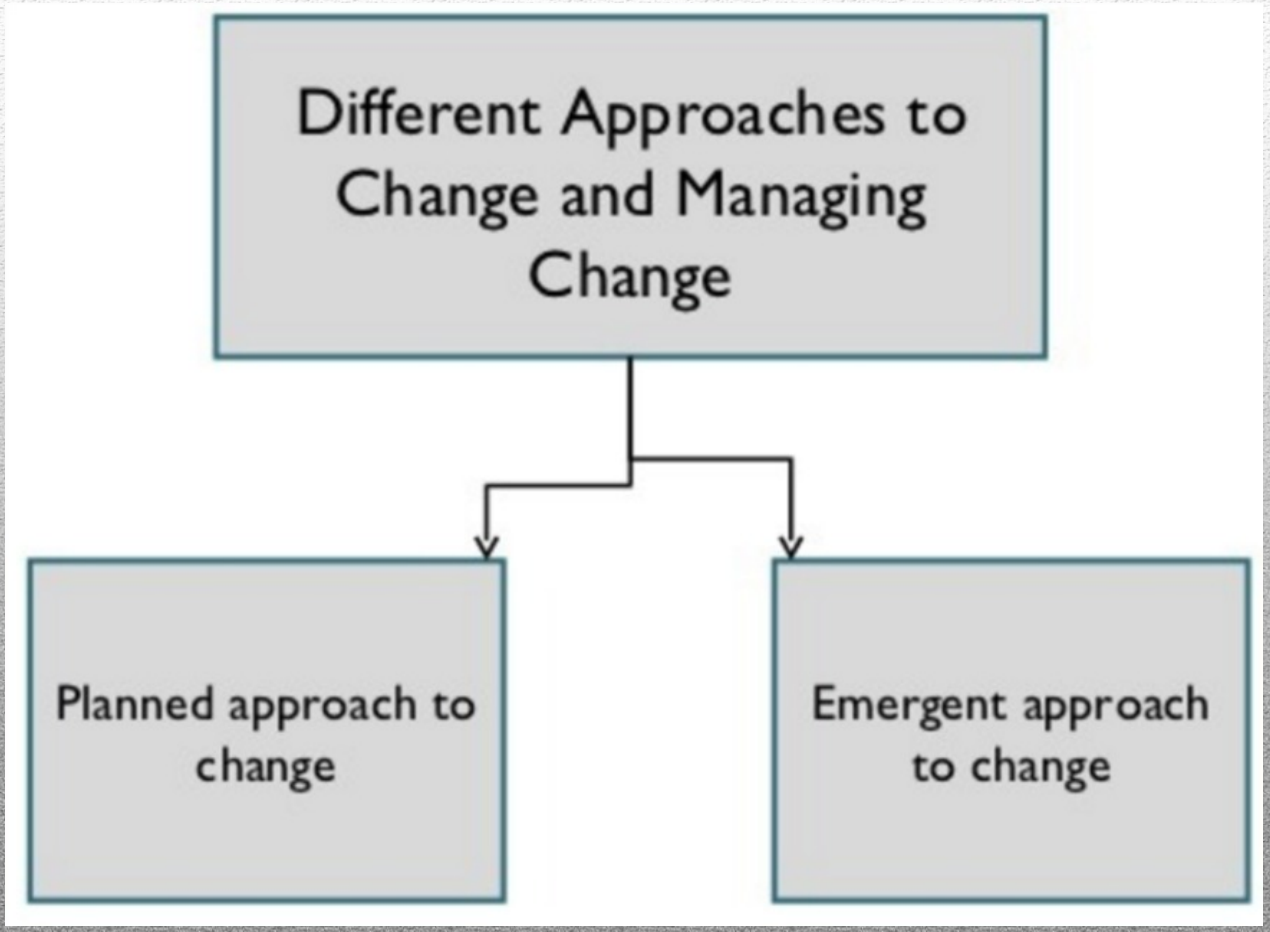
Delivering Change


Different Approaches to Change and Managing Change
Planned approach to change
Emergent approach to change

The Nature of Change: Planned or Emergent?

Planned change approaches **rely more on assumption**s that an organisation's environment **is known**.

Emergent change emphasises the **need to be responsive** and **adaptive.**

It may be that some changes can be seen as **more stable** and predictable, whilst other change is **more on-going in nature**.

Directed or facilitated change implementation?

Directed change is driven from the **top** of the organisation.

Facilitated change takes place when the **wider membership** of the organisation is involved in the shaping of what needs to happen.

A model of approaches to change

Durphy and Stace (1993) suggest the choice of approach has to do with the **circumstances the organisation is facing**.

Through a study of **13 service sector organisations**, they identified four styles of change management.

Two facilitated styles, namely **collaborative** and **consultative**, and two directed styles, **directive** and **coercive**.

- **<u>Collaborative</u>** – Employees are engaged in the change process, typically through cascading workshops or meetings.

  They will be kept up to date on top management's moves and receive information about the change taking place.

  Their views will be actively sought and acted upon.

  Additionally, an employee could be able to produce ideas and information during the process which could be used.

True engagement means:

- **excitement,**
- **ideas,**
- **disagreements,**
- **diversity,**
- **innovation,**
- **experimentation,**
- **power sharing across all levels of the organisation.**

- **Consultative** – Employees are kept informed about the changes and could discuss possible outcomes with the management before the management made the decision.
- **Directive** - The workforce is informed about the changes and why those changes are important but they are not given the opportunity to express an opinion.

- **Coercive** - The workforce is told that they must obey the new instructions. No information was provided or their opinions asked.

They also note that organisations face changes of differing scale such as:

- **Fine tuning –** gentle change at unit level, for example refining procedures.
- **Incremental adjustment –** in response to the changing environment. For example, adjusting strategies at unit or departmental level.
- **Modular transformation** – major realignment of one or more department (and not the whole organisation).
- **Corporate transformation –** organisation wide change fundamentally affecting ways of thinking and operating.

Through plotting the styles of change against the scale and span of the change, they identify four key change approaches:

1. **Developmental transitions –** the primary style of change management is **consultative**.

2. **Task focused transitions** – The style is **directive**, with the change leader seeking **compliance**. Managers further down the organisation may adopt a more consultative approach.

Charismatic transformations – refer to change needing a more **radical shift** that may involve the whole organisation.

Turnarounds – are fast discontinuous changes to recreate the organisation, needing **directive change** management with some **coercion** to radically change existing practices.

Directed change methods

1. Business

There are four key steps involved in implementing BPR:

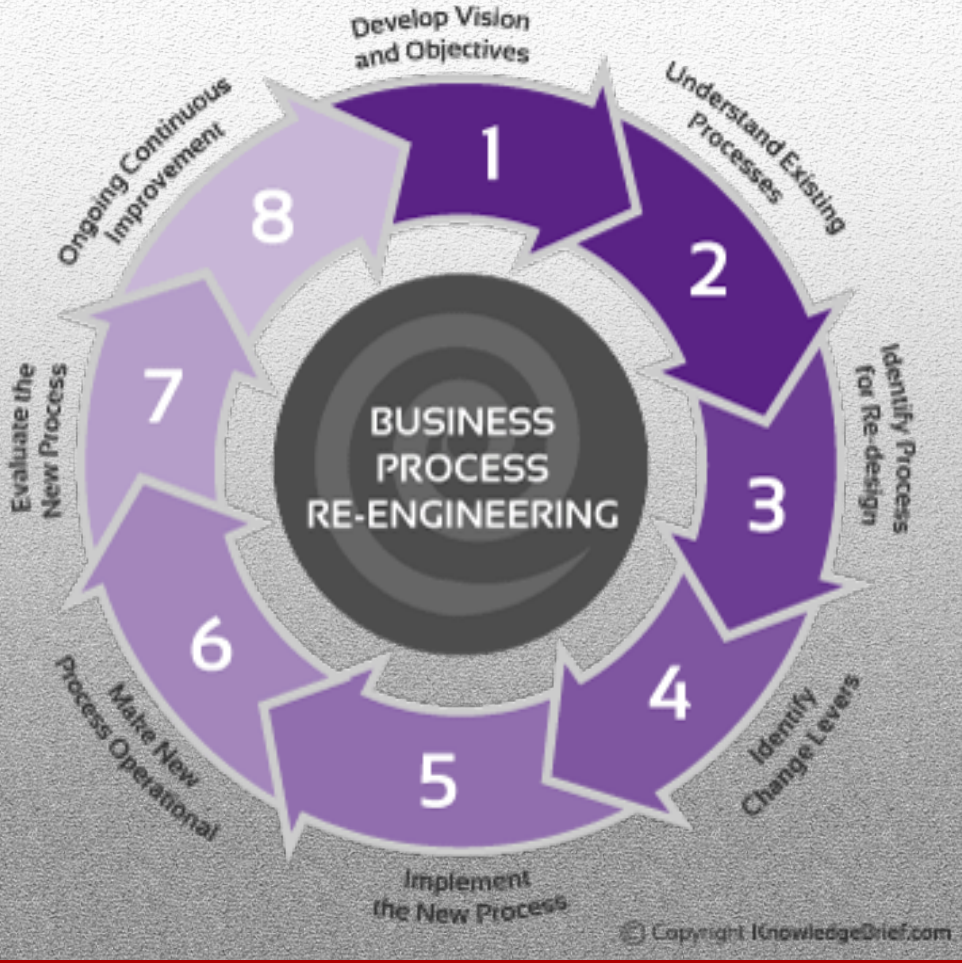
1. **Prepare the organisation** – involving assessment of the **strategic context** and **communication** throughout the company of reasons for re-engineering.

2. Rethink the way in which **work gets done** – **define performance objectives** and **design new processes** in accordance with:

- **simplify** the current process by combining or eliminating steps.
- **attend** to both technical and social aspects of the process.

1. **Restructure** the organisation around the new business processes. This is important: re-structuring and the associated disruption are an expected part of BPR.

4. **Implement** new information and **measurement systems** to enforce change.


Develop Vision and Objectives
1
Understand Existing Processes
2
Identify Process for Re-design
3
Identify Change Levers
4
Implement the New Process
5
Make New Process Operational
6
Evaluate the New Process
7
Ongoing Continuous Improvement
8
BUSINESS PROCESS RE-ENGINEERING
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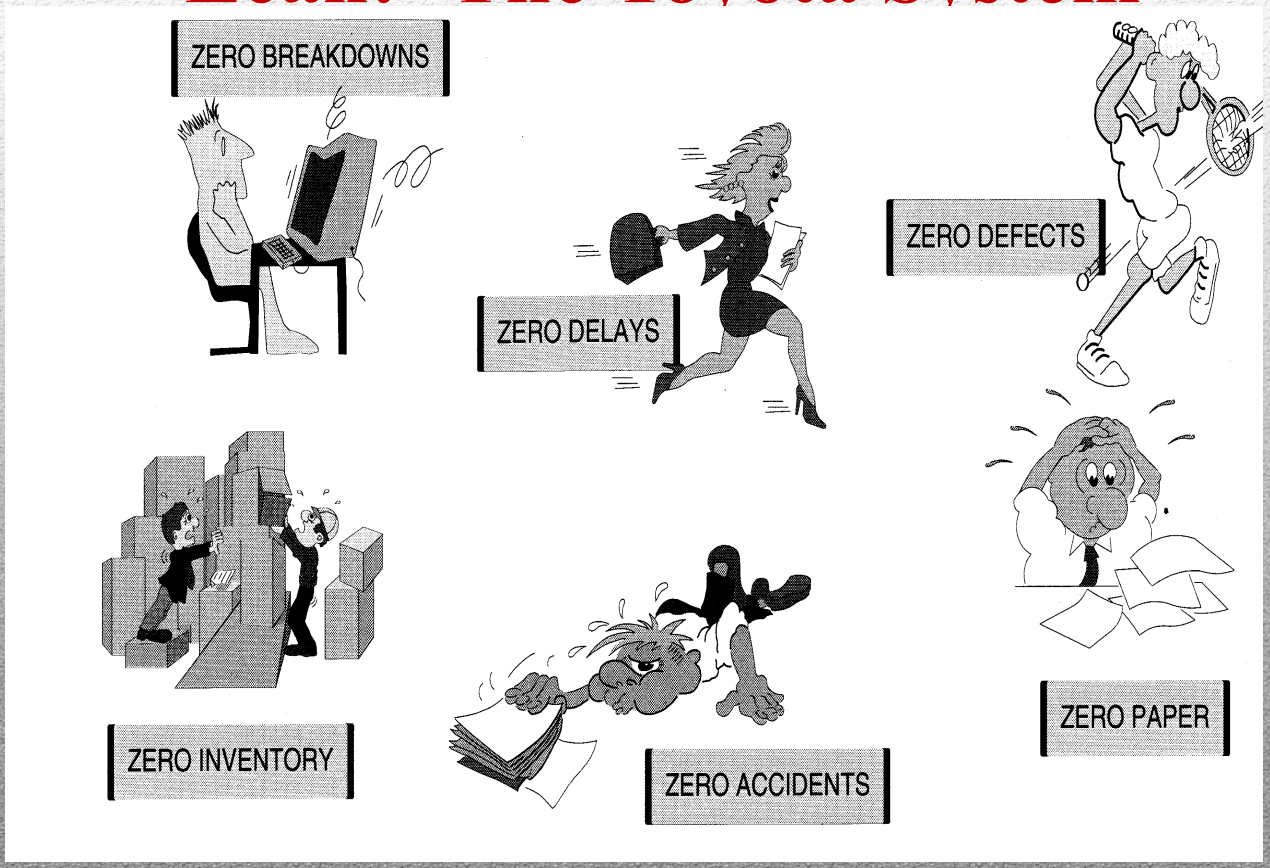
Lean: ‘The Toyota System



Lean's focus is on **examining process flow** and **streamlining processes**.

Main aim is to **reduce** any activity that does not **add value**.

Unlike BPR, which intends to **dismember** the process.

Lean's target is to examine the whole process chain and to identify key **wastage** within the process.

In application, key aspects of Lean include the following principles:

- Customers are **better** for the changes that Lean identifies.
- Lean's purpose is to **pull service** through the system in order to meet customer requirements, so that the product or service flows continuously.
- Lean is not overly **analytical** and **statistical** – it requires simple observations to identify visible problems.
- Lean is not **'big bang'**; it is a continuous, long-term approach to achieve flexibility.
- Lean emphasises including and **empowering** employees through change.

The three secrets of successful implementation are:

- **No redundancies as a result of Lean exercises,**
- **Involve staff at all levels,**
- **Show and practice respect for people.**

These three elements make Lean different to BPR where job reductions arise from the change and considered to be key success factors.

SIX SIGMA - "Delivering Tomorrow's Performance Today"

- It is a Quality Philosophy which tries to **improve performance** by knowing where you are and where you could be.

- It is a methodology to measure and improve company's **practices** and **systems**.

https://www.sixsigma.co.uk/

Why Six Sigma?

- Six Sigma emerged as a natural evolution in business to **increase profit by eliminating defects**.

- The Current business environment now demands and rewards innovation more than ever before due to:

➢ **Customer Expectations**
➢ **Technological Change**
➢ **Global Competition**
➢ **Market Fragmentation**

Sigma Levels

Sigma Level (Process Capability)	Defects per Million Opportunities
2	308,537
3	66,807
4	6,210
5	233
6	3.4

Companies Using 6σ

Six Sigma is in use in virtually all industries around the world. Some of companies can be listed as:

- Motorola
- Ericsson
- General Electric
- Sony
- Ford Motor Co.
- CITI bank

Six Sigma Methodologies
(It takes money to save money)

- **BPMS**
  - Business Process Management System
- **DMAIC**
  - Six Sigma Improvement Methodology

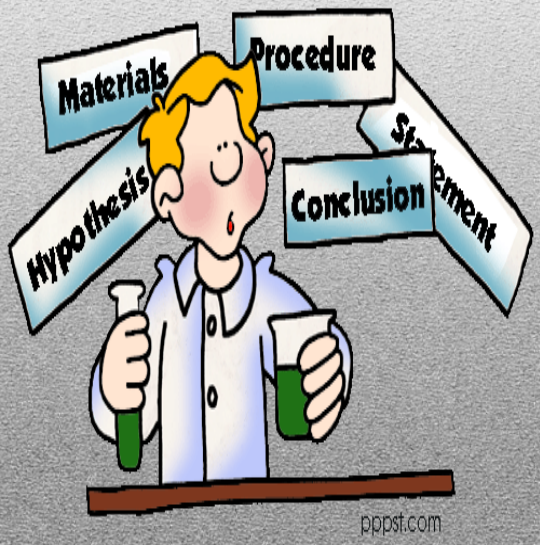
Business Process Management System

- BPM strategies emphasize on **process improvement** and automation to derive performance.
- Combining BPM strategies is most powerful way to **improve performance**.

WHAT IS DMAIC?

(Define,Measure,Analyse,Improve,Control)

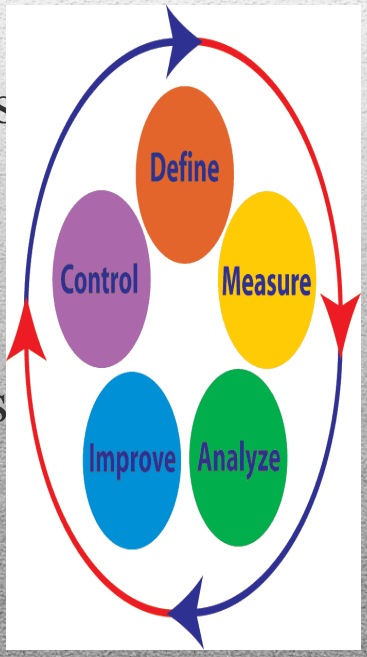
- A **logical** and **structured approach** to problem solving and process improvement.
- A **continuous** process with constant improvement.
- A **quality tool** which focus on change management style.



Phases

Phases of Six Sigma are:

- **Define specific goals** to achieve outcomes consistent with customers demand and business strategy.
- **Measure reduction** of defects.
- **Analyze problems**, cause and effects must be considered.
- **Improve process** on bases of measurements and analysis.
- **Control process** to minimize defects.



Benefits of Six Sigma

- Generates sustained success

Six Sigma Management

When practiced as a management system, Six Sigma is a **high performance system** for executing business strategy.

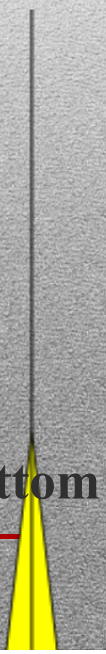
Six Sigma is a **top down solution** to help organizations:

- **Align** their business strategy to critical improvement efforts
- **Mobilize** teams to attack high impact projects
- **Accelerate** improved business results
- **Govern** efforts to ensure improvements are sustained

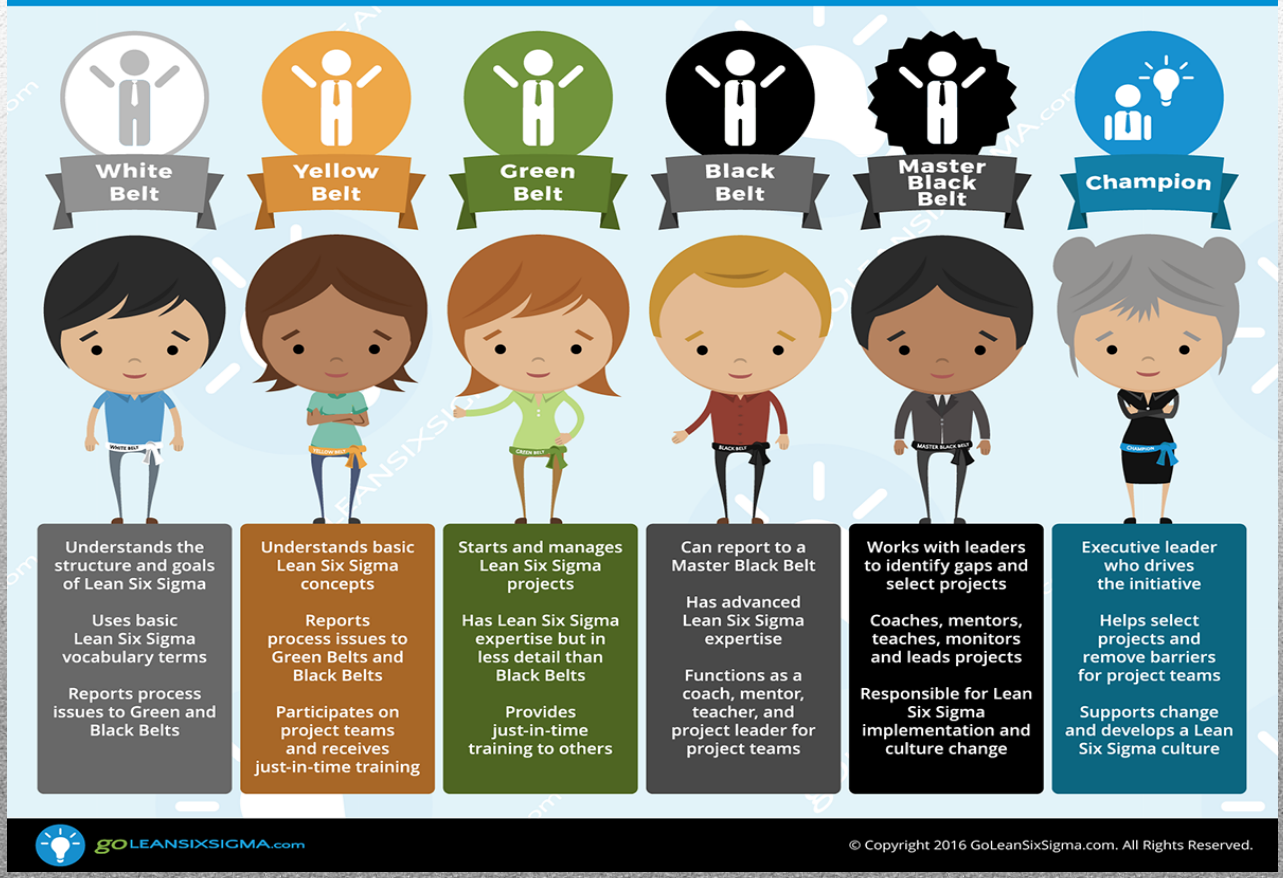
Key Roles for Six Sigma

Six Sigma identifies several key roles for its successful implementation:

- Executive leadership
- Champions
- Master Black Belts (Identify projects & functions)
- Black Belts (Identify non value added activities)
- Green Belts (works on small projects)



Lean Six Sigma Roles



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