Hindrance to organisational performance

1 Introduction

Ages ago, constant changes to an organisation was thought as a hindrance to organisational performance. However, now successful change is vital for every organisation. This change in thought is because of necessity of organisations to survive in highly competitive market and evolving environment (Todnem, 2005). Organisations should align their change programmes with management development to maintain their competitive edge. In contrast to abundance of academic literature on change models and framework showing the increase in business concern, it is reported that 70 per cent of change programme have failed (Burnes, 2003).

This report mentions about few theories on change implementation and issues arising while implementation. Furthermore, the report discusses about power as a tool in change process. Finally, the report concludes by analysing two case study: one with a change failure and another on successful change.

2 Organisational change

Despite the vast academic research, empirical data shows that many organisations struggle to lead effective change projects and that problem arises in change implementation (Cicmil, 1999). Organisational change projects are continuous learning projects.

Is continuous change a stable feature in organisation? Todnem (2005) mentions " Change cannot be relied upon to occur at a steady state, rather there are periods of incremental change sandwiched between more violent periods of change which have contributed to the illusion of stability once assumed to be the case."

Managing change has a six-stage approach: Envisioning, activating, supporting, implementation, ensuring and recognising (Hamlin, 2001). This report concentrates on change implementation phase.

Implementation (also called ' transition' by some authors) is the process of making a design operational. Implementation involves planning, acquiring, installing equipment or technology, make employees change ready, schedule events for the new way of process to replace the old way. Basic elements of a change implementation plan are: Deliverables and its purpose, milestones to access progress, accountabilities, communication plan, measurement plan for accessing the consequences of the change. If change is large-scale, chances of failure in this phase is likely high (Martin, 1999).

Various change theories can be categorised based on their approach to implement change: planned, emergent and contingency approach (Todnem, 2005).

3 Theories of change
3. 1 Planned approach
According to Todnem (2005), planned approach to organisational change outlines the change process. It also reveals the different phases that an organisation will be dragged through while making the change to a desired state. Planned approach to change is highly effective but takes a long time.

Lewin's change model

Lewin's change model states three levels of organisational change: unfreezing present level, moving to the new level, refreezing the new level. In other words, the model requires to get rid of old behaviour, structures,

processes or culture before making it to the new level (Todnem, 2005 and Brisson-Banks, 2010).

This theory raises few critical questions by the author. Abruptly leaving old customs might trigger uncomfortable reactions from employees. Also, it might be ironical to have stabilisation of change at the third level, when change is a continuous or open-ended process.

According to Todnem (2005), planned approach to change suffers from few drawbacks. Firstly, some of the triggers of change are frequently spaced in time that planned approach (identify, plan, execute) to change is practically not applicable. Secondly, it considers the environment, which organisations interact, is stable from the start till the end of change process. This lead way to emergent approach.

3. 2 Emergent approach
Since change is so fast paced, responsibility for change implementation has to be decentralized. It is concerned about change readiness and ease the change process.

Kotter's change model

The change model that is followed by many organisational leaders for planning and implementing change successfully by doing eight things right and in the right order. Kotter asserts organisation does not instil urgency for change in managers or employees, leading to change failure (Brisson-Banks, 2010). The eight steps which makes change initiative successful and errors that might crop up at each stage is summarised in table 1.

For large organisations, it might become practically complicated to communicate the vision and hence empowering employees becomes difficult as the vision is not drilled to grassroots of the organisation (Paton, 2008).

Though Kotter's change model is popular, the author notes that the model mentions on eliminating any resistance to change but is deficient in not providing the cause. It also does not take the human element into account. Furthermore, the above theories does not look at the scale of change for successful implementation.

3. 3 Contingency approach

According to Buchanan (2007), The Dunphy-Stace contingency approach recommends to use the one which might fit the context of change (Scale, time, support for change) for an organisation. For senior managers to bring about change (time to change is less), dictatorial approach is apt. But middle managers will find collaborative style useful (time to change is more).

Critical change proposals have to be driven through coercive modes. For change to be introduced quickly, dictatorial transformation should be chosen. The mode used should be complementary to the change implementation (Buchanan, 2007). Theories of change simply state the rules of the road but it is up to the organisation to acquire necessary competencies, skills and resources to implement them (Burnes, 2003).

3. 4 Project management approach

Project management approach takes into account the scale of change and the human factor that impede successful change implementation.

Cicmil (1999) states three approaches to change implementation: project management, participative management and contingency approach. Project management approach sees change as a series of projects. Cicmil (1999) also mentions that this approach is the most effective as it makes change focussed with measurable outcomes and feedback through learnings. Empirical evidence shows significant organisations rolled out change as a project. Her research investigation spotted three common sources of gap in change implementation: Why (the reason and purpose of change), What (Specified outcome) and How (implementation process). She also found that human impediments like slow learning, fast forgetting and organised resistance which are related to Why, how and why. Organised resistance arises out of lack of understanding of what, how or both of change implementation. Fast forgetting and slow learning are a ' misfit' of change in business strategy.

The issues around change implementation can be eliminated by following a suitable leadership style or power acquired by position in organisation.

4 Power as a tool in steering change

Power is entwined into social and organisational life. It has become a tool that can be used by organisation to be a driver for achieving organisational outcomes. Buchanan (1999) also mentions about the ways in which one can get power in an organisation: Position or rank, know allies and supporters and maintain relationship, access and control over information, strong communication network, resolving critical problems, to be irreplaceable and the importance of the business one is involved in.

" Power is built by ensuring that you control as much territory as possible, and this control is obtained by placing your allies in key positions and by expanding the activities over which you have formal responsibility." (Buchanan, 1999). This is further asserted by Machiavelli in his book recognising the significance of skilled staff surrounding a leader. A leader might be ridiculed of his/her choice of appointing incompetent followers (Mcguire, 2006).

According to Mcguire (2006), power should be directed at achieving organisational goals. A leader is one who utilises power to make employees follow him/her and inspires followers. However, sharing power with followers is apt when leader cannot stand up to organisational demands alone, indicating the need for teams. At times the leader needs to relinquish some power to successfully empower followers using the tools of rewards during organisational change. It can also be functional when managers use it to achieve organisational goals but dysfunctional when misused to promote self-interest (Buchanan, 1999). A leader need not have positive personal attributes that followers will admire, but it is his/her ability to make them believe that he/she has it (Mcguire, 2006).

Machiavelli states there are two " carrot and stick" approaches for a successful change implementation by using power. Firstly, by executing reward power. Secondly, using disciplines. He advocates using reward power first but when that is not convincing people about change and its values, or followers not showing loyalty to the leader, then disciplinary action is suggested. An effective leader is the one who makes a punishment look like a reward (Mcguire, 2006).

5 Analysis of two case studies

This report analyses two companies ABC Engineering and XYZ construction, which was investigated by Burnes (2003), using Cicmil (1999) which is summarised in Table 2 model mentioned in 3. 4.

ABC Engineering

The parent company of ABC Engineering purchased a similar product German manufacturer in order to merge the companies for market expansion. ABC, threatened by the merger, lead number of changes, to increase productivity, improve quality and reduce costs. Resistance and reduced morale were the general feeling and the change efforts were fuelling them. Meanwhile to make situations better, engineering director came up with ' Lean' production and ' Kaizen' concept which involved restructuring the organisation. ABC's senior management team (SMT) agreed to ' lean' concept without involving people, none challenged the concept. SMT sought expert advice to manage the change. External change agent undertook a change readiness audit identifying number of key problems.

XYZ Constructions

XYZ constructions, an organisation the same size as that of ABC Engineering, had SMT who were employees but not directors of the company. The company had a head office and various regional offices. The structure created problems such as hostility between the head office and regional offices and lack of communication within functional units of same office. The managing director realised to remove functional barriers and promote ' Kaizen' requiring complete reorganisation within the company and its

structure. Due to lack of expertise in change management, external change agent was called. The change was humungous and deeply seated that the change implementation was rolled out in phases.

6 Conclusion

Change is part of everyday business operation that drives the organisation into a better state. With higher number of change failure being reported, managing change has become a competency and corporations are increasingly aware of the need of an internal change management team.

This report discusses on theories of change management and mentioned why change might fail. It also identifies that success rate revolves around the leader and influence of power, to make a change impact on the employees which was seen from the two case studies. In summary, different variables initiates change uniquely for an organisation and leaders decide on fate of change implementation. Every organisation should carefully look into the transition phase of change and not overlook the human element to make change successful for its organisational development.

Change management is definitely a challenge but possible to make it happen by observing the various elements of the organisation including the employees and unsaid assumptions. Improved ways of change handling can be found by connecting solutions and maybe even for new ways yet to be discovered.

7 Bibliography

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