

Unit 4: Chapter 10

MANAGING CHANGE

Learning Outcomes from this chapter

On completion, you should be able to:

- Identify the strategies for managing change in a business
- Explain the changing role of a manager from controller to facilitator
- Discuss how employee empowerment helps manage relationships
- Discuss the importance of total quality management
- Outline the stages in forming new teams
- Understand the importance of employee participation
- Understand how technology changes the role of management
- Explain the impact of technology on personnel/business costs, and business opportunities

Reasons why employees may be resistant to change

- Loss of job security
- No obvious reward or benefit
- Fear of the unknown
- Fear of failure
- Inertia, happy with the status quo (individual or cultural)



Strategies for managing change effectively

1. Communication	6. Training and development
2. Rewards	7. Emphasis on quality – TQM and quality assurance
3. Change from a controller manager to a facilitator manager	8. Lead by example
4. Employee empowerment	9. Teamwork
5. Adequate resource provider	10. Employee participation

1. Communication

Open and honest communication is required, where management consult with staff when making changes. This removes the fear of the unknown. When staff are updated regularly, management can explain the motivations for change.

2. Rewards

Management can negotiate with staff and offer increased pay, bonuses, flexi-time, extra holidays or access to training courses to encourage staff to embrace the proposed changes.

3. Change from a controller manager to a facilitator manager

Controllers enforce change and want to keep decision-making power, without including or consulting staff.

Facilitators guide and coach staff, empowering them to make changes, showing trust in them to offer solutions. Staff are more energised to work.

4. Employee empowerment

Managers give staff power, freedom and permission to make decisions. When management grant extra responsibility, this shows trust and encourages staff to use their initiative and be motivated.

Benefits	Quicker decisions, better solutions, increased job satisfaction, better staff
Risks	Staff unhappy with extra responsibility, staff need training, some poor decisions, loss of control

5. Adequate resource provider

Provide: new devices (e.g. laptops, software, machines); training (on-the-job and off-the-job courses); time (reduced workload and time allocated to work on change); and more staff (more people hired to spread the extra work).

6. Training and development

Train or re-train staff so they feel better prepared and confident in dealing with change. Enable staff to be more adaptable to change and to work in teams.

7. Emphasis on quality – TQM and quality assurance

Focus on customers	TQM puts the customer at the heart of researching, designing and manufacturing their product
Continuous improvement	TQM businesses strive for 'zero defects', always trying to highlight areas of production they can improve on
Teamwork	TQM uses teams to enable decision-making and productivity
Employee empowerment	TQM gives employees real responsibility, power and trust in decision-making

7. Emphasis on quality – TQM and quality assurance (*cont.*)

Quality Assurance: maintaining a desired level of quality; can aim to achieve quality awards

Benefits	Quality awards are internationally recognised and allow a business to charge a higher (premium) price. To achieve an award, systems are improved, which leads to reduced errors. Management and staff work to shorter-term targets, which brings focus.
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8. Lead by example

When a manager shows they are committed to and believe in change, staff are more likely to accept change too.

9. Teamwork

Use the matrix structure to increase commitment, purpose, involvement and adaptability.

Stages	Forming (polite); storming (conflict); norming (routines); performing (excel)
Benefits	Satisfaction, improved human relations, better decision-making, happier staff, lower staff turnover

10. Employee participation

Encourage staff to become involved in decisions about the overall running of the business.

How?	Through work councils, employees as board members, issuing share options
Benefits	Increased involvement, better information available for decisions at top level, control is delegated, staff do not feel uncertain

Implications of technology for a business

Implications	Opportunities	Costs
Finance	CAM reduces defects	Purchase, installation and maintenance
Production	More speed, quality, efficiency	New machines and training for staff
Staff	Flexi-time, FaceTime, remote work	Redundancies if job replaced by IT
Communications	Large data analysed quicker (Excel)	IT security and encrypted files

Implications of technology for a business (*cont.*)

Implications	Opportunities	Costs
Marketing	Access to new markets through e-commerce	Website costs and maintenance
Security	Digital data more secure, less storage space	Costly virus protection
Customers	Faster for customers to book, complain, etc.	IT problems can lead to lost orders