

Organisation management and change management in virgin trains



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Background of Virgin Train

Virgin was enjoying a bureaucratic structure of management in the early days of its inception being a part of the public sector. It has completely revolutionised the way railway system operates. Back in the old days the trains system in Britain was controlled by British Railways and whatever the top management decided in those days was the order of the subordinate and they would have to follow it without any objection.. Today it only takes a couple of hours from London to Manchester which was unimaginable some 10-15 years ago. Currently there is no centralised reporting of the regional performance of British Rail. This step was taken particularly to meet the demands and needs of travellers and tourists in different regions of Britain. Each region has its own plan of development and upgrades which allows them to gain competitive advantage over other rail systems. The strategies made to maximise the profit and reducing costs of each regional office is the goal of the British Rail.

(A) Relationship between Virgin Train's vision and culture of the company

Vision is a long term strategy of a company. A vision does not define the goals that an organisation will be looking to achieve in the near future but there is a mission that is expected to be achieved at some point of time. Vision is usually held by the top management of the company as they are the acting stewards of the company. Vision allows the company to create a business plan which will include formation of small goals and formulating strategies to achieve those goals. It keeps on reminding the company about the direction in which it has to move and allow it to motivate itself. Mission

statement is also part of the Company's Vision. A vision goes further. It paints a picture in clear language of where the organisation is going, linked to the behaviours it expects of everyone in the organisation. Vision is a broad perspective of what company wants and their approach to achieving their needs.

Culture is defined by the way things are done in an organisation. The guru of a culture in an organisation is the top management they are the ones who govern the culture of an organisation. It is the behaviour and rules set by them which serve as a role model for their subordinates. The culture as explained in the case study of virgin train is " Collaborate (Clan)" Culture. This culture pertains to the thinking of the management acting as parents to the employees. All the employees irrespective of the level of hierarchy they belong to Has a say in the management decisions and work as a team. The development and training of the staff are also given importance and care of their needs is taken of so that the outcome is always a win-win situation.

The CEO says that in order to follow the organisational vision the strategy is to breakdown the company vision into small achievable and measurable targets, so to comply with the performance management aspect of the company. The CEO of virgin train has clearly pointed out to its workers that he wants them to own the virgin railways. He wants employees to account for their own action, asses how effective they are in achieving organisational goals and bring about improvements in their work so to achieve the organisational goal. In practise vision is a way broad term than a mission.

The three main elements of the Virgin Trains Visions is their strive to provide safe and reliable travel, to become and maintain a profitable business and last but not the least instigating an environment which allows its employees to share their opinions about the progress of the organisation and that their views are given weightage in the decision making process.

[Hofstede, Geert (1977)]

(B)Influence of culture on the change management of the Virgin Trains

What is Change Management?

There are three important steps of change management namely planning, implementation and control. These steps are in relation to all those people who are affected by a change in the organisation. Change should always be brought after consultation with the all the major stakeholders as they are the medium through which the change will be brought and their non-involvement can lead to a resistance in change. There are some serious time and money invested in order to bring a change so it is expected that the change can be measurable, achievable and reliable. Infrastructural change does not require as much time and effort as to bringing a change in the mind-set of the people. For people to accept the change they need to be told why the change is brought and what is in benefit for change how it will be implemented and how it is sustainable. Change be implemented and is it sustainable for future developments and research.

One of the healthiest exercises for change is to have one on one meeting with the key staff of the organisation who serve as the ingredient of the

change and allow them equal participation in the change process so that the task of implementing the change becomes easy.

It is interesting to know that different people have different acceptability levels to change for some it is just a matter of time and understanding the new ways of doing things but for some people that change is completely incompatible. Usually all the lower level staffs is communicated indirectly about change with memos and brochures. But there are people in this level of hierarchy as well who thinks that it is a call for them to leave the organisation. For people with such mind-sets there should be workshops and other training sessions being held so that they get the bigger picture behind the change brought. But if still there is resistance to change the organisation will have to consider firing that employee but inly as the last resource, following the philosophy that what does not align with the organisational goals is into an asset of a company but act as a liability.

All in all change management is “ a process in which individual or organisation at large are invited to bring a transition from their current position to a desired position in the future”. Example of change management includes change in mission, strategy, technology, operations and in the behaviour and attitude of the personnel.

[Robert A. Sevier, July, 2003], [Jayme Alexandre, Jan 2009]

Virgin trains have always kept an optimistic and forward looking approach.

They make plans as to what they can do in their foreseeable future and try to implement the learning from their past to their future. It is a view

prevailing in the business world that there is a strong link between the vision

and the culture of an organisation. There is no doubt in the notion that the behaviour of the managers of an organisation set the tone for the subordinate and the approach in which the organisation wants their employees to go about things. Virgin trains value their employee and thinks that customer service is a CSF (Critical success factor). as responding to the ever changing environment and changing customer needs with it. To bring a change in an organisation a clear vision is required for the change to take place smoothly. The managers of virgin train believe that the way for their organisational success is to listen to their customer feedback and then try to implement what is lacking in the current management structure. They believe that it is the lower level staff i. e. the technical support and logistics which comes in to interactions with the customers and in order to bring change these people those be given the task of implementing the change.

It is the culture of virgin train is to delegate authorities to its staff so to allow them the bring change. They believe their lower level staffs are technically and commercially most skilled and competent to bring the change. Managers believe that employee would actively take part in the running of the company. They think that employees should be asking question, bring new ideas, and be ready to disagree and give better options on how to operate the Company and bring change. For Example: The employees of virgin train as their care for the environment and sustainable development urged the management to encourage recycling in offices and trains and Virgin train complied with it.

The Change in Virgin train is aided with the help of strategies to support and bring the change. The primary motto of virgin train is to remain a profitable
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organisation. The key to this is customer retention which can only be done by providing the customers with a top notch and cost effective service. Virgin train realises that to achieve its objective they would have to cater to the needs of their customers. There usually two bands of customers one who value cost for which the cost leadership model is followed and the other ones who value quality of service being provided and there they belong to the niche market and want specialised and unique customer service which is in fact the reason they are paying the premium for.

The management has the aim to train their front line employees as individual and independent leaders. They are given the opportunity to learn from their job i. e. given on the job training and development. The new strategy of Virgin Train is to put ' Customer First'. The front line employees are expected to enhance customer experience by responding and catering to their needs and from their interaction with the customers try to devise and recommend new methods of operation to top management so that the customer experience can be further improved. The role of the managers in this scenario is to boost the morale and confidence of their employee, motivate them with incentives and try to get the best out of them and whatever feedback and new ideas they get from their employees they should try to implement that.

[Joanne Martin, 2001]

(C)Contribution of the Virgin Trains Organisation Structure in the Change Management

The organisational structure of a company plays a vital role in the change management process. Virgin Train has to adopt different strategies that could adapt to their organisational structure which allows flexibility, empowerment, independence, delegation of authorities and participation in decision making to its employees. The hierarchy of management in such organisation is although quite extensive but is immiscible so that the work of a higher level could in some circumstances be done by a lower level depending on the authorities and responsibilities of the person at lower level. Some of the Examples of the way Virgin Trains Operates will be discussed from here on. To discuss the current and future strategy thee are regular meetings held between the employees and the management. In these meetings the priorities for the business is rethought if, important matters needing management attention are discussed and the implementation of any new best practise in to the business model. In the meeting every region brings something new and important to share which allows the management to take decision based on past data for the future so that Virgin Group can gain an advantage over their peers. Each region May have people with different cultures and values so it is important that Virgin train responds to the needs of each region separately and bring such business strategies into play which benefit both the customers and serve the organisational purpose as well. Feedback from customers and mangers in different regions of operation of virgin train are always welcomed by managers as it allows them to know what elements of their service needs improvement and which of their current service is highly rated by its customers so that management know what areas need more time to be spent to improve their overall performance. For Example Feedback from customers on matter such as, <https://assignbuster.com/organisation-management-and-change-management-in-virgin-trains/>

what should be the menus of the flight and how much is the current ticket packages are suitable for them. Other than this what new destination should virgin start flights for and how often these flights should take place, this and many other related information helps management to take things head on which is always a factor for a customer when making travelling decisions. All these Ideas are taken in by the manger sand the ones which seems to be the most important and brought to the table with other top management and lowers staff as well to decide which ones will filter through the consensus in the decision making process and then how these can be implemented. This activity instigate a feeling of intrinsic reward in the employees who brought forwards the idea sand the feedback in the first place and it encourages them to do their work efficiently and discuss with the management as they believe their say hold an importance to the company.

Besides welcoming change and giving feedback, the management of virgin also encourage constructive criticism i. e. challenging the ideas of other in an appropriate way. Employees are given 3 days workshops to train them how to receive and deliver constructive feedback. They are also taught about the vision of the Virgin Trains and how the leadership style currently undertook by the management of the Virgin Train affects them at workplace. Other than this some of the important outcomes of the workshops are mentioned below.

It provides the employees an environment to share their opinions and thoughts about the organisation. Employees at different levels of the hierarchy come across each other, get to know each other and create a social environment which allows them the time to share things since they <https://assignbuster.com/organisation-management-and-change-management-in-virgin-trains/>

have been employed, so erasing personal differences if any. Employees get an idea of why the change is brought, how it will affect them and provides an opportunity to share individual concerns about the change if any.

The HR Department go Virgin Train actively take part in the development and training of their employees. They consider themselves as the drivers of the change and have always followed the organisational strategy will focus on people. They tend to reward employees where they have performed well and such employees are then presented at various levels as a token of their achievement and an appreciation of the work they have done for Virgin Trains. Various award ceremonies are also held to reward individual and teams where they had performed well.

Virgin Train also plays their CSR role (Corporate Social Responsibility) as they believe dignifies behaviour towards their environments and also in a way towards their employees. This approach shows their customers and staff that they care about their environment and does not always act in their personal profits. But in Essence what Virgin Trains is doing here is to earn the respect of the people and therefore it allows them to retain customers. An example of the charitable work done is to make donations to the CLIC Sargent which collects money to be spent on child cancer patients. It is therefore not wrong to say that Virgin Trains flow it's organisational with Bottom to top Approach and their workshops helps in in this process.

[Cameron, Kim S. & Quinn, Robert E. 1999]

(D) Strategies Implemented For Change Management Process in the Organisation and its Effectiveness:

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There are few strategies which the management has adopted in order to manage the change process in Virgin Trains. Again any strategy made will be in alignment of the vision.

At the recruitment process it is important to take note of that people who share the same vision and promote the same behaviour as encouraged at Virgin Trains should be selected.

The appraisal process is another crucial stage way of realising the work that an employee has done in a fixed period of time. Usually a 360 degree appraisal is the most popular method of appraisals, as it involves the customer, the employee and the manager, all of whom play a vital role in the business process. In discussion with the employee their contribution and development to the business should be notified and what personal short term and long term goals have the employee set for themselves.

A tool made by Virgin Train to assess the need for promotion for an individual is the 'Talent Wheel'. This is a set combination of behaviour, motivation, passion and knowledge and skills requirement which when fulfilled by an employee suggest that that employee is now worthy of a higher post or designation.

There is plenty of learning opportunities for employees at various levels in the organisation. Internal and external courses are regularly held keeping in mind the training and developing needs of individuals and the departments in which the employee is working. In these courses basically the coaching skills are taught and how to take part in discussion and the importance of accepting responsibility.

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For front line staff and managers leadership programs are held to equip them to handle issues in a better way.

The change management program of virgin Train is an on-going process which would have to be reviewed regularly to ensure that the change in the culture is smooth transition and is will be meeting the organisational objective. The motive behind the cultural change is not only to cope with employees in a better way but it is to operate the business in the most efficient way securing the organisational goal of maximising it profits.

KPI's or key performance indicator is an effective tool foe measuring the performance of an organisation. Every organisation's business is based on some key indicator or elements the fluctuations in which serious affect the business so if virgin train could track such indicators than it would know in what direction it is moving.

Some of the KPI's that Virgin uses are: Sickness days/ days off, Staff turnover rates, Customer satisfaction and complaints. There can be many other indicators but these are the most important ones.

Due to the strategy and the vision of Virgin Trains there has been cost saving reported in recent years due the discussion of management with the frontline employee and more often the employees challenge the managements decision which are then reviewed and implemented as a result of which company saves some valuable money. A recent example of this kind of work is that done by the Manchester division. What they did was to create a new ticket as a result of a problem face by a customer who was going to and fro from Huddersfield. The customer had to make a new ticket <https://assignbuster.com/organisation-management-and-change-management-in-virgin-trains/>

for the second part of the journey and this problem was sorted out by the people working in front line and a new ticket was issued which could work both ways.

[David Herold, Donald Fedor, (2008)]

Conclusion:

There is no doubt that virgin train continues to provide its customer with high quality serve and leisurely travel. The company's focus on their customers and employees has served as a booster for their performance and this is the reason they are way forward than their competitors.

The involvement of employees in the decision making and their ability to bring solution to the business problems which are thought of from the customer point of view is another reason for virgin train's success. The management has fed the employees that they should continue to challenge the current practises and keep trying to come up with new ways of more effective ways of doing things. All in All it is the caring of employee, focus on customer satisfaction and the management leadership skills which have put Virgin Trains on the path of success.