



# Change management

Lecture 5



# Content

- Introduction
- What is change?
- Types of change



## *How does change differ from ...?*

- Innovation
- Learning
- Development
- Evolution
- Revolution
- Acculturation
- Adjustment
- Crisis



# What is the nature of reality? How do we view change?

## VIEW 1

- Is the world stable, and change something 'difficult' to be managed back to stability?



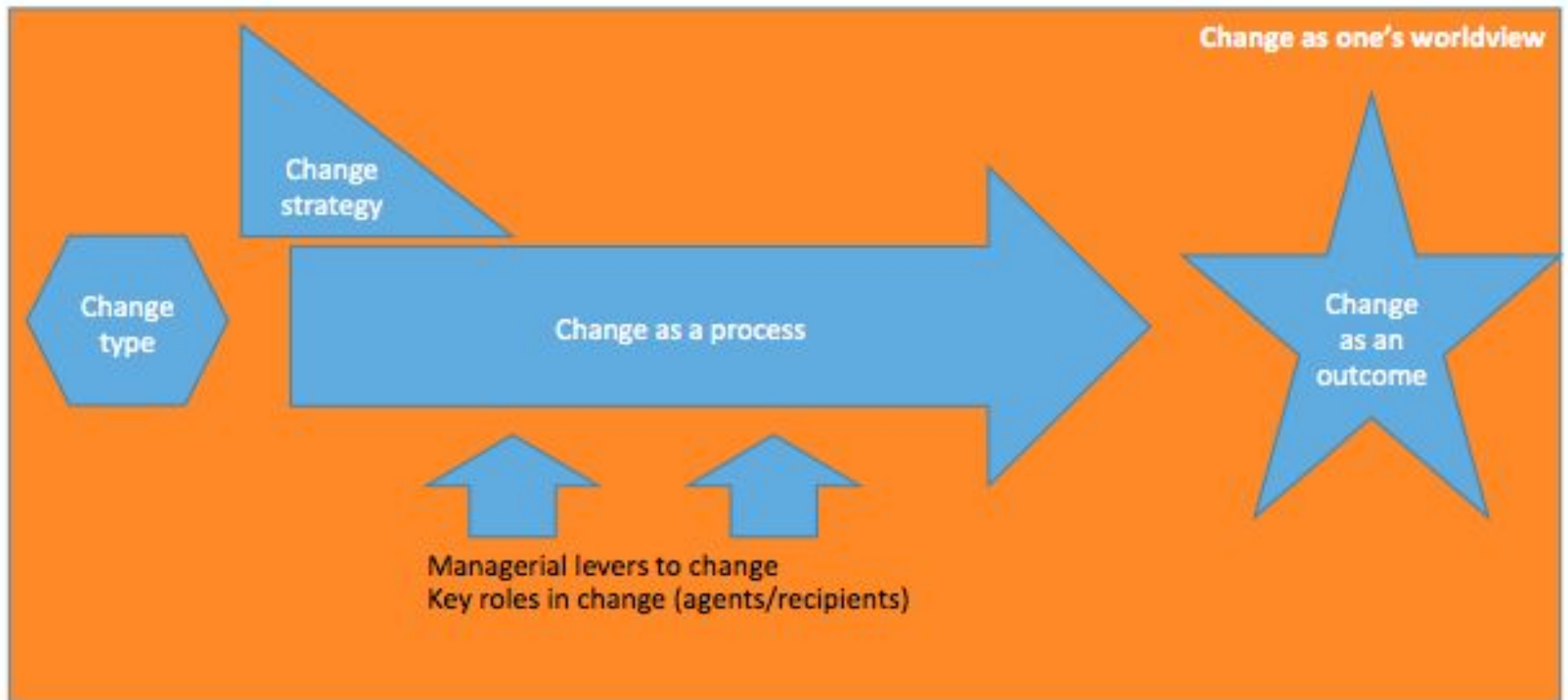
# What is the nature of reality? How do we view change?

## VIEW 2

- Or is the world in constant change, change being a natural state?

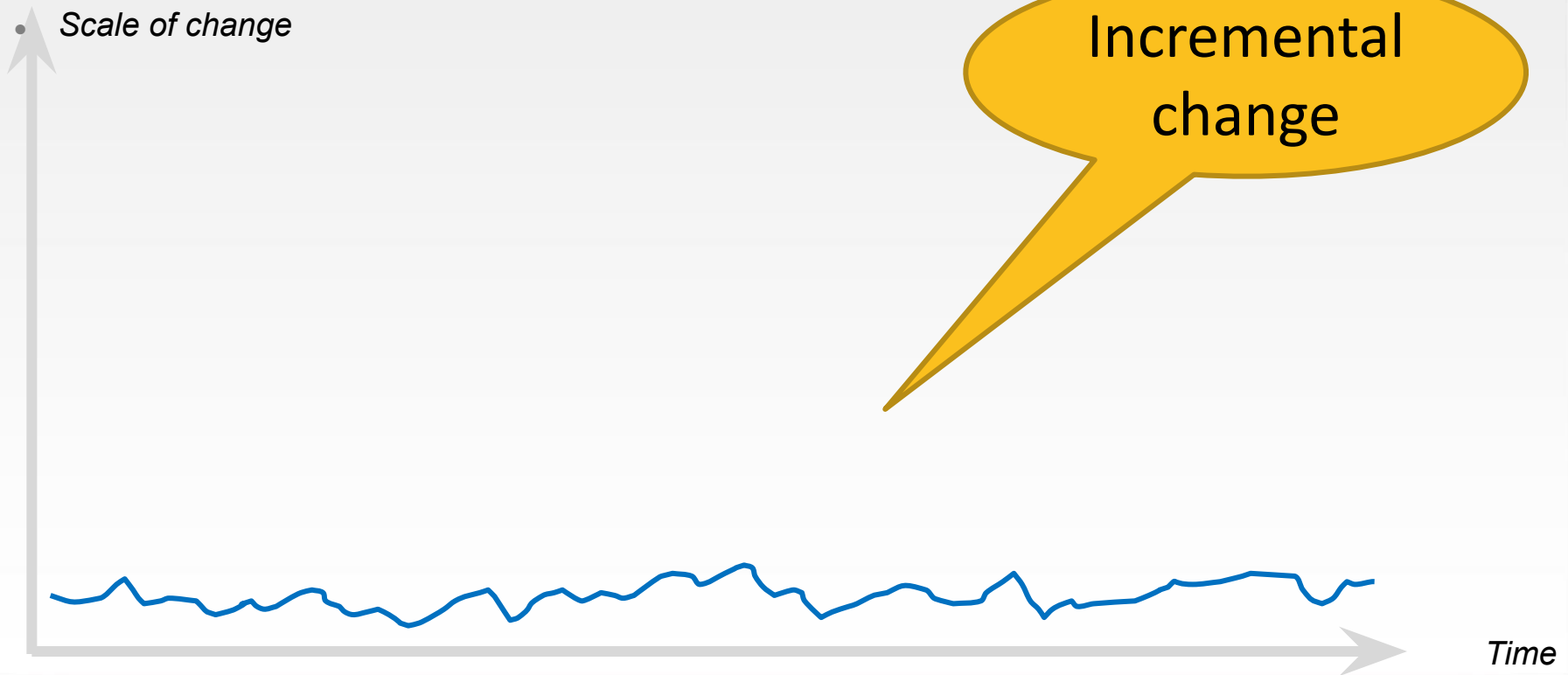


# CHANGE???





# Change types in organizations





# Change types in organizations







# Change types in organizations





# Change occurs at many levels of analysis, e.g.

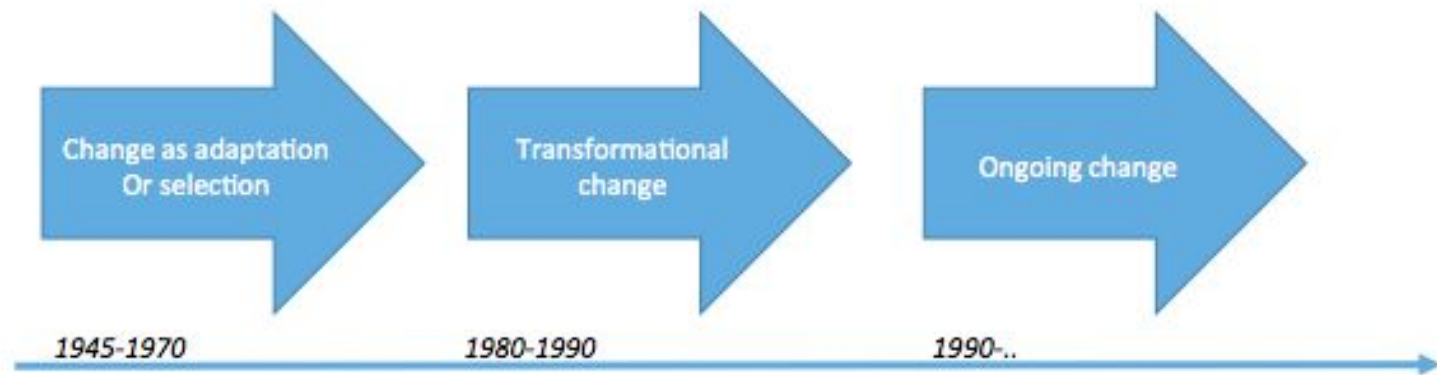


	Incremental change	Situated major changes	Continuous change
AT THE LEVEL OF THE <u>INDIVIDUAL</u>			
AT THE LEVEL OF THE <u>GROUP</u>			
AT THE LEVEL OF THE <u>ORGANIZATION</u>			
AT THE LEVEL OF <u>NATIONS</u>			

Reference: [Burnes, 2009. Managing change.](#)



# Evolution in theories of organizational change



*Demers, 2007, Organizational change theories*



# Change occurs at many levels of analysis, e.g.

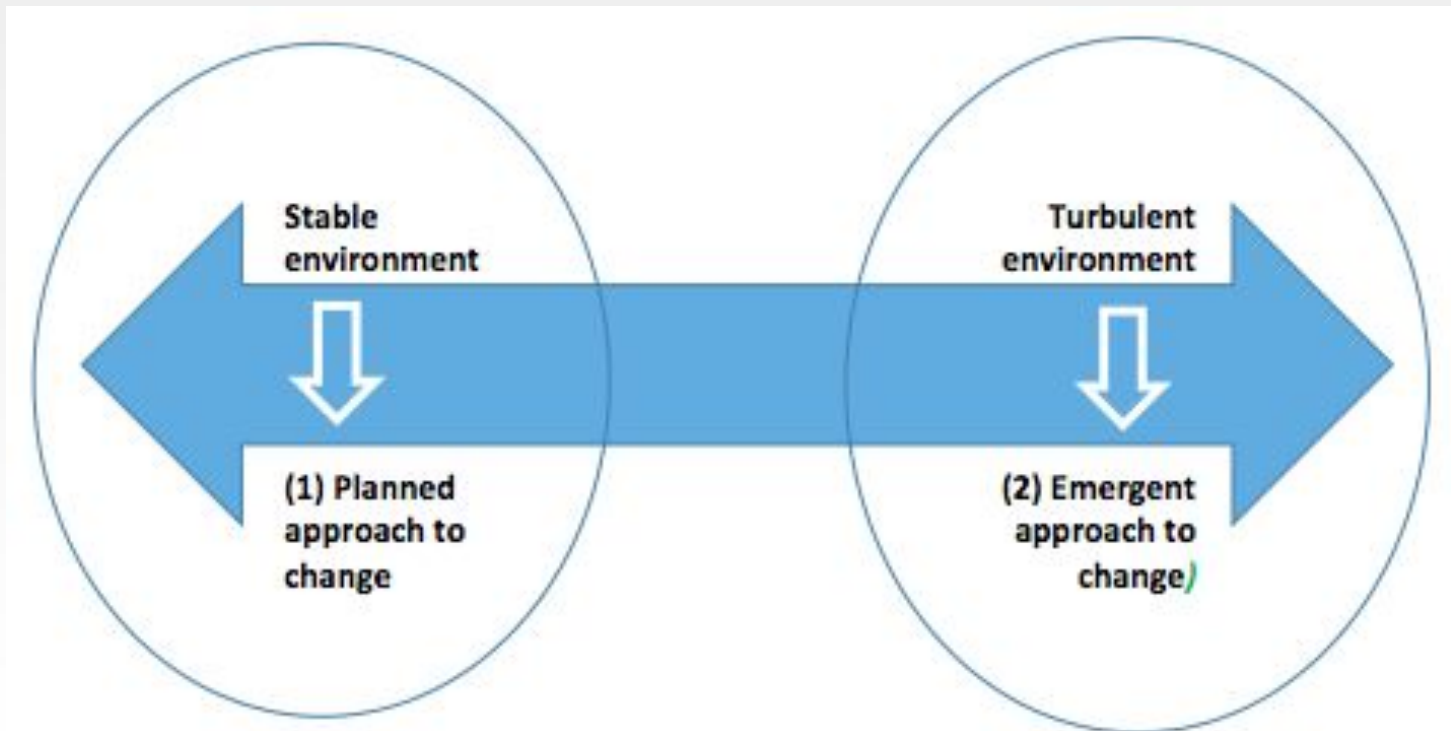


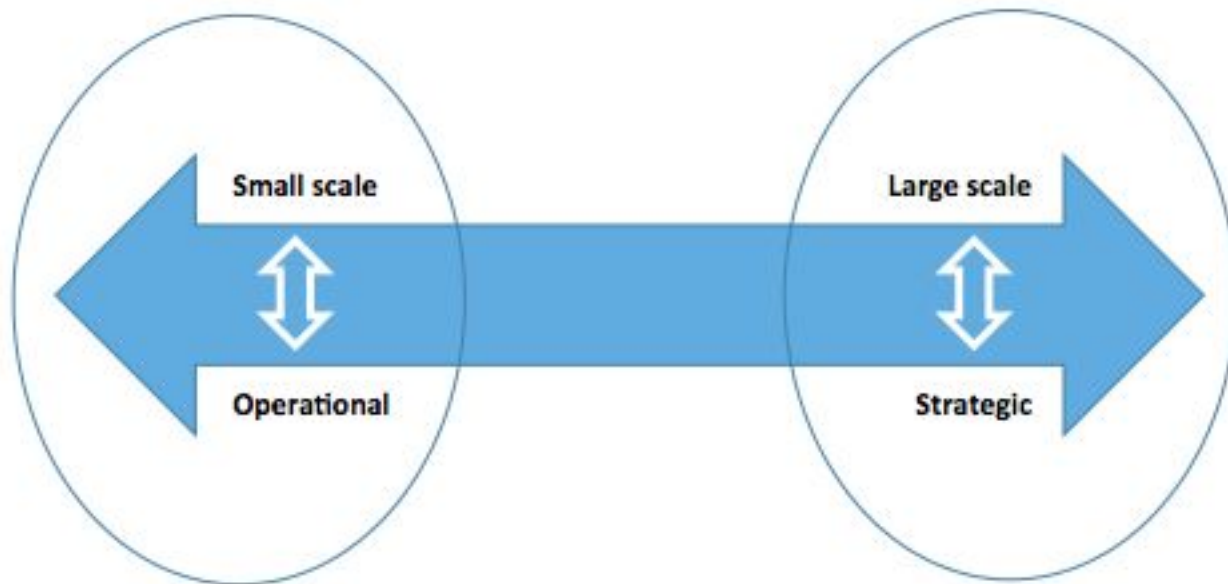
	Incremental change	Situated major changes	Continuous change
AT THE LEVEL OF THE <u>INDIVIDUAL</u>			
AT THE LEVEL OF THE <u>GROUP</u>			
AT THE LEVEL OF THE <u>ORGANIZATION</u>			
AT THE LEVEL OF <u>NATIONS</u>			

Reference: [Burnes, 2009. Managing change.](#)

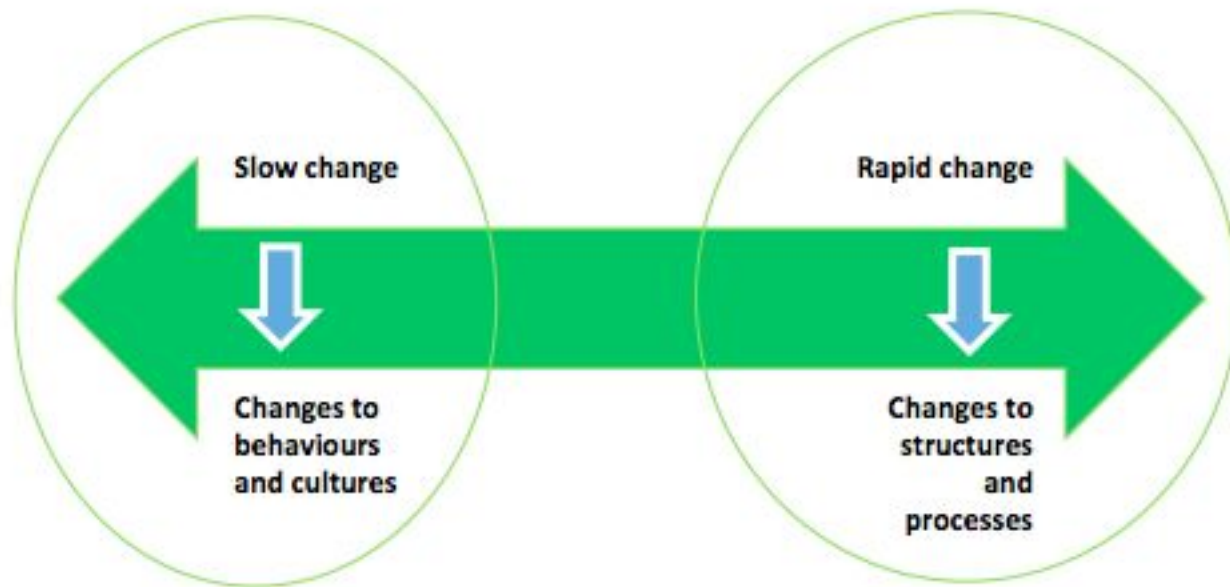


# Adopted approach to change depends on the environmental context





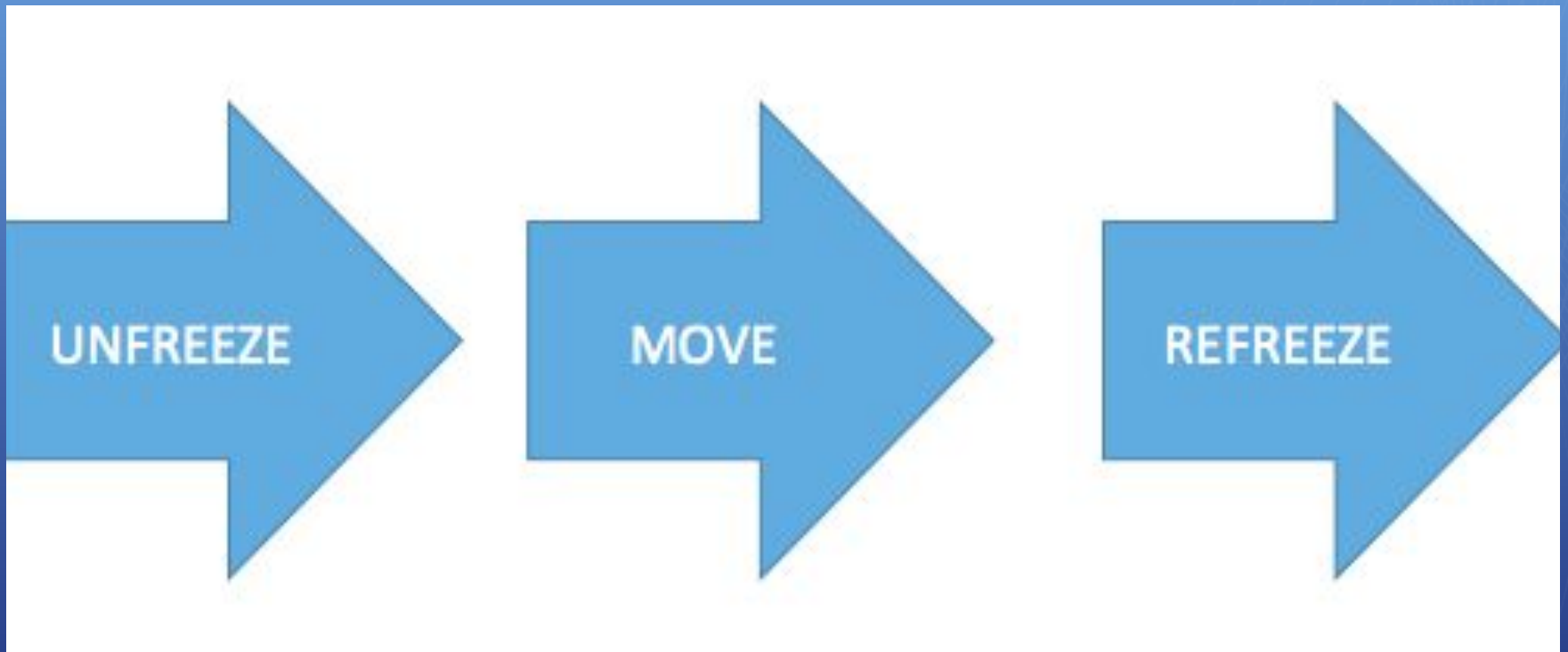
Reference: [Burnes, 2009](#). *Managing change*.



Reference: [Burnes, 2009. Managing change.](#)



# Kurt Lewin as the father of the planned change approach to change







# Model of planned change

(Bullock and Batten, 1985)

## Is change needed?

- Build awareness of need for change
- Seek outside facilitator & set contract with roles & responsibilities



- Stabilise changes to make them part of everyday corporate life
  - Reinforce changes: recruitment, induction programs, rewards, ..
  - E.g. celebrate & communicate successes, training, rewarding

## Understand the organization's problem:

- Gather information to make diagnosis
- Establish change goals
- Decide on actions
- Persuade key decision-makers to support the changes

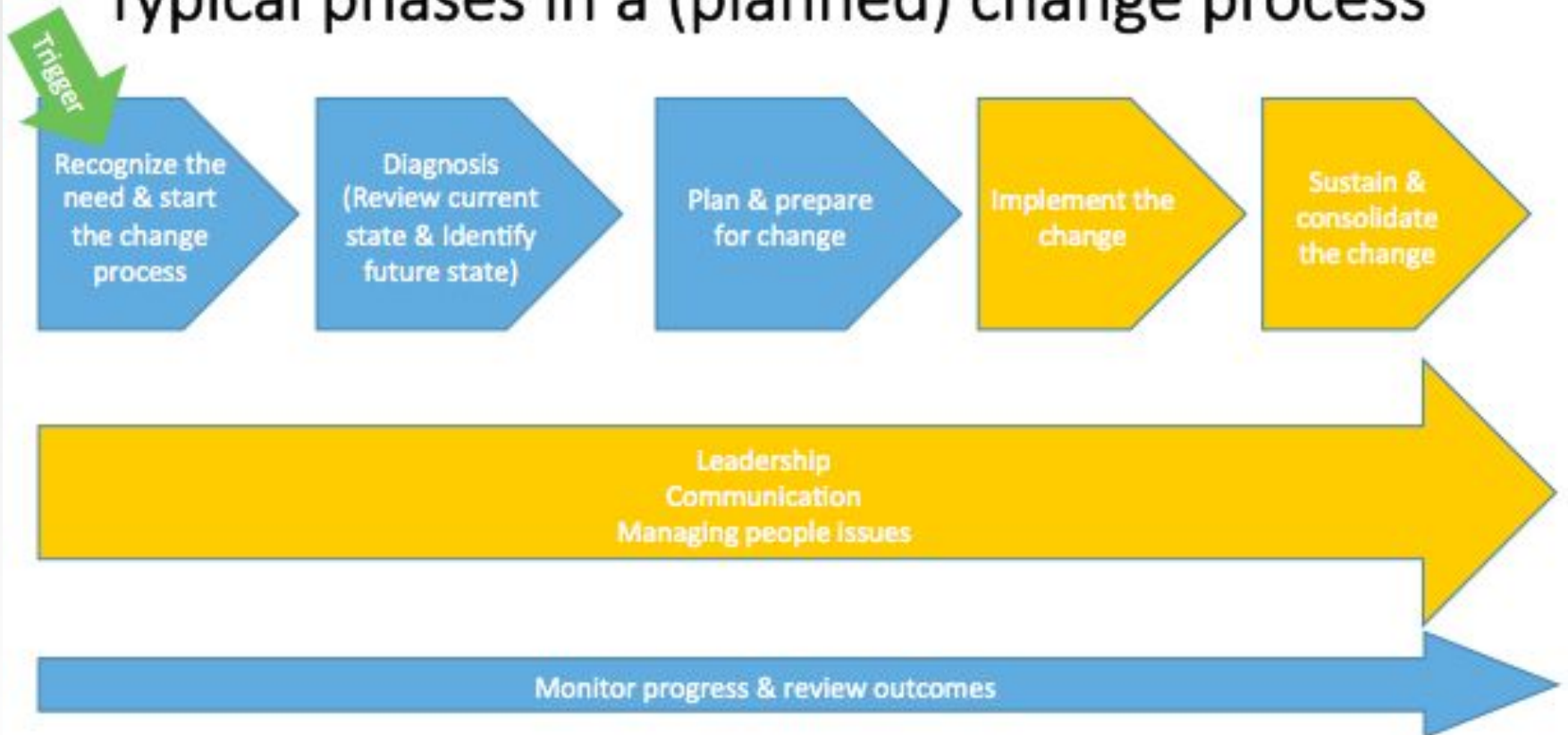
- Move organization from current to desired state
- Changes in structures and processes
- Evaluate progress and feed back changes

Reference: [Burnes, 2009. Managing change.](#)

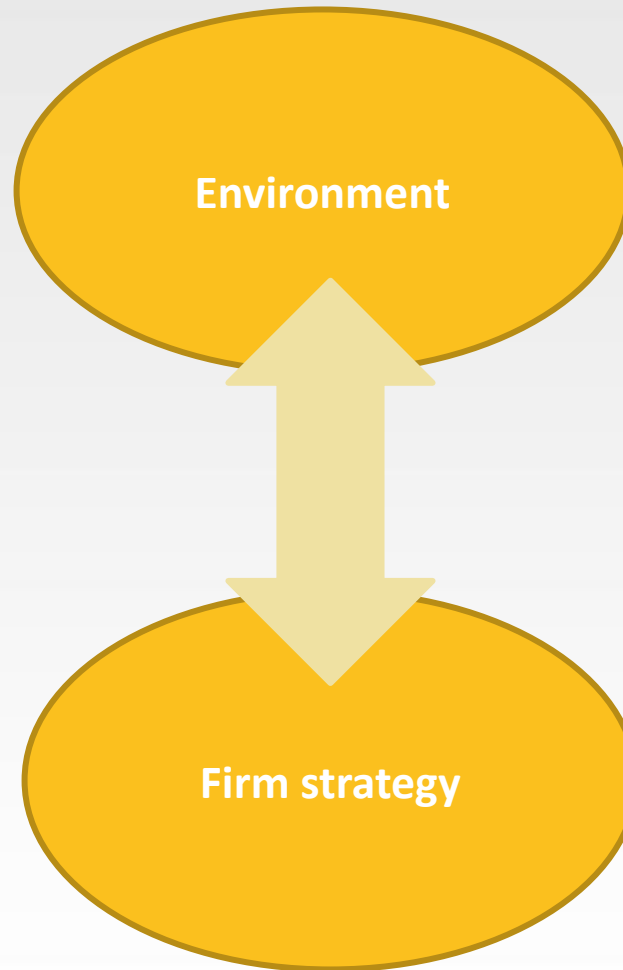
Note: this model integrates/summarizes many existing 'planned' models of change



# Typical phases in a (planned) change process

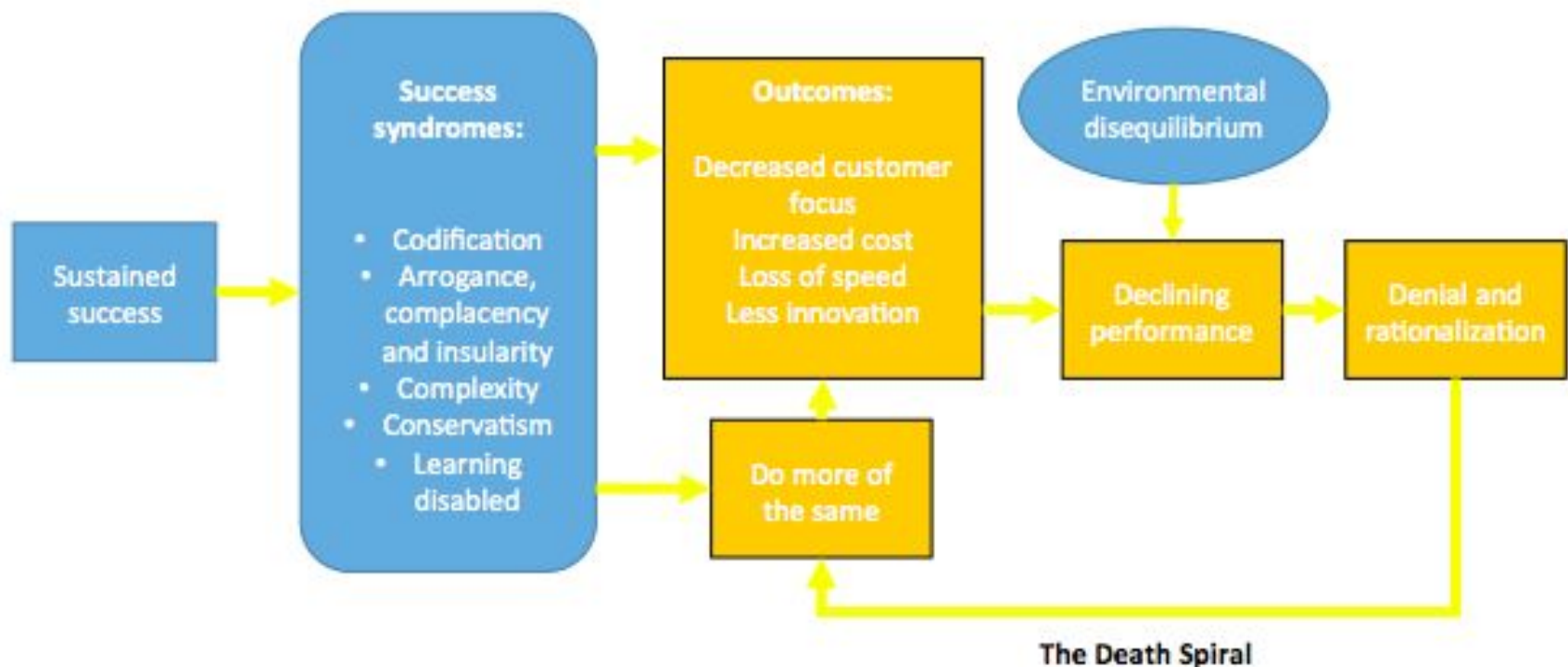


Hayes, John. 2010. *The practice and theory of change management*. Palgrave Macmillan.





# The trap of success



Nadler, D A & Shaw R B. 1995. *Discontinuous Change: Leading Organizational Transformation*. Jossey-Bass.



# Measuring organizational effectiveness

- Organizational purpose & desired outcomes (% organization type)
- Stakeholder perspective from which the assessment is made
  - E.g. customers, suppliers, employees, wider community, ..
- What is the level of the organization assessed?
  - Corporation, business division, unit, department, team, individual, ..
  - Need for alignment of indicators across the organization
- What is the timeframe used?
  - E.g. short, medium, long-term
- What are helpful benchmarks?



# Assessing organizational effectiveness:



## *The balanced scorecard approach*





# Diagnosing the problem:

## *Use of diagnostic models*

### Strategy models

#### Analysing the firm's external environment

- PESTEL analysis
- Industry life cycle
- Contingency theory
- Porter's five forces

#### Fit between internal & external environment

- SWOT analysis
- Stakeholder analysis
- ..

### Organizational models

#### Analysing the firm's internal environment

- McKinsey 7S Framework
- Firm life cycle analysis
- Value chain analysis
- ..



RESEARCH?! RESEARCH!





# Develop a change plan



- Appoint a transition manager
- Identify what needs to be done
- Develop an implementation plan
  - Identify the end state / actions / key activities
- Use multiple and consistent leverage points for change
- Schedule activities
- Provide resources
- Reward transition behaviours



**How to gain feedback,  
and measure the  
progress & outcomes of  
change initiatives?**



*During an intervention:*

## Monitoring during the implementation of the change plan

1. Are interventions on track?
2. Are interventions producing the desired results?
3. Is the change plan still valid? What changes are needed?



A balanced scorecard approach  
(Kaplan & Norton, 1996), by  
focusing on 3-5 key metrics  
supporting your change initiative  
/ your organization's vision

## ***After an intervention:***



### **Reviewing a change intervention**

***- Remember focusing on positives instead of negatives only!***

1. **Improvement.** What was not done in this change intervention that we ought to do in the future?
2. **Deletion.** What went badly in this change intervention that we ought to make sure we don't do in the future?
3. **Continuation.** What went well in this change intervention that we ought to make sure we always do in the future?



# Putting the review into action

- **Action.** How will we ensure that we action the points identified? Who follows up on these actions?
- **Organization-wide learning.** How do we ensure that this learning is captured and shared widely in the organization?
- **Adjusting.** Do we need to adjust our change processes/roles? Throughout the organization?
- **Systems.** Do you need improved systems/tools? How to get them?
- **Rewarding.** Who performed exceptionally well? How are these individuals rewarded?



## Workshop 6

- Your group will present one of the innovation types. Choose whatever you want. Then the other groups will judge your presentation.



## Workshop 4

1. Describe the structural, cultural and human resources variables that are necessary for innovation.
2. Provide your own examples – companies that changed some variables and present them.





# Project Presentation - 1

- Your conditions: which context factors?
- Choose own innovation management process model.



# **HOMEWORK1: PREPARE PICTURES – SHARE YOUR OPINION**

- 1: What is our most common experience of change?
- 2: What constitutes good & effective change?
- 3: What constitutes negative change?



# **HOMEWORK2: CHANGE YOUR LIFE**

FOR EXAMPLE,

- BRUSH YOUR TEETH WITH “WRONG” HAND ONE WEEK
- DRINK WATER FREQUENTLY
- THINK POSITIVELY
- START TO PLAN