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Change & Stability Management

Key Theory:
The Planned Approach to Change
Stakeholder analysis



Last time we……



- Introduced the assignment
- Identified major trends in the development of OB and management thinking, and to contrast them
- Considered why they are relevant to change management today
- Assessed how management has developed
- Undertook Tayloristic job design

Today's objectives



- To consider the theory underpinning change management
- To critically analyse Lewin's planned approach to change and the key differences with the organisational development approach
- To discuss the incremental, punctuated-equilibrium and continuous transformation models of change
- To consider the importance of stakeholders in change

Assignment Case:
Have you selected one?















Reminder: Once you have a case study

- Presentation on 11 March
- Scoping exercise/plan of your intended case
- Initial research/progress
- Key theme identified
- Review brief carefully
- Two models specified for inclusion



Key Theory:
The Planned Approach to Change

Change management

Two dominant approaches

- The **Planned Approach** – 1940s
- The **Emergent Approach** – 1980s.

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

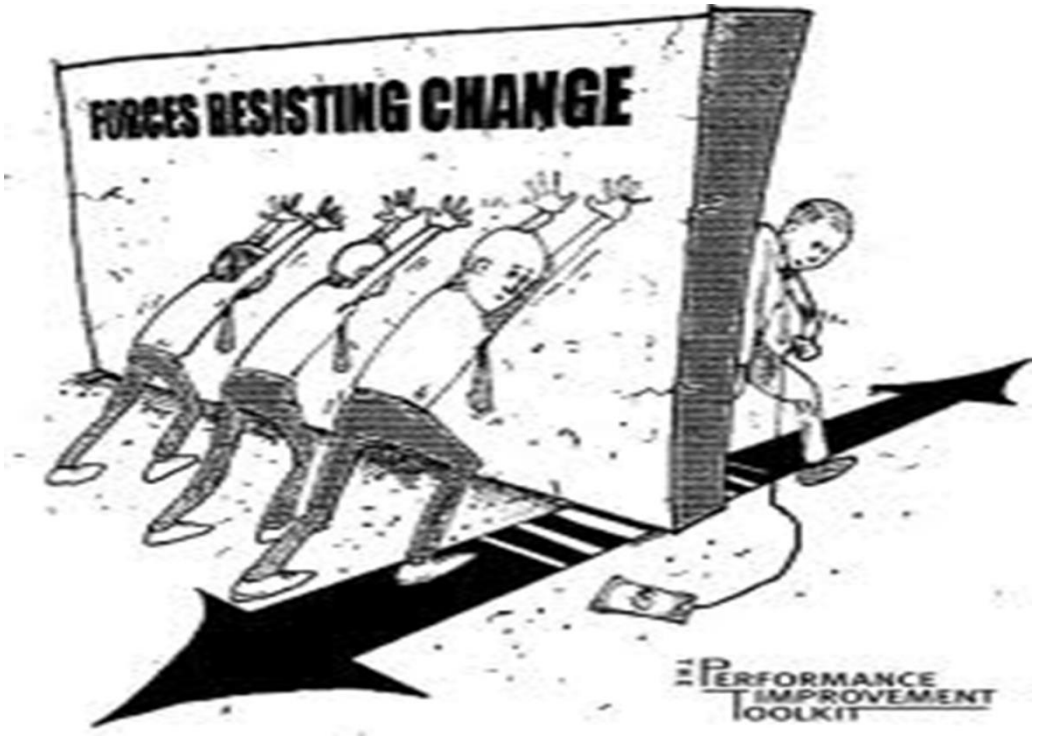
- ACAS sees change initiatives as potentially arising from:
  - A sense that the organisation could do better
  - The need to improve flexibility or quality
  - A sense that skills are under-utilised
  - Technological or work practice changes
  - Over-control of workers or boring work
  - Ineffective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

Planned Change Strategies



The **Planned** approach

Kurt Lewin



Kurt Lewin

There is little question that the intellectual father of contemporary theories of applied behavioral science, action research and planned change is Kurt Lewin.

His seminal work on leadership style and the experiments on planned change which took place in World War II in an effort to change consumer behaviour launched a whole generation of research in group dynamics and the implementation of change programs.

(Schein, 1988: 239)

Lewin's philosophy

- The resolution of social conflict
- The problems of minority or disadvantaged groups
- A strong belief that only the permeation of democratic values into all facets of society could prevent the worst extremes of social conflict.

The main elements of Planned change

- Field Theory
- Group Dynamics
- Action Research
- The Three-Step model.

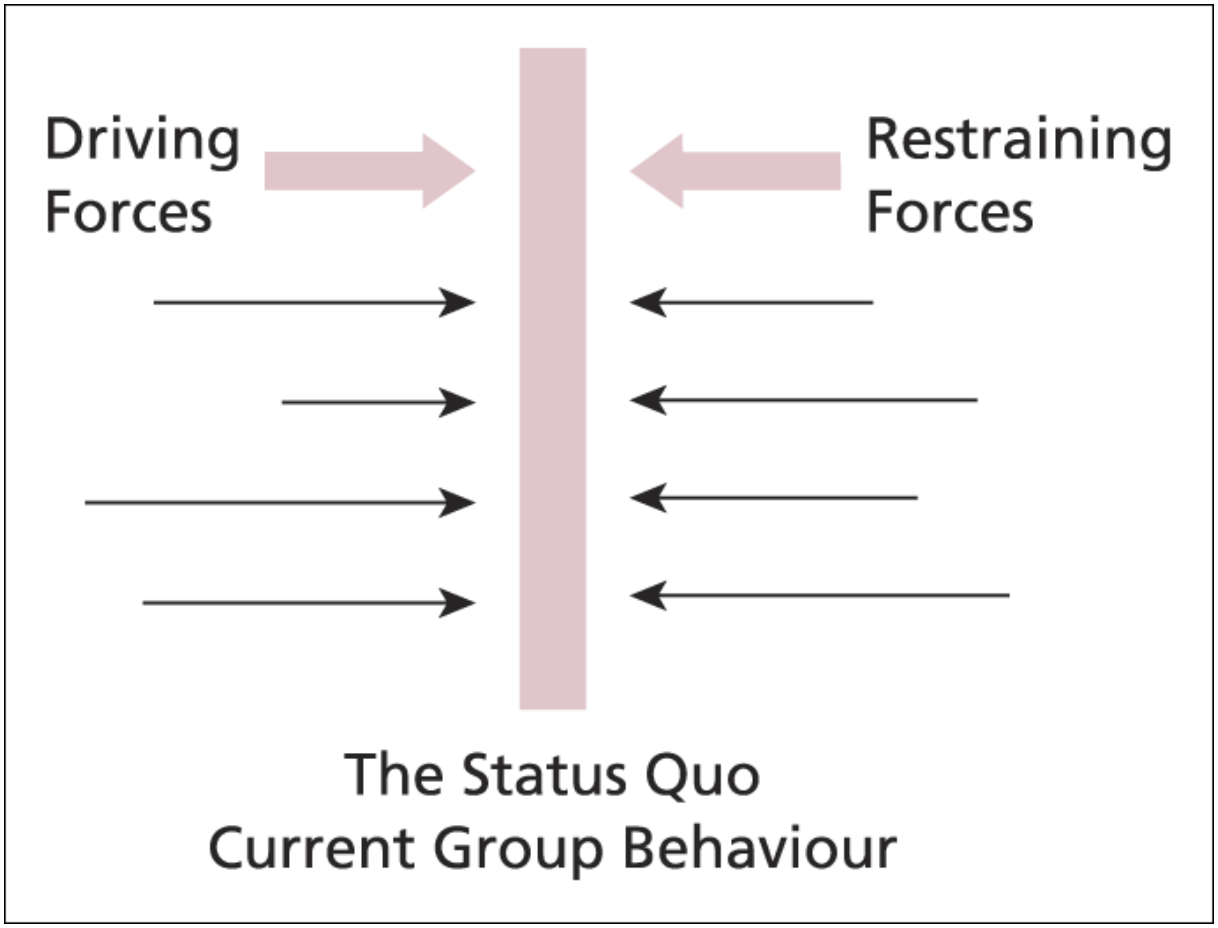


Figure 8.1 Force Field analysis

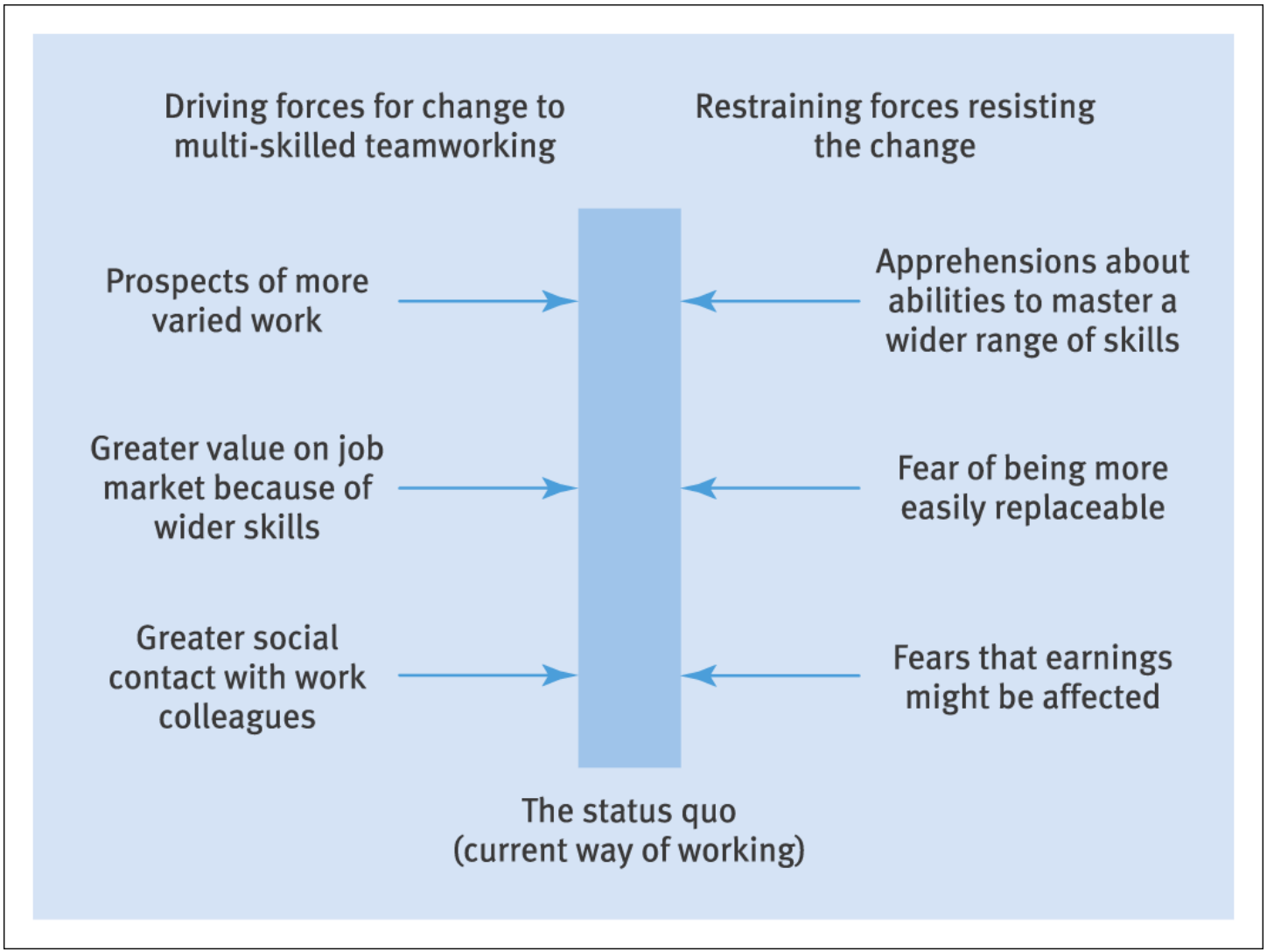
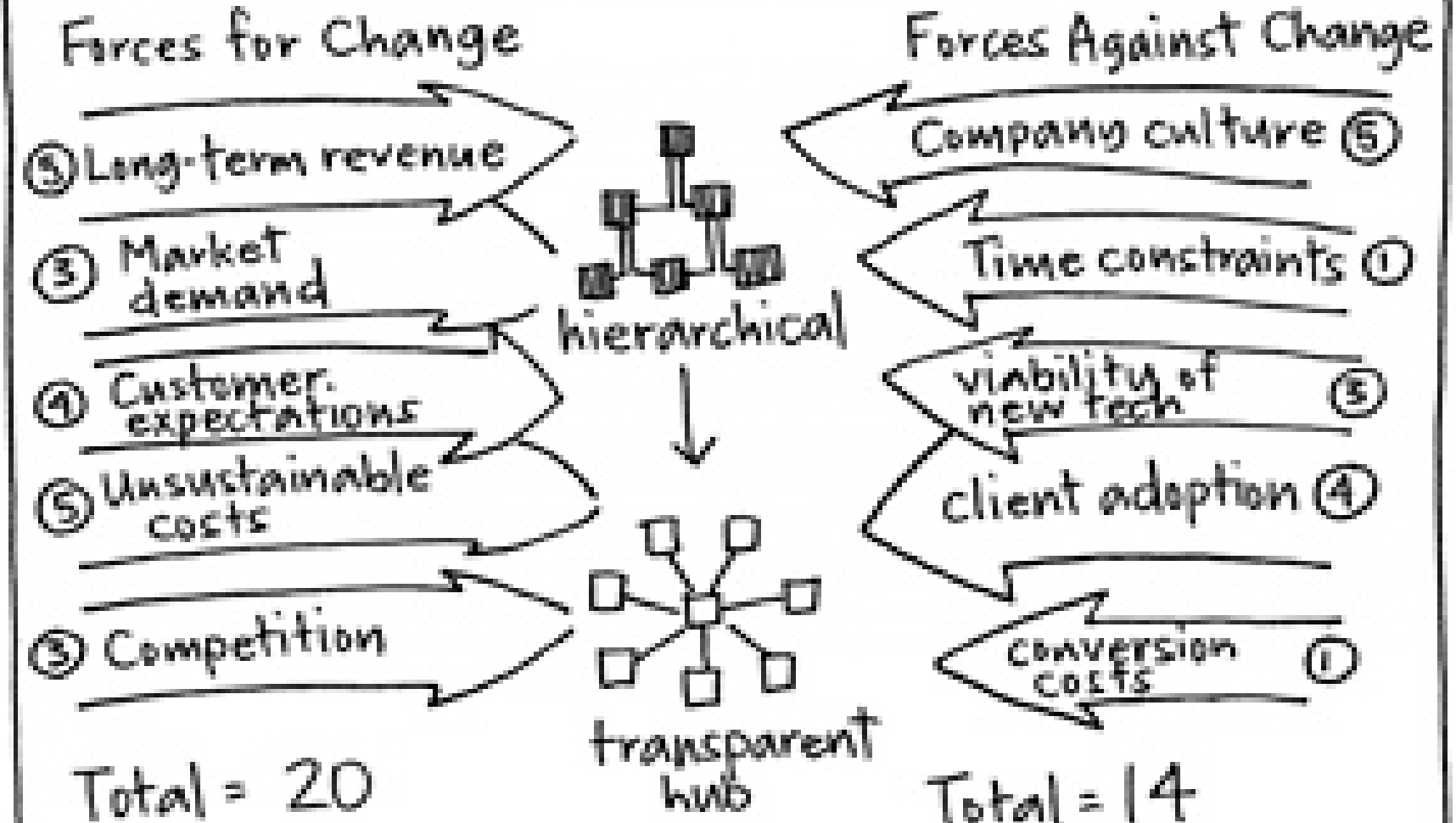


Figure 21.6 An example of Lewin's force field analysis

Force Field Analysis



Tasks for presentation:

Produce and incorporate into your overall presentation a force field analysis for your chosen case study organisation

Activity: Change in action…..

WHITBREAD



Premier Inn

What changes have taken place and why?
What is the company planning to do next?

Some context:

- https://youtu.be/Cy-zHydHWZ0

Go to the online library marketline database and search for the company report

Produce a force field analysis for Whitbread's sale of Costa

Group Dynamics

… the word ‘dynamics’ … comes from a Greek word meaning force. … ‘group dynamics’ refers to the forces operating in groups. … it is a study of these forces: what gives rise to them, what conditions modify them, what consequences they have, etc.

(Cartwright, 1951: 382)



Figure 8.2 Action Research

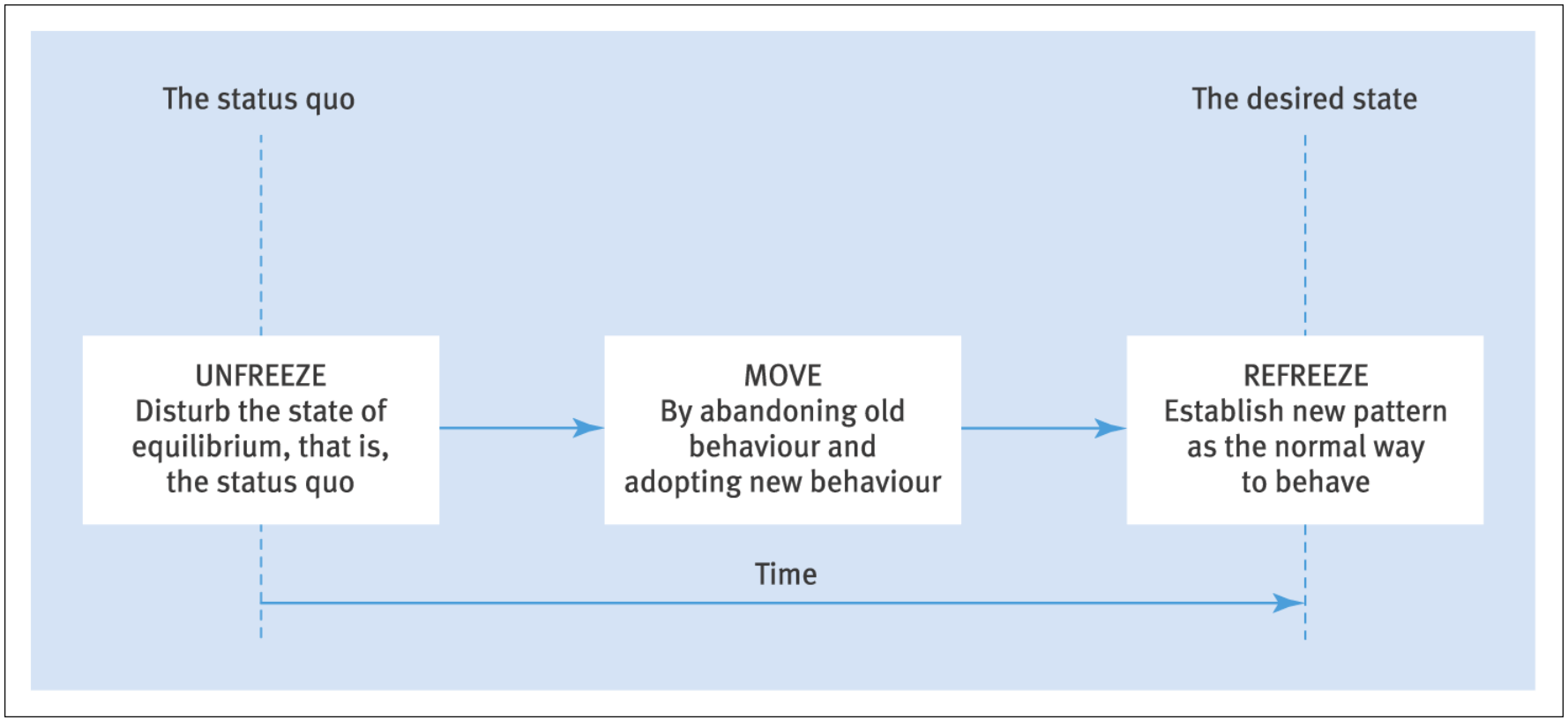
The Three-Step model

- Unfreezing (create dissatisfaction)
- Moving (implementation)
- Refreezing (stabilisation).



Figure 8.3 Lewin's Three-Step model of change

Lewin's (three stage) Change Process



Mullins (2013)

Stages in a planned-change effort

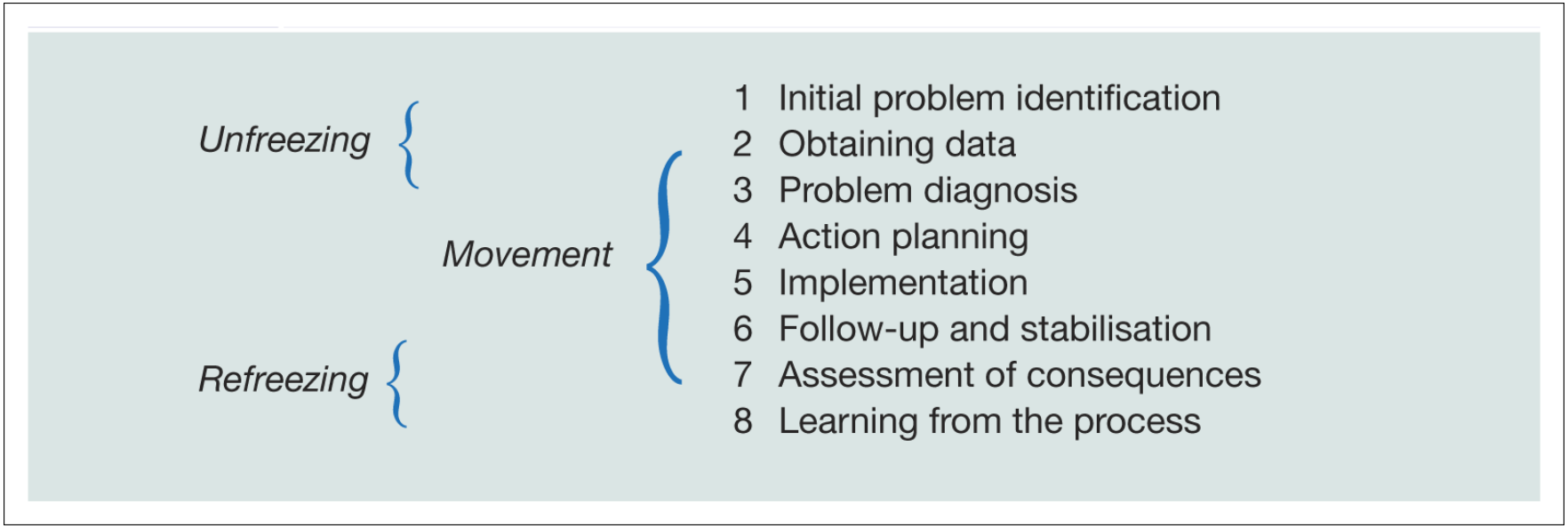


Figure 19.3 Stages in a planned-change effort

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.

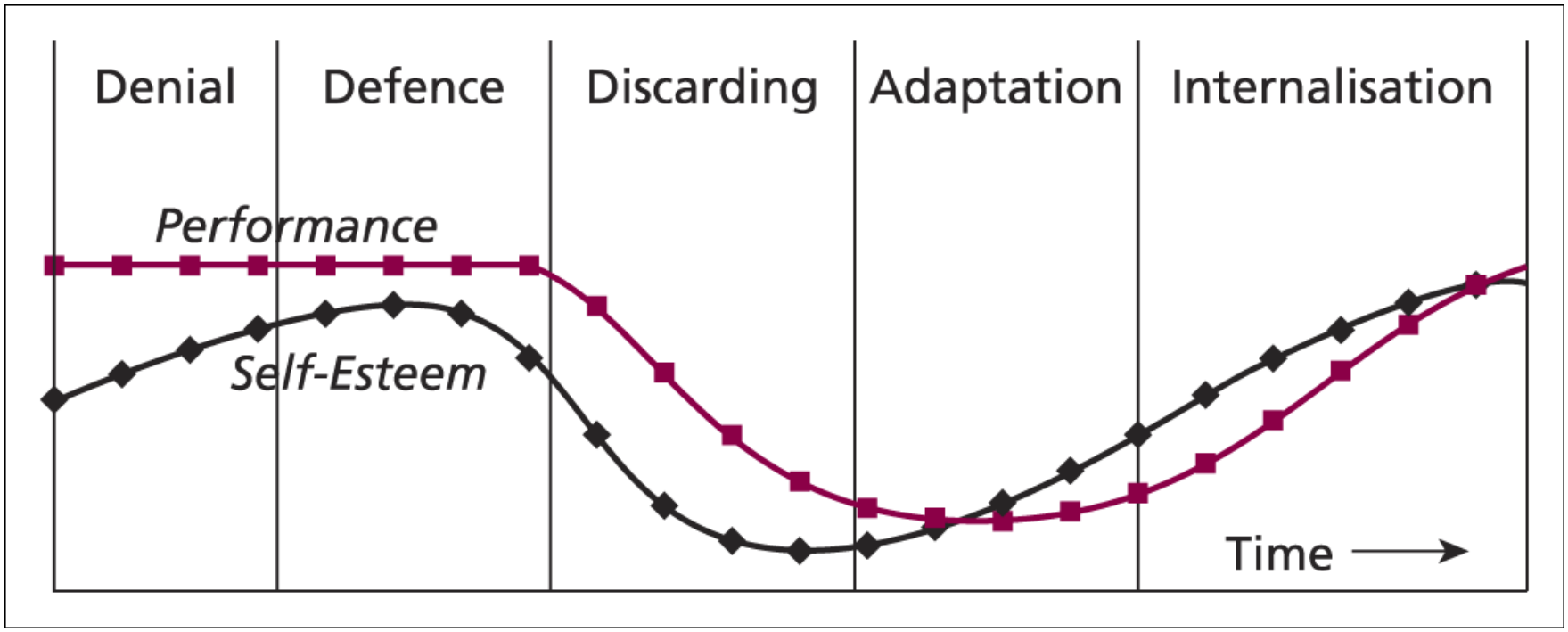


Figure 8.4 The Coping Cycle

The Coping Cycle

Stage 1 – Denial:

When faced with the need to make or accept significant changes, the first reaction by many people or groups is to deny there is a need for change.

Stage 2 – Defence:

Once people realise that change is taking place and they cannot stop it, they may feel rejected and depressed. This can turn into defensive behaviour whereby people will defend their past practices and behaviours and deny that the new ways are suitable to them and their jobs.

The Coping Cycle (Continued)

Stage 3 – Discarding:

If people realise that the change will take place whether they like it or not, and that it does affect them and that they need to adjust to the new situation, they begin the process of discarding past behaviour – recognising that what was suitable in the past is no longer suitable for the current situation.

Stage 4 – Adaptation:

No proposed change is ever likely to be 100% suitable at the outset. Therefore, for change to be successful, not only must those affected by it adapt to the new ways, but the new ways must also be adapted to fit in with the existing people and circumstances.

The Coping Cycle (Continued)

Stage 5 – Internalisation:

This is the stage of the Coping Cycle where change becomes fully operational, and new ways of working and behaving have been developed. People reach the point where, psychologically, they see the changes not as *new* but as *normal* – they way things should be.

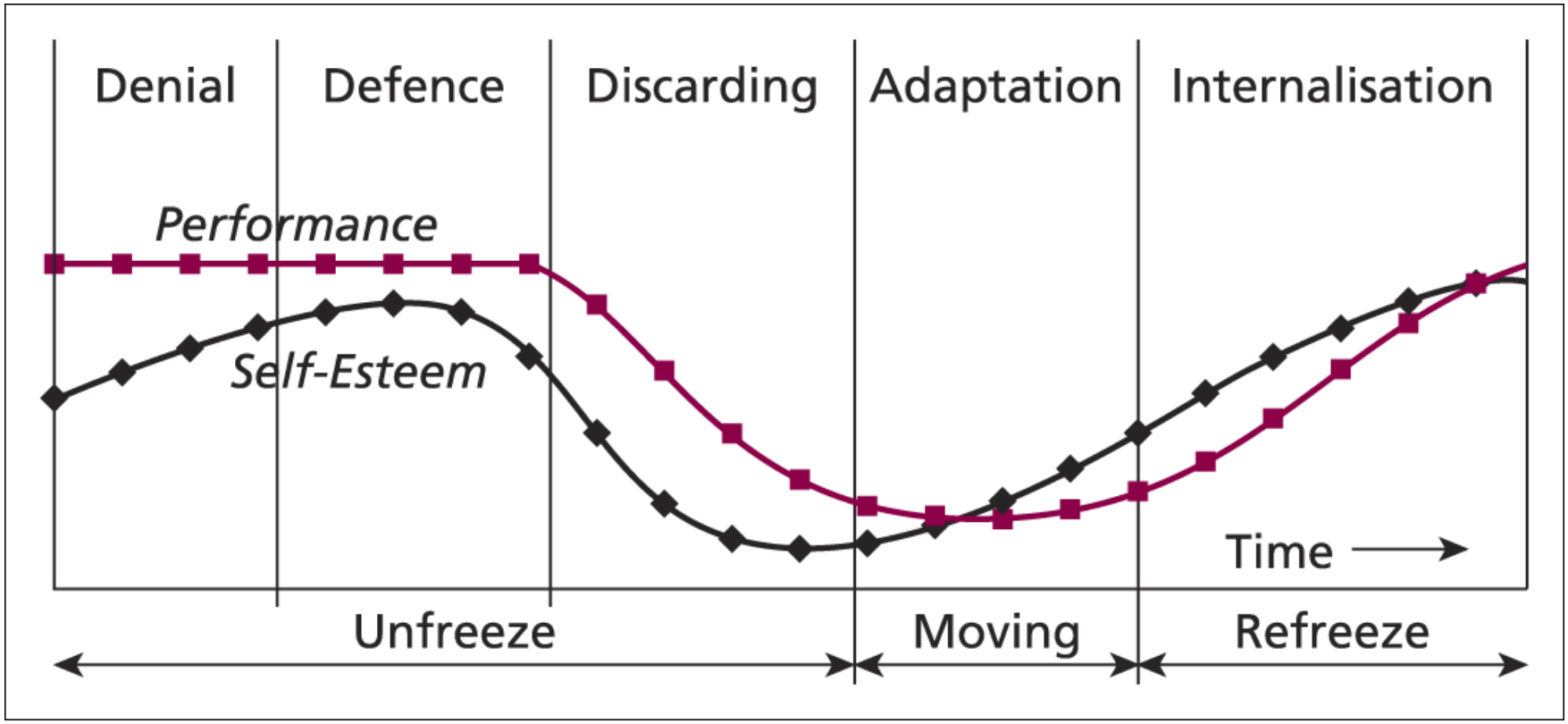


Figure 8.5 Three-Step model and the Coping Cycle

Organisation Development (OD)

- The standard-bearer for Planned change
- It is an industry
- It regulates itself
- It has its own qualifications
- It has approved tools and techniques.

OD

Organisation development is a unique organisational improvement strategy that... has evolved into an integrated framework of theories and practices capable of solving or helping to solve most of the important problems confronting the human side of organisations.

Organisation development is about people and organisations and people in organisations and how they function. OD is also about planned change, that is getting individuals, teams and organisations to function better.

(French and Bell, 1995: 1–2)

OD – core values

- The needs and aspirations of human beings provide the prime reasons for the existence of organisations within society.
- Organisational prioritisation is a legitimate part of organisational culture.
- Change agents are committed to increased organisational effectiveness.
- OD places a high value on the democratisation of organisations through power equalisation.

How?

- Empowering employees to act
- Creating openness in communications
- Facilitating ownership of the change process and its outcomes
- The promotion of a culture of collaboration
- The promotion of continuous learning.

Hurley *et al* (1992)

Greiner's red flags

- *Flag 1: Putting the individual before the organization*. The obsession of OD with individual behaviour change caused less focus on the formal organization — its strategy, structure, controls, and so on.
- *Flag 2: Informal before formal organization*. There was also an overemphasis on interpersonal values (e.g., openness, trust, etc, hierarchy, and accountability). Again, an opportunity was missed to produce a wider impact.
- *Flag 3: Behavior before diagnosis*. OD was preoccupied with behavior change along the lines of OD's core values, not on diagnosing whether the existing behaviour was compatible with the strategic thrust or culture of the organization.
- *Flag 4: Process before task*. With its emphasis on how one person should relate to others, OD became enamored with the human dynamics of working together, assuming that team building was the preferred alternative.

(Greiner and Cummings, 2004: 378–379)

Greiner's red flags

- *Flag 5: Experts before the manager*. OD programs were designed and conducted by expert consultants.
- *Flag 6: Package before the situation*. Potential clients for OD activities usually preferred packaged change programs — formal activities that were structured, tangible, and easy to explain to employees. The unfortunate result was that organizations were frequently shoehorned to fit the OD program's characteristics rather than customizing the program to fit the uniqueness of the client organization.

(Greiner and Cummings, 2004: 378–379)

The expansion of OD

- OD has adopted an Open Systems perspective which allows it to look at organisations in their totality and within their environments.

- Led OD practitioners to developed an interest in managing organisational culture and organisational learning.

- OD is now about transforming organisations in their totality rather than only focusing on changes to their constituent parts.

OD dilemmas

Over the years, OD practitioners have sought to focus more on organisational transformation initiatives and less on group behaviour change. This has led to two fundamental dilemmas.

Dilemma One: OD Expertise

The group behaviour focus is well-understood, accepted and supported by tried and tested tools and techniques.The organisational transformation focus is unclear, less developed and more contentious.

Dilemma Two: OD Values

The group behaviour focus promotes humanistic and democratic values through participative learning.The organisational transformation focus is more autocratic, less participative and less about individual and group learning.

Planned change: Summary

- Moving an organisation from one stable state to another
- Top-down
- Finite objectives
- Must be self-sustaining
- Is a collaborative process
- Is a cyclical process:
  - Diagnosis
  - Action
  - Evaluation
  - Further action
  - Further evaluation.

Discuss the following statement:

Lewin's model was a simple one, with organisational change involving three stages; unfreezing, changing and refreezing . . .

This quaintly linear and static conception – the organisation as an ice cube – is so wildly inappropriate that it is difficult to see why it has not only survived but prospered

(Kanter et al, 1992: 10).

Planned change

Criticisms

- Assumes environmental stability
- Ignores power and politics
- Too reliant on managers
- Not applicable to situations that need rapid, directive transformational change
- It is a ‘one best way’ approach
- Limited applicability.

Models of organisational change

- Incremental
- Punctuated Equilibrium
- Continuous Transformation.

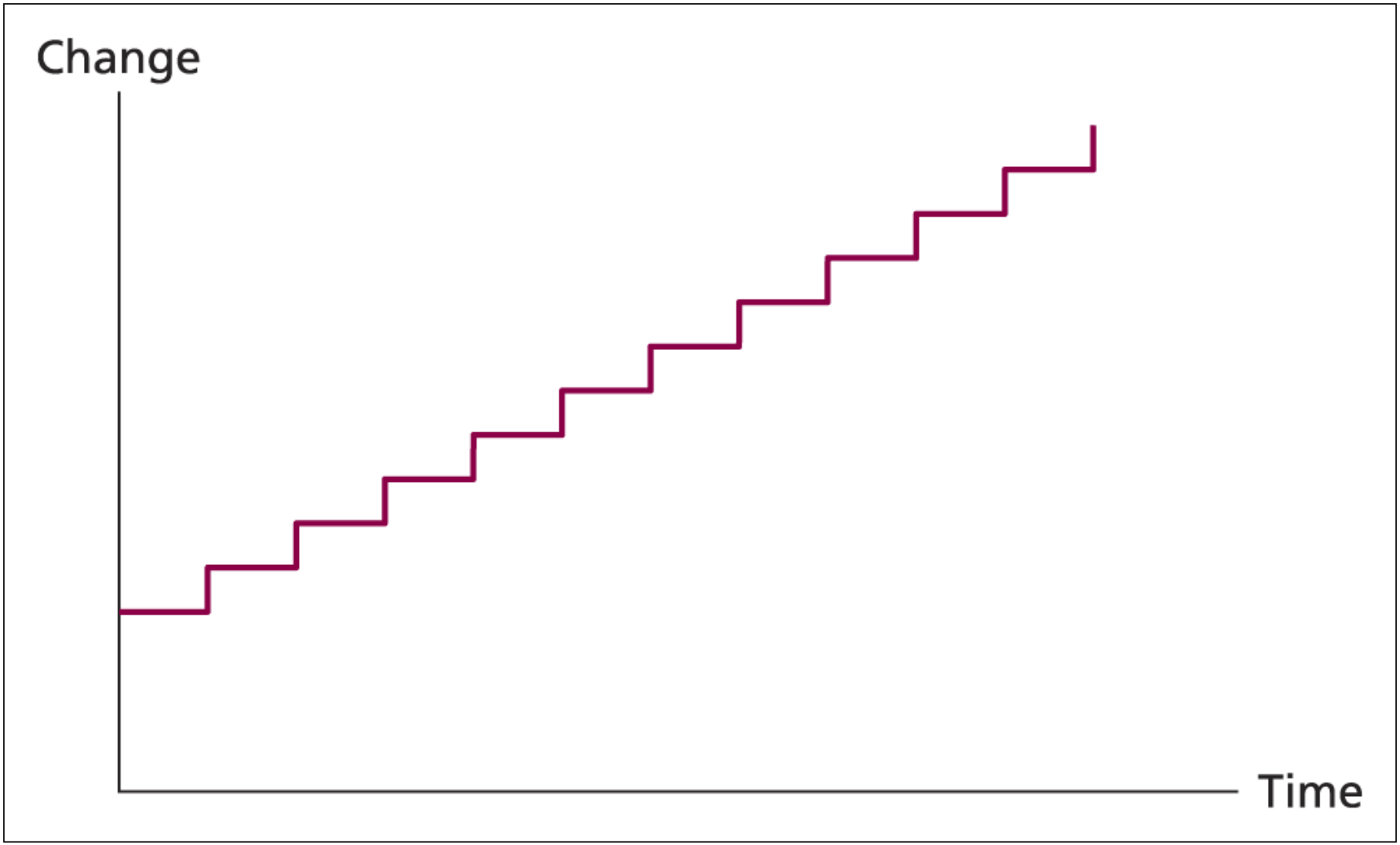


Figure 8.6 Incremental change

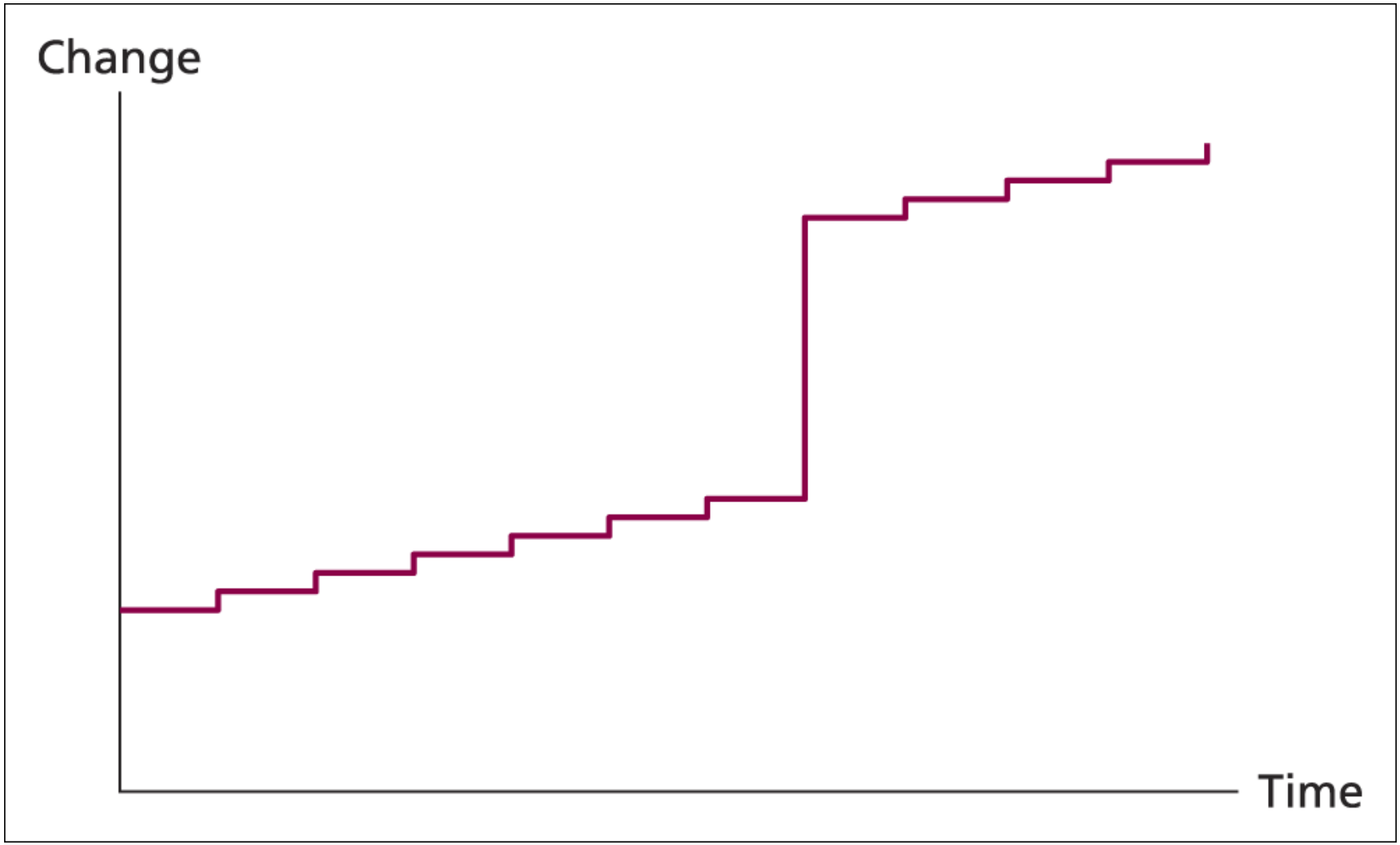


Figure 8.7 Punctuated Equilibrium

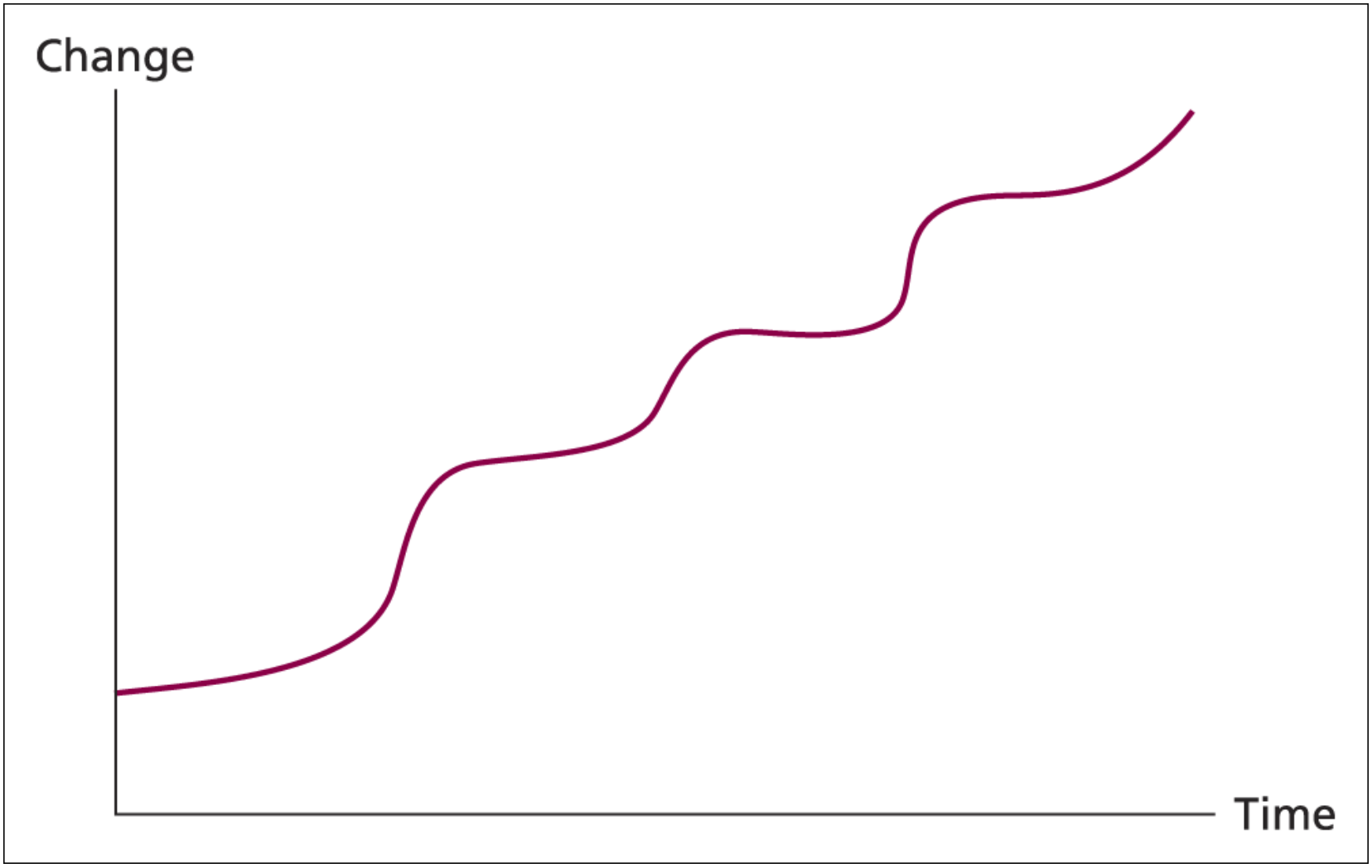


Figure 8.8 Continuous Change

Activity:

Work individually, then discuss



Think of a time when you have been involved in change.
What roles did you play?
How comfortable were you with each of those roles?

- **Change Initiator**
- **Change Implementer**
- **Change Facilitator**
- **Change Recipient**

How did each of these roles feel?

What did you accomplish in each role?

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Change Management

Analysing Stakeholders



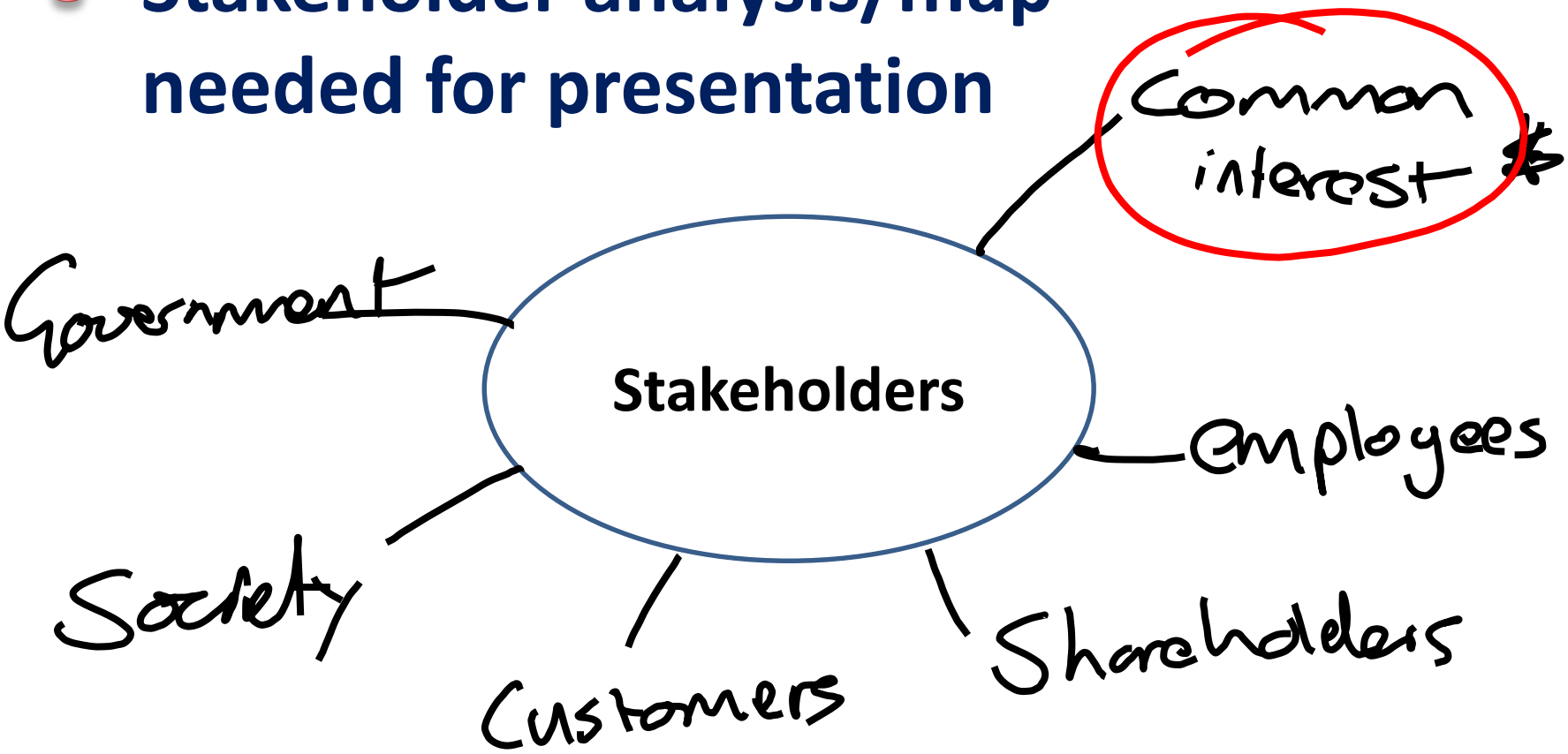
Who are the most powerful individuals or groups in your case study organisation?

Produce a stakeholder map for the presentation



Stakeholders

Reminder:
Stakeholder analysis/map needed for presentation



Stakeholders

Stakeholders are any individuals or groups who can affect or will be affected by the outcome of a change.

?

Should change managers take account of all or only selected groups of stakeholders?

Exercise

Identifying stakeholders

Consider the following questions

1. Who are the people people/units in your organisation that change will effect?

Notes

Which stakeholders are most important?

- *Normative theories.*
  - According to normative or ethics-based theories of stakeholder management the interests of all stakeholders have intrinsic value and should be taken into account when planning and implementing change.
- *Instrumental theories.*
  - managers will only attend to the interests of stakeholders to the extent that those stakeholders can affect their interests.
  - Managers are selective in who they attend to and are not motivated by a concern for the welfare of stakeholders in general.

Jawahare and McLaughlin's stakeholder theory

- At any given life cycle stage certain stakeholders become more important than others because of their potential to satisfy critical organisational needs,
- It is possible to identify which stakeholders are likely to be more or less important at each stage of the life cycle.
- The strategy that will be used to deal with each stakeholder will depend on the importance of that stakeholder relative to other stakeholders.

A life cycle approach to stakeholder management

- different pressures threats at different stages in its life cycle.

- Over time, certain stakeholders become more important than others because of their ability to satisfy critical organisational needs.

The contribution of resource dependence theory

- Change managers pay most attention to those stakeholder groups who **control resources critical to the organisation's survival.**

- It is possible to identify four ways of attending to stakeholders:

  - Proactive
  - Accommodating
  - Defending
  - Ignoring

The contribution of organisational life cycle models

- Resource requirements will vary
- interact proactively with those who control the critical resources.
- ... and ignore or act in a defensive mode towards other stakeholders
- When the flow of resources is not threatened, pursue a risk-averse strategy, and actively address the concerns of all stakeholders.

Managing stakeholders

Key steps are:

- a stakeholder analysis to identify important stakeholders
- the development of a strategy for persuading influential stakeholders to support the change.

Exercise

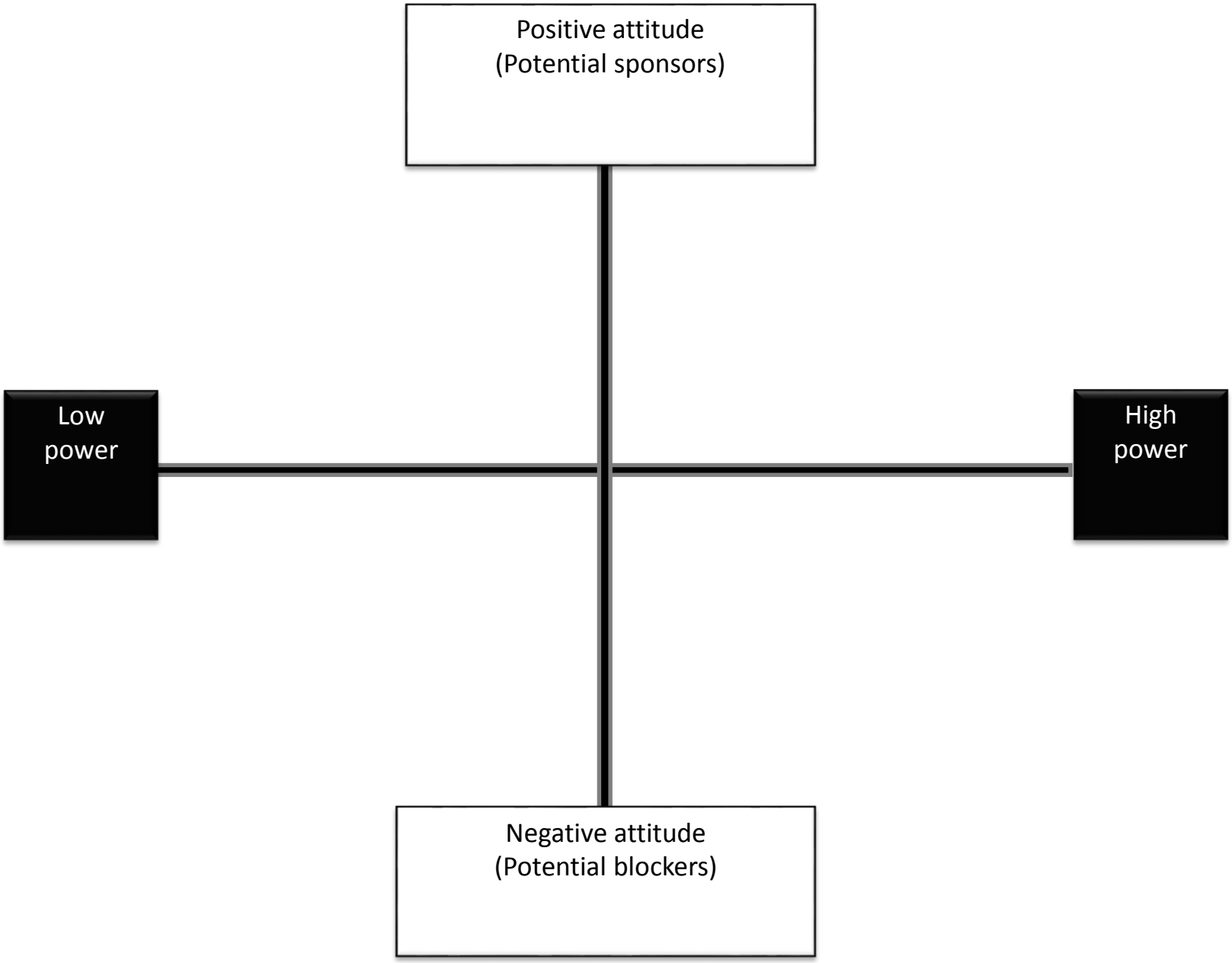
Identifying the Sources of Power

Consider the following questions

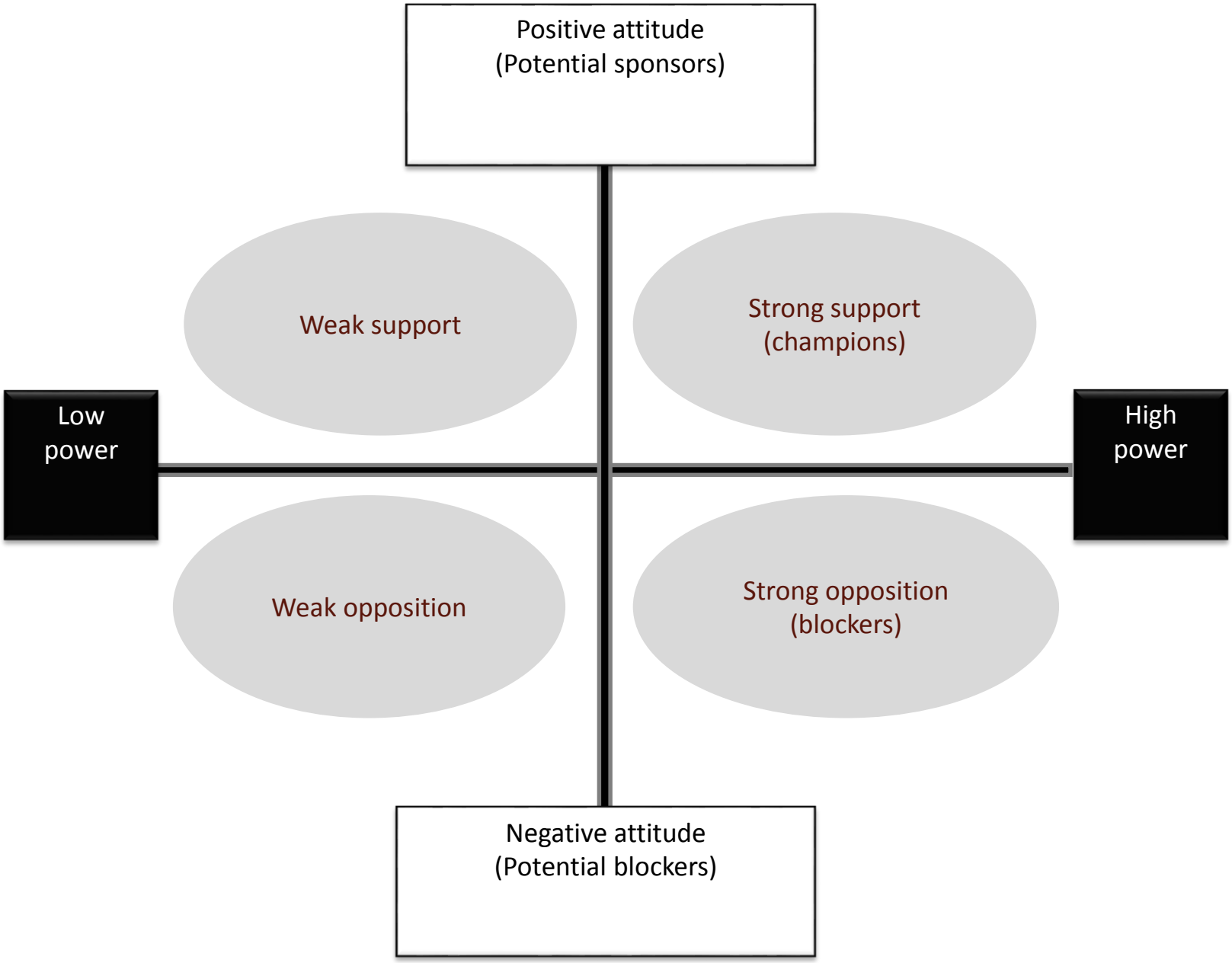
1. Who are the most powerful people/units in your organisation?

2. Why what is the basis of their power?

Notes

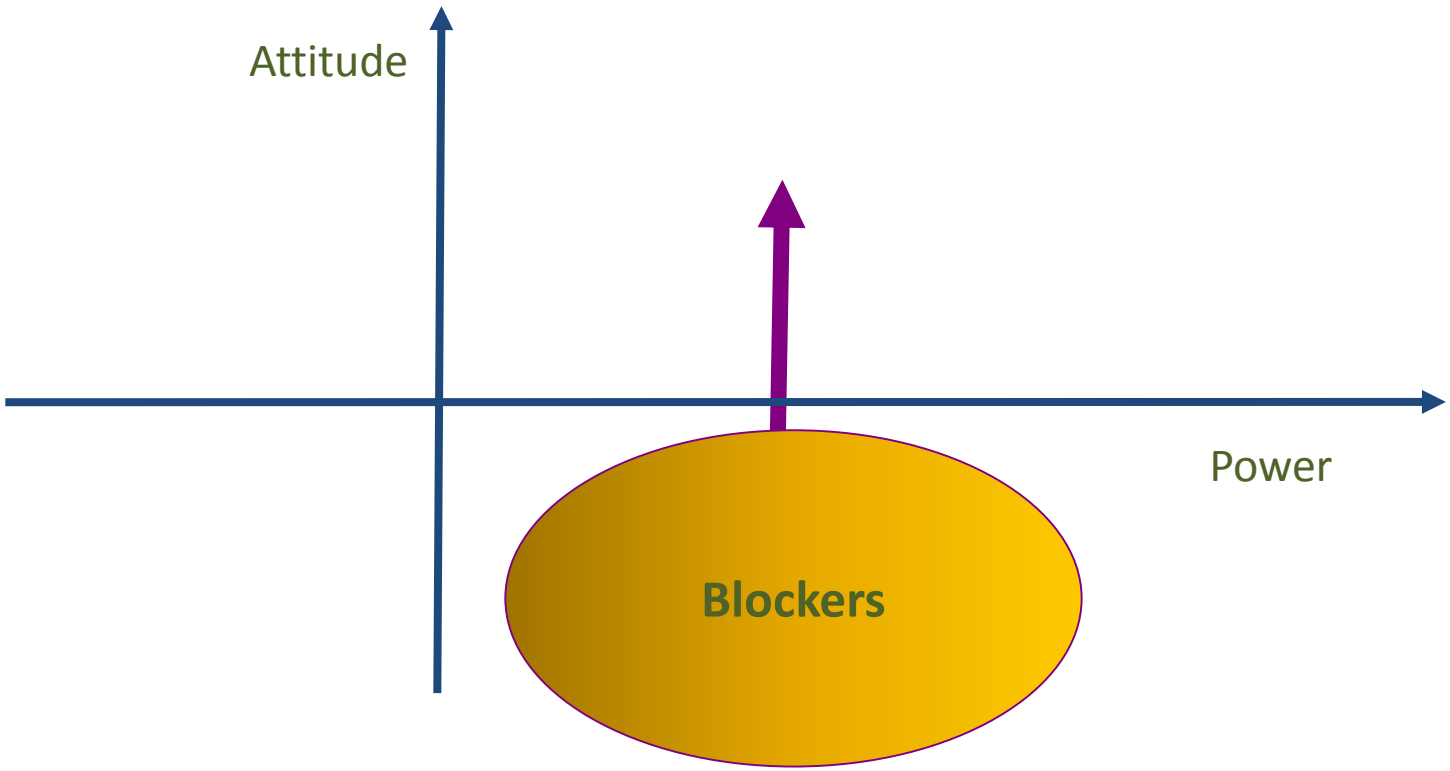


Stakeholder Map

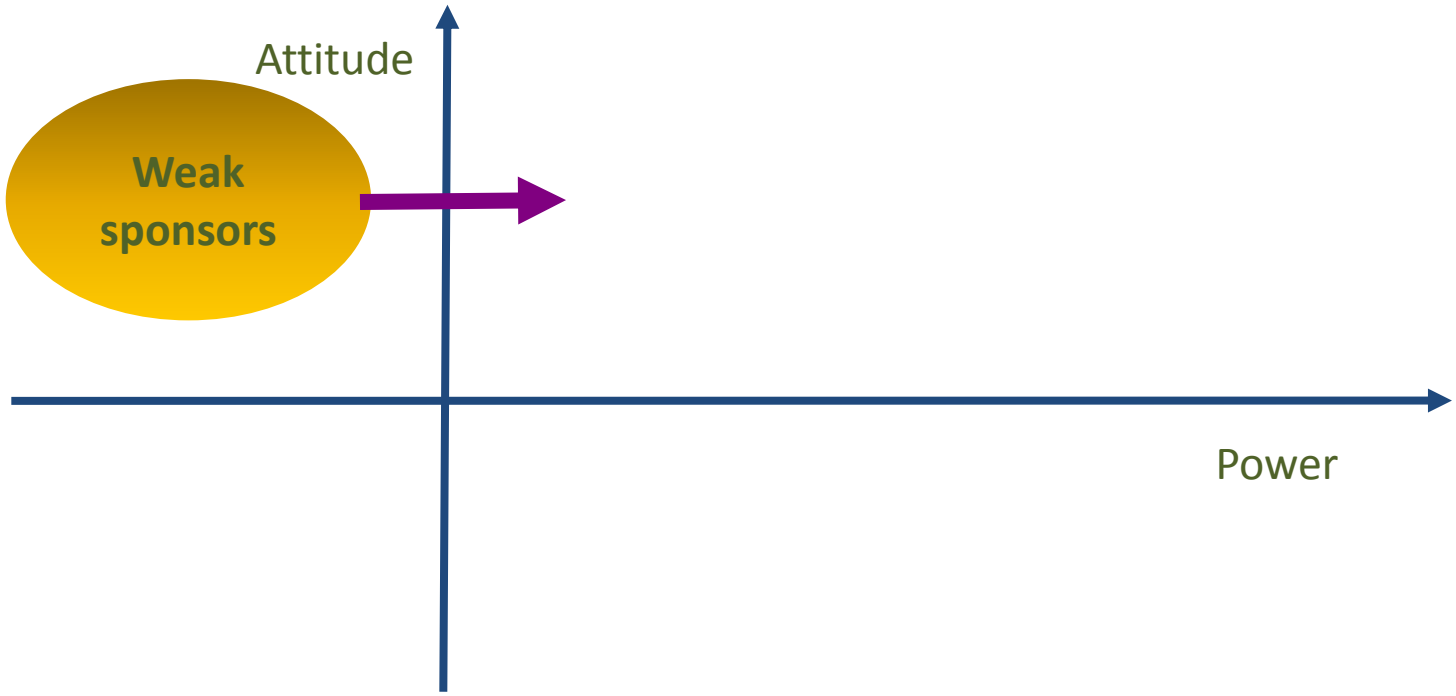


Stakeholder Map

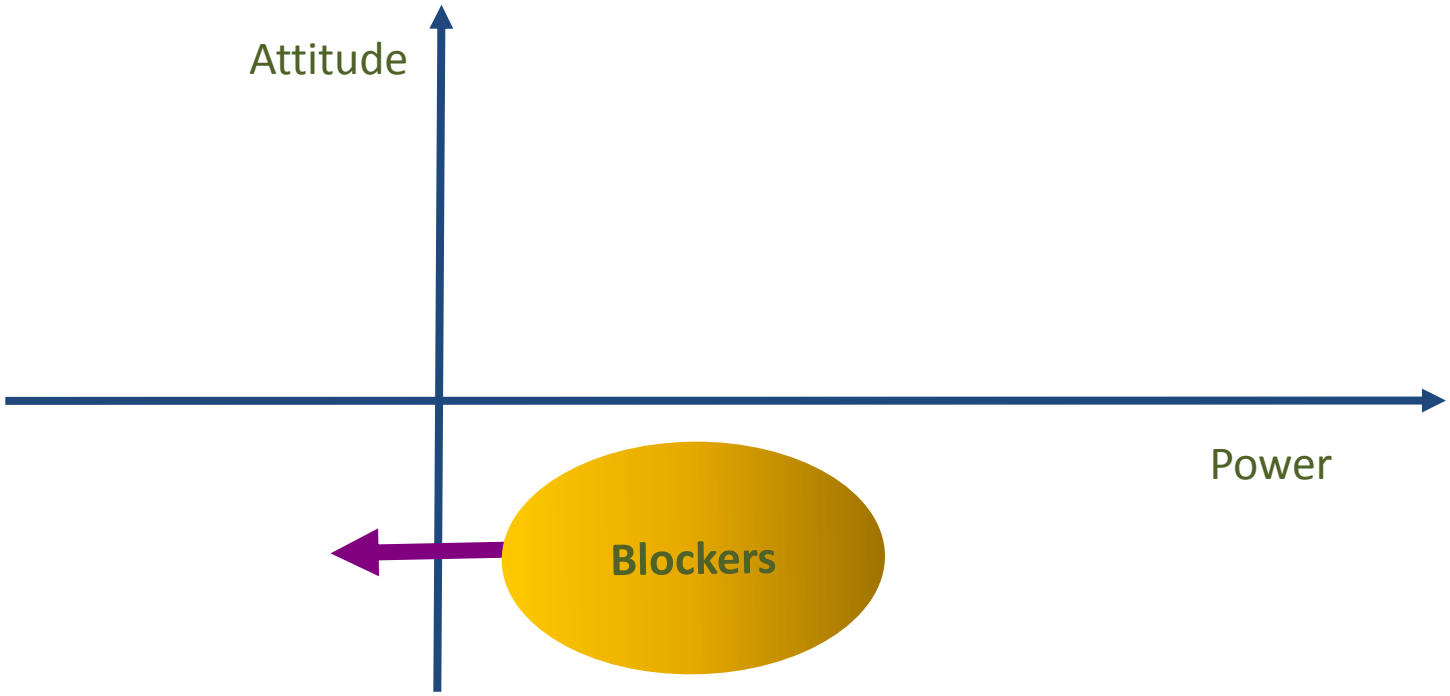
Winning the support of those who oppose the change and who have the power to influence the outcome



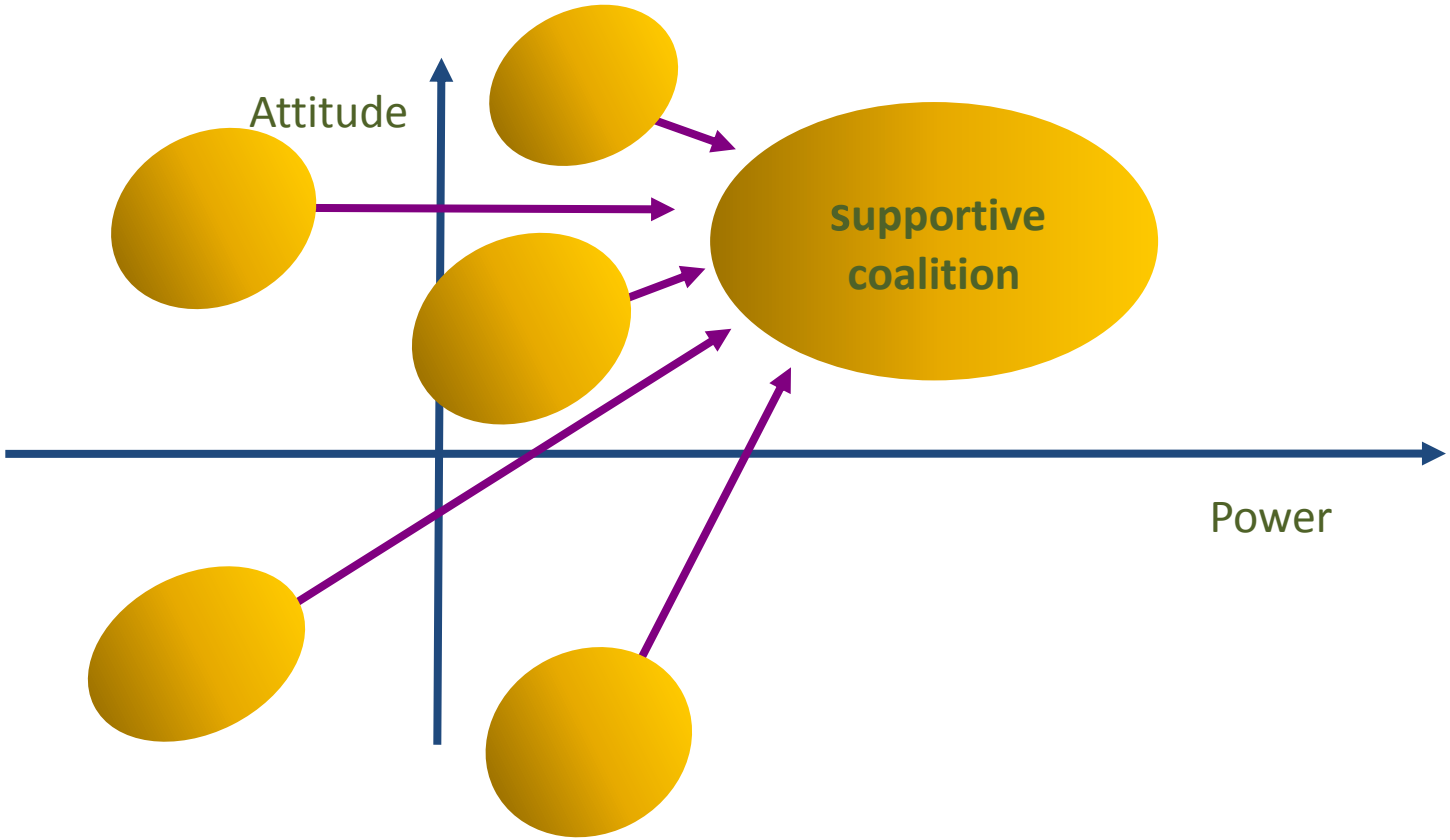
Increasing the influence of those stakeholders who are already supportive



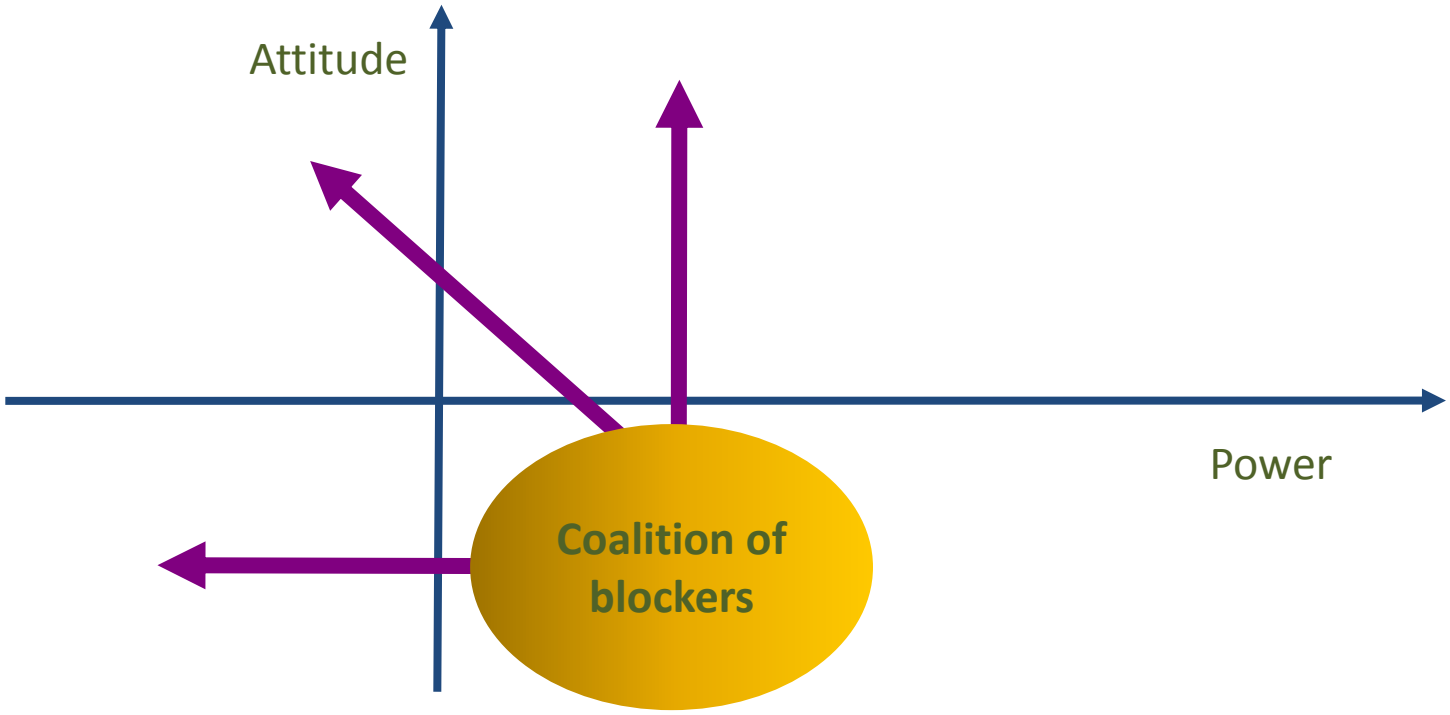
Reducing the influence of powerful blockers



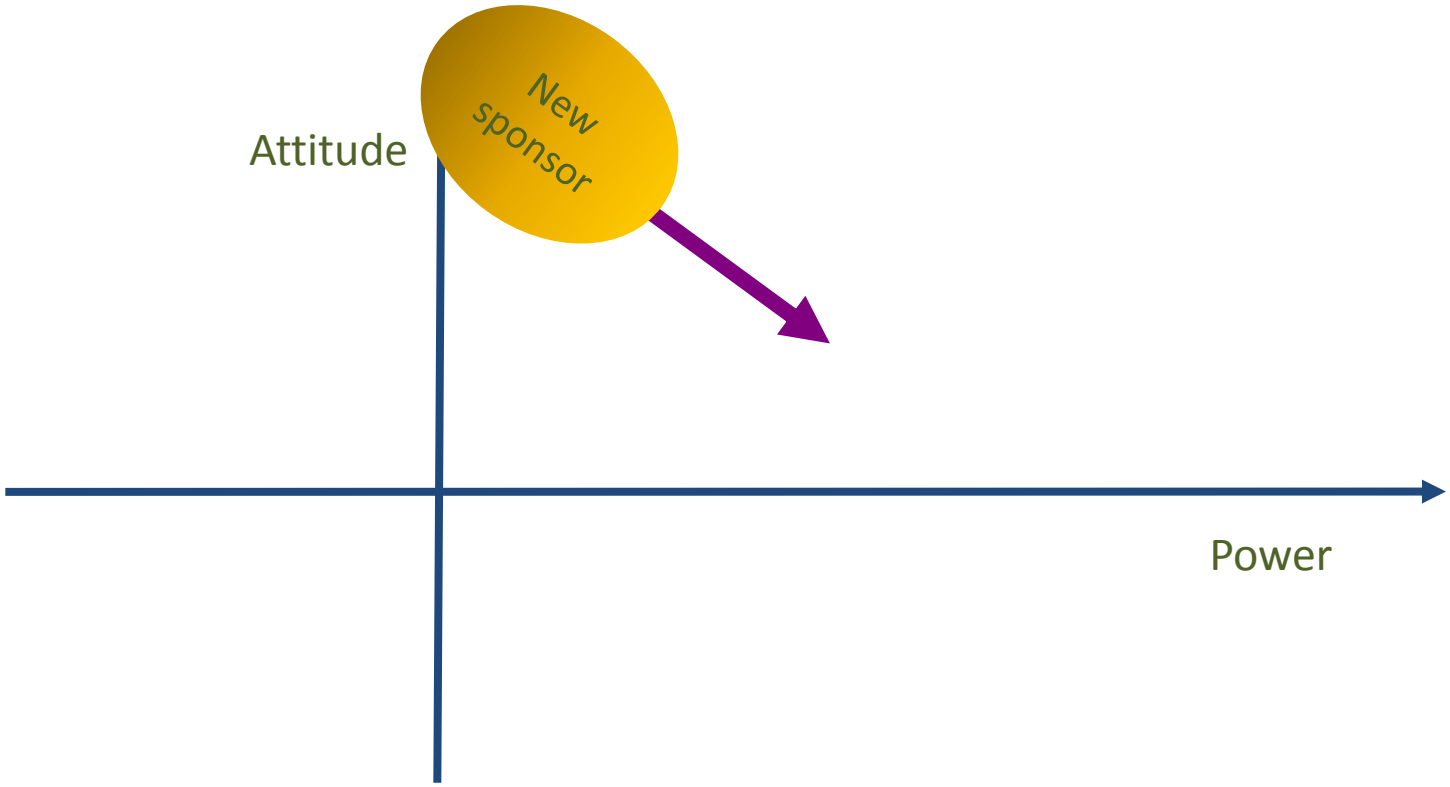
Building a coalition of supportive stakeholders who will be prepared to work together to support the change



Fragmenting existing coalitions who are antagonistic towards the change



Bringing new sponsors or champions into play



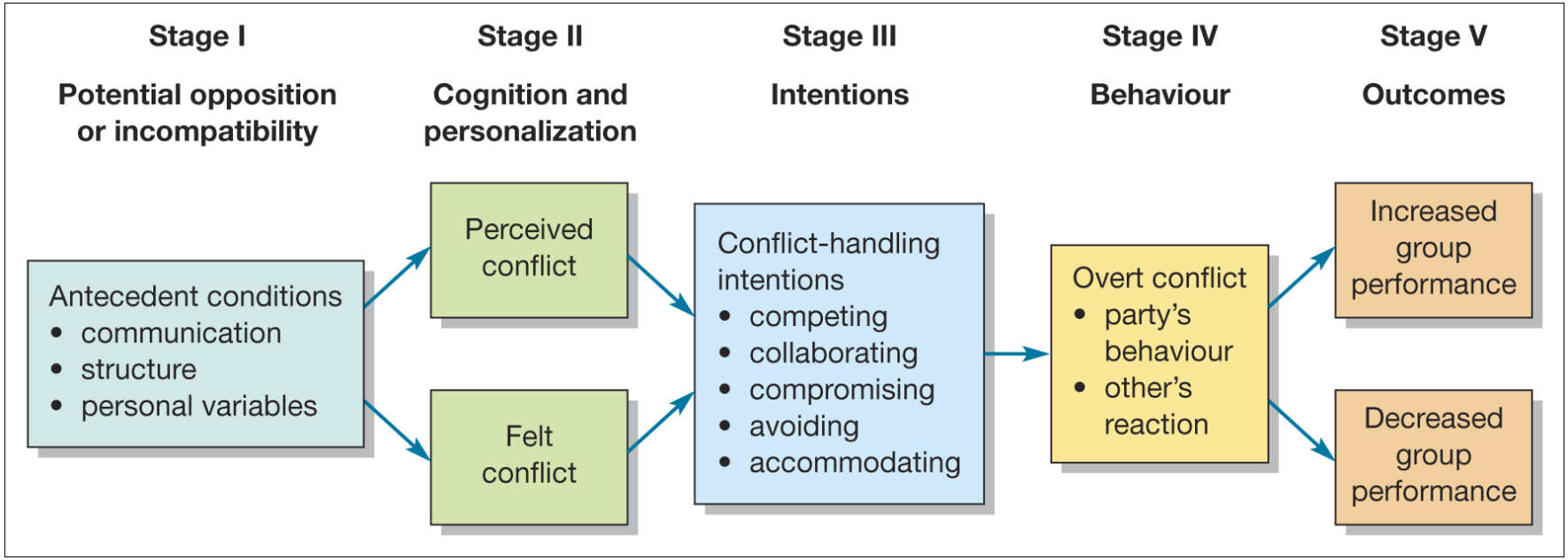


Figure 5.4 The conflict process

Source: Robbins, S.P. (2005) *organisational Behavior: Concepts, Controversies, Applications* (11th edn), Englewood Cliffs, NJ: Prentice Hall, p. 424

Changes over time

- An Important point to remember is that as a change project unfolds and as circumstances change **the identity of key stakeholders may also change.**

- **https://www.ted.com/talks/yves_morieux_as_work_gets_more_complex_6_rules_to_simplify/transcript?language=en**

Task: Stakeholder Management

- Think about a recent change you have observed at work, and with the benefit of hindsight:
- Identify the stakeholders involved in the change
- Classify them according to their power to influence and their attitude towards the change
- Assess the extent to which the person managing the change was aware of these stakeholders and took proper account of them when managing the change

Summary

- At any given stage in a change project certain stakeholders emerge as more important than others because of their potential to satisfy critical organisational needs,
- It is possible to identify which stakeholders are likely to be more or less important at each stage.
- The strategy that will be used to deal with each stakeholder will depend on the importance of that stakeholder relative to other stakeholders.
- The stakeholder grid was introduced as a useful tool for identifying the power of stakeholders and their predisposition to support or oppose the change.

Today's objectives



- To consider the theory underpinning change management
- To critically analyse Lewin's planned approach to change and the key differences with the organisational development approach
- To discuss the incremental, punctuated-equilibrium and continuous transformation models of change
- To consider the importance of stakeholders in change

Next –

Resistance to Change

