change.

3.1 External Change Drivers

Identifying the external change drivers within a business is an important step of the change management process, and reinvention of a company. These are extraneous pressures for change over which the business has little or no control. Using a SLEPT analysis can identify many of these factors, in a more expansive way.

Social Factors

The computer and videogames industry is very popular amongst children as well as adults. According to a report last year, the industry is worth over \$74 billion worldwide[4], which must prove that it appeals to a number of demographics. A 2010 survey by the Entertainment Software Rating Board, stated that the average gamer is 34 years old, and spends an average of 8 hours a week playing videogames [5]. It is no doubt that this type of entertainment has significant social aspects associated with it, and many demographical factors will also need to be considered. For example, the Nintendo Wii is a popular choice of video games console that is well known for involving multiple players together in an enjoyable active home environment. These types of consoles are primarily aimed at families with small children, and Nintendo's CEO Satoru Iwata has admitted that the console did not cater to every gamer's needs, and is very different to an Xbox 360 or Playstation 3 console [6]. Additionally, the New York Times reported that the 80% of Nintendo DS gamers are between 8 to 12 years of age [7]. These are important points to consider as demographics such as age can play a vital role in the sales of video games. For example, if Nintendo Wii players are mostly children, then the average gamer age will be a lot younger than that of perhaps an Xbox 360 or Playstation 3 gamer. Therefore, the younger types of gamers may be dependent on their parents for buying games, which can heavily depend on their income and any extra expenditure they may have, as a small child will not have the choice or freedom of purchasing a game at will.

A recent trend over the last few years has seen video games being sold in supermarkets. This competitiveness within the industry has had a negative effect on businesses such as *GAME*, as this is their main product and service that they provide to its customers. It has also been reported that Tesco, Asda and Sainsbury's are constantly undercutting not only the high-street game retailers, but the online businesses too [8]. Having competitiveness can be healthy in encouraging the market to seek new marketing techniques, but can also spur change management methods to be implemented to ensure a business can survive within its market segment.

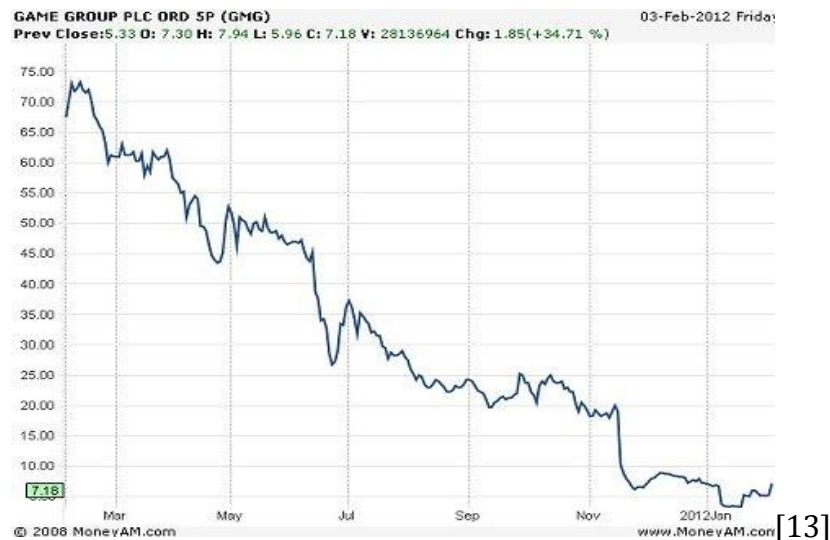
Legal, Government & Political Factors

An important factor that is regularly in the eye of the news and media is piracy. Whitworth states that between 2006 and 2011, the rate of video game piracy increased by 20% [9], which is most certainly damaging to the entire entertainment industry. Many of these statistics included people that were downloading games from the internet. During 2009, *GAME* recognised that users may prefer a downloadable virtual alternative, and therefore launched their own 'PC Games on Demand' service on their own website to help limit the amount of pirated games. This is hugely beneficial, as the gamer is able to download the game at any time and at a fraction of the cost, which is saved instantly to their own hard drive [10].

Within the UK, *GAME* are legally obligated to comply with BBFC (British Board of Film Classification) and PEGI (Pan European Game Information) regulations. These are the age censorship ratings that are displayed at the front of a film and video game's case. It is known for governments to put pressures on the entertainment industry so that children can be protected from inappropriate content. In some countries, particularly outside the EU, a different censorship board takes this type of responsibility. It should be noted that the well known industry website Gamespot, report that Australia has the highest rate of banned games due to their censorship board having the approach that if a game is not suitable for their MA15+ rating, the game will be refused classification, and become illegal for retailers to sell it. This is troublesome news for *GAME*, as they have stores based within Australia and are potentially missing out on many sales due to these strict censorship laws that are out of their control [11].

Economic Factors

There are many external economic pressures that have affected *GAME*. These are known to be the most harmful to high-street businesses in particular. Since the recession, *GAME* have reported disappointing sales during the Christmas periods. For example, in 2009, sales fell by 17.5%, which lead to *GAME* earning over £30m less in pre-tax profits than the previous financial year [12]. This year it has been reported that sales are still falling, with like-for-like sales down by 12.9% in the eight weeks to January 7, and the company are expected to downsize its operations [13], meaning that some store closures are inevitable.



Other economical factors to consider are that the tax rate within the UK has changed over the years, increasing this percentage has a significant effect on return on investments for businesses and their yearly profits.

Technological Factors

As *GAME*'s market is dependant on technology, customers generally have high expectations of the business. Although they have redesigned and invested heavily in their website over the last year, the 'PC Games on Demand' service is still by no means as popular as other PC downloadable games clients such as *Steam*. It was reported that as of January 2010, *Steam* had over 25 million users, which was a 25% increase than of its members in 2009 [14]. This number has undoubtedly been increased since, and it would be difficult for *GAME* to withstand such competition, or get others to convert to their own downloadable client via their website. Changing customer's attitudes towards a newer, less established client would certainly prove difficult.

3.2 Internal Change Drivers

Human Resources Management

In the author's direct experience, *GAME* have tended to hire younger employees between the ages of 18-30. Very rarely was a member of staff over the age of 35 unless they had been with the company for a long period of time. This could suggest that *GAME* feel that their own demographic of customer is between those ages, when in fact according to ESRB, the average gamer is 34 years old [5]. The age gap could suggest that younger members of staff will not have the ability to connect with the older customer on a more personal level.

It should also be noted that all sales assistants are usually on a minimum wage, which can lead to staff having a sense of low morale and a feeling of not being appreciated by the company. Staff are not rewarded for gaining additional sales from a customer.

Trading Operations & Customer Relations Environment

Although other competitors are entering the market such as supermarkets and offering better game trade-in prices, *GAME* still refuse to list their game trade-in prices on their website, unlike other competitors such as cex.co.uk. This sure to irritate some customers as they are unaware of what price a game will value at prior to spending time to visit the store.

Controversial sales techniques have also seen the company in the gaming media news. Last year at the launch of the Nintendo 3DS, the business were selling the handhelds for £219.99. However, head office had sent an email to each of their stores telling staff to take money from their own tills (up to £1,049), and purchase as many of the handhelds from Tesco for £175 each while in non-uniform [15]. The consoles were then brought back to the store, and placed on the pre-owned shelves for more than what Tesco were selling them for. This meant that Game were trying to 'buy out' the competition. When the email document was leaked to the media, many gamers took a dim view of such tactics, which inevitably dented *GAME*'s reputation.

Financial Management

Borrowing from Banks to invest in the opening of stores has had somewhat negative repercussions for the business. Poor financial management and decisions has meant that the company is having difficulty in paying £80m owed for rent on their now 1,274 stores [16], and there are even suggestions that the company plan on closing 50 of its 600 stores within the UK and Ireland.

4.0 Resistance to the Change

In 2008, *GAME* realised that although there were some external factors that could not be addressed, some internal factors could be solved by enhancing the customer experience within stores. The proposed solution was to create the *XCITE* program to embed core sales skills into all employees. A case study by Grass Roots outlines the program [17] and details of which can be seen in *Appendix B*.

The key elements of the Xcite programme are:

X - X factor : bringing your personality to the role

C - connect : approach and acknowledge the customer

I - invite : ask powerful questions to establish needs

T - talk up : recommend products and offer well considered add-ons

E - end : close the sale and invite the customer back

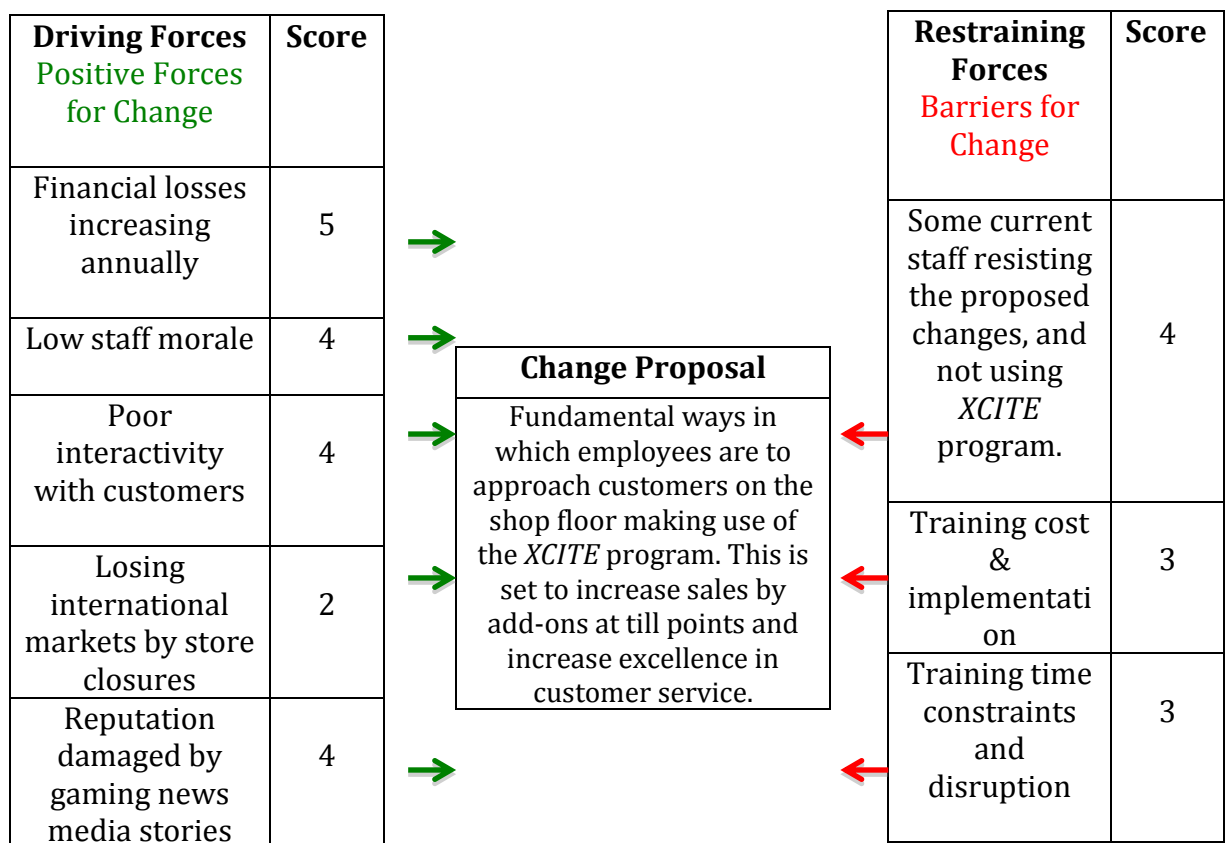
Each section of the *XCITE* programs include several questions that require to be asked to each and every customer.

Having all staff being empowered and positive about such changes can be very helpful. Many are likely to resist such a change if they do not approve of it. Harvey purports that, "If someone presents you with a change that doesn't reward you in some way, you shouldn't go along with it. It's up to the change agent to figure what's in it for you." [18] This statement reinforces the importance for compliance. Some of these resistance to change factors are as follows:

- Lack of trust within the company – When *GAME* are operating at a financial loss, such as the recent January short-comings, they do not inform their staff directly regarding their difficult current situation. When the statistics are published in the news, it is understandable if staff feel undervalued.
- Job fears & the unknown – Store closures are certainly a way to decrease staff morale. Some staff may feel that there is no need to ask so many questions using the *XCITE* program if their job is in jeopardy.
- Unfamiliar Routine – Staff will become accustomed to what they were doing before the *XCITE* program. Some may feel that the need to ask so many questions to customers will take away from the personal interaction towards customers, and feel like they are forced into a far more scripted, robotic type of customer service.

4.1 Lewin's Force Field Analysis Model

Implementing Lewin's 'Force Field Analysis' can help ensure that the positive reasons for change outweigh the reasons against. Sabri *et al* state "force field analysis will be a valuable exercise throughout the implementing and sustaining phases because it creates a visual that indicates the best places to focus organizational resources at any given point in time." [19] This means that each driver for and against are scored. In the below example, 1 will be regarded as low importance, and 5 will be considered a high driving force factor for Game.



Total For: 19		Total Against: 10
Average: 3.8		Average: 3.3

As can be seen, the positive forces for the change outweigh the barriers against. Although the forces for average was calculated to be 3.8, and the restraining forces were only 3.3 it needs to be addressed that the positives had 2 more

driving forces, which would bring the total average down. Nevertheless, this was still higher, which indicates that a change is feasible and beneficial. However, it is important to note that the barriers still need to be taken into consideration, as these could hinder the speed of which the change in the business is implemented.

5.0 Further Change Management Methods

Minimising the resistance to change can prove difficult, especially if the majority of employees disagree with the change. However, by having a better understanding of emotional intelligence, and the way in which employees are expected to react can be an intuitive tool to anticipate the change process in the different stages. Mullins purports that the successful implementation of new work methods depends on the willingness and effective co-operation of staff, managerial colleagues and unions, and that people are the key factor in the successful management of change – if change is to work, it must change the perceptions, attitudes and behavior of people [20].

5.1 Lewin's Freeze Phase Model

Psychiatrist Kurt Lewin, created a model that would identify the stages in a planned-change effort to improve performance and the effectiveness of change. The model includes three processing phases. These are 'unfreeze', 'transition' and 'movement'.

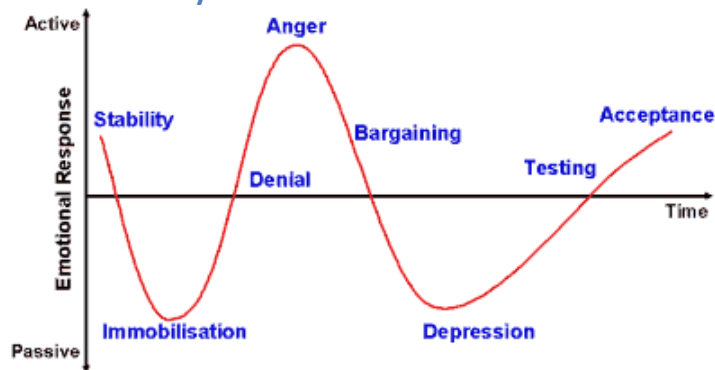
In the unfreezing phase *GAME* would identify their forces and the need for change. This phase can then ensure that improvement can begin to be implemented correctly at a later stage. Using Lewin's freeze phase model, at this phase *Game* would have identified that their own failings in customer relations will need to be addressed, as well as other contributing factors such as poor staff morale and financial losses.

The transition, or movement phase would include the implementation of the proposed change. In this instance it would be the way in which employees are to approach customers using the new *XCITE* program. Head office and managerial leaders would be expected to encourage their employees to become positive of the changes. If *GAME* employees became resistant to asking the new questions listed within the program, managers would be advised to communicate with said employees to try to understand their feelings towards the change, and hopefully overcome them. Having this support available to employees is reassuring and could increase their motivation as they would feel more valued in working for the company.

The refreezing phase is whereby the business has identified the change, implemented it and wishes to keep the current state providing that all positive drivers for the change have been included. In modern organisations, this phase is often rather tentative as there is also the unknown circumstance as to what and when the next change is going to occur within the company [21]. A paper by Cambridge University recognises the importance of this phase, and states that "The aim of refreezing is to establish this balance at a higher level of

performance, in such a way that those involved do not slip back into old ways. This is done by supporting mechanisms which positively reinforce the new ways of working.”[22] It is therefore vital that managers and leaders use regular communication methods with staff so that they will always feel motivated to work.

5.2 The Kübler-Ross Grief Cycle



[23]

A doctor named Elizabeth Kübler-Ross created what is known today as the grief cycle, after spending many years with terminally ill patients and studying their behavior and placing them in different ‘stages’. Although circumstances are slightly different when it comes to business, the same cycle can be applied to the stages at which an employee could encounter when a change has been announced within a company. Once hearing the news of the *XCITE* program, employees may feel shocked that they will have to do more work for their job roles, which can lead to denial of the change happening, which then can then lead to anger and frustration. The bargaining and depression stages illustrate the realisation that the change is occurring and that there is very little that an employee is able to do, which then brings the cycle to the last phase of accepting the changes within the organisation. As one can expect, getting from each phase to the next can be a slow and tedious process, particularly from the depression state to the emotional stage of acceptance.

5.3 Spencer Johnson

Spencer Johnson is a well-known author of the business and life motivational book, *Who Moved My Cheese? An Amazing Way to Deal with Change in Your Work and in Your Life*. The main understanding and meaning of the book can be closely linked and combined with other change management models, including those mentioned previously. The moral of this particular story is that sooner or later, everyone will experience a change at some point, and each person will deal with it differently. Those that move on will have increased opportunity to find a new source of comfort, whereas those that remain behind are condemned to failure [24]. Some of the key phases addressed are that when a change occurs, it is important to anticipate and monitor such changes. In the case of *GAME*'s situation, this would mean that they need to know the right *time* to implement a change, or when a strategy is not working as well as expected. The next phases are having the ability to adapt to new changes as quickly as possible, and when the change is actually implemented, many staff will not be left behind. This brings the stage to its finale in that it is possible to welcome change and thrive

upon the newly earned rewards. This would suggest that the *XCITE* program is a success for *GAME* in achieving a higher level of customer service by empowering their staff with set questions and abilities to interact with customers that enter each store. However, Spencer also highlights the importance that the phases are likely to be repeated, and therefore having the ability to move from each phase to the next at a rapid pace will be rewarding from an emotional and business point of view.

6.0 Conclusion

Utilising such change management methods and techniques can be highly beneficial to a business as well as its employees, providing that they are implemented appropriately. As the initial *XCITE* case study indicates, from a 4 week implementation and testing phase of the program in a few selected stores, conversion rates improved by 6% [17] which initiated the program to be implanted in *all GAME* stores across the UK in late 2008. Interestingly, there are no more recent statistics published on the success of the *XCITE* program. This could suggest that not all staff approve of such dramatic changes within the company. As an ex-employee of the company, the author and one or two other members of staff found that the monotony of asking each and every customer 10 compulsory questions took *away* the personality and interactivity towards the customer. This is the complete opposite as to what the *XCITE* program was set up to achieve. However, it is now understood that since January, 2012 these questions have been reduced to only 5. This suggests that leaders within the company such as managers have noticed that the pushy, robotic sales techniques are old fashioned, and perhaps allowing staff to have more freedom within their job roles will encourage sales and allow the company to survive through the difficult economic climate that is forecast ahead. This stresses the importance of having the emotional intelligence to understand that some staff may take longer in one emotional state than another, and by providing them with support will surely help aid this process so that the goal of change can be achieved successfully.

Additional internal changes that could also benefit the organisation would be to perhaps include a more open communication strategy amongst employees. Each member of staff should know the current state of any new changes that are being planned, so that they can anticipate the changes and have chance to adapt to them at a more rapid pace. Although change is often resisted, it should also be noted that many employees embrace change and welcome it for the best. Mullins purports that "The most commonest reason for resistance is where people perceive a potential loss...people may perceive that they will be worse off from a proposed change even if the opposite is in fact true". [25] This implies that although many employees at *GAME* may of felt discouraged by the extra work in asking customers more questions, they could benefit from this without initially realising it. For example, by having to ask more questions to each customer, they could benefit from this by increasing their interpersonal skills, which is likely to improve their employment prospects later in life.

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9.0 Appendices

Appendix A

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Appendix B

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