**3.1.1 Planned change**

In Weeks 1 and 2 we explored, analysed and evaluated how change impacts on people, as well as the role of the leader in implementing organisational change. This has provided key research and background knowledge for thinking about how to actually plan for and then implement organisational change.

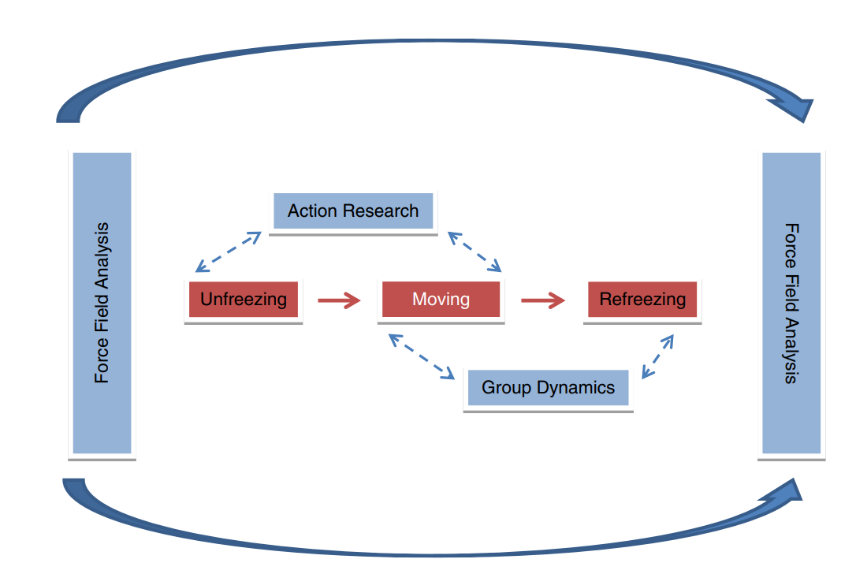
Central to successfully planning organisational change is making sure that all of those affected by the changes are engaged and involved beforehand. This provides them a degree of control over the organisational change while simultaneously increasing earlier adoption to the change and prevent resistance.

Change management in organisations has been prominent in the research literature since the mid 1950s with the growth of social science as a discipline. During this time period researchers became interested in the dynamics of organisations as social entities and, with that, the effects of change.

In this topic, we will examine pivotal and evidence-based change management theories to acquire the knowledge, skills and disposition to successfully implement change in organisations.

## **Lewin's change model**

The following flow chart shows Lewin’s change model. Review the flow chart as a precursor to exploring your readings in this topic.

Figure 1 Planned organisational change management (Rosenbaum, More & Steane 2018)



#### REQUIRED READING

This reading by Rosenbaum, More and Steane (2018) provides a robust overview of 13 models of change. Some models are more popular than others. However, the most important feature of this article is that it is based on the work of Kurt Lewin, who is the father of change management theory. The authors provide a comprehensive overview of Lewin’s theory, which is widely used in practice today.



#### EPORTFOLIO TASK

Now that we’ve considered some of the change models in the readings so far, answer the following questions:

1. Choose 4 of your preferred change models. What are the strengths and weaknesses of each of the models in terms of preparing an organisation for change?

2. What are the common factors in these models that you can identify that could provide us with a comprehensive set of ideas for preparing an organisation for change?

You may wish to share your responses with your Online Facilitator for feedback.

Allow 35 minutes to complete this task.

# 3.1.2 Unplanned change

The change management theories presented in the previous topics are designed for planned change. We have already discussed (in Week 1) how planned and unplanned change are different and that we live in a world of discontinuous change. We will now look at how change management theories fit with the notion of unplanned change.



#### REQUIRED READING

This article by Worley and Mohrman (2014) provides a thoughtful discussion of the major theories of change management and how they relate to unplanned change.

Worley, CG & Mohrman, SA 2014, ‘Is change management obsolete?’, *Organizational Dynamics*, vol. 43, no. 3, Elsevier, pp. 214–224, viewed <https://go.openathens.net/redirector/vu.edu.au?url=https%3A%2F%2Fwww.sciencedirect.com%2Fscience%2Farticle%2Fpii%2FS0090261614000394>.

ISSN: 0090-2616

# 3.1.3 Discussion: Advising the CEO

# 3.2.1 How can you assess organisational readiness for change?

As illustrated in the readings in the previous topic, some of the models (Kanter in particular) focus on organisational preparedness before even getting around to implementing change. In this topic, we investigate how to assess organisational readiness.

In Week 1 we examined stakeholder analysis as a critical component of the change management process. You’ll recall that stakeholder analysis involves working out which people, teams and organisations need to be involved in the change, as well as those individuals, teams and organisation that are likely to be affected.

Despite the extensive literature and trainings available that provide sound advice on how to prepare organisations and people for change, CEO’s and management teams often get it wrong.

The case study below exemplifies this surprising reality.

## **A case in point**

### NovoProjects Pty Ltd

Mandy, a seasoned change management consultant, was hired to provide advice to the CEO of NovoProjects Pty Ltd, an organisation with 1000 employees. New to the organisation, the CEO decided to reduce the executive team from five to three. The three members of the Executive Team had been appointed recently by him and came from his previous organisation. Prior to the arrival of the new CEO, the organisation had downsized from 2000 staff to 1000 after the GFC in 2007 and the loss of significant government contracts.

This meant changing the structure and functions of departments, largely by amalgamating teams that had previously not worked together. There was also a request for voluntary redundancies from staff to reduce the staff pool by a further 100 positions, bringing the total staff to 900 persons.

The change process created significant problems. There was an increase in sick leave. Problems emerged around the completion of projects and there were quality issues largely due to the loss of experienced staff who had decided to leave with a package.

Mandy asked the CEO about the change process, the preparedness of the organisation and the staff for the change, and the engagement of staff in the process.

The CEO said, proudly, that he had gathered all the staff together in a large aircraft hangar nearby that he had hired. He had then told them about the change including the new structure, timelines, the offer of redundancies and that his three new members of his Executive Team would drive the change though the various teams.

This was the extent of the engagement with staff and his plan. He largely left the rest of the process to his Executive Team, all of whom implemented the change in different ways and couldn’t agree even on the final structure. They decided that the final structure would be a ‘moving feast’ for a while and that it might take a bit of experimentation.

You will examine this case study in more detail in the topics that follow.



#### REQUIRED READING

The following article provides an excellent overview of what is required to assess organisational readiness for change. You can make your own judgement about whether their assessment tool is useful. Both studies are useful examples of research in the area. The knowledge and information covered will be drawn on to complete the next activity, and will be helpful in completing Assessment 2.



#### EPORTFOLIO TASK

Once you’ve read the case study on NovoProjects above and the readings, so far, answer the following questions:

1. What factors increased the potential for NovoProject’s change project to fail?

2. What might an assessment of NovoProject’s change readiness have revealed?

3. What would you have done to improve NovoProject’s readiness for change?

Allow 45 minutes to complete this activity.

# 3.2.2 Organisational change and culture

So far, we have investigated how change can affect an organisation’s employees. This often results in late adoption, stress and resistance to change. It is clear that this can be ameliorated, to some extent by:

* preparing stakeholders for change
* engaging people in all aspects of the change process and decision-making
* creating a vision and reason for the change to occur so that it makes sense to people
* enabling people to work out how to apply the change to their work, obtaining feedback
* being flexible in the planning.

The existing culture of an organisation is also critical in determining how well a change project will proceed. If there is a negative culture where people are already struggling, then change may be very difficult. As we saw in our discussions so far about leading change, the culture of the organisation is a function of the organisation’s leadership.

The following video features Simon Sinek, a very well-known and powerful writer and speaker about leadership. While not directly talking about change, this talk by Simon gives us food for thought about how great leaders can inspire action.

In the following activity, explore the different options of what a newly appointed Director could do as they try to manage a change management project. You can re-attempt this scenario as many times as you like to see the different outcomes of your decisions.

[Text alternative](https://vucollaborate.vu.edu.au/d2l/common/dialogs/quickLink/quickLink.d2l?ou=845311&type=content&rcode=VU-1793709)

In this video Simon Sinek, one of today’s most influential leadership thinkers, explores how great leaders inspire action.

How great leaders inspire action | Simon Sinek (2010) <https://www.youtube.com/watch?v=qp0HIF3SfI4>



#### REQUIRED READING

The following short reading provides an excellent case study of culture and change preparedness. You’ll use this reading in the activity below and it will help in completing Assessment 2.



#### EPORTFOLIO TASK

Reflecting on Simon Sinek's Ted Talk, How great leaders inspire action (2010) and the Gleason (2017) article, answer the following questions:

1. How would you react to the type of leadership that Sinek describes do you think?

2. How change prepared are you, given your experiences of change in your life?

3. How would you apply what Sinek is talking about to creating a culture that is change ready

4. What are the main features of a change ready culture?

Allow 35 minutes to complete this activity.

# Gleeson, B 2017, ‘Why great companies prepare for change now, not tomorrow’, *Forbes*, Forbes Media, viewed 26 September, 2019, <https://www.forbes.com/sites/brentgleeson/2017/07/10/why-great-companies-prepare-for-change-now-not-tomorrow/#730694974514>.

# 3.3.1 Choosing the right change strategies

Sometimes it is evident from assessing an organisation that it and its people are ill-prepared for planned or unplanned change. It is also important to recognise that not all organisations are alike. Thus, it might be necessary to devise strategies that are specific to a particular problem or circumstance, as well as the organisation itself. Choosing the right change model, depending on the type of change being implemented, is critical.

## **Case in point: A case study**

### TechniTechnics

TechniTechnics is a family owned company. Originally established by their father, some 20-years previously, three brothers are now the directors. The elder brother is the managing director. The company provides software solutions to several major, ongoing clients as well as consulting services to a steady stream of smaller businesses. There are 14 staff, including the directors, who work in the business. The organisation includes six additional family members who have non-managerial support roles and have been with the company between 10 and 20 years.

The last five-years have seen a steady growth of about 7% increase in revenue each year with an accompanying, slow increase in staffing to cope with the increased volume of work. The directors have been quite happy with this and comfortable with keeping the business relatively modest and enjoying the lifestyle that their coastal location affords.

However, in the past 6 months the company suddenly experienced a surge of recognition for an innovative software solution that has become a market leader in its field. There has been global interest in the product from the USA and Europe that has resulted in unexpected surge of sales, as well as requests for modifications to suit a variety of contexts. Orders are flooding in with an estimated increase in revenue of 200%, over the next 12-months.

At the same time, TechniTechnics, because of this recognition, has found an increased request for work from new clients with a variety of software problems. Revenue increase in this area is expected to be 120% on current orders over 12-months.

The brothers are faced with an obvious dilemma. They can either turn back the business and keep the workflow manageable and perhaps steadily increase revenue. Or they can decide to increase their capacity. A business consultant has advised that if they decide to expand, they would need to dramatically change the structure of the company to one much more suited to a moderate to large enterprise.

The decision is made that this is too good an opportunity to miss and that the company will embrace considerable change in its governance, how it functions and its structure.

You, in your role as a change consultant, have been asked to provide advice as to how to move forward with what will be a major cultural change. The business consultant is assisting the brothers with the business redesign.



#### REFLECT

What has happened to TechniTechnics is not unusual. Reflect on your own experiences of personal, social or organisational change-planned or unplanned. Reflect on the following:

1. How might TechniTechnics have been better positioned to accept the challenge ahead, without having to go into crisis management?

2. Do you think TechniTechnics have made the right decision? Why do you agree or disagree.

3. From your own experience, why are there times when it is better not to change than to take the risk?



#### REQUIRED READINGS

We’ve already evaluated resistance to change but we’ll revisit this important issue again, but with reference to change theory. This article is by a giant of change management theory, John Kotter, whose theory of change management has been covered in the required readings so far. Here, he talks about choosing strategies where there is a high chance of resistance to change.

This paper compares a number of change theories and, using an interesting research design, suggests circumstances where each might be effective.

# 3.3.2 Discussion: TechniTechnics needs your help

# 3.4.1 How can you anticipate change?

This week we’ve examined that in today’s world of rapid change that employees, teams, organisations and even societies need to be able to adapt quickly to external events.

With regard to change, there are two types of people in the world. There are those that anticipate and expect change, multi-skilled, watch external events carefully, and are comfortable with a bit of uncertainty. Then there are those who tend to like to control their world, think that change will not occur to them, look inwardly, and expect the world to dance to their needs.

Organisations are much the same. There are those that are flexible and agile, monitor their environment and are ready to shift focus at a moment’s notice. They are built change ready and know it may happen at any time. These are open systems, which we will discuss further below.

The others are more focused on their internal workings, following policies and procedures to the letter, inflexible, expect their customers to toe the line, and do not monitor the world that is affecting them. These are closed systems

In this topic we will explore anticipating change in relation to being change prepared and build on the notion of culture in relation to change management.



#### REQUIRED READING

For a light-hearted but illuminating start to this topic, inspect the following article, which briefly describes the top 20 worst decisions made by organisations. Largely, these decisions occurred because of a failure to understand the environment in which they operated. Many of the organisations such as IBM, Kodak and Coca Cola went on to survive but only because they were so big. Other smaller operators have not been so lucky.

# 3.4.2 Open systems and closed systems

We talked briefly about the nature of organisations in Week 1 and mentioned systems thinking in relation to a system being made of many interrelated parts. We learned that when we change one part of the system we might affect another part.

We will expand our thinking about systems a little further here to include what are known as closed and open systems.

Systems thinking were derived from the world of biology in which Ludwig Bertalanffy observed that organisms (systems) were able to adapt to a changing, perhaps toxic, environment. He showed that the idea that organisms always sought homeostasis or balance was wrong. Rather, they slowly adapt to changes around them. This is known as an open system.

This idea was adopted in the 1960s and applied to social systems. Thus, arose the notion of social systems (organisations in our case) as being open or closed.

Watch the following video where systems thinking is explored in more detail and explains the approach to prevention.

Healthy together Victoria: Complex systems thinking (2013) <https://www.youtube.com/watch?v=pZU8MYGqm2s>



#### REQUIRED READINGS

This reading by Bastedo (2006) is an accurate, short summary of open systems thinking.

This next reading is not an academic paper but an extract from a book. However, it provides a very accurate and useful summary of the characteristics of an open system.

This short article by Brent Gleeson (2017) embodies open systems and change. It also describes how leaders prepare for change in advance.

## **Closed systems**

Closed systems do not behave in this way. Rather, they tend to get caught up in internal processes, red tape, justifying what they do rather than thinking outside the square. You may have had the experience as a customer of dealing with an organisation that is totally unsympathetic to your needs but instead seeks to only think of its own processes. This is an example of a closed system. You might be thinking of some of our large Australian Banks and AMP, for example of closed system behaviour. But, they are too large to fail. A smaller business that does not meet the needs of its customers, does not keep up to date with the market, and fails to innovate will fail.



#### REFLECT

From your life, but particularly your experience in organisations, and using the readings so far, critically reflect on which organisations were open systems and which ones were closed.

1. What were the open systems doing that the closed systems were not?

2. What could have been done to change the closed systems to open systems.

3. What is the relationship between open systems and being prepared for change?

This video is an important contribution to a discussion of culture and change management. In this presentation Thijs Homan (2017) takes a rather unique but tremendously valid analysis of what really happens in organisations in terms of its culture and how this affects change processes. Homan is a professor at the Open University of the Netherlands.

The inner side of organizational change | Thijs Homan | TEDxAmsterdamED (2017) <https://www.youtube.com/watch?v=3n-c6iAKFgg>

### **Open Systems Theory**

* **By:** Michael N. Bastedo
* **In:** [*Encyclopedia of Educational Leadership and Administration*](http://sk.sagepub.com.wallaby.vu.edu.au:2048/reference/edleadership)
* **Edited by:** Fenwick W. English
* **Subject:**Leadership, Educational Administration & Leadership (general)
* [icon eyeShow page numbers](http://sk.sagepub.com.wallaby.vu.edu.au:2048/reference/edleadership/n406.xml)

Open systems theory refers to the concept that organizations are strongly influenced by their environment. The environment consists of other organizations that exert various forces of an economic, political, or social nature. The environment also provides key resources that sustain the organization and lead to change and survival. Open systems theory was developed after World War II in reaction to earlier theories of organizations, such as the human relations perspective of Elton Mayo and the administrative theories of Henri Fayol, which treated the organization largely as a self-contained entity.

Virtually all modern theories of organization utilize the open systems perspective. As a result, open systems theories come in many flavors. For example, contingency theorists argue that organizations are organized in ways that best fit the environment in which they are embedded. Institutional theorists see organizations as a means by which the societal values and beliefs are embedded in organizational structure and expressed in organizational change. Resource dependency theorists see the organization as adapting to the environment as dictated by its resource providers. Although there is a great variety in the perspectives provided by open systems theories, they share the perspective that an organization's survival is dependent upon its relationship with the environment.

Open systems theory has profoundly altered how we understand schools as organizations and the demands placed upon educational leaders. Treating schools as if they are independent of their environment would lead to wide misperceptions of the driving factors behind organizational change. Contemporary studies of accountability movements, teacher professionalization, and instructional leadership all benefit from a strongly open systems approach to understanding environmental demands and the resulting adaptation in school policy and its implementation, or lack thereof. Indeed, today scholars are rightfully dubious of work that fails to consider the rich context in which schools develop.

Michael N. Bastedo

*See also*

# Week 3 Summary

his week, we’ve cross-examined a number of models that enable organisations and individuals to successfully prepare for change. In addition, we will evaluate organisational readiness for change and interventions to increase preparedness, including leading change. We’ve also utilised the case studies presented this week and applied what we’ve learned from the readings.

Top of Form

[**Assessment 2: Preparing for change**](https://vucollaborate.vu.edu.au/d2l/le/content/845311/viewContent/5416455/View)

**Assignment**

 Due 31 January at 23:59

Bottom of Form

## Overview

Length: 2000 words

Weight: 40%

Due date: End of Week 3 (11.59pm Sunday)

Weeks 1, 2 and 3 covered a number of issues relating to how people react to change and the preparedness of organisations for change. Effective change leaders are aware of the need to carefully prepare for change. This assessment asks you to consider what you would do to prepare for change in an organisational scenario.

**Organisational Scenario: ‘Moving operations’**

Choose your current organisation, an organisation you have worked for, or an organisation you are familiar with.  Then choose one of the following ‘moving operations’ scenarios:

* + The organisation is moving operations to the cloud
  + The organisation is relocating from the central business district (CBD) office in Melbourne to a new office in Melton (45 km away, but accessible by public transport)

To prepare for this assessment task:

* + Consider the implications of one of the ‘moving operations’ scenarios
  + Think about what the selected organisation needs to do to prepare for this planned change
  + Successfully complete the activities in weeks 2 and 3.

Your assessment submission should include a cover page. Download the [Cover page template (DOCX 12 KB)](https://vucollaborate.vu.edu.au/d2l/common/dialogs/quickLink/quickLink.d2l?ou=845311&type=coursefile&fileId=DOCX%2fCover+page+template.docx).

## Task

* + Provide an assessment of the organisation’s readiness for change and highlight any areas of concern. (400 words)
  + Choose an organisational change model from the literature and justify why this model is best for the organisation. (500 words)
  + Using the model as a framework (from step 2), describe the steps you would go through to prepare the organisation for the change. (600 words)
  + Identify potential ‘red flag’ issues that you would need to pay special attention as you prepare the organisation for change. (200 words)
  + State the managerial and leadership implications of managing change in the organisations and how you will persuasively advocate recommendations to specialist and non-specialist audiences. (300 words)

### Supporting resources

[Harvard Referencing: Home](http://libraryguides.vu.edu.au/harvard) (Victoria University Library 2019)

* [Assessment Q&A](https://vucollaborate.vu.edu.au/d2l/le/content/845311/viewContent/5416456/View)

Discussion Topic

Task: Reply to this topic

Post general questions about any of your assessment tasks here. Be sure to select the relevant assessment Q&A thread below.