

Kurt Lewin came up with a model for change and it has three steps:

1. Unfreeze - This stage is all about tell employees why the change is needed and how the problem is affecting the business. Communication is important in this stage so staff are informed when changes occur.

2. Changing - This stage is when changes are implemented in the organisation. This is where people struggle in their new reality so explaining the reason for change again is important.

3. Refreezing - This stage is where the change is stabilised. It is critical that efforts are used to make sure changing habits are not lost.

Question 3

There are many ways of motivating an individual, find out what the employee wants most. If it is extrinsic rewards maybe a pay rise could be used. If it is intrinsic rewards which it isn't as he is not satisfied with his job.

- Define the standards of performance expected.
- Link what the employee wants to the performance needed.
- Ensure there are no negative consequences of the rewards given to the employee.
- The reward needs to be attractive.

A reason for there lack of motivation is due to there sense of belonging in there current team. Maslows Pyramid of need states that if a need isn't satisfied, the employee will not be able to reach self actualisation. Once the new technicians are in their new areas, they will begin to feel social acceptance and move up the pyramid.

Herzberg's 2 factor theory can also be applied to this scenario. For the technicians to be motivated and be satisfied, they need their hygiene and motivator factors to be satisfied. The motivation factors are present due to the technicians having responsibility. The Hygiene factors are not met due to new inter-personal relations being introduced. Once the team creates their hygiene factors, they will reach job satisfaction.

Tuckman's team development theory will occur in this transition. Currently, the team are in the forming stage, the leader will need to be dominant and make sure responsibilities are clear. Next is the storming phase, this stage can see conflict due to different working styles. For their technicians looking after quality in a new area their authority may get questioned.

They will then move into the norming phase. This stage people will resolve differences and appreciate your strengths.

The next stage is the performing phase, the structures that have been set up are being utilised well.

Question 3 continued

Page 8

For Leadership, I would suggest using ~~transformational leadership~~ Inspirational Leadership. This technique is not about leadership theory but how to use skills to motivate and inspire. The leader will need to understand the big picture of the organisation. Use empowerment to coach and train the technicians. Ensure that every one works together to reach organisational goals. Finally, that if mistakes are made, they are learnt from. If this management model is followed, the project will be a success. As this management style will motivate and inspire the technicians to do those new tasks.

1) a Supernair payback

$$\text{year 1} = 20,000$$

$$\text{year 2} = (20,000 + 40,000) 60,000$$

$$\text{year 3} = (60,000 + 60,000) = 120,000$$

$$\text{year 4} = (120,000 + 60,000) = 180,000$$

$$\text{year 5} = £60,000 / 12 = £5000 \text{ per month}$$

$$200,000 - 180,000 = 20,000$$

$$20,000 / 5000 = 4 \text{ month}$$

Supernair = 4 years and 4 months

~~Frige 41~~ Frige 41

$$\text{year 1} = 80,000$$

$$\text{year 2} = (80,000 + 60,000) = 140,000$$

$$\text{year 3} = (140,000 + 60,000) = 200,000$$

Frige 41 = 3 year payback

Centre 4

$$\text{year 1} = 60,000$$

$$\text{year 2} = (60,000 + 60,000) = 120,000$$

$$\text{year 3} = (120,000 + 60,000) = 180,000$$

$$\text{year 4} = £60,000 / 12 = 5000 \text{ per month}$$

$$200,000 - 180,000 = 20,000$$

$$20,000 / 5000 = 4 \text{ months}$$

8 months

Centre 4 payback = 3 years + 8 months

1b) Year 1 = $20,000 \times 0.9091 = 18182$
 Year 2 = $40,000 \times 0.8264 = 33056$
 Year 3 = $60,000 \times 0.7513 = 45078$
 Year 4 = $60,000 \times 0.6830 = 40980$
 Year 5 = $60,000 \times 0.6210 = 37260$
£174556

NPV = ~~Investment~~ Cash Flow - Investment
 = $174556 - 200,000$
 = $-£25,444$

Frage 41 Year 1 = $80,000 \times 0.9091 = 72728$
 Year 2 = $60,000 \times 0.8264 = 49584$
 Year 3 = $60,000 \times 0.7513 = 45078$
 Year 4 = $60,000 \times 0.6830 = 40980$
 Year 5 = $40,000 \times 0.6210 = 24840$
£219550

NPV = Cash Flow - Investment
 = $219550 - 200,000$
 = $£19550$

Compare 4 Year 1 = $60,000 \times 0.9091 = 54546$
 Year 2 = $60,000 \times 0.8264 = 49584$
 Year 3 = $60,000 \times 0.7513 = 45078$
 Year 4 = $60,000 \times 0.6830 = 40980$
 Year 5 = $60,000 \times 0.6210 = 37260$
£227,448

NPV = Cash Flow - Investment
 = $227,448 - 200,000$
 = $£27,448$

1c) I wouldn't choose Supernatant as its NPV is negative with £-25,444. I would choose option Centre 4 as it has the highest NPV with £27,448.

1d) When considering factors that could influence decisions there are a few that need to be addressed. The first is External factors. Government policies and interest rates and inflation are all external factors. These are critical to choose as it will have a huge impact if your company are to make profit. Another factor is motives. There needs to be a growing demand for the business, also sometimes your company will get motives by competing with customers around technology advances.

Question 2

There are many reasons Aradine Ltd needs to undergo change. The first is the nature of the workforce. With an ageing population it is critical that the staff are kept up to date with skills like computer, literacy and number.

The second is Technology. With the move to SAP this will allow the control of stock to be quicker and easier. It can also be safer for any confidentiality concerns. With the world using alot more computer devices the company sees this as a good opportunity to train staff on SAP. Another reason is the identification of opportunities. With the transfer to a SAP system the work force will become more efficient. This will allow the company to compete with other organisations.

Question 2 continued.

Page 4

The final reason for changing is they may have lost their competitive edge. A new change can bring motivation to an organisation. Some times change can be good at reestablishing relationships with subordinates.

- For a successful change to occur a certain amount of staff or management level need to understand that change is needed.
- Secondly, employees need to understand why change is taking place and be able to see the bigger picture and see what benefits can be made.
- Next, employees must understand how change will effect them.
- Further, the team must be told again why change is occurring as people often need to be told more than once. Also if any early wins are from change, success must be celebrated.
- Fifth, you must be honest with the team. If jobs are going to be effected, you must explain early. For this this company, this is not the case but some people will have to re-skill.
- Finally, for a smooth change, project management tools must be used. Also Planning is critical along with clear communication

Question 2 continued

As there are alot of staff that are old ad have worked at the company for 25 years. It is important to manage resistance to change. this can be done by 3 steps

1. Make the case - make sure staff understand why change is needed
 - Present the change using language they understand
 - Find multiple way to put the case across.

2. Removing fear - Tell them what is in it for them

- People need to be told that change will have a positive effect
- Be honest, tell them if change will hurt them

3. Rebuilding relationship - Take responsibility for things that may lead to tense relations

- Demonstrate how you are trust worthy

- Get to know the employees
- Be influenced by the people who resist you