

Change management analysis flashcard



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LITERATURE REVIEW ESSAY As competitions within the global market continue to intensify, change is arguably the only element that ensures organisation survival. Nadler and Tushman (1986) supported the view that organisations must accept change as the corporate way of life to remain competitive. Albeit the notion “change or else perish” sounded relatively simple, it can be difficult to execute to perfection given that change comes in many shapes and forms. Meyerson (2001) stipulated that there is no one right way to manage change and what work for one individual under one set of circumstances may not work for others under different conditions.

In other words, there is no one panacea to managing change. In the subsequent parts of this essay, we will explore the various types of change and its characteristics bounded by its scope and pace of change, and further examine some of the ways in which change can best be implemented in the least painful way for organisations. Grundy (1993) suggested that change comes in three forms – smooth incremental, bumpy incremental and discontinuous. “Smooth incremental change evolves slowly in a systematic and predictable way” (Gundy, 1993). This type of change usually paced at a constant speed and in a relatively clam manner.

On the other hand, Gundy (1993) stipulated that bumpy incremental change is like a roller coaster ride where organisation goes through sudden spur periods of interrupted change, triggered by the external environment causing a need to respond imposed by the organisation for achieving efficiency. The third type of change involves a rapid transformation shift in the organisation’s strategy, structure and/or culture where the organisation

embraces a new breakpoint in strategy, structure and/or culture and detached itself from the old state (Grundy, 1993).

However, Senior and Swailes (2010) argued that change in itself is far more complicated than what Grundy (1993) had suggested. Plowman, Baker, Beck, Kulkarni, Slansku and Travis (2007) shared similar view by stipulating that change can be further analysed by the dynamics of the change in both its scope and pace. Plowman et al (2007) further suggested that change is either convergent or radical in its scope and either evolutionary or revolutionary in its pace. In other words, change is not homogenous.

Roberts (1998) believed that the pace and scope of change produces further clarity to the dynamics of change through understanding how organisation experienced periods of convergence change via either element or system adaptation, or punctuated change via either element or system transformation. Convergent and Evolutionary/Continuous Change: Element Adaptation – “ Continuous change is often viewed as consisting of small adaptations that having emerged from improvisation and learning, may or may not accumulate and that occur because systems cannot maintain stability” (Plowman et al, 2007).

Changes at this level involve an on-going process but in a less upheaval manner of making minor adjustments within departmental or divisional level in reaching alignment with the overall organisation’s strategy, structure, processes and people. Radical and Evolutionary/Continuous Change: System Adaptation – Romanelli and Tushman (1994) argued that radical change

does not happen in a slow and continuous manner given its level of intensity that needed to be addressed.

Reardon, Reardon and Rowe (1998) further supported that radical change demand people depart drastically from the status quo and often need to do so in a limited period of time. However, Roberts (1998) and Plowman et al (2007) argued the opposite by suggesting that radical change can indeed happen in a gradual manner. Roberts (1998) further supported that system adaptation refers to a change in the system itself rather than a modification in one of its part. “ Representing a qualitative rather than a quantitative shift in the way things are done; it is marked by divergence rather than convergence” (Robert, 1998).

The slow and evolutionary style of change creates ripple effects to organisation’s strategy, structure, people and process which in a progressive manner and overtime forming a new whole in achieving organisation effectiveness. Convergent and Revolutionary/Episodic Change: Element Transformation – Changes at this level involves a revolutionary shift but not in a radical reconfiguration to the organisation system. The changes are mostly concentrated at the organisation’s subsystems or elements where the overall organisation can gain by its effectiveness (Roberts, 1998).

Radical and Revolutionary/Episodic Change: System Transformation – “ Revolutionary or episodic change is often viewed as a response to planned replacement whereby a new structure, strategy or program replaces an old one. The planned replacements of episodic change are distinct interruptions intended to negate and remove a previous condition” (Ford & Ford, 1994). “

Changes at this level usually happen relatively quickly as a result of a major episode or crisis which command radical approach to overcome organisation inertia” (Plowman et al, 2007).

Dunphy and Stance (1993) further characterised such change as corporate transformation where frame breaking shift in business strategy and revolutionary changes throughout the entire organisation are needed to form a new desired end state. Roberts (1998) stated that the four types of change are not necessarily mutually exclusive and it is possible to combine types of change into an overarching theory of change where circumstances prevail. Therefore change can evolve overtime and take different multitudes in shapes and forms.

Hence, it is almost impossible for an organisation to master any one change approach and apply them universally across every change situation. Burns and Stalker (1961) iterated that there is ‘ no one best’ way to change. Organisation that persists in doing so is less likely to find success at managing change. Empirical studies have indicated that pain is more likely to be only associated with radical change as opposed to convergent change. Meyerson (2001) supported that radical change, which usually happen quickly and mandated from the top management, can often inflict pain while incremental change by contrast is gentle with less upheaval.

One of the reasons suggested by Reardon, Reardon and Rowe (1998) as to why radical change is seen as painful is because radical change requires more than mere compliance to such extent that it requires private acceptance where the need to relinquish old modes in exchange for a new is

deemed necessary. On the other hand, Abrahamson (2000) argued that radical change can be painless provided the organisation intersperse the change initiative among paced periods of smaller and organic change to achieve organisation stability.

Welsh (2005) differed from both Meyerson and Abrahamson by providing a totally contrast view in suggesting that change is necessary but when announced, there will be people within the organisation who believe that their lives are going to end, no matter how big or small the change was. The degree of pain, either excruciating or tinkering pain lies with the continuum of readiness to change by individual. Armenakis, Harris and Mossholde (1993) suggested that the readiness for change is an important psychological precursor to coping with resistance. Depending on the change situation, some may adapt faster while others may not.

Those who lagged behind are usually those who found pain and resisted in the change process. In order to understand the state of readiness to change, Scott and Jaffe (1995) came up with a transition grid to elaborate the four stages of change. Stage 1 Denial – “ This is not happening”: Typically this is the first response to change where individuals pretend that things are operating as normal and ignore the change message. They will continue with their daily task as if nothing has happened. Stage 2 Resistance – “ What do you mean that this is what I have to do? Once individuals begin to see that the change is real and affecting their daily working life, they will get emotional and frustrated as their status quo has been challenged. This phase as Beitler (2005) suggested is typically characterised by loud unpleasant vocal exchanges, ugly comments and anger. Individuals will fight hard to

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defend their grounds for not accepting the change. Gingerella (1993) believed that if an organisation does not manage this stage well, then employees will begin to coalesce into protective reinforcements groups, or worse, they surrender to their fears and became organisational dropouts.

Stage 3 Exploration – “ Let us see if this work”: At this stage the situation slowly turns to positive where individuals began to explore and experiment new approaches to complement the change initiative. Beitler (2005) agreed that the highly energised atmosphere is conducive to generating large number of good ideas where some may be overly optimistic and unworkable, but it is better to have too many ideas than too few. Stage 4 Commitment – “ I can get use to this”: Beitler (2005) argued that the commitment stage is by far the most difficult stage to attain but the easiest to manage.

The process of getting to this stage is painful, experimental and lengthy in gaining compliance. During this stage, individuals will be devoted to team building and creating synergistic opportunities for enforcing the change (Beitler, 2005). Each stage within the Scott and Jaffe transition grid carries an element of pain either at the organisation or the individual’s side, or both simultaneously. As Beitler (2005) suggested that the essence of pain and resistance is a natural progression and an indication that the intended change is forming correctly. Any lack of it could indicate status quo.

Through understanding the scope, pace and readiness to change, organisation can only then prescribe the right change strategy to ensure pain is minimised through its process. Kotter (1995) suggested that for any successful change, organisations must carefully go through a series of

planned phases and any critical mistake made in any of the phases will create a devastating impact, slowing momentum and negating previous efforts. As a result Kotter (1995) has suggested eight guidelines on managing change, albeit not seen as the panacea for all change situations.

Behaviours of individuals are generally guided by their inner beliefs. For an individual to alter his or her behaviour, organisation must challenge the individual's belief system by persuasively demonstrating that the current state of the organisation is at risk or there is a better opportunity presented. Kotter (2007) suggested that through such compelling demonstration, a sense of urgency to respond must be accompanied. However, Gingeralla (1993) warned that certain individuals may dropout due to fear and when change is beyond their comprehension.

If the change message is overly devastating, organisation may potentially face stampedes through the door. Therefore, the change message is to be carefully worded and disseminated for individuals to cope and accept.

Change enforced from the top management may not always be the best approach to change but can certainly help to remove barriers. Kotter (1995) suggested that getting buy in from the top may not be enough. It would also require buy in from a group of influential people within the organisation, forming a part of the guiding coalition team to drive effective change.

For example, a training manager may not be part of the top management team but the training manager can control how the change program is delivered during training, either in a convincing manner or unenthusiastically in compliance. Creating and communicating a vision is important for

employees to understand where the organisation is heading. More importantly, organisation must use necessary communication channels to convey the vision to its employees and convince them that the vision is realistic and achievable. Without a sensible vision, a transformation effort can easily dissolve into a list of confusing and incompatible projects that can take the organisation in the wrong direction and nowhere at all” (Kotter, 1995).

Understanding the direction and risks are not enough to propel employees to change. The organisation is to empower the employees to act on the vision through realigning the overall internal systems, structures, and processes. For example, the organisation’s appraisal and reward systems must be seen to incentivise those who clearly display the right behaviour in taking risks to achieve organisational goals.

When the scale of the change is large, organisation usually plans to break its tasks into smaller manageable pieces and execute each by phases of priority. At the completion of each phase, organisation is to declare a short term win for achieving a milestone. The intention of such celebration is to demonstrate two things. First it shows that the new vision is coming to shape and starts to feel real through the employees’ new behaviours and second it helps to build higher confidence level for the employees to tackle subsequent changes.

Once the smaller pieces are in shape, organisation is to consolidate by pulling all the pieces together to enforce a deeper change (Kotter, 1995). Here, organisation starts to dwell in deeper into the overall structures, systems and processes by confronting larger issues. For example, looking closely at operating procedure to determine if a process re-engineering is

required, selecting and grooming the right individuals for promotions or cross lateral moves, or examining the hiring policy in ensuring that the organisation is hiring the right type of talent that fit in with its vision and values.

Finally, for institutionalising change into corporate culture, Kotter (1995) suggested that organisation must maintain two aspects. First is to show the employees on what they had previously taken risk to change, clearly pays off. Results of organisation's performances are to be shared. This inevitably gives employees a sense of satisfaction and creating pride within the organisation. The second aspect as Kotter (1995) suggested is to take sufficient time to make sure that the next generation of top management personify the new approach. If the requirements for promotions don't change, renewal rarely last. " (Kotter, 2007) Given the competitiveness in today's business environment, building capabilities to change will ensure organisation survival. Whilst this essay recognises the importance of developing such capabilities, it has also shown that there is no single approach to change. Change is not homogenous and comes in different shapes and forms depending on the pace and scope of change. Plowman et al (2007) has provided insights to the four types of change, each governs by its own characteristics in pace and scope.

Therefore, change has to be managed differently by organisation based on its nature and intent. Any attempt to master a single capacity to change and apply it universally could be disastrous. The notion of pain in any change management is closely associated with the individual's readiness to change. If individuals have high readiness to change, then the change effort could be

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relatively easy and painless. Through Scott and Jaffe (1995) transitional grid model, it gave further insights on the psychological aspects of change from an individual's readiness to change perspective, demonstrating how the stages evolved from a high resistance to high commitment state. By understanding the pace, scope and readiness to change, organisation can therefore prescribe the right change strategy such as using Kotter's (1995) eight steps guideline to effectively manage successful and lasting change for today's organisations. ————— REFERENCES

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