Change

The onerous nature of the work coupled with the competitive business environment has led Solaris to engage in some rather unorthodox management practices in order to motivate its employees and create a customer-friendly environment.

Creating Solaris' culture
Solaris's culture
Forces Initiating Change
Environmental Drivers
- Political and legal factors:
  - Growth and deregulation of the finance, banking, health, tourism, transportation and other service industries over the last ten years
- Economic factors:
  - Growth is now stalling as a result of fierce competition from A...
Internal Forces
- Performance outcomes:
  - Growth is declining due to competition overseas
- Negative performance outcomes resulting from und... unenthusiastic staff which has a big impact on c...
- Internal processes:
  - Cumbersome procedures as a result o...

From Lewin's force field analysis model, th... **evolving workforce expectations** (higher custom... ...rom Asia).

Change Agent: Driving Force for...
- Team leader of the H... ...erley Bell
- The right knowled... ...ng nature of the work
- The right attitu... ...she is determined to make it a rewarding...
- The right... ...omulgate the right values and practices
- Diag... ...quality of customer service and satisfaction
- I... ...g the change – onerous nature of the work
- ... ...ture to make work perceived as fun and exciting, as ...yalty, devotion and responsibility toward the company
- ...ers feel like "heroes" to **enhance their sense of identity** that is ... **energise workers**
  - ...t in construction, dissemination and maintenance of a strong corporate ...lture
  - Agents are recruited for both their formal skills and, more importantly their personal attitude and outlook on life – to protect the culture (employing 'negative' individuals would jeopardise the effectiveness of the program)

- o if SuperNova was kept structurally separate from Solaris – The merger strategy is called **separation**
  - o Planned and evolutionary = **Adaptive**

Change Agent – someone in power responsible for driving the change process – can be internal or external

- There is no clear change agent. However, Kimberley, the team leader of the Human Resources department would make an appropriate change agent
  - o The main change needed relates to culture which is Kimberly's area of interest
- Internal agent
  - o **Greater interest** in the long-term success of the organisation
  - o Difficult and unpopular decisions may mean the change agent los_____ce and loyalty from employees
  - o May lack the appropriate knowledge, skills and attitude to____ is not her primary responsibility
- Right attitude
  - o Kimberly is **passionate** about the success of Solar___
  - o Likely to be eager to implement her cultural id___
  - o **Strongly believes that the right culture is i**_____ **loyalty, devotion and responsibility to**___
  - o Reflects the long-term interests of t___
- Right knowledge
  - o **HR manager – in charge of r**_____ **ees and therefore knows a lot ab**_____**udes**
  - o Understands the busi_____e she works there
  - o Reads many books _____her with **many ideas**
  - o BUT, due to **co**_____ce of the culture is working well, she fai_____st – some enjoy the culture without "_____thers completely reject the cultur_____ic smirks" and "rolling eyes" when th___
  - o _____**nowledge** about how to deal with change
- Rig___
  - _____ to apply the things she has learned from ____ Solaris
  - ___ge is not her specialisation, she may not possess the _____age change
  - _____whether or not Kimberly possesses important skills such as _____ation skills to communicate her vision so that it is shared by ____ees, the **ability to manage possibly conflicting priorities as a HR team ___der and as a change agent**, and the ability to work under stress even when the change is not progressing well.
  - o Lacks the ability to manage resistance by not understanding and acknowledging the existence of subcultures – may be too optimistic and therefore has too high expectations

H1 Exam Notes – MGMT20001 Solaris & Supernova

- Frequent use of the words: Creative, dynamic, motivated, innovative, partners, vibe, trust, attitude, unique – communicates a message of employee loyalty and commitment, family culture and of creativity
- Company slogan: Excitement, Attitude, Achievement – organisational values
  - **Ubiquitous** so that the values, norms and expected attitudes of the culture are disseminated and maintained
  - ➔ Shared meanings, values and beliefs
- Socialisation techniques to inform new employees of the organisational culture – Sing Song
- Create a sense of **childish fun among employees and loosen them up**
- The **decentralised company structure and self-managed teams** p_____ _____oyee empowerment through greater autonomy and participative d___ **participative decision-making process** communicates a m___ their inputs are valued. It also reflects the cultural valu___ empowerment and trust in a more tangible manne___
- The word **family** is frequently used and people___ during meetings. This conveys a message o___ ___th.
- Kris talks with a bundle of energy and v___ ___bout how much the company meant to him. ___oudest and makes an effort to motivate ot___ g their weight' or displaying the required leve___ ___at the work is a means of personal fulfi___
- Human interaction i___ ___ks and **uncontrollable laughter** ➔ not___ ___ture – disbelievers 'play along' without em___ ___er to as 'overdone hype' – peer pressure___
- **Gro___**
- ___ **of energy and vivaciousness**
  - ___e culture – it is fun and full of excitement
  - ___ and sways from side to side with him as if they were at a
  - ___ **not share the same meanings**, values and attitudes, while Kris ___ a way of being friendly and sharing more happiness, Tom sees this as ___s and condescending

All huma___ ___eraction are communicative including others' attitudes. The ubiquitous company slogan is meant to remind the employees of what kind of people they are meant to be – exciting, cool with a fun attitude. This attitude that is then reciprocated in employees, which communicates that the values are shared. This is linked to what these people say (Creative, dynamic, motivated, innovative, partners, vibe, trust, attitude, unique) and how they communicate it (with excitement)

Strategy and Structure

Porter's 5 forces
- Threat of potential new entrants – mostly call centres in Asian countries and India
- Customers – medium-high bargaining power regarding quality and other terms because of many low-cost alternative firms overseas
- **Solaris** is <u>able to compete</u> against existing rival call centres and the threat of potential new entrants due to the <u>stability of its competitive advantage</u> of service <u>differentiation</u> that is greatly valued by customers. Solaris' <u>unique culture</u> has led to very healthy performance and profitability and low staff turnover, ma[...] difficult to displace Solaris in the call centre industry
- **Supernova** faces a <u>risk</u> of achieving low profitability due to its f[...] planned competitive strategy of cost focus. Consequently, i[...] threats of new entrants which may displace Supernova f[...] This is because Supernova is <u>unable to differentiate i</u>[...]

Strategy
Solaris
- **Competitive advantage = high custome**[...]
- 30-50 calls a day
- Planed strategy – differentiation[...] [...]isfaction
    - This strategy is **facilit**[...] **e that is fun and exciting**, which pr[...] **provide better customer service**
    - The unique [...] develop a sense of responsi[...] delivering more value
    - The f[...] **urnover, thus retaining skilled** e[...] **gh customer service**
- Altho[...] [...]ore than one strategic type, it tends to be m[...]
    - [...] **oduct market development/penetration** – HR [...]ing ways to motivate Solaris staff
    - [...] new product and market opportunities – acquiring [...]e simultaneously maintaining and defending its core [...]mphasising quality
    - [...] to **maximise the opportunity for profit while minimising risk – by** [...]ing a similar company
    - [...]ities of a defender
        - **Aggressive maintenance of domain – excellent customer service through extreme management of culture**
        - Some product development but closely related to current services – acquiring a similar company in terms of their services
- Some qualities of a prospector
    - Solaris acquires Supernova without first 'observing' similar merges
    - **Low degree of routinisation and mechanisation; <u>technology embedded in people</u>**

Supernova

- **Competitive advantage = compete primarily on costs**
- Scope = less broad, single customers, in-bound calls consisting mostly of straightforward questions and data entries, many customers a day – as many as 150
- **Planned strategy – cost– <u>high standardisation</u> → high efficiency**
- Also **seems to target one particular segment through focus**
- **Cost focus – low scope – less range of customers, low differentiation**
- However, while Supernova aims for cost efficiency as its strategy, it is actually **stuck in the middle** as it is not actually able to compete on costs
- Supernova has a high emphasis on costs and does this by imposing rigid work cultures and criteria. Nevertheless employees often fail to meet the perfor criteria.
    - It might be the case that Supernova simply cannot compete too intense competition, or that the company has failed communicate this strategic vision to employees. **Rath meaning of the competitive strategy, Supernova l expectations aligned with the strategy, to emp**
    - The league table encourage staff to turn on turnover is associated with employee str of new team members who did not a reduced team productivity.
    - "It was not uncommon for all t standard."
- **Strategic type – defender**
    - **Aims to protect its m ortance on performance thro a**
    - Strict control work processes** in order to ensure effi

Recommendations

- Solaris c technology** as Supernova. As employees deal enquiries for a wide range of different c elp form the computer screen.
- olaris to have a **differentiation focus in which it on** as the unique Solaris culture may lead to a more em. By narrowing their market segment, it will be easier ective measures for tackling that particular market
- continue to strive for a **cost focus**. This is more appropriate due to le uired. Currently, staff turnover is high and so **training for a low scop be cheaper**, thus helping the company achieve cost efficiency. Howev , the company should abolish the oppressive work culture and performance measures so as to reduce stress and encourage staff retention. This would allow Supernova to retain important employee skills. Further, to make the most of the huge investment of the current processes in which employees follow a script on the computer screen, employees **should still use the information but only as a guide so that they are able to better customise their responses according to different customer needs.**

Structure

Solaris

- Three layers of management – **flat organisational structure**
- Structure – **functional divisions** – IT, HR, Finance
- 11 Self-managing teams – team leaders and teams of 7-10 who report to the project managers
- **Matrix departmentalisation – functional and customer influence**
- Project managers oversee particular customers, liaise with Finance in relation to contracts, and with team leaders in relation to service provision
- This structure is ideal for Solaris due to its **customer service focus** as its differentiation strategy. The separation of departments into HR, IT and Finance allows employees to **specialise** in what they do, and also **makes communic**... **within departments easier** because everyone speaks the same language... to **better coordination and likely better job satisfaction for the emp**... **more common understandings and ability to coordinate effectiv**... would increase customer service.
- Because teams are organised based on a particular project... **team is made easier because there are less barriers to**... work with a particular customer can **develop more**... **of customers**.
- Additionally, employees may be able to detec... quicker because they know the customers... services offered by Solaris.

Supernova

- **More hierarchical** structure...
- Functional departments...
- Managers responsible... keeping costs down – scientific approach...
- **More middle**...
- Coordinatio... ...sion and standardisation of work processes...
- This... ...pernova because the separation of d... allows each department to specialise in what... ...mployees learning to become more efficient in how... ...efficiency and thus supports Solaris' cost focus strategy

7S...

Solari...

1. S... ...entiation through quality service
2. Stru...
   - ...**at structure** – higher employee motivation because employees are more likely to feel as though they have a more direct influence on the company; communication can occur more quickly to allow for better responses to customers

- o **Functional divisions** – better **job specialisation and coordination** within the department → higher job satisfaction → higher customer service
- o Matrix structure – better customer focus rather than functional task focus
3. Superordinate goals – fun, customer-focus
4. Style (culture) – friendly, participative
5. Staff – high employee morale, motivation, positive attitude
6. Skills – excellent customer service skills
7. Systems – Scripts on computer screens serve as a guide for employees as they are allowed to exercise discretion regarding how they handle employees; **Recruitment systems** aim to ensure that only those with positive attitudes become S... employees

Supernova
1. Strategy
   - Low cost – can be achieved through **standardisatio**...
2. Structure
   - Hierarchical – to provide more supervision a...
   - **Tall structure** – too many layers of middl... ...less effective because it is subject to more... ...are more barriers to vertical communi...
   - Functional – to minimise costs...
3. Superordinate goals
   - Excellence, efficienc...
   - Because manage... ...**ct by introducing the league table**... ...rating with one another, **impeding** ... **e superordinate goals**
   - Manage... ...table and instead encourage staffs to... ...**any social events that encourage social**...
4. Styl...
   - ...**rity, centralised decision making, competition** ...ture with long working hours and strict breaks ...ffs ...king hours and breaks should therefore be allowed to ...oyee effectiveness as they would be less distracted from stress.
   - ...**vated**, not the right skills – does not match strategy but is as a result ...e poor culture ...onstant arrival of new staffs with **limited skills** may prevent Supernova from being an effective call centre
6. Skills
   - **Lack of skills**, customer service may also be damaged due to the aliening nature of the work
   - Supernova should provide staffs with proper training and education to clear up any misunderstandings so that they are able to complete their tasks correctly
7. Systems