

Change management 42231



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I. Change Management

The delivery of effective business strategies rely on successful linkage which occurs between the strategy and the employees of the company. There are three linkages which are the vertical linkage, horizontal linkage and temporal linkage. The vertical integration is gained through procedures, policies and processes which form a crucial part of any strategic approach in human resource management (Truss & Gratton, 1994). It ensures the presence of an explicit mutual relationship between the policies and process and supports the employees' behaviours and competencies which can turn into a competitive advantage. The horizontal linkage, on the other hand, plays a major role in ensuring that key HR processes are cohesive and coherent which will likely create synergistic advantage while the organisation's strategies will be more likely successfully implemented. Lastly, the crucial stage of temporal linkage is the notion that processes to deliver short term performance must be balanced with the ability to create success in the longer term. Initiating change management is looking at the long-term perspective that will increase company viability while not neglecting short-term goals.

MetServices appointed Lumsden as its new Chief Executive and he tried to implement changes from the get-go. However, he did this after he tried to immediately get to know as many people as he could. His key messages incorporated the changes he wanted: shift of focus to the customers; stop talking about previous management and having fun on the job. He was also able to introduce new structure by hiring most of the new senior management positions to present employees. All these practices reflect

vertical integration which aims to gain employee support on policy changes. The horizontal linkage was represented by the organisation wide employee conditions which were straightforward and aligned with company objectives. Lastly, temporal linkage was seen in the allocation of Riggsi?? office alongside Lumsden in an effort to make the employees feel that they are more important than profit while not neglecting the issue of profit by emphasising the shift of focus on customers throughout company policy changes. This shows that Lumsden had the short term goal of calming the workforce in the transition period in mind while also fulfilling the long term goal of making the company a money-making enterprise.

II. Performance Management

In the case of New Zealand MetServices, performance management will be assessed according to three theoretical categories of human resource management. The first is that performance management is viewed as a key integrative mechanism which connects individualsi?? goals and responsibilities to the objectives of the business and integrating major interventions such as appraisal, rewards, training and development which encourages a strategic improvement within the company (Beer et al., 1984; Fombrun et al., 1984; Storey, 1992). The company fulfilled this category because of Lumsden vision of introducing the system as a important way of incorporating the companies vision mission statement and objectives and the day to day work. It was further strengthened by PA Consulting which created a performance appraisal information form which aims to link performance of the individual to the companyi?? s vision mission and the objectives of the business plan.

The second category deals with performance management as the means to enhance organisational control over employees, constructing a consistent statement of managerial expectations which promotes a unified view of the company (Stiles, 1999). Lumsden considered performance management as important for the company and PA Consulting was hired to assess content of jobs in comparison with other relevant jobs. This is clearly a way of manifesting control over employees as it will keep track of actions of each individual. There was also an individual monitoring done using the performance appraisal information form as well as team-monitoring. The results of these are reported in comparison with forecasts which are regularly placed on noticeboards in the forecast room. The reports are analysed and summarised monthly for the board and the Ministry of Transportation (MOT).

Lastly, performance management is an important driving force in determining valuable outputs such as employee loyalty. According to Peters and Waterman (1983), it is important for organisational success and strong organisational culture for employees to identify with the company in terms of values, goals and desired behaviours. In the performance appraisal of MetServices employees, their skills are not just the factor tested. Their values and goals are also evaluated whether it meets the company's expectations.

III. Work Design

Job design is primarily aimed to mesh the needs of the individuals performing various jobs with the productivity needs of the organisation. It is

also aimed to provide employees with meaningful work that fits effectively into the flow of the organisation. SHRM specialists design jobs that attempt to meet the needs of both employers and employees. Theoretically, the goal is to simplify, enrich, enlarge or otherwise change jobs to make the efforts of each employee fit the organisational structure of the company better (Sims, 2002). Lumsden has stressed time and again that the new focus of the company is to make customers. In doing so, he formed three major client groups. Each of these groups has a target market in mind which they will cater to. The new senior managers prepared job descriptions for supervisory managers whose role is more focused on operational and delivery issues.

Furthermore efficient job design allows organisations to take full advantage of technological breakthroughs without alienating the workers affected by change. Information technology (IT) is also the new focus of forecasting work whereas manual observation and practical experience were considered important twenty years before. The major skills in the company today is the ability to interpret the symbols, numbers and images and the ability to use knowledge in physics and mathematics to detect weather patterns.

Lastly, restructuring jobs allows companies to retain skilled workers while enhancing output. There is also a change in emphasis on the different phases of forecast preparation. The old process was changed in view of the creation of a more viable company. Before 1992, the emphasis was on observation work and responding to complains on inaccurate forecasts followed by requests for financing and additional observation equipment. However, the focus of the process now is the interpretation of data generated by observation posts that are contracted out and largely

automated. Furthermore, this process has been time and cost saving to the company as well.

IV. Rewards

In SHRM, the reward process aims to align employees with organisational strategies by providing incentive to fully act in the company's interests and perform at their maximum capacity over time (Stiles, 1999). Expectancy theory stresses that employees must be confident that their effort will affect the rewards they receive. According to Dean and Snell (1993), rewards can be classified under three categories: performance contingent reward which reward performance output; job contingent rewards where pay is contingent on job classification and person contingent rewards where pay is dependent on the competencies of the person.

It is clear that MetServices employ the three reward categories in their company to motivate their employees and boost employee morale after it has suffered during the transition period of uncertainty. The management was right on target to introduce the reward system as a way of encouraging organisational culture where good performance was praised when praise was due while accountability is stressed for less satisfactory performance. The Chairmani's Award falls under the performance contingent category because it explicitly rewards the employees in varying degrees of outstanding performance. The Henry Hill Award also belongs to this category since it offers incentive on outstanding performance based on employee nominations and the chief meteorologist's choice. On the other hand, the profit sharing scheme falls under the job contingent category because there

is a marked difference between incentives of employees and managers where managers can earn two-three times more than the employees on the basis of higher risks and the willingness to shoulder more responsibility of company success and/or failure. However, it is interesting to note that while this belongs to job contingent rewards, it is also under the performance contingent category because the basis for eligibility for the scheme is to be assessed satisfactorily in general performance and achievement of specific objectives. Lastly, the 19-point scale made by PA Consulting which identified pay rates for skills of all ranks and created an incentive for earning each point on the scale falls under the category of person contingent reward. An individual could earn 85% - 115% depending on their performance level as evaluated by the manager. The study also revealed that as more grades were introduced, some with high levels of skill can be paid more than some of the managers. This kind of thinking encourages employees to work double time and exceed job expectations for the chance to get the incentives offered.

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