

Change (Week 7) THEORY

Organizational change

- Is about reviewing and modifying management structures and business processes

The nature and magnitude of change

Evolutionary (Small, Slow)

- Describes ongoing minor changes that are incorporated in existing organisational structure
- Minor adjustments to circumstantial and unanticipated events
- Change caused by
 - Changing individual parts/departments
 - Adapting new computer program (incremental change to production technology)
 - Moving to team rather than individual responsibility
 - Introducing new time-keeping system
 - Upgrading existing production process
- Consequences
 - None of these changes have significant impact by themselves → stays relatively stable
 - Without these minor changes, organisation may stagnate and lose its fit within environment

Revolutionary (Big, Fast)

- Drivers the force management to introduce comprehensive organisational change programs
- Change caused by
 - Disruptive technologies
 - Deregulation/privatisation
 - Globalisation
 - Mergers/acquisition
- Accompanied by
 - Transformation of entire organisation
 - Redundancies/downsizing
 - Shifts in power → new management
 - Changes in strategy
 - New organisational structure
- Consequences
 - Employees interact with each other in different ways
 - Adapt to new management practices
 - Learn to use/adopt new technologies
 - Introduce path breaking new products

Anticipation of Organisational Change

Planned

- Situations in which organisations have adequate time to anticipate and formulate response to drivers of change
 - For example: introduction to new equipment and processes

Unplanned

- Emerges as a response to unanticipated threat or event
 - World Trade Centre attack/machinery breakdowns/collapse of major supplier/cyclone

Categorising change

Adaptive change (Evolutionary and planned)

- Updating
- Does not affect everyone
- Management may choose how and when it is implemented
 - For example: updating computer system

Systematic change (Revolutionary and planned)

- Organisational-wide
- Planned change → does NOT emerge from shock to system
 - For example: major new technology

Transitory change (evolutionary and unplanned)

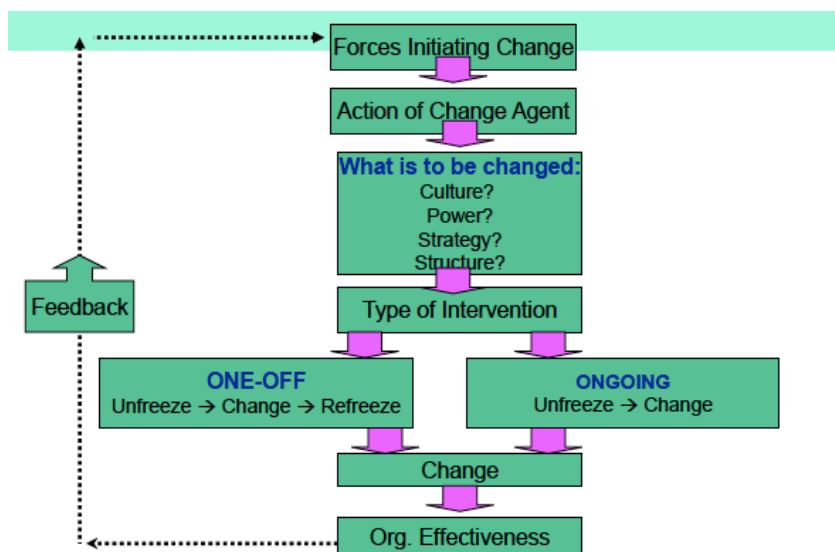
- Unanticipated
- Most changes are not far-reaching → manageable (easily grasped and implemented)
 - For example: strike, bad season, change in commodity prices

Chaotic change (Revolutionary and unplanned)

- Unanticipated and threatens organisation's existence
- Adequate planning is not possible
 - For example: terrorist attack, violent weather

Revolutionary	Systematic	Chaotic
Evolutionary	Adaptive	Transitory
	Planned	Unplanned

Model of Organisational Change



Forces leading to change

External forces

- Socio-cultural factors:
 - Shifts in market tastes and preferences
- Technological factors:
 - Digital technology, level of RnD
- Economic Factors
 - Inflation, income levels
- Political and legal factors

- Safety, environment and labour practices

Internal forces

- Problems with performance outcomes (losing money, customers, employees)
- Problems with internal processes (decision making, cumbersome procedures)
- Management philosophy, vision or mistakes

- New strategies, objectives, products and markets
- Fads and fashion

Change agent

- Those in power who want to implement the change

Interpretation of problem

- Management diagnose problem and determine criticality

Develop a change plan

- What is to be changed?
 - Structure
 - Technology
 - Processes
 - Culture
- What parts of organisation will be affected?
- Type of intervention
 - One-off → unfreeze, change, refreeze
 - Ongoing → unfreeze, change

Kurt Lewin's model

Unfreeze → dismantling the existing mindset about the change itself

Change → involves the actual change → period of confusion and transition

Freeze → leads to crystallization of a new mindset, a new view of organisation

Implementation

- Often under pressure to modify the plan to suit resistance

Monitoring results

- Length of time it takes for effects of change to become apparent depends on nature of change/what is being changed
- Minor change → soon emerge
- Cultural change → may take years

Feedback

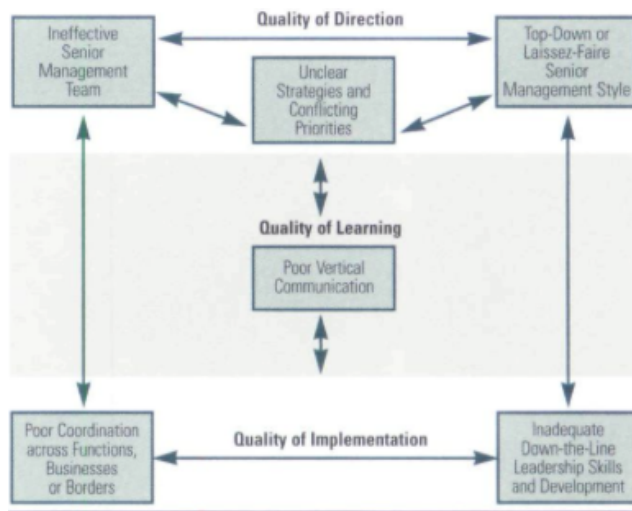
- Outcome → did change go to plan?
- Ongoing review and conclusions of review

Tactics for dealing with resistance

- Education and communication
 - Help employees see logic of change
 - Dismissal of those actively oppose change
- Participation
 - Involvement in change reduces resistance
- Facilitation and support
 - Reduces fear and anxiety
- Negotiation
 - Exchange of something of value to lessen resistance (specific reward package)
- Manipulation and co-optation
 - Convert influence attempts
- Coercion
 - Direct threats (loss of promotion)
- Realigning staff profiles

Six silent killers

- Management style is either top down or too laissez faire
- Unclear strategy/conflicting priorities
- Ineffective senior management team
- Poor vertical communication → ineffective communication between manager and employees
- Poor horizontal coordination → technological push v demand pull
- Inadequate skills at lower levels



Organisational Fitness Profiling (Managing Change)

1. Engage leadership
2. Compelling business direction
3. Effective management team
4. Open dialogue
5. Coordination
6. Lower-down leadership

Culture (Week 9) THEORY

Organisational culture

- A system of shared meaning with an organisation
- People are most important resource → culture is foundation for organisational success
- Provides consensus on the way we do things in organisation → needs to be transmitted to newcomers in terms of what is considered the norm (normal behaviour)

Components of organisational culture

- 1. Observable Symbols: Logos, rituals and ceremonies**
 - Easy to find out about them
 - See and experience them → organisational culture is conveyed to you
 - Risk: hijacked or subverted (those actions advocacy groups disapprove of)
- 2. Physical appearance: buildings, interior design and dress code**
 - Easily observable
 - Interpretation → in terms of what organisational norms and values they represent
- 3. Communication: jargon, acronyms and numbers**
 - Understood within specific context of organisation
 - Makes little sense to outsiders
 - Humour and inside jokes/gossip and stories
- 4. Formal and informal practices**
 - Whilst they can inform you of types of behaviours valued, typically required to spend long time before meaning of practices and behaviours become clear
 - Informal → easy-going culture/individual freedom
 - Formal → tightly run/locked down in formal procedures
 - Competitive or collaborative
- 5. Deeply held values, beliefs and assumptions**
 - Most difficult to observe
 - See how they are reflected in other four components → all representations of certain set of beliefs and assumptions
 - 'Tip of the iceberg' → most observable components of organisational culture are founded on what lies beneath the surface

Approaches to organisational culture

- 1. Integrationist perspective**
 - Aims to empower management by creating a so-called 'strong culture'

Manager's role to enforce values

- Top managers build a strongly unified culture by articulating a set of 'corporate' values (mission/vision statement)
 - Values reinforced through formal policies, informal norms, stories or rituals → employees would share those values
- Enforce organisational culture from the top down → value engineering
 - By creating a great degree of convergence across all observable elements, employees would share same set of deeply held values, beliefs and assumptions (benefit organisational performance)
- Emphasizes uniformity → unify culture

Benefit for organisation (Advantage)

- Domino effect: higher commitment, greater productivity, more profits
- Culture is a tool to improve organisational effectiveness
 - Positive culture: attractive content of manifestations such as norms or values
 - Cohesive culture: uniformity/ organisational wide consensus