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# A strategic framework for change management

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Many organizations have undergone substantial change over recent years and the importance of organizational culture to organizational analysis and change management has been increasingly recognized. However, the implementation of change is a complex process that is not always successful due to a variety of reasons. Failure in most change processes can be traced back to poor communications and underestimation of the amount of retraining required. The main aim of this research is to identify the key steps that could improve the management of change. Literature relating to organizational culture, the need for change, types of change and resistance to change was used to develop a theoretical basis for the research. Organizational change management case studies and exploratory interviews were used to document experiences of organizational change and develop a strategic framework for change management. Validation was through acceptance and adoption of the developed process within a construction-based organization. The research has demonstrated how well-planned change helps to ensure that change is successfully implemented. Critical to successful change is not only the development of more efficient and effective processes but alignment of organizational culture to support these new processes.

**Keywords:** Change, culture, strategy, framework, organization

## Introduction

All organizations need to change and develop if they are to remain competitive and satisfy clients' ever increasing expectations. The need to change is usually driven by external factors such as new legislation or increased competition, or internal factors such as the implementation of new technologies. However, the implementation of change is a complex process that is not always successful mainly due to poor communications or an underestimation of the amount of retraining required. Although new work processes and procedures can be introduced over relatively short time frames, organizational culture may also need to change in line with the work processes, which may take considerable longer than at first envisaged. The aim of this research is to identify the key steps and develop a strategic framework for change management. Literature relating to organizational culture, the need for change, types of change and resistance to change was used to develop a theoretical basis for the framework. Organizational change management case studies and exploratory

interviews were used to document organizational change experiences and combined with the findings from literature to develop the framework.

## Social and Organizational Culture

### Social Culture

The anthropologist Kluckhohn (1949, p. 17) defined culture as 'the set of habitual and traditional ways of thinking, feeling, and reacting that are characteristic of the ways a particular society meets its problems at a particular time'. This and other early definitions of social culture suggested that it is possible to mechanistically define 'organization culture' and establish the relationships between organization culture, change and performance. Although Hofstede's (1998) is extensively cited in literature relating to 'national cultures', his simplistic approach has however been criticized by others including McSweeney (2000). The complexity of organizational culture has been increasingly recognized and earlier simplistic notions of culture have been superseded (Lundberg, 1985; Gagliardi, 1986; Schein, 1992).

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## What is an organization?

Selznick (1957, p. 5) highlighted the difference between organizations and institutions, stating that the term organization

*suggests a certain bareness, a lean, no-nonsense system of consciously co-ordinated activities. It refers to an expendable tool, a rational instrument engineered to do a job. An 'institution', on the other hand, is more nearly a product of social need and pressures – a responsive, adaptive organism.*

More recently, Huczynski and Buchanan (2001, p.884) defined an organization as 'a social arrangement for achieving controlled performance in the pursuit of common goals'.

## Organizational culture

Kroeber and Kluckhohn (1952) identified over 160 definitions of 'culture'; consequently, there is little agreement on what the term means and how it can be measured. Pettigrew (1979) was one of the first to use the term 'organizational culture'; it was however Brown (1954, p. 6) who provided perhaps the first step towards defining 'organizational culture':

*The culture of an industrial group derives from many sources: from class origins, occupational and technical sources; the atmosphere of the factory which forms their background; and finally, from the specific experiences of the small informal group itself. Some of its more important manifestations may be classed as: occupational language; ceremonies and rituals; and myths and beliefs.*

Barnard (1938), Selznick (1957), Gouldner (1960, 1965), Saint-Simon (1975) and Weisbord (1987) recognized the need to consider cultural aspects in the study of organizational performance. More recently, Denison (1984), Fiol (1991), and Kotter and Heskett (1992) emphasized culture as key to improving performance.

Schein (1985) developed a three-stage life-cycle model of organizational culture change – birth and early growth; organizational midlife; and organizational maturity – with each stage having its own culture supporting different functions. Schein (1992, p. 2) subsequently defined organizational culture as:

*a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems.*

Schein's definition is similar to Lundberg's but introduced four key dimensions: artefacts; perspectives; values; and basic assumptions. Many factors affect

organization culture: organizational symbolism, legends, stories, myths and ceremonies (Peters, 1978; Kennedy, 1982; Trice and Beyer, 1984). Identifying the key dimensions is crucial to defining and measuring organizational culture (Brown, 1954; Mitroff and Kilmann, 1976; Martin and Powers, 1983). Figure 1 illustrates how different aspects interact to create an overall cultural belief (Beardwell and Holden, 1997).

More recently, Torrington and Hall (1995, p. 114) defined organizational culture as:

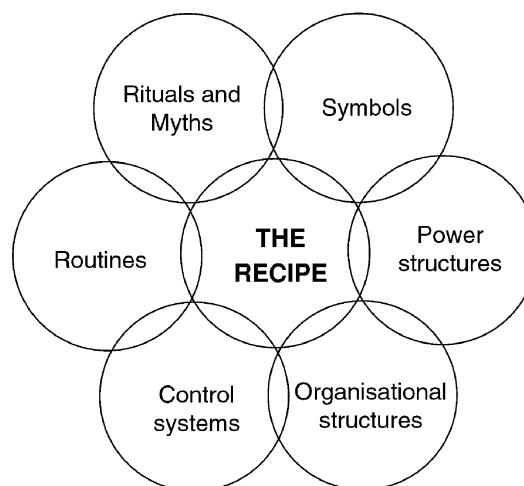
*the characteristic, spirit and belief of an organization demonstrated, for example, in the norms and values that are generally held about how people should behave and treat each other, the nature of working relationships that should be developed and attitudes to change. These norms are deep, taken for granted assumptions that are not always expressed, and are often known without being understood.*

A number of authors have discussed the importance of organizational culture to organizational analysis and change management (Lawrence and Lorsch, 1967; Daughen and Binzen, 1971; Van Maanen and Schein, 1979; Ouchi, 1981; Schwartz and Davies, 1981; French and Bell, 1999).

## Change

### Social Change

Most societies comprise large social groups (for example: upper class, middle class; and working class) with different values and experiences. The same applies to organizations, where the groups may be directors;



**Figure 1** The cultural web of an organization (from Beardwell and Holden, 1997, p. 234)

senior and middle management; and skilled and unskilled workers. The *functionalist* perspective considers that societies and organizations rely on individuals and groups having specific roles. However, *conflict theory* states society and organizations should motivate individuals and groups to work and maximize their benefits, which in turn drives social and organizational change. Competition thus plays an important role in conflict theory, which is based on three main assumptions:

- competition, rather than consensus, is a key human trait;
- structural inequalities in power and reward exist in all social structures; and
- revolutionary change is often the result of conflict from competing interests rather than through adaptation.

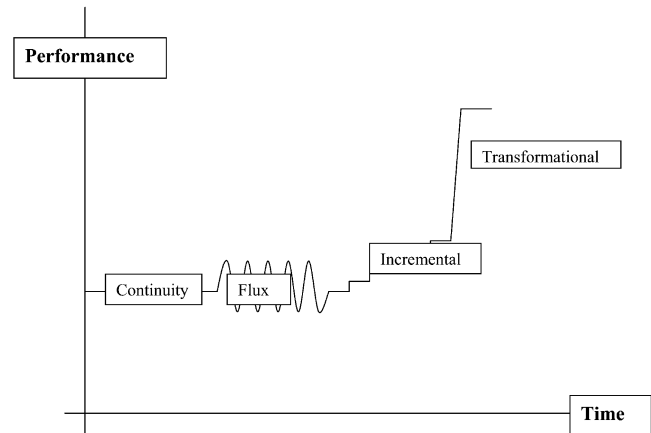
Marxism states that conflict and class-consciousness drive change, inevitably resulting in a communist society. Although conflict theory is rooted in Marxism, it states that there will never be an end result and the struggle will always exist. There may well be shared values throughout a society, but this is because the very powerful groups can impose their beliefs on others. Conflict theorists often take a functionalist perspective and argue that society is the driving force that pressurizes individuals to act – for example, to compete with others, go to work or go to school. The concepts surrounding organizational change are thus closely aligned to social change and conflict theory (Collins, 1974).

### Types of change

Many organizations have undergone substantial change over recent years and the pace of change is increasing. Organizational change at an operational or process level requires simple changes to day-to-day tasks, thus incrementally improving performance. However, change can also be at a strategic level, impacting on the direction of a company and the people it employs, thus requiring step changes at operational or process levels. Johnson and Scholes (1999) described four states of strategic change in terms, as illustrated in Figure 2.

If change managers are to develop effective implementation plans they need to understand the different types of change:

- **Crisis change** is a reactive approach driven by external factors and fear of failure;
- **Chosen change** is more a proactive approach driven by a workforce committed to the success of an organization.



**Figure 2** Types of strategic change (adapted from Johnson and Scholes, 1999, p. 46)

However, Pritchett and Pound (1996, pp. 23–7) described three main types of organization change and provided following definitions, which are slightly different to those provided by Johnson and Scholes (1999):

- **Developmental change**: doing more of, or better than, what currently exists;
- **Transitional change**: implementation of a new desired state requiring dismantling existing ways;
- **Transformational change**: implementing an evolutionary new state, requiring major and ongoing shifts in organizational strategy and vision.

### Strategies and models of organizational culture change

A strategy is required when planning change, whether it be crisis- or choice-driven. Porras and Hoffer (1986, pp. 487–91) highlighted several factors critical to successful change management: open communications; information flow; teamwork and collaboration; vision; responsibility; leadership and shared vision; effective problem solving; respect; support and developing others; participation; and strategic management. This section briefly describes some change models; more detailed information has been presented by Cummings and Huse (1989), Rye (1996) and Brown (1998).

- Lundberg's (1985) organizational learning cycle is based on earlier learning-cycle models of organizational change. It emphasizes external environmental factors as well as the internal characteristics of organizations. The main internal

factors required for successful change being: sufficient resources; system readiness; mechanisms for coordinated communications and control; and stable leadership. However, a triggering event is required to start the process.

- Dyer's (1985, p. 233) cycle of cultural evolution suggests if there is perceived crisis 'accompanied by a breakdown of pattern-maintenance symbols', a change in leadership with new values is required for culture change to occur, although there may be a period of conflict before the new values are accepted.
- Schein's life-model (1985) draws on Lundberg's work and maps different stages in an organization's development against the function of culture and various culture change mechanisms.
- Gagliardi (1986) saw the essence of culture as subconscious assumptions expressed in conscious beliefs and values, combined with material artefacts. His model comprises four key development phases: the leadership defines objectives and tasks according to specific belief and values; the belief is confirmed by experience and employees start to share the belief and values; employees accept that the belief and values are the cause of the desired results; and the belief and values become shared unquestioningly and unconsciously by all concerned. Culture change can be *revolutionary* where the old culture disappears, or *transformational* where the exiting culture incorporates new values. However, Gagliardi's incremental model suggests that revolutionary change involves incrementally replacing existing cultures and values rather than changing culture; thus both revolutionary or transformational cultural changes are incremental processes.
- Lewin (1952) provided one of the early fundamental models of planned change and viewed the change process as: unfreezing; moving; and refreezing.
- Tichy (1983, p. 17) defined organizational change as the 'introduction of new patterns of action, belief and attitudes among substantial segments of a population', the main triggers being problems or opportunities that emerge from: the environment; diversification; technology; and people. Tichy emphasized the importance of vision and the need to uncouple existing technical, political and cultural systems before intervening and implementing the vision, which requires aligning and recoupling the systems.
- Roberts and Brown's (1992) composite model, based on the ideas of Lewin (1952), Beyer and Trice (1988) and Isabella (1990), separates

change into three phases: unfreezing mechanisms; experimentation; and refreezing mechanisms. These phases are mapped against two key components of culture change: social behaviours and cognitive states.

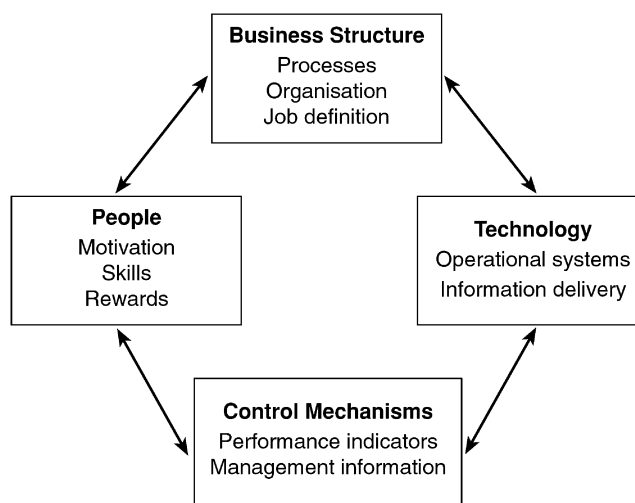
- The Leavitt and Bahrani (1988) Diamond – see Figure 3 – emphasizes the relationships between business structure, technology, people issues and associated control mechanisms.
- McKinley's 'seven S's' provide a comprehensive set of factors and were developed to assess an organization's readiness for change. They identify seven core components – see Figure 4 – none of which should be overlooked before the change process starts (Peters and Waterman, 2004). However, the model takes little account of external factors.
- Weisbord (1978, p. 9) developed a diagnostic tool for identifying six key areas where an organization has to perform well in order to succeed: see Figure 5.

### Conceptualization of the need to change

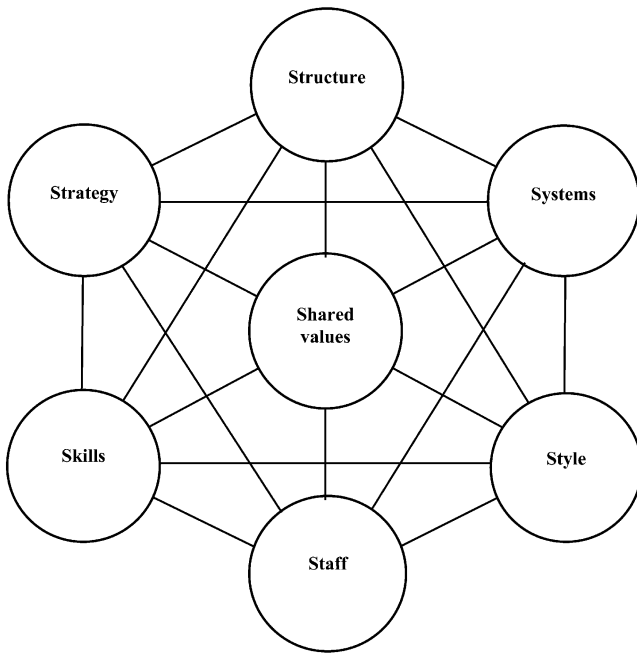
There are many pressures that drive change. Dawson (1994: 43) defined an organization's conceptualization of a need to change as:

*the initial awareness of a need to change may either be in response to external or internal pressures for change (reactive), or through a belief in the need for change to meet future competitive demands (proactive).*

Shareholders, directors and managers have always held the view that things can be better, more efficient, more productive, more cost effective and, most



**Figure 3** The Leavitt and Bahrani Diamond (1988)



**Figure 4** McKinsey's seven S's (Peters and Waterman, 2004, p. 11)

importantly, more profitable. Organizations are also faced with a number of external and internal change triggers, such as new legislation or emerging markets. Consequently, change is almost inevitable. This view is

further supported by Kanter, Stein and Jick (1992, p.490), who state that: 'deliberate attempts to change organizations, whatever the specific form they take, are ultimately driven by someone's belief that the organization would, should, or must perform better'.

In assessing the need to change, an organization should first review what it is changing from, before concentrating on what it is changing to. As highlighted by Kanter, Stein and Jick (1992, p. 503),

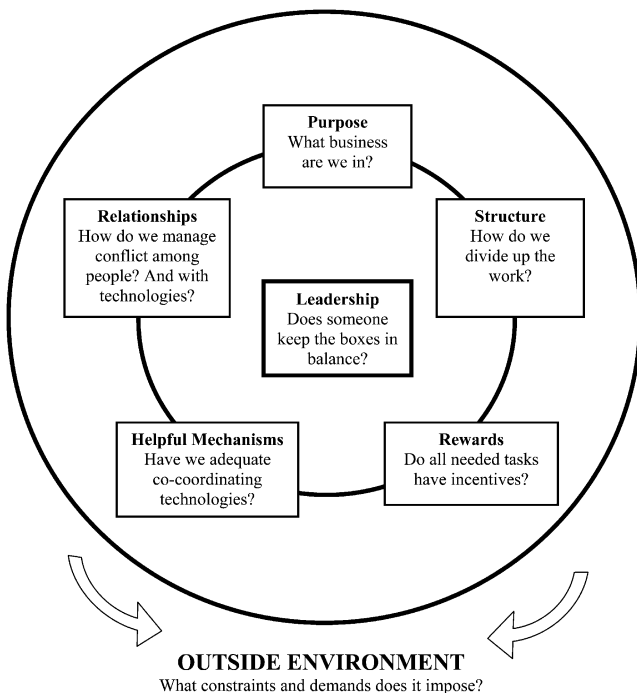
*change implementers must be concerned not only about changing to what: they must also be concerned with changing from what. The path of progress is not determined simply by the destination, a fact often overlooked by those who too glibly accept 'benchmarking' results as a fixed road map for change.*

Hofstede *et al.* (1990) and Cameron and Quinn (1999) provide useful advice on measuring, diagnosing and changing organization culture. A proactive approach enables early recognition of the need to change, thus increasing the probability of successfully managed change. However, as stated by Gagliardi (1986), the need for large-scale change is rarely perceived by those deeply involved in the existing culture and is often first recognized by outsiders. Culture change therefore often requires leadership from outside the main culture.

### Interface between change and organizational culture

There are many factors that affect organizational culture; these overlap and interact to create an overall cultural belief. This cultural belief is instilled into employees over a period of time until it becomes a semiconscious norm. Rye (1996, p. 14) highlighted the interface between change and organization culture (see Figure 6):

*change of whatever form interfaces with three main organizational components which effectively constitute the corporate culture. Change management must take into account each of these three components, which are: the historical and political evolution of the company; the management and organization of the company; and the people who work for the company.*

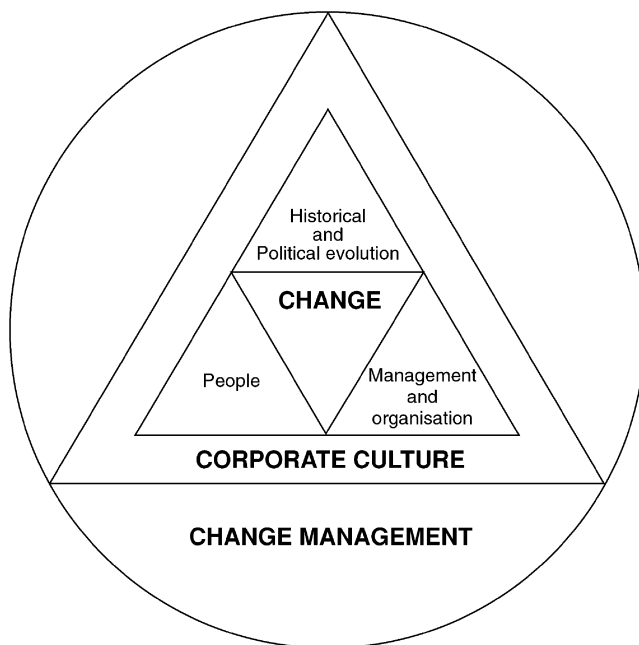


**Figure 5** Weisbord's six-boxes (adapted from Weisbord, 1978, p. 9)

### Implementing Change

#### Evaluation of the current situation

An organization's ability to effectively plan and manage change depends on how reviews and analyses take into account its existing culture. Changing and adapting the cultural paradigms usually takes considerably more time than implementing new procedures or



**Figure 6** The interface between change and corporate culture (Rye, 1996, p. 14)

technology. Williams (1989, p.57) detailed some factors that influence the rate of cultural change and observed that:

*It must be noted that some of these factors can operate to promote either change or stability. Thus, for example, a crisis may promote change and/or may result in feelings of insecurity which cause rigidity and resistance to change.*

Organizations need to not only examine *what* process and cultures exist today, but also *why* they are that way, which can consume considerably more time and resources. In gaining an understanding of *why* current process and cultures exist, managers can plan *how* to leave the present state and assess more realistically assess knock-on effects. La Marsh (1995, p. 44) identified three pertinent questions:

- How did things get to be this way?
- How long have things been this way?
- What keeps things the way they are?

Being satisfied with the experience of previous successes, people frequently prefer to copy systems and procedures that have been in place without recognizing the need to change, as in the construction industry, which is recognized for its resistance to change. However, 'change for change's sake' should be avoided, particularly if things are going well and the external environment is stable.

### A participative and consultative process

According to Thaspia (1990, p. 15), 'Organizational Change is a process and not necessarily an event. And as a process it is an ongoing thing. That is, it happens all the time'. The change 'process' can be well managed but the results could be disastrous if the wrong change solution is selected. This can happen when management adopt 'pet' solutions successfully applied elsewhere but under very different circumstances. But who should decide which changes are appropriate, and should people accept responsibility for changes that they have not chosen and appear to be wrong? The importance of communication and worker participation was reinforced by Burnes (1992, p. 242):

*It is a key role for managers to create the conditions in which individual initiative and teamwork thrive, rather than identify and prescribe in detail what individuals should do. Managers should no longer identify and implement some ideal universal model. Rather they should establish, jointly with those most closely affected, the structures and practices necessary to operate effectively under the conditions which prevail at any particular point in time.*

Senior management has a key leadership role in developing the vision and achieving change through consultation rather than by diktat. However, where a traditional non-consultative culture exists and the workforce do not have the appropriate decision-making skills, senior management needs to create the conditions in which the required culture develops and the workforce becomes more able to contribute to the consultative process. To ensure control of the change process, some critical questions need to be answered. Who owns the change? Who is supposed to implement the change? Who will the change have an impact on? It has been widely recognized that any change needs champions, according to La Marsh (1995), and these may include 'initiating sponsors', 'sustaining sponsors', 'change agents', 'targets' and 'advocates'.

### Human response to loss and change

Kubler-Ross (1969) has argued 'that we deal with loss, and impending loss in moving through a number of stages, each characterized by a particular emotional response'. The stages of Kubler-Ross's response cycle are 'denial', 'anger', 'bargaining', 'depression' and 'acceptance'. Change can be as traumatic and stressful as loss. The response cycle clearly indicates a sequence of emotions during a period of disruption. Some individuals may display some or all of the characteristics during a period of change; however, the loss cycle does not allow for clashes and changes in values, which are an important part of the change process.

Management should take steps to avoid or least alleviate the depression phase of the cycle, but at the same time recognize that resistance to change and overcoming resistance is central to the success of any change strategy. Bryant (1989, pp. 9–10) suggests there are at least six factors that interact to determine how individuals feel about change a change that affects them – see Table 1.

**Resistance to change**

When change is implemented, there will always be a certain amount of resistance. Huczynski and Buchanan (2001, p. 887) defined resistance to change as ‘an inability, or an unwillingness, to discuss or to accept organizational changes that are perceived in some way damaging or threatening to the individual (or group)’. Williams (1989, p. 91) comments on the conditions that are most likely to bring about this type of behaviour:

- *the need for change is not recognized by those affected by it;*
- *there is an increase in the level of uncertainty relating to one’s future job, its rewards, power and status (matters which are important to the needs of the individuals and groups); and*
- *the change strategy adopted fails to take sufficiently into account the conditions under which people learn and display new behaviours in the organizational setting.*

Individuals, groups and situations differ and it is difficult to predict how they will associate with the challenges of change and how particular changes will be regarded by those affected. In predicting where resistance to change will come from, managers should first identify who will win and who will lose from the proposed changes. However, change opponents also

play an important and often under-appreciated role. Those with day-to-day involvement and detailed knowledge, which may not taken into account during the early conceptualization of the proposed changes, will be in a good position to challenge and hopefully improve the proposed changes.

**Case studies**

The findings from case studies and interviews were compared to recognized theories. The British Telecom (BT) case study summarizes some key points from Price and Murphy (1987, pp. 45–8). Interviews were also conducted with two managers with considerable knowledge and experience relating to change implementation. A written interview guide was provided to both interviewees prior to the meetings. The interviews were semi-structured and had an open-ending format to encourage the interviewees to discuss their experiences in detail.

**British Telecom case study**

BT has been subject to radical change including: privatization, liberalization and deregulation; increasing competition and technological advances (Price and Murphy, 1987). The senior management of British Telecom Western London District (BTWLD), a major operating unit employing over 6,000 staff and with a turnover of several million, had recognized to need for change and the first step taken was to call in consultants and hold a series of two- and three-day residential workshops for the board to determine:

- Where are we now?
- Where do we want to be?
- How can we change?

**Table 1** Bryant’s six determinants of how individuals feel about change (adapted from Bryant, 1989, pp. 9–10)

Factor	Origin
Basic predisposition to change	Derived from birth experiences, early feeding and weaning, toilet training, sibling rivalries etc.
Personal sense of security	Dependent on individual personality and current circumstances such as financial and marital status etc.
Prevailing cultural beliefs	Relating to a particular country or community, class, trade or even work group.
Extent of trust and loyalty	Resulting from past and present relationships with management, union and work groups.
Objective historic events	Including the nature of after-effects of past changes, natural and regional patterns of unemployment, labour mobility, government interventions etc.
Specific apprehensions and expectations about the particular change	Relating the individual to the content and method of the change, to the work group and to the organization as a whole.



**Table 2** Actions for BT's organizational development strategy

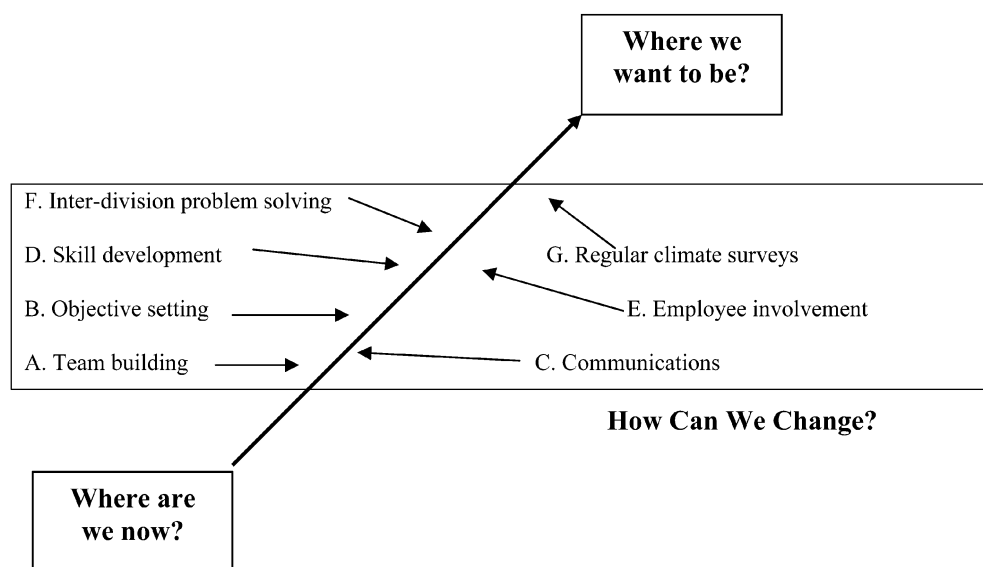
Step	Action
A: team building	Collect data from inter and intra-group and feedback through teams.
B: objective setting	Develop clarity in target setting using models such as McKinley's seven S's.
C: communication programmes	Hold monthly briefings and regular auditing of existing communication pathways.
D: skill development	Concentrate on the training of first-line managers in techniques such as resource management, which proved to be effective in the savings realized.
E: employee involvement programmes	Encourage staff to become involved in the stakeholder dialogue, consultation and negotiation.
F: inter-divisional problem solving forum	Establish forums between divisions to discuss issues and to break down existing barriers.
G: regular climate surveys	Ensure the new desired state remains in place, and that regular surveys and audits are conducted.

The 'where are we now?' question was answered by the board through a process of, interviews, questionnaires and group interviews. The 'where do we want to be?' question took some time to answer. With the help of senior management, consultants and key stakeholders, the board took the relevant factors into consideration and designed their ideal future state. The board were then in a position to understand where they were and where they wanted to be. To facilitate the difficult process of moving from one state to the other, BT's Organizational Development Strategy was developed – see Table 2 and Figure 7. The Organizational Development Strategy (see Figure 7), was a significant success with positive results and an increased commercial performance by BTWLD.

### ALCOA case study

#### *A decade of change*

Senior management Aluminium Company of America (ALCOA) were interviewed regarding their change management procedures. In early 1990, senior management at the ALCOA plant in Swansea realized that plant culture and processes needed reviewing. Representatives of the senior management presented the organization's need for change to the ALCOA Board in Pittsburgh, USA. The first two key slides in the presentation detailed 'Where are we now?' and 'Where do we need to be'. The board were persuaded that the existing culture needed to change and established a taskforce to take ownership of the change

**Figure 7** The BT organizational development strategy

programme. This taskforce comprised 12 members from a cross-section of employees, including the production manager, engineers, personnel, operators and craftsmen. The taskforce issued the following as its vision statement, which was core to the change process:

*To help establish ALCOA, Swansea, as a model company by developing a plan that contributes to the long-term prosperity and security of the company and its employees.*

In 1991, the taskforce produced an internal document from which the following quotations have been extracted to highlight the key aspects of: the vision and need for change; the benefits from the proposed culture change; factors critical to success; and dealing with resistance:

- On the need to change: ‘as a team we are convinced that we must change if we are to be successful in the future. We have to set our sights on becoming the best’.
- The culture change will ‘provide greater opportunities for everyone to become involved in more interesting work and to feel they are making an important contribution to the success of the operation here at Swansea’.
- Critical to successful change management is the ‘general acceptance of the need to change. Everyone needs to feel a part of the change. Systems need to be designed which encourage involvement and there needs to be a clear focus on the change’.
- Overcoming resistance should take account of: ‘in today’s competitive world, we have a simple choice: we must go forward and improve or cease to do business’.

The taskforce visited and benchmarked other manufacturing plants: ALCOA Tennessee; Shell UK; Land Rover; and Cadbury’s. The team compared processes and procedures, which enabled them to review their manufacturing processes and employee relations. New processes and procedures were introduced without much resistance. However, employee aspects such as working practices, multi-tasking and pay proved to be more of an obstacle. The prevailing situation on the plant floor was not acceptable. There was an archaic structure where seniority and unionized systems ruled, leading to a very unproductive workforce. A new team (the Pay and Conditions Lead Team) was created with the most difficult role, to change the working philosophy of the plant workforce and the basis for remuneration. The team produced Figures 8 and 9, which described the existing state and desired future state.

The current state had significant problems: safety, quality, job security and training. New initiatives had to be developed for aspects detailed in the desired state. The team identified what they termed ‘Enablers for an Engaged Workforce’ which were presented to the entire workforce through a series of workshops. Although initial resistance was as expected, the new culture and processes were accepted. The change process was painful at times, but improved performance resulted at the start of 2000 with ALCOA producing close to its target with a reduced but highly committed and motivated workforce. However, this in itself was not enough to save ALCOA, as the plant was closed in 2003 with the company blaming overcapacity and slow

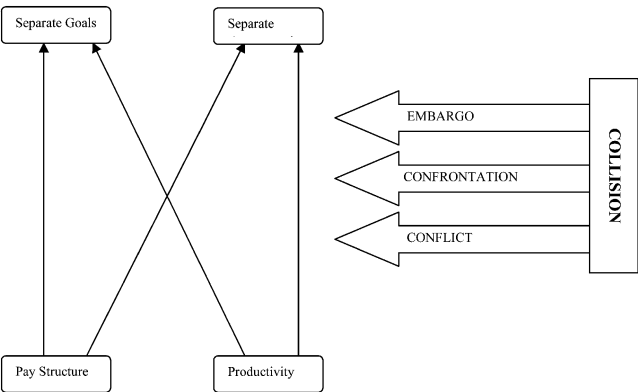


Figure 8 The existing state at ALCOA

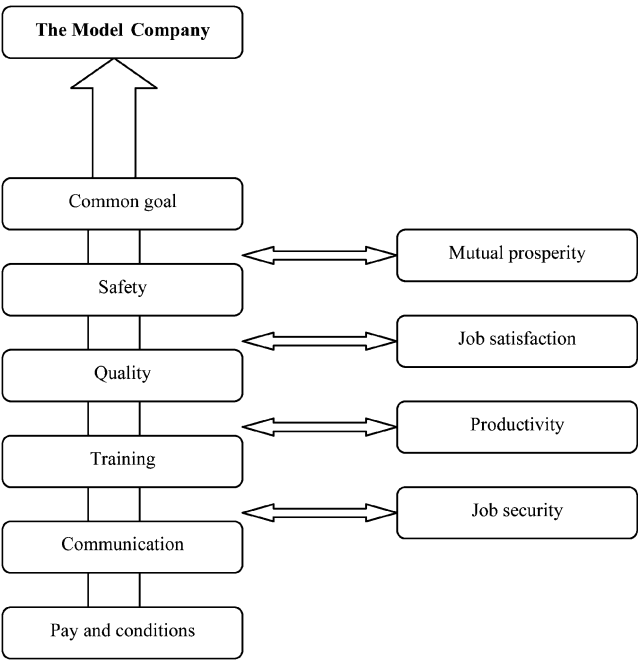


Figure 9 The desired state at ALCOA

market growth. Low exit costs in the UK may have contributed to the decision.

### Crown House Engineering case study

An internal audit identified that: Crown House had tendered for too many projects on scant information and underdeveloped designs; and where projects had lost money or made less than expected, or where the client had questioned performance, poor design definition was apparent at the tender stage. It was also established that Crown House had little tendering risk management strategy in place and there was no overall national policy and control system to administer the tendering process. Once the directors were faced with the organization's dilemma and pressures from the Carillion board, it was obvious that change was needed to secure the long-term future of the company. It was quickly agreed that both boards would work together.

The organization clearly needed to overhaul its tendering procedure. Stringent guidelines and risk management strategies were introduced to control what type of projects were tendered for. Research was conducted into typical sectors where the company did not perform well and these sectors would not form part of the strategic business future. Loss-making contracts in the highly competitive and 'cut-throat' building services sector were completed and wound up. This sector generated large turnover but also contributed the largest losses to the business. Repeat business clients were to be targeted and the company were to follow the lead of its parent and an intention to participate in the Private Finance Initiative (PFI) sector was stated. This enabled Crown House to capitalize on the growing maintenance market. The PFI sector was seen as a long-term opportunity. The company also had a key opportunity in the rapidly growing IT and telecommunications field for which it would set up an offshoot, Crown House Communications.

The restructuring of the regions to the new business plan resulted in office closures at Birmingham, Leeds, Newcastle, Retford, Cardiff and Pembroke. This initially meant large-scale job losses although many of the staff were offered relocation and new posts. The first reaction was one of dismay and lack of understanding as the information flow from head office was slow and did not contain specific details. This was the case in all the regions and the lack of information filtering through was leading to unproductive rumours and exaggerations, which had an adverse short-term effect on the business. The regional managers gave presentations and workshops to their business units on the change strategy feedback. The tone of the whole change process was kept upbeat by the board of directors, who were responsible for driving most of

the issues to the regions. Management kept reassuring the staff that the new strategy would provide more security for the future and it was a brave and progressive move. The change strategy was viewed less favourably in some sectors due to the scale of the effects on the employees and some of Crown House's customers. Some of the lessons learnt are as follows.

- **Customer perception:** clients saw the strategy as the organization turning its back on its traditional M & E strengths in the construction industry.
- **Communication:** the initial information flow from head office was slow and not specific which lead to employee unrest and low productivity. The work force was unsure of the organization's future for some months after the initial announcements.
- **Office closures:** the strategy meant the closure of a number of regional offices. These offices were targeted primarily as most the majority of their workload was in the market sectors that were no longer feasible. However, what was not taken into account was the profitable smaller works direct to clients within these offices. A lot of this work was lost as a result of the change.
- **Change pressures:** internal and external pressures were evident to force Crown House to change its business strategy. Externally, the Carillion share price was not performing as well as expected and as a result the Carillion board exerted pressure on its under-achieving subsidiaries.
- **Working together:** the Carillion board worked closely with the Crown House board, which ensured that both sides of the position were discussed and analysed. This proved to be a great success as far as the business strategy was concerned.
- **Transformational change:** this change bordered on transformation change and the long-term benefits are only now beginning to emerge.
- **Management driven:** the entire change process was management-led and driven, as the business had to change to ensure survival. The workforce was very much in a reactionary position due to the scale of the impact and the low level of input they had contributed to the new strategy and change process.

The organization, after a difficult time during its transition, has successfully stemmed the flow of poor

financial performance, with the Carillion share price increasing by 140 per cent over the past five years. The business strategy has been successful with the accounts showing lower turnover but increased profitability.

**Change management strategic framework: a six-step process**

The following change management strategic framework was developed from the review of literature, interviews, case studies and lessons learnt from a live change process.

**Step One: Preparing the organization**

This is the first and most critical phase. It enables change managers to assess the nature and direction of the change and requires establishment of a preparation team to coordinate Step One, which comprises the overlapping and highly iterative actions summarized in Table 3.

During this initial phase, listening to the workforce demonstrates respect and is a powerful tool to build self-esteem during potentially turbulent times. The information and knowledge gained through constructive dialogue will be valuable during later stages of the change process. Management should ensure they act fairly with everyone to avoid the feelings of mistrust and resentment, which are the fundamental ingredients of resistance. It is important to be as transparent as possible but without highlighting specific groups or individuals; this may cause unnecessary duress before the workforce has been fully consulted and the full nature of the change process decided upon. The difficulty must be appreciated in achieving transparency while at the same time remaining confidential

regarding the potential impact on the individuals concerned.

**Step Two: Developing the vision and implementation plan**

Analyse the feedback from the previous step; the feedback will give change managers a feeling of the nature and the possible direction of the change. This feedback will prove invaluable for the planning phase. An implementation team should now be assembled. Management should think carefully about the make-up of this team and could draw upon the preparation team and a representative range of stakeholders including a cross-section of the entire workforce. Management must give the correct levels of authority to the group, ensuring it does not compromise the group's responsibility.

The group's first task is to define a change vision; once the vision has been defined the group creates as many change strategy options as possible to achieve this vision, always remembering there are several paths to every target. This is where feedback from Step One will be of use. The process of evaluation begins and each option is then tested against the following questions:

- Does the option have a clear perspective and systematic approach?
- Does the option support the goals of the organization?
- Were all the working environments considered?
- Is the option viable from a resources perspective?
- Have personal goals influenced this option?

The options are then brainstormed and evaluated within the group until a change plan is forged. This plan is likely to be a hybrid of a number of options. Once a plan has been decided on it must be

**Table 3** Step One: prepare the organization

ESTABLISH THE NEED TO CHANGE	
Through stakeholder consultation and participation, establish the organization's need to change and communicate the present situation and future desired state throughout the organization.	Detail the internal and external pressures that are driving the changes and collate all the factors and list the issues that point towards a new desired organizational state.
RAISE AWARENESS AND CHANGING BELIEFS	
Create understanding and a caring attitude to alleviate initial concerns. Educate the individuals and groups throughout the organization of its current and future cultural perspectives.	Instil an awareness in the individuals and groups throughout the organization that change is a positive factor and somewhat inevitable in today's marketplace
WIN OVER THE WORKFORCE	
Highlight the types of change that are being considered – but these should not relate to specific areas of the business until a fuller appraisal of the situation has been made.	Argue the case and where possible persuade the workforce that the change is legitimate and is consistent with the organization's values.

**Table 4** Documented change plan

Section	Contents
Background	Establishes and justifies the need for change and providing feedback from early meetings.
Vision, goal and objectives	Demonstrates the direction of the change.
Design	Explains the format of the change, considering all the factors that are needed to achieve the change. The change-planning group will have to design the change completely, not deferring problems. Every issue needs to be raised and resolved here leaving as little to chance as possible.
Implementation plan	Details the roles and responsibilities of individuals responsible for the change. Instructions for the workforce about the change, how it has been designed and how it will be implemented.
Timescales	Presents the programme and timetable for all the proposed changes contained within the implementation plan.

developed through to a working document – see Table 4.

### Step Three: Checking

Step Three provides the group along with management the opportunity to review all the documents and plans before actual implementation. All the pros and cons can be evaluated taking into account any last-minute concerns or developments. This is the stage where management can consider all the consequences of the pending change to ensure that they are fully behind the process.

### Step Four: Communications and workforce engagement

The implementation team should not only identify groups, sections or departments that the change will impact upon but also carefully consider the impact upon individuals. To implement changes effectively, the implementation team must understand the sequence of feelings that individuals experience when confronted with change as these feelings influence their subsequent actions. When these feelings are known, they will explain a great deal of the individual's behaviour, making implementation less unpredictable. New channels of communication must be established and kept open to avoid isolating sections of the workforce: everyone should have access to the team to discuss their concerns. The implementation team should work with and alongside the employees throughout the process and not just enforce the change process. A high degree of workforce consultation and participation should start as early as possible and continue through the implementation and evaluation phase. This should reduce the amount of resistance encountered during the implementation phase.

### Step Five: Implementation

Once the change process is under way, momentum needs to be maintained by continued support from top management. The implementation team needs to portray a positive outlook, and all feedback should be relative to the plan and the final outcome. During implementation, it is important that the team remains consistent to avoid departments or individuals feeding back they have been treated differently, as this will lead to a loss of credibility. Change disintegrating due to lack of commitment and support from management must be avoided. The implementation problems have been summarized in Table 5.

Implementation requires full and deep-seated commitment to the change process. A successful implementation plays attention to sequence and timing and a determination to follow it through. Implementation is often a period of doubt, but if careful planning has taken place then this step can be addressed with confidence. The implementation team must recognize that conflict and resistance to change are inevitable during any change process. Effective dialogue and consultation during the initial stages of the change process will reduce the degree of conflict, which can be seen in a very positive way and used to constructively improve the solutions being implemented. It is essential to listen to concerns raised during the implementation phase as many of these will be genuinely need to be taken into account. Dealing with resistance requires recognition of the symptoms of resistance, which in the worst case could include: work slowdown; official and unofficial industrial action; gossip/rumours; refusal to learn new tasks; and disruption/sabotage.

Once the resistance is recognized, the next stage is to analyse the sources of the resistance. These are usually: clash of values or interests; force of habit; fear of loss; insecurity; ignorance; peer pressure; lack of faith and/or trust in management; laziness; greater workload; feeling threatened; and poorly managed

**Table 5** Implementation problems

Problem	Source/Cause
Loss of purpose	Caused by the change process stagnating – suddenly the organization appears to not know where it is going or why it is changing.
Lack of management support	Some managements, once they have delegated the change task to the implementation team, stand back and fail to support the process; this is dangerous and could cause the whole process to fail.
Unanticipated pressures	Sometimes, unanticipated pressures on the organization bring about the erosion of the change process. The change may have been well timed and well planned, but unexpected events upset the whole change process.
The team’s scope of authority	Authority must be given to the implementation team to ensure they can effectively facilitate the change process.
Project mismanagement	The implementation team must realize that the success of the change is largely down to how effectively it is managed. Mismanagement of the process is often the common cause of implementation failure.

change. Once the sources of resistance have been identified, measures can be introduced to counter the resistance. Such counter measures have been presented in Table 6.

**Step Six: Evaluation**

There is no hard-and-fast rule for when to schedule evaluation, but it is recommended that enough time be allocated to overcome initial teething problems. It is recommended that the planning/implementation team members are not appointed as they have obvious vested interests. Middle management is in the best position to evaluate how effective the changes have been. The method of evaluation needs to be agreed and the format should follow the original goals and objectives of the change. Formal reviews of the new process are an acceptable method of evaluation along with process

inspections and audits. Once the evaluation process has been undertaken, it is possible to identify any problem areas that need addressing. Adjustments to the process may need to be made, and these can be introduced on a local basis and implemented by local management and future results feedback. The whole evaluation process is a continuing circle: eventually the process will become a driver for the next change.

**Conclusions**

Change is inevitable in our personal and professional lives but two changes are never the same. Well-planned change helps ensure the change process is successful, but change is a politically charged subject and whatever results are expected, the unexpected should be accounted for.

**Table 6** Countermeasures against resistance to change

Countermeasure	Guideline
Communicate	Managers should speak often and honestly about the change, recognizing communication is also about listening and dealing with genuine concerns.
Make resistors part of the project	If done with enough skill and with good employees, the implementation team can successfully use the doubters to improve the change process.
Be honest	Even if the employees disagree with the implementation team about the change, there will be less resistance if the team has a reputation for openness and honesty.
Manage the change well	There is no substitute for a sound management practices and a well-organized, well-considered planned approach to the change process.
Managers create an example	A positive, assertive, confident style of management regarding the change will create a good example for the rest of the staff.
Use of Peer Pressure	This can be a slightly underhanded method to overcome resistance, but the use of peer pressure on those unwilling to accept the changes is often the most effective.
Create a safety net	If people fear the unknown, give them all the security needed through training, meetings and information.
Discipline	Employees who resist all the techniques may require more assertive action. As a last resort the employee should be warned about unacceptable conduct and if it continues disciplinary action instigated.

Critical to successful change is not only the development of more efficient and effective processes but alignment of organizational culture to support these new processes. Where processes and organizational culture have been well established, the workforce tends to operate within a comfort zone. Changes often result in individuals taking on greater responsibilities, retraining, performing new tasks and developing new skills and new ways of working. Individuals are taken out of the comfort zone they have operated in for some time. The anxiety and stress that can be caused if the process is not well managed will manifest itself in resistance to change. Greater degree of consultation and worker participation, both in the development of the strategic vision and the implementation of change, should increase ownership, thus reducing anxiety and stress that often drives resistance to change. Failure in most change processes can be traced back to poor communications and failure to appreciate the amount of retraining that is required. Although the workforce has become more change-cooperative, organizational change is still fraught with risk due to the complex nature of many organizations that has resulted from increased client demands, competition, technology and legislation, all of which have to be taken into account.

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