Example answers to questions on organisational change

Introduction to the Organisatiion

This assignment is solved using Shore to Shore Logistics Pvt. India Ltd (STS). It is a branch of Khanna Paper Mills (KPM). The organization deals in the Logistics field. It had a number of clients who are in this field.

Introduction to working Scenario

STS is a transporting unit initiated by KPM and works as an intermediary between KPM and Transporters Its main task is to arrange the trucks at a reasonable cost and then follow the clients of KPM till the consignment is reached at the destination. On the other hand when raw material arrives at a port, it arranges the containers and follows the service providers till the consignment reaches its base station Amritsar. The STS has a large number of employee who work in different departments. The hierarchy of the organisation is as follows:

Managing Director -> Director General Manager -> General Manager -> Sr. Manager -> Manager -> Executives.

Recently it has to undergo a number of changes with respect to its functionality so that the work may be finished with greater speed. New technologies had been adopted specially in the field of Information Technology and other departments.

Discus three models of Change Management. (AC: 1. 1, 4. 1)

ADKAR's Model of Change Manegement: This model was first published in Prosci Change Management Series in 1998 after researching on around 300 companies that were affecting change management. The model is sequential

and cumulative in its approach. It has major 5 stages to effect change management.

Awareness: It is related to the change whether there is need to change. If there is, what areas should be focussed for change.

Desire: There is a lot of difference in desire and demand. Desire is an abstract and vague term that can be weaker whereas the demand has robust background of resources. Everyone should have desire to participate in the change otherwise demand can't e met with.

Knowledge: It the factor that vests with the leads. The participating persons should have knowledge of the change that will be effected and the possible outcome of the change.

Ability: It is the capability of change. It should be slow in action but fast in result. The strategy implementing team must be able enough to rollback the action in case the change is not successful.

Reinforcement: It is the capacity to retain the position once attained. There should be break points that may be created and one breakpoint should be followed by the other on successful completion of one breakpoint.[1]

Lewin's Change Theory: This model is a three stage model for change management. The stages are

Unfreeze: This stage is related with the change of human behaviour. It is unchangeable under normal circumstances, however the knowledge and desire to have more always has a positive relationship with the change. More

you learn more you get. This stage is for changing the existing beliefs, scenarios, triggering need for learning etc. In other words, we concentrate on the areas that need to be observed and changed.

Change: When we have recognised the areas and opened up the avenues for change, we can effect the change. In this stage we make up our mind to explore and learn new eras of improvement. New technology is adopted, experts are assigned to train the less trained employees. The environment is changed.

ReFreeze: This stage is the final stage of the model in which the changes are frizzed for the current scenarios so that these may not affect and get affected by other factors. [2]

Lippitt's Phases of Change Theory

Lippitt, Watson, and Westley contributed to Lewin's model and created a seven-step theory. It focuses more on the role and responsibility of the change agent than on the evolution of the change itself. Information is continuously exchanged throughout the process. The seven steps are:

Diagnose the problem.

Assess the motivation and capacity for change.

Assess the resources and motivation of the change agent. This includes the change agent's commitment to change, power, and stamina.

Choose progressive change objects. In this step, action plans are developed and strategies are established.

The role of the change agents should be selected and clearly understood by all parties so that expectations are clear. Examples of roles are: cheerleader, facilitator, and expert.

Maintain the change. Communication, feedback, and group coordination are essential elements in this step of the change process.

Gradually terminate from the helping relationship. The change agent should gradually withdraw from their role over time. This will occur when the change becomes part of the organizational [3]

Suggest an appropriate model of change for your chosen organisation. Discuss your reasons for suggesting the model. (AC: 1. 2)

Keeping in view our organisation, we suggest the application of Lippitt's model.

Justification: This model takes into consideration Kewin's approach and extends it. On the other hand ADKAR model is also based on the same lines but is more rigid in its approach. In the concerned organisation, third parties were called from their respective fields for evaluation of the existing system and suggest changes that improve the functionality of the entire system. There were transfers from STS to KPM and vice versa. A new Vice President for Operations was appointed who introduced a number of changes to smooth the functionality. The main changes introduced were as follows:

The VP stressed on the IT department with full force because this department had the potential to undergo an upliftment. Interviews were conducted for appraisals and executives were promoted. Open opinions were

asked for change. Executives were called at the KPM for training. In the initial stages the employees were reluctant to go change but the management made them round in due course of time. The training was over and the executives were restored to their orginial work place. After this study was conducted and those who added much to their performance were promoted. In this way the organisation freezed the change.

Strategic planning stands for planning for the long-term. Keynes said that in the long run we are all dead because a long run is composed of a number of short periods. But the time frame of this type planning in many organizations is from three to five years. Due to this timeframe, there are several challenges associated with long-range planning. These include: [4]

Creating a plan that is breakthrough in its orientation.

Getting all stakeholders to commit to the organization's strategies and to follow through on implementation of critical activities, and decreasing cycle time in the planning process.

This sort of orientation necessitates approaches to strategic planning that involve all employees and stakeholders in the planning process and a planning process that can occur within a shortened time frame.

There are a number of techniques that can be used for this purpose:

Change = (Dissatisfaction)(Vision)(First Steps) > Resistance [5]

The Future Search Method: This method was developed by Marvin Weisbord and Sandra Janoff of USA in 1980s. This method is for adopting System-wide

strategic planning and Enabling diverse and potentially conflicting groups. To find common ground for constructive action and Finding new approaches to tough issues. The participants generally are in the form of parallel array of 8×8 tables and sitting 64 persons. The Time duration it takes to decide may take from two to three days.

The Real Time Strategic Change Method: This method was developed by Kathie Dannemiller and Robert Jacobs of USA in 1980s. This method is useful when we have to design and implement the whole system for change and create organisation-wide

alignment with mission, vision and strategy. It is limited only by size of venue and the event takes two to three days to complete. Its main influence is observed on group dynamics and Organisation development. The time it considers for implementation is Two months. The participants include mixed stakeholder group. The tables are round and can accommodate 8 persons per table. The key focus areas are the sponsors who want to tell or sell the product or is unwilling or unable to meet design principles or sponsor has no intention of implemention of action plans. The model has been used by Boeing (777 Development), Ford Motor Company, Marriott Hotels and Mobil.

The Open Space Technology: This model was developed by Harrison Owen of USA in

1985 and presented in Annual international conferences on Organisation Transformation. The primary purpose of this model is creation of self-managed collaborative meetings that generate high levels of ownership and Resolving complex or

conflict-ridden issues in a short period of time. Other purpose is team development and creating strong community spirit. The space requirement is limited only by size of venue

and the event takes one, two or three days to complete. The implementation requires two weeks. The main participants are sponsor and consultant/facilitator (although some practitioners work with an RTSC-style design team). This model requires a large room that will accommodate the whole group seated in a circle or several concentric circles in tens. In this model emphasis is laid whether the sponsor wants to tell/sell or control the process, predetermined outcome is required, answer is already known and there is hidden agenda. The model has been implemented at The Engineering Council Diageo, Petroleum Development Oman, and Prudential [6]

The organisation under consideration applied the mix of these three strategies. The sponsors are the transporters whose will is to get the most out of the pocket of the company and the executive who want to minimize the burden on the company. The transporters were reluctant to provide service as the volume of work is increased during the seasonal hours causing problems and conflicts therein. On the other hand the consignments were sometimes delayed or misreported.

To overcome this problem a meeting was called and the solution developed was to implement an IVR system that took 3 months in its implementation. The solution was developed by Beas Software Solutions and is running fine. After the implementation the policy adopted was that the driver will be given

an incentive of 1 Pound for calling the IVR system and penalised 5 Pounds for not calling. The IVR is capable of detecting the city from where it is receiving call and automatically throws the mails to the concerned parties.

This resulted in regulation of the transporting facilities and the clients are seemed to be also happy.

Task 2:

Understand Issues relating to strategic change in the organization

Discuss the generic background to change that exists in modern economy, and the specific drivers that motivated your chosen organisation to consider Change. (AC: 2. 1, 2. 2)

World appears to be integrating economically, politically and culturally. Irrespective of the national boundaries huge developments in information, communication and technology has taken place. Ownership patters of corporate sector all over the world have become more complex like joint ventures, cross-border acquisitions etc. Global strategies have emerged in the production of goods and services, distribution and management of labour. These have had an immense impact on business activities. The world economy is now more closely interlinked and the finance has become a global resource.

Ricky (2009) In the current economic circumstances organizations are facing both external and internal forces that ultimately make change unavoidable. External forces such as new work force demographics; changing expectations about quality, productivity, and customer satisfaction; and new

technologies are dramatically affecting the operating environment in organizations globe wise. Internally, financial limitations, the condition to do more with less, cross-functional groups, mergers and acquisitions and empowered employees all influences organizations' position to compete in the global marketplace

In case of the concerned organisation, the following are the factors that lead to the change:

Increase in area of operations. The organisation has opened its new offices in Canada, UK and US for procuring raw materials.

There is need for more manpower to manage the tasks related to the ports.

There is dire need of regularising the transport of consignments (Inbound/ Outbound).

The competition in the market requires new innovative ideas to be developed.

The spreading of education and awareness requires recycling of paper waste to optimize the performance and less cutting of trees. Waste Management needs restructuring.

The world is fast enough and we need a centralised database to keep the transactions at one location whether these are performed in India or abroad.

In the light of above facts, the organisation under consideration needs change and should adopt a changing policy.

Following are some of the resources implications

Human and other Capacity Requirements – Human force is one the major resource that is hard to change for their natural instincts. We need to develop employees for their skills and use potential sources of these resources. Also, other capacity needs required such as internal systems, management structures, engaged partners and Network NOs and POs, and a supportive legal framework etc.

Financial Requirements

– The finance required to implement this strategy is one of the most crucial factors. There should be proper allocation of funds required to implement the strategy.

Estimate of Project Lifespan, Sustainability, and Exit Strategy – We should consider a cost benefit analysis before falling into action. The timespan required to complete the project, the resources diverted and compensation of the same for the time span must be considered.

Thomas (1992)

' Strategic Change Management Plan' may only be considered complete when these components have been defined, at least in broad terms. As the project moves into change implementation, several of these components are the defined in more detail and tested in reality

Task 3:

Develop systems for understanding and involving others in the process of change

Identify the key Stakeholders in your chosen organisation and propose systems to involve those stakeholders in the planning and implementation of change. (AC: 3. 1)

Karen (2008) A stakeholder is a personality in business who has the greatest stake or the ability to influence the outcome of the strategy. They may break the solution even. The person may be internal or external who has the highest rank and can't be influenced by the strategic forces. Different stake holders have different expectations and can be involved in the process of strategy building in a number of ways as follows:

Involve them in problem solving.

Keep them up to date of standing towards corporate objectives

Take actions on feedback received by them

Mobilize the correct resources at the right moment to recognizethe implementation plan

In order to involve the stake holders to the process of change the new chief executive officer of STS carried out the following actions;

Simplification of Financial Services: For the purpose of involving the customers to the process of change the Chief Executive Officer of STS

adopted a customer focused approach. The CEO simplified the ever complex financial services in terms of their understanding and it was now made very simple to understand. Now the customers know that what they are investing into and what return their investment is expected to yield at the end of the contract. Earlier customers have always been confused between the complex calculations. Now the customers are happy because they don't need any financial interpreter to understand the ins and outs of the services offered by the STS.

Workforce Development: An-other very important stake holder of the organization is the employees'.

Mark (2005) An employee is a person whom we must rely. The intention of the employee plays a vital role in success or failure of the project. The CEO of STS took into confidence the employees. He assured more incentives and job rotation at different places to the employees for their overall development. He also made arrangement for necessary training and development programmes. The CEO arranged for their further studies with the leading colleges and IMTs so that their skill may be developed more.

Creating Distinct Market Place: the CEO of the company purchased more land for having in house container and custom clearance house. It will unleash the power of the internal as well as external trade. The land will be used as a warehouse where others may also store their inventory. This will diversify the business and help in promoting the output of the STS.

Critically evaluate the advantages and disadvantages of the systems you proposed in task 3a. (AC: 3. 3)

The system discussed in the section A involved a number of persons as stake holders into consideration before in acting the strategy. The need for change in these factors is made keeping in view the internal as well as external forces. The STS was performing in the service sector of arranging the transporters for only one client that is its parent firm KPM whereas due to the volume of business being stable in one direction and to explore more opportunities for revenue earning, new eras are explored. This strategy really worked in the real time environment. The employees and govt agencies showed keen interest in the development plan and setup of a new industry in the border district where no major investment takes place in wake of war at any time with Pak.

Mark (2005) The other system that the Chief Executive Officer developed was to train the workforce. The employees' were addressed about the need for the change and the possible proposed changes and before implementing the change assuring them that they will not be over burdened with this new implementation. it is very essential that the workforce is capable enough to perform their duties into the new environment. For the purpose workforce was developed with rotating job descriptions and Management Development Programme was conducted by a Institute of Management Technology Ghaziabad(Delhi) to train the employees about how to respond to the change. Finally the Chief Executive Officer had to respond to the most vital reason for the change that is the fact that STS was trading with only its parent firm KPM and arranging trucks for its consignments. But now the policy has changed and diversification is desired which is possible only with the help of the employees. Along these lines media was involved in the

development of the organisational strategy that helped it in procuring

necessary licences and tie ups with the govt and other agencies.

Discuss how you would develop a change management strategy with the key

stakeholders. (AC: 3. 2)

" Stakeholder management is critical to the success of introducing change in

the organization ." The more people are going to be affected by change.

These may be the person who have the power to influence the current

project. There are both possibilities, if the results are coming to the

expectations, they will be great supporter otherwise opposers.

Harriet (2005) Stakeholder Management Strategy is an important discipline

that successful people use to win support from others. It helps them ensure

that their projects succeed where others fail.

Rob (2008) Stakeholder Analysis is the technique used to identify the key

people who have to be won over. You then use Stakeholder Planning to build

the support that helps you succeed. The benefits of using a stakeholder-

based approach are that:

We should take into confidence the stakeholders so that they may guide in a

better way by their valuable opinions in times of need and keep the project

on the right track.

The in time communication to the stakeholders give them chance to

evaluate the current and the future output of the action being implemented.

In this way they can stop the wrong actions, take corrective measure and

even encourage the team to carry on in case there is complete success. It builds a sense of confidence in the team.

What strategy would you use to manage resistance to the change you developed in your chosen organisation? (AC: 3. 4)

In the opinion of the researcher in the case of STS, following points are worth mentioning

There will be a workflow process in order to achieve results for mutual benefits for employees and organization.

There will be an Authority Process in order to direct behaviour in the interests of the organization and its participants.

There would be a Reward and Penalty Process to induce people to behave in away required by the interests of the organization and its participants and / or to behave in a way making associated activity possible. As in the case of truck drivers they will be given incentive to call and penalty in non compliance.

There will be a Perpetuation Process to maintain, replenish, and make adequate the quantity and quality of social and natural resources utilized by the organization and its participants.

There must be an Identification Process to develop a concept of the wholeness, uniqueness and significance of the organization. This is usually accompanied by efforts to select and define clearly understood emotionally toned symbols, concepts, or other such factors which will help individual

participants identify the uniqueness of the organization as a whole, which in turn automatically helps to define the uniqueness of the organization in the larger environment in which it is embedded.

There will be a communication process to provide for the exchange of information, ideas, feelings and values etc utilized in all activities to the stakeholders. This is automatic through the IVR system.

There must be an evaluation process which establishes criteria for and defines levels of utility and value for people, materials, ideas, and activities and which rates them and allocates them to these levels.

Task 4:

Plan to implement models for ensuring ongoing change

Explain the appropriate models for implementing change that suite your chosen organisation. (AC4. 1)

Jane (1998) A model for incorporating change is defined as the overall strategy to incorporate the change into the organizational environment. A model is implemented in the following steps:

Access the necessity of change

Forming a powerful alliance

Creating an idea for change

Communicate the vision

Remove barriers

To incorporate the change in the environment the CEO first conducted a SWOT analysis. He recognised that the company in entering into new avenues and hence need diversification of activities. For this purpose the CEO reserved the resources that may be required from time to time for the change.

The CEO also implemented the proposed model to incorporate the change. He decreased the profitability by lowering the prices for services and introduced new warehouse at nominal charges to the interested parties. Since the custom house is set up, the cycle time is reduced for the importers and exporters that started trade with its neighbouring countries like Pak.

How would you implement your model(s) in task 4a in your chosen organisation? (AC: 4. 2)

The plan was implanted into a well defined phases as:

Discovery Phase: this phase involved the justification of the need for change in the organisation. The employees and other stake holder in confidence. The discovery clarified the need for change, strengths and weaknesses in the organisation.

Analysis Phase: In this phase the discovered resources were analysed for their pros and cons.

Simulation: A simulation of the model was performed by taking into consideration the opinions and mock transactions with the parties from selected population.

Conclusions: Finally the theoretical conclusions were drawn on the basis of simulation. The conclusions were proved to be useful and the change decision was enforced.

Keeping in view the changes the CEO developed a new Behavioural framework mainly focusing 8 behavioural variables which are;

Think of the Goal

Let the old be changed for new to take place

Compensate the employees as per their activity and skill level

Build a team spirit

Participation in decisive actions

Learn and Grow

No Communication gap

Speed Balance and Grip in action

What improvements do you expect to achieve by implementing your chosen model(s), and how would you measure these? (AC: 4. 3)

In this implementation phase land acquisition was made. Govt License and other formalities were met with. New agreements were made with the parties in the same line of trade. choices of services. STS launched new and ground-breaking services. It has facilitated to change the way in which consumers can look at their retirement income. STS is providing the levels of return promised and being responsible for any risks associated with doing so it provides more certainty about levels of income for the consumer. In short as the result of the change implement by the CEO of STS the company rebuilt its brand reputation, became more customer focused, started to provide more innovative products and became more popular among the consumers and ultimately the business has grown to a gigantic extent

As the part of their strategy STS also undertook an audit trail to observe the behaviour of the organisation in the market and in the employees i. e. external and internal. The analysis revealed that STS was firmly positioned within the market. Its workforce was known for their considerable expertise, innovation and clarity of communication. The external audit also helped to determine where STS was placed in relation to its competitors. This audit provided a very important vision to the decisions that were needed to initiate the change process.

[1]. Prosci – 1367 S. Garfield Ave. – Loveland, CO – 80537 – USA

[2] Lewin/Schein's Change Theory by Ross A. Wirth, Ph. D. (2004)

[3]Lippitt, R., Watson, J. and Westley, B. The Dynamics of Planned Change. New York: Harcourt, Brace and World, 1958

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[6]Leith's Guide to Large Group Intervention Methods Copyright © 2004 by Martin Leith, all rights reserved. Martin Leith Limited · 10 Pembroke Street · Bristol BS2 8PZ ·United Kingdom Phone: 0117 942 2727 (+44 117 942 2727) email: martin. leith@btconnect. com Website: www. martinleith. com

[7]Karen Sobel Lojeski, Uniting the Virtual Workforce, 2008, pages 204Karen Sobel Lojeski, Uniting the Virtual Workforce, 2008, pages 204.

Others