

# REVISION IMPLEMENTING CHANGE



## 1. THE IMPORTANCE OF **LEADERSHIP** IN CHANGE MANAGEMENT



Janine Allis, founder of Boost Juice, with a net worth of more than \$70 million in 2018.

One of Janine Allis famous quote- "Self-discipline is the most common trait of great and successful leaders."

LEADERSHIP DEFINITION:

Reminder

Examples of different management skills are:



### THE IMPORTANCE OF LEADERSHIP IN THE CHANGE MANAGEMENT PROCESS

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### THE IMPORTANCE OF COMMUNICATION IN EFFECTIVE LEADERSHIP DURING TIMES OF CHANGE

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## 2. MANAGEMENT STRATEGIES TO RESPOND TO KPI

REACTIVE MANAGEMENT STRATEGY	KPI	BENEFITS / LIMITATIONS OF THE STRATEGY
<p><b>Staff Training and Development</b></p> <p>A. ON THE JOB (coaching / mentoring / job shadowing)</p> <p>B. OFF THE JOB (conferences / lectures / workshops)</p> 	<p><i>Number of Customer Complaints (high)</i>  <i>Low rate of productivity</i>  <i>Low (or reduced) net Profit</i>  <i>Level of Wastage (high)</i>  <i>Low (or reduced) productivity</i>  <i>High absenteeism</i>  <i>High staff turnover</i>  <i>High absenteeism</i>  <i>High staff turnover</i>  <i>High absenteeism</i>  <i>High staff turnover</i></p>	
<p><b>Staff Motivation</b></p> <p>MOTIVATION STRATEGIES</p> <ul style="list-style-type: none"> <li>- performance related pay</li> <li>- career advancement</li> <li>- investment in training</li> <li>- support</li> <li>- sanctions</li> </ul> 	<p><i>Productivity rates low</i>  <i>Percentage of market share decreases</i>  <i>Falling number of sales</i>  <i>High number of Customer Complaints</i>  <i>Percentage of market share too low – seeking new competitive edge</i>  <i>Low (or reduced) net Profit</i>  <i>Level of Wastage (high)</i>  <i>High absenteeism</i>  <i>High staff turnover</i></p>	
<p><b>Change in Management Styles and Management Skills</b></p> <p>STYLES: autocratic / persuasive / consultative / participative / laissez faire</p> <p>SKILLS: communication / delegation / planning / leading / decision-making / interpersonal</p> 	<p><i>Rates of staff absenteeism high</i>  <i>Rates of staff turnover high</i>  <i>Productivity rates low</i>  <i>Number of customer complaints high</i></p>	

<p><b>Investment in Technology</b></p> <ul style="list-style-type: none"> <li>- Automation (robotics)</li> <li>- CAD</li> <li>- CAM</li> <li>- Website development</li> </ul> 	<p><i>Productivity rates low</i>  <i>Percentage of market share low</i>  <i>Number of sales low</i>  <i>Number of customer complaints high</i>  <i>Level of wastage high</i>  <i>Number of workplace accidents high</i></p>	
<p><b>Improving Quality in Production</b></p> <ul style="list-style-type: none"> <li>- Quality control</li> <li>- Quality assurance</li> <li>- TQM = total quality management</li> </ul> 	<p><i>Percentage of market share low</i>  <i>Number of sales low</i>  <i>Number of customer complaints high</i>  <i>Level of wastage high</i></p>	
<p><b>Cost Cutting</b></p> <ul style="list-style-type: none"> <li>- lower salaries</li> <li>- reduce waste</li> <li>- look for lower supplier costs</li> <li>- lower travel expenses</li> <li>- JIT</li> </ul> 	<p><i>Net profit figures low</i>  <i>Number of sales low</i>  <i>Percentage of market share low</i>  <i>Level of wastage high</i>  <i>Net profit figures high</i></p>	
<p><b>LEAN Production Techniques</b></p> <ul style="list-style-type: none"> <li>- 7W</li> <li>- 5S</li> <li>- Kaizen</li> </ul> 	<p><i>Number of customer complaints</i>  <i>Number of sales low</i>  <i>Waste levels high</i>  <i>Customer complaints high</i>  <i>Number of sales low</i></p>	
<p><b>REDEPLOYMENT OF RESOURCES</b></p>  <ul style="list-style-type: none"> <li>- Natural (timber / water)</li> <li>- Labour</li> <li>- Capital (machinery /equipment)</li> </ul>	<p><i>Levels of wastage too high</i>  <i>Number of accidents</i>  <i>Level of staff turnover</i>  <i>Net profit figures low (expenses high)</i></p>	

## 5. LOW RISK AND HIGH RISK STRATEGIES TO OVERCOME EMPLOYEE RESISTANCE

LOW-RISK STRATEGIES involve a participative approach to implementing change. These strategies are less likely to result in employee resistance and therefore increase the likelihood of the change being successful



**LOW RISK**

A low-risk strategy is a more ethical approach to change management as it involves treating employees with respect.

COMMUNICATION:

ADVANTAGES:

DISADVANTAGES:

EMPOWERMENT:

ADVANTAGES:

DISADVANTAGES:

SUPPORT:

ADVANTAGES:

DISADVANTAGES:

INCENTIVES:

ADVANTAGES:

DISADVANTAGES:

HIGH-RISK STRATEGIES involve an autocratic approach to implementing change.

These are deemed high-risk as they are more likely to lead to employee resistance towards the change.



**HIGH RISK**

High risk strategies, such as threat and manipulation, can lead to managers exhibiting unethical behaviours.

MANIPULATION:

ADVANTAGES:

DISADVANTAGES:

THREATS:

ADVANTAGES:

DISADVANTAGES:

### 3. **MANAGEMENT STRATEGIES TO SEEK NEW BUSINESS OPPORTUNITIES: DOMESTICALLY AND GLOBALLY**

Why should a business seek new opportunities?

- Desire to expand profits
- Move out of a market in decline
- Move out of a market with overly strong competition
- Get into a new market just as it begins to expand



KEY KNOWLEDGE	ADVANTAGES	DISADVANTAGES
<b>RESEARCH AND DEVELOPMENT</b>		
<b>NICHE MARKETS</b>		
<b>INNOVATION</b>		
<b>TECHNOLOGY</b>		
<b>EXPORTING GOODS / SERVICES</b>		
<b>OVERSEAS PRODUCTION</b>		

## 4. PRINCIPLE'S OF SENGE - LEARNING ORGANISATION

Peter Senge defined a Learning Organisation as follows:

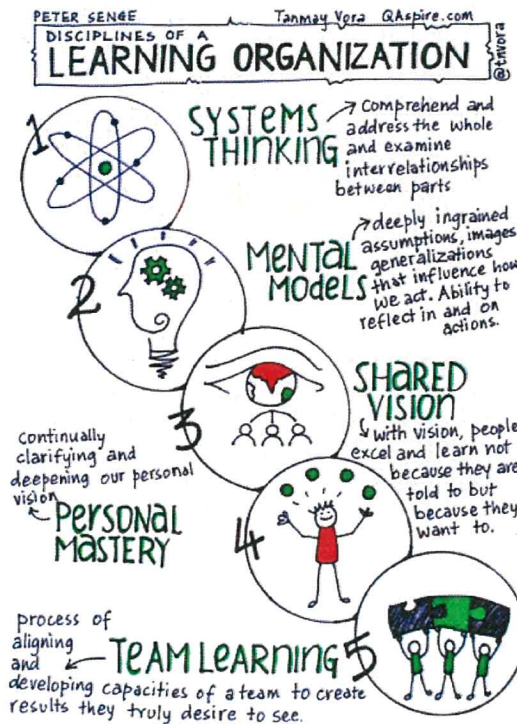
*'Organisations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together.'*

Systems Thinking

Mental Models

Personal Mastery

Shared Vision



Team Learning

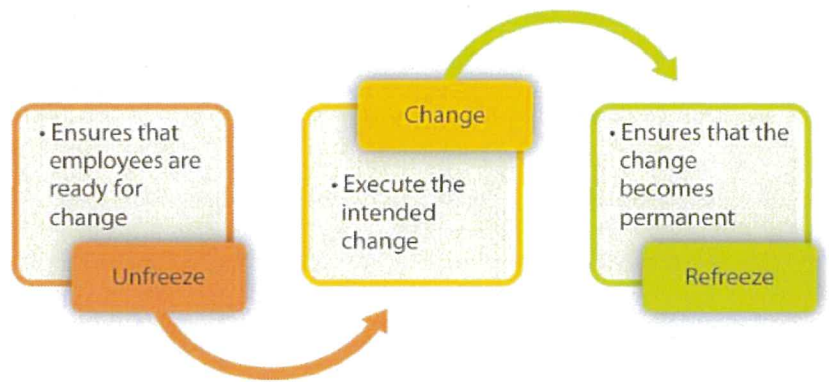
ADVANTAGES OF SENGE'S THEORY

DISADVANTAGES OF SENGE'S THEORY

## 6. KEY PRINCIPLES OF THE **THREE STEP CHANGE MODEL (LEWIN)**

Kurt Lewin developed a change model involving three steps: unfreezing, changing and refreezing.

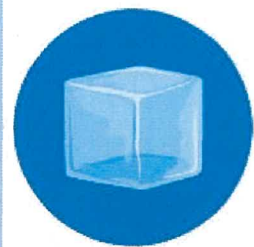
For Lewin, the process of change entails creating the perception that a change is needed, then moving toward the new, desired level of behaviour and finally, solidifying that new behaviour as the norm.



Unfreeze

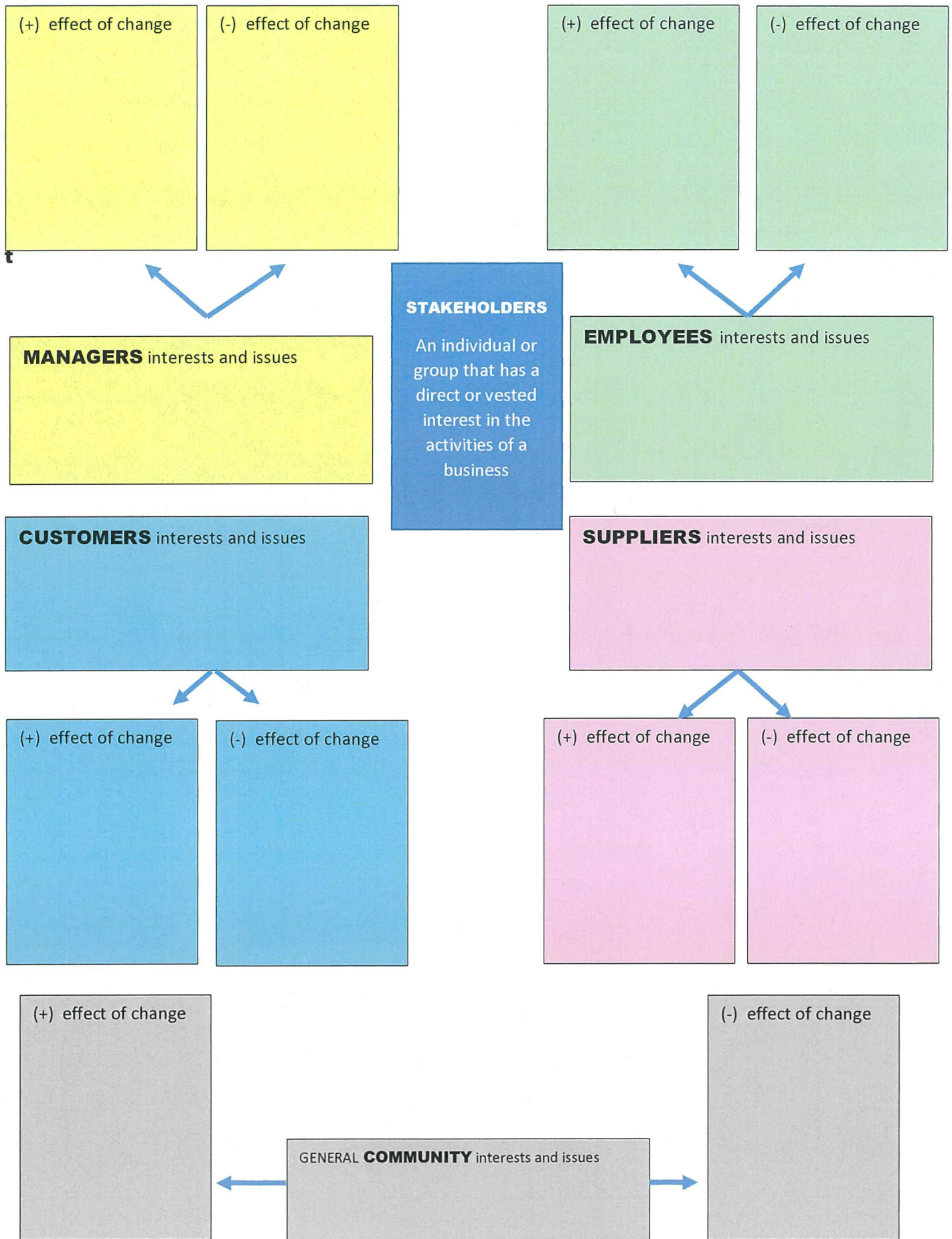


Change



Refreeze

## 7. EFFECT OF CHANGE ON **STAKEHOLDERS**





## 8. CORPORATE SOCIAL RESPONSIBILITY IN CHANGE MANAGEMENT

**Definition:** Corporate Social Responsibility (CSR) takes into account an approach that is both ethical and socially responsible. It expresses concern for how its practices affect the environment and society's health and welfare, ethical concern for its workforce and their families, but does not include what is legally required by regulators.

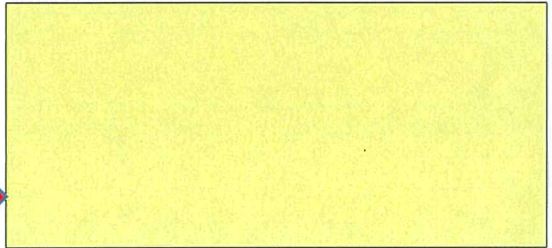
EVALUATE THE BENEFITS WHEN IMPLEMENTING CSR:

Positive (+)	Negative (-)
<ul style="list-style-type: none"> <li>- Impact on sustainable future</li> <li>- Benefits society health &amp; welfare</li> <li>- Society more forgiving in future public relations issues</li> <li>- Employer of choice</li> <li>- Additional marketing opportunity</li> <li>- Better business reputation – can translate into improve sales for new customers, brand loyalty for existing customers</li> </ul>	<ul style="list-style-type: none"> <li>- Financial cost</li> <li>- Diverted time away from core business</li> </ul>

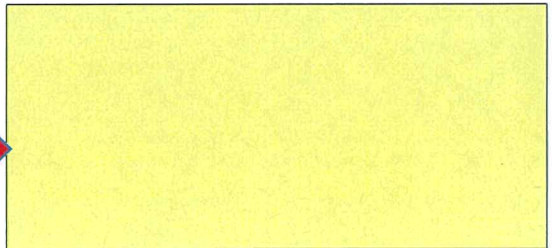
- EXAMPLES of CSR behaviour: ENVIRONMENT**
- Recycling paper use
  - Using renewable energy
  - Ensuring the supply chain is also behaving in an CSR approach
  - Waste management
  - Reducing a business's carbon footprint

- EXAMPLES of CSR behaviour: WORKFORCE**
- Providing a flexible work atmosphere for its employees,
  - Lessening noise pollution from a factory
  - Allowing employees to volunteer their time for other non-profit organisations
  - Employing local workers

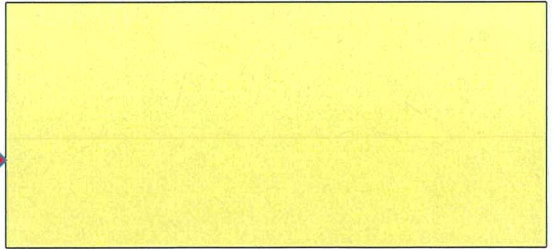
- EXAMPLES of CSR behaviour: SOCIETY'S HEALTH AND WELFARE**
- Giving non-profit organisations a portion of a business' proceeds
  - Supporting community education through philanthropic donations of money or equipment,
  - Using only fair trade ingredients
  - Making donations of time or money to charities
  - Ensuring the supply chain is also behaving in an CSR approach
  - Sponsoring local events



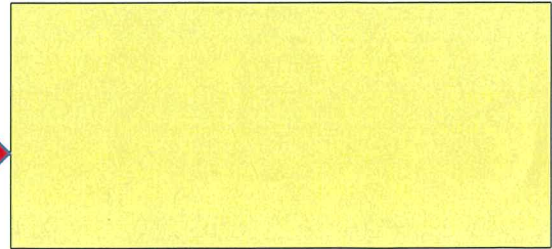
**Employees want / demand their company to be socially responsible**



**Consumers expect better business practices (and will pay for it)**



**It creates competitive advantage and makes business more sustainable in the long-term**



**It is vital to be moral**



