

Change Management Exam Revision

Key Terms:

Change Management: the management of change and development within a business or similar organisation.

Diagnosis: a process of research into the functioning of an organisation that leads to recommendations of improvement.

Intervention: A set of sequenced planned actions or events intended to help an organisation increase its effectiveness.

Planning: formulation of a goals and strategies to achieve optimum balance of needs with available resources.

Leadership: the action of and ability to lead a group or organisation.

Communication: sending or receiving information.

Motivation: reasons of acting or behaving in a way.

Implementation: a chain of events from initial idea to success.

Internal environment: those factors effecting business processes, whereby operations may need to be analysed and reviewed to adapt to these pressures.

External environment: includes an organisations general and task environment.

- a. **General environment:** influences beyond an organisations' boundaries, including economic, technological, technological, sociocultural, demographic, political and global forces.
- b. **Task environment:** forces with direct relevance to the organisations structure and processes, including suppliers, distributors, customers and competitors.

Topic one: Managing change as a process

Explain the similarities and main differences between different process theories of change (Ch 1):

Change from a process perspective identifies how the transformation occurs.

1. **Teleological theories:** assume that organisations are purposeful, adaptive and present change as an unfolding cycle of goal formation, implementation, evaluation and learning.

2. *Dialectical theories*: focus on conflicting goals between different interest groups and explain stability and change in terms of confrontation and the balance of power between the opposing entities.
3. *Life cycle theories*: assume that change is a process that progresses through a necessary sequence of stages that are cumulative, in the sense that each stage contributes to a piece of the outcome, and related – each stage is necessary precursor for the next.
4. *Evolutionary theories*: posit that change proceeds through a continuous cycle of variation, selection and retention.

Life cycle and evolutionary theories present change as a predetermined process that unfolds overtime in a pre-specified direction. Teleological and dialectical theories view change trajectories as constructed, in the sense that goals, and the steps taken to achieve the goals, can be changed at the will of those involved in the process.

Explain the impact of reactive and self-enforcing sequences (Ch 1)

- In *reactive sequences*, subsequent events challenge rather than reinforce earlier events. Negative reaction may produce only minor deviations from the intended path or they may be so strong that they may delay, transform or block the change.
- *Self-reinforcing* sequences involve positive feedback that reinforces earlier events and supports direction. Three drivers of self-reinforcing sequences are increasing returns, a psychological commitment to past decisions and cognitive bias.

Explain how reactive and self-enforcing sequences can affect change agents' ability to determine outcomes and manage change trajectories (Ch 1)

Reactive: managers need to continue to scan the environment for threats and resistance to respond quickly.

Self-reinforcing: promotes that you have good choices but must maintain openness that you need to change the intervention.

Frame change as a purposeful, constructed but often contested process involving 5 steps/stages (Ch 2)

1. Recognising the *need* for change and *starting* the change process
2. *Diagnosing* what needs to be changed and *formulating a vision* of a preferred future state

3. *Planning*
4. *Implementing the change and reviewing progress*
5. *Sustaining the change*

Discuss change activities as: separate but with unclear boundaries; sequenced but non-linear and iterative; able at times to occur simultaneously (Ch 2)

We might put boundaries between the steps in the change process but they are overlapping.

Discuss the contributions to change theory made by Kurt Lewin (Ch 2)

Lewin suggested that successful change requires a three-step process that involves the stages of unfreezing, moving and refreezing.

1. *Unfreeze* the existing level of behaviour
2. *Move* to a new level
3. *Refreeze behaviour at this new level.*

Unfreezing involves destabilizing the balance of driving and restraining forces. *Movement* is where the balance of driving and restraining forces is modified to shift the equilibrium to a new level. *Refreezing* involves reinforcing new behaviours to maintain new levels of performance and avoid regression.

Topic Two: Commencing the change process

Identify and outline the **forces** within the **general** and **task environments**:

General Environment:

- | | |
|-------------------------------|-------------------------|
| 1. Political and legal forces | 4. Technological forces |
| 2. Economic forces | 5. Global forces |
| 3. Social forces | 6. Demographic forces |

Task Environment:

1. Customers
2. Competitors
3. Suppliers
4. Distributors

Explain how **PEST**, **SWOT** and Strebel's **cycle of competitive behaviour** can help analyse external forces for change:

PEST	
POLITICAL	ECONOMIC
SOCIAL	TECHNOLOGICAL