SAQA ID 59201

NATIONAL CERTIFICATE: GENERIC MANAGEMENT 59201

CLUSTER 7

LEARNER GUIDE

Accredited course information:

Unit Standard ID	NQF Level	Credits
252020	5	6

Create and manage an environment that promotes innovation

Accredited course information:

Unit Standard ID	NQF Level	Credits
252026	5	8

Apply a systems approach to decision making;

Accredited course information:

Unit Standard ID	NQF Level	Credits
252021	5	8

Formulate recommendations for a change process

TRAINING FORCE

Linking Training to Industry

Investing in your talent!

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LEARNING UNIT ONE

1

ASSESSMENT CRITERIA

Create and manage an environment that promotes innovation 252020

SPECIFIC OUTCOME 1 - 5

- Analyse own unit in terms of opportunities for innovation.
- Demonstrate understanding of the techniques for promoting creativity.
- Develop plan for creating an environment conducive to innovation.
- Lead a team through a creative thinking process.

Apply a system approach to decision making 252026

SPECIFIC OUTCOME 1 - 4

- Apply critical and analytical skills to analyse an issue or problem.
- Engage with stakeholders in analysing the issue/problem and developing solutions.
- Select feasible solutions through a systems approach.
- Formulate and communicate the decision.

INNOVATIVE ENVIRONMENTS

INTRODUCTION

A new way of thinking can only occur in an environment of possibility. It's essential to develop a cooperative, all-inclusive connection between employees and the company so that everyone is moving in the same direction - so that there is an overall “we.” In a competitive environment of “us” and “them,” people are too busy focusing on power struggles and politics. You might get spurts of creativity from some employees, but not from everyone. It takes constant practice to keep everyone in the company on track with innovative or possibility thinking.

ANALYSING FOR INNOVATION

An innovative environment is built on foundational elements and features that need to exist to improve and encourage innovation. Innovative environments are places where people can experiment, fail, learn, discover, make breakthroughs and release. In modern leadership there are 6 elements and a number of features that need must be present:

Six Elements of Innovative Environments

Collaboration

Creativity comes from the interplay of many diverse viewpoints that challenge and iterate with focus toward a common goal. When the goal is shared and meaningful, rules are clear and fair and wrapped within a physical space people can come together.

Responsible

When people are given control, they tend to take more responsibility. When people are asked to solve a problem, the team becomes much more meaningful and will take health intensity. When a Leader works together to set the shared goal and give them the authority to decide how they want to achieve it, responsibility is owned.

Experimental

Innovation being a learning process. Before breakthroughs are discovered, there will be failures. Learning to fail in an environment where it is ok to be wrong if it isn’t costly, will help the team to learn how to fail, making testing feel normal.

Value-focused

Focusing on the right thing trumps focusing and building the wrong thing. As teams don't often know the exact problem enough to appreciate what the value is, it is important to create an environment where the customer is always on top of the mind. Telling stories, organising visits, meetings, etc. will assist in acquiring enough to focus the innovation on the value to ensure maximum benefit.

Autonomous

Having the freedom to act independently, enhances creativity. Removing or finding ways around any constraints of policies and processes will assist in creating an autonomous environment.

Transparent

Creating an environment where activity is visible to the whole team, so that ideas already tried and tested are not repeated, saves time and effort. Use visible whiteboards, where the team can share their ideas, thoughts, progress, or creativity, have regular creativity sessions, etc. to ensure transparency.

Although these 6 elements are required for an innovative environment, continuous collaboration and transparency can be distracting. Creating options, quiet corners, space that individuals can access for deep concentration, this will also show respect and embrace a team's diversity.

As these elements are essential parts or principles that is needed to create an innovative environment, it needs features as a structure to the elements. These features include:

- Encourage
- Promote Openness
- Allow Creative Thinking
- Challenge the facts
- Have Cultures of enquiry
- Reward Ideas
- Allow learning through mistakes

Because innovative environments must be capable of evolving and adapting as learning evolves and changes.

Analysing is to examine in detail to discover meaning. In Cluster 4 we analysed training needs and some analysis methods, however when analysing an environment some of the methods may differ from that used to analyse a situation rather than a need for something.

Typical analysis has four types of analysis approaches namely:

Descriptive

That explains what is happening or what has happened.

Diagnostic

Explains why something happened or is happening.

Predictive

Forecasts what might happen.

Prescriptive

Recommends an action based on the forecast.

For a comprehensive approach to situation analysis, it is best to incorporate all four approaches in ensuring compilation of mathematical and informational approaches to increase accuracy and value of results.

Although the analysis type mentioned above can be achieved by using the SWOT Analysis to analyse the strengths, weaknesses, opportunities, and threats of the immediate workplace. Simply by asking questions around the key features required for an innovative environment.

For instance:

Is my team being encouraged? Write down how, when and how this is being done, if any one of the questions can't be answered, then this will be a gap or can be noted as a weakness in the environment. Move on to the next feature. Once all features have been analysed, then you could use the problem-solving technique to find solutions – problem solving technique will be discussed later on in this Cluster.

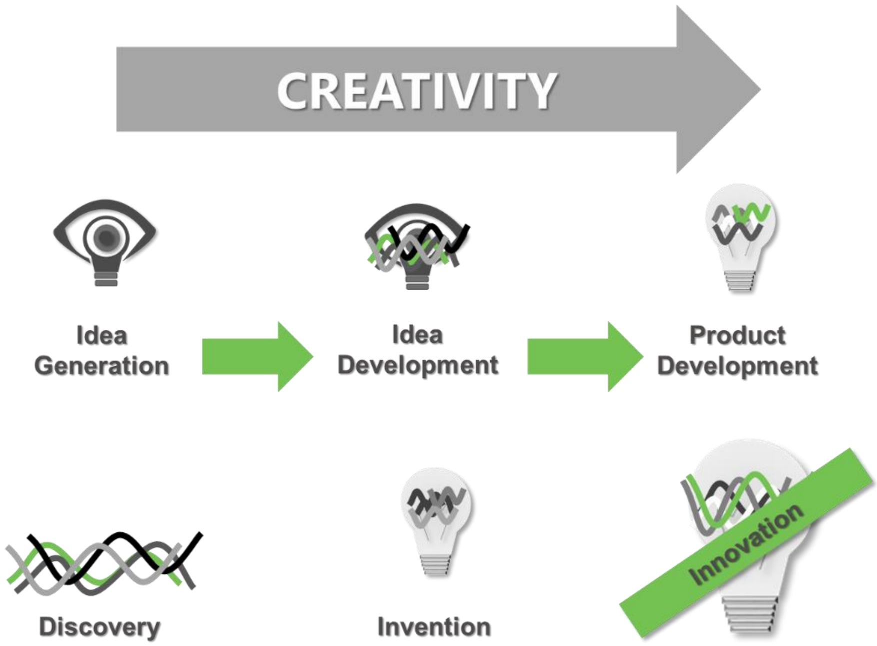
PROMOTE CREATIVITY AND INNOVATION

Creativity, i.e., the ability to create something new and valuable by the art of imagination also dominates among the characteristics of a manager.

Creativity is usually defined as a continuous search for something new and represents an introduction to innovation. An individual is created when looking at things in a new, so far unknown way. Creativity can also be defined as the ability to connect previously unconnected concepts or ideas as a whole.

The process of innovation is built and based on the creative process- the idea is created within the creative processes. The new idea that has not yet been realised, i.e. turned into a new product/service/process is an invention. In the process of innovation, a new idea is turned into a market product/service/process:

Example: the process of creation and development of a product



Many people believe that creativity is somehow dependent on "natural talent". Most researchers, however, indicate that the skills involved in creativity are something that can be taught and learned.

In *A Whack on the Side of the Head*, Roger von Oech (1983) describes the characteristics that promote the creative process as follows:

- Generate as many answers as possible. Don't look for the one "right answer".
- Don't ask if something is "logical".
- Set aside all rules.
- Don't judge the quality of an idea by looking at its "practicality".
- Allow ambiguity.
- Don't worry about being wrong.

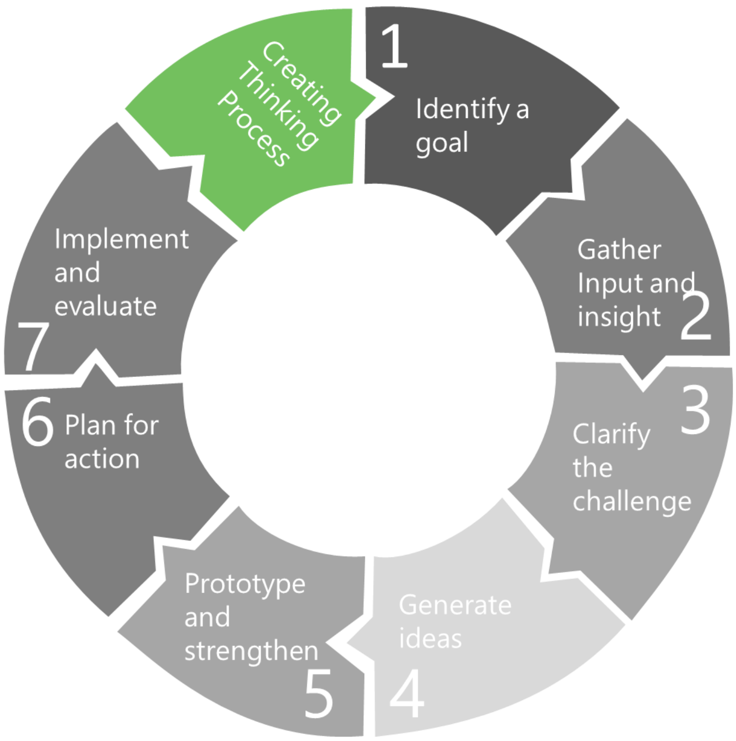
- Indulge yourself...let yourself play.
- Let yourself go into new areas.
- Be foolish and silly.
- Accept your creativity.
- Make yourself receptive to new ideas.

CREATIVE THINKING

"…Thinking is a skill that can be learned, practised, and developed. But you have to want to develop that skill. You need to learn how to ride a bicycle or drive a car…"

Creative thinking techniques work to stimulate original ideas. New ideas happen when two or more ideas are accidentally or deliberately merged when they have never been merged before. Creative thinking techniques provide the method for deliberately combining ideas in ways which you would not usually come across or think about. This combination generates a truly original idea for you.

The creative thinking process:



Creative thinking is all about merging two previously unrelated or unmerged thoughts, products or processes.

In practice, of course, it can be very difficult to find the ideas to merge, and then to develop that new idea into a workable solution.

Extracting ideas from a stimulus:

Extract a concept or principle from the stimulus and reuse it

- How does it work?
- What does it achieve?
- How does it achieve it?
- What does the stimulus do?
- In what order does it work?
- Who is involved and why?

Extract a feature from the stimulus and reuse it

- What are its physical attributes?
- Why is it that shape?
- What process is involved and why?
- Who is crucial to its success?
- What is the timing of events?

Extract a positive attribute from the stimulus and try to replicate it

- What is good about the stimulus?
- Why is the stimulus good at what it does?
- How does it succeed?
- In what situations does it work best?

Extract the differences between the stimulus and the current solution

- How do the stimulus and the current solution achieve the same thing, but in a different way?
- Why does the stimulus do something one way and the current solution another?
- What is the difference in physical characteristics?

- What is the difference in the process?
- In what way are they used differently?

Creative Thinking Techniques

Thought experiments

"We don't see things as they are; we see them as we are."

Thought experiments are highly structured hypothetical questions that employ “What if?” scenarios

Thought experiments are designed to:

- Help us understand the way we think through reflection on the process
- Identify flaws in the way we have been educated
- Help us find the right question. For example, it does not matter what the bird on the roof is singing. The real and proper question is: Why is it beautiful?
- Show how all things are subject to interpretation
- Show how to look at the same thing as everyone else and see something different
- Encourage different ways of thinking
- Encourage flexibility in thought
- Challenge cognitive bias that limits a person to using an object only in the way is traditionally used
- Promote thinking beyond the boundaries of already fact

Example: Matchstick problem

Correct the following equation by only moving one matchstick:

$$\mathrm{IV} = \mathrm{III} - \mathrm{I}$$

Challenge facts

How many facts are really facts and how many are just the most reasonable, educated guess based upon the knowledge known at the time?

It is very rare that anything remains an undeniable fact for too long, especially when you consider people's views and differently acquired knowledge. We are in a constant state of change. We think differently as we gain knowledge and skills in thinking.

From one generation to the next we have different aims, ambitions, and morals. What might be seen as a good thing by one generation could be seen as a bad thing by the next. Political parties change their views, as do their voters. Due to personal circumstances, individuals can change their whole philosophy of life within months.

Technology and other inventions now change the world faster than most people can keep up. What seemed impossible one week can become plausible the next, reality within months and an accepted way of life in a year or two. This is not surprising when you consider the combined, diverse thought power of billions of people spread across the globe.

How do you know that what you considered to be a fact in the past has now become inappropriate due to changes which have happened since then? Might you now be able to improve your current product because of a change in human values or lifestyles?

The way to answer these questions is to challenge the facts. You are not saying that the facts are wrong, but you are investigating what might happen if that fact were not true.

It is important not to see this technique as a way of proving someone wrong or inaccurate. Everyone does what they think to be right at the time and based on the knowledge they have at that time.

If you now have more information or the world has changed in some way, this does not put any blame on the person who had the original idea or on someone who could not solve the problem.

Just as you must be considerate towards the people whose facts you are challenging; you should acknowledge that the world will probably develop a better way of doing what you are doing now. This does not reflect on your ability; it merely reflects the way in which the world develops.

At one time all the available evidence gave rise to the fact that the sun went around the world. If no one had challenged this fact, then we might still believe it.

Even Einstein's theory of relativity has been modified to take into account the effects which were not possible for him to contemplate because technology at the time could not do what it does now.

The Challenge Facts technique asks you to consider what you think are facts and investigate what differences and advantages it would make if they were not facts.

You could try to imagine what would be the case if the fact were wrong. Or you could try to modify the fact and see whether that now fits into the current situation better than the original one. Or is the world likely to change so that the modified fact will fit in better in the future? If so, what new ideas does this future world suggest? If you find that your new consideration blatantly doesn't fit, then consider what advantages this hypothetical situation might have and how you might be able to incorporate them into your current solution.

You are using the challenge of a fact as a stimulus for new ideas, nothing else.

First list the facts, then write a statement which challenges that fact, then uses that challenge to develop new ideas.

Example:

Fact: Companies pay employees for their time.

Challenge of the fact: Employees pay their company for the use of its facilities.

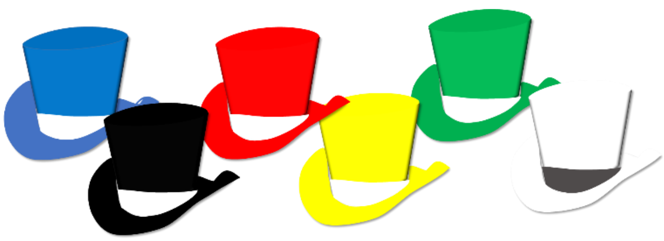
New idea based on challenging the fact:

Each employee receives a percentage of the profits based on his/her position within the company and the amount of time and contributions spent on its products or services. Out of this amount is taken the amount of money related to that employee's use of the facilities. In this way, the employee is directly affected by the quality of the product or service and is more motivated to improve it. Also, the employees are directly affected by the amount of money they use in the course of their work. It could also mean that employees are free to live their own life and work the way they want to work.

Brainstorming and Mind Maps as learnt in previous clusters are also techniques that can be used to think creatively.

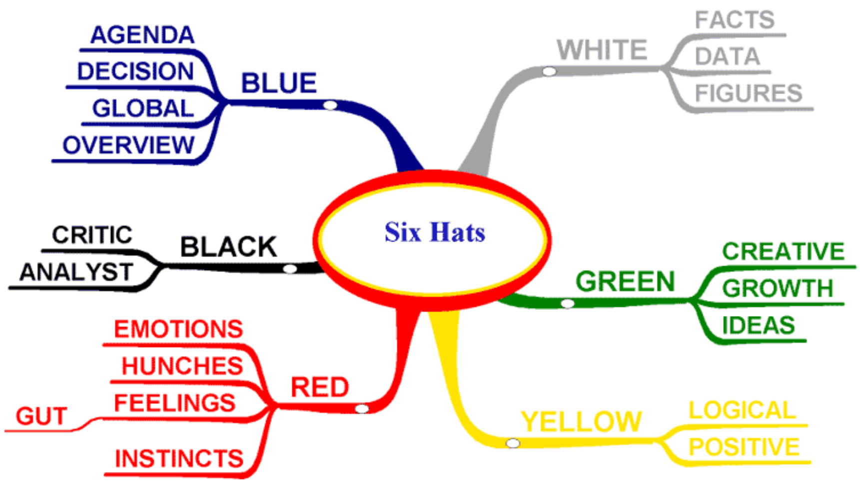
Edward De Bono's 6 Thinking Hats

Six Thinking Hats, one of several creativity tools developed by Edward de Bono, is designed to block the disagreements that happen when people with different thinking styles discuss the same issue. Approaching the conversation from each of the six "thinking hats" points of view, for example, helps



participants move outside their usual thinking styles and helps the whole group get a complete view of a situation.

The six hats represent six ways of thinking and are instructions on how to think rather than labels for thinking.



Example:

The directors of a property company are looking at whether they should construct a new office building. The economy is doing well, and the amount of vacant office space is reducing sharply. As part of their decision, they decide to use the 6 Thinking Hats technique during a planning meeting. Looking at the problem with the **White Hat**, they analyse the data they have. They examine the trend in vacant office space, which shows a sharp reduction. They anticipate that by the time the office block would be completed, that there will be a severe shortage of office space. Current government projections show steady economic growth for at least the construction period. With **Red Hat** thinking, some of the directors think the proposed building looks quite ugly. While it would be highly cost-effective, they worry that people would not like to work in it. When they think with the **Black Hat**, they worry that government projections may be wrong. The economy may be about to enter a 'cyclical downturn', in which case the office building may be empty for a long time. If the building is not attractive, then companies will choose to work in another better-looking building at the same rent. With the **Yellow Hat**, however, if the economy holds up and their projections are correct, the company stands to make a great deal of money. If they are lucky, maybe they could sell the building before the next downturn, or rent to tenants on long-term leases that will last through any recession. With **Green Hat** thinking they consider whether they should change the design to make the building more pleasant. Perhaps they could build prestige offices that people would want to rent in any economic climate. Alternatively, maybe they should invest the money in the short term to buy up property at a low cost when a recession comes. The **Blue Hat** has been used by the meeting's Chair to move between the different thinking styles. He or she may have needed to keep other members of the team from switching styles, or from criticising other peoples' points.

White Hat thinking	INFORMATION: **pure facts and figures** This covers facts, figures, information needs and gaps. "I think we need some white hat thinking at this point..." means “Let's drop the arguments and proposals and look at the database”.

	While wearing the white hat we ignore arguments and proposals, we examine the facts, figures and information that we have and identify what information we don't have and how we might get it • What information do we have here? • What information is missing? • What information would we like to have? • How are we going to get the information? • What more information do I need? (The analytical, data view)
Red Hat thinking 	FEELINGS: **emotions, hunches and intuition** This covers intuition, feelings and emotions. The red hat allows the thinker to put forward a feeling without any need to justify it. "Putting on my red hat, I think this is a terrible proposal." Usually, feelings can only be introduced into a discussion if they are supported by logic. Usually, the feeling is genuine, but the logic is false. The red hat gives full permission to a thinker to put forward his or her feelings on the subject at the moment. Intuition may be a complex judgement based on years of experience, and it can be valuable even if the reasons behind it cannot be spelt out consciously • Putting on my red hat, this is what I think about the project ... • My gut feeling is that it will not work • I don't like the way this is being done • My intuition tells me that prices will fall soon • How do I feel about this? (The intuitive, emotional view)
Black Hat thinking 	CAUTION: **negative judgment, devil's advocate** This is the hat of judgment and caution. It is a most valuable hat. It is not in any sense an inferior or negative hat. The black hat is used to point out why a suggestion does not fit the facts, the available experience, the system in use, or the policy that is being followed. The black hat must always be logical. It is the most used hat, and perhaps the most valuable hat as mistakes may be disastrous. At the same time, it is very easy to overuse the black hat and therefore to kill creative ideas with early negativity. • The regulations do not permit us to do that • We do not have the production capacity to meet that order • When we tried a higher price, the sales fell off • He has no experience in export management • Let's ask critical questions… (The pessimistic view)
Yellow Hat thinking 	BENEFITS: **optimism, positive, opportunity** This is the logical positive. Why something will work and why it will offer benefits. It can be used in looking forward to the results of some proposed action, but can also be used to find something of value in what has already happened. The yellow hat is for optimism and the logical positive view of things. It looks for feasibility and how something can be done, and it looks for benefits, but they must be logically based. • That might work if we moved the production plant nearer to the customers • The benefit would come from repeat purchases • The high cost of energy would make everyone more energy efficient • What are the opportunities here? (The optimistic view)
Green Hat thinking	CREATIVITY: **new and innovative ideas** This is the hat of creativity, alternatives, proposals, what is interesting, provocations and changes.

	Putting on the green hat makes time and space for creative effort. This is where we engage in lateral thinking and other creative techniques. • We need some new ideas here • Are there any additional alternatives? • Could we do this in a different way? • Could there be another explanation? • How can we grow this idea? (Creativity view)
Blue Hat thinking 	MANAGING: **order, control, process, conclusion, orchestra conductor** This is the overview or process control hat. It looks not at the subject itself but at the 'thinking' about the subject. In technical terms, the blue hat is concerned with how things fit together. The blue hat is the thinking overview or process control hat. It is usually used by the chairperson of the meeting to set the agenda for thinking, to suggest the next step for thinking, or to ask for summaries, conclusions and decisions. • We have spent far too much time looking for someone to blame • Could we have a summary of your views? • I think we should take a look at the priorities • I suggest we try some green hat thinking to get some new ideas • What is the process here? Have we thought of everything? (The process control view))

In a group, we can ask members to 'put on' different hats in a sequence to aid the problem-solving process. This can help overcome the problem of each group member adopting random positions at random times. It also permits us to control people who insist on sticking to one perspective (i.e. process) - we can ask them to assume a different hat.

Use of the six hat technique can:

- Improve brainstorming results
- Focus thinking more clearly
- Lead to more creative thinking
- Improve decision making and communication

Edward De Bono's 6 Action Shoes Creative Thinking Technique

After having used an appropriate style of thinking you choose an appropriate style of action. What are some of the things you need to do? Where are you going to take action? What is your action style? As a specialist in creativity, Edward de Bono identifies a simple "six shoes" approach to taking action.

De Bono lays out the actions associated with six types of "shoes" and explains that while someone may naturally be better at responding in one particular style - say taking emergency action ("orange gumboots") rather than accumulating information ("grey sneakers") - the truly successful person will master all six action styles and learn to adapt his or her actions to the situations at hand. Look at the six different action shoes and decide if you have a preference or if you think you have a balanced action style.

The value of the Six Action Shoes is to help you do something – not to analyse what has been done. It groups actions into six categories symbolised by certain kinds of shoes. The shoes are just reminder devices. When you examine what kind of actions you're doing, you are more likely to become more purposeful.

Navy formal shoes  	The military is good at formalising routine behaviour, symbolised by this shoe. Routines help us do repeated tasks efficiently. For example, You formalise a new program by writing a staff manual or organisation flow.	• This mode covers routines and formal procedures • Dark blue or navy blue is the colour of many uniforms. Navy blue suggests the navy itself, with its drills and routines and formality.
Orange Gumboots  	Like the firemen who wear these, sometimes you have to "fight fires." Emergency situations demand urgent action. For example, The receptionist calls in sick on Monday morning. Recognise emergency action and make immediate decisions to solve the problem.	• This mode covers danger and emergency. Safety is a prime concern. • Orange suggests danger, explosions, attention, warning. Rainboots suggest firefighters and rescue workers.
Pink slippers  	Soft and cosy, they symbolise compassionate, caring, people-oriented acts. There are a lot of tasks to be done in the workplace, but don't forget your people! They need encouragement. Have ways to say thank you to your workers at least once a year. Regularly take time to check up with each other – how's your group? How are things going?	• This mode covers care, compassion and attention to human feelings and sensitiveness • Pink suggests warmth and tenderness. Slippers suggest home, domesticity and comfort.
Brown brogues (lace-up shoes)	This classic, practical shoe symbolises sensible action, practicality, doing what can be done. You wish you had a better teacher for that workshop, but you don't. So you do what can be done: use a video series, or provide them with the extra reading	• This mode covers practicality. Work it out as you go along, be practical and flexible • Brown is a practical colour; it suggests earth and basics and

	material. Recognise it's only temporary; don't let it become permanent.	feet solidly standing on the earth. It also suggests mud and messy situations that are not clearly defined.
Grey sneakers 	This shoe is quiet and doesn't attract attention. It represents actions you take to collect information and think about it. Sometimes you want to change the way you do things. You need to take time to evaluate, listen to people and find out their needs and opinions. People may pressure you to "act", but you are acting: you are investigating.	• This mode covers exploration, investigation and the collection of evidence. • Grey suggests grey cells and grey matter in the brain. Grey also suggests fog and mist and the difficulty of seeing clearly.
Purple riding boots 	Like the general on a horse who leads his army, "take charge" actions are occasionally called for. Take authority. Show leadership. Sometimes it takes a bit of nerve, but people need and want leadership!	• This mode means playing the role given by a position - an element of leadership and command. • Purple was the colour of imperial Rome; it suggests authority. Riding boots also suggest police officers on horses and motorbikes.

Actions must be consistent with duties, obligations and expectations of that role." De Bono highlights the need to identify to others which foot the boot is on and what kind of boot it is that is going to be doing the kicking, persuading, or caressing. Others can wear complementary or opposing footwear to create a balanced team, but each team member must stay in their shoes until everyone agrees to take them off.

Telling a member of staff or a client that you are putting on a purple riding boot and a Pink slipper means that you want to take authority and be gentle. De Bono brings insight and approachability to difficult subjects, in this case using something that we are all familiar with, even if we usually wear them in pairs.

PROBLEM-SOLVING AND DECISION MAKING

We all have problems from time to time. A 'problem' refers to uncertainties or difficulties encountered in getting from one situation to a better or preferred one.

Problem-solving can be defined as the process of transferring one set of circumstances into another, preferred state.

By successfully eliminating problems the first time, you will save your company's resources and improve its operation.

Problem-solving forms part of thinking. Considered the most complex of all intellectual functions, problem-solving has been defined as a higher-order cognitive process that requires the modulation and control of more routine or fundamental skills (McCarthy & Worthington, 1990). It occurs if an organism or an artificial intelligence system does not know how to proceed from a given state to the desired goal state. It is part of the larger problem process that includes problem finding and problem shaping.

"Problem-solving is a tool, a skill and a process. It is a tool because it can help you solve an immediate problem or to achieve a goal. It is a skill because once you have learnt it, you can use it repeatedly, like the ability to ride a bicycle, add numbers or speak a language. It is also a process because it involves taking a number of steps".

You can engage in problem-solving if you want to reach a goal and experience obstacles along the way. It is very likely that in working towards your goals, you will encounter some barriers.

At the point at which you come up against a barrier, you can engage in a problem-solving process to help you achieve your goal. Every time you use a problem-solving process you are increasing your problem-solving skills.

Much of what managers do is solve problems and make decisions. New managers, in particular, often make decisions by reacting to problems. They are "under the gun", stressed and very short on time. Consequently, when they encounter a new problem or decision they must make, they react with a decision that seemed to work before. It's easy with this approach to get stuck in a circle of solving the same problem over and over again. Therefore, as a manager, get used to an organised approach to problem-solving and decision making. Not all problems can be solved and decisions made by the following, rather a rational approach.

However, the following basic guidelines will get you started. Don't be intimidated by the length of the list of guidelines. After you've practised them a few times, they'll become second nature to you- so that you can deepen and enrich them to suit your own needs and nature.

(It might be more advisable to view a "problem" as an "opportunity". Therefore, you might substitute "problem" for "opportunity" in the following guidelines.)

Characteristics of difficult problems

As elucidated by Dietrich Dorner and later expanded upon by Joachim Funke, difficult problems have some typical characteristics. Re-categorised and somewhat reformulated from these original works, these characteristics can be summarised as follows:

- In-transparency (lack of clarity of the situation)
- Complexity (large numbers of items, interrelations, and decisions)
- Dynamism (time considerations)

The resolution of difficult problems requires a direct attack on each of these characteristics that are encountered.

Decision making, on the other hand, is reviewing all the information at hand to conclude the choices available to you to solve the problem.

Problem-Solving Techniques

There is a number of techniques that can be used when problem solving during the phases of problem making right through to solution implementation. The following are techniques that can be used, in addition to other tools like brainstorming, mind mapping, etc. that have already been learnt:

Assumption Busting

- **List assumptions**

  List all the assumptions you have about the “problem”, especially the obvious ones that you would not consider challenging...

- **Challenge assumptions**

  Test each assumption. Ask under what conditions it would not be true.

  You will start to make assumptions as you challenge some assumptions, simply add these to the list, and challenge them later.

- **Find several ways in which you can force the assumption to be true**

This is the opposite way of challenging the assumption from 2.

Idea Generation

Talking Pictures is from the book *Instant Creativity* by Brian Clegg and Paul Birch.

When you need a little extra boost for a group that has got a little stale during the Idea Generation phase, split up into teams, giving each a digital camera and access to a printer (you could use a Polaroid, or provide a set of bizarre photographs you have, but it's best to get the teams to capture them).

Get the teams to spend about 5 minutes outside of the immediate area, taking pictures of either unusual objects, or objects from unusual angles. The more bizarre, the better.

Bring the groups back together and distribute their pictures to the other groups. Each group should now use the pictures provided to create associations that occur to them and then use these associations for idea generation. At the end of the session, you can either collect all of the ideas together by writing them onto flipcharts, or you can ask the groups to have listed their own and have these displayed for general perusal.

Consensus Mapping

The consensus mapping technique helps a facilitator and group reach consensus about how best to arrange a network of up to maybe 20 – 30 activities that have to be sequenced over time into a usable plan of action (e.g., outlining a 10-year network of sequentially linked activities to deal with a complex environmental pollution issue). These will usually be activities that could be done in a range of orders – i.e., the order has to be approved – it is not given by the internal logic of the activities themselves.

The technique has parallels to many of the usual project planning methods (and could if necessary

Cause and Effect diagrams

(Identify the Likely Causes of Problems. Also called Fish or Fishbone Diagrams, and Ishikawa Diagrams)

- **Identify the problem:**

Write down the exact problem you face in detail. Where appropriate identify who is involved, what the problem is, and when and where it occurs. Write the problem in a box on the left-hand side of a large sheet of paper. Draw a line across the paper horizontally from the box. This gives you space to develop ideas.

- **Work out the major factors involved:**

  Next, identify the factors that may contribute to the problem. Draw lines off the spine for each factor, and label it. These may be people involved with the problem, systems, equipment, materials, external forces, etc. Try to draw out as many possible factors as possible. If you are trying to solve the problem as part of a group, then this may be a good time for some brainstorming (see later). Using the 'Fishbone' analogy, the factors you find can be thought of like the bones of the fish.

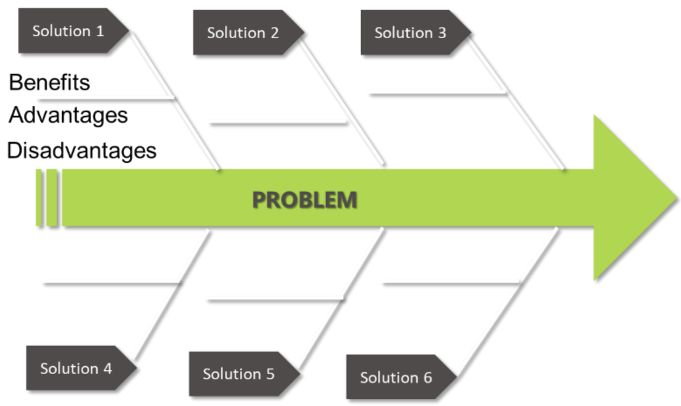
- **Identify possible causes:**

  For each of the factors, brainstorm possible causes of the problem that may be related to the factor. Show these as smaller lines coming off the 'bones' of the fish. Where a cause is large or complex, then it may be best to break it down into sub-causes. Show these as lines coming off each cause line.

- **Analyse your diagram:**

  By this stage, you should have a diagram showing all the possible causes of your problem. Depending on the complexity and importance of the problem, you can now investigate the most likely causes further. This may involve setting up investigations, carrying out surveys, etc. These will be designed to test whether your assessments are correct.

Example:
The example below shows a Cause & Effect diagram



Critical Thinking Methodology

What does it mean to think critically?

" Thinking, is the hardest work there is, which is probably the reason why so few engage in it"
… Henry Ford

We hear the term **Critical Thinking** a lot, but few people stop to think what it means or even how to use it. When you think critically it means that you make reasoned judgements that are well thought out and logical.

Critical thinking is a way of thinking where you don't just accept the arguments and conclusions but embrace an attitude of curiosity by questioning the arguments and conclusions to find evidence to support the arguments and conclusions.

Critical thinkers will always ask questions that will probe additional information. Critical thinking is divided into the following:

Core Skills

- Curiosity
- Scepticism
- Humility

Most people make changes to their daily life based on an interesting story about real incidents without thinking about how or where the story comes from and or how something works.

Let's say that your colleague told you about their smoothie that they drink every day, and claim that its ingredients has increased their energy, on hearing this you make the decision to also have the same smoothie every day to increase your energy.

After a few day's - you find no difference and or change in your energy levels. Leaving you feeling disappointed and reluctant to believe anything or anyone.

This would be an unreasoned decision without any substantiating evidence, no thought was taken into the likely hood of the statement being true and or no curiosity to make an informed decision based on additional evidence.

By using critical thinking applying the **core skills** would've given rise to additional information and evidence to make an informed decision rather than one based on someone else's opinion.

The critical thinking skills are:

- **Interpretation -** Comprehend and express meaning or significance of a wide variety of experiences, situations, data, events, judgments, conventions, beliefs, rules, procedures or criteria.

- **Analysis -** Identify the intended and actual inferential relationships among statements, questions, concepts, descriptions, or other forms of representation intended to express belief, judgment, experiences, reasons, information or opinion.

- **Evaluation** - Assess the credibility of statements or other representations which are accounts or descriptions of a person's perception, experience, situation, judgment, belief or opinion; and to assess the logical strength of the actual or intended inferential relationships among statements, descriptions, questions or other forms of representation.

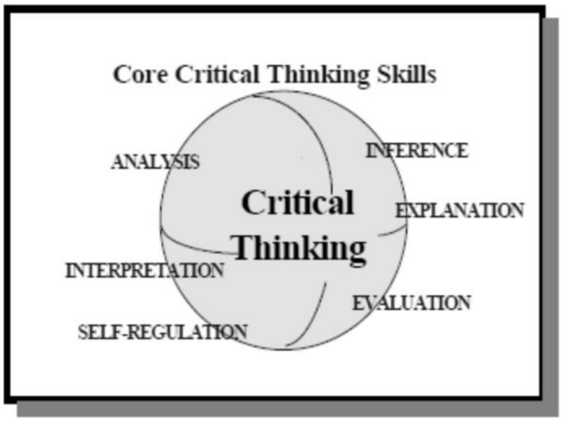
- **Inference -** Identify and secure elements needed to draw reasonable conclusions; to form conjectures and hypotheses; to consider relevant information and to deduce the consequences flowing from data, statements, principles, evidence, judgments, beliefs, opinions, concepts, descriptions, questions or other forms of representation.

- **Explanation** - State the results of one's reasoning; justify that reasoning regarding evidential, conceptual, methodological, criteria-based and contextual considerations upon which one's results were based; and to present one's reasoning in the form of cogent arguments.

- **Self-regulation** - Self-consciously to monitor one's cognitive activities, the elements used in those activities and the results deduced, particularly by applying skills in analysis and evaluation to one's inferential judgments with a view toward questions, confirming, validation or correcting either one's reasoning or results.

Good critical thinkers can also be described in terms of how they approach specific issues, questions, or problems and would have some (or all) of the following characteristics:

- Clarity in stating the question or concern,
- Orderliness in working with complexity,
- Diligence in seeking relevant information,
- Reasonableness in selecting and applying criteria,
- Care in focusing attention on the concern at hand,
- Persistence through difficulties are encountered,
- Precision to the degree permitted by the subject and the circumstances.



A technique that can be used to identify the cause of a problem is to use the 5 Why's. When you use this technique, you look at a situation, or at a person's behaviour and you ask why a situation or behaviour has occurred. You continue to ask the question why, until you get to the cause of the problem.

For example:

Manager: Why are the customer's calls not being returned?

Employee: I have not received any messages

Manager: Why have you not received any messages?

Employee: I have checked the messages on the phone, and it says no messages

Manager: Why would the system say there are no messages when the customer says he has been leaving messages?

IT manager: The system does not appear to be recording messages on the call answer facility

Manager: Why is the system not recording messages?

IT Manager: It has not been programmed properly

Manager: Why hasn't it been programmed properly?

IT Manager: The suppliers were supposed to have done it a week ago

Evaluate all of the information that is given to you. Look at things such as internal bias and consider all stakeholders involved.

It is evident in this example that the cause of the problem rests with the supplier and needs to be addressed by them to ensure that the problem is resolved. It has however created a knock-on effect that has affected a relationship with a customer, and that is another problem that will need to be resolved.

Problem Solving Process

Identify the Problem

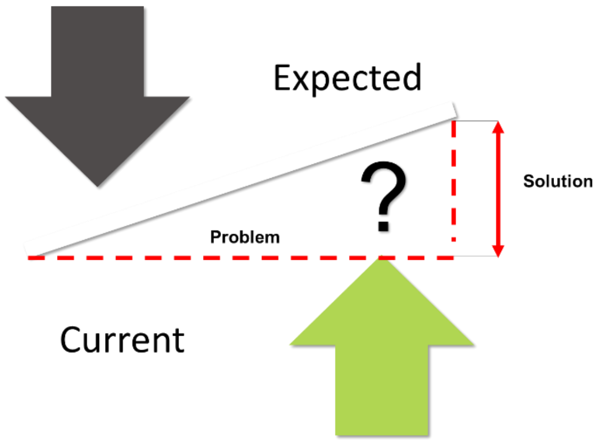
The first step in the problem-solving process is to identify or acknowledge that there is a problem. This may be a problem such as missing stock, poor turnaround times in service delivery, continuous errors, not getting things right the first time, bad behaviour, problems with technology etc. Once the problem has been identified, the next step is to define the problem clearly.

Clearly Define the Problem

To clearly define a problem, you need to gather information and evidence. When we need to analyse and define a problem, it is important to understand the difference between a problem and a challenge:

- **A problem** is usually some difficulty that we want to overcome, or a situation we want to **change**. When the course of action towards the desired objective is not easy or routine, then we say we have a 'problem'.

  The solution to the problem is the difference between the present situation and the desired result.



Problem:

A problem is a situation which is experienced by a person as different from the situation in which the person ideally would like to be in. It could be:

1. A question to be considered, solved, or answered: math problems; the problem of how to arrange transportation.
2. A situation, matter, or person that presents confusion or difficulty: was having problems breathing; considered the main problem to be his boss.
3. A misgiving, objection, or complaint: I have a problem with his behaviour.

(http:// www.thefreedictionary.com /)

We can solve a problem through a sequence of actions that reduce the difference between the initial situation and the goal. Problems come in many shapes and sizes, e.g.:

- Something, like your car, did not work as it should and you don't know how or why.
- Something you need is unavailable, and something must be found to take its place.
- Employees are undermining a new programme.
- The customers are not buying. What do you do to survive?
- Customers are complaining. How do you handle their complaints?

Problems arise on every side of human and mechanical functions as well as from nature. Some problems we cause ourselves (e.g., a hasty choice was made, and the wrong person was selected for the job); other problems are caused by forces beyond our control (e.g., a warehouse is struck by lightning and burns down).

Problems are a natural, everyday occurrence of life and in order to suffer less from the tensions and frustrations they cause, we must learn how to deal with them in a wise, logical fashion.

If we accept the fact that problems will arise on a regular basis, for a variety of reasons and from a variety of sources, we can:

- Learn to approach problems from a balanced point of view
- Learn how to expect some of them
- Prevent some of them from becoming larger problems

- **Challenge** is another word that is often used when we solve problems. Have you ever heard someone say, “Don’t look at it as a problem, rather see it as a challenge”? The difference is that when we say “This is a challenge” it shows that we are prepared to look for a solution.

> **Challenge**:
>
> 1. A demand for explanation or justification; a calling into question: a challenge to theory.
> 2. A test of one's abilities or resources in a demanding but stimulating undertaking: a career that offers a challenge.
>
> (http:// www.thefreedictionary.com /)

The word challenge is therefore used when the individual knows that there is a problem or that something is not “quite right” or that it will take some creativity to make something work.

Examples:

- Jane says: “Steve is very fat.”
- We will challenge this statement if we believe the statement to be incorrect or if we feel that this is an overstatement.
- Jenny believes that she will never be pretty.
- We would challenge this statement by replying that Jenny has beautiful eyes and that she should not measure her beauty (prettiness) against others.
- John and Jack are two of my best friends, but they do not like one another. It would be a challenge to have them both attend the dinner party tonight.
- We would find the situation challenging, as it would demand that we be creative about seating arrangements at the party, ensuring that both John and Jack are kept happy and entertained at the dinner party. It would, therefore, be a demanding, yet stimulating undertaking if we succeed in having a successful dinner party where both John and Jack are happy.
- The supervisor requests the newest member of the team, Sarah, to facilitate the next sales meeting.

Sarah would see this task as a challenge to prove her abilities in a demanding but stimulating way if she has the self-confidence and a positive attitude to take it on.

Sarah would, however, see it as a problem, if she is not self-confident, negative and if she is not sure of her abilities to facilitate a meeting.

Use critical thinking to analyse the problem.

Define the Options

Once you have gathered data, evaluated all of the information and identified the cause of the problem, you can look at options for addressing the problems. Use creative thinking to generate options and innovative ideas.

Let's look at an example of customer's ordering the product telephonically, but the turnaround time on orders is 4 days, and the customer wants it in 2 days. You could use the reversal technique in this situation and reverse the statement "the product gets delivered to the customer" to "the product does not get delivered to the customer". If the product does not get delivered to the customer, what are the options?

- The customer collects the product
- The product is not assembled, and parts get sent to the customer

Use the techniques for creative thinking that were discussed earlier to assist you in generating options and innovating new ideas.

Generate Alternative Solutions

Once you have generated alternatives, possibilities, or choices, you are in a position to identify possible solutions.

- **Identify possible solutions**

  When identifying solutions, ensure that you consider all the stakeholders involved and that you predict the long-term and short-term consequences of the options.

  When predicting the consequences, consider both the positive and the negative. This should give you enough information to make an informed decision.

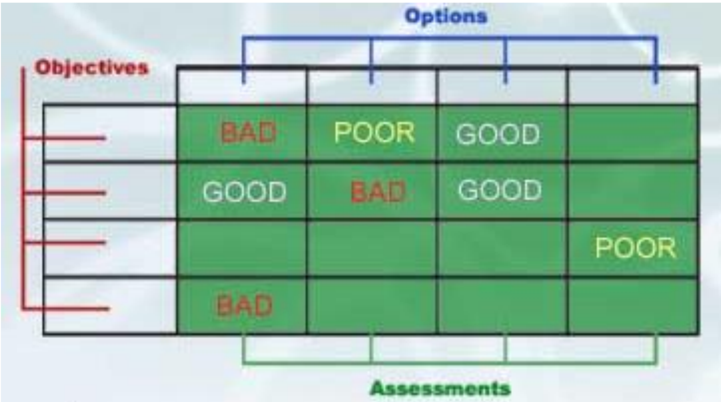
  Example:

  3Ms production of "Post It" notepads". Glue was made in production that did not meet the expected standards. So instead of disposing of it, the 3M team looked at what the glue could be used for. It could be used as a reusable adhesive on paper that sticks to surfaces. This then led to "Post Its" which are used all over the world for note taking and used as reminders.

You can explore attributes in the following categories:

- Physical, e.g. colour, weight, materials, speed
- Psychological, e.g. appearance, symbols, feelings it generates
- Functional, e.g. its uses, applications
- People, e.g. anyone who is involved
- Miscellaneous, e.g. cost, reputation, origin

After examining the possible consequences of each option, create a consequences table that compares each option to each objective. This table permits you to put all the information about each option in one place. As a result, you can make the best use of the information you have available. In complex decisions, you can use a consequences table to explain the important factors that helped you choose from the competing options. A sample consequences table is shown in the next diagram.



- **Look at potential causes for the problem**

  A cause-and-effect diagram can be used to analyse the potential causes and even generate possible solutions.

  - In this phase, it's critical to get input from other people who notice the problem and who are affected by it.

  - It's often useful to collect input from other individuals one at a time (at least at first). Otherwise, people tend to be inhibited about offering their impressions of the real causes of problems.

- Write down what your opinions are and what you've heard from others. If you think there might be performance problems associated with an employee, it's often useful to seek advice from a peer or your supervisors in order to verify your impression of the problem.

- Write down a description of the cause of the problem and regarding what is happening, where, when, how, with whom and why.

- Identify alternatives for approaches to resolve the problem

  At this point, it's useful to keep others involved (unless you're facing a personal and employee performance problem).

  - Brainstorm for solutions to the problem. (We will learn about brainstorming in the next section)

  - Distinguish between fact and opinion, for example, it is a fact that packages are missing; it is an opinion that they are merely lost and will turn up eventually.

  - Conclude from the gathered evidence and pose solutions.

  - Finally, weigh the advantages and disadvantages of each alternative. What are the costs, benefits, and consequences? What are the obstacles, and how can they be handled? Most important, what solution best serves your goals and those of your organisation? Here's where your creativity is especially important.

- **Select an approach to resolve the problem**

  When selecting the best approach, consider:

  - Which approach is the most likely to solve the problem for the long term?
  - Which approach is the most realistic to accomplish for now?
  - Do you have the resources?
  - Are they affordable?
  - Do you have enough time to implement the approach?
  - What is the extent of risk associated with each alternative?

Finally, a solution(s) is selected that is most appropriate within a systems context, taking into consideration interrelated issues that impact on the solution and areas that will be impacted upon by the implementation of the solution:

In a perfect world, you would have all of the information you need and an unlimited amount of time to make a decision. Your choices would be clear, and company politics would not influence your decision. Often, however, you need to make complex decisions quickly, with only partial information.

Making a final choice among your possible decision options is an important and difficult step in the decision-making process. Some sets of options might seem superior or inferior, making it effortless to sort through them. Others might seem equally effective, making it much more difficult to choose the best of them.

As you begin to make your final decision, apply these guidelines to help you determine the correct approach:

- **Consider the magnitude of the decision**. Ask yourself how important the decision is and whether you should spend a lot of time and effort into it. Consider the repercussions you'll face for making a poor decision.

- **Think about the complexity of the decision**. Determine whether you need help to manage all the issues related to the decision. Ask yourself whether you can comprehend all the factors that influence the decision.

- **Contemplate how others will view your decision**. Carefully consider how you will explain your decision to others. Saying that you feel the decision was the right choice will probably not be sufficient. You'll need to tell your reasoning behind the decision.

Using a weighted-decision model is helpful for complex decisions that involve the consideration of a large amount of information when making your decision. For these types of decisions, you need a technique that is more systematic than rules or intuition, either of which might oversimplify the situation. By using a systematic approach, you can explain difficult decisions to others when seeking their approval or acceptance. The logical approach also helps cut out human irregularity that might occur when you are stressed, tired, or bored.

To create a weighted-decision model, you should complete these five steps:

1. **Identify** the factors that affect the method. For example, if you need to decide which employee should be promoted to the new position, determine all the factors that are important in this decision.

2. **Quantify** each of the factors. Decide on a scale by which they can be measured. Some factors might be quantitative, which makes them handy to rate. However, for qualitative factors, you need to create a scale that helps you to express the information with numbers. For example, to quantify the quality of individuals' past performances you might create a scale that includes four levels, such as, did not meet expectations, met expectations, exceeded expectations and far exceeded expectations. You could allocate these levels the numerical values of one through four, respectively.

3. **Rate** how each of your options performs on each factor. Assign each option the appropriate rating for the scales you created.

4. **Apply** weights to each of the factors. Place factors in order of importance and assign the weight accordingly. A convenient way to do this is to allocate a percentage to each factor. All the percentages should equal 100. You should consider carefully how to weight the factors because emphasising the wrong factors will lead you to choose an option that does not meet your needs.

5. **Calculate** the weighted score of each option. Multiply the factor ratings by the weight you assigned to each factor. The result will give you weighted scores that will reflect how each option performed based on each factor. You can add the weighted scores to obtain the final weighted score for the option. The option with the highest score is the best choice.

Example:

Problem: My car is always breaking down, but it costs a lot of money to replace.

There is one possible solution, and that is to buy a new car.

Decision Option: Should I buy a new car?	
PRO'S	**CON'S**
Better comfort – 3	Cost outlay will mean making some sacrifices - 5
Lower fuel costs – 3	Higher insurance - 3
Lower servicing costs – 4	Time and hassle to choose and buy it – 2
Better for family use – 3	Disposal or sale of my old car - 2

Better reliability – 5	Big decisions like this scare and upset me – 4
It'll be a load off my mind – 2	
Total: 6 Pro's: Total Score 20	**Total: 5 Con's: Total score 16**

You can see from this example that there is a clear benefit to buying a new car. I have weighted each issue for and against buying the car, and the score shows that it will be the best option.

The analysis of the ideas can be done by just you, or it can be done in a group. The group can be the same group who did the brainstorming, or it can be the dedicated group of people who will eventually be implementing the chosen ideas. Because it is best to have "external" people in the brainstorming session it is often the case that the group which analyses the ideas is a different group to that which produced them.

After you examine your options, it's time to make a decision about which one to implement. At this point, it's best to have a set of techniques to help you select the option that's most appropriate for your situation. Some techniques are more complex than others and might require more time. You can select the simplest one, but don't compromise reliability by oversimplifying the situation. Do not choose a technique based on ease of use. This might quicken the process, but speed is usually at the expense of reliability.

- Plan the implementation of the best alternative (this is your action plan)

  Carefully consider "What will the situation look like when the problem is solved?"

  - What steps should be taken to implement the best alternative to solving the problem?
  - What systems or processes should be changed in your organisation, for example, a new policy or procedure? Don't resort to solutions where someone is "just going to try harder".
  - How will you know if the steps are being followed or not? (these are your indicators of the success of your plan)
  - What resources will you need in terms of people, money and facilities?

- How much time will you need to implement the solution? Write a schedule that includes the start and stop times, and when you expect to see certain indicators of success.

- Who will primarily be responsible for ensuring implementation of the plan?

  Write down the answers to the above questions and consider this as your action plan. Communicate the plan to those who will be involved in implementing it and, at least, to your immediate supervisor. (An important aspect of this step in the problem-solving process is continual observation and feedback.)

- Monitor implementation of the plan

  Monitor the indicators of success:

  - Do you see what you would expect from the indicators?

  - Will the plan be done according to schedule?

  - If the plan is not being followed as expected, then consider: Was the plan realistic? Are there sufficient resources to accomplish the plan on schedule? Should more priority be placed on various aspects of the plan? Should the plan be changed?

- Verify if the problem has been resolved

  One of the best ways to verify if a problem has been solved is to resume normal operations in the organisation.

  For future reference, consider the following:

  - What changes should be made to avoid this type of problem in the future? Consider changes to policies and procedures, training, etc.

  - Lastly, consider "What did you learn from this problem-solving?" Consider new knowledge, understanding and skills.

- Consider writing a brief memo that highlights the success of the problem-solving effort, and what you learned as a result. Share it with your supervisor, peers and subordinates.

Common pitfalls of problem-solving efforts

- **Identifying the wrong problem.** Sometimes what needs to decide is very obvious, but other times the issue is harder to spot. For example, let's say your colleague cancelled a study session with you to hang out with other friends. Is the problem that your friend's actions hurt you or that you are worried about his study habits? Figuring out the focus of your **decision** can save you from big headaches later on.

- **Listening to only one source.** This will hurt your chances of coming up with a broad choice of alternatives and coming up with the best solution. Overestimating how helpful or reliable one person can be is also dangerous because nobody can completely understand the particular dynamics of your situation.

- **Listening to too many sources.** It is important to collect as much information as possible to help you make your **decision**, but an overload of input may prevent you from following your gut instinct. Trusting your intuition is a key component of successful **decision**-**making**.

- **Overshooting on the outcome.** When considering your options, take care also to assess how probable the outcomes of each option truly are. A **decision** that looks attractive but is unfeasible will not help you solve the problem.

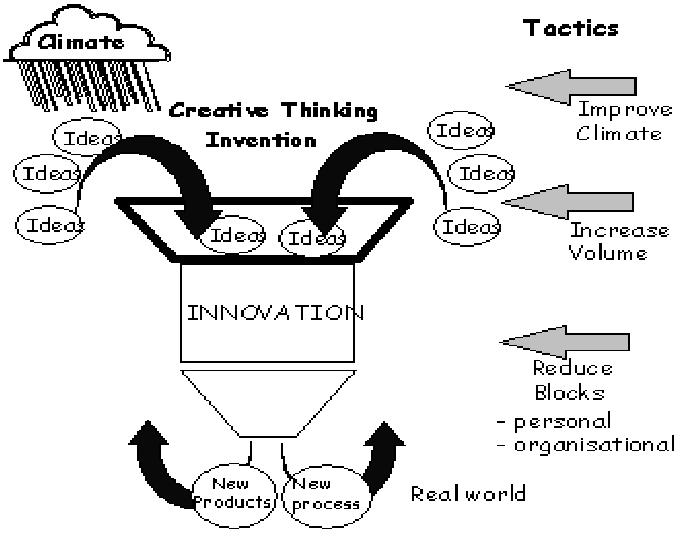
- **Bad timing.** Sometimes it's best to hold off on **making** a **decision**, but other times delaying a response can make things a lot worse. Taking your time will probably result in a higher-quality **decision**, but expediting the process could also give you more time to fix things in the event of an undesirable outcome. Since each choice is often case-specific, consider how the pros and cons of timing will affect your **decision** and the ensuing outcome.

CREATING AN INNOVATIVE ENVIRONMENT

Leaders play critical roles in creating an environment that is just right for innovation to flourish amongst a team.

Innovation as we know is the production or implementation of an idea. Innovation is the engine that drives transformation. It results in an improvement, a gain or a profit.

The nature of innovation has changed today from what it was in the past. It is no longer individuals toiling in a laboratory, coming up with some great invention. It's not an individual. It is individuals. It is multidisciplinary. It is global. It is collaborative.



Many ideas produce one innovation. Ideas are generated and recycled. They are screened, and the chosen idea is checked for feasibility and finally implemented:

Features of an environment that promotes innovation

The features of an environment conducive to innovation include openness, creative thinking, questioning, encouragement of risk-taking, rewards for innovation, as well as a culture of enquiry, challenging the status quo and learning from mistakes.

Innovative organisations provide an open environment with the freedom to kick around and explore ideas – even seemingly crazy ones. The offices often have whiteboards, flipcharts, markers, conference tables everywhere to encourage on-the-spot creativity. Meetings are usually not boring and sometimes include laughter as crazy ideas are discussed and debated.

These organisations encourage people to get to know each other across the company. After all, it's not just a marketing person, or a salesperson, or an engineer that will bring a great new idea to market. It's a cross-disciplinary team working together.

Employees of innovative organisations really understand the organisation's mission and vision – and can live within (and sometimes push the boundaries of) them. This is a result of a culture that involves them in strategic thinking. New ideas are "tested" against this strategic vision to see whether the new idea moves the organisation closer to that vision.

Innovative organisations *expect* employees to come up with good ideas. Often, it's built into the hiring and measurement processes. These organisations look for ways to identify prospective employees who are not just experienced and technically competent in what they do but also demonstrate a spark of creativity, a willingness to take risks, to offer ideas, and are comfortable in an open, creative environment. These are the people who are willing to be the first to draft a document that others will review, revise, and edit. These are the people who may begin a sentence with "This may sound crazy but what if we….".

Features of a Culture of Enquiry and Risk-Taking

While one's innovative abilities are partially genetic, the expression of creative talent is dependent on several cultural aspects of the work environment that either stimulate or suppress innovative thinking.

Companies who wish to create an innovative work culture must not only hire creative individuals but must also support and embrace an environment that is conducive to innovation.

Just as we may need to change our thinking about innovation and creativity, we need to encourage an attitude shift in our team members too. Multiple inputs stimulate thought and creativity. We all have different experiences, backgrounds, ideas and perceptions that can lead to greater innovations.

As a leader, you should create opportunities for innovation.

So how can we encourage our immediate team, the larger group and our stakeholders to participate in the innovation process?

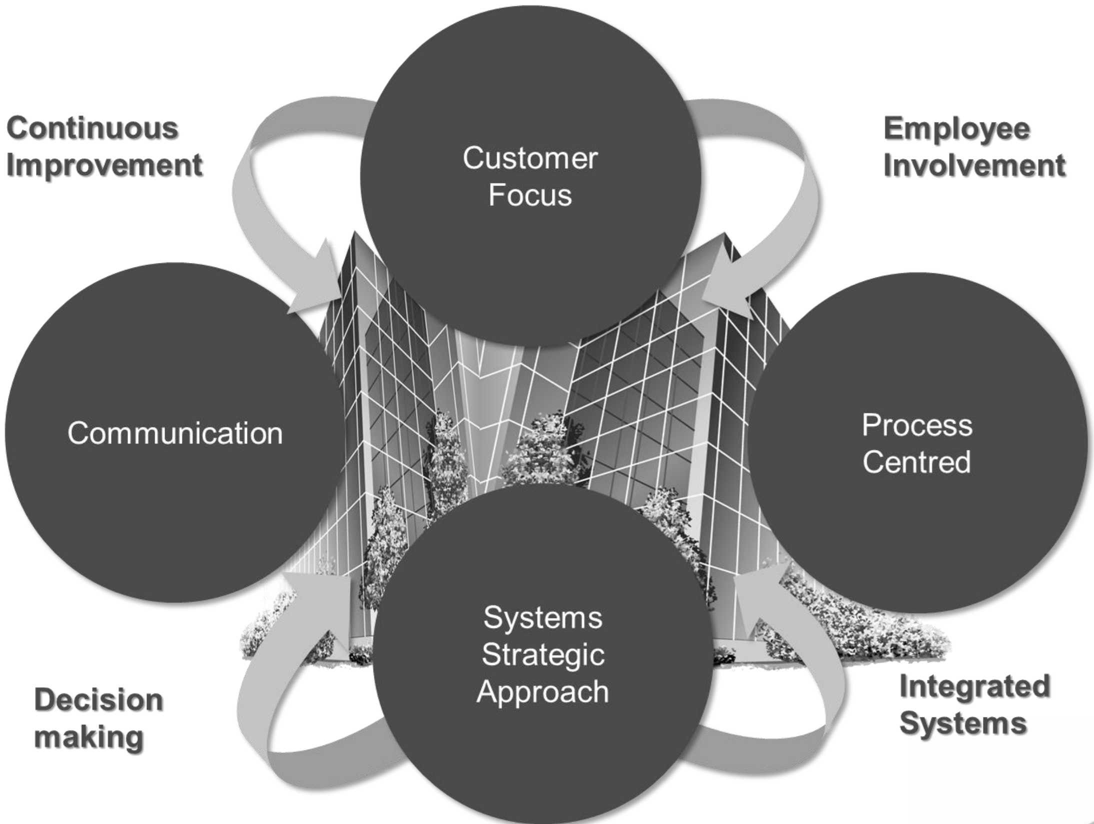
A system should be put in place that allows key stakeholders to contribute to the innovation process.

Total Quality Management is a method by which management and employees can become involved in the continuous improvement of goods and services. Ford Motor Company, Phillips, Toyota and Motorola have all implemented TQM. The objective of TQM is to do the right things right, the first time, every time". The activities within TQM include:

- Buy-in and commitment from the senior management team
- Buy-in and commitment by all employees
- Meeting customer needs and expectations

- Just in time delivery of products and services
- Improvement teams
- Reducing product and service costs
- Systems that facilitate continuous improvement
- Ownership by line management
- Recognition and reward
- Challenging goals and benchmarks
- Improvement processes and plans
- Strategic planning

Total quality management cannot be achieved without the inclusion of innovative thinking from various stakeholders. Establishing improvement teams is the key step in taking innovation forward. The improvement teams will work on the feedback that is obtained from quality circle meetings and other methods for gathering feedback.



PLANNING TO CREATE AN INNOVATIVE ENVIRONMENT

Organisations that are characterised as innovative focus on both theirs, and their customer's, needs and opportunities. They focus on achieving and maintaining profitable operations. These organisations are constantly looking for ways to reinvent themselves and constantly introduce new varieties and generations of products and services.

There are many examples of individuals who have great ideas but do nothing with them. Their organisations do not even know of these concepts. Unfortunately, these ideas die. They die because the creator kills them! Why?

Perhaps the innovator recognises that the idea may negatively impact their job or the job of co-workers or because the innovator does not know how to explore the idea to take it from a vision to a reality. Furthermore, the innovator may be too quick to discard the idea because they think that no one would ever agree on how to structure the concept or pay for it.

You will need to ensure that your plan includes for both the Unit Manager and the team members:

- Activities
- Techniques
- Approaches
- Processes
- Role Players
- Reward Systems
- Measurements
- Potential Risks
- Benefits
- Skills Development

Each of the above elements must define what must be done, what will be used, what is the process, who is doing what, what and how will it be rewarded, the measurements for reward, potential risks that are foreseen, the benefits to be achieve and what development is required to close any gaps experienced.

Recording and communicating new ideas

Regular team meetings provide the opportunity to voice any new ideas that may emerge during the life cycle of the project. New ideas should be recorded in the meetings, and the tips and techniques for creative thinking can be used to develop the ideas further and perhaps, to initiate new projects.

Using the innovation Pro-forma

The innovation pro forma is an ideal tool that can be used to promote innovative thinking. The principle of the tool is that it gives everyone a chance to voice their opinions or ideas, but at the same time, holds them responsible for providing solutions to problems and ideas they may generate. It also prevents the filtering of information as feedback is aimed at the project manager (or senior management team where necessary).

It also provides the opportunity for all ideas to be recorded and communicated. The project administrator could be responsible for capturing all ideas into a consolidated documented that provides a historical view of the ideas that have been generated and in some cases, actioned, throughout the project.

Setting up the process for recording and communicating new ideas

During the team planning meeting introduce the concept of the innovation pro-forma. Ask the team to first agree on how the proforma will be accessed. This could be hard copies of the template or soft copies via e-mail or the intranet.

Then discuss how the forms will be returned and who they will be returned to for sorting and capturing of the data.

The next step is to determine the turnaround times for giving feedback to the team on the recommendations and the forum that it will be completed in.

The last step is optional and could include rewards for the best ideas.

A motor manufacturing company in South Africa included the last step in their problem-solving process and told their employees that any innovative ideas that were recommended by staff would be reviewed against the ability to implement and the ability to save costs. The reward was 10% of the cost savings to the business. A worker on the assembly line came up with the idea that saved the company over R2, 000, 000. He was rewarded with a cheque for R200, 000.

Let's look at an example of how the innovation pro-forma could be used.

Innovation Pro-forma

This is an innovation Pro-forma for the customer service department of an airline company.

Current problems experience:	**Recommended solutions to address problems:**
Too much paper being used on the project. Too many copies of reports being distributed and piles of paper are being wasted at the photocopier machine.	Send all reports online. No printing of reports for standard meetings. Source the route of the work that has been printed and left at the photocopier and address with each individual.

Ideas for improving the product and service offering:	Recommended steps for improving these:
Customers complain that Johannesburg and Durban have a different policy on hand luggage. Jhb allows you to take a laptop, handbag, and carry-bag. Durban only allows 2 pieces of hand luggage. Define clear policy and educate staff.	Review existing policy Get inputs from Jhb and Dbn on what works best for the customer within safety regulations. Redefine policy. Line managers to communicate changes to staff. Managers to assess implementation.
Lateral thinking ideas:	Recommendations for implementing ideas:
Economy class customers can use the VIP lounges.	Have an open day to use the VIP lounges Vouchers to the lounge for frequent flyers
Questions	Answers to be provided within _____ number of days.
None	

Describe the Implementation of the Plan

Now that you are enthused and ready to stimulate creativity in your team, you need to come up with a plan. Look at your environment and availability of resources- do you already have that sinking feeling that this is going to be a futile exercise?

We already know that organisational structure can inhibit or foster creativity and innovation. The problem with organisational structure though is that it is resultant of many factors, including history, organic growth, strategy, operational design, product diversity, logistics, marketing, client base, supplier base and so forth. Therefore, what you need, are not recipes for complete structural change, but a plan to foster structures that can be adapted into the existing structure.

In its simplest form, your plan can aim for the following:

- Direct communication links to decision makers.
- Communication and information flow between departments and creative teams in other departments
- Tangible progression of ideas from problem to solution
- Fostering a culture of creativity in your team

Now that you have established your goals, you can draw up your action plan.

Promote the Plan

Of course, your plan will be dead in the water without buy-in and commitment from relevant stakeholders, such as team members, other managers, perhaps even customers, suppliers and other interest groups.

Depending on the prevailing culture in your company, you could find responses ranging from apathy to ridicule, and you could have your work cut out for you when trying to change attitudes and gain commitment from the role players.

LEARNING UNIT TWO

2

ASSESSMENT CRITERIA

Formulate recommendations for a change process 252021

SPECIFIC OUTCOME 1 - 4

- Demonstrate knowledge of and insight into the need for change within the context of environment change.
- Analyse an area requiring the implementation of a change process.
- Select a model for implementing a change management process.
- Formulate recommendations on implementing the change process.

THE THEORIES OF CHANGE

The theories of change generally explain how tasks and activities are understood to produce a series of results that contribute to achieving the overall goal. Change can be developed for any level of intervention – a process, project, event, policy, strategy, business, etc.

A theory of change can be developed for any these interventions when:

Objectives and activities can be identified and tightly planned or

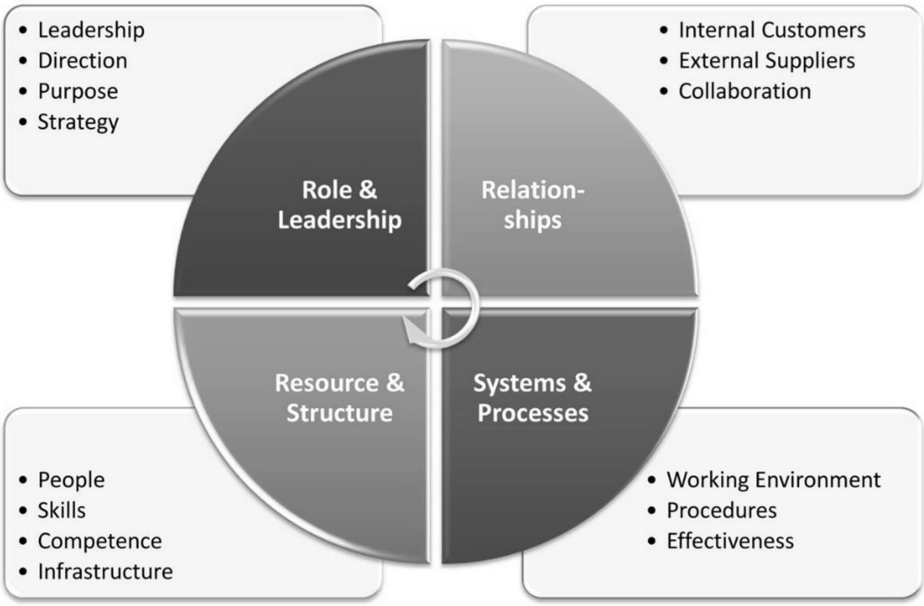
The changes and adaptions in response to emerging issues and to decisions made by stakeholders.

These changes have impacts on several objects and subjects, in other words a business, its processes and the people involved in implementing the changes.

Change Management refers to the process of managing the significant changes occurring in the workflows, procedures, and business operations due to reform.

Change management includes more than just procedures and integrating systems. It involves changes in culture and philosophies coupled with a strong business model

The following four-part model identifies some of the key considerations for implementation of **organisational change**



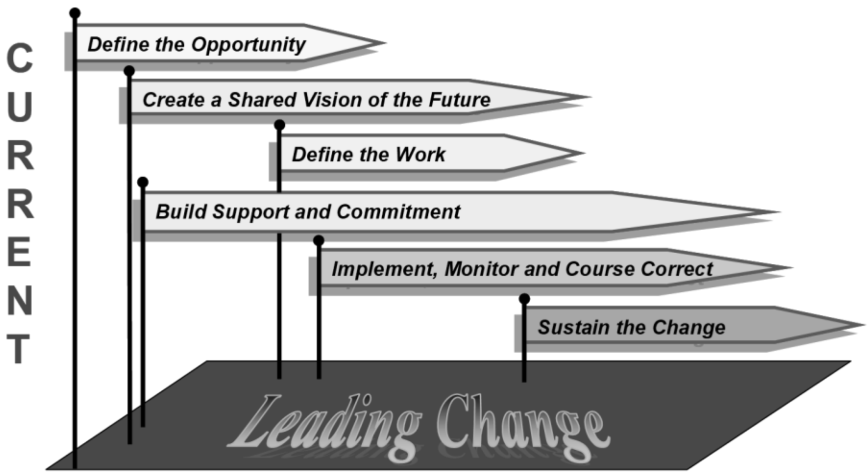
This process of review commences with Role and finishes with Resource as one cannot plan the people needed to resource a new organisation until the value, complexity and significance of the service are identified. Any incumbents whether people or structure, are considered towards the end of the process when resources are assessed and the process identifies where their skills and competencies could be utilised.

As mentioned before, to remain competitive, and to remain attractive as employers, organisations need to adapt and constantly change in accordance with the changing needs of their stakeholders.

CHANGE MANAGEMENT MODELS

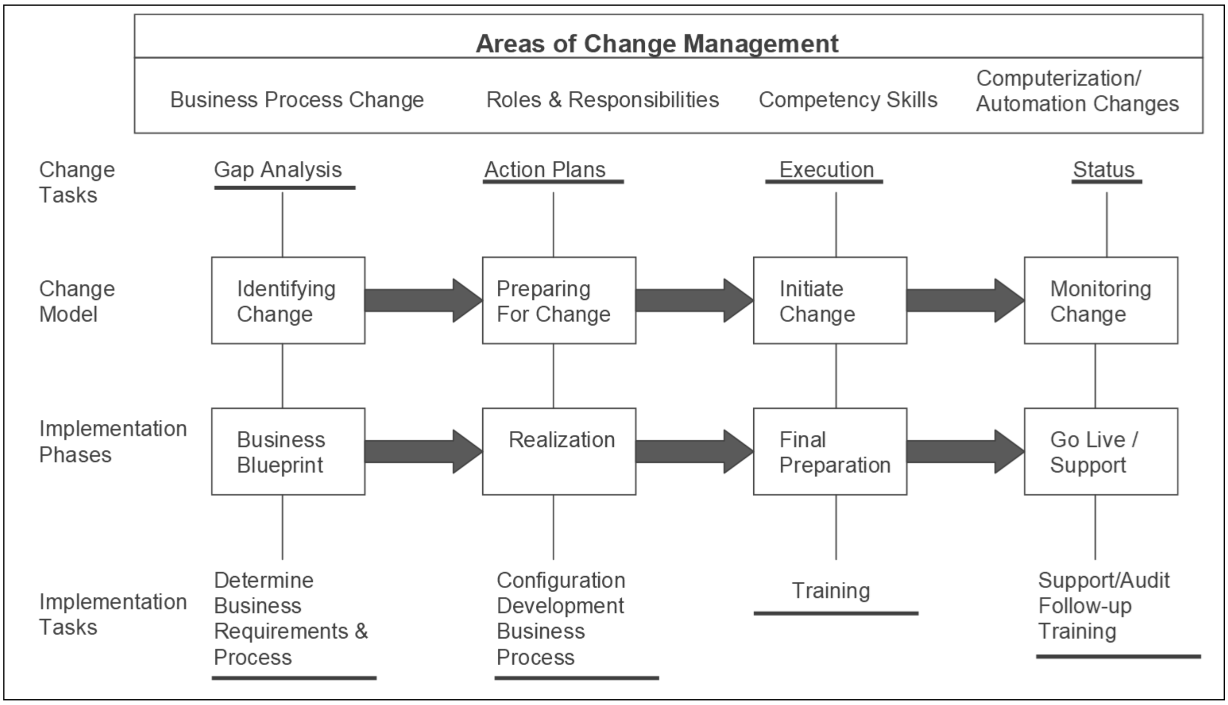
Understanding change, therefore, and knowing how to manage it, is a crucial part of the knowledge and skills of people managers in a successful organisation.

Change Management Methodology



Characteristics of Change Models and Theories

Change management models are used as a guideline for implementing the required change in the organisation. It can be illustrated as follows:

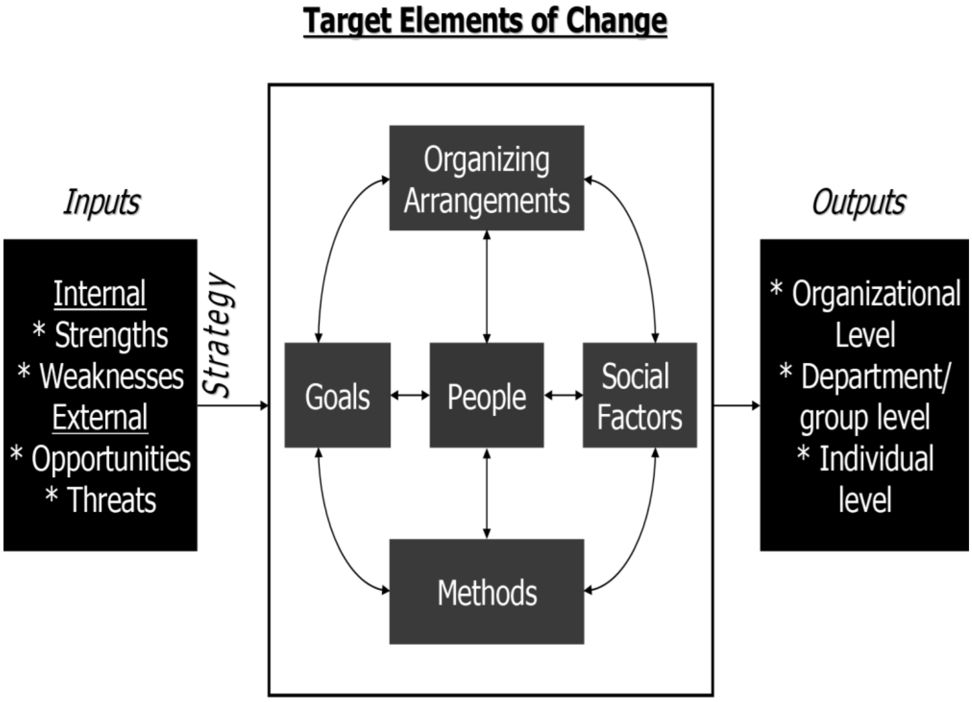


To implement change in an organisation, it is important and valuable to have an understanding of various theoretical change models, such as:

- System's Model for Change
- Kaizen Philosophy of Continuous Incremental Improvements
- Business Process Reengineering
- Capability Maturity Model (CMM)
- People Capability Maturity Model (CMM)
- Lewin's Change Model
- Ajzen Theory of Planned Behaviour (TPB)
- Malcolm Baldridge National Quality Award (MBNQA)
- Burke Litwin Model of Organisational Change
- Integrated Strategic Change Model

System's Model for Change

In a system, there are inputs, processes and outputs. The illustration below shows the inputs (internal and external) that are then aligned to the organisation's strategy and then processed using the various target elements of change to provide the outputs at various levels in the organisation.



Kaizen Philosophy of Continuous Incremental Improvements

The Kaizen method of continuous incremental improvements is an originally Japanese management concept for an incremental change. Kaizen is a way of life *philosophy*, assuming that every aspect of our life deserves to be constantly improved. The Kaizen philosophy lies behind many Japanese management concepts such as Total Quality Control, Quality Control circles, small group activities, labour relations.

Japanese companies distinguish between innovation (radical) and Kaizen (continuous). Kaizen means literally: change (kai) to become good (zen).

Key elements of Kaizen are:

- quality
- effort

- involvement of all employees
- willingness to change
- communication

The foundation of the Kaizen method consists of 5 founding elements:

1.teamwork,

2.personal discipline,

3.improved morale,

4.quality circles, and

5.suggestions for improvement.

Out of this foundation, three key factors in Kaizen arise:

- elimination of waste and inefficiency
- standardisation
- the Kaizen five-S framework for good housekeeping:
    - Seiri - tidiness
    - Seiton - orderliness
    - Seiso - cleanliness
    - Seiketsu - standardised clean-up
    - Shitsuke - discipline

Although it is difficult to give generic advice on when to apply the Kaizen philosophy, it is clear that Kaizen fits well in incremental change situations that require long-term change and in collective cultures. More individual cultures that are more focused on short-term success are often more conducive to concepts such as Business Process Reengineering (see below).

When Kaizen is compared to BPR is it clear the Kaizen philosophy is more people-oriented, easier to implement, requires long-term discipline. BPR, on the other hand, is harder, technology-oriented enables radical change but requires major change management skills.

Business Process Reengineering

The Business Process Reengineering method (BPR) is defined by Hammer and Champy as 'the fundamental reconsideration and radical redesign of organisational processes, to achieve drastic improvement of current performance in cost, service and speed'. Value creation for the customer is the leading factor in BPR and information technology often plays an important enabling role. (Davenport and Short, 1990 and Hammer and Champy, 1993)

Davenport (1992) prescribes a five-step approach to the Business Process Reengineering model:

1. Develop the business vision and process objectives: The BPR method is driven by a business vision which implies specific business objectives such as cost reduction, time reduction, output quality improvement.

2. Identify the business processes to be redesigned: most firms use the 'High- Impact' approach which focuses on the most important processes or those that conflict most with the business vision. A lesser number of firms use the 'Exhaustive approach' that attempts to identify all the processes within an organisation and then prioritise them in order of redesign urgency.

3. Understand and measure the existing processes: for avoiding the repeating of old mistakes and for providing a baseline for future improvements.

4. Identify IT levers: awareness of IT capabilities can and should influence BPR.

5. Design and build a prototype of the new process: the actual design should not be viewed as the end of the BPR process. Rather, it should be viewed as a prototype, with successive iterations. The metaphor of the prototype aligns the Business Process Reengineering approach with the quick delivery of results and the involvement and satisfaction of customers.

As a 6th step of the BPR method, some mention adapting the organisational structure and governance model towards the newly designed primary process.

Although it is difficult to give generic advice on when to use BPR, some factors that can be considered are:

- Is the competition outperforming the company by factors?
- Are there any conflicts in the organisation?

- Is there an extremely high frequency of meetings?
- Excessive use of non-structured communication? (Memos, emails, etc.)
- is a more continuous approach of incremental improvements not possible? (See: Kaizen).

When Kaizen is compared to the BPR method is it clear the Kaizen philosophy is more people-oriented, easier to implement, requires long-term discipline. The Business Process Reengineering approach, on the other hand, is harder, technology-oriented enables radical change but requires major change management skills.

Capability Maturity Model (CMM)

The Capability Maturity Model is an organisational model that describes 5 evolutionary stages (levels) in which an organisation manages its processes.

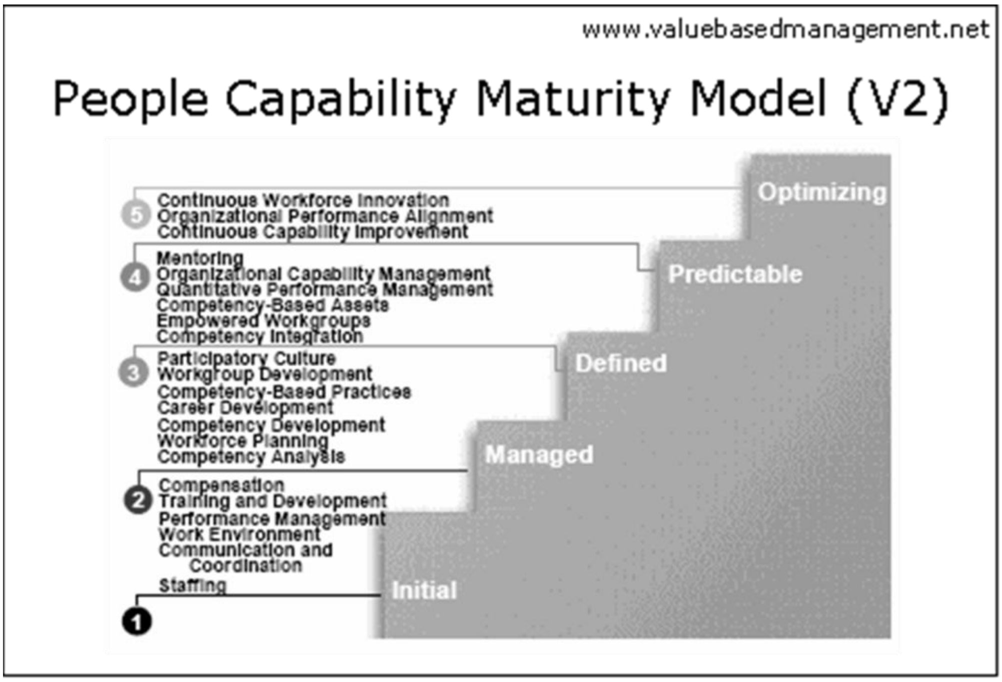
CMM describes 5 evolutionary stages in which an organisation manages its processes. The thought behind the Capability Maturity Model, originally developed for software development, is that an organisation should be able to absorb and carry its software applications. The model also provides specific steps and activities to get from one level to the next.

The 5 stages of the Capability Maturity Model are:

1. Initial (processes are ad-hoc, chaotic, or actually few processes are defined)
2. Repeatable (basic processes are established, and there is a level of discipline to stick to these processes)
3. Defined (all processes are defined, documented, standardised and integrated into each other)
4. Managed (processes are measured by collecting detailed data on the processes and their quality)
5. Optimising (continuous process improvement is adopted and in place by quantitative feedback and from piloting new ideas and technologies)

The Capability Maturity Model is useful not only for software development but also for describing evolutionary levels of organisations in general and in order to describe the level of Value-Based Management that an organisation has realised or wants to aim for.

People Capability Maturity Model (CMM)



The People Capability Maturity Model (People CMM) framework maintained by the Carnegie Mellon SEI helps organisations in developing their workforce maturity and in addressing their critical people issues. Based on the best current practices in fields such as human resources, knowledge management, and organisational development, P-CMM guides organisations in improving their processes for managing and developing their workforces. P-CMM helps organisations characterise the maturity of their workforce practices, establish a program of continuous workforce development, set priorities for improvement actions, integrate workforce development with process improvement, and establish a culture of excellence.

People CMM provides a roadmap for implementing workforce practices that continuously improve the capability of an organisation's workforce. Since an organisation cannot implement all of the best workforce practices in an afternoon, P-CMM takes a staged approach. Each progressive level of the P-CMM produces a unique transformation in the organisation's culture by equipping it with more powerful practices for attracting, developing, organising, motivating, and retaining its workforce. Thus, P-CMM establishes an integrated system of workforce practices that matures through increasing alignment with the organisation's business objectives, performance, and changing needs.

The underlying philosophy People CMM is based on ten principles:

1. In mature organisations, workforce capability is directly related to business performance.

2. Workforce capability is a competitive issue and a source of strategic advantage.

3. Workforce capability must be defined in relation to the organisation's strategic business objectives.

4. Knowledge-intense work shifts the focus from job elements to workforce competencies.

5. Capability can be measured and improved at multiple levels, including individuals, workgroups, workforce competencies, and the organisation.

6. An organisation should invest in improving the capability of those workforce competencies that are critical to its core competency as a business.

7. Operational management is responsible for the capability of the workforce.

8. The improvement of workforce capability can be pursued as a process composed of proven practices and procedures.

9. The organisation is responsible for providing improvement opportunities, while individuals are responsible for taking advantage of them.

10. Since technologies and organisational forms evolve rapidly, organisations must continually evolve their workforce practices and develop new workforce competencies.

The People Capability Maturity Model consists of five maturity levels that establish successive foundations for continuously improving individual competencies, developing effective teams, motivating improved performance, and shaping the workforce the organisation needs to accomplish its future business plans. Each maturity level is a well-defined evolutionary plateau that institutionalises new capabilities for developing the organisation's workforce. By following the maturity framework, an organisation can avoid introducing workforce practices that its employees are unprepared to implement effectively.

The five stages of the People CMM framework are:

1. P-CMM - Initial Level (Typical characteristics: Inconsistency in performing practices, Displacement of responsibility, Ritualistic practices, and emotionally detached workforce).

2. P-CMM - Managed Level (Typical characteristics: Work overload, Environmental distractions, Unclear performance objectives or feedback, Lack of relevant knowledge, or skill, Poor communication, Low morale)

3. P-CMM - Defined Level (Although there are performing basic workforce practices, there is inconsistency in how these practices are performed across units and little synergy across the organisation. The organisation misses opportunities to standardise workforce practices because the common knowledge and skills needed for conducting its business activities have not been identified)

4. P-CMM - Predictable Level (The organisation manages and exploits the capability created by its framework of workforce competencies. The organisation is now able to manage its capability and performance quantitatively. The organisation is able to predict its capability for performing work because it can quantify the capability of its workforce and of the competency-based processes they use in performing their assignments)

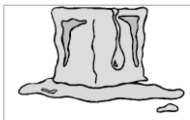
5. P-CMM - Optimising Level (The entire organisation is focused on continual improvement. These improvements are made to the capability of individuals and workgroups, to the performance of competency-based processes, and to workforce practices and activities. The organisation uses the results of the quantitative management activities established at Maturity Level 4 to guide improvements at Maturity Level 5. Maturity Level 5 organisations treat change management as an ordinary business process to be performed in an orderly way on a regular basis)

Lewin's Change Model

When dealing with people and change, American social psychologist Kurt Lewin observed during the 1940s that a successful change includes three progressive steps:

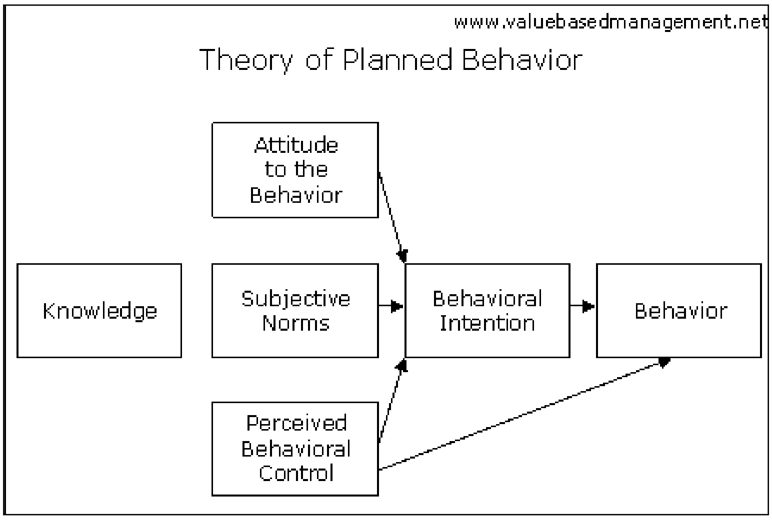
1. Unfreezing the present level of performance
2. Moving to a new level
3. Freezing group life at the new level

Unfreezing	Creates the motivation to change Encourages the replacement of old behaviours and attitudes with those desired by management

	Entails devising ways to reduce barriers to change Creates psychological safety
Changing 	Provides new information, new behavioural models, or new ways of looking at things Helps employees learn new concepts or points of view Role models, mentors, experts, benchmarking results and training are useful mechanisms to facilitat change
Refreezing 	Helps employees integrate the changed behaviour or attitude into their normal way of doing things Positive reinforcement is used to reinforce the desired change Coaching and modelling help reinforce the stability of change

Lewin (1947) proposed his Force Field Analysis Model to explain the driving forces and restraining forces being placed on any change effort, with equilibrium, or the present state of productivity, being reached when both forces are equal. Lewin's model points out the importance of self-assessment of both the external and internal environments to determine the positive and negative forces and drivers for an organisation.

Ajzen Theory of Planned Behaviour (TPB)



The Theory of Planned Behaviour (TPB) of Icek Ajzen (1988, 1991) helps to understand how we can change the behaviour of people. The TPB is a theory which predicts deliberate behaviour because behaviour can be deliberative and planned.

TPB is the successor of the similar Theory of Reasoned Action of Ajzen and Fishbein (1975, 1980). The succession was the result of the discovery that behaviour appeared not to be 100% voluntary and under control, which resulted in the addition of perceived behavioural control. With this addition, the theory was called the Theory of Planned Behaviour.

Briefly, according to TPB, human action is guided by three kinds of considerations:

1. Behavioural Beliefs (beliefs about the likely consequences of the behaviour)
2. Normative Beliefs (beliefs about the normative expectations of others)
3. Control Beliefs (beliefs about the presence of factors that may facilitate or impede the performance of the behaviour).

Ajzen's three considerations are crucial in circumstances/projects/programs when changing the behaviour of people.

In their respective aggregates, behavioural beliefs produce a favourable or unfavourable attitude toward the behaviour, normative beliefs result in perceived social pressure or subjective norm, and control beliefs give rise to perceived behavioural control. In combination, attitude toward the behaviour, subjective norm, and perception of behavioural control lead to the formation of a behavioural intention. As a general rule, the more favourable the attitude and subjective norm and the greater the perceived control, the stronger should be the person’s intention to perform the behaviour in question.

Recently (2002) Ajzen investigated Residual Effects of Past on Later Behaviour. He came to the conclusion that this factor indeed exists but cannot be described as habituation as many people think. A review of existing evidence suggests that the residual impact of past behaviour is attenuated when measures of intention and behaviour are compatible and vanishes when intentions are strong and well-formed, expectations are realistic, and specific plans for intention implementation have been developed.

A research project in the travel industry resulted in the conclusion that past travel choice contributes to the prediction of later behaviour only if circumstances remain relatively stable.

Example: The Theory of Planned Behaviour of Ajzen can help to explain why advertising campaigns are merely providing information do not work. Increasing knowledge alone does not help to change behaviour very much. Campaigns that aim at attitudes, perceived norms and control in making the change or buying certain goods have better results.

Malcolm Baldridge National Quality Award (MBNQA)

Phillips (1983) contended that management of change should begin with questioning the company's history of successful change and of key individuals' awareness of the need to change. He suggested that Human Resources should assess the organisation's readiness to make changes before attempting to promote organisational changes.

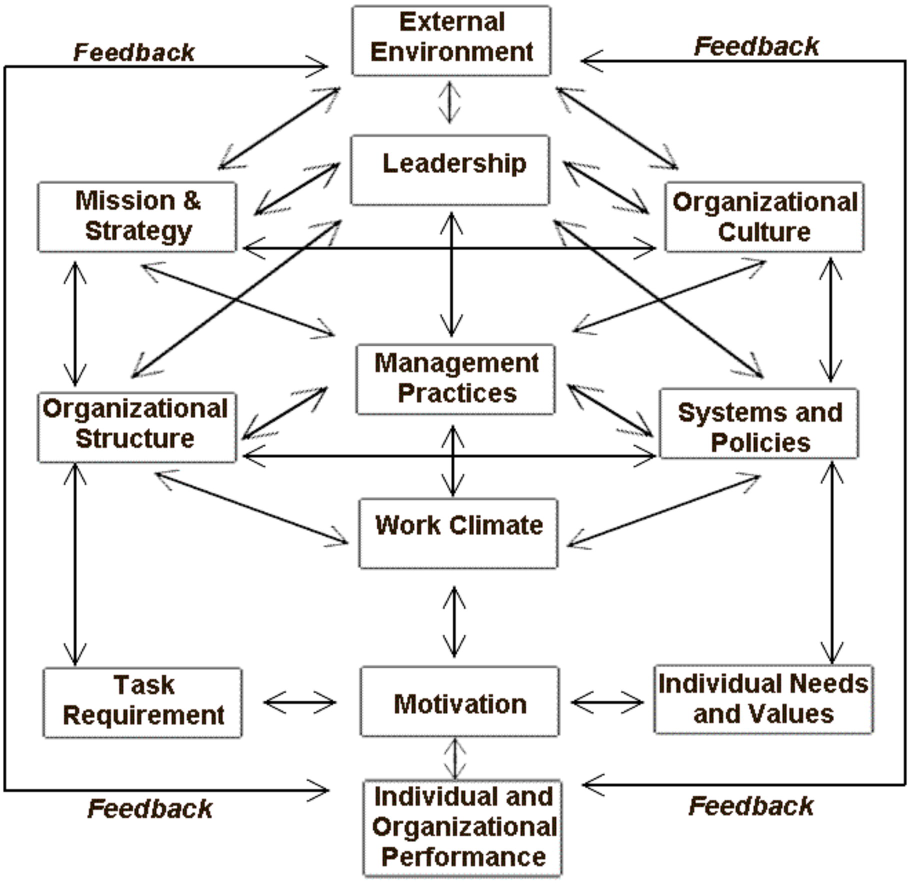
A popular organisational self-assessment model in the 1980's was the Malcolm Baldridge National Quality Award (MBNQA) which helped organisations focus their change efforts on performance excellence. The MBNQA approach uses a questionnaire to identify an organisation's strengths, weaknesses and opportunities. The MBNQA instrument focuses more on the strategic and organisational factors and not the whole system of an organisation which includes a deeper understanding of the organisation's culture, climate, commitment, capabilities, and the vision of its employees towards change.

Burke-Litwin Model of Organisational Change

In contrast to the MBNQA Model noted above, the Burke-Litwin Model of Organisational Change presented the concepts of transactional and transformational change to assess an organisation. Transactional change is where the organisation has some feature of change, but the fundamental nature of the organisation remains the same.

Included in transactional is an organisational climate which are people's perceptions and attitudes about the organisation. Included in transactional change are structure, management practices, and systems. Transformational change is where the organisation is fundamentally and substantially altered. Organisational culture is part of the transformational change and is harder to change versus organisational climate because of its deep-seated beliefs, and values. Included in transformational change our mission and strategy, leadership, and organisational culture.

The following figure presents a summary of the Burke-Litwin model.



Following the principles of a systems theoretic view, the Burke-Litwin model begins with the environment, from which inputs are brought into the organisation, and ends with individual and organisational performance, or the outputs. In a sense, however, the model finally ends with the environment once again, as the model also includes a feedback loop linking outputs back to environment and system inputs. The factors depicted between environment and performance are the throughput. It is here that the model offers some specificity on the mechanisms by which the organisation does its work.

The remaining throughput factors make up the transactional variables of the model. Changing transactional factors is easier than changing transformational factors but will have less of a long-term impact on performance if transformational factors are unaffected and remain essentially unchanged.

- **The structure** includes the formal chain of command, prescribed lines of communication, responsibilities, and decision-making relationships.

- **Systems** are the standardised behavioural systems or ways of doing things, including the policies, procedures, and practices designed to facilitate the work of the organisation's members, such as reward systems and control processes (e.g., budgeting).

- **Management practices** are what managers do to use resources available to them to achieve organisational goals. These are the bureaucratic manager and transactional leader behaviours that are intended to pursue current purpose and execute existing strategy.

- **Work unit climate** is the combined sense of direction, perceived roles and responsibilities, commitment to and involvement in the organisation, and perceived equity of rewards for a group's or organisation's members. The climate of a work unit strongly affects intragroup and intergroup relations.

- **Task requirements** refer to the specific requirements of a given task, the set of tasks assigned to specific roles and job positions, and the skills and abilities of the individuals who fill those positions and complete the tasks. Ideally, jobs will be appropriately matched to the talents of the individuals expected to fill them.

- **Individual needs and values** represent the organisational factors that, at an individual level, fulfil important work-related psychosocial needs, such as a sense of autonomy and achievement, and a belief that the work—and the individual's contribution to that work—is important and worthwhile.

- **Motivation** is defined by Burke as the "aroused" goal-directed behaviour of the organisation and its members. The enacted behavioural tendencies of the system stem directly from the energy generated by human motivation.

Integrated Strategic Change Model

The Integrated Strategic Change Model points out that the major challenge management faces today is in its competitive environment- managing the external positioning of the firm is not enough; it requires executives to manage external and internal considerations simultaneously and to comprehend both the challenges in the marketplace and those within their organisations. Traditional approaches to organisational strategy were mainly externally focused and concerned with financial performance using measurements like return on investments, return on equity, debt ratio, economic value added and return on total assets.

HUMAN RESPONSES TO CHANGE

Employee resistance

We have already seen that change happens continuously, and often at rapid speed. Because change has become an everyday part of organisational dynamics, employees who resist change can cripple an organisation.

In its usual description change resistance refers to change within organisations, although it is also found elsewhere in other forms.

To understand the concept of **employee resistance**, it is critical to define what is meant by the term resistance. Zander defines resistance to change as "behaviour which is intended to protect an individual from the effects of real or imagined change" Resistance to change is the action taken by individuals and groups when they perceive a change that is occurring as a threat to themselves.

Keywords here are 'perceive' and 'threat'. The threat need not be real or large for resistance to occur.

Resistance can also be defined as "any conduct that serves to maintain the status quo in the face of pressure to alter the status quo."

According to Dent and Goldberg (1999), individuals aren't resisting the change, but rather they may be resisting the loss of status, loss of pay, or loss of comfort. They claim that "it is time that we dispense with the phrase resistance to change and find a more useful and appropriate model for describing what the phrase has come to mean - employees are not wholeheartedly embracing a change that management wants to implement" (p. 26).

Resistance is an inevitable response to any major change. Individuals naturally rush to defend the status quo if they feel their security or status is threatened.

"Organisational change can generate scepticism and resistance in employees, making it sometimes difficult or impossible to implement organisational improvements."

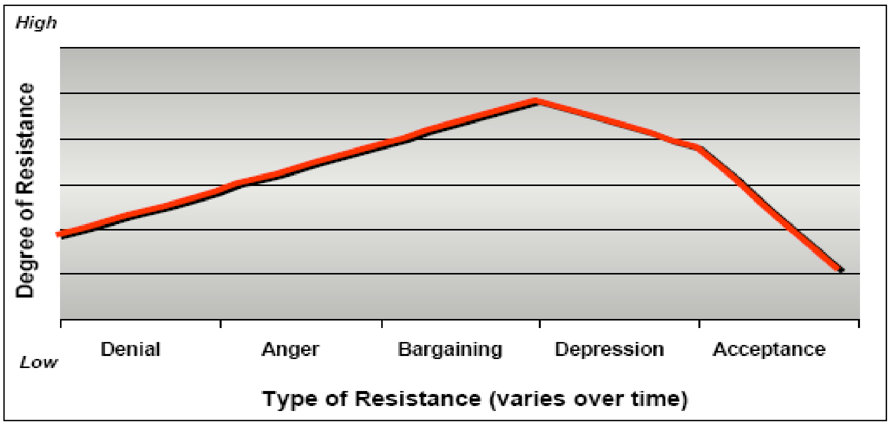
Resistance may take many forms, including active or passive, overt or covert, individual or organised, aggressive or timid. Symptoms are the specific behaviours individuals exhibit when they are resistant to change.

According to Hultman (1995), it is important to distinguish between the symptoms of resistance to change and the causes behind it. These behaviours fall into two categories: active-resistance or

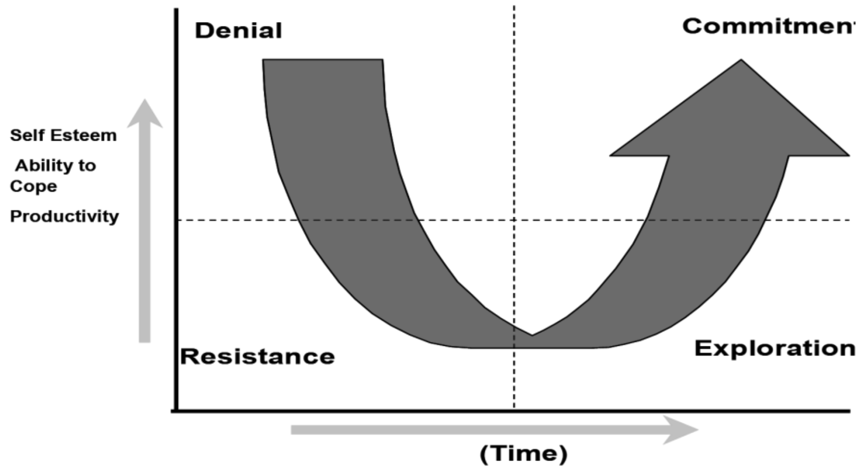
passive-resistance. Symptoms of active resistance include finding fault, ridiculing, appealing to fear, subtle acts of non-cooperation, manipulating and even industrial sabotage. Passive-resistance symptoms include agreeing verbally but not following through, feigning ignorance and withholding information.

These different types of resistance would vary at different times during the implementation of change.

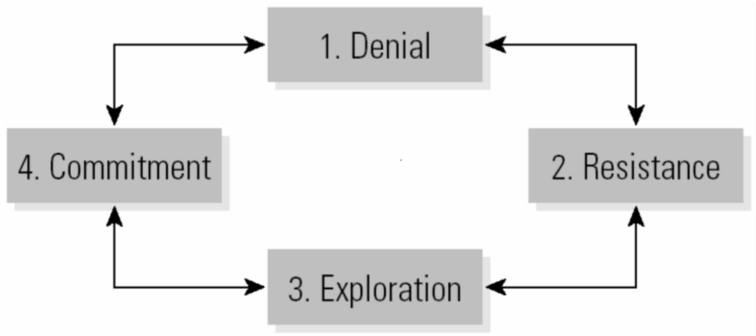
This is illustrated below:



To assist individuals to overcome resistance to change, you need to understand the transition process that people experience during change. The following is an illustration thereof:



Even though the illustrations show that the reactions to change seem to follow a process over time, it is natural for a person to go forward and backward as per the illustration below:



If management does not understand, accept and make an effort to work with resistance, it can undermine even the most well-intentioned and well-conceived change efforts. "Any management's ability to achieve maximum benefits from change depends in part on how effectively they create and maintain a climate that minimises resistant behaviour and encourages acceptance and support"

To facilitate a smooth transition from the old to the new, organisations must be competent in effective change management. The process of change management consists of getting those involved and affected to accept the introduced changes as well as manage any resistance to them.

Top Ten Reasons People Resist Change:

1. **The risk of change is seen as greater than the risk of standing still**

   Making a change requires a kind of leap of faith: you decide to move in the direction of the unknown on the promise that something will be better for you. But you have no proof. Taking that leap of faith is risky, and people will only take active steps toward the unknown if they genuinely believe – and perhaps more importantly, feel – that the risks of standing still are greater than those of moving forward in a new direction.

Making a change is all about managing risk. If you are making a case for change, be sure to set out in stark, truthful terms because you believe the risk situation favours change. Use numbers whenever you can because most people pay attention to numbers. At the very least, numbers get our attention, and then, when the rational mind is engaged, the emotional mind (which is typically most decisive) can begin to grapple with the prospect of change. But if you only sell your idea of change based on idealistic, unseen promises of reward, you won't be nearly as effective in moving people to action. The power of the human fight-or-flight response can be activated to fight for change, but that begins with the perception of risk.

2. **People feel connected to other people who are identified with the "old way"**

   We are a social species. We become, and like to remain, connected to those we know, those who have taught us, those with whom we are familiar – even at times to our detriment. Loyalty certainly helped our ancestors hunt antelope and defend against the aggression of hostile tribes, and so we are wired to form emotional bonds of loyalty.

   If you ask people in an organisation to do things in a new way, as rational as that new way may seem to you, you will be setting yourself up against all that wiring, all those emotional connections to those who taught your audience the old way - and that's not trivial. At the very least, as you design your change message, you should make statements that honour the work and contributions of those who brought such success to the organisation in the past, because on a very human but seldom articulated level, your audience will feel asked to betray their former mentors (whether those people remain in the organisation or not). Little good diplomacy at the outset can stave off a lot of resistance.

3. **People have no role models for the new activity**

   Never underestimate the power of observational learning. If you see yourself as a change agent, you probably are something of a dreamer, someone who uses the imagination to create new possibilities that do not currently exist. Well, most people don't operate that way. It's great to be a visionary, but communicating a vision is not enough. Get some people on board with your idea, so that you or they can demonstrate how the new way can work.

Operationally, this can mean setting up effective pilot programs that model a change and work out the kinks before taking your innovation "on the road." For most people, seeing is believing. Less rhetoric and more demonstration can go a long way toward overcoming resistance, changing people's objections from the "It can't be done!" variety to the "How can we get it done?" category.

4. **People are afraid that they lack the competence to change**

   This is a fear people will seldom admit. But sometimes, change in organisations necessitates changes in skills, and some people will feel that they won't be able to make the transition very well. They don't think that they, as individuals, can do it. Some of them may be right, but in many cases, their fears will be unfounded, and that's why part of moving people toward change requires you to be an effective motivator. Even more, a successful change campaign includes effective new training programs, typically staged from the broad to the specific.

   This could mean that initial events should be town-hall type information events, presenting the rationale and plan for change, specifying the next steps, outlining future communication channels for questions, etc., and specifying how people will learn the specifics of what will be required of them, from whom, and when. Then, training programs must be implemented and evaluated over time. In this way, you can minimise the initial fear of a lack of personal competence for change by showing how people will be brought to competence throughout the change process.

5. **People feel overloaded and overwhelmed**

   Fatigue can kill a change effort, for an individual or an organisation. If, for example, you believe you should quit smoking, but you've got ten projects going and four kids to support, it can be easy to put off your personal health improvement project (until your first heart attack or cancer scare, when suddenly the risks of standing still seem greater than the risks of change!). When you're introducing a change effort, be aware of fatigue as a factor in keeping people from moving forward, even if they are telling you they believe in the wisdom of your idea.

   If an organisation has been through a lot of upheavals, people may resist change just because they are tired and overwhelmed, perhaps at precisely the time when more radical change is most needed! That's when you need to do two things: re-emphasise the risk scenario that forms the rationale for change (as in the cancer scare example), and is very generous and continuously attentive with praise, and with understanding for people's complaints, throughout the change process.

When you re-emphasise the risk scenario, you're activating people's fears, the basic fight-or-flight response we all possess. But that's not enough, and fear can produce its fatigue. You've got to motivate and praise accomplishments as well and be patient enough to let people vent (without getting too caught up in attending to unproductive negativity).

6. **People have a healthy skepticism and want to be sure that the new ideas are sound**
   It's important to remember that few worthwhile changes are conceived in their final, best form at the outset. Healthy sceptics perform an important social function: to vet the change idea or process so that it can be improved upon along the road to becoming a reality. So, listen to your sceptics, and pay attention, because some percentage of what they have to say will prompt genuine improvements to your change idea (even if some of the criticism you will hear will be based more on fear and anger than substance).

7. **People fear hidden agendas among would-be reformers**
   If you seek to promote change in an organisation, not only can you expect to encounter resentment for upsetting the established order and for thinking you know better than everyone else, but you may also be suspected of wanted to increase your power, or even eliminate potential opposition through later stages of change.

   What's the solution? If you want to minimise and overcome resistance, you'd better be as open with information and communication as you possibly can be, without reacting unduly to accusations and provocations, in order to show your good faith and your genuine interest in the greater good of the organisation.

   And if your change project will imply reductions in workforce, then be open about that and create an orderly process for outplacement and in-house retraining. Avoid the drip-drip-drip of bad news coming out in stages, or through indirect communication or rumour. Get as much information out there as fast as you can and create a process to allow everyone to move on and stay focused on the change effort.

People feel the proposed change threatens their notions of themselves

Sometimes the change on the job gets right to a person's sense of identity. When a factory worker begins to do less with her hands and more with the monitoring of automated instruments, she may lose her sense of herself as a craftsperson and may genuinely feel that the very things that attracted her to work in the first place have been lost.

Change can get right to a person's sense of identity, the sense of self as a professional. As a result, people may feel that the intrinsic rewards that brought them to a particular line of work will be lost with the change. And in some cases, they may be right.

The only answer is to help people see and understand the new rewards that may come with a new work processor to see how their underlying sense of mission and values can still be realised under the new way of operating. When resistance springs from these identity-related roots, it is deep and powerful, and to minimise its force, change leaders must be able to understand it and then address it, acknowledging that change does have costs, but also, (hopefully) larger benefits.

8. **People anticipate a loss of status or quality of life**

   Real change reshuffles the deck a bit. Reshuffling the deck can bring winners and losers. Some people, most likely, will gain in status, job security, quality of life, etc. with the proposed change, and some will likely lose a bit. Change does not have to be a zero-sum game, and change can (and should) bring more advantage to more people than a disadvantage. But we all live in the real world, and let's face it – if there were no obstacles (read: people and their interests) aligned against change, then special efforts to promote change would be unnecessary.

   Some people will, in part, be aligned against change because they will clearly, and in some cases correctly, view the change as being contrary to their interests. There are various strategies for minimising this, and for dealing with steadfast obstacles to change in the form of people and their interests, but the short answer for dealing with this problem is to do what you can to present the inevitability of the change given the risk landscape and offer to help people to adjust. It may result in some people choosing to leave the organisation, and sometimes that's best for all concerned. When the organisation changes, it won't be to everyone's liking, and in that case, it's best for everyone to be adult about it and move on.

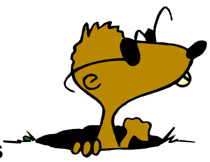
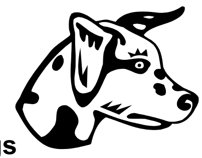
9. **People genuinely believe that the proposed change is a bad idea**

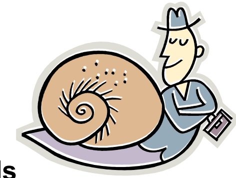
Sometimes people are not difficult, or afraid, or muddle-headed, or nasty, or foolish when they resist. They see that the change is wrong. So, it's important not to ignore people who have genuine, rational reservations or objections.

Not all resistance is about emotion. To win people's commitment for change, you must engage them on both a rational level and an emotional level. A failure to listen to and respond to people's rational objections and beliefs is ultimately disrespectful to them.

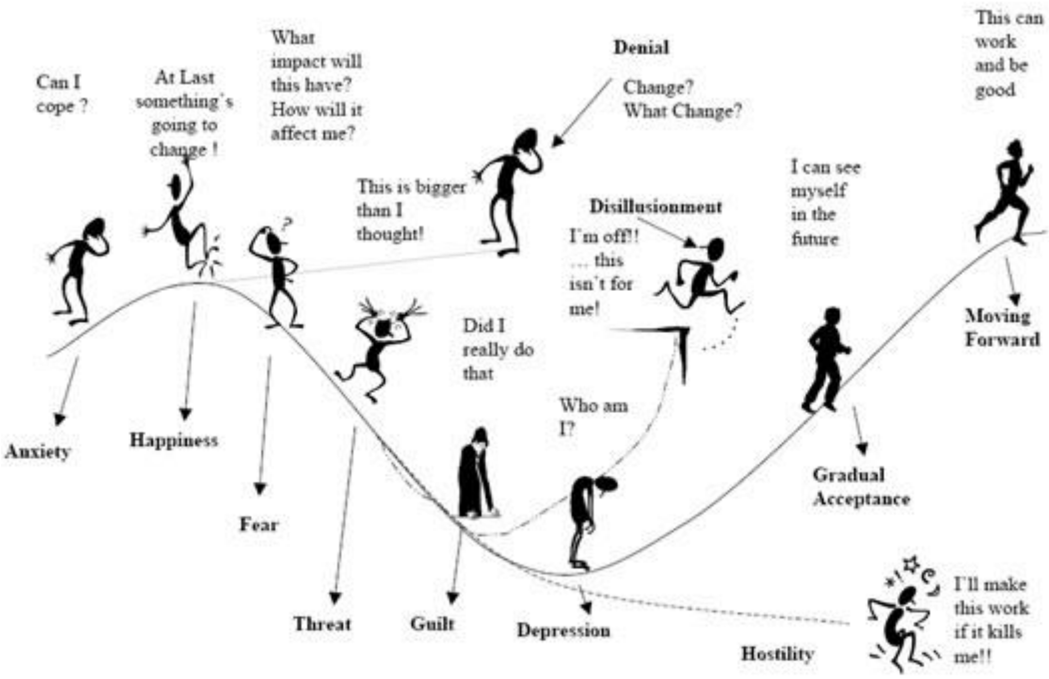
The Resistance Zoo

This is a bit of fun and a lot of serious. It is surprising how many animals you can spot in change. Using animals is an entertaining and useful metaphor that you can use in many situations to break the ice and tell home truths:

 **Ostriches**	The ostrich famously puts its head in the sand when faced with danger. Like a small child, they work on the principle that if they cannot see the predator, then the predator cannot see them. This does not seem to be a very good survival strategy. Fortunately, the ostrich also has long legs and can run away very fast.
 **Moles**	Moles are dark and difficult to see. They burrow underground and are hard to find. Then they pop up when you think everything has been completed and the change is complete. They make a horrible mess of things and are very destructive.
 **Tigers**	Tigers fight tooth and claw all the way. They are powerful -- or at least that is what they want you to believe. Hurt them only a little, and they will seek to hurt you a whole lot more. Their message is this: mess with me at your peril. Go make your change elsewhere little person.
 **Dogs**	Dogs know that, although they are not bad fighters by themselves, they are far more powerful in a pack. They seek one another out and attack en masse. They are not fearless but know that together they create even more fear. They will fight dirty and nip at you until you are down and then rip you apart.

 **Owls**	Owls are wise and knowledgeable people. They sit up on their branches in their tree, pontificating and pointing down at the trivial world below. They know better than you and are not slow to point this out, as well as pointing out all the little faults in your change project (which is, of course, somewhat below them).
 **Snails**	Well, you know, those old snails, they just go soo slow. They creep along at, well, a snail's pace and hope that you will leave them to their own devices.

Dealing with Negative Resistance to Change



Kotter and Schlesinger set out the following six (6) change approaches to deal with negative resistance to change:

- **Education and Communication -** Where there is a lack of information or inaccurate information and analysis. One of the best ways to overcome resistance to change is to educate people about the change effort beforehand. Up-front communication and education help employees see the logic in the change effort. This reduces unfounded and incorrect rumours concerning the effects of change in the organisation.

- **Participation and Involvement -** Where the initiators do not have all the information they need to design the change and where others have considerable power to resist. When employees are involved in the change effort, they are more likely to buy into change rather than resist it. This approach is likely to lower resistance and those who merely acquiesce to change.

- **Facilitation and Support -** Where people are resisting change due to adjustment problems. Managers can head-off potential resistance by being supportive of employees during difficult times. Managerial support helps employees deal with fear and anxiety during a transition period. The basis of resistance to change is likely to be the perception that there some form of detrimental effect occasioned by the change in the organisation. This approach is concerned with the provision of special training, counselling, time off work.

- **Negotiation and Agreement -** Where someone or some group may lose out in a change and where that individual or group has considerable power to resist. Managers can combat resistance by offering incentives to employees not to resist change. This can be done by allowing change resistors to veto elements of change that are threatening, or change resistors can be offered incentives to leave the company through early buyouts or retirements to avoid having to experience the change effort. This approach will be appropriate where those resisting changes are in a position of power.

- **Manipulation and Co-option -** Where other tactics will not work or are too expensive. Kotter and Schlesinger suggest that an effective manipulation technique is to co-opt with resisters. Co-option involves the patronizing gesture in bringing a person into a change management planning group for the sake of appearances rather than their substantive contribution. This often involves selecting leaders of the resisters to participate in the change effort.

- These leaders can be given a symbolic role in decision making without threatening the change effort. Still, if these leaders feel they are being tricked, they are likely to push resistance even further than if they were never included in the change effort leadership. Manipulation can be a tempting solution, but is morally questionable and, if employees' sense what you are doing, it could lead to a very dangerous backlash. Only consider this when change is necessary for the short term, and all other avenues have been explored.

- **Explicit and Implicit Coercion –** This is even more extreme than subtle manipulation. This is where the manager can explicitly or implicitly force employees into accepting change by making it clear that resisting change can lead to losing jobs, transferring or not promoting employees. One sits the employee down and makes overt threats, for example, that if they do not comply, they will lose their jobs. This should only be used when speed is of the essence or when the other persons themselves have taken to public and damaging actions.

Dealing with Positive Resistance

Managers often perceive resistance negatively, and employees who resist are viewed as disobedient and obstacles the organisation must overcome to achieve the new goals. However, in certain instances, employee resistance may play a positive and useful role in organisational change. The insightful and well-intended debate, criticism, or disagreement do not necessarily equate to negative resistance, but rather may be intended to produce better understanding as well as additional options and solutions. "The idea that anyone who questions the need for change has an attitude problem is simply wrong, not only because it discounts past achievements, but also because it makes us vulnerable to indiscriminate and ill-advised change."

Piderit (2000) points out that what some managers may perceive as disrespectful or unfounded resistance to change might be motivated by an individual's ethical principles or by the desire to protect what they feel are the best interests of the organisation. Employee resistance may force management to rethink or re-evaluate a proposed change initiative. It also can act as a gateway or filter, which can help organisations select from all possible changes the one that is most appropriate to the current situation.

Motivate the Role and Competencies of the Change Leader

Most senior and executive managers strongly support their major change projects, but many fail to take the proper steps to communicate that support. A survey of 57 companies showed that excellent executive sponsorship was one of the primary reasons projects succeed. A change management benchmarking study involving 102 companies from 20 countries captured those activities that executive managers should do at each phase of their change initiatives.

What top-management sponsors should do during the Planning Phase:

- Explain why the change is happening; discuss the business reasons for the change and the costs or risks of not changing.

- Define and communicate the project objectives and scope; tell employees what they can expect to happen and when.

- Help select the right people for the team and ensure adequate time availability of these resources; provide the needed budget for the design phase.

- Enlist the support of other senior managers and stakeholders in the project objectives and scope; provide a channel for key managers to provide direction at key decision points in the process.

- Help the project team select their approach and timeline and resolve start-up issues for the team.

What top-management sponsors should be doing during the Design Phase:

- Reinforce why the change is happening; help employees understand the business reasons for the change.

- Listen and respond to feedback from the organisation; actively seek input from all levels of management.

- Create a positive network of conversation about the project with peers and managers at all levels.

- Provide updates on the project's progress; let employees know what they can expect and when.

- Stay engaged and up to date on the project; attend key project meetings and training sessions.

- Keep other senior managers and stakeholders informed on project status and issues; help clear calendars for key decision-making meetings with these stakeholders.

- Enable employees to attend change management training; personally, attend as well.

- Remove the obstacles encountered by the team.

What top-management sponsors should be doing during the Implementation Phase:

- Reinforce why the change is happening; explain the business reasons and the priority for the business.

- Share the change with all levels in the organisation.
- Provide answers to, "What does this change mean to me?" and "What is expected of me?"
- Listen to resistance and respond to feedback from the organisation.
- Create a positive network of conversation about the project with peers and project stakeholders.
- Actively participate in implementation planning; stay involved with the project; monitor progress and remove obstacles.
- Ensure that adequate resources are available or adjust the implementation plan to fit available resources.
- Engage middle managers in transition planning; define their role in the transition and set clear expectations.
- Keep other senior managers and stakeholders informed on project status and issues.
- Recognise behaviour and results that are consistent with the change and reward role models.
- Expect results and measure performance toward results.

THE NEED FOR CHANGE

If there is one thing that is a definite sign of a need for change its – **Stress!** This may be so for an individual, however there is always a need for change in business. The world is developing at a rapid pace, with more and more innovative ideas being implemented as better solutions for business management and practices.

"It is not the strongest of the species that survive, nor the most intelligent, but the ones most responsive to change."

"To survive and succeed, every organisation will have to turn itself into a change agent. The most effective way to manage change is to create it."

We live and work in times of extraordinary change. Never in human history has so much changed so rapidly and so radically. Ideas, institutions, and technologies continuously emerge and disappear. These shifts are driven by cascading information flows, global interconnectedness, and technological shifts. They occur unpredictably and relentlessly. The scope and speed of change that is becoming normal to us would have been not only unimaginable to previous generations but also frightening.

This kind of change presents profound challenges to our institutions and psychological make-up. Increasingly, management and leadership models reinforced by our Western paradigm are proving increasingly ineffective in dealing with the ever-growing speed and degree of change. They now work for fewer individuals and organisations, and in fewer situations.

To remain competitive, and to remain attractive as employers, organisations need to adapt and constantly change in accordance with the changing needs of their stakeholders. Understanding change, therefore, and knowing how to manage it, is a crucial part of the knowledge and skills of people managers in a successful organisation.

We need to *“be architects of the future, not its victims.”*

REASONS FOR CHANGE

Besides the reason of a growing technological world, adaption and changing needs of stakeholders, there are several specific reasons why businesses need change. These business changes result from internal and external drivers. Where internal drivers include:

- Innovative Leadership
- Survival Instincts
- Financial Goals

And External Drivers:

- Societal movements
- Technological evolution
- Economic Reality
- Customer Demands

The economy compels businesses to change all the time. If the current systems and processes aren’t generating the necessary revenue to sustain the profit, change is required.

During poor economic conditions business may turn to lower prices and promotional discounts during this time to attract budget conscious buyers. The reaction to this type of change isn’t always the best as it is sometimes difficult to restore once the economy improves. You may have retained or attracted a customer due to your low prices but once things improve, they may not be in agreeance with the increased pricing for example.

Pressure from society and customer demands are prompters for business change. Businesses may have implemented an environmental change like a green friendly environment in response to a legislation, meaning that paperwork may be eliminated, electronic devices are discarded of differently than before, etc.

Change is also inherent in businesses that are innovative, this requires leadership to change methodologies of leading rather than managing. This inspires the methodology of managing processes rather than people. Allowing people, the freedom to decide on how they will get something done, rather than being told how to do it. This all within boundaries of the organisations policies and procedures.

Allowing people to be responsible to manage their own time and taking responsibility for getting it done in time.

Other reasons include actions of competitors, business growth, etc. even change processes.in way things are done, there may have been a paper-based system or a manual electronic system, that can be automated. Whatever the reason change is eminent.

IMPACT OF CHANGE

Change is real in every organisation. Change can occur at any time in an organisation because the motivation for change is a desire for improvement of the situation.

Fundamentally, **change** denotes the transition that occurs when something goes from being the same to be different; for example, water in the liquid state is not the *same* as water in the frozen state. At some point, it experienced a transition and became *different*. Thus, it *changed*.

There are many definitions of change, including the following:

- **Individual** - Change refers to the alterations that occur in the situation you are in. It is the creation of a new situation. As such, change is external to the person experiencing it.

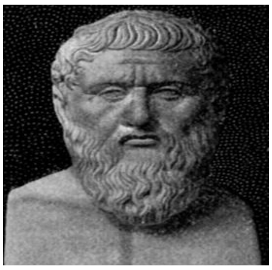
- **Organisational -** When we speak of change, we mean an alteration in organisation design, strategy or processes, or some other attempt to influence an organisation's members to behave differently

"Change takes place, no matter what deters it."

(Plato, 428-347BC)

Let's explore a few **theories of change**:

Areas of Organisation Change



Harold Leavitt (1965) identified four possible areas in which change can and will happen as an organisation grows and develops:

Initiative	Relevance to career development
Structure	Changes in formal guidelines, policies and procedures such as the organisation chart, budgeting methods, rules and regulations
Technology	Rearrangements in workflow, i.e., new physical layouts, work methods, systems and work standards.
Task	Changes in the job performed by the individual, i.e., job descriptions, job design, flexibility, new skills and responsibilities, etc.
People	Modification of attitudes, motivation and behaviours, achieved through new training programmes, selection procedures, communications strategies and the design of new performance management and rewards systems

Introducing change in any one of these four areas has an impact on the other three, e.g. if a large organisation is broken into smaller, self-managing business units (a change which focuses on structure) then this will have an impact on:

- **Technology** - the way in which work is organised and passed between the separate units

- **Task -** job design changes for the individuals working within each business unit
- **People -** how they feel about the change, its impact on them and the need to learn new skills and behaviours in order to deal effectively with the change.

Types of Organisational Change

The types of changes can be placed into four main categories:

1. **Anticipatory changes**: planned changes based on expected situations.
2. **Reactive changes**: changes made in response to unexpected situations.
3. **Incremental changes**: subsystem adjustments required to keep the organisation on course.
4. **Strategic changes**: altering the overall shape or direction of the organisation.

The following is a summary of the general types of organisational change that occurs in an organisation:

- Business process design
- Technology/system upgrades
- Restructuring
- Expansion or downsizing
- Business model changes or new ventures
- New marketing campaigns
- Job redesign
- Changes that impact suppliers
- Changes that impact customers

CHANGE CATEGORIES

There are three broad categories of change. Each type reflects a different approach to improving the performance of the company.

1. Improving Operations

Improving operations is a change method which seeks to improve an organisation's efficiency without fundamentally changing the nature of its business. It does so by:

- Streamlining existing procedures
- Eliminating unnecessary work
- Seeking more cost-effective ways of achieving the same results

Examples of operational changes include:

- Reducing costs,
- Re-engineering business processes
- Identifying and eliminating error producing practices
- Introducing quality improvement processes
- Restructuring the production process
- Re-defining performance standards and measurements

The goal of this approach is to improve the organisation's internal efficiencies. Use this approach to enhance systems which are already running well.

2. Changes to Strategic Focus

Changing strategic focus is a change method in which the organisation seeks to re-align its efforts by matching its internal capabilities with the realities of the marketplace. Organisations do this by:

- Identifying their internal capabilities (referred to as strengths and weaknesses)
- Identifying environmental conditions (referred to as strengths and weaknesses)
- Re-defining their business strategies and objectives

These steps will often be done in conjunction with exercises which seek to assist the organisation in defining its future - such as developing a mission statement and or a vision. The results of a change in strategic focus may include:

- Focusing on a new market segment
- Developing a new product
- Focus on penetrating a new market
- Defining a new set of behaviours in terms of relating to clients

3. Self-Renewal Changes

Self-renewal is a change method in which the organisation seeks to ensure that operational and strategic gaps do not occur for the organisation. Generally, this is done by changing the way people feel and think about their work in an attempt to capture their energy and commitment to the company by enrolling all staff to play a role in the company actively. Self-renewal is a meta change process in that it is a set of disciplines and practices which assists people to think about the way they think of change.

The following organisational change initiatives are examples of self-renewal:

- Creating a learning organisation
- Values alignment process
- Cultural immersion projects
- Continuous improvement processes

Organisations that typically require corporate self-renewal are those that boast a long history of success and dominance in the market. Such organisations tend to become complacent in the market, leading to an increasing gap developing between actual and required competitiveness.

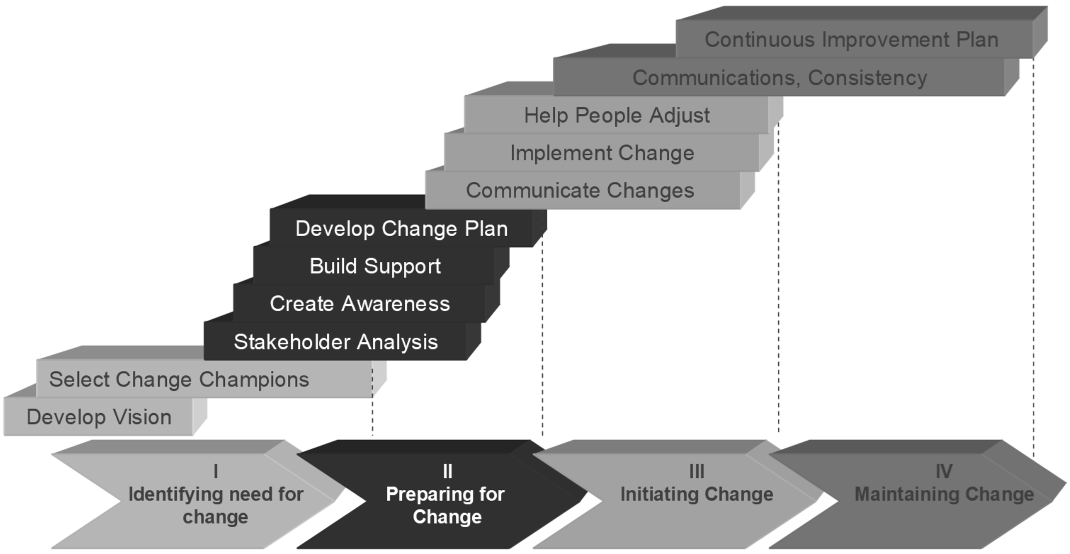
This phenomenon may be referred to as "success sclerosis." Organisations suffering from success sclerosis are often guilty of not having adapted to a changing world. General Motors and IBM are two examples of organisations that almost became extinct, because they persisted with their old product lines instead of keeping abreast with the changes in the market, such as the new products from the Japanese car manufacturers and the invention of the personal computer

Self-renewal change requires that the organisation purposefully create a culture in which every person in the company personally adopts the self-renewing philosophy. This may require learning a new "language" and approach to doing things around here.

The above information is useful to identify the type of change that you are planning on implementing.

CHANGE MANAGEMENT PROCESS

The following is an illustration of a change management process that can be followed to manage change effectively:



This change management process consists of four main steps:

Step 1: Identify the need for change

- Develop a vision of the desired state after the change
- Select the change champions – those who will assist you during the process/project

Step 2: Prepare for change

- Do a stakeholder analysis to find out who will be affected by the change
- Create awareness for the change process
- Build support for the change
- Develop a plan to manage the change

Step 3: Initiate the change

- Communicate the changes
- Implement the change
- Help people adjust to the change

Step 4: Maintain the change

- Communicate consistently – provide feedback and ensure that everyone is saying the same thing (truth)
- Ensure that continuous improvement is planned for and monitored and ensure that rewards are given where required (creativity and innovation)

IDENTIFY THE NEED FOR CHANGE IN A UNIT

You need to identify the need for change in your unit of the organisation, regarding the desired state compared with the current state.

To identify any need for change required you would need to:

- Analyse the performance of your team

- Benchmark the performance of your section/division/department against Best Practice Standards

- Use external factors to identify any need for change

- Analyse changes to the organisation's operations to identify any need for change in your section/division /department

ANALYSING PERFORMANCE

To measure the performance of your team/section/division/department, you need to ensure that the expected performance of the team was based on:

- The organisational strategy (vision, mission)

- The business objectives for the year (company goals)

- The department's objectives for the year

- The skills and behaviours the company regards as important

Once you have established that the performance of the team was based on the above criteria, you can then start to identify any changes that could be made to increase the performance of the team.

Benchmarking Performance against Best Practice Standards

"Benchmarking is the practice of being humble enough to admit that someone else is better at something and wise enough to try and learn how to match and even surpass them at it."

Benchmarking means comparing your organisation, or part of your services, with others. Of course, you can blow your own trumpet and compare yourself with organisations which do worse. In fact, that might help in identifying your strengths and subsequently build your service on these strong pillars.

But to improve your performance, you must ask yourself:

- Why are others better?
- How are others better?
- What can we learn?
- How can we catch up?
- How can we become the best in our sector?

With whom can you compare your organisation? Obviously, many governmental services have no competitors in their own country. Or some private companies are the unique provider of a product. But even if competition exists, the question would be, which are the right organisations to compare your organisation with?

Benchmarking can be conducted in different ways. The organisations to benchmark against could be:

- Direct competitors in the same country - companies or organisations offering the same product or service (i.e., a governmental catering institution could compare itself with the local branch of a big fast-food chain),

- Similar companies or organisations in other countries,

- Indirect competitors (i.e., companies or organisations offering a related product or service, being part of another sector. For example, a public provider of an agricultural extension could compare itself with an extension service of the chemical industry), or

- Other successful institutions or companies (i.e., a ministry's department could compare itself with a chamber of commerce).

Comparing yourself with the same sector might be difficult in some countries, where a provider has a monopoly on its service or product. Or the competitors' standards might be worse. Although more difficult, the process of comparing yourself with other sectors is a creative one. You have to find patterns which can be compared. And you might get new ideas. For example, hospitals in many countries now are forced to compete amongst each other and to attract their 'clients' (i.e., the patients). As a consequence, many hospitals start to market their services similar to private service providers. For example, they start to implement the idea of customer orientation, they introduce new forms of teamwork, and they present themselves on the Internet.

The benefits of benchmarking are many and varied, but there is no doubt that the vast majority companies that have been through the process of benchmarking have seen significant improvements in their performance levels leading to increased returns on the bottom line. Specifically, they show that benchmarking has helped them to:

- Improve productivity
- Improve competitiveness
- Overcome competitive threats
- Address growth issues
- Gain a complete picture of the business
- Open minds to new opportunities
- Attract funding
- Develop a strategic action plan

- Improve relationships with customers

- Benchmarking is a process that takes time. Depending on the subject and the information available, a benchmarking exercise might run over three months up to one year. It should be repeated after a certain period, and the impact needs to be monitored. To describe the whole process of benchmarking in detail is far beyond the scope of this learner guide. There are many good books on the subject in the market. Start a benchmarking process on your own unless your staff is trained in the subject.

Steps to Benchmarking

There are four basic steps to the benchmarking process:

Step 1: Gathering Information - The first step is creating and completing the questionnaire(s), by answering a series of quantitative and qualitative questions on your company.

To benchmark best practice standards, you need to identify the factors that need to be benchmarked. It would include the internal forces of change that originate inside the organisation, such as:

- **Human Resource issues** such as employee needs, employee behaviour, job satisfaction, organisational commitment and performance are forces of change.

- Unfair or unbalanced reward systems are an additional force for change.

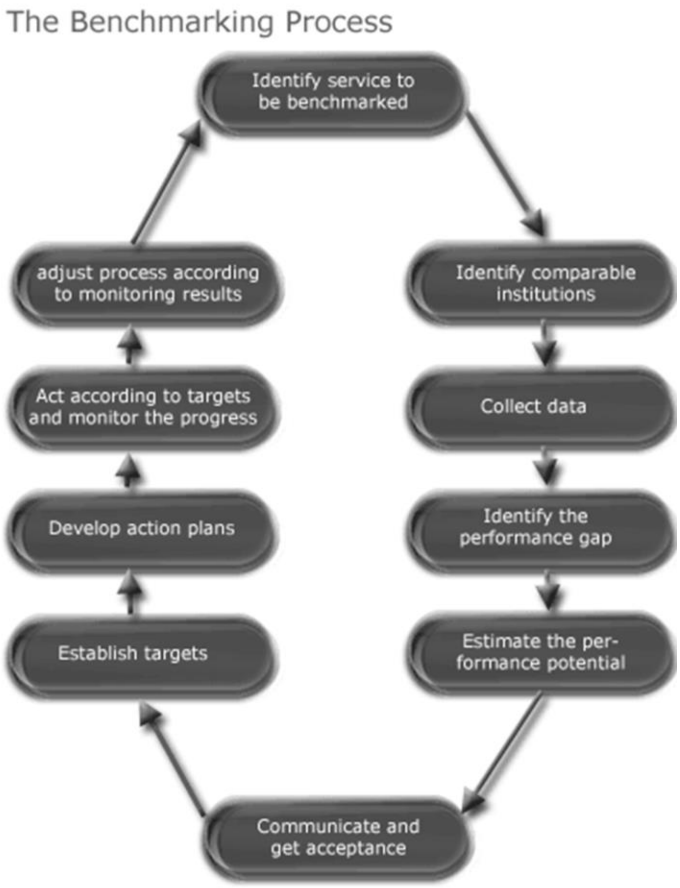
- Dissatisfied employees, high levels of absenteeism and an increase in staff turnover are signs that change is needed

- **Managerial Behavioural issues** such as the level of conflict between managers and their direct staff is a force for change

- Inappropriate leader behaviour may result in employee problems that require a change

- **System and Process issues** such as a system, process or procedure that needs to be updated or modernised (technology). Antiquated systems and process are time-consuming to use, and a change would increase bottom line profits in the long run.

Step 2: Comparing and Understanding - Select the organisations against which you want to be benchmarked. Do the research and record the data in a database in order to create a benchmarked report. The report provides comprehensive and quantifiable performance indicators, highlighting your company's strengths and weaknesses against those of the comparison group chosen.



Step 3: Analysing the Information – Analyse the information with the aim of starting to identify the key improvement areas that you should focus on while keeping the organisation's vision for the future in mind.

Step 4: Implementation – Review the results from the benchmarking report. This process is invaluable and provides the catalyst for change and improvement. Develop a clear action plan to ensure that strategic decisions are implemented on a controlled and systematic basis.

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IDENTIFY EXTERNAL FACTORS

As a leader in your organisation, it is important that you identify the external factors that would impact the way you do business or run the organisation.

External factors that could impact the organisation and that could force you to change originate outside the organisation and include the following:

- **Demographic Characteristics** - the workforce is more diverse- there is a business imperative to manage diversity effectively
- **Technological Advancements** - organisations are increasingly using technology as a means to improve productivity and market competitiveness.
- **Market Changes** - the emergence of a global economy is forcing companies to be more competitive and to do business differently- organisations are creating new partnerships and alliances aimed at creating new products and services.
- **Social and Political Pressures** - society and its legislative bodies can put pressure on organisations to change the way they do business, e.g., the Employment Equity Act and diversity management.

ANALYSE ORGANISATIONAL OPERATIONS

According to Peter Senge, you need to identify the domains of action required in the everyday organisational operations of your section, division, or department.

Once you have identified these everyday operations, you are ready to identify the guiding ideas, innovations required in the infrastructure and the required theories, methods, and tools to change the organisational operations to a more improved operation. Senge suggests that you analyse the:

- **Guiding ideas** – by doing a critical evaluation of the fundamentals and fads/trends
- **Innovations in infrastructure** – by evaluating if the innovations would be an improvement
- **Theory, methods, and tools** – by testing the theories, methods and tools that are currently used and that are suggested for future usage

As part of your management role in the organisation, you can identify opportunities for improvement daily in the following ways:

- **Keep up to date with developments in your sector** - make sure you get relevant, valid, reliable information from various sources on developments in materials, equipment, technology and processes.
- **Consider the importance of these developments to your organisation** - carry out a regular review of developments and analyse their significance to your organisation.
- **Pass information on developments to the appropriate people** - if you think it is important, make sure your colleagues, members of your team and senior managers are aware of its significance.
- **Identify opportunities for improvements** - use information on developments to identify opportunities for growth, improvements in procedures or improvements in quality.

- **Monitor and evaluate your operations continuously -** always look for areas where improvements can be made and take appropriate action.

- **Identify any obstacles to change -** take appropriate measures to alleviate any problems which may prevent improvements being made.

- **Learn from your experience -** use your experience of previous improvements to help identify new ones.

DETERMINE THE DESIRED IDEAL FUTURE STATE

For people to commit themselves to the change, they will want to understand what the details of the change are. The following questions will assist you to clarify for yourself the nature of the change so that you may describe the change in as much detail as you can to your staff.

You need to be specific when answering these questions. Terms like "improved quality", "decentralised decision making", and "lower costs" do not tell people specifically what will be different once the change is over.

- What is going to change?

- What are the secondary and tertiary changes that this change is likely to cause?

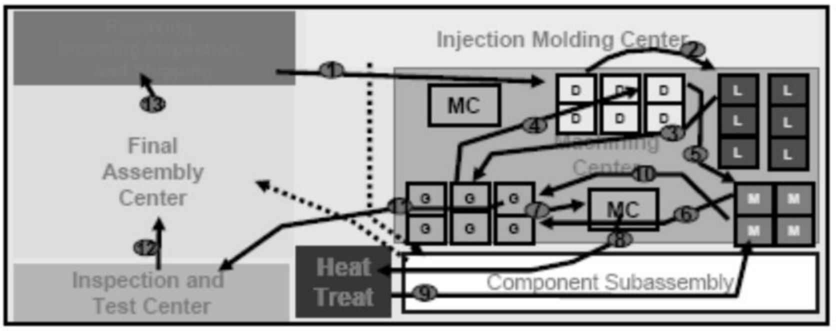
- How will this change impact the following levels in your organisation?

  - Physical level
  - Procedural Level
  - Relational Level
  - Cultural Level

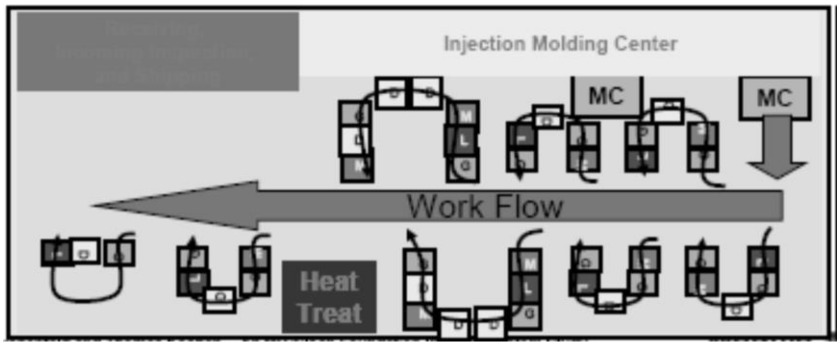
It is always beneficial to provide those involved in the change with as many visual examples as possible.

The following is an example of a workflow change at a cell phone company, where the manager provided the stakeholders with actual visuals:

Current state



Future state



IDENTIFYING CORE CHANGE ISSUES

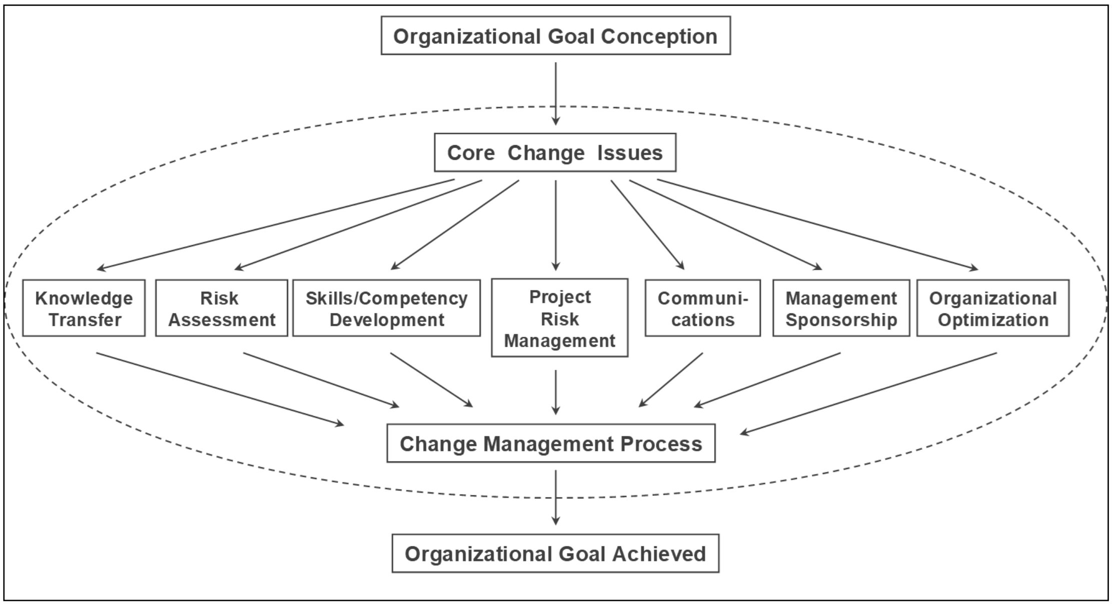
To create an effective change management plan, you need to analyse the following core change issues that would be evident from the goal set for the change that you need to implement. The following illustration is useful in explaining these core change issues:

The core change issues include:

- **Knowledge transfer** – learning about the “new.”
- **Risk assessment** – assessing the possible risks in the change for various stakeholders, such as staff, management, shareholders, customers, etc.

- **Skills / Competency development** – identifying the new skills or competencies required in the "new"

- **Project Risk management** – after identifying the possible risks it is important to plan to avoid/minimise the risks and monitor these accordingly. The following illustration shows how risk increases depending on the degree of change undertaken:



- **Communications** – plan what is communicated, when and to whom and plan for feedback sessions from the stakeholders involved or affected by the change

- **Management sponsorship** – identify and get the support from the relevant management team members who can sponsor the change (finance, HR, CEO)

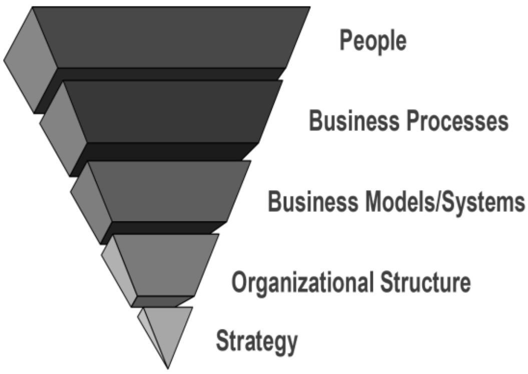
- **Organisational optimisation** – ensure that the resources are used efficiently (time, people, equipment, etc.)

Once all the information from the core change issues is identified, you can start to create a change management plan/schedule that would ensure that the process of change is managed effectively.

HELPFUL TIPS & IDEAS

Remember:

During a change management process, it is critical to view the process from a certain point of view, in order to work effectively with the critical change management success factors, as is illustrated below:



You need to constantly remind yourself that people make the change, not the strategy/plan.

DECIDE TO CHANGE

Tto make a decision about changing something in the organisation, you would need to be sure that the proposed change is of value to the organisation. Use the following steps as a guideline:

Step 1: **Define the Purpose of the Change**

There is always a purpose behind a change. The purpose is an answer to the question, "Why are we doing this?"

One of the obstacles to change is if there is no distinct purpose behind the proposed changes. The following questions will help you determine the purpose of the change you are anticipating:

- What is the problem?
- Who said so and based on what evidence?
- Which of our stakeholders are being affected by the problem?
- What do they (the affected stakeholders) say about the problem?
- What will be the consequences if we do not change?

Step 2: Question the Change

The following is an example of the types of questions that you should think about before committing yourself to any change initiative:

- Am I getting maximum value or effectiveness from my current situation?

Pain:

- What is hurting my department/organisation?
- How much pain am I feeling?
- Is it hurting me now or will it hurt me later?
- How much pain will be created by making a change?

- How much will it cost in terms of losses?

Return on Investment:

- What could I expect as a return for this change?
- What would be the value of the return on investment?
- Is this change actionable? Do we have:
  - The commitment to change.
  - The capacity to change.
  - The leadership to drive change.
  - Knowledge about change as well as knowledge about the issue we are changing.
- How much of a risk will I be at from my competitors if?
  - Do I make this change?
  - I do not make this change.
- What could I do as an alternative to making a change?

Step 3: Weigh the Supporting and Impeding Forces

Another important thing that you need to consider would be the forces that would support or impede (obstruct or hinder) the proposed change and how this could impact your decision to make a change.

Conduct an analysis of the forces which may be of assistance in driving the change and those restraining the change by listing the forces you see as moving the organisation / your department to the change, and by listing the forces, you believe are moving against the change. You could use a list, such as:

Forces Driving the Change	Forces Impeding the Change
e.g., new technology	e.g., employee resistance

- The stronger the forces on the left, relative to those on the right, the more chance you have of achieving the desired outcome

- The stronger the forces on the right relative to those on the left, the less chance you will have of achieving the desired outcome

So you can increase the likelihood of the outcome either by increasing the driving forces or by decreasing the restraining forces.

Step 4: Define what is over and what is not over

It is essential to define specifically what practices are to stop and which are to continue. Not specifying what is over and what isn't runs the risk of three problems:

- People won't dare stop doing anything. They will try to do the old things and the new. After a while, they run the risk of burning out.

- People will make their own decisions about what to discard and what to keep, and the result will be chaos.

- People will toss out everything that was done in the past.

Think through each aspect of the change you are implementing and be specific about what is over and what is not over (remains the same).

Step 5: Create a Change Purpose Statement

To make it clear to everyone what the purpose of the change is you may wish to produce a statement summarising why this change is going to occur.

Do	**Do Not**
Express the statement in simple conversational language - choose short, familiar words	Write a technical document
Keep the literacy level of your audience in mind	Use highly technical and sophisticated language
Keep the statement brief	Create a lengthy, rambling speech
Focus on you and I and we	Depersonalise the message
Choose expressions which are non-discriminatory	Bend or neglect the truth
Avoid use of jargon and clichés "*We are going to be a cutting-edge company."* *"We are going to provide customer service excellence."*	Replicate the language of policies

FORMULATE RECOMMENDATIONS TO CHANGE

As we have been learning implementing a business change can be complicated and complex, however documenting all the facts around the change with the benefits it will hold for everyone involved will assist in buy in from everyone involved.

Formulating recommendations is about documenting everything you have learnt and analysed about the change. This will be your blueprint to refer to during implementation and gives a strong foundation for the change.

Recommendations are derived from findings that emerge from the qualitative and quantitative analyse done during the change management process. This is professionally documented in a Report format document. Most of which templates can be found on the Internet or templates may exist in your workplace.

If they don't exist, you could develop a change management recommendations report template and have it written into your organisation/businesses Quality Management as a controlled document.

Once the recommendations for the change have been approved, you will need to document an implementation plan, however a summarised document documenting the following should be included in the recommendations, to show the deciders how you intend on implementing the plan.

CHANGE MANAGEMENT PLANS

Change management assessment plans should include the following:

Change Assessments

The analysis that was done during the change management process will give rise to all the activities that need to be performed to execute the change.

The change plan includes:

- Introduction
- Scope
- Scale
- Objective
- Stakeholders
- Mapping of current and future state
- Role Players that will be impacted
- Readiness of change of role players

- Action Plan
- Communication Objectives
- Training Objectives

Once you formulated your plan, present it to all stakeholders even those that will be affected, arrange a meeting to provide input on the actions and to get clarification on outcomes with overall objective to be achieved.

Make amendments, if necessary, start implementation.