



Organisational Strategy

BMA6104



Strategic Implementation (2):

Leading strategic change

BMA6104

Learning outcomes

Identify and assess the different **styles** of leading strategic change.

Analyse how **organisational context** might affect the design of strategic change.

Undertake a **forcefield analysis** to identify forces blocking and facilitating change.

Assess the value of different **levers** for strategic change.

Identify **types** of required strategic change.

Identify the **approaches**, **pitfalls** and **problems** of leading strategic change.

Key elements in leading strategic change



Managing change – key issues

Three key premises:

- ***Strategy matters*** – in identifying the need for change and the direction of change.
- ***Context matters*** – the right approach to change depends on the circumstances. There is no ‘one right way’.
- ***Inertia and resistance*** – getting people to change from existing ways of doing things is challenging.

Strategic leadership roles (1)

Leadership is the process of influencing an organisation (or group within an organisation) in its efforts towards achieving an aim or goal.

Three key roles of top management in leading strategic change:

- **Envisioning** future strategy
- **Aligning** the organisation to deliver that strategy
- **Embodying** change.

Strategic leadership roles (2)

Middle managers do not just implement strategy but have key roles in leading change:

- ***Advisers*** – on requirements for change and the likely blockages to change
- ***Sense making*** – interpreting the intended strategy for their specific part of the organisation
- ***Reinterpretation*** and ***adjustment*** – of strategic responses and relationships as events unfold
- ***Local leadership of change*** – aligning and embodying change at the local level.

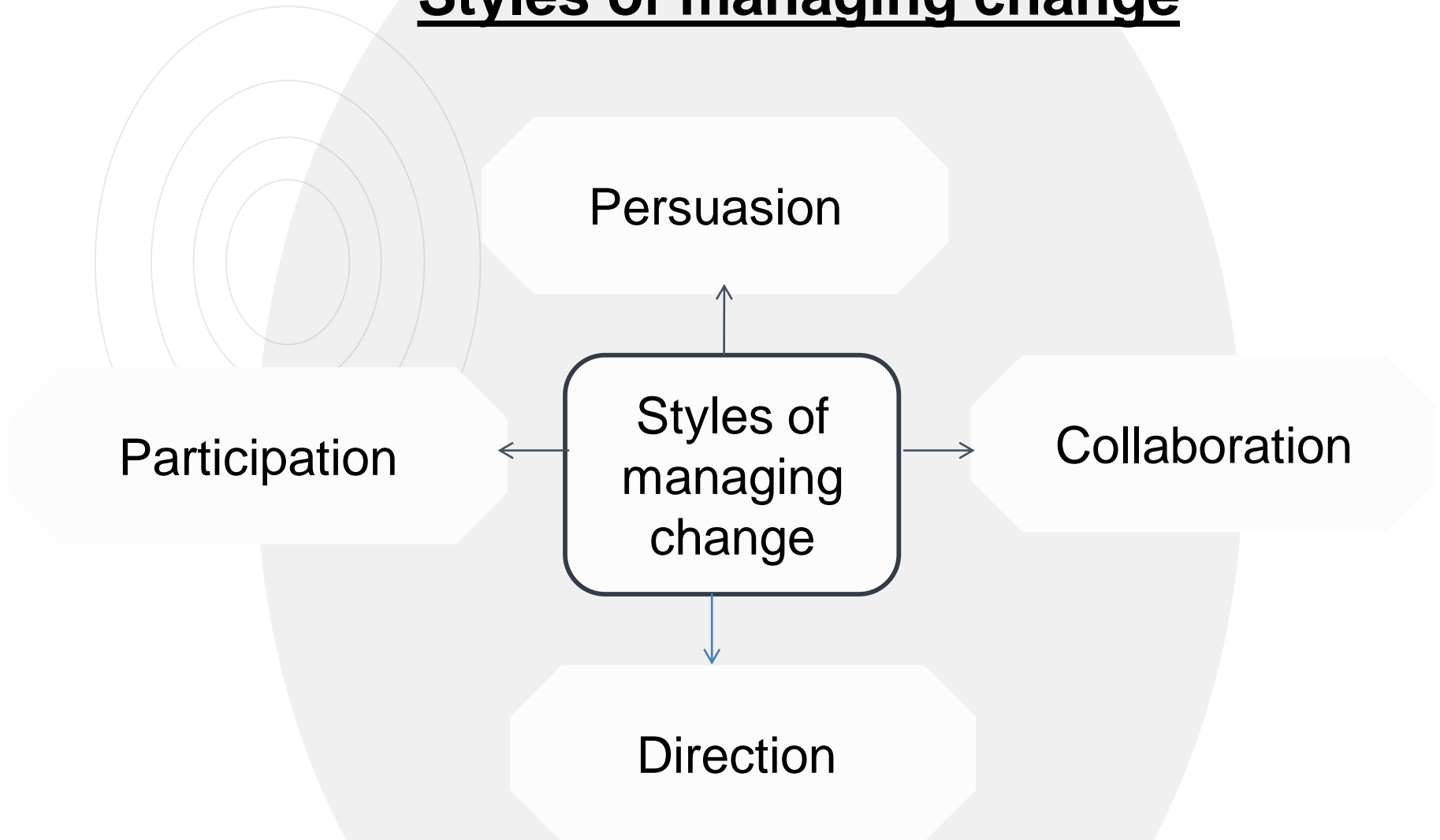
Leadership styles

Leaders can be categorised in two ways:

Transformational (or charismatic) leaders – building a vision; an organisational identity built on collective values and beliefs and energising people to achieve the vision

Transactional leaders – focus on ‘hard’ levers of change, e.g. designing systems, targets, financial incentives, project management and careful monitoring.

Styles of managing change



Styles of managing change:

Persuasion

- Convince employees that change is imperative.
- Make the change relevant to each group.
- Ensure ongoing communication of progress.
- Reinforce behavioural guidelines and use rewards.

Disadvantages/problems:

- Deeply embedded assumptions don't change easily.
- Apparent acceptance of change may not be delivered.
- Can take a long time and may be costly.

Styles of managing change: Collaboration

The involvement of those affected by the change process in setting the change agenda. To foster a positive attitude to change, increase ownership and commitment.

Build readiness and capability to change.

Disadvantages/problems

Little control over the suggestions made.

May lead to change within the existing paradigm.

Can be time-consuming.

Styles of managing change: Participation

The change leader retains authority over the change process but delegates elements of it.

Employees involved in originating ideas for change and how to deliver change.

To increase commitment to change and enhance motivation.

The strategic leader retains overall control.

Disadvantages/problems

Can be perceived as manipulation

May lead to disenchantment and de-motivation.

Styles of managing change: Direction

The use of personal authority to establish clarity on future strategy and how change will occur
Used when the need is for rapid change or specific outcomes.

Disadvantages/problems

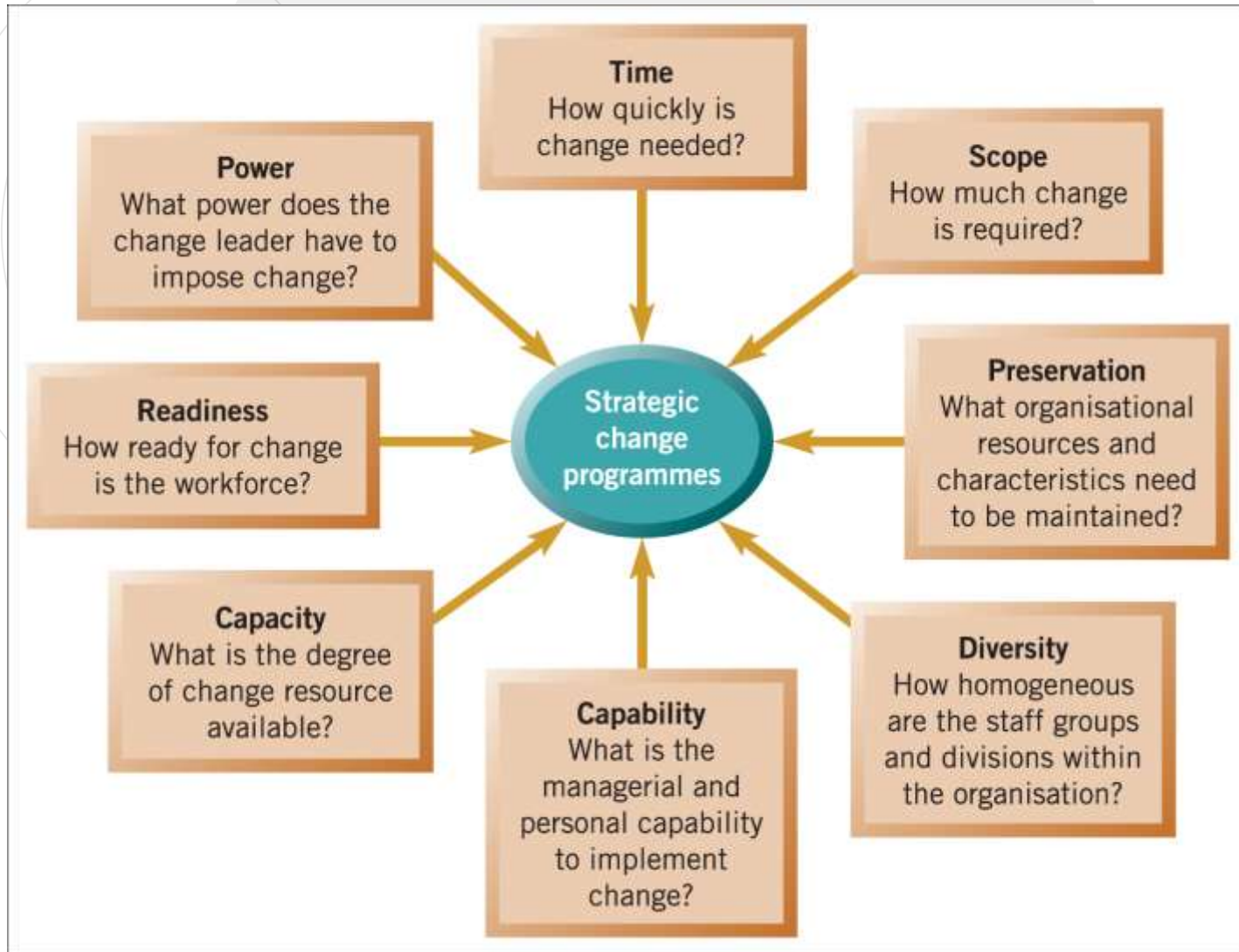
Potentially less support and commitment
So proposed changes may be resisted.

Diagnosing the change context

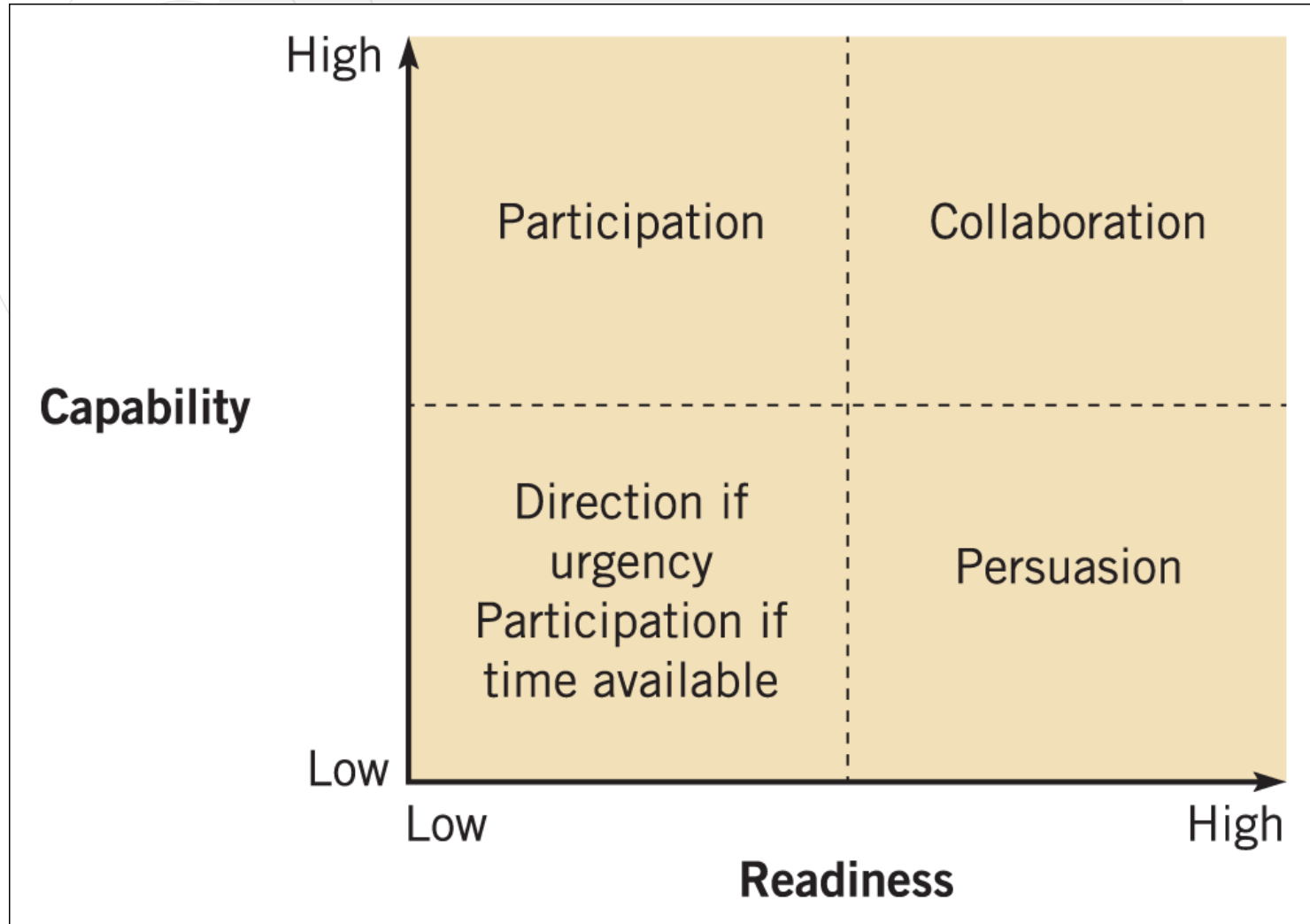
Approaches to leading change depend on the ***organisational context***.

(For example leading change in a small, entrepreneurial firm is likely to differ from leading change in a large corporation.)

The change kaleidoscope



Styles of change leadership according to context



Forcefield analysis

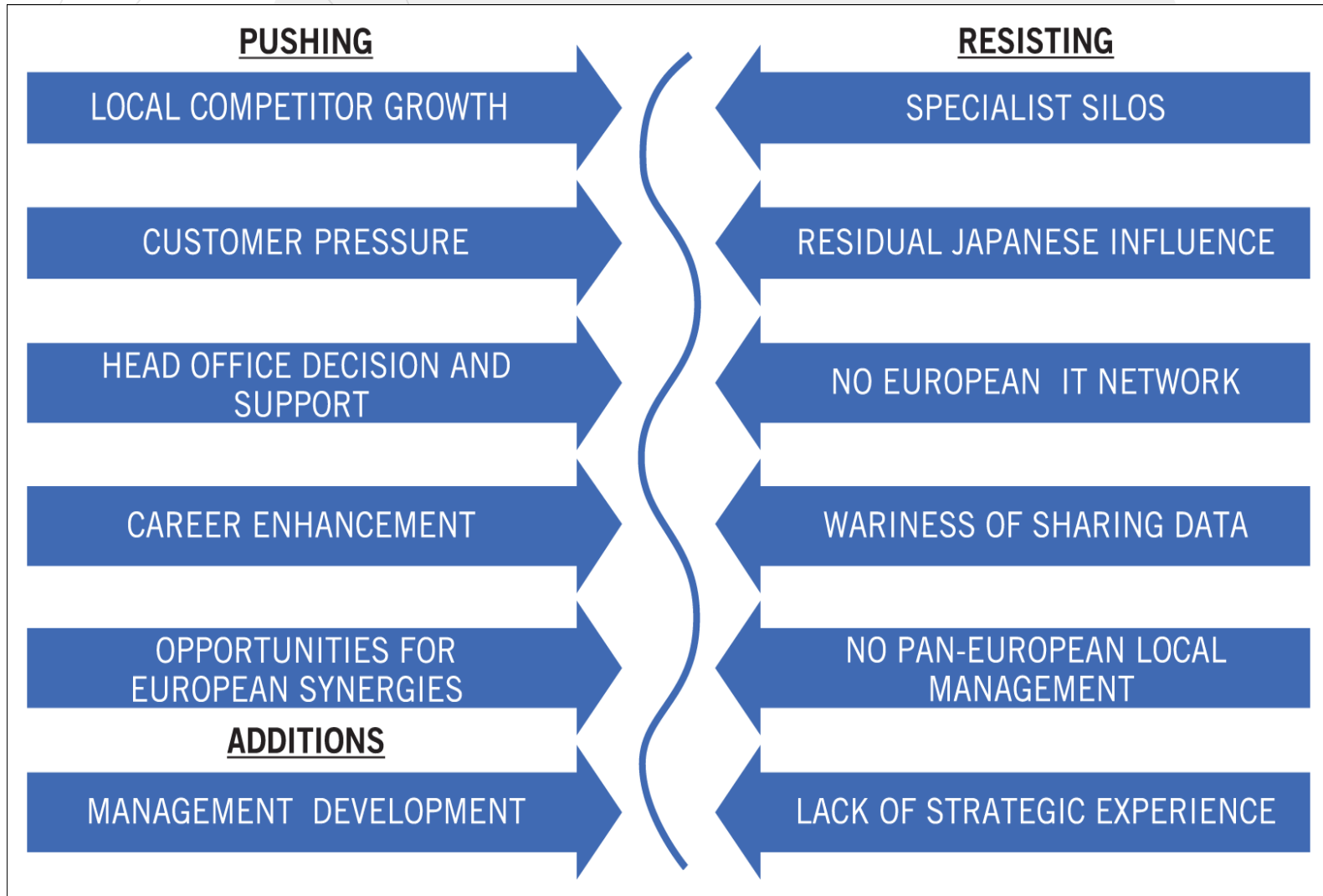
Forcefield analysis: provides a view of forces that act to prevent or facilitate change.

Various concepts and frameworks can contribute:

- ***The change kaleidoscope***
 - ***Mapping activity systems***
 - ***Stakeholder mapping***
 - ***The culture web***
 - ***The 7-S framework.***

A forcefield analysis for devolving strategy

Illustration



Levers for strategic change

A compelling case for change

Challenging the taken for granted

Changing operational processes and routines

Symbolic changes

Power and political systems

Organisational rituals and change

Types of ritual	Role	Examples in change initiatives
Rites of passage	Signify a change of status or role	Induction to new roles Training programmes
Rites of enhancement	Recognise effort benefiting organisation	Awards ceremonies Promotions
Rites of renewal	Reassure that something is being done Focus attention on issues	Appointment of consultant Project teams and workshops
Rites of integration	Encourage shared commitment Reassert rightness of norms	Celebrations of achievement or new ways of doing things
Rites of conflict reduction	Reduce conflict and aggression	Negotiating committees
Rites of challenge	'Throwing down the gauntlet'	New CEO setting challenging goals

Political mechanisms in organisations

Managing change from a political perspective can be achieved using various mechanisms:

The ***control of resources***, expertise and information

The ***support and association with elites*** (powerful and/or influential people)

The ***building of alliances***.

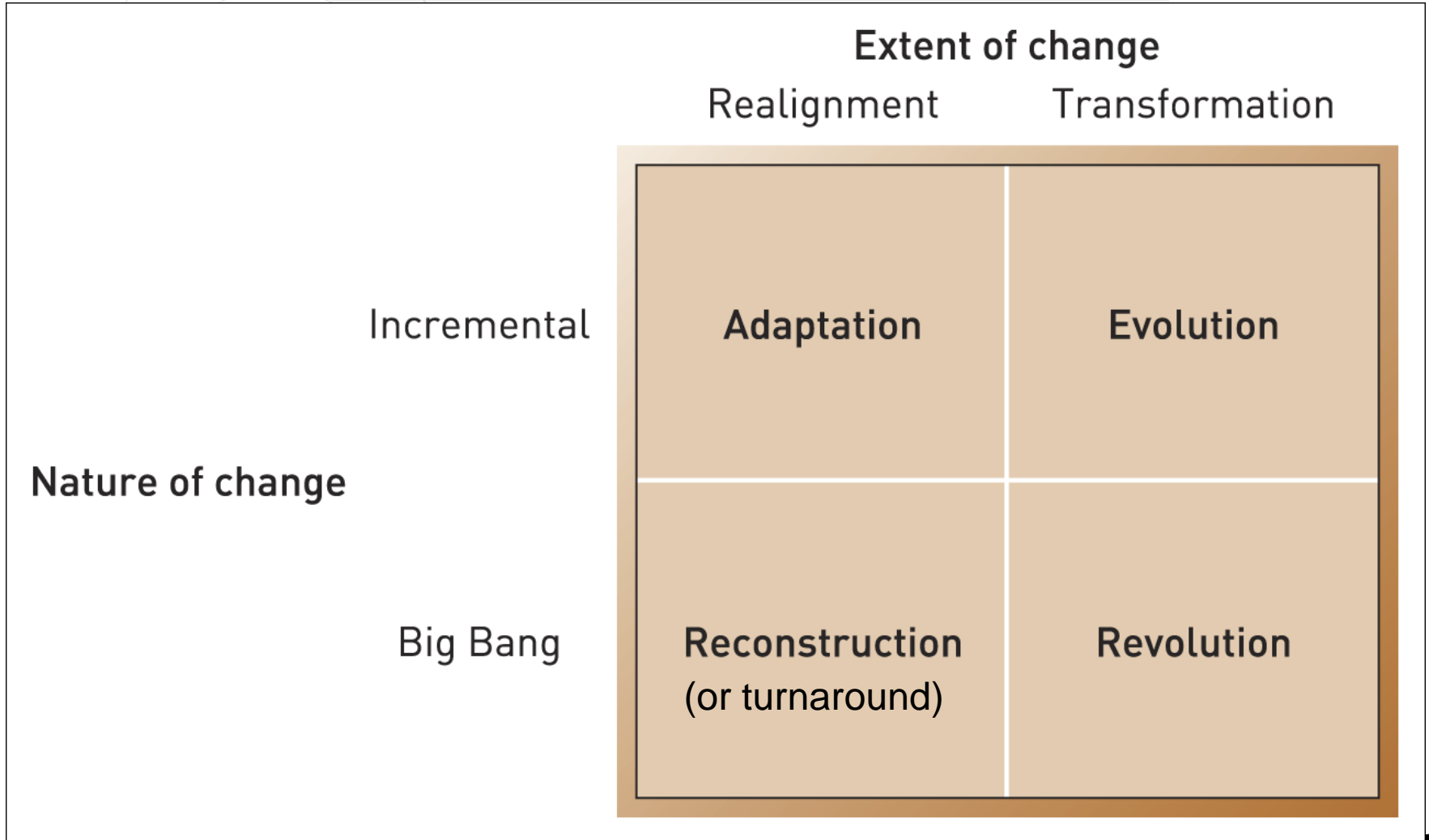
Change tactics

Timing:

- Building on an actual or perceived crisis
- Exploiting windows of opportunity
- Symbolic signalling of time frames.

Visible short-term wins – the demonstration of such wins can galvanise commitment to the wider change strategy.

Types of strategic change (1)



Source: Adapted from J. Balogun and V. Hope Hailey, *Exploring Strategic Change*, 3rd edn, Prentice Hall, 2008.

Types of strategic change (2)

Four types of strategic change:

- **Adaptation** – can be accommodated with the existing culture and can occur incrementally
- **Reconstruction (turnaround)** – rapid change but without fundamentally changing the culture
- **Revolution** – fundamental changes in both strategy and culture
- **Evolution** – cultural change is required but this can be accomplished over time.

Managing revolutionary change

Change that requires rapid and major change as well as culture change.

Likely to involve:

*Establishing a clear **strategic direction***

Top management changes

Multiple styles of change management

Culture change

Monitoring change.

Managing evolutionary change

Moving from one strategy to a changed strategy over time.

May involve:

Identifying interim stages of transition

Recognising (or initiating) irreversible changes

Sustaining top management commitment

Winning hearts and minds

Why change programmes fail

Change programmes may fail because of:

- *Death by planning*
- *Loss of focus*
- *Reinterpretation of change in terms of current culture*
- *Disconnectedness*
- *Behavioural compliance*
- *Misreading scrutiny and resistance*
- *Broken agreements and violation of trust.*

Summary (1)

Approaches, styles and means of change need to be tailored to the context of that change.

So:

Situational leadership – strategic leaders need to adopt different styles of managing strategic change according to different contexts.

The ***change kaleidoscope*** aids understanding of approaches to leading change relate to context.

Forcefield analysis helps identify blockages to change and levers for change.

Summary (2)

Levers for managing strategic change include building a **compelling case** for change, **challenging the taken for granted**, the need to change **operational processes**, **routines** and **symbols**, the importance of **political processes**, and other change **tactics**.

There are different **types of strategic change** in terms of the extent of cultural change required and whether it can be achieved through incremental or rapid change.

Different approaches to leading change are likely to be required for the different types of change.



Thanks!