Making Strategy and Change Sustainable

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In today's business landscape, tight marketplaces create the need for organisations to be skilful in adapting to change to remain sustainable. This skill enables corporations to gain and maintain market share; to create and sustain competitive advantage. In addition, employers must use their resources as efficiently as possible. This includes continuous improvement in products, processes and productivity, as well as procedures for compliance, risk management and accountability. This is especially true for many companies, hit hard by the current economic climate, that need to compete in an increasingly global and challenging marketplace. Many senior managers in times of difficulty have looked to invest in new processes or a technological change strategy to remain competitive and sustainable. This is not always a successful approach. Estimates suggest that nearly half of all new technology implemented in organisations fails (Aiman-Smith & Green, 2002). From an HR perspective, failed implementation can be particularly disruptive, as failures lead to cynicism about future change efforts (Reichers, Wanous & Austin, 1997).
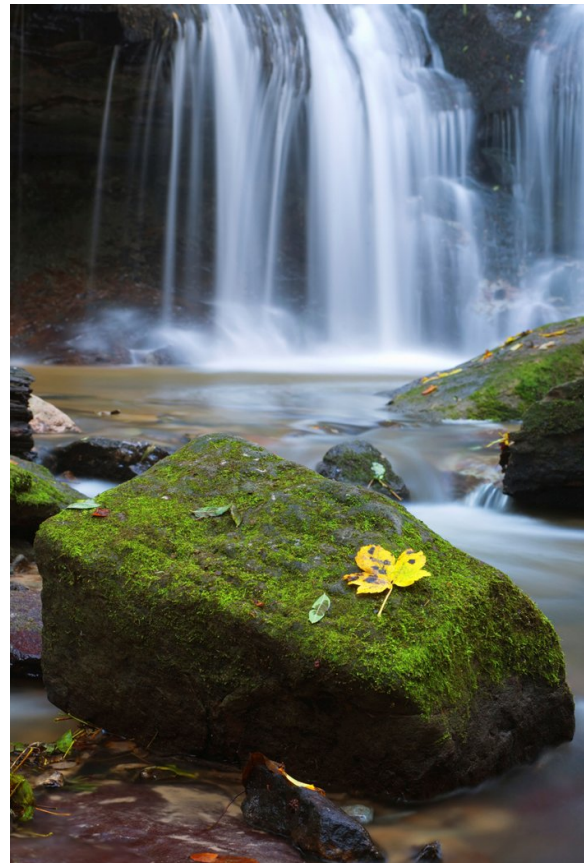
Key Problems

A number of problems and factors can be attributed to the poor success of such strategies. In many cases of economic turmoil, companies cut costs related to leadership, and change strategies which may be far less successful in such an environment. According to Chan et al (2004), firms adopting a cost leadership strategy focus on their cost structure in competing with other firms in the industry or segmented targets. To maximise its impact, a cost leadership strategy needs to be supported by a control oriented human resource management approach. This type of HR system is typified by practices of minimal employee training and development, narrowly designed jobs, rigid and clear job descriptions and is short-term results oriented (Arthur, 1994). Following this approach, investment in new processes or technology, even if considered to align with the strategy of improving efficiency, reducing costs, and improving quality, can be doomed.

Next is the question of commitment and alignment to such improvement strategies. According to Wright et al (2003), commitment influences an employee's view of obligations, utilities and emotions in any work situation, and thus has an impact on their behaviour. Generally, alignment is an unnatural state. Human beings do not naturally turn to face in the same direction. They do not naturally support ideas with which they do not agree, at least not for long. According to Stinson, alignment is not self-sustaining, so the work of aligning employees with the company's direction must be continuously refreshed, checked for structural soundness and recreated (2006:18). Once again this often requires robust management structures for the purpose of regular commitment and re-iteration of the business strategy and vision.

A report by Stinson (2006) discovered that aligning employees to the strategy of the business is a number one employee communication goal. D'Aprix and Gay (2006) believe the bottom line is that engaging leaders in the all-important task of communicating about change is a deliberate, never ending process. The impact of not aligning the employees to the business strategy and vision can have a huge impact when technology is brought in and it is not adopted or understood correctly by workers.

Cynicism is a risk in any organisational change effort, particularly if there have been previous failures in change efforts, if communication is lacking, or if employees were not given the opportunity to participate in planning the change (Reichers et al., 1997)

Being successful in change management is contingent on creating an effective plan of action for direction and relies heavily on communication (Ventris, 2004). Plans for change management, process and workflow improvement, comprehensive training, user support and ownership are all critically important to the technology's success, but without the right people and the right team to implement the strategy, the initiative can wander and result in failure. The strategic planning needs to be devised prior to implementation and should cover off two important roles, firstly in facilitation networks to obtain key inputs and to increase commitment to the successful implementation of strategy, and secondly, in the participation of the process by providing research and analysis on key topics and challenging business assumptions to ensure objectivity in decision making (Kelleher & Cobe, 2003). A failure to do this can result in the employees not accepting the new technology and becoming stressed with the perception that the new technology would mean loss of jobs and loss of variety of work.

The employee input to the decision making process of new processes or technologies is imperative to successful implementation. Organisations should create opportunities for energetic, two-way participation and debate before making any business decisions, and setting the foundation for unambiguous support of those business decisions afterwards. As Stinson (2006) believes, share accountability with employees and think of Management as the enabler of strategic alignment rather than the architect. People are not

inanimate resources, conditioned to respond in predictable ways regardless of the context in which they work. Therefore, it is essential that the development of skills, tools and measures to make the people dimensions of enterprise into something all Managers can come to grips with, to connect with the overall strategy of the business, and monitor in ways that have equal legitimacy with their more familiar financial and physical measures (Armstrong, 2005). Klein and colleagues (1997) have consistently found that stakeholders react psychologically and emotionally to new systems during the implementation phase, making assumptions about how the new system will change their role in the organisation, how they are supposed to act, and what management values most. These assumptions are based on a variety of signals available in the organisational environment, including statements by organisational leaders, training sessions offered, and rewards for learning and using new technologies.

There are many additional costs to implementing new processes and technology. In a study conducted by Aiman-Smith and Green (2002), they found that existence of formal training was related to higher user satisfaction and adoption of the new technology. Essentially, if employees are not satisfied with the training then there should be procedures or forums in place to

allow employees to table their concerns. Having open communication needs to be encouraged.

In training and implementation of new strategies for sustainability, diverse cultures also need to be catered for. To communicate to the various cultures at Avaya Inc. (a leading global enterprise communications company), leaders worked with volunteer employee groups to translate the strategic framework into words and concepts that were culturally meaningful to them (Stinson 2006:20).

Possible Courses of Action for Sustainable Improvements

Customers make their buying decisions on how they value what they are offered, not on how it suits the supplier to get it to them. Delighting customers comes from the discretionary behaviour of the people working for the organisation at every level, most of whom are a long way from the head office and its ability to dictate conformance (Armstrong, 2005).

The possible courses of action that can be taken to avoid the various problems and to maintain sustainability include: strategic planning, change management, HR responsibility, and Management Responsibility and Communication.

Strategic Planning

According to Stinson (2006), strategic business plans need to be detailed and comprehensive. However, for employees to find meaning in such a plan, it needs to be in a simple easily translated, easy to remember document that captures the essential goals of the organisation. A possible strategic planning process can include scenario planning. Multiple scenario planning seeks not to predict the future but to envisage alternative views of the future in the form of distinct configurations of key environmental variables (Schoemaker, 1995). Good scenarios challenge tunnel vision by instilling a deeper appreciation for the myriad factors that shape the future (Schoemaker, 1995).

Another method that organisations can utilise when devising strategic plans is Kelleher and Cobe's (2003), Strategic Management Process model. Strategic management is a cyclical process with six stages: environmental scanning, situational assessment, goal and objective setting, strategy development, strategy implementation, and evaluation of results. Once the goal and objectives are set, based on long term and short term goals, including the criteria for the measurement of future performance, the strategy development can begin. Strategy development requires strategic planning at corporate and business levels and would require the knowledge of production workers in the successful implementation of the machinery used in production. This is an area where organisations can research the advantages and disadvantages of the latest technology, i.e. the training required and the areas that need the most attention. The implementation of the strategy requires the HR function to align policies and procedures that encourage these strategic changes, which includes the organisation's structure, corporate culture, leadership, and reward system. Finally the evaluation of results should be reviewed on a regular basis ranging from monthly to annually. The measurements need to be collected and reported to management to determine progress. It is neither solely prescriptive nor solely descriptive (Mintzberg & Waters, 1985). Strategic Planning is now seen as a continuous process that redefines an organisation as its resources and core competencies change (Prahalad & Hamel, 1990). It involves a process of openness, for building direction around internal conditions, collective competencies (Mirabile 1996) and the collaborative qualities that link an organisation to the interests it serves (Mintzberg & Lampel, 1999). Organisations need to be strict in the measurement process and not ignore long-term objectives if progress is measured on a short term basis.

accepted values or beliefs of a group is less likely to be adopted and more likely to create negative unintended outcomes. Klein and Sorra (1996) labelled this notion *innovation-values* fit, defined as "the extent to which targeted users perceive that use of the innovation will foster (or conversely, inhibit) the fulfilment of their values" (p1063).

Change processes are by nature complex, but they must have clear priorities in order to be manageable (Bruch et al. 2005). Organisations need to communicate each change implementation that they want to initiate and obtain feedback on the best way forward. According to Bruch et al. (2005), insufficient acceptance is often considered to be the major source of resistance and the key reason why change

> ## Strategic Planning is now seen as a continuous process that redefines an organisation as its resources and core competencies change (Prahalad & Hamel, 1990).

Change Management

The primary concern in strategic change is deciding what change would be right. This really needs to be resolved at the beginning of the process in a clear, conclusive manner (Bruch et al. 2005).

Change processes are only successful if they fit a company's current culture. Traditions, norms and shared values within a company must be included in the deliberations regarding the selection of a change program (Heracleous, 2001). Frequently, organisations experience resistance to the implementation of new systems because employees fear the loss of jobs or resent the de-skilling of their jobs (Klein & Ralls, 1997). Rogers (1995) describes the importance of compatibility of a new innovation with values and beliefs for that innovation being adopted. An innovation that runs counter to the

initiatives fail. Well thought-out acceptance management is based on an approach that integrates everyone involved in a way that promotes commitment. Organisations should involve employees by encouraging their participation in decisions, processes and routines with the knowledge that this would increase the sense of ownership and responsibility employees would have. Finally, with information flooding companies, management must assure that employees see that the change process has priority, is permanently present and that key information is not lost. So key levers of attention management include effective branding, in-depth, personal, top management communication and demonstrative, regular monitoring (Davenport & Beck, 2000).

Human Resources Management Responsibility

One key factor for implementing change is having the right people to sell, implement, and drive the new technology from start to finish. One of the reasons change processes fail is because companies underestimate the importance of the individuals involved in the change and their interaction (Kotter, 1996). Team members should be carefully selected in a rigorous application process reviewing their abilities, experience and internal standing. Similarly, with regards to staffing requirements, senior positions require leaders who have unique skills, the passion to drive change initiatives, and who are committed to the changes and see them as critical to the company's success.

The HR profession and organisational psychologists have the lead responsibility to design the policies and practices that elicit behaviour leading to sustainable success. An Organisational culture that encourages employee involvement complements a firm's efforts in promoting HR practices of two-way communication with employees and various employee participation programmes (Dessler, 1994). HR professionals need to lead on finding, growing, deploying, motivating and rewarding talent and not just advising. The HR professionals and organisational psychologists need to take a lead in training and developing the employees, including those with a responsibility for managing others. Finally, HR professionals and psychologists must take a lead on creating cultures, learning environments, psychological contracts, systems, processes and the feedback loops that measure how successfully the job is being done (Armstrong, 2005). In summary, HR professionals and psychologists need to be a source of capability and capacity by providing the evidence, demonstrating that the systematic design, application, and evaluation of strategies and practices for people are something Managers can do, making explicit the knowledge on which effective HR strategy is based as a systematically learnable, constantly renewable management discipline, and demonstrating that HR can craft the right people strategies both to support and to take forward the strategic intent of the organisation. A tool that can be used to gauge the organisation's performance is the HR Balanced Scorecard (Kaplan and Norton, 1996). The balanced scorecard incorporates evaluation of an organisations' intangible and intellectual assets and includes four perspectives: financial, customer, internal business process, and learning and growth.

Management Responsibility and Communication

Communicating Change is a leadership responsibility. It cannot be delegated and the leader needs to own the communication (D'Aprix and Gay, 2006). According to D'Aprix and Gay (2006), a communication strategy needs to have the commitment of the employees to change their behaviours to be consistent with the changing needs and goals of the organisation. The communication task is to connect the two ends of change – the marketplace need that compels the change and the strategic response to that need.

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Secondly, the change communication must be proactive, not reactive. To work, it has to be a disciplined, perpetual system, like all other organisational systems. What is required is a clear communication strategy with a clear explanation of the critical issues, appropriate tactics, defined roles and responsibilities and accountability and training, all aligned with the overall strategy (D'Aprix & Gay, 2006).

Another task of the senior Managers with regards to communication is ensuring they effectively communicate across diverse cultures. Taylor (2006) summarises effective communication across cultures to involve; the recognition of differences/prejudices; empathy and ensuring managers understand other cultures; showing respect (gestures, eye contact, symbols,

etc) through presenting ideas coherently and persuasively using simple and clear language; establish common ground through connections or parallels; communicate clearly and consistently; treat people as individuals with unique qualities and attributes; forge a strong rapport through understandings and bonds; acceptance that habits or mind-sets may have to change when communicating across cultures; and finally, listen more effectively.

In addition, research shows that change is most easily processed by people if it appears to be less change than it really is. If the 90 degree change can be seen as a 30 degree change, and better yet as a modification of past actions, then it is easier for the change to be accepted by employees (Huy, 1999). If tasks are broken down and documented into simple easy to

do steps then they would be more palatable for employees. As Nelson (2006) suggests, companies implementing a change strategy need to communicate the changes at an early stage, including what the change is, why it is occurring and how it will impact employees, and last of all, train employees at the point of their involvement. Training takes place at all levels and involves both "hard" technical and "soft" people skills.

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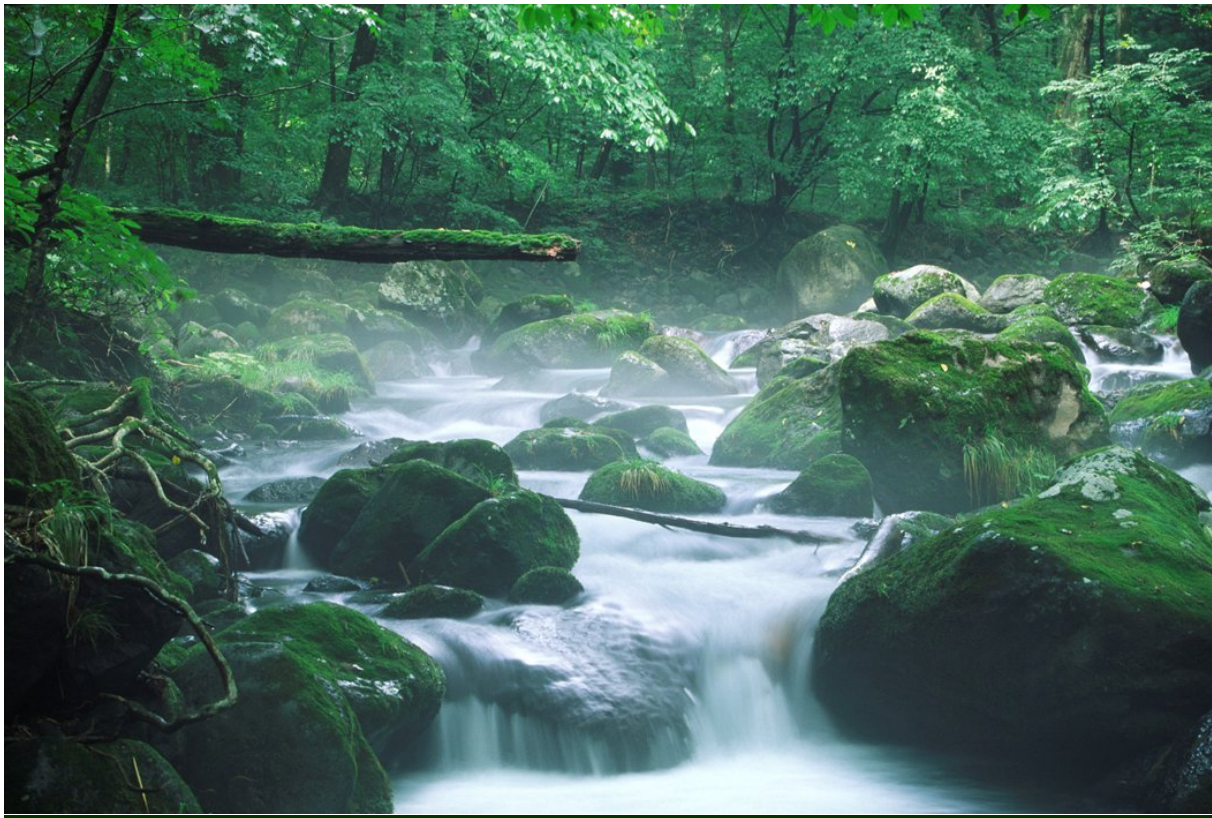
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