Theme of the Book

The book links into (and develops further) the ideas on strategic change of Johnson and Scholes in their classic strategy text, “Exploring Corporate Strategy”.

The authors present a flow chart which outlines the various stages of strategy development and implementation viz.

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Why and what
   Analyse competitive position: changes needed
   Identify desired future state

How
   Analyse change context: critical change features
   Identify change approach: design choices
   Design transition process: levers and mechanisms
   Manage the transition: leadership issues
   Evaluate change outcomes
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The book focuses on the change process (i.e. the how of change, the things done to deliver change) in organisations.

Four propositions underpin the book viz.

- That the task of managing change is context-specific and therefore an understanding of the organisation’s context is essential
- That analysing the change context allows change agents to make design choices on the basis of ‘best-fit’ for the organisation
- That once the change has been designed the next task is to both design and manage the transition
- That there are established levers and mechanisms for managing transition.

At the core of the book is the change kaleidoscope, which is a diagnostic framework which can be used to analyse key features of the change context and to select and design appropriate contextualised implementation approaches.

The authors also contend that management of change is a distinct competence that can be developed by practitioners.

*The ability to manage change is fast becoming a mainstream competence for managers. It is no longer an optional extra in the managerial toolbox.*
Key Learning Points

- The message is that there is no one best way to change. Change needs to be context-specific.

- The determination of the design and management of any change process should be dependent on the specific situation of each organisation.

- At the core of the book is the change kaleidoscope, which is a diagnostic framework which can be used to help make judgements about what approach to change is most suited to a particular change context.

- Changing organisations is about changing people and any implementation approach has to work with the cultural, political and social nature of organisations.

- Being a change agent in today's fast changing and uncertain world requires a complex mix of skills, including 'analytical, judgemental and implementation' skills as well as being "able to handle complexity and sensitivity' and also possess a high degree of and 'awareness'..
Exploring Strategic Change

**Context Specific Change**

The authors view the management of change not so much as about formal planning but more of a negotiated process, open to both managerial and cultural influences. Strategy in effect develops and has to be implemented within a context and is influenced by elements within that context whether they be managers' opinions, cultural values or whatever. However good plans may be they will be subject to these influences.

In effect, when people talk about organisations changing, what they really mean is that people must change. Of course, technology, products and physical assets can all be changed but if an organisation is to really change, then the people within that organisation also need to change the way they behave. But people are not objects who change because a plan says they should. They have minds of their own and can decide to react in any way they choose. Because change involves people and people react in different and sometimes unpredictable ways, change is more than the development of a plan. A failure to appreciate this can lead to two fatal flaws within many change plans that are otherwise very impressive in their detail and scheduling – the assumption that employees reaction to the plans van be controlled and the absence of any provision within the plan for managing the process of change.

The message is that there is no one best way to change. Change needs to be context-specific. The determination of the design and management of any change process should be dependent on the specific situation of each organisation. What this means for change agents is that, instead of identifying best practice solutions, they need to start looking for ‘best questions’.

**Context-Sensitive Approach**

The authors argue that the more appropriate way to go about designing the change approach is to use the organisation’s context to guide the approach selected. A contextual analysis may reveal that an existing change approach is workable in the current situation; on the other hand, it will also guard against the use of inappropriate solutions.
A context-sensitive approach to change sees the stages in the design process as follows:

- **Step 1:** The strategists decide on the **content** of change and in **what** areas it is essential to achieve change.

- **Step 2:** The change agent carries out an **analysis** of the change **context** which examines the organisational features pertinent to the change situation such as the scope of change required, the time frame, the power of the change agent to affect change, the diversity within the workforce and the capability for change within the organisation.

- **Step 3:** The change agent **judges** which are the most **critical** features of the current change situation and how they should be prioritised and weighted.

- **Step 4:** The change agent selects the appropriate **design choices**. Information derived from the contextual analysis in stages 2 and 3 will start to make design options seem unworkable and others either possible or essential e.g. if money is scarce, the change process will not be able to afford an expensive training programme.

Step 1 is taken as read in this book but the authors introduce the Change Kaleidoscope as a diagnostic framework to help with steps 2 to 4.

**Change Kaleidoscope**

The change kaleidoscope contains:

- An outer ring concerned with the organisation’s strategic context (i.e. the **what** and **why** of the change) which refers to the fact-finding exercise carried out in the first two stages of the flow chart in Figure 1 above. This book as noted above is not concerned with this aspect of the kaleidoscope.

- A middle ring concerned with the features of the change context to do with the organisation’s culture, competencies and current situation which change agents should consider before selecting the change approach.

- An inner ring which contains the menu of design choices open to change agents.
Exploring Strategic Change

The Change Context Features

There are two parts to the examination of the contextual features in the middle ring of the kaleidoscope viz,

- Detailed analysis of each feature listed, and
- Determination of which of the features are most critical in any particular organisational context and how this affects the design choices made.

There are eight features viz.

1. **Time**: How much time does the organisation have to achieve this change? For example is it in crisis?

2. **Scope**: is the required outcome realignment or transformational? Does the change affect the whole organisation or only some part of it?
3. **Preservation**: To what extent is it essential to maintain continuity in certain practices or preserve specific assets?

4. **Diversity**: is, for example, the staff group concerned diverse or relatively homogeneous in terms of values, norms, attitudes? Are there many subcultures or national cultures within the group?

5. **Capability**: How capable or competent is the organisation at managing change? How much change has the organisation and its staff previously experienced?

6. **Capacity**: How much cash or spare human resource is there to divert towards the change?

7. **Readiness for change**: Are staff aware of the need for change? How much support is there for the change?

8. **Power**: Where is power vested within the organisation? Who are the vital stakeholders whose support must be canvassed and secured?

As explained above, not all organisational features will be of equal importance. This is why the framework is called the kaleidoscope as its configuration of features will constantly shift according to the organisation being analysed.

### Design Choices

Design choices are about the bewildering array of implementation decisions which the change agent needs to make about how change should be implemented within his/her particular context. The kaleidoscope separates the array of choices that need to be made into six categories within which there are a range of alternatives viz.

- **Change Path**: Concerns the type of change to be undertaken in terms of the *nature of the change* (i.e. big bang or incremental) and the *desired result* (i.e. transformational or just realignment). Those dimensions describe four types of change: *evolution, adaptation, revolution* and *reconstruction*.

- **Change start point**: Where the change is initiated and developed. There are three main approaches viz. *top-down, bottom-up*, or by using prototypes/pilots/pockets of good practice.

- **Change target**: Consideration of the different organisational levels at which to intervene in terms of peoples’ attitudes and values, behaviours or outputs is an important design choice. Some change processes concentrate on attempting to change the values of employees, others
emphasise behavioural change, whilst others may only seek to change the performance objectives or outputs of employees.

- **Change roles:** Who is responsible for leading and implementing the changes?

- **Change levers:** The range of levers and mechanisms to be deployed. Organisations are composed of a number of interconnected and interdependent parts or subsystems and are more effective when the major components are in alignment with each other. Given the interdependency of these subsystems, it is difficult to change one part in isolation.

### Designing the Transition: The Implementation Path

Having analysed the context and decided on design options for approaching the change process, the focus moves on to the more detailed planning of the implementation itself.

- **The Change States**

  The change process is normally conceived of as comprising three stages viz. the *current state*, the *future state* and the *transition*.

- **Vision**

  The desired future state is encapsulated in a ‘vision’ which defines what the organisation is trying to achieve. The ‘vision’ acts as a powerful mechanism for communication and gives change recipients a target to aim for and the incentive and energy for change. It should also generate commitment to change.

- **Barriers to change**

  It is important to identify barriers to change including powerful stakeholders. Force field analysis is a useful technique to employ in identifying and assessing the strength of those barriers.

- **Levels of Change**

  Once the design of the future state has been completed, and it is known what barriers to change have to be overcome, it is then necessary to design an implementation path to deliver the future state. This involves thinking about which levers and mechanisms to deploy and in what order.

  The transition state is the process of changing the organisation from what it is now into the desired future organisation and involves three change phases:
Exploring Strategic Change

- **Unfreeze** is about making people within an organisation ready to change by making them aware of the need for change and dissatisfied with the existing ways of working. It is about creating the readiness for change among the workforce. To undertake change people generally need to feel that the problems and the pain change will cause are outweighed by the need to change.

- **Move**, is the implementation of the needed changes through the selected range of levers and mechanisms.

- **Sustain** involves embedding the changes throughout the organisation to ensure members do not relapse into old patterns of behaviour.

Change can be thought of as occurring within organisations on three levels viz.

- Changing **individuals** who work in an organisation is about changing their skills, values, attitudes and behaviours. The changes have to be supportive of the overall organisational changes desired.

- Changing **structures and systems** is about changing all formal and informal organisational and political structures, all systems including HR systems, all processes and procedures and all rules, responsibilities and relationships.

- Changing the **organisational climate** is about changing the way people relate to each other in an organisation and the management style.

Working out exactly what to do to achieve change is complex and the authors detail eight key questions to consider when developing an outline of an unfreeze, move and sustain transition process and the sequence in which the levers and mechanisms should be deployed viz.

1. Is there a coherent strategy understood and shared throughout the organisation?

2. Are supporting structures and systems under development?

3. Is there a trigger for change or has one been manufactured?

4. Are there visible ‘early wins’ designed into the change process?

5. Are day-to-day activities aligned to get required outputs?

6. Are the identified barriers to change being removed/dealt with?

7. Are changes supported with symbolic activity?

8. Is communication built into the change process?
• **Levers and Mechanisms**

Potential levers and mechanisms are many and varied but include, for example:

- Using communication, both verbal and symbolic, as a lever to facilitate the change process, and help individuals through the transition

- Resistance management and politics as change levers which can be used to overcome reluctance to change

- Building new human resource management systems, including the way staff are selected, appraised and rewarded, as levers to support change

- Using personal development and training to facilitate change.

• **Monitoring**

As with any management intervention it is wise to establish some measures of success for the change process based on the desired change outcomes. Change outcomes describe the behaviours required of people and the types of outputs they are expected to produce in the future.

> The transition is better characterised as an emergent process full of surprises, with unpredictable and uncertain outcomes. Words like ‘frustrating’, ‘chaotic’ and ‘difficult’ are often used by managers to describe their experiences.

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**The Capabilities of the Change Agent**

Change agents need to develop the following capabilities:

- **Analytical** skills i.e. the way they need to be able to dig deep into an organisation, to understand its culture and the motivations of its staff, to develop a full and holistic picture of the organisation concerned

- **Judgement** i.e. being able to discern what are the most critical features that are revealed by the contextual analysis and prioritise or weight those features in terms of how critical they are to the change process

- **Implementation** skills i.e. knowing which interventions to make in a change situation and in what order to apply them.

In addition to the above managerial skills the change agent needs the following personal competencies:
• **Ability to handle complexity and sensitivity:** Change agents need to be able to 'see the big picture' yet also have the maturity to appreciate the context and the impact of action.

• **Self-awareness:** The capacity to understand one's own prejudices, preferences and experiences. The point is that for any change agent an awareness of which perspective predominates within their own mind will make them aware of how they will view change. The skill is for the change agent to check that their perspective is not in danger of becoming a prejudice. This attribute of self-awareness is an important ability for change agents and its existence within any manager illustrates a maturity of understanding of change, organisation and self.

‘Longitudinal research examining best practice change management in successful companies has established that these companies do not follow trends of change recipes but instead customise their change approach to meet the needs of their organisation at any one time’.
Authors

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