



Change in hospitality

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Introduction

“The leadership and direction of the process of organisational transformation – especially with regard to human aspects and overcoming resistance to change” (Fincham and Rhodes, 2005).



Fincham and Rhodes (2012), defines change management as “the leadership and direction of the process of organisational transformation – especially with regard to human aspects and overcoming resistance to change”.

This is supported by The Society for Human Resource Management definition of change management as:

The systematic approach and application of knowledge, tools and resources to deal with change. Change management means defining and adopting corporate strategies, structures, procedures and technologies to deal with changes in the business environment (Managing Organizational Change, 2021).

Based on these definitions – the management of change is a form of management control through applying systematic management interventions involving people in order to achieve a desired future state. This future state having defined performance outcomes correlating with organisational strategy. Based on the definitions, it is evident that there is an inseparable link between organisational change, performance and strategy.

Within the modern organisational world, change is key and unavoidable. There are a number of factors that may cause organisational change including:

- Pressures of growth
- Economic downturns

- Tougher trading conditions
- Strategy changes
- Technological changes
- Competitive pressures
- Customer pressures
- Legislation and Government initiatives

Simple and small-scale changes are generally managed within the generic day to day management of the operation. Changes such as these are often not referred to as change or described as managing change or change management, as change is dealt with in generic management responsibilities on a day to day basis. Research indicates that major change is occurring every 3 years and smaller changes occur continuously. Given the frequency, this highlights how vital effective change management is, and the key components which aid success include identifying the change and presenting a solid case to stakeholders, planning for change, resourcing, utilising data to evaluate, communication and celebrating successes. These will be explored further throughout the presentation (Taylor and Woodams, 2016).

Internal and External Drivers



Internal

- Financial and economical
- Staff attrition
- Technological

External

- Labour shortages
- Competition
- Legislative

Change is constant in many organisations and is driven by a large number of different forces. Internal drivers of change can play a key role in initiating change. Internal drivers are often influenced by external factors, but not always. Examples of internal drivers include:

- Financial and economical – this is often a factor which drives the need to make efficiencies, carry out certain activities or cease doing certain activities. It can result in changes to jobs or redundancy scenarios.
- Staff attrition – this is a driver of change as it can be a result of poor morale, culture issues or general poor management, examples of change resulting from this driver could be change management in leadership, introducing a new performance management framework.
- Technology – this is one of the biggest drivers of change currently, particularly at Bluestone, where technological changes have been made to improve the guest and employee experience for example, the introduction of an employee app, moving bookings online for ease, move to a cashless resort, this comes with a number of hesitation and resistance (Rees and French, 2016).

The PESTLE analysis is a useful tool to analyse key external factors influence an organisation (Political, Economic, Sociological, Technological, Legal and Environmental). It provides a flexible analysis which can be applied to a range of different scenarios (PESTLE Analysis | Factsheets | CIPD, 2021).

This is also a useful tool when reviewing the external drivers of change. Examples of external drivers include:

- Labour shortages – specifically at Bluestone and in hospitality in general, labour shortages have

forced the organisation to make changes in how we operate. As not all skills are available, roles have had to be changed, other roles and individuals have had to be upskilled to compensate.

- Competition – due to current market and an increase in “staycations”, we have had to introduce new products to differentiate the organisation for example added outdoor water activities.
- Legislative – during the pandemic, the organisation was forced to navigate through a number of changes in short succession due to restrictions in hospitality, this also involved managing people’s fears and safety concerns (Rees and French, 2016).

Factors that enable change

- **Change-ready culture**
- **Build a strong change team**



Research informs us that there are particular change initiatives which will be more emotive than others. When navigating through a change initiative, there is no guarantee that everyone will response positively. However, there are particular factors which will improve the likelihood of employee's buying into the change. Examples of these factors include effective communication, having a change-ready culture, ensuring employee participation, HR interventions, and effective management in expectations and conflict. We will explore two factors that enable change in more depth.

Change-ready culture

Organisations will have varying cultures which will differ in how receptive they are to change. The type of culture within an organisation can be identified by focus groups or employee satisfaction surveys with specific questions around change management initiatives.

Companies with the following in place are more likely to have a culture that is receptive to change initiatives:

- Taking time to thoroughly plan for each individual change
- Involving the individuals who are to be impacted by the change as part of the planning and implementation
- Ensuring the goals, purposes and potential benefits are communicated effectively to everyone involved
- Ensuring open dialogue when changes are announced around the potential disruptions and any difficulties which may be faced in ensuring its success

- Individuals having the ability to communicate freely and request help if there are issues in implementing change.
- Ensuring individuals feelings around the change initiative are listened to and any concerns addressed.
- The ability for people to address and fix any difficulties or disruptions which may arise.
- Success stories in change management initiatives, any learning opportunities and celebrations of successful efforts (Taylor and Woodhams, 2016).

Build a strong change team

Building a strong team responsible for delivering the change management initiative with the necessary capabilities is crucial in its success. The change team should be built and nurtured to ensure it is a high performance unit – focussed on the task and equally have strong interpersonal relationships. The purpose or remit of the team should be well defined, alongside roles and responsibilities of those within other teams. The team members within the change team should be equipped as necessary within the change process alongside the people skills and behaviours to enable to change to be successful. The team should be diverse and multidisciplinary, with defined roles and responsibilities, and people played to their strengths (Six key factors in successful change | APM, 2021).

Factors that may hinder change

- **Employee resistance**
- **Poor planning, direction and use of process**



Conversely to factors that enable change, there are a number of factors which have a negative impact on how effective change management:

Employee Resistance

Resistance to change by employees could be either individuals or groups acting to disrupt or block any attempts to introduce changes.

There are two areas of resistance types:

- Resistance to the content of the change initiative i.e. the specific change or introduction of something for example a new performance management system.
- Resistance to the process of change – which is concerned with how the change has been introduced rather than the actual change. An example of this would be a change without prior consultation to those affected.

There are a number of reasons why resistance may occur. Examples include, uncertainty, the disruption of something new, lack of control, inconvenience, competence fears regarding the change.

Resistance does not always have been negative, it could also identify that the change initiative requires rethinking. However, resistance can occur in many forms such as subtle undermining, withholding of information or through more active resistance such as strikes. Whilst undergoing a change initiative it is important to focus efforts in determining and addressing any issues that may be appearing as resistance. Further reason suggests that resistance is a natural, deep rooted response to

perceived threat (Change Management | Factsheets | CIPD, 2021).

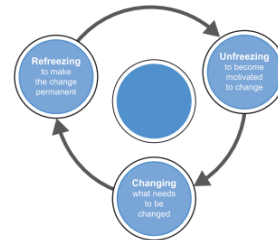
Poor planning, direction and use of process

Change initiatives are less likely to succeed if they are not done as part of a wider coherent change plan. Where there is a lack of leadership and use of an effective process or model, it can result in slipped timings, not achieving the desired outcomes or projects not being delivered as planned. It is also important to note that initiatives can be over-managed, with too much focus in the project management of the change initiative and not enough on putting the change into practice. Conversely, lack of effective leadership will be an inhibitor of change (Change Management | Factsheets | CIPD, 2021).

Change models



John Kotter



Kurt Lewin

There are a number of models for change management. Two well-known change models include those from John Kotter and Kurt Lewin.

John Kotter

Kotter's change model includes eight steps with the intention of supporting managers to deal with transformational change, which fundamentally alters business operation. The eight steps are detailed on the slide and contain many similarities to other models such as establishing a clear vision, ensuring effective communication around the vision, ensuring employees are empowered throughout the process, leading by example and celebrating the success of the change. According to Kotter, change is established when it becomes second nature in an organisation. Without the required change becomes the norm and within the organisation values, they can be subject to question once any pressure from the change is removed. This suggests that change management is required until the change becomes second nature, meaning everyone involved is required to undertake something different in order for success, not just the managers responsible for implementing change. Kotter concluded that the main issue with any change initiative, is changing people's behaviours, meaning that successful change is a result of an emotional response to change from employees.

1. Establish a sense of urgency – the need to change
2. Create a guiding coalition – with authority and credibility
3. Develop a vision and strategy – a clear aim and way forward
4. Communicate the change vision – promote understanding and commitment
5. Empower broad-based action – enable people to act and overcome barriers

6. Generate short-term wins – to motivate and ensure further support
7. Consolidate gains and produce more change – maintain change momentum
8. Anchor new approaches in the culture – new values, attitudes and behaviours

(APM ENABLING CHANGE SIG., 2017).

One of the strengths from Kotter's model is the first two steps around creating the sense of urgency and the guiding coalition. Organisations often make errors in the initial stages by moving into a change management programme without ensuring people buy in to the genuine need for change. It also recommends a group of leadership responsible for delivering the change engaging a broader group of people, with complimenting skills and insights which is needed in bringing about successful change. Kotter's model also provides a robust checklist, covering most of what is required during the process of change to ensure all elements are considered along the way. Another positive of Kotter's model is creating quick wins, which can engage and motivate people should they begin to lose faith in the process.

Conversely, Kotter's model has some downsides. The model is based on Kotter's experiences of working with large organisations on big change projects resulting in a top down model, providing limited opportunity for more participative or bottom up approaches. Kotter's model has also been considered as mechanistic. Whilst it is a useful checklist to provide step by step direction for change initiatives, it does not take into account the emotional realities of people. Lastly, the model has a strong approach to initiating change but could be viewed as weak in sustaining change as it does not offer any specific guidance in achieving this successfully (Leading Change: John Kotter's 8 Step Change Model | The Hub Events, 2021).

Kurt Lewin

Lewin's interest is around the human aspect of change. Lewin's theory has three stages and is often known as: Unfreeze, Change, Freeze (sometimes re-freeze). The theory was first presented in 1947, and whilst a lot has changed the model remains extremely relevant.

Stage 1. Unfreezing – this stage is around preparing for change and could be considered one of the more important stages in today's world of change. This preparation stage is around moving away from what we know and understanding the necessity of change, ideally creating the conditions in which change is welcomed).

Stage 2. Change – or transition – Lewin was aware that change is a transition process and not a single event. The transition element of the process is in response to the change and occurs as we navigate through the change and moving towards a new way of being.

Stage 3. Freezing (or refreezing) – This stage is focussed on establishing stability following changes, where changes have been accepted and are now the norm, alongside people feeling comfortable with the new relationships and routines (APM ENABLING CHANGE SIG., 2017).

You could argue that this model is rigid in its process of freezing, and is outdated in that it does not fit with more modern approach's of change being continuous. It could also be criticised as the model, as a linear model, suggests the process of change has a start and end, however change does require an element of flexibility. Lewin's model is also often criticised for over-simplifying the change process, and many other available models reflect the three stages and more. However, Lewin's model is focused

around reinforcing change to ensure it is accepted and maintained, as human nature is that people tend to resort to what they are used to doing. It presents a systematic approach with well-defined and interrelated processes. The concept of the approach is that by identifying and understanding the stages of the process, increases the effectiveness of change management as management involved can make improved and informed decisions around the right interventions to utilise in the change management initiative (Rees and French, 2016).

Work relationships and communication

- **Positive work relationships**
- **Communication needs and support**



Change management has changed substantially, and could be argued it was once around confirming, tracking technical changes and processes. Changes in change management has made it more focussed around preparing the people for change.

According to a Gallup, people who have a best friend at work are seven times more likely to be engaged in their jobs.

Good working relationships require key factors such as trust, respect, self-awareness, inclusion and open communication.

Trust – trusting team members can result in being open and honest about your thoughts and actions.

Respect – teams should work together having mutual respect having value for everyone's input into the team and utilising each other to find solutions based on collective creativity, wisdom and insight.

Self Awareness – individuals should be self-aware and take responsibility for your own words and actions.

Inclusion – accepting and welcoming other people and opinions, factoring in their insights, perspective or culture.

Open Communication – open and honest communication is essential for all relationships ensuring better connections with others.

Positive work relationships support change management initiates as the more at ease colleagues feel around each other they will feel they can voice their opinions, and have confidence to go along with change. Teamwork is an essential factor in embracing change and ensuring creativity and innovation. It

becomes evident to people that there is success in working in this way, impacting morale and productivity. Positive working relationships also prevent time spent on dealing with conflict and negativity, instead on opportunities.

Positive working relationships can be built over time, but there are also steps that can be taken to achieve this:

- Identify the needs of the relationship
- Develop people skills
- Focus on emotional intelligence
- Practice mindful listening
- Schedule time to build relationships
- Manage boundaries
- Appreciate others
- Be positive
- Avoid “office politics”

(Building Good Work Relationships: Making Work Enjoyable and Productive, 2021)

Communication

Management literature often states the importance of internal communications during any change process. Individuals will be less likely to demonstrate resistance to change, if they have a clear understanding of the vision of the future from concise communication.

Examples of appropriate methods of communication include:

Top-down channels: this method ensures that accurate information is disseminated throughout the organisation. Directors or senior leaders should speak directly with employees either through a formal meeting, visiting different sites. This type of communication should also be supported by regular official information for example letters to employees, team briefings, bulletins,

Bottom-up channels: this method of communication allows for employee participation and the generating of ideas. This could be through collective consultation or workshops for example.

Two way discussion: this method of communication should include one to one meetings providing opportunities for employees, line managers and the HR department to discuss the change and any concerns or ideas.

As Managers, a commitment to effective communication and communication activities is vital including honest, consistent and up-to date information regardless of whether the news is positive or negative. The communications should provide all the information required including:

- The nature, scope and need for change
- Who will be impacted by the change
- Requirements of any training or redeployment
- Quality of work/life implications
- Staffing and work pattern implications
- Proposed timings of implementing the change
- Expected benefits and any adverse effects of the change.

Further skills required my managers include:

- Having the ability to listen – not just providing information, but ensuring communication is two way
- Empathy and concern – you cannot control people's responses therefore responding appropriately with understanding
- Monitoring the effectiveness of communication throughout the process (Taylor and Woodams, 2016).

Stakeholders will respond and perceive information and change initiatives uniquely, highlighting the importance of understanding, engaging with, building commitment from and supporting these stakeholders for the duration of the change lifecycle. It is also important to note that communication in itself does not guarantee engagement, therefore time spent understanding stakeholders perspectives and motivations will nurture the relationship to build trust. This may result in buy in to want to ensure the change succeeds and also ensuring they feel supported through it.

It is important to note that alongside the feelings of uncertainty that change can bring, the fear of the unknown can greatly impact on employees wellbeing. This may also be a result from feeling powerless and vulnerable in a situation. This highlights the importance of supporting employee's wellbeing with a variety of support mechanisms. As discussed, effective communication can offer trust and confidence. Allowing time for employees to adjust and acclimatise to change. Reminding people they are important – which can also be achieved by active listening. It is also important to implement a wellbeing strategy with interventions that can strengthen company culture by taking care of mental and physical wellbeing of people – this can include signposting for advice and guidance, employee assistance programmes offering counselling, coaching and mentoring (Overcoming the impact of change | Wellbeing People, 2021).

Planning for change

- **Change plan**
- **Best practice**



Effective change does not occur by chance and is as good as the planning that is carried out. Change plans must suit the organisation, and will vary depending on the organisation – some having rigid approach and others more open to flexibility.

Generally, regardless of the approach taken, the following will need to be considered in any change plan:

- Sponsorship – its important to consider how high-level support and support of the change will be secured, and how everyone will be engaged.
- Involvement – equally, who will support the planning and implementing of the change for example any expertise or internal resources.
- Buy in – planning to achieve the support of all involved to ensure the change is effective.
- Impact – lastly, what will the success of the change look like, what are the goals and predictions of the impact of change.

(The Four Principles of Change Management: How to Support Change in Your Organization, 2021).

Communicating the need, vision and benefits of change, on-going communication and support, managing resources and budgets, monitoring change activity/impact, making adjustments

According to Prosci (2021), there are 7 best practices for implementing change management:

1. Mobilize active and visible executive sponsorship – having an active leader who guides the

organisation and participates through the change initiative.

2. Apply a structured change management approach – ensuring a defined approach provides the necessary structure to remain on plan.
3. Communicate frequently and openly – effective communication is critical to any change management initiative.
4. Engage with front-line employees - successful outcomes are achieved by supporting employees to understand the necessity of change, the impact it will have them and equip them for the transition process.
5. Dedicate change management resources – this reflects having dedicated resources and funding, identifying this at the very beginning to avoid any delays.
6. Engage and integrate with project management – both change management and project management initiatives compliment each other, and many organisations have identified this as a top contributor to success.
7. Engage with and support middle managers – managers are closest to the employees impacted by change therefore the greatest ally for those leading change.

(Best Practices in Change Management, 2021).

Change management draws on many theories from many areas including psychology and behavioural science and there are many different models that can be applied. What is evident, is that change management cannot happen in isolation. Change management impacts an entire organisation and all individuals within it, however, where there is good change management, everyone can be encouraged to adapt and embrace the change that has been implemented.

Evaluation



- **Techniques for monitoring the implementation of change processes**
- **Assessing the impact of change**

There are a number of measurements that can be utilised to measure actual change management activities carried out by the change management team. It is useful to monitor the activities by:

- Tracking activities against the plan
- Participation figures for training
- Communication deliveries and effectiveness
- Progress/adherence to plan
- KPI measurements
- Adherence to timeline

Two outcome-orientated categories which determine if the change outcomes have been successful include individual and organisational performance.

Individual performance – measuring individual performance can indicate how those impacted are progressing following the change. Individual impacted by change are the units of change, therefore measuring progress can be an important indicator of the overall success of the change. There are a number of employee metrics which can be used to demonstrate effectiveness, many of which identify where employees are in the process and any progress made. This data can be achieved through surveys, assessments, observation, performance evaluations. Much of this data offers qualitative feedback, which can be beneficial in exploring the change management process and activities in more detail. However, a large number of qualitative data cannot quantify answers one way or another which can be difficult to provide a solid statistic.

Measuring organisational performance – metrics to measure this should provide clarity on whether the initiative delivered what was expected. Examples of these could be the benefits attained, return on investment, business and change readiness, data analysis, attrition rates and other people metrics. Some of this data offers quantitative results, resulting in data that can be analysed quickly and provides a trusted set of statistics which can provide confidence (Metrics for Measuring Change Management, 2021).

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