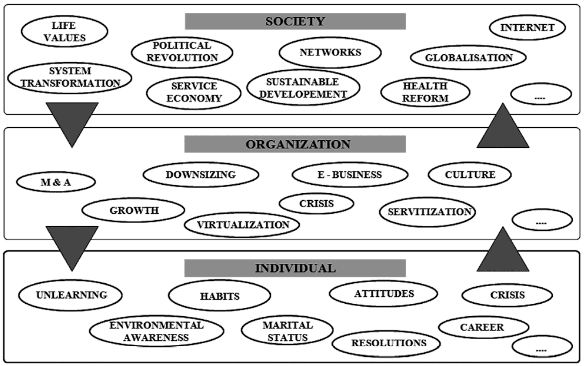
# **Change**

First we had stated that the world we live in, continues to change at a rapid rate. Every day, some discoveries or boundary pushing invention in the scientific fields are happening. Globalisation is a prominent affair and everyone talks about it. International dimensions have become a vital part of managing a business enterprise in the Internet-worked global economies and markets of today. When once a manager takes over his job in a large organization as an owner of a small business, he will be affected by international business developments and deal in some way with people, products or services whose origin is not from home country. This needs a new way of doing things for meeting competition and survival. Changes are inevitable. Any new way of doing things generates some resistance by the people affected. The new work support technologies can generate fear and resistance to change by employees. When computers came for the first time in a big way, people working in banks and certain companies resisted the introduction of computers as this would endanger their very existence in the companies. (Murthy, 2007)

Significant global problems of recent years can be included:

* The global economic recession;
* Social networking;
* Climate change and the impact on an increasingly fragile earth – governmental, social and organizational responses to the associated challenges;
* China’s changing global role; and
* An increasing movement towards moral and social responsibility in Leadership and Change. (McCalman & col., 2015)

Changes relevant for people management take place on at least three levels.



*Source: Reiss, 2012.*

The results and outcomes of workplace changes are intrinsically and inextricably tied to individual employees doing their jobs differently. A perfectly designed process that no one follows produces no improvement in performance. A perfectly designed technology that no one uses creates no additional value to the organization. Perfectly defined job roles that are not fulfilled by employees deliver no sustained results. Whether in the workplace, in your community or in government, the bridge between a quality solution and benefit realization is individuals embracing and adopting the change. Change management enables employees to adopt a change so that business objectives are realized. It is the bridge between solutions and results, and is fundamentally about people and our collective role of transforming change into successful outcomes for our organizations. (Hiatt, Creasey, 2012)

# **Change management**

Change is managed differently:

* Change is not managed the same way as the day-to-day business.
* Different change situations require different management approaches.

Sooner or later every manager has to manage change. In those situations we don’t necessarily realize that change is not managed the same way as the day-to-day business. We are used to managing through a hierarchical organization. Our management tools have consisted of goals, responsibilities, authority, and delegation. In significant change it is specifically the management tools that are undergoing continuous change. We cannot delegate all change processes. Change does not happen overnight or by itself. Change may affect everything from structures, chains of command, responsibility limits and incentive systems to company culture and values. Development results come from long change processes that have to be managed by someone. (Tuominen, 2016)

Change management, handled badly, can create enormous problems for business. A McKinsey survey suggested that only a small percentage of change management projects are completed successfully and that the process causes feelings of anxiety and confusion among employees. There is obviously a great need for support during any transition. (Green, 2007)

Change is presented from two perspectives: (1) when the change is planned, and (2) when the change is unplanned as a result from jolts from the external environment. Planned change can occur when a company changes its strategy, requiring that it redeploy its resources in a different way to compete in markets. It is the job of managers to prepare employees for the need for change so that employees and other stakeholders will be able to work collaboratively in the new strategic direction. When change comes about due to unexpected events, such as an economic downturn in demand for the company’s product, managers develop approaches to deal with the change in a way that maintains organizational efficiency and effectiveness with a minimum of disruption. The culture often plays a role in the change process by giving direction to managers on how to prioritize various alternatives when changes are required. (Gomez-Mejia, Balkin, 2012)

Change management is the process, tools and techniques to manage the people-side of the change processes, to achieve the required outcomes, and to realise the change effectively within the infividual change agent, the inner team, and the wider systém (Baker, 2007).

Change management is a structured approach to moving from the current state to a future state. Change management is interpreted differently - from continuous change that involves, say, minor yet constant change in existing processes to significant, pervasive changes that might invlve, for example, amendments to the organizatins strategy. Furthermore, the change management process is different for organizations, individuals and technological systems (Wojtkowski, Linger a kol., 2011).

Two forces act that constrain managers and brings about the need for change: *External* and *Internal forces*.

External forces create the need for change to come from various sources. **External forces** include:

* Market place
* Government laws and regulations
* Technology
* Economic changes
* Fluctuation in Labour markets

Internal forces can stimulate the need for change. The **internal forces** tend to originate primarily from the: internal operations of the organisation and from the impact of external changes.

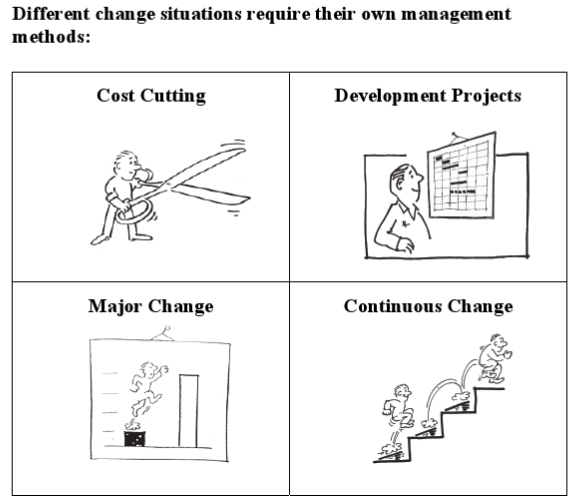
These may include:

* Modifying the strategy (Turn around strategy)
* Organisation’s work force (Composition changes like age, education, sex, etc.)
* Compensation and benefit system
* Introduction of new equipment
* Redesign of jobs and new interaction patterns within their work group
* Employee attitudes etc.(Murthy, 2007)

On the other hand, according to Beerel (2009), change theories address the issue of change from a number of different perspectives. One perspective considers whether change is internally determined or environmentally (external) determined. She claims that all change is and should be driven by environmental change. In other words, the stimulus for change is external to the system changing.

According to Hiatt and Creasey (2012), change management is necessary because:

1. We change for a reason.
2. Organizational change requires individual change.
3. Organizational outcomes are the collective result of individual change.
4. Change management is an enabling framework for managing the people side of change.
5. We apply change management to realize the benefits and desired outcomes of change.

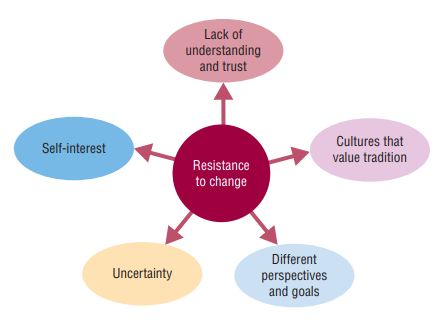


*Source: Tuominen, 2016.*

Cuts are managed differently from managing a quality program. Big leaps are different from continuous development. Local changes are managed in a way different than global changes. The manager must recognize the need for change, what kind of change is in question and manage the change accordingly. The company must be able to simultaneously achieve both the budget goals and the long-term development goals. Only a few companies are capable of that. It is a skill that sets the winners apart from the mediocre. It also separates the real leaders from the bureaucrats. (Tuominen, 2016)

When change occurs, managers routinely encounter coalitions of employees or other managers who resist the proposed change. New work routines cause short-term anxiety as employees learn new ways of doing their jobs. Employees who thrived under one set of rules governing rewards have to adjust their efforts in order to meet a new set of performance expectations. Some of the reasons employees resist change includes self-interest, lack of trust and understanding, uncertainty, different perspectives and goals, and cultures that value tradition. Resistance to some changes is based on legitimate concerns. Consequently, these changes should be modified so that the concerns are dealt with. Resistance to change can, in the extreme, involve acts of sabotage meant to undermine the change and to send a clear signal of firm resistance. Understanding these causes can help you to manage resistance to change in others and even in yourself. (Gomez-Mejia, Balkin, 2012)

**Sources of Resistance to Change**



*Source: Gomez-Mejia, Balkin, 2012.*

**Self-interest** - Employees resist change when they fear losing something they value, such as economic benefits, status, or influence in the organization. Production employees may resist change in manufacturing technology because they fear having their jobs simplified and made more repetitive. Plant relocation from the city to the suburbs may mean that employees have a longer commute.

**Lack of trust and understanding** - Employees may not trust the intentions behind a proposed change, or they may misunderstand its purpose. This type of resistance is most likely when previous changes were not well understood by employees or resulted in negative consequences. For example, some organizations launched Total Quality Management initiatives by telling employees that the objective of the quality initiative was to provide better service or product quality to the customer. The real goal was to use the quality gains to reduce the size of the workforce, but this was not disclosed to employees until later. Employees who embraced the initiative felt betrayed when the improved level of productivity was translated into layoffs. This deception has remained in the collective memory of the workforce, making it more difficult for management to obtain employee agreement to new changes.

**Uncertainty** - Uncertainty results from fear of the unknown and lack of information about the future. It can be particularly threatening when employees’ fears are based on negative consequences of previous changes in the organization.

**Different perspectives and goals** - A proposed change may be viewed through different lenses by employees with differing goals and perspectives. Even if a change is perceived as helping the organization, resistance may occur among employees who believe it will diminish the welfare of the unit to which they are attached.

**Cultures that value tradition** - Some organizational cultures are not supportive of change, valuing tradition and customary ways of doing things instead. People are less likely to resist change if they do not see it as a threat to their interests.

(Gomez-Mejia, Balkin, 2012)

**The Goal of Change management**

The goal of Change Management is to ensure that standardized methods and procedures are used for efficient handling of all changes to minimize the impact and risk of change-related incidents and to improve day-to-day operations (helpdesk, 2018).

Change managemet goals are meant to provide an approach towards helping those that are affected by the change. This will enable them to receive the required support, deal with any resistance to change, and get the requred knowledge and skills that are needed in the implementation of the change. For the progress and success of any business, change should be embraced and managed well in a way that it causes as less disruption as much as possible.

When setting certain strategic goals of an organization, it is important to involve all employees because the will be the ones implementing the change. To ensure that the motivation remains alive, the goals should have short-term objectives that can be realized and the employees should be updated about them.

The management should also be accessible to answer any questions that may arise so that the employees are sure of what to do and how to handle certain situations that are new to them. In this way, the employees will feel involved in the whole process and have a better sense of control. Short-term goals help in measuring the progress of change that the organization is undergoing at any particular stage (Change, 2018).

Depending on what is happening within the organization and which groups are affected, the enterprise change management process can be aimed at one or more of the following goals:

Increasing project return on investment: When an organization spends money to develop or implement a new business tool, the investment is only worthwhile if employees actually use the tool. This is perhaps the most common goal of change management—to help people incorporate a change into the way they do their work, so that the change can have its desired effect.

Minimizing disruption: Some organizational changes, like acquisitions or changes in senior leadership, can leave employees feeling disoriented and insecure. Change management tools can help organizations reassure employees and get them focused on their work.

Building employee morale: When employees experience changes, even small ones, they like to know that the organization has taken their needs into account. An effective change management process can be the difference between disgruntled employees and employees who feel energized and empowered by change.

No matter what goal your change management activities are trying to achieve, it’s important to keep the lines of communication open between change managers and project managers. Collaborative project management solutions like Clarizen can make this easier, as they allow all stakeholders to share updates on project progress and collaborate on documents, project plans and more. (Clarizen, 2017)

**Goals of change**

The goal of change management is to ensure that a standardized workin method is used for changing applications, so that harmonized and prioritized changes can be built to improve the supplied functionality of applicaations (Pols a Newton, 2012).

**Define Change Goals**

***Phase objectives***

* Understand the business current state
* Identify current state gaps and improvement priorities
* Build the business case for change
* Align resources to execute the change

***Develop Change Goal(s) a Alignment***

1. Confirm critical business priorities a issues to be addressed. Develop Change Sponsorship
2. Defin expected benefits a critical success metrics that align to the change business case
3. Align Change Resources to Execute Change

***Assess Current State***

Purpose: Assess Current State, Gaps a Change Receptivity Around Each Change Area:

* Skills a Talent
* Processes a Technology
* Business Standards and Rules
* Performance Benchmarks
* Business Rules a Standards
* Customers a Customer Facing Functions

***Validate, Socialize Change Goals***

Purpose: Ensure Stakeholder Buy-In a Approval for Change Goals, Sponsorship, Vision

1. Develop Change Charter, Vision a Objectives
2. Obtain a Incorporate Feedback from Key Stakeholders, Executives
3. Obtain Signoff from Key Stakeholders on change charter
4. Socialize total commitment (buy-in, approval, alignment, etc.) to the change audience (Wordpress, 2017).

While the goal of the project is to build an efficient and effective system, the goal of change management is to reduce the performance dip that can occur aon a project and enable people to use the system efficiently and effectively (Slideshare, 2018).

The goal of Organizational Change Management is to minimize the dip in pductivity and performance (Figuere 1.)

Picture Goal of Change Management

## C:\Users\Guest\Desktop\change-management-module-9-638.jpg

## Zdroj: SlideShare, 2018

## Six Change Approaches

## John Kotter et al (1979) identify six change approaches that deal with resistance to change. These approaches include edueation and communication, participation and involvement, facilitation and support, negotiation and agreement, manipulation ande co-operation, and explicit and implicit coercion. OCD methodologies such as appreciative inquiry may assist a system to deal more effectively with the resistance to and the impact of change (Viljoen, Villiers a Laubscher, 2015).

Based on scientific research, [John Kotter](https://www.toolshero.com/toolsheroes/john-kotter/) and [Leonard Schlesinger](https://www.toolshero.com/toolsheroes/leonard-schlesinger/) describe Six Change Approaches to deal with organisational change resistance:

### 1. Education and Communication

Informing employees beforehand so that they will be involved in the change process will prevent that the information that is provided by the organization comes across as inaccurate. Good communication can be supported by training or other forms of education. Employees will have a better understanding of the purpose of the change process and they will be more inclined to be cooperative.

### 2. Participation and involvement

By increasing the involvement of employees or by giving them specific assignments, the resistance to the intended organizational change will be reduced. As a result, employees will be more loyal and they will focus on teamwork for which reason they will cooperate more closely from the different organization units so that the desired change can be implemented.

### 3. Facilitation and Support

Employees that experience adjustment problems during the change process will benefit from supportive management. It helps them deal with fears during a transition period for instance when they experience fear transfers, job loss or other forms of reorganization. By providing support or facilitating training and counselling, these fears can be largely removed.

### 4. Negotiation

When employees for example lose powers or tasks during the change process, it is important to keep them motivated. Offering (financial) incentives can move employees into a positive direction. The employee can be offered incentives to leave the company early, their contracts may be adjusted or another job or promotion is offered. These incentives are often offered to employees that have senior positions.

### 5. Co-optation and manipulation

When other tactics do not work or are too expensive, this method is used. It is an effective technique to co-opt with people who are resisting the change and who, through their leadership role, have a large influence on the rest of the employees. Through open communication they are kept under control. They are involved in a symbolic role during the change process and the decision-making process.

### 6. Explicit and implicit coercion

Coercion can be used when speed is essential or as a last resort. The necessity of the intended change is more important than the interests of the employees. It often involves dramatic consequences such as loss of jobs, dismissals, employee transfers or not promoting employees (toolshero, 2018).

However scary number 6 may sound, this is the one point most managers get (and usually the only one they use). When changing, the problem is not so much the change itself, most organizations don’t have the structure for change (Keep the game, change the rules, 2013).

The Six Change Approaches of Kotter and Schlesinger discussed above is a model to prevent, decrease or minimize resistance to change in organizations (Charantimath, 2012).

**Using the six approaches**

There may be advantages to making use of more than one of the change management approaches outlined above.

* **Context**
  + specific aspects of the organisational context already discussed will influence the use that can be made of the six approaches. Clear and appropriate direction can be a strong motivating force and may enhance readiness to change, while participation and facilitation may help to build capability to change.
* **Scope and nature**
  + Using Balogun and Hope Hailey's matrix of the scope and nature fo change (discussed earlier in the chapter), we might suggest that progression down the list of approaches may correspond reasonably well with progression from the top left to the bottom right of the matrix. In adaptation, where time is not critical and the extent to the change required is small, sytles from the participative-communicative end of the spectrum may be appropriate. Revolution, on the other hand, will require a great element of direction and even of coercion. The intermediate cases are likely to require a combination of participation and direction, with the emphasis on the former in evolution and
* **Power structures**
  + In many cases, it will be appropriate to echo an organisations normal power structure when managing change. Direction or coercion are likely to be more suitable in a firmly hierarchical organisation than they would be in a netvork or learning organisation, except in time of crisis, for example.
* **Personality type**
  + Management style is a tool. Good managers will be capable of using a style appropriate to the conditions they have to work in. However, many managers personality types will incline them to the style with which they are most comfortable. This effect is likely to interact with the effect of power structure mentioned above.

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* **Combining styles**
  + It will often be appropriate to use a combination fo sytles in a change programme, taking dirrerent approaches with different stakeholders. providers of capital are likely to respnd better to education and communication than to direction, for example, while something approaching coercion may be necessary in some internal areas simply because of the pressure of time (BPP Learning Media, 2014).

**Definition success**

There is no one correct definition of professional success. There are as many definitions as there are people in this world. Your definition of professional success is what is right for you - not anyone else (Bilanich, 2009).

**10 steps to successful**

Change will happen. Whether it is personal, political, or economic, there is no stopping it. Individuals who fail to adapt become less valued, and organizations that fail to change are not around for very long. Just look at the stars of yesterday or the people you went to school with or worked with a few years back. Often the high school star stopped growing, and unfortunately, their fame ended in high school. Look at someone you have worked with in the past and ask yourself: Are they continuing to change and better themselves, or are they living off some accomplishment from years ago? Look at the Fortune 500 over a ten-year period of time and you can see that roughly half of the companies listed are gone, but also keep in mind that this means there are new ones that have taken their place. Why? It all has to do with the ability to successfully manage change.

Seeing opportunities and understanding threats, along with knowing strengths and weaknesses, are the starting points for change. Having the capability to react proactively rather than reactively gives us an upper hand as the world turns. Knowing why and asking “what if” allows us to be ready and prepared to take advantage of what is going on around us.

In short, here are the 10 steps leading to successful change management:

Step 1: Understand Change.

Change happens for a number of reasons, in number of areas, and in a number of ways. From a corporate perspective, on average over any ten-year period of time, half the companies on the Fortune 500 list fall off. This is not all bad. The good news is that 250 new companies take their place. The companies that fell off the list either did or change or changed too slowly to keep up with others. The new companies found ways to change and be more effective. Whether you look at it by industry, by changes in the world economy, or by innovations in technology, change happens. From a personal perspective, we have all seen individuals rise to be recognized by the media as successes one year and quickly fall into obscurity the next. The key to success is being prepared for change and, in some cases, making change happen rather than having it happen to you.

Step 2: Assess the Impact of Change.

Being able to see how change can impact an organization and its individuals makes difference in whether an organization thrives, survives, or ceases to exist. The dynamics and interaction in a range of areas from competition to technology to changes in customer taste make it imperative that we accurately assess the impact of change on our organization. What to start doing, continue doing, and stop doing determines our value to those we serve. Understanding the environment in which an organization exists and what it takes to be successful is key to not only surviving but thriving through change.

Step 3: Assemble a Change Management Team.

It takes having the right people with the right skills – and even more important, the right attitude – to make change happen. Once the goals of the change initiative have been identified, a team needs to be put together. Identifying the roles and tasks to execute on the change strategy is the starting point. Finding and recruiting the right people to be part of the team are important factors in the level of success that will be achieved. This step looks at the characteristics of building an effective change team.

Step 4: Build a Vision for Change.

Someone has an idea of how things can be better, or someone realizes that if things stay the way they are, the organization will no longer be able to exist. They look to see what the future could bring. They understand the environment they work in, the competition they face, and the reality of what is and, more importantly, of what could be. They have ideas. They see how things can be different and better, and they come up with a vision others can understand and follow.

Step 5: Put a Strategy and Place.

Putting a strategy in place begins by knowing why an organization exists and what its mission is. The individuals who are part of any organization need to know their roles and how they contribute to its overall success. As things change, a vision must be created to help the organization know the direction it should take.

Step 6: Win Support.

The reputation and credibility of those trying to make change happen are key to having others support their change efforts. Credibility is built over time. Individuals want to know that those they support will not hurt them and in fact will make things better for them. Understanding who your supporters are and what they can bring helps determine how much of the change strategy can be tell versus sell. Enemies can hurt. Knowing why they oppose the change effort can help in convincing them to be part of supporting it. Knowing how to influence those who are undecided can make a difference in the level of success and how quickly it is achieved. A stakeholder analysis helps identify who will need to be influenced and gives the how and why.

Step 7: Communicate Effectively.

Having an effective communication process moves a change initiative from idea to action. It allows the members of a team to work together to get things done. It allows the team to communicate with stakeholders to get information they need and to share the status of change. That way everyone knows what works and what is not working. It helps get buy-in along the way and identifies concerns stakeholders have. An effective communication strategy addresses who needs what, how, and when. It sets the tone for the work environment and affects the organization´s culture.

Step 8: Overcome Challenges.

Any change initiative will find those who are reluctant or opposed to the change. Changes can impact an individual´s status, lever of power, and ability to have an impact on the future. Knowing how to identify challenges that are both in the open and hidden is a skill that will directly affect how the change initiative progresses. Knowing when to confront directly and when to build alliances with other stakeholders will make a difference in the level of resistance you face.

Step 9: Measure Success.

Change will happen. The level of success will depend on a number of factors and how well the change leaders pull resources together. An ongoing process should include a way to measure incremental changes and the level of success to the overall goals that were established in setting the strategy. Learning and being able to adjust along the way will make a difference in how successful the organization and the individuals in it are. The lessons learned will help in the ongoing process of measuring success and determining how and where resources should be allocated.

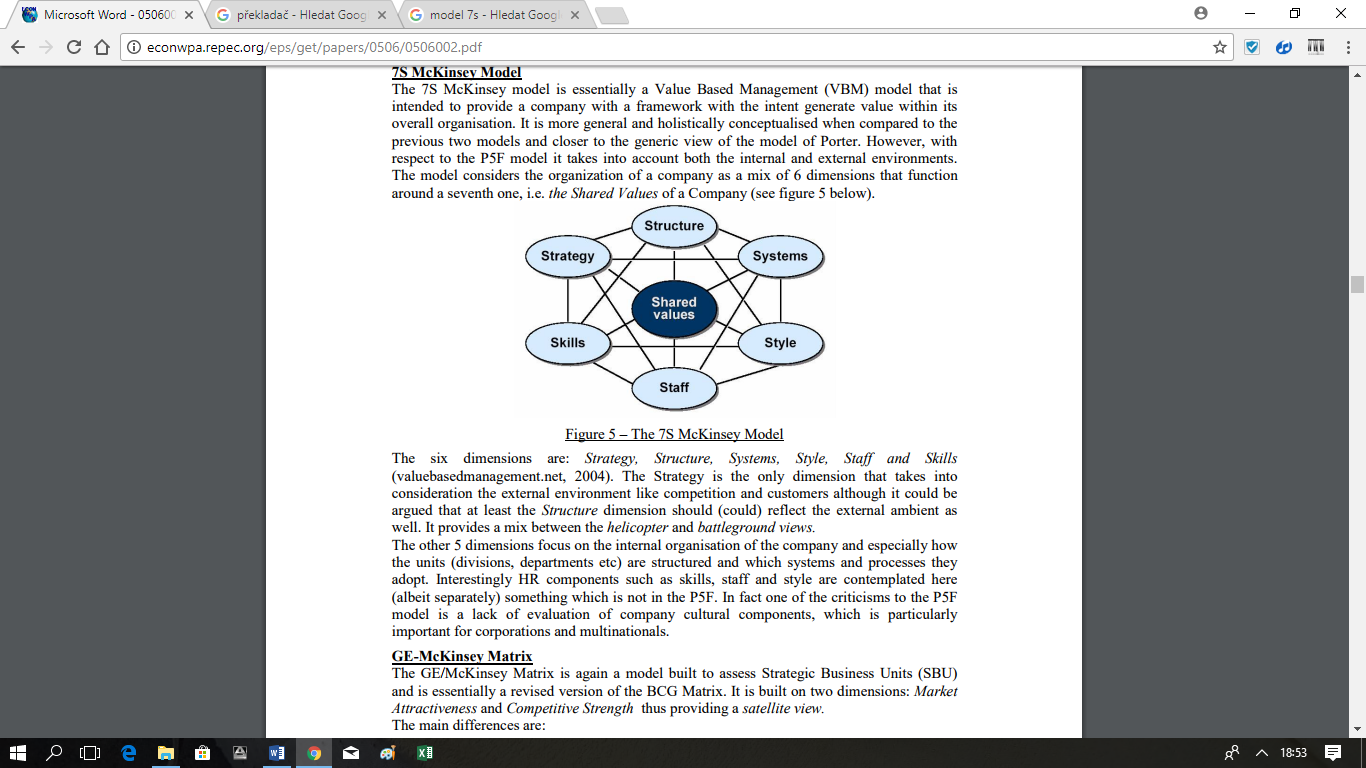
Step 10: Review Lessons Learned.

Being able to learn from a current change initiative makes future change initiatives easier to undertake. Having a defined and disciplined approach for capturing what worked and what did not work, along with suggestions for how things could be better, creates a culture of constant improvement where change is not feared but looked to for the opportunities it can bring (Vukotich, c2011).

**The method 7S**

McKinsey 7s model is a tool that analyzes firm’s organizational design by looking at 7 key internal elements: strategy, structure, systems, shared values, style, staff and skills, in order to identify if they are effectively aligned and allow organization to achieve its objectives.

McKinsey 7s model was developed in 1980s by McKinsey consultants Tom Peters, Robert Waterman and Julien Philips with help from Richard Pascale and Anthony G. Athos. Since the introduction, the model has been widely used by academics and practitioners and remains one of the most popular strategic planning tools. It sought to present an emphasis on human resources (Soft S), rather than the traditional mass production tangibles of capital, infrastructure and equipment, as a key to higher organizational performance. The goal of the model was to show how 7 elements of the company: Structure, Strategy, Skills, Staff, Style, Systems, and Shared values, can be aligned together to achieve effectiveness in a company. The key point of the model is that all the seven areas are interconnected and a change in one area requires change in the rest of a firm for it to function effectively (“Analyzing Organizational Structure Based on 7s Model of Mckinsey”, 2015).



Zdroj: (“An Overview of Strategy Development Models and the Ward-Rivani Model”, 2009)

In McKinsey model, the seven areas of organization are divided into the ‘soft’ and ‘hard’ areas. Strategy, structure and systems are hard elements that are much easier to identify and manage when compared to soft elements. On the other hand, soft areas, although harder to manage, are the foundation of the organization and are more likely to create the sustained competitive advantage (Priest & Gass, c2005).

7S model is one concept that well known in the world; it analyzes how well an organization is positioned to achieve its intended objective. The model is most often used as a tool to assess and monitor changes in the internal situation of an organization (“McKinsey 7S Model for Supply Chain Management of Local SMEs Construction Business in Upper Northeast Region of Thailand”, 2014).

The Model ,,7S” can be used in a wide variety of situations where an alignment perspective is useful (mindtools.com):

• Improve the performance of a company.

• Examine the likely effects of future changes within a company.

• Align departments and processes during a merger or acquisition.

• Determine how best to implement a proposed strategy (Mišanková & Kočišová, 2014).

**Strategy** is the plan of action an organization prepares in response to changes in its

external environment. Strategy is differentiated by tactics or operational actions by its

nature of being premeditated, well thought through and often practically rehearsed. It deals with essentially three questions, where the organization is at this

moment in time, where the organization wants to be in a particular length of time and

how to get there. Thus, strategy is designed to transform the firm from the present position to the new position described by objectives, subject to constraints of the

capabilities or the potential (BEATRICE WANJIRU MARU, 2015).

**Structure** represents the way business divisions and units are organized and includes the information of who is accountable to whom. In other words, structure is the organizational chart of the firm. It is also one of the most visible and easy to change elements of the framework.

**Systems** are the processes and procedures of the company, which reveal business’ daily activities and how decisions are made. Systems are the area of the firm that determines how business is done and it should be the main focus for managers during organizational change.

**Skills** are the abilities that firm’s employees perform very well. They also include capabilities and competences. During organizational change, the question often arises of what skills the company will really need to reinforce its new strategy or new structure.

**Staff** element is concerned with what type and how many employees an organization will need and how they will be recruited, trained, motivated and rewarded.

**Style** represents the way the company is managed by top-level managers, how they interact, what actions do they take and their symbolic value. In other words, it is the management style of company’s leaders.

**Shared Values** are at the core of McKinsey 7s model. They are the norms and standards that guide employee behavior and company actions and thus, are the foundation of every organization.

As we pointed out earlier, the McKinsey 7s framework is often used when organizational

design and effectiveness are at question. It is easy to understand the model but much harder to apply it for your organization due to a common misunderstanding of what should a well-aligned elements be like. There is auseful paper from excellencegateway.org.uk, which provides examples showing how effective and ineffective elements look like. Yet, separate elements that are effective on their own do not necessarily lead to optimal organizational alignment.

We provide the following steps that should help you to apply this tool:

**Step 1. Identify the areas that are not effectively aligned.**

During the first step, your aim is to look at the 7S elements and identify if they are effectively aligned with each other. Normally, you should already be aware of how 7 elements are aligned in your company, but if you are not, you can use the checklist from WhittBlog to do that. After you have answered the questions outlined there you should look for the gaps, inconsistencies and weaknesses between the relationships of the elements. For example, you designed the strategy that relies on quick product introduction but the matrix structure with conflicting relationships hinders that so there is a conflict that requires the change in strategy or structure.

**Step 2. Determine the optimal organization design.**

With the help from top management, your second step is to find out what effective organizational design you want to achieve. By knowing the desired alignment you can set your goals and make the action plans much easier. This step is not as straightforward as identifying how seven areas are currently aligned in your organization for a few reasons. First, you need to find the best optimal alignment, which is not known to you at the moment, so it requires more than answering the questions or collecting data. Second, there are no templates or predetermined organizational designs that you could use and you will have to do a lot of research or benchmarking to find out how other similar organizations coped with organizational change or what organizational designs they are using.

**Step 3. Decide where and what changes should be made.**

This is basically your action plan, which will detail the areas you want to realign and how would you like to do that. If you find that your firm’s structure and management style are not aligned with company’s values, you should decide how to reorganize the reporting relationships and which top managers should the company let go or how to influence them to change their management style so the company could work more effectively.

**Step 4. Make the necessary changes.**

The implementation is the most important stage in any process, change or analysis and only the well-implemented changes have positive effects. Therefore, you should find the people in your company or hire consultants that are the best suited to implement the changes.

**Step 5. Continuously review the 7s.**

The seven elements: strategy, structure, systems, skills, staff, style and values are dynamic and change constantly. A change in one element always has effects on the other elements and requires implementing new organizational design. Thus, continuous review of each area is very important (“Analyzing Organizational Structure Based on 7s Model of Mckinsey”, 2015).

**Model EFQM**

The EFQM Excellence Model is a model with fxed scale of criteria, on the grounds of which it is not only possible to objectively evaluate individual companies, but especially mutually compare them (benchmarking). In addition to Business Excellence status assessment, in the last period, with an increase of the corporate social responsibility importance, the model also became the basis for CSR evaluation.

The EFQM Excellence Model was frst used in 1992 with the efort to improve the position of European companies in the competitive fght on global markets. It is a (EFQM, 2013) practical, non-prescriptive framework that enables organizations to assess where they are on the path to excellence; helping them to understand their key strengths and potential gaps in relation to their stated vision and mission. It is designed to be a practical and pragmatic tool, enabling an organisation to gain a holistic overview of their current level of excellence and prioritise their improvement eforts to maximise their impact. The EFQM Excellence Model has been incorporated with the CSR phenomena using the "Framework of CSR Reporting". The model has a strong basis on (Thiengnoi and Afzal, 2009) service quality and further probes the integration of policy and strategic decision making with CSR having a strong focus on the stakeholder's perspective.

Studies on the CSR concept in The EFQM Excellence Model can be divided into two main sections: those that explore the link between the CSR concept and the EFQM Excellence Model as a framework for its evaluation, and those that explore the efect of such CSR evaluation on company sustainability performances.

Kumar and Balakrishnan (2011) have identifed how The EFQM Excellence Model explains the concept of putting CSR into practice to support social responsibility and sustainability in the following way (Kumar and Balakrishnan, 2011):

• Excellent organizations adopt a highly ethical approach by being transparent and accountable to their stakeholders for their performance as a responsible organization.

• They give consideration to, and actively promote social responsibility and ecological sustainability both now and for the future.

• The organization’s CSR is expressed in its values and integrated within the organization.

• Through open and inclusive stakeholder engagement, they meet and exceed the expectations and regulations of the local and where appropriate, the global community.

• As a well - managed risk, they seek out and promote opportunities to work on mutually benefcial projects with society inspiring and maintaining high levels of confdence with stakeholders.

• They are aware of the organization’s impact on both the current and future community and take care to minimize any adverse impact.

The European Foundation for Quality Management defnes CSR in relation with The EFQM Excellence Model as (EFQM, 2004) "a whole range of fundamentals that organizations are expected to acknowledge and to refect in their actions. It includes among other things respecting human rights, fair treatment of the workforce, customers and suppliers, being good corporate

citizens of the communities in which they operate and conservation of natural environment". These fundamentals are seen as not only morally and ethically desirable ends in themselves and as part of the organization’s philosophy; but also as key drivers in ensuring that society will allow the organization to survive in the long term, as society benefts from the organization’s activities and behaviour".

In (Margaria, 2004) it is stated "The EFQM framework for CSR is a new and integrated approach that uses the Excellent Model as a common base – the model enables organizations to have an integrated approach to CSR". Other studies (Neergaard and Pedersen, 2003; Porter and Tanner, 2004) argue that the model is based on a stakeholder view of the company and companies can be excellent if they satisfy the needs of their stakeholders. This opinion has also Bucur (2008), who considers this model as a very efective management tool that combines CSR with stakeholder engagement in every activity and with many of the performance indicators of the organization. It focuses not only on direct results, but also on the causes and how to get there.

Additionally, organizations can easily integrate their existing standards into the EFQM Framework for CSR (for example ISO 9000, ISO 14000 etc.), since it is a management framework, not a standard. Abuhejleh and Yehia (2014) expressed, that The EFQM Excellence

Model Framework for CSR is a fresh and integrated approach that practices the Excellence Model as a mutual foundation. Subsequently, the information and realizing of topics like CSR and sustainability have improved meaningfully. Majority of organizations have some category of CSR actions but still people have strife with discovery related results. The problem is, in most cases, there is slight at this time to drive on concerning "Society". The concern of the organization to society is not about good will or fxing the troubles of the world, but about directing its proft in a manner which links the values of recent society in its handling of its stakeholders as employees and customers and even social environment everywhere it serves.

Since the EFQM model serves as a framework that helps companies to improve management and results, we can expect that it takes into account the various capabilities companies have, but does the EFQM model help to promote and develop Information Orientation? Under this framework, information is identifed as a key resource, but does this model also identify information capability?

We can state that information in the EFQM model is identifed as a key resource because we fnd references to it as a resource when looking, for instance, at sub-criterion 2b (how policy and strategy are based on information from performance measurement, research, learning and creativity related activities) and sub-criterion 4e (how information and knowledge are managed).

However, as the Information Orientation (IO) framework makes clear, the strategic use of this resource (information) could lead to a company gaining a competitive advantage to the extent that it has established a culture of eficient use of information, where information management processes are appropriately designed and the necessary resources for providing the company with the appropriate information technology are allocated. Castresana and Fernández (2005) showed that the European quality model (EFQM) uses as theoretical basis the resource-based view organizational theory, and they analysed the usefulness of the model in identifying the most representative resources and capabilities of a company aiming to reinforce their use. They analysed each criterion of the EFQM model, including the sub-criteria that describe the model’s meaning in detail, and they determined the kind of resources and capabilities measured by each

criterion. As a result of their work, they established the relationships between the criteria of the EFQM model and the RBV.

As we mentioned above, the EFQM model proposes information as a resource. However, since this study deals with information capability, our aim is to analyse whether the EFQM model somehow measures information capability, which is the ability to manage information in an eficient way. To that end, we reviewed the work of Castresana and Fernández (2005), and we

found that they don’t mention information capability at all; they just refer to some of the technological capabilities proposed by Bharadwaj (2000). However, some of the observations derived from their work on analysing the EFQM model from the point of view of RBV are interesting and help to align the model with the IO framework. So, we are going to overview their work pointing out the aspects that can help us to align the EFQM model with the IO framework.

The EFQM database is composed of 187 items or evaluative questions (version 2013).These questions can be split, as seen before, into nine criteria. Our objective is to reconsider this classifcation, and help to illustrate how these questions could be used in order to assess capitals and think about their relations and interactions.

According to our research objective, it was not useful to start with an open coding, as advised in a classical grounded theory methodology. We have started our coding using the list of capitals provided by the IIRC. This technique is known in the literature as elaborated coding (Auerbach and Silverstein, 2003; Saldaña, 2013). In this case, the codes are pre-existing, and not have to be created during the coding phase. However, some of these codes, here capitals, have been split or slightly modifed. Instead of using the < IR > label of intellectual capital, which could

have been misleading, we have maintained the term of organizational capital. The social and relationship capitals have also been separated in two categories: societal capital and relationship capital. This last category has been recognized and used by several authors (Roos and Roos, 1997; Bontis, 1998; Koch et al., 2000).

As mentioned earlier, this < IR > list of capitals was just not detailed enough to appropriately code all EFQM items. We have fnally progressively added some capitals that were essential to categorize the remaining EFQM items. For example, the < IR > framework has retained implicitly four main stakeholders: shareholders with the fnancial capital, employees with the human capital, society as a whole and communities with the social capital and fnally nature and ecosystems with the environmental capital. Quite strangely two main stakeholders are not explicitly mentioned: customers and suppliers. These categories have also been added in our coding system. Another stakeholder that is most of the time forgotten is the organization itself. This is a key code, and even more so, if we take into consideration the legitimacy theory (“licence to operate” mentioned in the < IR > defnition of social capital). For this reason, we have included a brand capital, which is also close to the corporate reputation. We fnally maintained the informational capital suggested by Kaplan and Norton (2004), due to the importance of information systems and a good management of new technologies in order to get the right information for the right decision. Our coding scheme is fnally based on 11 capitals, labelled as follows.

Finally, we have achieved a double-coding methodology, given the way EFQM items were formulated. For example, in the following item: “Excellent organizations efectively plan to attract, develop and retain the talents required to meet the needs” (3.2.2.), one can fnd two main subjects. The frst one is about corporate reputation, and the second one covers its impact on recruitment and human capital. Let us take another item. In the following statement: “Excellent

organizations inspire participation in activities that contribute to wider society”, we have frst a matter of human capital and then an efect on the societal capital. By generalizations, we have applied this way of coding to all items. For each item, an initial capital, as input, and a destination capital, as the outcome, has been defned.

The theoretical number of combinations of these codes is 121 possibilities (112), since each capital can be assigned as input or outcome for each EFQM item. The empirical results of the coding will also help to better understand the potential connectivity between intangible assets. It will also permit us to visualize the underlying model that EFQM experts have used in order to check the excellence of organizations. Population and sample The population studied comprises the total of direct and indirect workers that enable and perform the public ofering of the SDM in the Region of Murcia. The formula for infnite population, with a level of confdence of (95.5 %), an error of 5.5 %, p = 50 % and q = 50 % (Sierra 1988) was used to determine the optimal minimum sample size. When applying the formula, a minimum number of 267 workers was calculated. It was based on the model developer by the EFQM (European Foundation for Quality Management 2010), which consists of nine factors. Each variable was included in a single factor, depending on its factorial load, setting Page 3 of 8 values of30 as a minimum saturation criterion (Ferrando and Anguiano-Carrasco 2010). The fnal sample consisted of 287 workers, 172 (50.9 %) men and 115 (40.1 %) women, of all groups and professional levels of local Administration (cleaning and maintenance personal, ofice clerks, administrative assistants, sports technicians, coordinators, managers, etc.) except for political ofice, of 30 SDM of the Region of Murcia. Three categories of municipalities depending on the number of registered inhabitants were defned: (1) municipalities with less than 10,000 inhabitants (A); (2) municipalities with a population between 10,000 and 25,000 inhabitants (B); (3) municipalities with more than 25,000 inhabitants (C). Out of a total of 30 municipalities analysed, the fnal distribution of the sample was: A-10 municipalities (i.e. 23.0 %), B-11 municipalities (i.e. 30.7 %) and C-9 municipalities (i.e. 46.3 %). Type A municipalities had at least a football feld, a pavilion and a winter and/or or summer swimming pool. The type B municipalities had two football felds, two pavilions, an indoor and/or summer swimming pool, and type C municipalities had at least more than three football felds, more than three pavilions and more than three indoor and/or summer swimming pools. The types of programs were similar in the diferent municipalities, varying the number of them, ranging from fve to ten programs by installation.

The European Foundation for Quality Management (EFQM) Excellence Model provides guidance and support for business organisations to improve their quality management. This goal is attained by examining the relations among the several criteria that are defned and included in the model–the Enablers and the Results–albeit without going deeply into their empirical correlations. Our research focuses on the sport industry and, more particularly, on golfrelated services and facilities. We analyse their management and performance. The goal is to conduct an empirical study of golf courses making up the supply in a Spanish inland region. On the basis of data and assessments contributed by the participating sample–and by resorting to multivariate statistical analysis–we pinpoint the infuence of all Enablers identifed by the EFQM Model, as well as their impact on the Results criteria.

Correlations designed and empirically quantifed make it possible for us to confrm the theoretical interrelations that the EFQM Model proposes between the defned criteria. The structural model thus obtained allows us to design a map that plots the relationships across the several criteria defned by the EFQM Model, one which portrays present-day approaches to management put into practice by the golf courses under scrutiny. © 2017 Informa UK Limited,

trading as Taylor & Francis Group A model of quality management system development of a modern higher school on the basis of successive introduction of diferent models of the quality management system into practice was presented. The content of the process model of the functioning of the quality management system (hereinafter QMS) of higher school and advantages of the process approach during its building was revealed.

Brussels - The winners of the EFQM Excellence Award were announced last night during the EFQM Forum Gala Dinner celebration in Budapest, Hungary. Over 700 senior executives and business leaders from 45 countries witnessed the presentation of the Award by Ferenc Gyurcsny, Prime Minister of Hungary, to four organisations: BMW Group Chassis and Driveline Systems Production, TNT Express GmbH, Grundfos A/S and in the public sector, St. Mary's College Londonderry. The EFQM Excellence Award recognises industry leaders with

an undisputable track record of progress and results for both fnancial and non fnancial performance. The Award, which is given to Europe's best performing companies and not-for-proft organisations, is Europe's most prestigious award for organisational Excellence.

The objective of this study is to develop a modifed European Foundation for Quality Management (EFQM) Excellence Model with new scores particularly for the hotel industry by using the fuzzy analytic hierarchy process, a multicriteria decision-making method. Application of the EFQM Excellence Model for self-assessment is popular, but the evaluation scores underpinning the current EFQM Excellence Model are unchanged for all industries. This afects

the accuracy and efectiveness of evaluation. The fndings indicate that new Enablers receive a score of 450 points, and new Results receive a score of 550 points, and the deviation is substantial from the conventional EFQM Excellence Model, under which Enablers and Results each score 500 points. Surprisingly, the new Customer Results in the modifed EFQM Excellence Model earn a score of 230 points; this indicates that the customer domain is the critical success factor for the hotel industry. The new score of each indicator is specifed; the limitations and further study are also discussed.

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