



Prifysgol Cymru
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Principles of Managing Tourism Organisations (POMTO)

People & Organisations (P&O)



Managing Change



Last time



1. To explain how a group's members interact and how membership can make teams successful
2. To consider how people contribute or team roles
3. To contrast the different ways of communicating within small work groups
4. To examine ways of analysing the behaviour of individual team members and how these are used
5. To distinguish between different group functions and member roles
6. To evaluate individual and team performance
7. To consider how and why successful teamwork matters

Today's Objectives

1. Identify the nature and scope of change
2. Discuss the forces favouring change and the targets of change in contemporary organisations
3. Identify the change strategies used by managers
4. Explain why people resist change and describe strategies to overcome resistance

Introductions: Do you like change?

You

Me



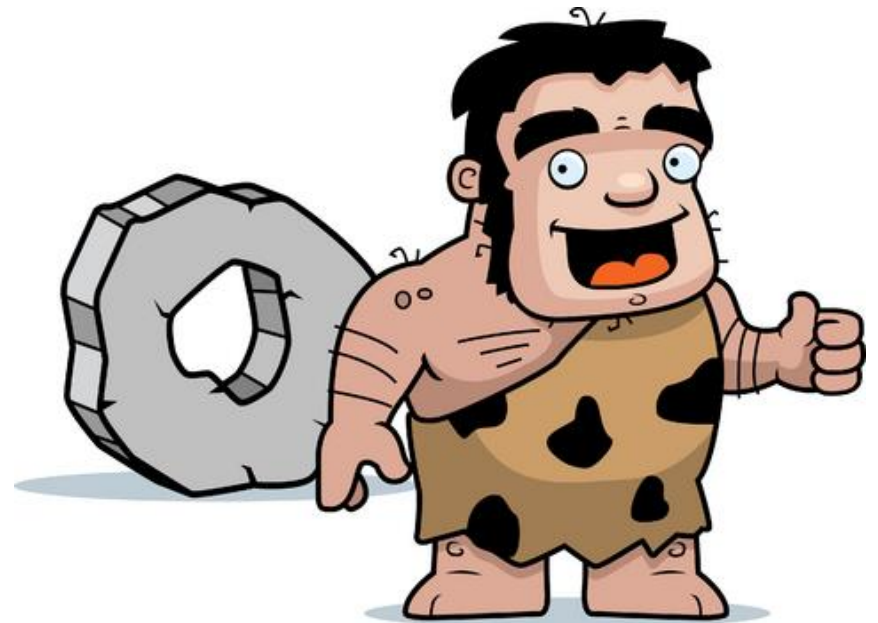
Activity: You and change



- Type of organisation
- What was specifically changed?
- Why?
- Who decided to change things?
- Has there been much change recently?
- How was the change communicated?
- Scale and scope?
- Too Quick/slow/just right?
- Who led it & how well?
- Who managed it and how well?
- What was the outcome?
- Who influenced the outcome?
- What influenced it?
- Did it work? How was it measured?
- What did you learn from the experience?
- What would you change next time around?

Them.....?

- https://youtu.be/6O6jbZ_fdrY?list=PL8S43Q4MV8rd9iEONrAqZSh1-APZ521T





Souss,
Tunisia

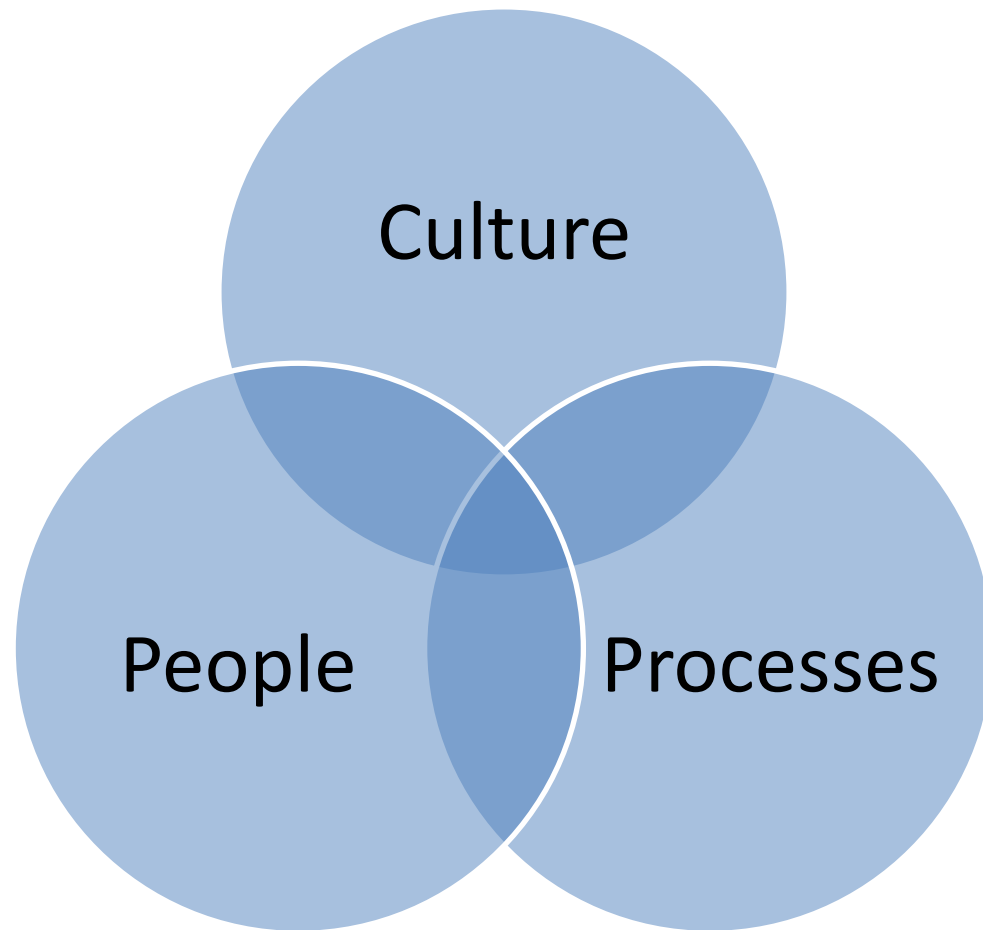


Brexit

What's going to/could change?



Aspects of Change



Typology of Change (Hodges & Gill, 2015)

How it happens - Planned - Emergent - contingency	Magnitude - Incremental - Transformational - Punctuated equilibrium
Focus -Strategic -Operational	Level - Individual - Team - Organisation

True or False?



- People have a natural resistance to change
- People get bored with routine and seek out new experiences
- Older people are more resistant to change

What is change?

1469-1527



"There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things."

Niccolo Machiavelli

Organisations



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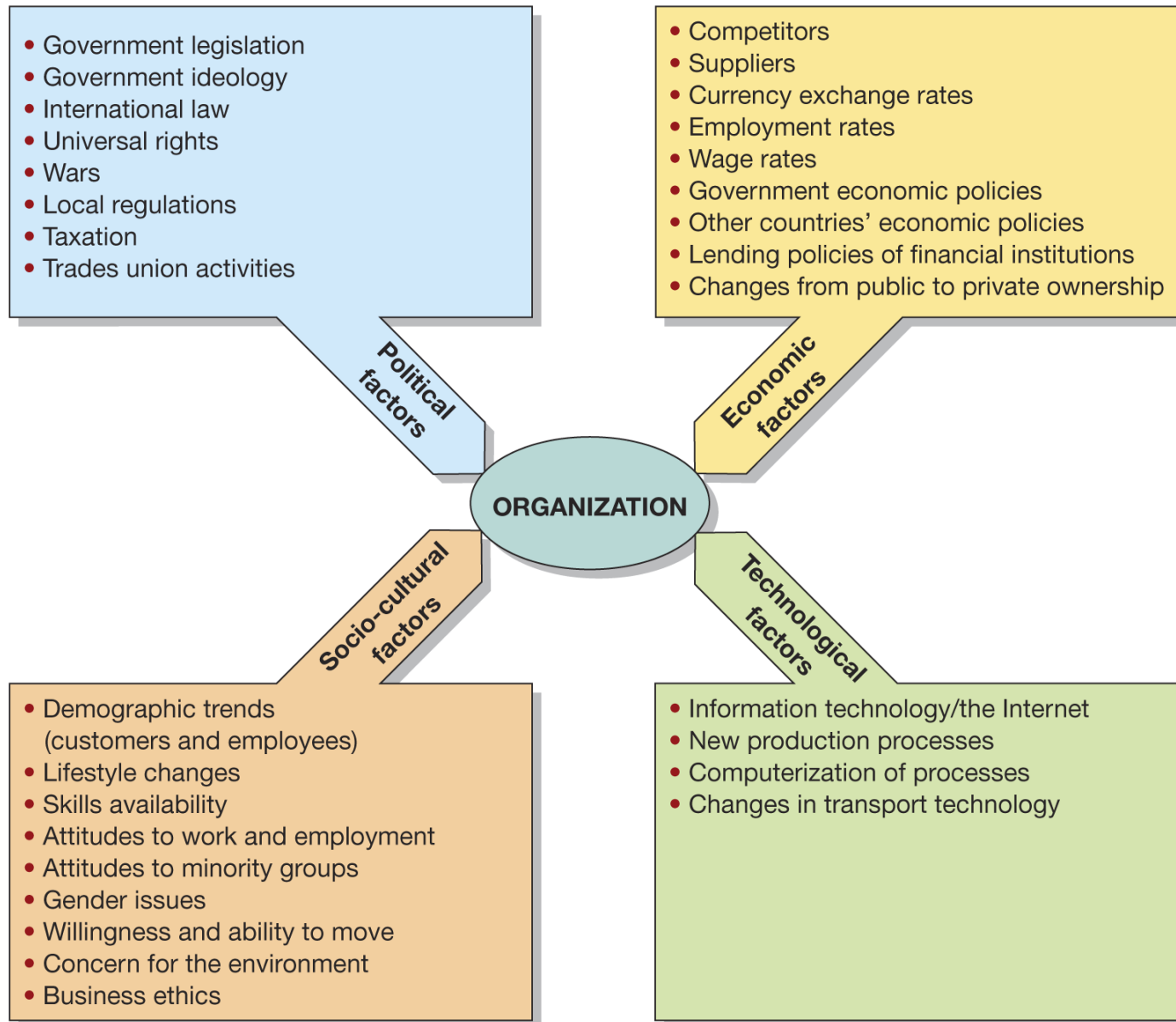
eden project



GIG
CYMRU
NHS
WALES



The world's local bank



Is it bad news from start?



- 70% of change programmes fail - Beer & Nohria (2009)
- People have a natural resistance to change – Kotter& Schlesinger (2009)
- Implementing reengineering programmes
- Do not obtain the expected return on quality improvements
- Customer service programmes do not result in benefits for customers
- Do not realise expected benefits from implementing technology initiatives

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)

Frank and Ernest

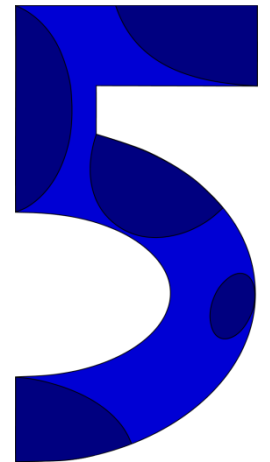


Activity:

What triggers organisational change?

- External Factors
- Internal Factors

Work with a partner to identify your top 5 for each



Activity: What triggers change?

External factors:

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



What triggers change?

Internal factors:

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

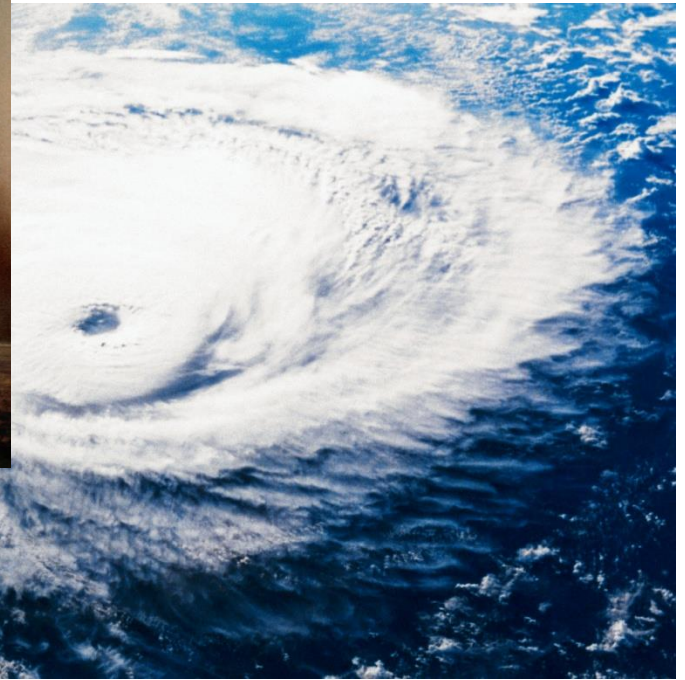


The nature of organisational change

- Change is a pervasive influence. It is an inescapable part of both social and organisational life.
- Organisational change can be:
 - Reactive or proactive
 - Deliberately initiated by management
 - Evolve slowly over time
 - Imposed by changes in policy
 - Result from environmental pressures



Turbulence



Environmental change: Brexit



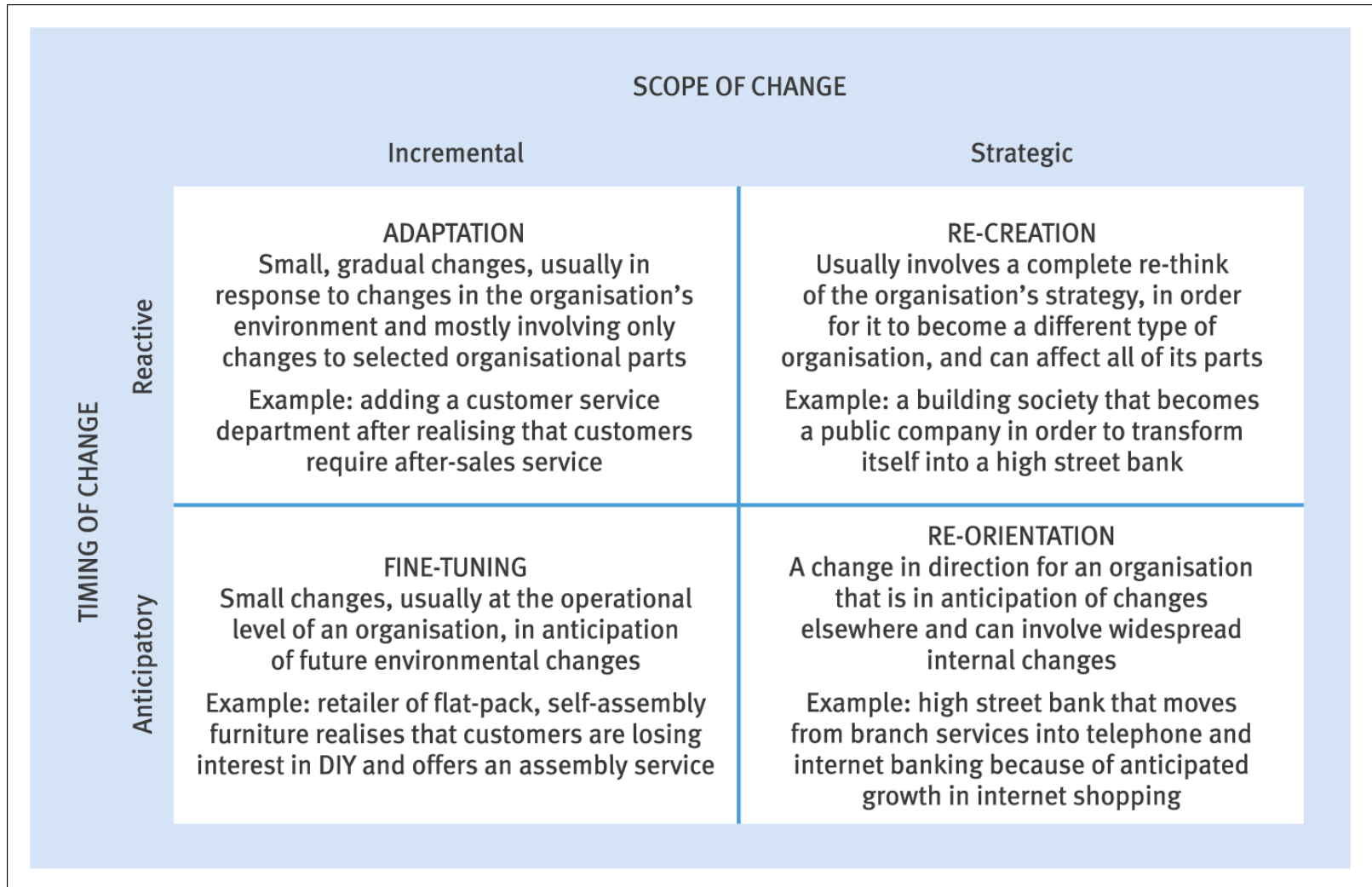
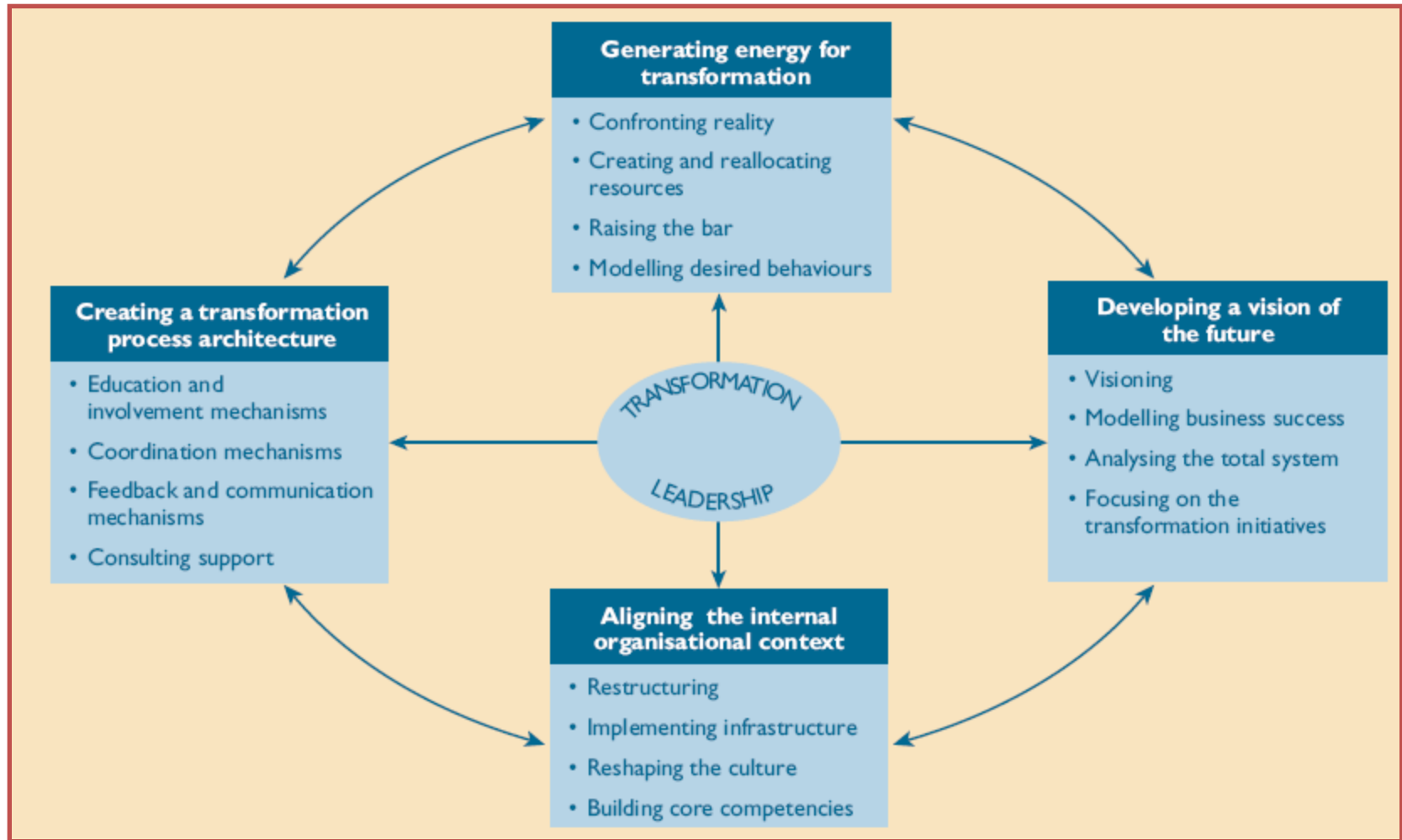


Figure 21.1 A typology of organisational change (adapted from Nadler and Tushman 1986)

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.

www.wileyurope.com/college/mendenhall

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



Planned organisational change



- ACAS sees change initiatives as potentially arising from:
 - A sense that the organisation could do better
 - The need to improve flexibility or quality
 - A sense that skills are under-utilised
 - Technological or work practice changes
 - Over-control of workers or boring work
 - Ineffective communication
 - Fractious relationships between managers and managed

Systems Model of Change

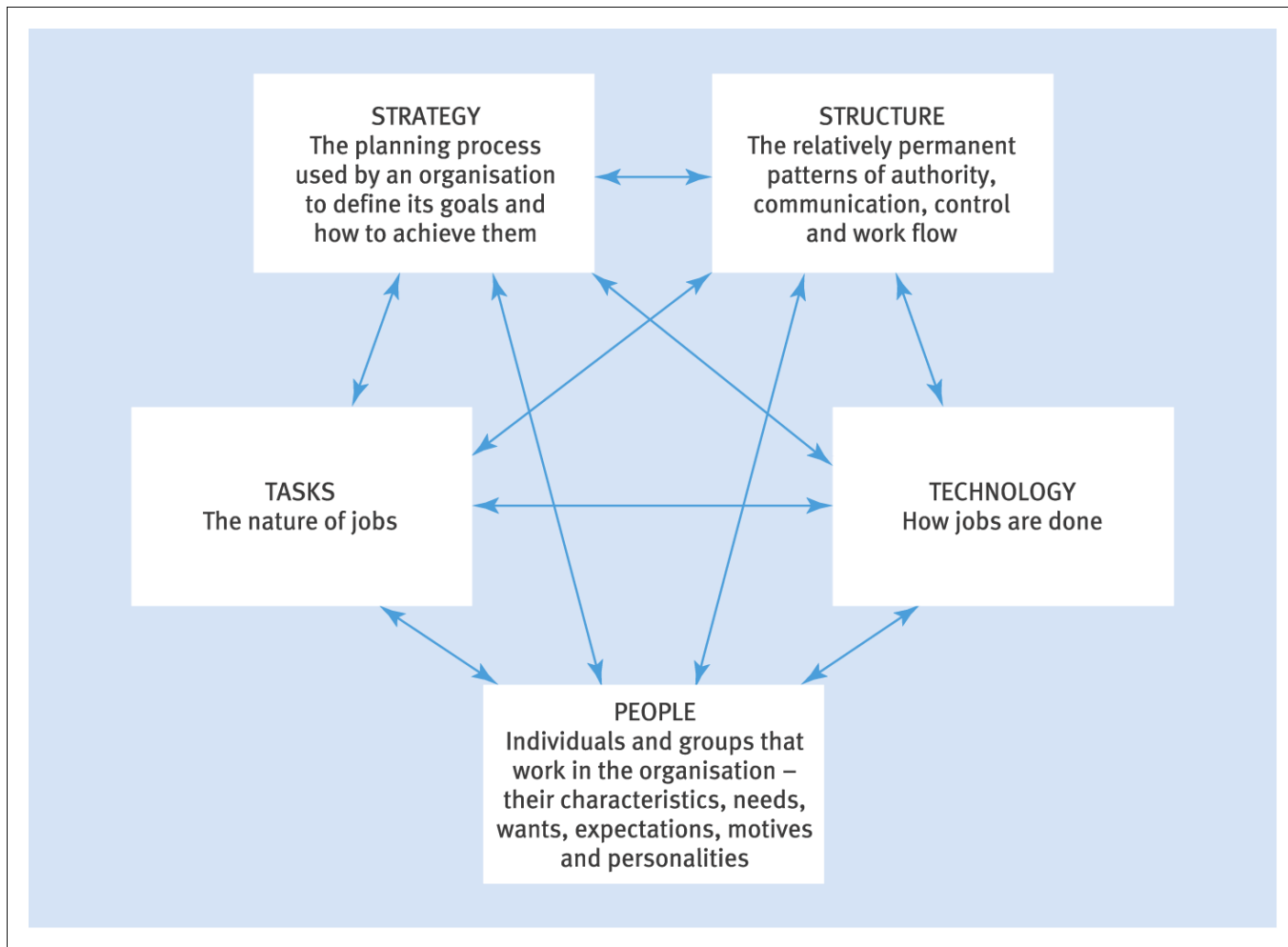


Figure 21.5 The systems model of change

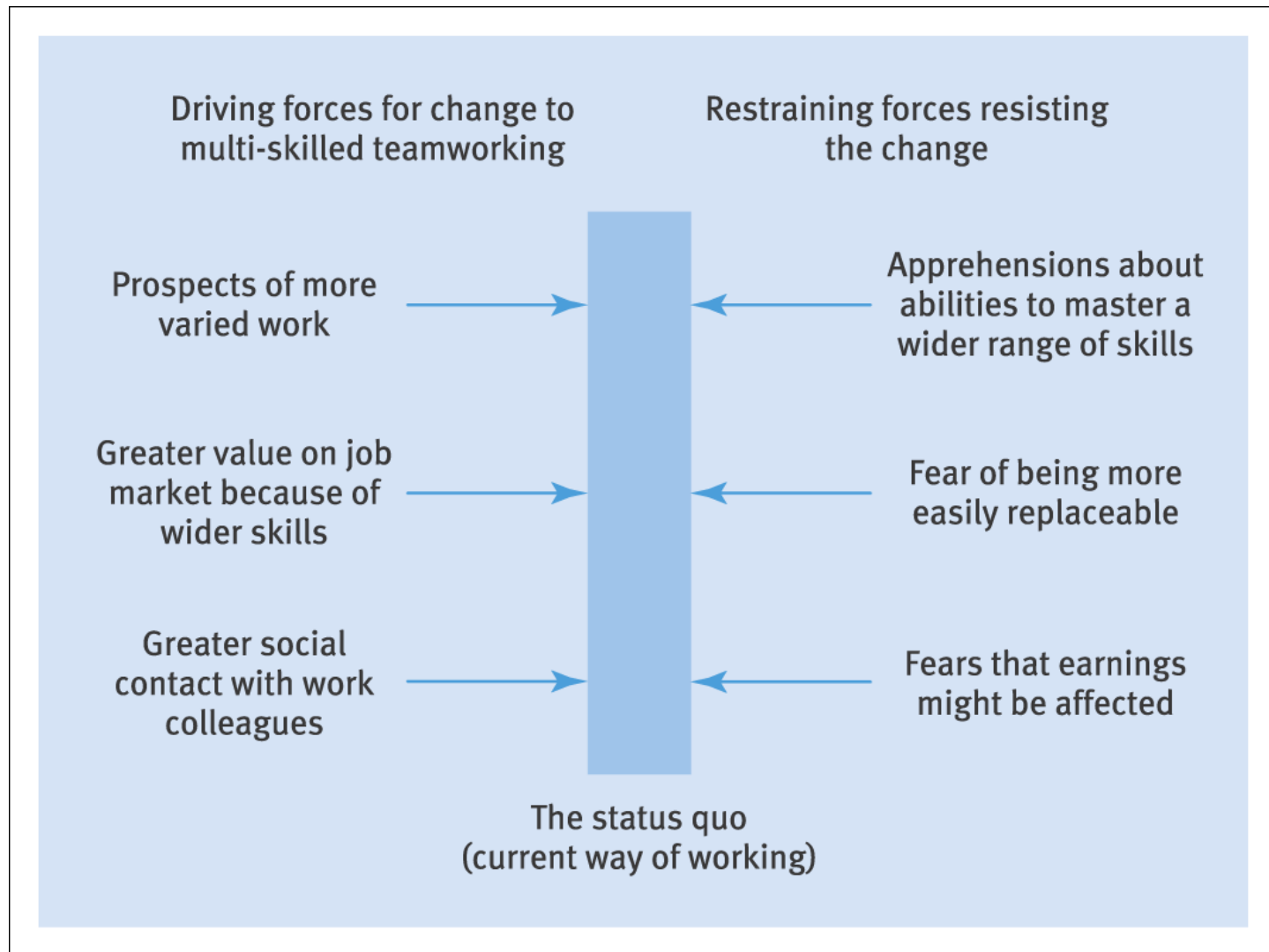


Figure 21.6 An example of Lewin's force field analysis

Lewin's (three stage) Change Process

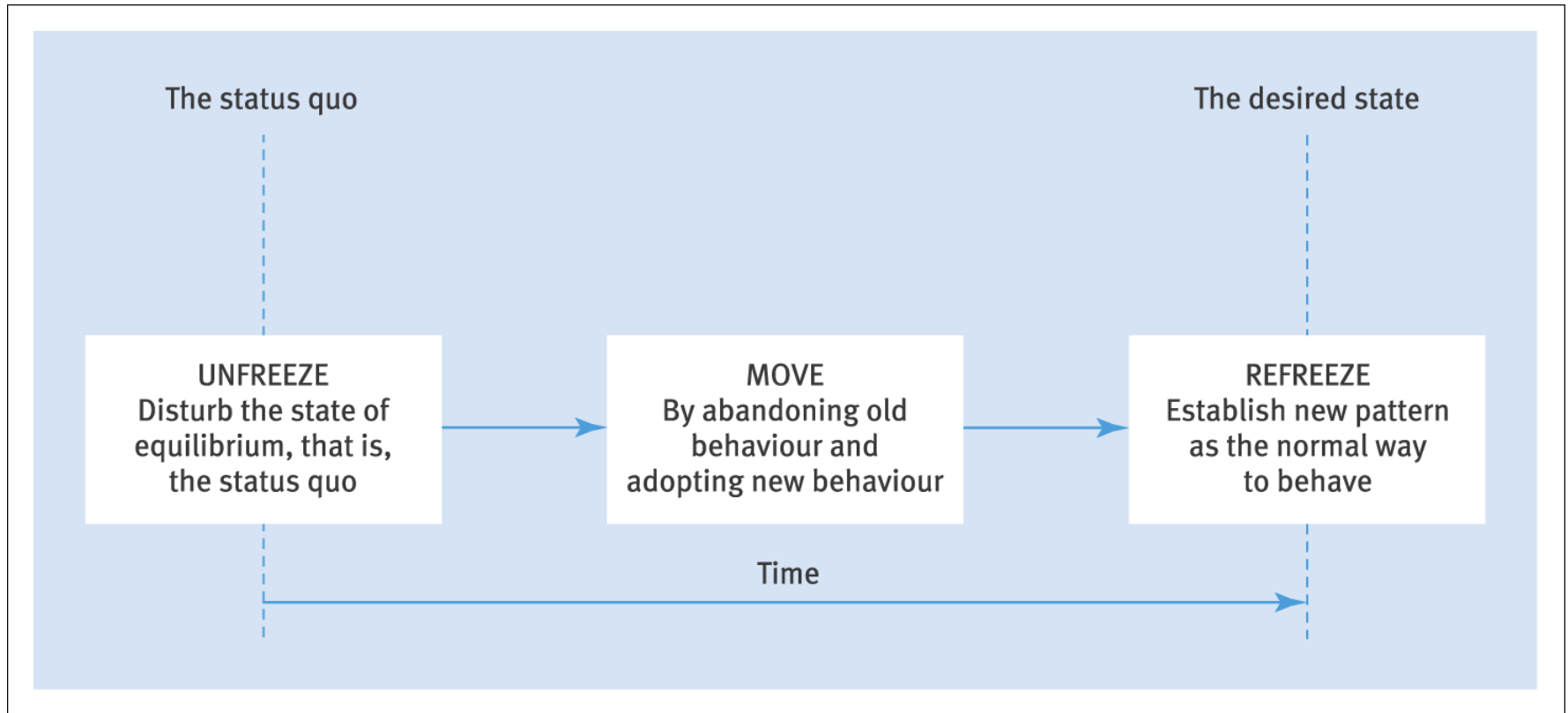


Figure 21.7 Lewin's three-step change process

Stages in a planned-change effort

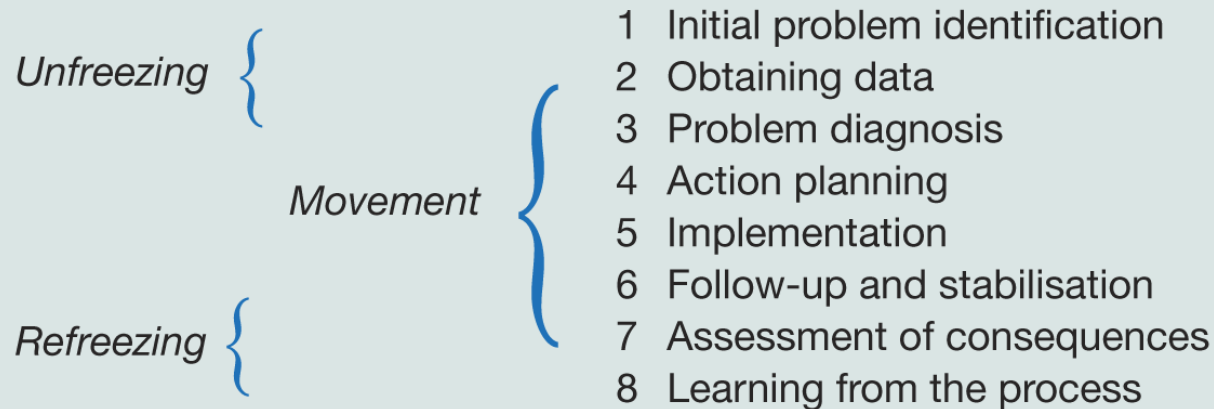


Figure 19.3 Stages in a planned-change effort

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>



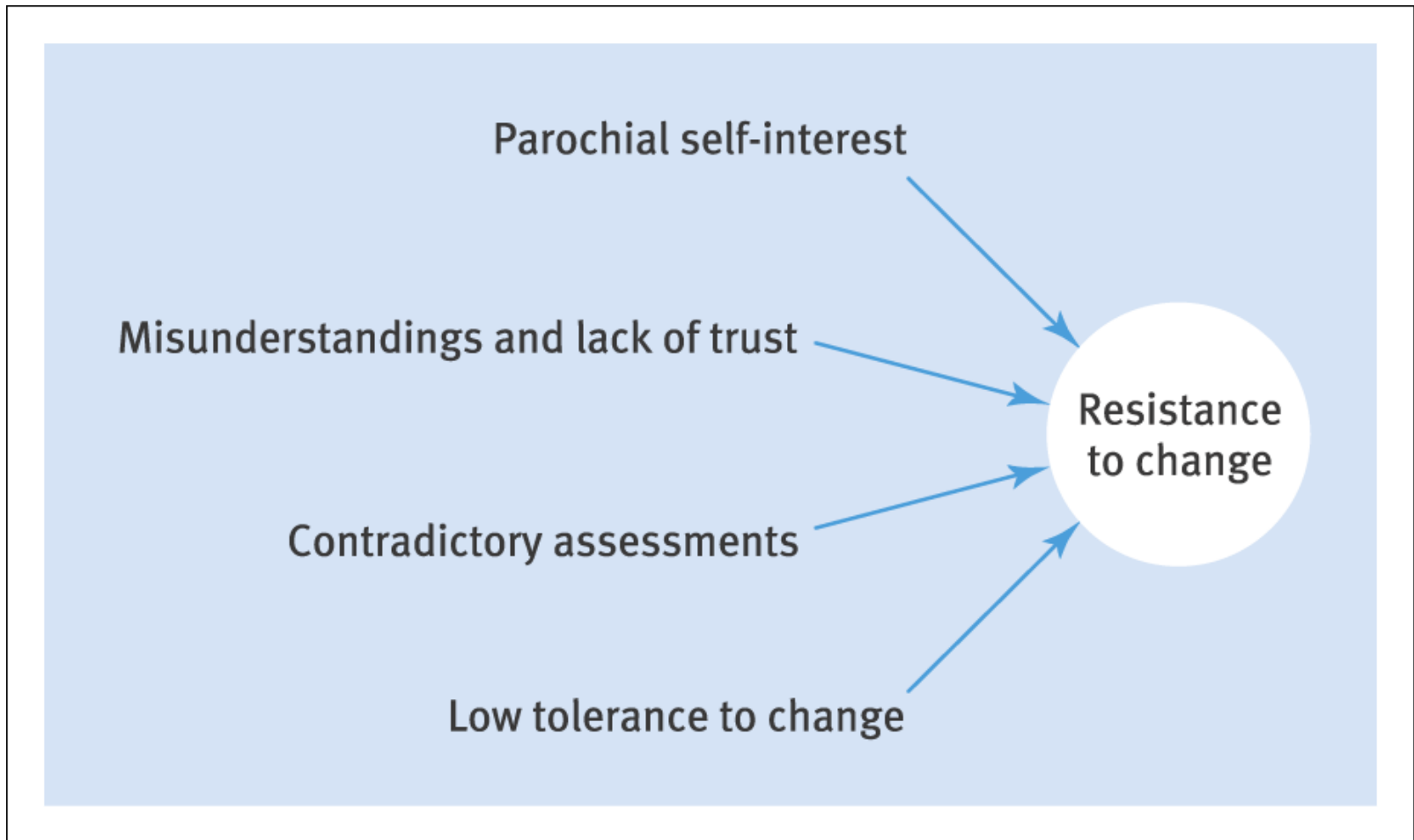


Figure 21.4 Individual sources of resistance to change

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 induce 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)

People: the key factor



'Given that change has become such a factor of business life, it is worrying that so many change management programmes fail to fulfil their potential.'

The consensus among the experts is that it is often the people factor that derails the effort. Put simply, organisations know where they want to go – but they are not taking their people with them.'

Lucas

Change leaders



Effective leadership of change may include the following key factors:

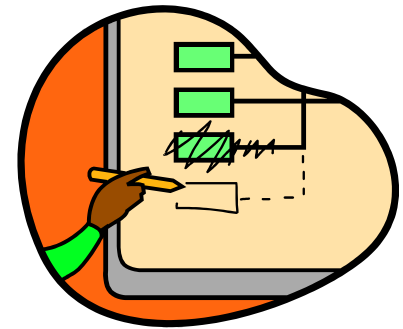
- Effective communication of the reasons for change
- Releasing the potential of all involved in the change
- Setting a good personal example
- Self-pacing to avoid unnecessary stress

Hooper and Potter

Definition

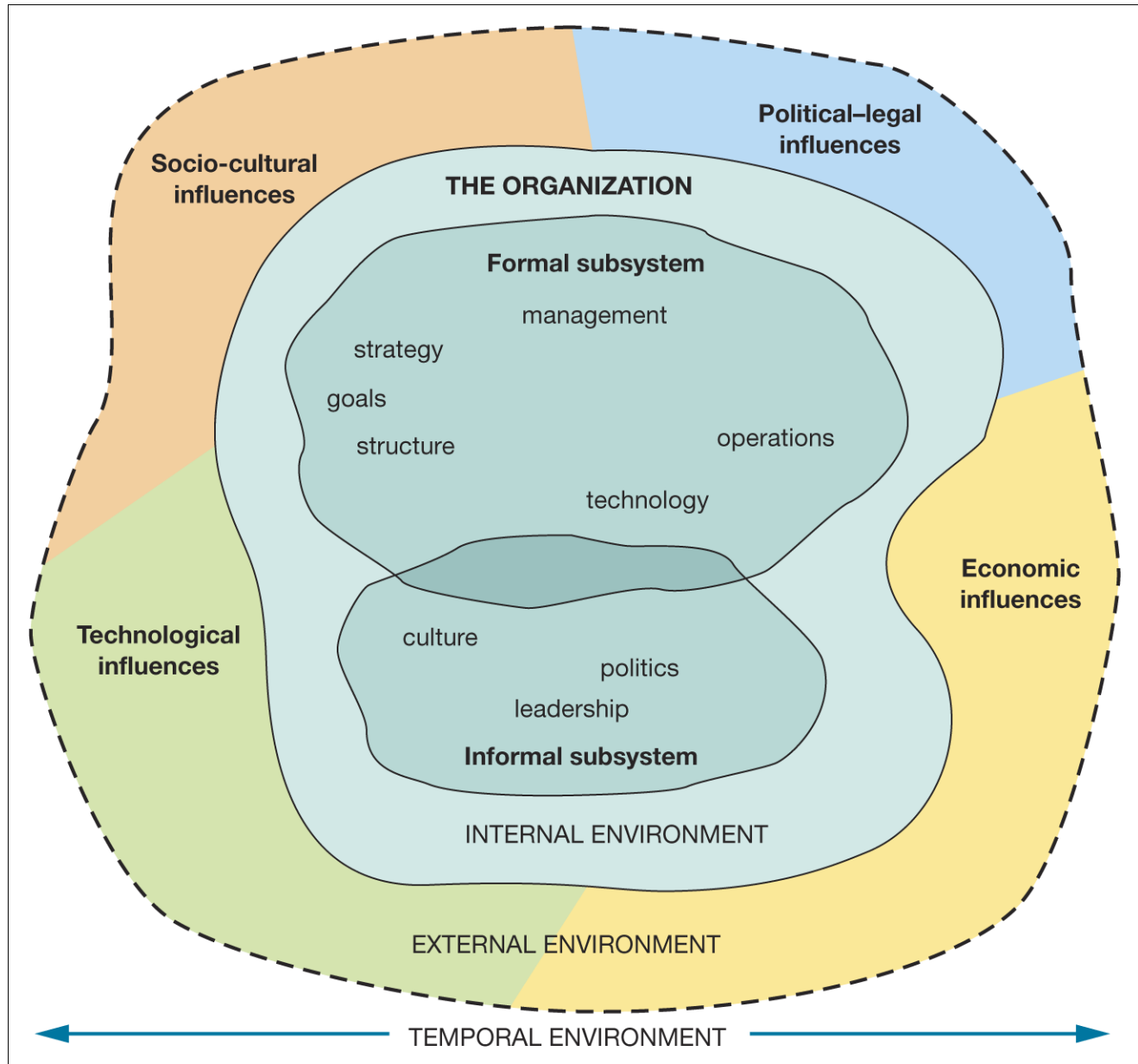
- 'the coordination of a structured period of transition from situation A to situation B in order to achieve lasting change within an organisation'.

(BNET Business Dictionary)



Organisational Change

- Impacts on the way that work is performed and has significant effects on staff, viz.:
 - the structure of an organisation
 - operations and size of a workforce
 - to working hours or practices
 - in the way roles are carried out
 - to the scope of a role that results in a change to the working situation, structure, terms and conditions or environment.



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.

Dynamic Change

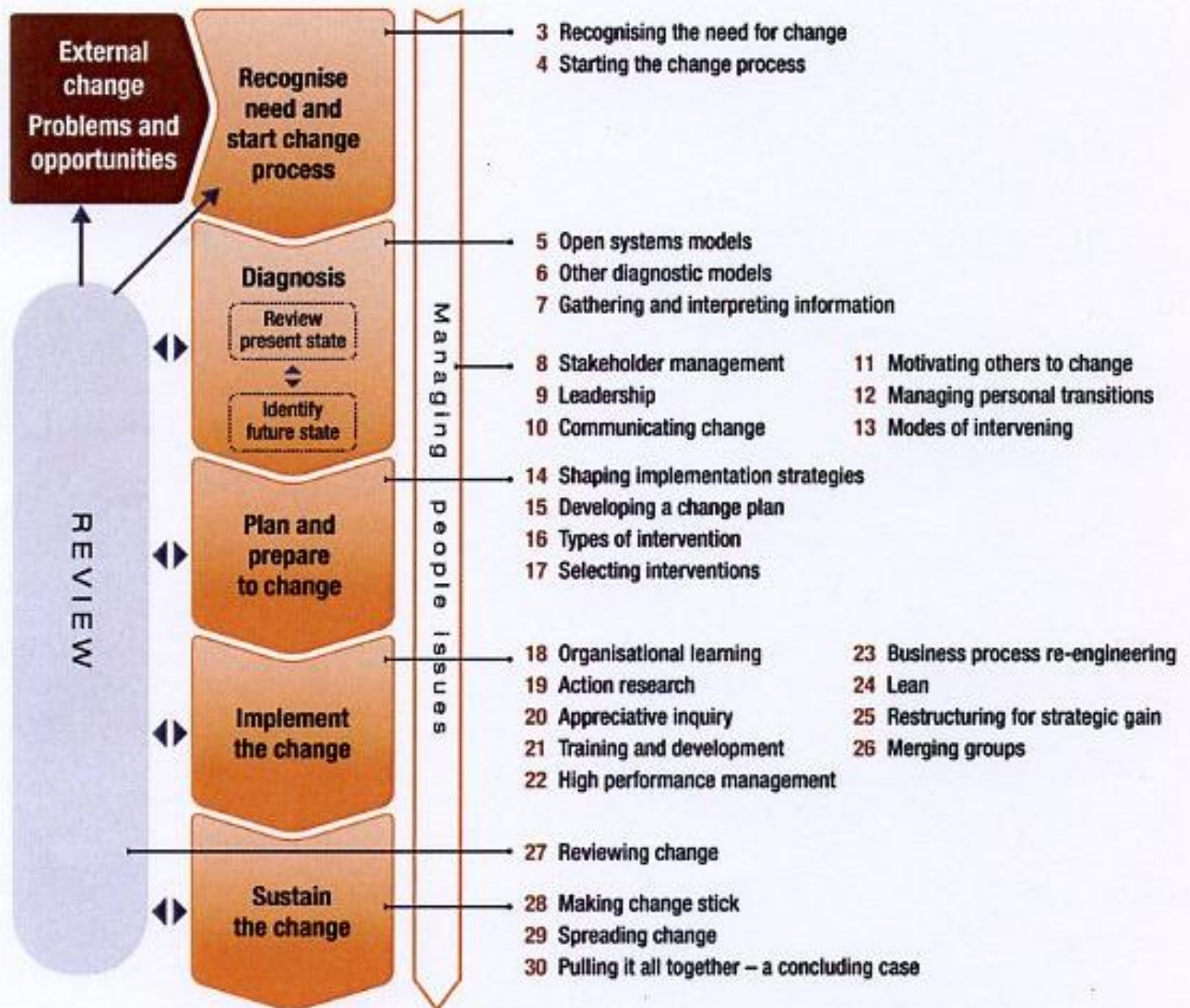


- 9/10 company change initiatives are partially reacting to current economic conditions (The Economist, 2010).
- Real competitive advantage comes from:
 - timely responsiveness
 - rapid, flexible product innovation
 - management's capability to cope/help organisations change effectively

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



Responses to change

Those who let it happen.

Those who make it happen.

Those who wonder what happened.

Anon. (Cameron & Green, 2015:52)





Change occurs when the state of something is altered or modified.

It involves moving from one state to a different state

We must distinguish between.....

Changes managed
externally in the
outside world



Our concurrent
internal responses
and state of mind



Individual Change – Key Perspectives



- **Learning and the process of change –**
in what ways can models of learning help us understand individual change?
- **The behavioural approach to change –**
how can we change people's behaviour?
- **The cognitive approach to change –**
how change can be made attractive to people and how people can achieve the results that they want?
- **The psychodynamic approach to change –**
what's actually going on for people?

Behavioural – Changing Behaviours

- **Rewards:**
 - **Positive Reinforcement**
 - Pleasurable and increases probability of repeat 'Good' behaviour.
 - **Stopping something unpleasant (extinction)**
 - Avoidance of an unpleasant stimulus increases the likelihood of repeat 'Good' behaviour.
- **Punishments:**
 - **Punishment**
 - Unpleasant (for example, an electric shock) leading to decrease in repeat 'Bad' behaviour.
 - **Negative reinforcement**
 - Removal of a pleasant stimulus decreases the likelihood of repeat 'Bad' behaviour.



Carrot and Stick?

Behavioural – Reinforcement Strategies

Financial:

Monetary



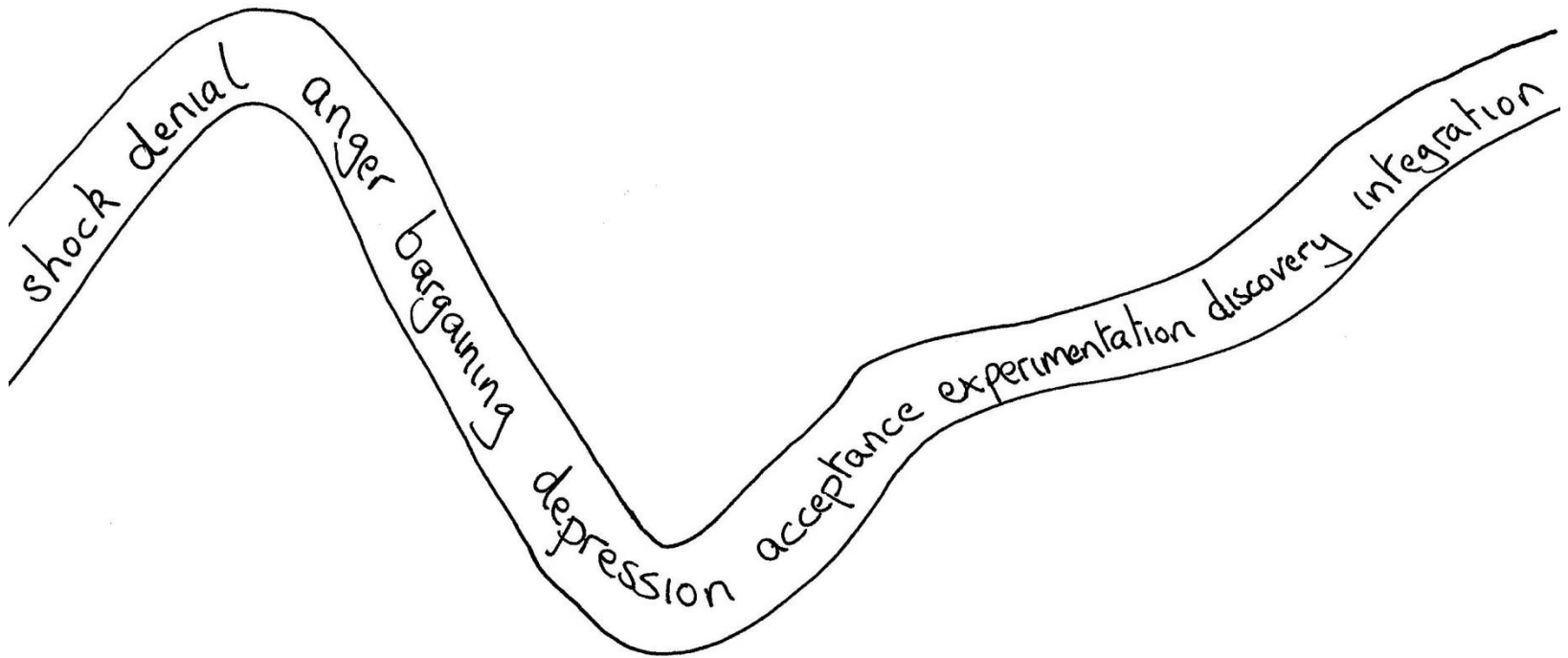
Non-financial:

eg, feedback on specifics, praise,
recognition, appreciation



**What rewards/punishments operate in
your chosen organisation?
Are they effective in making
change happen?**

Psychodynamic – Transitions Curve



Behavioural Strategies:

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

Cognitive Strategies:

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

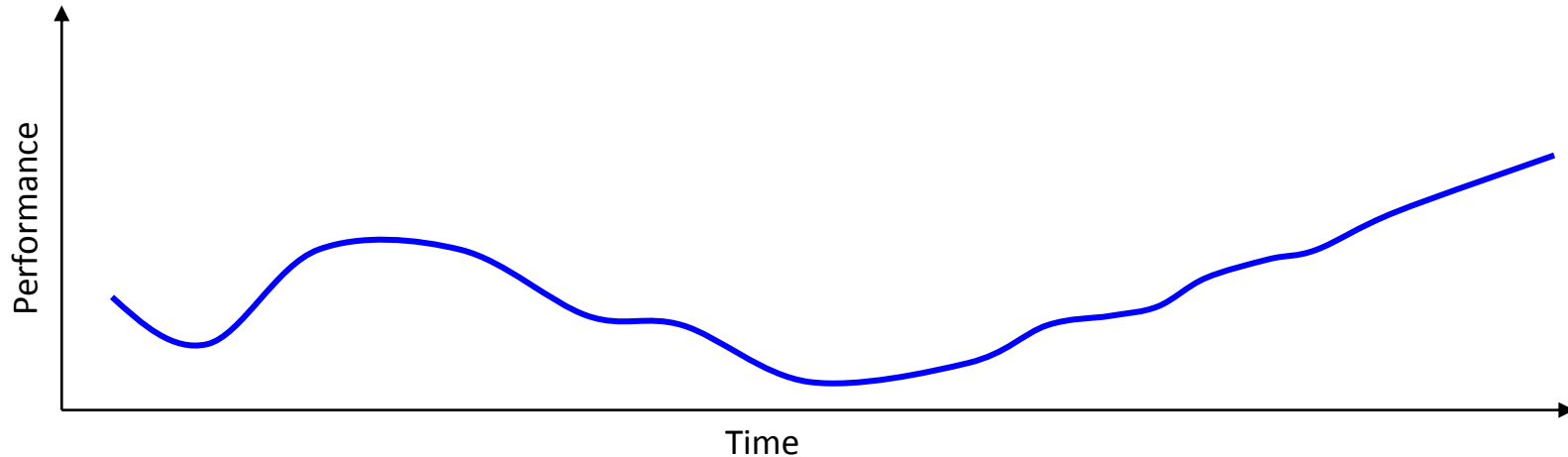
Psychodynamic Strategies:

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

Humanistic Strategies:

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

Leadership Through Transition



Minimize shock;
Give full and early
communication
of intentions,
possibilities and
overall direction.

Be patient;
Discuss
implications of
change with
individuals;
Notice and pay
attention to
people's small
signals.

Listen, empathise, offer
support, protection;
Do not suppress conflict and
expression of difficult views
or emotions;
Help individuals weather the
storm;
Recognize how change can
trigger off past experiences
in individuals;
Try not to take others'
reactions personally.

Help others
complete;
Allow others to
take
responsibility;
Encourage;
Create goals;
Coach.

Encourage risk
taking;
Exchange
feedback;
Set up
development
opportunities.

Discuss
meaning and
learning;
Reflection;
Overview of
experience;
Celebrate
success.

Prepare to
move on.

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1. Identify the nature and scope of change
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Next time – Perception

<https://youtu.be/fFaMbWH4I5o>

