

TODAY'S OBJECTIVES

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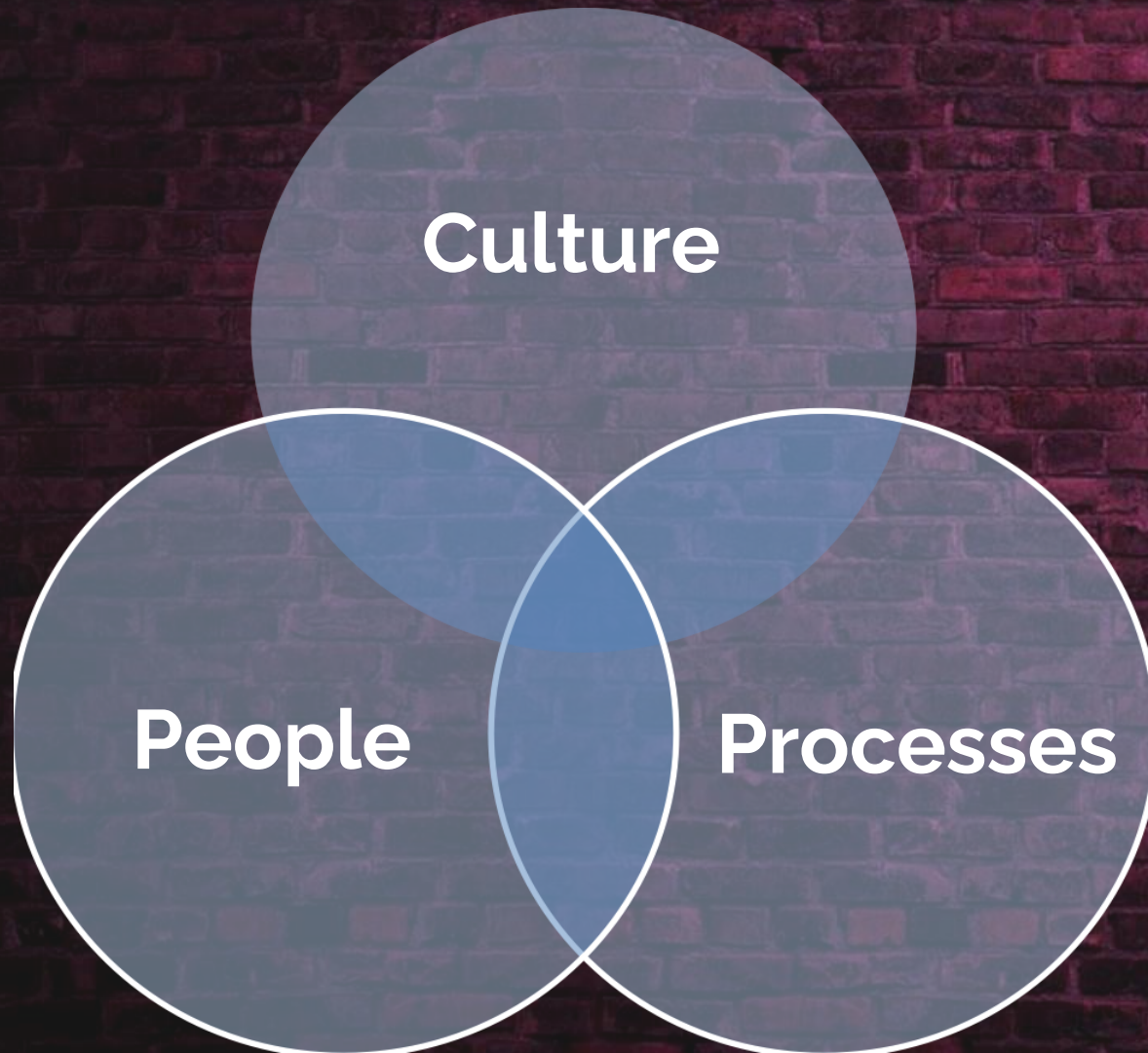
ACTIVITY:

Identify a relevant organisation in the news currently experiencing organisational change

- What's happening?
- Why is it happening?
- What do you think about it?



ASPECTS OF CHANGE



TYPOLGY OF CHANGE (HODGES & GILL, 2015)

How it happens

- Planned
- Emergent
- contingency

Magnitude

- Incremental
- Transformational
- Punctuated equilibrium

Focus

- Strategic
- Operational

Level

- Individual
- Team
- Organisation



A Definition of Organisational Change

A process in which an organisation shifts from being in one state to being in another state

(Ford and Ford 1995)



ACTIVITY:

WHAT TRIGGERS ORGANISATIONAL CHANGE?

- ✦ **External Factors**
- ✦ **Internal Factors**

Identify your top 5 for each...



WHAT TRIGGERS CHANGE?

External factors:

- ⚡ Economic trading conditions, home and abroad
- ⚡ New technology
- ⚡ Changed customer tastes/needs
- ⚡ Competitor activity
- ⚡ Mergers/acquisitions
- ⚡ Changes in local, national and world politics
- ⚡ Legislation/govt policy
- ⚡ Changes in social and cultural values



WHAT TRIGGERS CHANGE?

Internal factors:

- ✦ New products/services
- ✦ Poor performance
- ✦ Poor morale/ stress/
- ✦ staff turnover
- ✦ New boss/team
- ✦ Relocation
- ✦ Revised responsibilities
- ✦ Innovations in processes
- ✦ New ideas about customer service
- ✦ Lack of skills

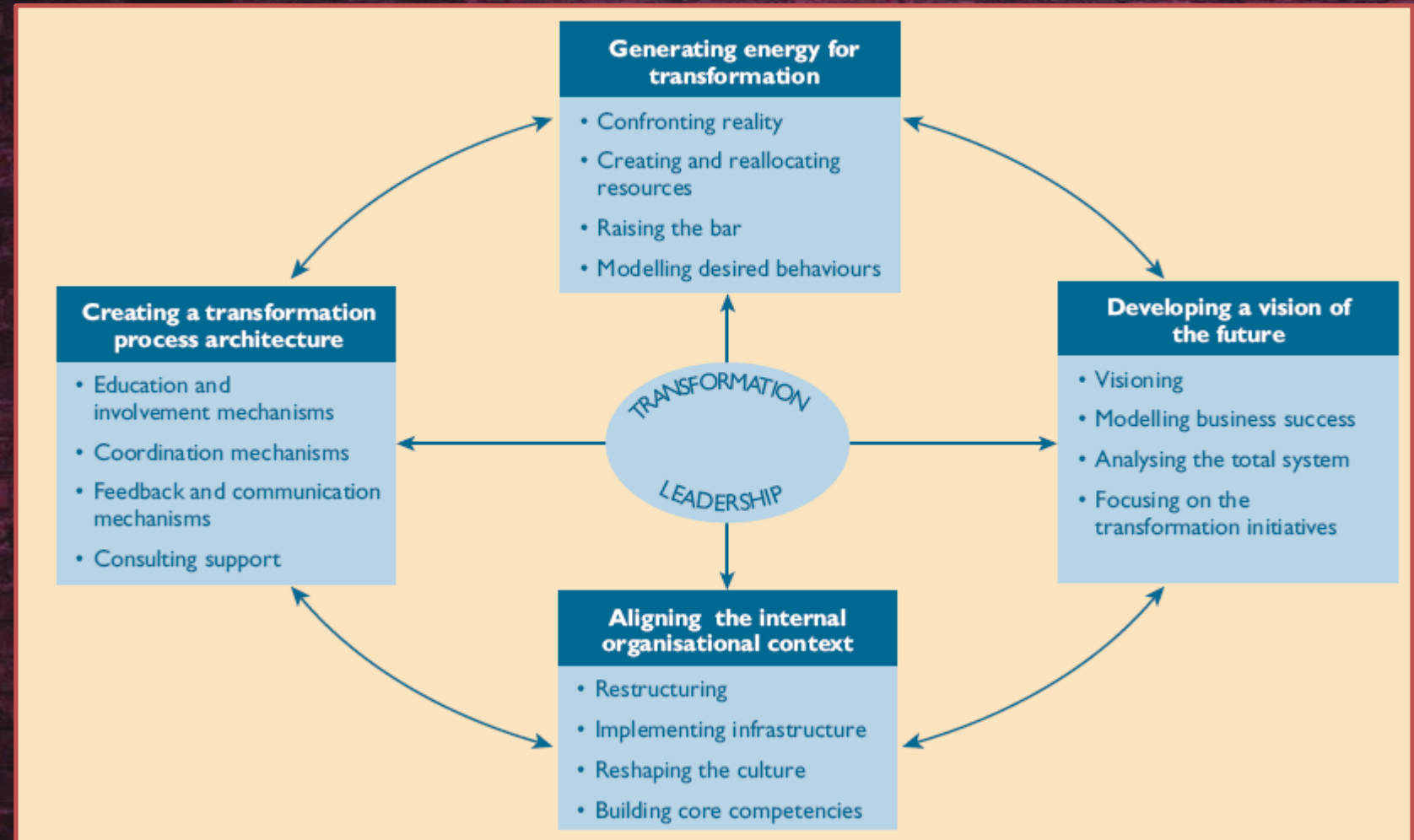


a typology of organisational change

(adapted from Nadler and Tushman 1986)

		SCOPE OF CHANGE	
		Incremental	Strategic
TIMING OF CHANGE	Reactive	ADAPTATION Small, gradual changes, usually in response to changes in the organisation's environment and mostly involving only changes to selected organisational parts Example: adding a customer service department after realising that customers require after-sales service	RE-CREATION Usually involves a complete re-think of the organisation's strategy, in order for it to become a different type of organisation, and can affect all of its parts Example: a building society that becomes a public company in order to transform itself into a high street bank
	Anticipatory	FINE-TUNING Small changes, usually at the operational level of an organisation, in anticipation of future environmental changes Example: retailer of flat-pack, self-assembly furniture realises that customers are losing interest in DIY and offers an assembly service	RE-ORIENTATION A change in direction for an organisation that is in anticipation of changes elsewhere and can involve widespread internal changes Example: high street bank that moves from branch services into telephone and internet banking because of anticipated growth in internet shopping

LEADERSHIP OF CHANGE



Source: Robert H Miles, *Corporate comeback: the story of renewal and transformation at National Semiconductor* (San Francisco: Jossey-Bass, 1997), p. 6.

PLANNED ORGANISATIONAL CHANGE

Underlying objectives of organisational change programmes can be seen as:

- ✦ Modifying the behavioural patterns of members of the organisation
- ✦ Improving the ability of the organisation to cope with changes in its environment



Lewin

The force field analysis

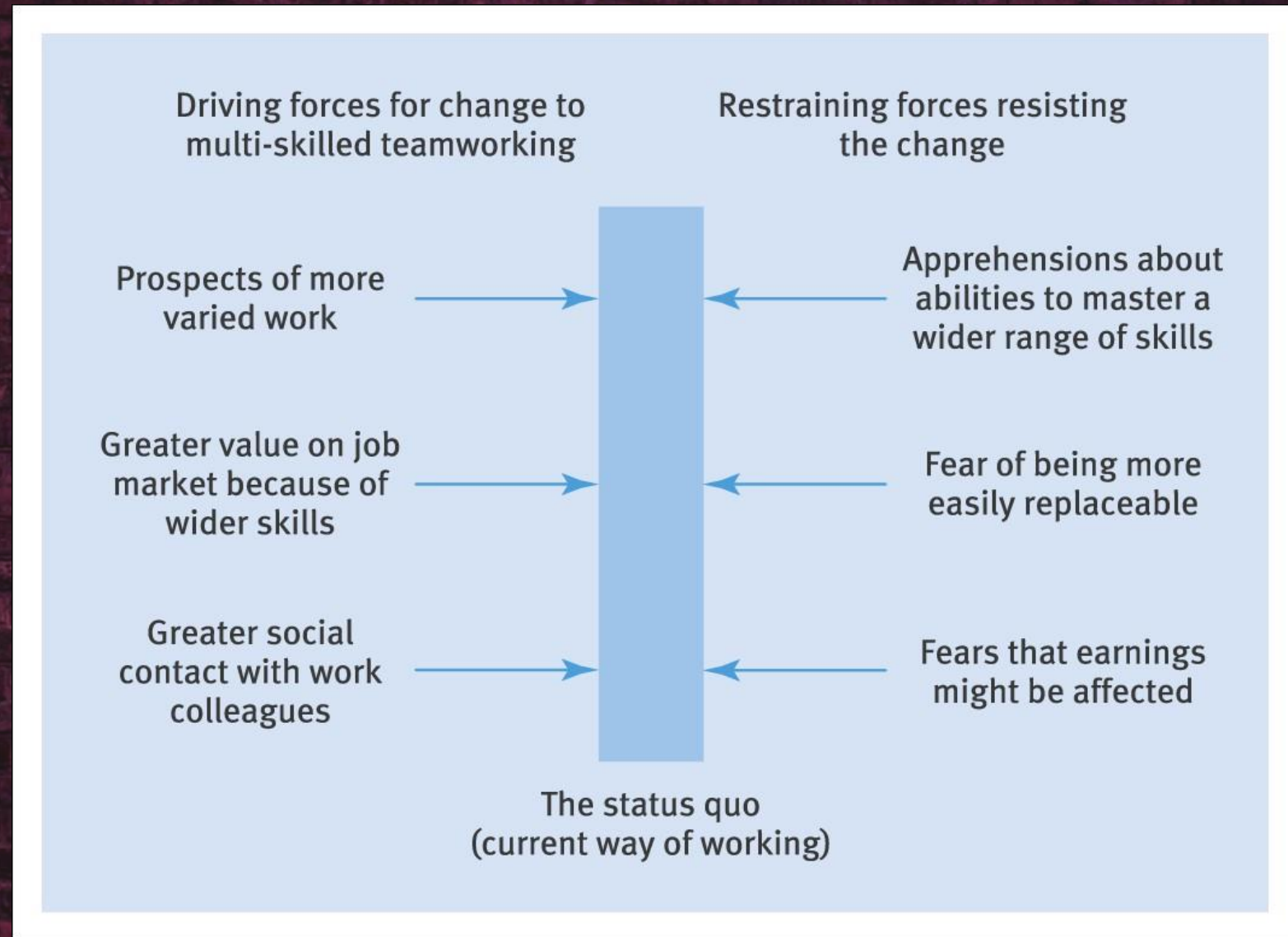
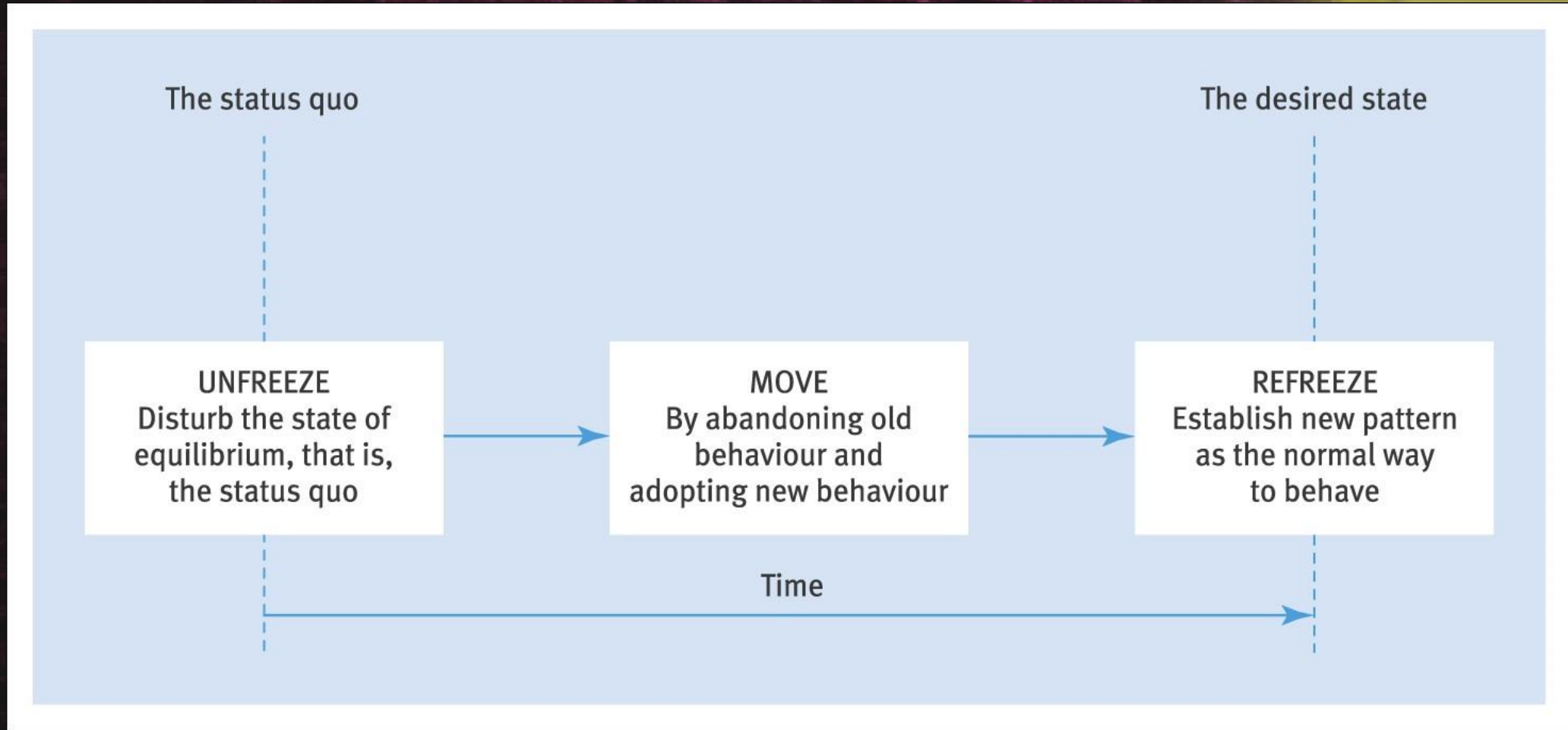


Figure 21.6 An example of Lewin's force field analysis

LEWIN'S (THREE STAGE) CHANGE PROCESS



STAGES IN A PLANNED-CHANGE EFFORT

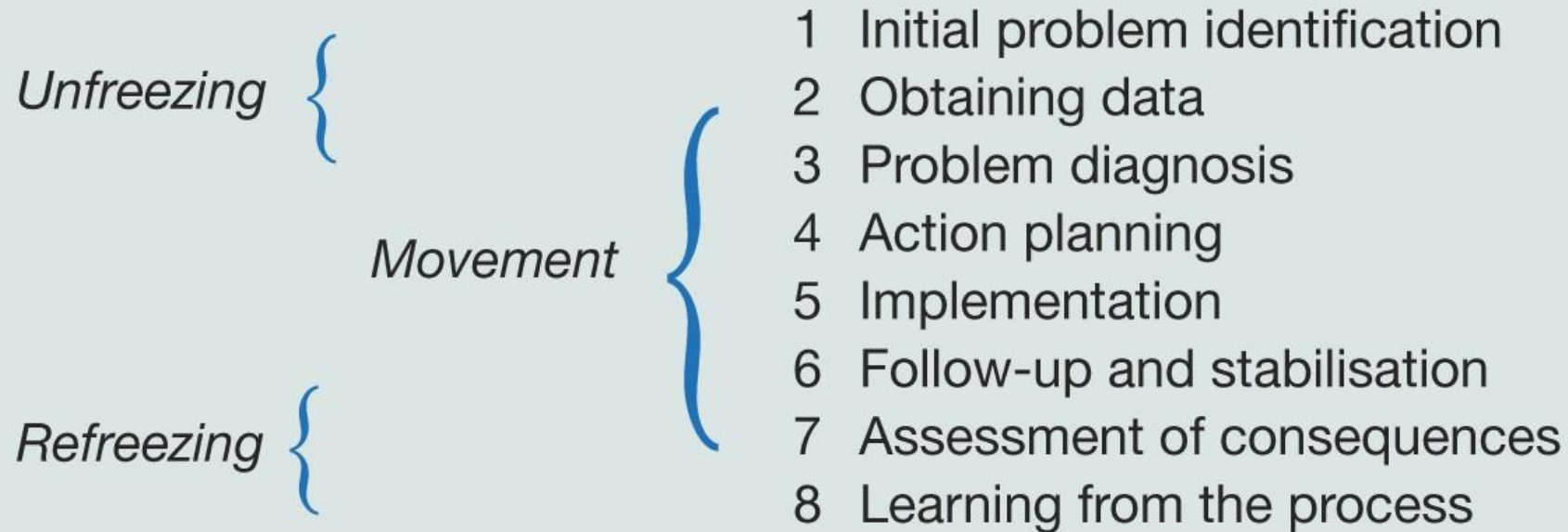


Figure 19.3 Stages in a planned-change effort

Source: Adapted from French, W. L., Kast, F. E. and Rosenweig, J. E., *Understanding Human Behaviour in Organizations*, Harper and Row (1985), p. 9. Reproduced with permission from Pearson Education, Inc.

ACTIVITY: RESISTANCE TO CHANGE

Why does it occur at the following levels:

- Individual
- Organisational

How can you:

- Minimise it?
- Overcome it?
- Make it stick?



RESISTANCE TO CHANGE: INDIVIDUAL

Individual resistance can arise from:

- ✦ Selective perception
- ✦ Habit
- ✦ Inconvenience or loss of freedom
- ✦ Economic implications
- ✦ Security in the past
- ✦ Fear of the unknown

– <http://youtu.be/T2VwDEXZgZU>



RESISTANCE TO CHANGE: ORGANISATIONAL

Organisational resistance can arise from:

- ⌘ Organisational culture
- ⌘ Maintaining stability
- ⌘ Investment in resources
- ⌘ Past contracts or agreements
- ⌘ Threats to power or influence



PLANNED CHANGE STRATEGIES

Power bases	Change strategies	Managerial behaviours	Predicted outcomes
Formal authority	Top-down	Authoritarian directives; one-way communication	Frustration and annoyance
Rewards Punishments Legitimacy	Force-coercion	Unilateral action: 'command'	Temporary compliance
Expertise	Rational persuasion	Rational persuasion; expert testimony; demonstration projects	Long-term internalisation
Reference	Shared power	Empowerment; participative decisions; group process	Longer-term internalisation

MINIMISING THE PROBLEMS OF CHANGE

- Create an environment of trust and shared commitment
- Genuine participation of all staff concerned as early as possible
- Team management and co-operation between staff and unions
- A carefully designed human resource management action programme
- Incentives such as payment schemes
- Maintenance of the socio-technical balance
- Careful attention to job design, methods of work organisation, relations between jobs and task design



ACTIONS TO SECURE EFFECTIVE CHANGE

1. Create a sense of urgency among relevant people
2. Build a guiding team which has credibility
3. Create visions that are sensible, clear and uplifting
4. Communicate the vision and strategy to encourage understanding and commitment
5. Empower action and remove obstacles
6. Produce short term wins
7. Do not let up but maintain momentum
8. Make change stick by nurturing a new culture



*Kotter and
Cohen (1995)*

CHANGE LEADERS

Effective leadership of change may include the following key factors:

- ✦ Effective communication of the reasons for change
- ✦ Releasing the potential of all involved in the change
- ✦ Setting a good personal example
- ✦ Self-pacing to avoid unnecessary stress



TODAY'S WORLD

- Technological innovation drives change to organisational systems and processes (internet)
- Democratisation of knowledge
- Increased employee expectations – mobile workforce – jobs not careers.
- ***GLOBALISATION***
- The winds of change must be met to survive and meet the markets expectations.



RESPONSES TO CHANGE



There are three types of people in this world: those who make things happen, those who watch things happen and those who wonder what happened. We all have a choice. You can decide which type of person you want to be. I have always chosen to be in the first group.

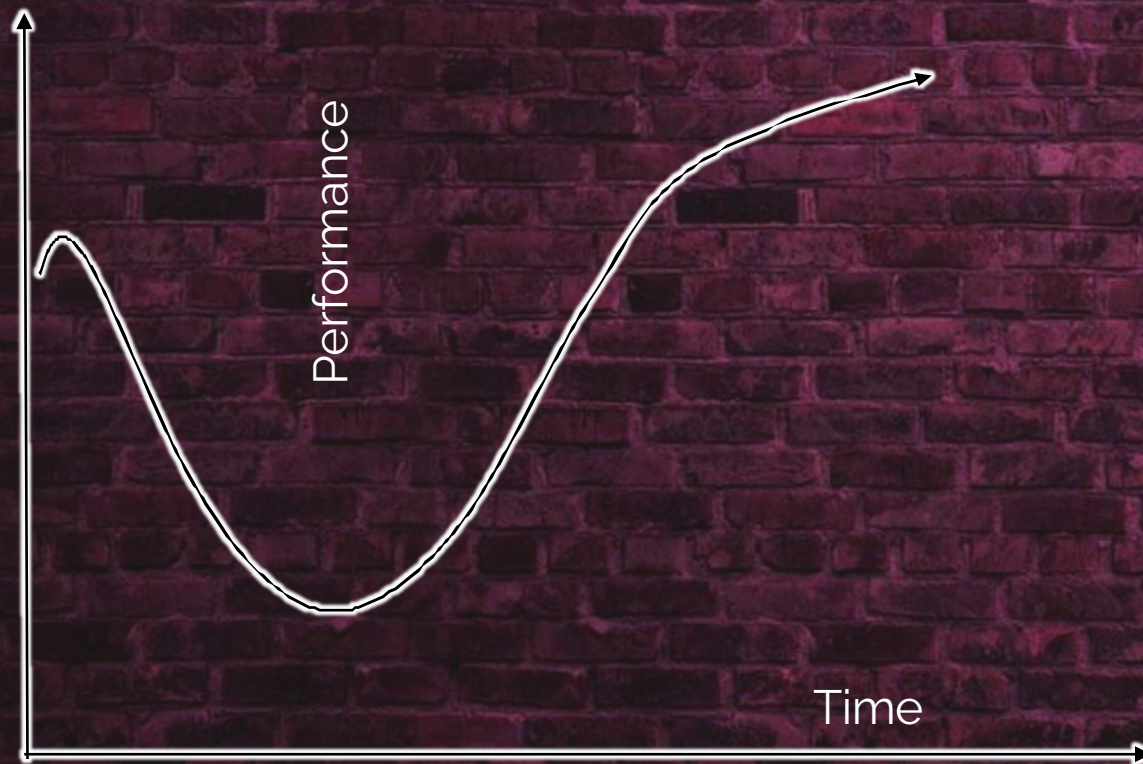
— Mary Kay Ash —

AZ QUOTES

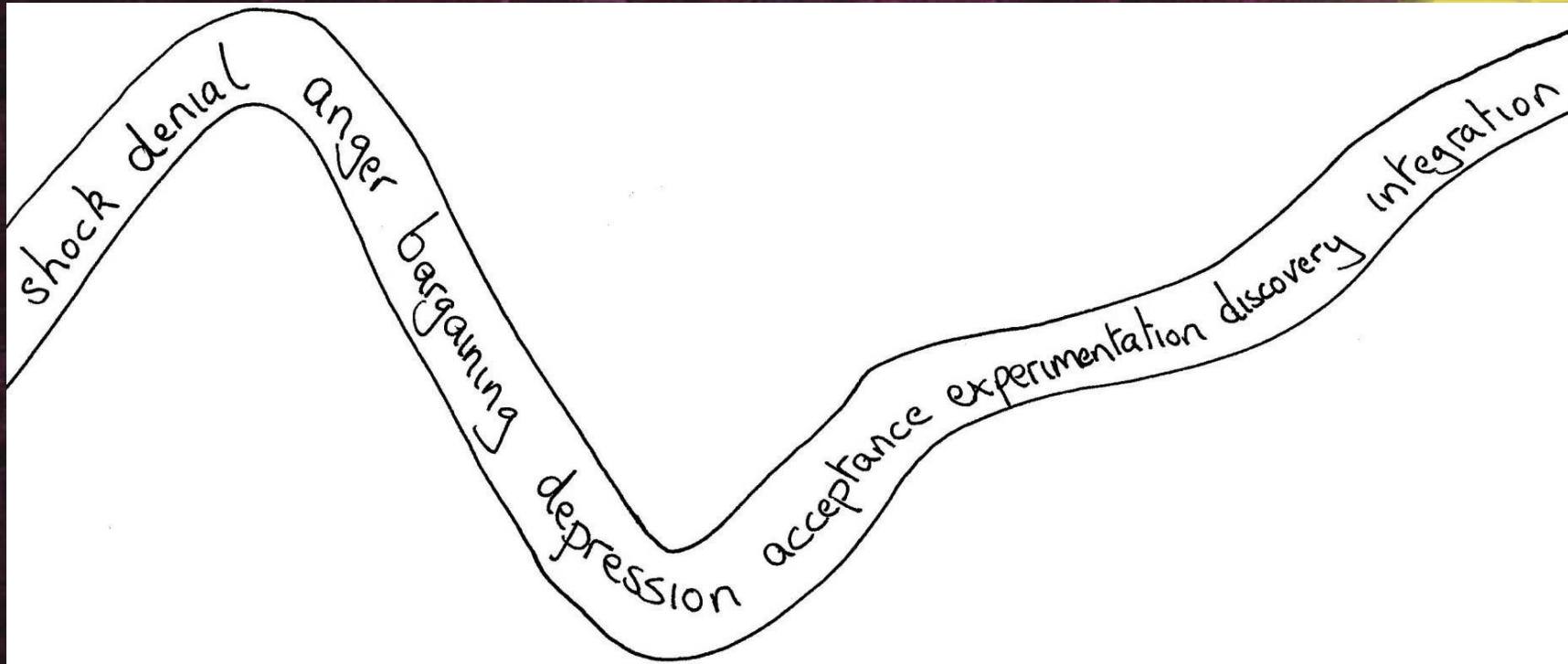


Which are you?!!

THE LEARNING DIP



PSYCHODYNAMIC – TRANSITIONS CURVE



LEADERSHIP THROUGH TRANSITION



'SCHOOLS OF PSYCHOLOGY' RELEVANCE

Behavioural Strategies:

- Performance management
- Reward policies
- Values translated into behaviours
- Management competencies
- Skills training
- Management style
- Performance coaching
- 360 degree feedback

Psychodynamic Strategies:

- Understanding change dynamics
- Counselling people through change
- Surfacing hidden issues
- Addressing emotions
- Treating employees and managers as adults

Cognitive Strategies:

- Management by objectives
- Business planning and performance frameworks
- Results based coaching
- Beliefs, attitudes and cultural interventions
- Visioning

Humanistic Strategies:

- Living the values
- Developing the learning organization
- Addressing the hierarchy of needs
- Addressing emotions
- Fostering communication and consultation

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