

Assignment

Organizational Development

Level 2

Discuss the view that “Organizational change agents must come from outside the organization to be successful”.

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I.

Introduction

The need for organisations to change is far more clearly recognised now than a few years ago when the question “Why change?” was paramount. Few people nowadays would argue with the premiss “change or die” (Clarke, 1994, Page 1). In the century of globalisation competition is getting harder. Organisations have to adapt otherwise the former premiss is prove to be true. But are organisations able to change themselves? No, they need help from people inside or outside the organisation who force the change. These people are called change agents. The question is whether change agents have to come from outside the organisation or not.

“Moving organisations from current to future changed states is not easy and requires knowledge and skills, which some managers do not possess. In addition, many managers are so close to the day-to-day issues and problems of managing that they are unable to stand back from the current situation to take a long look at how things might be different. The change agent as facilitator of change does not necessarily have to be from outside the organisation – he or she might very well come from another part of the organisation, not the one that is the focus of the change” (Senior, 1997, Page 273).

Every organisation has people who force change. They do not have the title “change agents” and act mostly in the background. Large organisations have departments or divisions, which are specifically set up to act as OD consultants to the rest of the organisation. More often, it is led by someone form outside the department/area concerned, or even from outside the organisation (Senior, 1997).

In the following the focus will be on first a definition of the “change agent”, secondly which skills a change agent must have or must develop and finally why it is difficult but not impossible for a change agent to come from inside an organisation.

II. What is a change agent?

In interviews with 34 managers representing 27 public and private sector organisations the question was asked how well specified the role of the change agent was. Over 80 % answered that it was not (Buchanan & Claydon, 1999). So it is a difficult task to write about something that managers find it is not well specified.

According to Balogun & Hope Hailey (1999, page 2) the change agent is the person responsible for making the change happen in any organisation.

The change agent's task is to help organisation members learn how to learn to solve their own problems and achieve their own goals. It is a task not unlike that of parenting. When parents help their children grow, they are helping them to learn to help themselves (Kahn, 1998).

The notion of the singular change agent is deeply embedded in modern consciousness but major change is rarely dependent on the actions of lone individuals although some players may have more influential parts than others (Buchanan & Badham, 1999, page 23). Buchanan and Storey (1997) argue that the notion of the singular change agent is thus unhelpful, because change normally involves a plurality of actors or players.

Who are these people? Many different people can fulfil this role. In some organisations it may be the chief executive, in others the Human Resources Director, or even a selected team of people who have responsibility for managing the change process (Balogun & Hope Hailey, 1999, page 2). Other organisations like Selfridges, the large London department store, have recognised the necessity for continuous change and have appointed a Director of Strategic Change.

The focus of this work will be on the people who help the organisation during the change process. These can be from inside or outside the organisation.

III. The Skills of the change agent

The change agent needs a wide range of personal and managerial skills and the ability to slip into different roles, which has been proved through the literature (Balogun & Hailey, 1999 / Buchanan & Boddy 1992 / Buchanan & Badham 1999). The list of following skills cannot be final considering the extensive range of the ideal change agent. It should only give an impression as to why it is difficult for one person to develop all these skills. To illustrate these skills they will be connected with an action-research based model of change from Senior (1997, page266):

PRESENT STATE

FUTURE STATE

THE CHANGE AGENT

The original model, developed from Kurt Lewin in the 1940s, was designed “as a collective approach to solving social and organisational problems” (Burnes, 1993, page 160). “Briefly, it is a collaborative effort of data gathering, data discussion, action planning and action between the leaders and facilitators of any change and those who have to enact it” (Senior, 1997, page 265). Burnes (1993, page 161) describes this group of people more unequivocally with “the organisation (in form of one or more senior managers), the subject (the people who make up the area where the change is to take place), and the change agent (a consultant who may or may not be a member of the organisation). “ The model shows five essential stages of the change process that this group of people has to run.

(1a & 1b)

The present and the future are linked together through the zigzag arrow to show the interrelation between them. "The reason for this is that it is never clear whether a change process should start with the development of a vision for change (that is, where the organisation wants to be), followed by a diagnosis of where the organisation is at present: or whether a start should be made with diagnosing what is, followed by statements about what could be" (Senior, 1997, page 266-7).

At this level the group has to diagnose the current situation and/or the wished future of the organisation. They have to look at the external (political, economic, technological and socio-cultural) & internal factors which lead to the necessity for change.

Now it is most important for the change agent to have analytical & judgemental skills (Balogun, Hope Hailey, 1999). During the process the change agent has to develop a holistic big picture of the organisation. Change agents at this stage need to be able to dig deep into an organisation. They have to understand its culture and the motivations of its staff (Balogun, Hope Hailey, 1999).

They need to understand recruitment practices, career paths and opportunities, the prevailing leadership style, the employee training and development provision, the intra/ and intergroup relationships and the organizational structure and culture of the organisation concerned (Senior, 1999, page 267). French & Bell (1984) call the task at this stage diagnostic activities. "Change is about listening not just acting and doing" (Hartley et al. 1997). Without the skill of analysis the change agent can too easily draw upon "ready-made change recipes" (Balogun, Hope Hailey, 1999, page 6).

After the change agent has got the "full holistic picture" (Balogun, Hope Hailey, 1999, page 6) he needs to weigh his results. "To take a medical analogy, a doctor giving a patient an examination following an accident might reveal that the patient has cracked ribs, but also lymphatic cancer. The ribs can be treated immediately, but clearly the most critical condition, requiring long-term and more intensive care, is the cancer. Similarly, the change agent has to prioritise or weigh the organisational features she or he uncovers in terms of how critical they are to the change process (Balogun, Hope Hailey, page 7). Thus one key skill for the change agent is being able to recognise what is critical in the particular change context (Balogun, Hope Hailey, 1999).

Furthermore the change agent needs the ability to define achievable goals out of this situation (Buchanan & Boddy, 1992). This goals need to be articulated clearly but without constraining the process (Hartley et al. 1997).

But there are more skills for a change agent in this situation. As one can see in the model and described before, the group has to develop a vision for change. Senior (1997, page 269) describes this stage as a "creative phase, in the sense that something new is being looked for".

The danger of this situation is that the change agent often allows his or her personal philosophy and style to influence the change interventions they choose, without realising it (Balogun, Hope Hailey, 1999). Thus the change agent needs in general, for the process of change and specifically in this situation, a “self-awareness” (Balogun, Hope Hailey, page 8) of himself.

It is essential for this situation that the group becomes unified under one vision of change. Thus further skills of the change agent must be the ability to build teams, to bring people together. He or she needs personal enthusiasm in expressing plans and ideas (Buchanan & Boddy 1992), “must be able to stimulate motivation and commitment in others involved” (Buchanan & Boddy, 1992, page 93). Most of these abilities as former ones are not required for this situation only.

For the third level of change from the model of Senior (appendix) the group has to “develop an action plan” (Senior, 1997, page 266). Senior (1997, page 273) calls this phase the beginning “of managing transition from an organisations current state to its desired future state”. One of the important issues of this stage of the change process is “what needs to change to achieve the vision” (Senior, 1997, page 273). The change agent needs selling and influencing skills “to gain commitment to plans and ideas from potential sceptics and resisters” (Buchanan & Boddy, 1992, page 93).

Furthermore one change can lead to another during the change process thus the former goals need to be modified and the change agent needs to be highly flexible to keep the overview (Obeng, 1992 / Buchanan & Boddy, 1992).

In the last two stages the change agent helps the organisation to implement and to reinforce the change (Senior, 1997). Depending on the role of the change agent he or she has to transmit and to sell the results of the groupwork to the rest of the organisation. According to Burnes (1993, page 162) "Change can only successfully be achieved by helping individuals to reflect on and gain new insights into their situation". Not every manager is able to handle this situation. As mentioned before there are a lot of skills of the change agent which are required over the whole change process. In addition to the former skills, the change agent needs to be able to see an organisation from a "helicopter perspective" (Buchanan & Boddy, 1992, page 93) and has to be able to concentrate for long periods because of the high number of meetings during a change process (Johnson & Scholes, 1999). These are only a few of all this important skills of an ideal change agent.

IV. internal vs. external

Up to this point, the change agent was described as every person who forces change in an organisation. To specify this statement the focus in the following will be on the difference between the internal and the external change agents in form of consultants. As mentioned before there are a lot of persons in an organisation who force change. They all fulfil a special role during a change process (Buchanan & Badham, 1999) but they need help from someone who can “step back” (Balogun, Hope Hailey, 1999). Thus this work will now focus the people whose job is this ability.

“The word consultation has always implied giving advice. It is a traditional connotation and has also implied some people having special knowledge which, when required, can be dispensed at a cost to others” (Margerison, 1995, page 13). There are different kinds of consultants. A consultant can be hired for a special change project or a special time and leaves once the work is completed; he or she can have a permanent contract or be employed in another part of the organisation (Leigh, 1988).

Where are the main differences between the internal and the external consultants? One difference between both is the knowledge of the organisation (Leigh, 1988). In response to Leigh (1988) it is difficult to say whether it is an advantage or a disadvantage of a consultant to come from outside an organisation with a free mind or to come from inside an organisation knowing the system and the people but it may be easier for a consultant from outside an organisation to keep the “helicopter perspective” (Buchanan & Boddy, 1992, page 93). In this context writes Eggert (1995, page 29) “Sometimes being an outsider makes the collection of data more difficult as one is regarded with suspicion” but “On the other hand, as an outsider, you can request and gain information which the organisation would be hesitant to provide to an internal person”. Costs and the possibility of dependence can also be a factor which should be recognised (Leigh, 1988).

One of the problems with consultants from outside can be that they use solutions from clients for the actual one without adapting to their special problems (Crainer, 1998).

The only organisations with full time internal consultants are doubtless big companies, e.g. j Sainsbury and Scottish Widows (Perry 1999).

“However, having an internal consulting facility does not rule out the use of external consultants when necessary.” says Graham Kennedy, a principal consultant in business consultancy services with the Royal Bank of Scotland and “you can hire a consultant full-time a lot cheaper than you can get them from the big five” (Perrin, 1999, page 27). Indeed internal change agents may be important assets for any organisation (Hartley et al. 1997) but one has to realise their worth and invest in training, education and support (Taffinder, 1999). Change agents need support from the top management to be successful (Millen Porter & V.d. Pool, 1998) and this could also be easier for an internal consultant.

V.

Conclusion

The topic of this essay is to discuss the view that “organisational change agents must come from outside the organisation to be successful”. If there is any answer to the topic it must be “it depends”. The named skills of the change agent cannot be final but they are mostly essential. The ability to develop a holistic picture of the organisation is not dependent on he or she is from in- or outside of the organisation. Thus it could be easier for someone from another part or from outside an organisation to get this impression than for a manager who needs to “step back” (Senior, 1997).

Another important skill is the ability to recognise the most critical in the particular change context and to define achievable goals out of this situation. An ideal change agent should be able to bring people together, to stimulate their motivation and to get the best of them. But sometimes the change agent has to influence people to gain their commitment to plans and ideas. Overall the change agent must be aware of his former experiences with other companies, so as not to influence the interventions they choose without realising it. All these skills should have an consultant independent whether he or she is from outside or from another part of the organisation.

There may be advantages for the internal change agent which are disadvantages for the external change agent. So examples could be the knowledge of the system, where power lies, the knowledge of the organisations language, special customs, attitudes and behaviours. It takes the external change agent a long time to learn all these things, and a long time for the agent means a lot of money for the company.

In conclusion the view that “organizational change agents must come from outside the organization to be successful” depends on the size of the company, the potential of the internal change agents and the kind of change project.

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