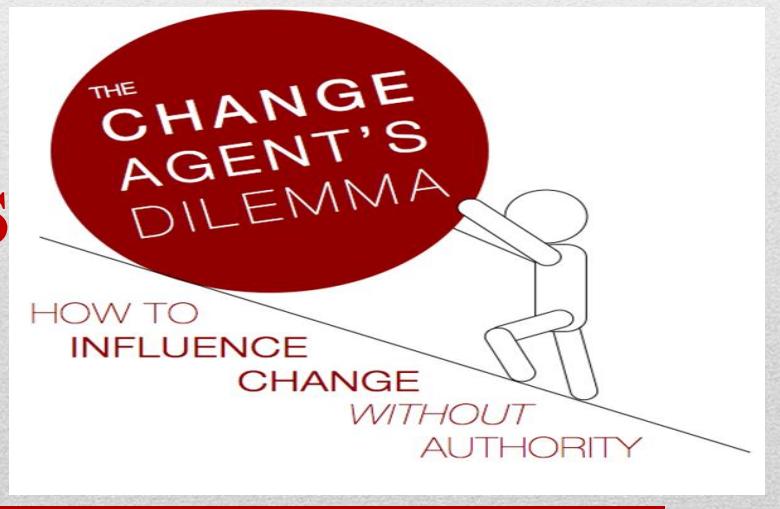


Change Agents



Class learning outcomes

- What is a change agent.
 - The politics of the change agent.
 - The role of HR as a change agent.
 - The abilities of change agents.
 - Four trajectories of industry change analysis.
 - Driving forces analysis.
-

Change Agent in a nutshell

A change agent is a person tasked with creating **needed employee behaviour change**.

Successful organisational change is about producing employees that are:

- **Ready,**
 - **Willing and;**
 - **Able to change.**
-

From power to the politics of the change agent

The craft of change management involves being **skillful** at organizational politics.

Ottaway (1983) distinguished the following types:

Change generators: a range of groups who are crucial to setting off the change process. This group is part of the upper echelons such as **senior management, board members, and shareholders.**

Change implementers: this group is concerned with the **practicalities of managing change**. It is at this point that management consultancies may be employed to aid internal implementers in developing their programme.

Change adopters: this consists of '**early adopters**' who become committed to the change programme early on, the '**maintainers**' and finally the '**users**' (who take on board the new practices).

The notion of politics has both negative and positive meanings.

On the negative side, it often refers to the view that politics requires **deception, manipulation** and a **cynical disregard** for truth and honesty.

On the positive side, politics involves **recognition** that people will differ in their preferences and that ways have to be found of creating coalitions of interest.

Management consultancies as change agents

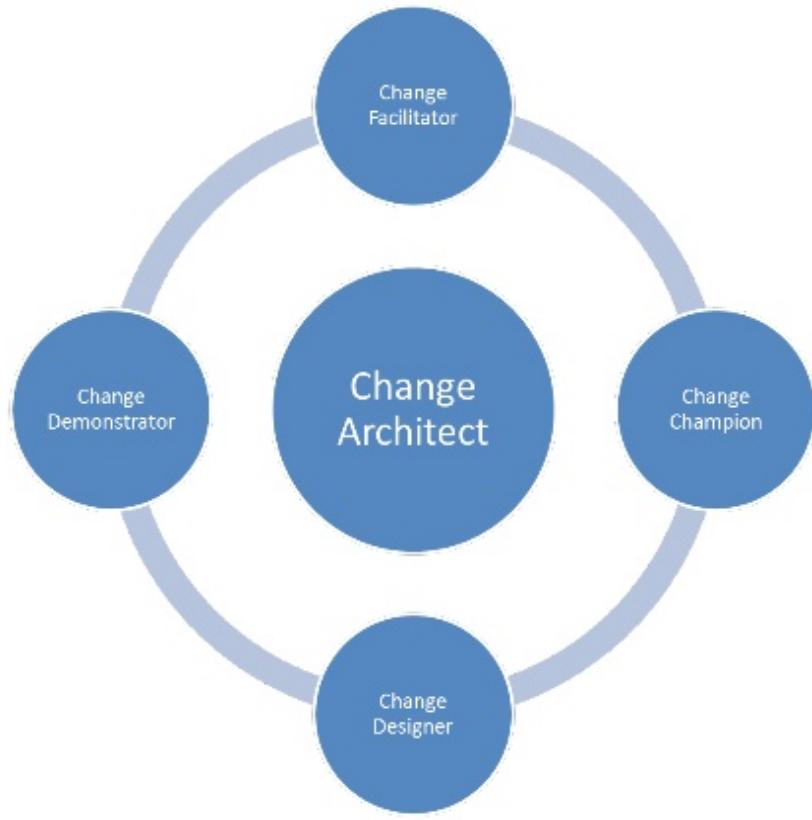
Employment of a **major management consultancy** by a firm is a signal to shareholders and other outsiders that the company is doing something positive about improving its position.



Using McKinsey, Accenture, Cap Gemini must mean they are doing something right!



Multiple Roles of HR as Change Architect



HR as change agent

- **Provide drive** for conducting change at every organizational level.
 - Provide **structured framework** for change.
 - Align top management with other employees.
 - Develop requirements for **appropriate organisational agility**.
 - Identify and establish **workable change management processes**.
 - Reinforce change management **communication** as a driver for attainment of effective change.
 - Act as **overwhelming influence** for successful change.
-

Necessary Abilities for Change Agents

- **Diagnose and solve problems.**
 - **Build relationships with clients.**
 - **Ensure vision is properly articulated.**
 - **Set leadership agenda.**
 - **Implement plans to achieve change goals.**
 - **Tolerate ambiguity.**
 - **Manage conflict.**
 - **Manage projects.**
 - **Manage resistance and risk.**
 - **Coordinate effective communication.**
 - **Apply knowledge of business, products and work processes.**
-

Two phases of HR role in change

Planning

- **Evaluation of viewpoint.**
 - **Strategic forecasting** of initiatives and directions.
 - **Development of business strategy** for initiatives and directions.
 - **Determination of action points** and elements of execution.
 - **Identification of performance targets** for action points.
 - Establishment of communication plan.
-

Evaluation of viewpoint: The management should:

Identify the **need** for change in a **specific area**, and;

resolve its attributes with the aim of protecting the strategic interest of the firm.

Strategic forecasting of initiatives and direction:

Probable initiatives should be evaluated using **STEEPLE analysis**, **SWOT analysis** and **stakeholder analysis**.

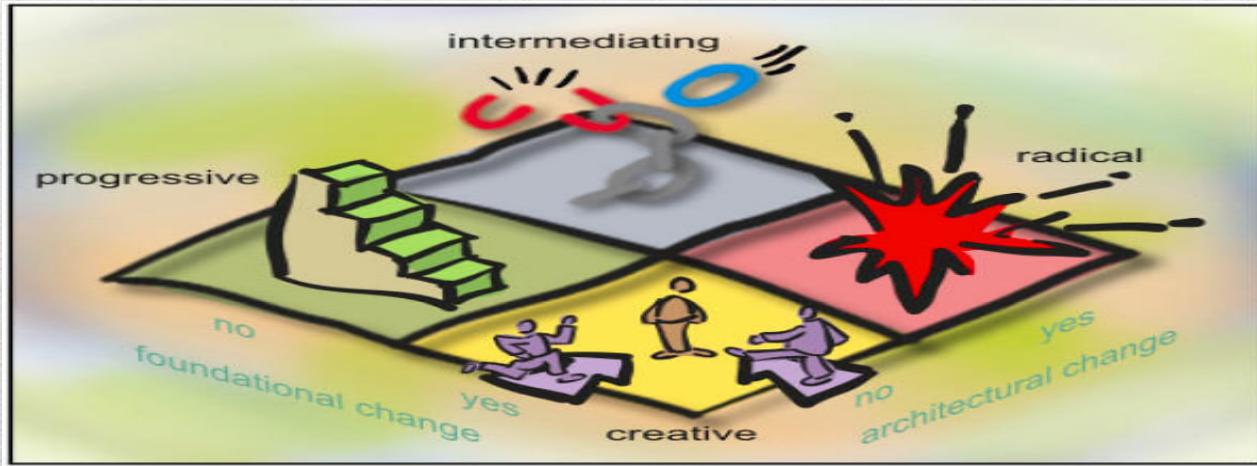
Industry direction should be identified by using the **four trajectory of industry change analysis**.

The specific forces of change in the industry and their impact can be ascertained to a reasonable level by using the **Five forces analysis**.

Four trajectories of Industry change analysis

This tool was developed by Anita McGahan in 2004.

It is used for **identifying** and **understanding** change in an industry, so as to know whether to move out of it.



How to conduct Four Trajectories of Industry Change Analysis

- Identify all the **core assets** and **core activities** of an industry.
- Check-up **threats** to the core assets and activities.

Core activities are threatened when they become **less relevant to suppliers and customers** because of some new, outside alternative.

The second is a threat to the industry's core assets:

- **The resources,**
- **Knowledge, and;**
- **Brand capital that have historically made the company unique.**

These are threatened if they **fail to generate value** as they once did.

In the pharmaceutical industry, drugs are constantly under threat as patents expire and new ones are developed.

- Identify the trajectory of industry change occurring in the industry using the format below:

1) **Radically: Core assets and activities are threatened to become obsolete.**

A good example is the **travel business**. Agencies' core activities and core assets came under fire as the airlines implemented systems to enhance direct price competitions (such as SABRE reservation system).

Also, agencies' clients turned to web-enabled systems, such

2) Intermediating: Core activities are threatened but core assets still have capacity to create value.

Intermediating change is occurring in auto dealerships:

- Traditional auto sales activities are becoming **less relevant** because of the Internet.
- Car manufacturers are seeking closer relationships with drivers and are starting to share the management of customer relations with their dealers.
- Individual dealers are losing control of inventory management as ~~IT and sophisticated financing create economies of scope that~~

3) Creative: Core assets are threatened but core activities are stable.

Relationships with customers and suppliers are generally stable, but assets turn over constantly.

The film production industry is a good example. Larger production companies enjoy ongoing relationships with actors, agents, theatre owners, and cable television executives.

Within this network, they produce and distribute new films all the time.

This combination of **unstable assets (new films)** and **stable relationships (with buyers and suppliers)** makes it possible to deliver superior performance over the long term.

4) Progressive: Core assets and activities are not affected.

Progressive evolution is like creative evolution in that buyers, suppliers, and the industry's incumbents have incentives to preserve the status quo.

The difference is that core assets are not threatened with obsolescence under progressive change, so industries on this trajectory are more stable than those on a creative change trajectory.

Today's discount retailing, long-haul trucking, and commercial airline industries are evolving in this way. Wal-Mart's cumulative impact has been extraordinary, and the company has developed unprecedented power

Trajectories of Industry Change

When determining which type of change your industry is going through—and, no doubt, it is going through some type of transformation—you need to consider whether there are threats to your industry's **core activities** (the recurring actions your company performs that attract and retain suppliers and buyers) and to your industry's **core assets** (the durable resources, including intangibles, that make your company more efficient at performing core activities).

		Core activities
		Threatened
Core assets	Threatened	Not Threatened
	Radical Change <i>Everything is up in the air.</i> Examples: makers of landline telephone handsets, overnight letter-delivery carriers, and travel agencies	Creative Change <i>The industry is constantly redeveloping assets and resources.</i> Examples: the motion picture industry, sports team ownership, and investment banking
Not Threatened	Intermediating Change <i>Relationships are fragile.</i> Examples: automobile dealerships, investment brokerages, and auction houses	Progressive Change <i>Companies implement incremental testing and adapt to feedback.</i> Examples: online auctions, commercial airlines, and long-haul trucking

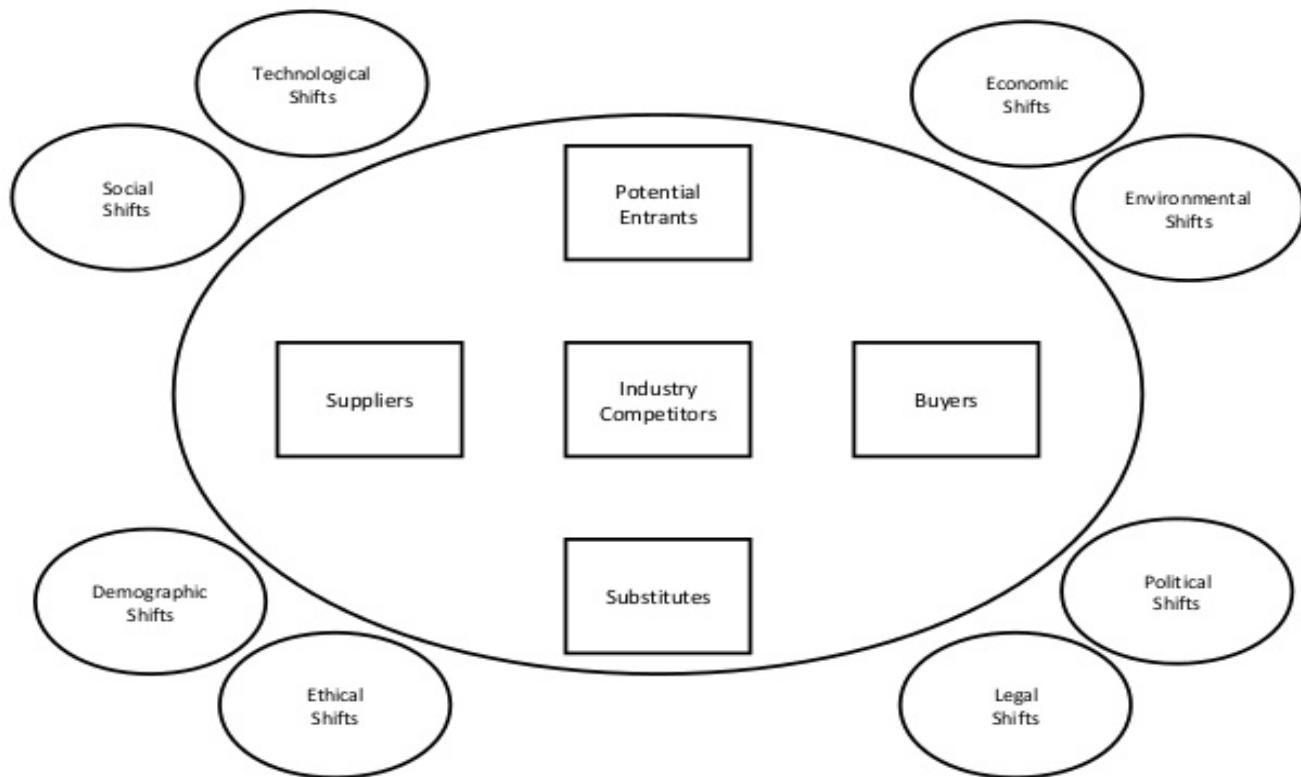
Driving forces analysis

This tool is used for identifying the driving forces of change and uncertainties in an industry, in addition to assessing their impact, in order to give solution.

How to conduct driving forces analysis:

- **Identify** all the **main driving forces** in a particular industry.
 - **Assess** and **rank** the impact of each driving force.
 - **Consider** impact and **give** solution.
-

The Thirteen Forces



Implementation Phase

Realizing that change is difficult, **John Kotter** has outlined an eight-step model for successful change efforts.

Steps 1–4 help **unfreeze** the status quo, Steps 5–7 **introduce** new practices, and Step 8 **grounds** the changes in a new culture to ensure sustainability (Kotter, 1996).

Because we know that implementing and sustaining change is difficult, it requires a comprehensive strategy. Briefly, the steps are:

- **Step 1: Create a Sense of Urgency.** Help others see the need for change and the importance of acting immediately.
 - **Step 2: Pull Together the Guiding Team.** Pull together the guiding team. Make sure there is a powerful group guiding the change—one with leadership skills, credibility, communications ability, authority, analytical skills, and a sense of urgency.
 - **Step 3: Develop the Change Vision and Strategy.** Clarify how the future will be different from the past, and how you can make that future a reality.
 - **Step 4: Communicate for Understanding and Buy-in.** Make sure as many others as possible understand and accept the vision and the strategy.
-

- **Step 5: Empower Others to Act.** Remove as many barriers as possible so that those who want to make the vision a reality can do so.
 - **Step 6: Produce Short-Term Wins.** Create some visible, unambiguous successes as soon as possible.
 - **Step 7: Don't Let Up.** Press harder and faster after the first successes. Be relentless with instituting change after change until the vision becomes a reality.
 - **Step 8: Create a New Culture.** Hold onto the new ways of behaving and make sure they succeed until they become a part of the very culture of the group.
-

Lippitt's, Watson and Wesley Model

The Seven phases of change elaborated on Lewin's Three Step Change Theory.

The seven step theory is to focus on the **role as a change agent** throughout the evolution of change.

The key to change is having the **right person** to be the **voice of change** and the support for the change; empowering the process.

Seven Phases of Change

These phases shift the change process to include the role of a change agent through the evolution of the change.

- **Phase 1:** Diagnose the problem.
- **Phase 2:** Assess the motivation and capacity for change.
- **Phase 3:** Assess the resources and motivation of the change agent.
- **Phase 4:** Define progressive stages of change.
- **Phase 5:** Ensure the role and responsibility of the change agent is clear and understood (communicator, facilitator, and subject matter expert).
- **Phase 6:** Maintain the change through communication, feedback, and group coordination.
- **Phase 7:** Gradually remove the change agent from the

Performance Appraisal Process

The Performance Appraisal process involves the following steps :

- (1)** Establish the Standards of Performance.
- (2)** Communicate these standards to employees.
- (3)** Measure the actual performance.



"Just measuring your job performance..."

(4) Compare actual performance with the standards established.

(5) In case of variation, initiate corrective action.

(6) Communicate the rating to the employee.

(7) Discuss the feedback with the employee.

(8) Conduct post-appraisal Interview.

(9) Initiate corrective action if required.

The 360-degree degree appraisal provides a broader
