

Managing organizational change case study example

[Business](#), [Management](#)



Introduction

Change is inevitable not only in business but also in everyday life. This is because developments and better ways of doing things are always being formulated and hence the need for change from current ways of doing things. In business change is a significant tool to ensure that an organization does not become irrelevant in the market nor does it lose its competitive advantage (Creasey & Hiatt, 2003, p. 42).

Change Requirements at the International Hotel Group

As the Senior Human Resource Manager at the International Hotel Group I have identified several change needs in the organization after consultation with relevant staff from the human resource team. These include improving obtaining feedback from the clients, centralizing reservation systems, development of a green strategy, rebranding, introduction of e-billing, introduction of an ERP system, and revision of the organizational structure. However, two of these are critical the need for the introduction of an ERP system and the need for rebranding. The ERP will help our department, the human resource department, by improving integration and sharing of management information across the organization. This increased flow of information will help in making appraisal of employees easier, knowing which sections of the department are underperforming, liaising with the finance department on employee salaries, and also in enabling our department make strategic plans for the organization. Rebranding will affect the HR department in that there is a need to portray the hotel as one having competent staff members to help it have a competitive advantage in the

market. Of these two change requirements, the implementation of the ERP systems will be an operational change need and rebranding a strategic need.

Implementation of an ERP system is an important change for the International Hotel Group as it will help in reducing time wasted on information processing and also reduce the ambiguities of manual information systems. The ERP will also help the hotel group in differentiating its products and services by focusing on the strengths and reducing on the weaknesses. The ERP is also necessary as it will help increase the organization's bargaining power against suppliers. All the above advantages are strategic in nature which shows that despite this being an operational change it will still have strategic significance to the organization. Tactically the ERP will help reduce employee turnover and also foster skill development which will have a direct impact on the human resource department. The ERP will also help in ensuring good time management within the organization, improving productivity, ensuring good resource management, and ensuring general operational efficiency.

Rebranding on its part will help the organization incorporate emerging trends into its image and also incorporate in to the corporate strategy new customer demands. This will help ensure that customer needs are met ensuring that the organization creates a good service culture and endeavors for customer satisfaction.

The two change requirements discussed above were chosen after the whole team agreed that they would be important to the company at the moment

and also because they were urgently needed to ensure improved productivity and customer relationship management (CRM). In order of priority the other change requirements were rated as follows introduction of e-billing, improving obtaining feedback from the clients, development of a green strategy, and centralizing reservation systems.

Change Management Project Plan

The change management project plan for the ERP will be necessary so as to provide the International Hotel Groups with a method to monitor and control the whole process of introduction of the ERP. The change management plan will also help improve communication pertaining to the implementation of the change process while making the decisions required. The change management plan below will have the following objectives: to identify any changes in scope before they happen and to control them, resolve any questions that may arise during implementation of the ERP, ensure that all activities carried out during the introduction of the ERP are justified, get the required authorization to initiate the change, and to monitor how the change is continuing and also to assess its costs.

The Project Change Control Form and Register will be the primary tools used to record, track and document the implementation of the change. The PCR will be used to conduct an initial evaluation of the change implementation. The results expected from this initial evaluation will fall under three main categories:

There is an approach that can be chosen which will make the change requirement irrelevant.

The change criteria are not met.

The potential effects are within the control of the person in-charge of implementing the change.

One of the main objectives for the change process is to help in reducing the downtime and resource wasted due to lack of an effective information management system. The change process will also seek to enhance personnel development and also improve the products offered by the International Hotel Group. After the change process is finished it is expected that these objectives will be met and that the ERP system will become an integral part of the operational activities of the International Hotel Group.

In implementation of the ERP system, various resources shall be needed to actualize the implementation. These resources include the software required to run the system, computer technicians to install and manage the system, and funds for purchase of equipment such as computers and new servers.

The change methodology to be used will be Prosci's methodology which is built on three main principles; that change management should be approached from both an organizational and individual perspective, the 3-phase process will outline the structure for the procedures that the implementation team should take; and, ADKAR gives a simplified model for change to be initiated by individuals.

In this methodology's 1st phase it involves making preparations for the change by making sure that all stakeholders are made aware of the situation and its importance. The outputs of the 1st phase are a profile of the change characteristics, profile of the organizational attributes, strategy for change management, structure of the change management team, and assessment, roles and structure of the change process sponsors.

The second phase involves creation of plans to be integrated into the change process. Five plans will be created so as to help in moving through the ADKAR Model. The outputs of this phase include sponsor roadmap, coaching plan, communication plan, a plan to manage resistance, and a training plan (Hiatt, 2006, p. 138).

The third phase will involve reinforcing of the change which will involve the implementation team coming up with plans to ensure sustenance of the change. This stage of the methodology will require the implementation team to analyze the effectiveness of the ERP and how well the employees of International Hotel Group have adapted the new system change. The outcomes for this phase will include plans for corrective action, mechanisms for reinforcement, audit reports for compliance, review of the actions, and celebrations of the success.

The first phase of the methodology shall be done within three weeks; the second phase shall be completed within the next four weeks; and the third phase in the following two weeks. Adherence to the timetable shall be

necessary to avoid wasting time and will be a significant contributory factor to the success of the change implementation process.

Mitigation Strategies for the Risks

One of the risks identified was the absence of an alignment between the hotel's processes, strategy, and structure and the ERP application. The strategy chosen to mitigate this risk is first initial alignment of the processes, strategy, and structure to meet the change requirements and the objective that the ERP is meant to achieve. The second risk is loss of control over the project which can be subdivided into two smaller risks; loss of control over the team in-charge of the implementation and loss of control over the human resource over the employees (Leech, Grabski & Lu, 2007, p. 50). However, these two smaller risks can be both mitigated using one strategy that is centralizing the decision making process. The third risk, complexity of the project, will be mitigated through extensive research on all requirements and impacts of the ERP to avoid assumptions and oversights that may bring about the complexity when more than the planned for resources are asked for, or the outcomes of the ERP were not expected and planned for. The ERP involves the use of complex technologies that not all members of the organization may well be trained to handle. The mitigation strategy chosen for this risk is the progressive training of employees on working with new ERP system.

After the senior management approved the change requirement a reporting protocol was established to reduce the uncertainty when implementing the

project. The project resources discussed above were also approved by the senior management.

IMPLEMENTING CHANGE MANAGEMENT STRATEGIES- COMMUNICATION PLAN

In developing the communication plan the first thing that the team found necessary was to conduct an audit of the project-communication. This will be necessary to evaluate the organization's current communications and to establish whether they would be applicable in the change implementation process. In conducting this audit the following is to be assessed the communication methods applied by every employee, what each of these communication methods is meant to achieve, and finally the effectiveness of the communication methods discussed. The second and third activities involved defining the audience and objectives respectively. The tools and timetable will consequently be identified.

The best communication plan for the ERP implementation is to have a communication process that integrates both formal and informal forms of communication. The formal channels will be necessary to get official feedback on the project while the informal channels will be used to obtain important feedback on how the implementation team and the employees in general feel about the change implementation project. The communication plan will also require communications flowing from both top of the organization and implementation team to the bottom and vice versa. The communication plan will involve weekly staff meetings, and training sessions for various departments on using the ERP systems. The staff meetings shall

be conducted by the implementation team while the training sessions shall be done through a collaboration of this team and the respective department heads. This is necessary during training sessions to ensure that the unique requirements in relation to the ERP are addressed in the training sessions (Williams, 2008, p. 451).

Sample of Communication Materials

Re: ERP Implementation

It is important that the current implementation of the ERP system be given utmost seriousness by all members of the implementation team. I would like to emphasize that the deadline for this implementation is very important and hence all members of the team should strive to complete all the tasks before the due date.

Feedback is also encouraged from the team using both formal and informal communication channels. The feedback is necessary to ensure that the feelings of the whole human resource team are factored in during every stage of the implementation.

Implementation of a Communication Activity

The communication activity that was implemented was a training session involving senior managers on the use of the ERP. In preparation for the session, the trainer will research all the impacts of the ERP system to the trainees and also how the trainees will use the ERP. During the training each senior manager shall be given a computer to access a simulation of the ERP from. This will help to ensure that the training session is practical in nature.

The senior managers will be requested to give their opinion of the ERP implementation and to point out its strengths and weaknesses.

IMPLEMENTING CHANGE MANAGEMENT STRATEGY- INTERVENTIONS AND ACTIVITIES

When the team conducted the training session of the senior managers several barriers came up. These included the concerns of the senior managers on the high costs of implementing the ERP system; this made some of the managers not be supportive of the implementation system as they felt that it would mean their departmental budgetary locations being reduced. Another barrier is that most of the managers were not skilled on intermediary computer usage and this made their understanding of the ERP functionality rather difficult.

The strategies to be used to embed the change into the operations of the organization include the progressive integration and introduction of the ERP. This therefore means that the ERP shall be implemented in phases and a complete integration of each phase shall first be achieved before proceeding to other phases. A feed-forward strategy shall also be used to ensure that the implementation team is always aware of the effects of each implementation phase.

Monitoring, Modifying and Evaluating the Change Program

The implementation team noted that various circumstances may change during the actual implementation of the change program and hence the need for constant monitoring of the process. This monitoring shall be done using frequent questionnaires and feedback forms that will be made

available to all the affected stakeholders. When a need for change in the implementation program is identified, the modification shall be initiated but only after consultations and extensive research to ensure that all implications of the modification are factored in and well prepared for. Several interventions shall be put in place such as internal promotional activities to deal with any resistance to change.

CONCLUSION

It is estimated that the ERP implementation shall improve on the efficiencies of the organization and that it will improve productivity. However a faulty change management plan would rob of the process all these advantage and that is why it is important that all steps discussed in the change management plan above be adhered to.

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