

II. ZAGADNIENIA METODOLOGII REORGANIZACJI

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THE STRATEGIC PILOTING OF CHANGE IN THE COMPANY

The extremely rapid and highly complex evolution in companies' environments has inevitable spin-off effects on their style of management. The idea of "change" is at the very heart of this problem. This change needs to be "strategically" managed so as to account not only for external, but also for internal evolution. If not, then the company runs the risk of being subject to its environmental fluctuations and of not being able to handle the various traps and pitfalls it encounters... New lines of thought, and of action, then, need to be sought out for the strategic piloting of company change.

A. Change and What is at Stake

Just think back... A few years back now, the Managing Director of Matsushita Electro Co., in his speech to the Management of Western Companies, declared: "We are going to win, and the Western world will lose...".

No easy task! Western firms, according to the Matsushita Managing Director, in just the same way as the faces of their executive staff, are too "Taylor-like" in appearance. Consequently,

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their downfall is highly likely unless they show themselves capable of setting up internal processes of change to prevent structures and behavior becoming rigid.

In 1985, the Managing Director of Ziegler S. A., in a speech to his counterparts, announced: "The company you are managing at present will no longer exist in the year 2000. It will either have disappeared, or else have radically changed..."

These two direct announcements to European, and in particular to French, companies bring to light what is basically at stake with change.

Moreover, the facts seem to considerably back up such a reflection... The analysis carried out by P. de Woot and X. Desclée de Maredsous on ten major French, Belgian and Franco-Belgian industrial groups showed that those with the best performance had a high internal capacity for change, and thus they could update in good time their structure and their management methods. The worst-performing companies, on the other hand, apply a "discontinuous" and "crisis-stimulated" approach to the management of change, with no overall strategy.

Companies are, in fact, at grips with the everyday reality of change. If they want to operate correctly they cannot afford to ignore the necessity of being aware of its fluctuations, and the analysis of these fluctuations, both with respect to the company's surroundings and within the company.

These fluctuations are of various types, and are complex in nature. A simple observation of modern-day living conditions, however, enables them to be listed, based on a "pedagogical" and, of course, arbitrary breakdown.

1. Economic fluctuations, resulting from movements of concentration, of fusion, and of the accentuating of international imbalances.

2. Technological fluctuations, with the introduction of computing, of robotics, and of computer assisted design and manufacture.

3. Sociological fluctuations, which show themselves through an evolution in norms and lifestyles, and the splitting open of the traditional frontiers of activity (increase in exchanges, multinationalization of lifestyles etc.).

4. Cultural influences, linked to development in the fields of knowledge and communications, and which show themselves by a decline in the values of "duty" in favour of a search for pleasure.

5. Psychological influences, lastly, which correspond to man's new expectations, e.g. with respect to the quality of life, and which often show themselves via a development of individualistic ideologies.

Faced with such complexity all of these influences seem to have one common factor which spans over them - the rising up of the human dimension at all levels. For example: psychological expectations and cultural evolution demonstrate an increasing quest for personal fulfilment.

1. As far as sociological evolution is concerned, the increasing role occupied by the notion of social responsibility with respect to the surrounding community is to be noted.

2. In technological fluctuations, the search for adequacy between technological choices and human resources is being developed.

3. In the economic field, lastly, are appearing the notions of social costs, hidden costs, external costs, etc.

Sooner or later, then, companies are affected by such evolutions. But two types of behaviour can be observed:

- traditional company management based on the "laissez faire" and "identical reproduction" principles: as long as everything seems to be working, don't change anything... until the "crisis" situation occurs;

- strategic company management founded on a vision of the future, and on the practice of "permanent change".

Just wanting change, though, is not enough. The implementing of a certain "savoir-faire" as concerns the handling of the change (process/content) couple is required.

The process of change corresponds, in fact, to the action itself, to the method used. It is the "form" of the change, too often neglected in favour of the "substance" of the change. This latter is to be found in the content of the change, the second element in the couple to be piloted: it includes the components of change, the fields of action, etc.

Close analysis of cases where companies have not had total success in their process of change enables a certain number of constants to be highlighted with respect to performance deviations as compared with the original project. Our research then, leads to the following observations:

Deviations in the process:

- deadline,
- cost of the action,
- coordination of actions,
- compliance to the "rules of the game" by the actors.

Deviations in the content:

- type and breadth of the action,
- degree of integration in the overall policy,
- fields of analysis and action,
- quality of production.

These observations are obviously only of use if the factors restraining or obstructing the successful accomplishment of the project can be tracked down.

B. Restraints to Be Overcome

The restraints encountered seem generally to fall under one of following headings:

1) Restraints intrinsic to the company, these are:

a) either characteristics of the "milieu" concerning physical or technological structures (e.g. heavy equipment acting as an obstacle to radical change), organizational structures (e.g. "rigid" Taylor type organizations), or else social structures (e.g. the case of sectors with a low initial level of training);

b) or characteristics specific to the company. Deviations due to the importance of internal movements (change in key actors, staff cut-backs, etc.), to the style of management (badly defined or poorly known strategy, lack of commitment by the General Management, etc.), or due to the external environment (which may create a feeling of impotence if a certain "turbulence" threshold is exceeded);

2) Restraints linked to the degree of integration of the process in the operating of the company; two types of obstacles to change fall under this heading:

a) defects in strategic analysis of change (lack of clear decision with respect to change, lack of explicit commitment by management, or else problems with coherence between the company's different decisions and actions, etc.);

b) low implication of the actors (unawareness of the process and of what is at stake, absence of "negotiation" of the game by the actors, or poor appropriation of the process by the actors concerned...);

3) Restraints arising from the piloting method; analysed processes of change frequently show up the following dysfunctions:

a) "dosage" errors, i.e. the tendency to go to the extreme (e.g. too-high a participation or too many directives);

b) inflexibility of methods during the process with regard to the risks encountered by the company;

c) defect with regards to the use of a common language base between the different actors concerned;

d) lack of anticipation and prevention; this should have shown itself, in particular, by a watchful and forecasting attitude with respect to certain internal and external signs.

As this third category of restraints is the easiest one to act upon, it seems all the more important to know of it.

The piloting method of the change (process/content) couple seems, in fact, to be an essential factor for efficiency in the approach to change.

Obviously, no miraculous solution exists. Especially since the economic and social reality which exerts an influence on companies operations cannot be totally controlled.

However if the processes of change can probably not be truly controlled, they can, and must be piloted. In other words, manipulated in full awareness of the rules, limits, and possibilities. From this point of view, the above information resulting from the analysis of deviations is extremely useful. More specifically, they mean that piloting "by the seat of the pants" can be rejected, and that the field of vision can be extended, and a

strategic piloting approach of the change (process/content) couple adopted.

C. The Strategic Piloting of Change

The strategic approach method to change presupposes:

- integration of the dimension "time" so as to respect the organization's "chronobiology" (life rhythms) and avoid the entropy phenomenon (energy dissipation),
- integration of the different categories of staff so as to avoid divergences of thought, and of action and so that as many possible become "actors".

The construction and use of coherent, rigorous, programmed and shared management tools and methodologies of action thus become possible.

The process is not any the less flexible and adaptable. The objective, in fact, is that it should offer both coherence and a stable reference in approach and content, and flexibility or new openings with regards to methods of application.

The systemic conception of change, then, becomes necessary if an attempt to pilot the process is to be made, especially if it is complex. It seems essential to pinpoint the "key points" of these relatively complex processes so as to draw up a piloting control panel. These key points can be classed into three stages:

- 1) during the initiation stage, must be identified:
 - a) the original idea which needs to be tested by confronting it with the realities of the organization;
 - b) the pilot of the process (and his possible co-pilots), very special attention must be paid when making this choice;
- 2) during the launch and actualization stage, attention will be paid to:
 - a) the context of the company concerned (economic, cultural, social, etc.);
 - b) the objectives of the process, as well as its legitimacy

in relation to overall company policy and its realism with regard to the company's capabilities;

c) the making available of means (human and financial means, equipment, etc.);

d) the energy required to transform what exists;

3) during the management and activation stage certain elements become even more essential:

a) time and the respecting of a certain progressiveness whilst at the same time avoiding drift;

b) the fields of analysis and action to be integrated concerning overall company operation (management style, work methods, work organization and working conditions, internal information and communication, job (equipment appropriateness, training, etc.);

c) the piloting tools, both for introducing change and for monitoring and appraisal of it, and to maintain individual motivation;

d) lastly, the effects, i.e.: the direct or indirect, planned or unexpected, final or intermediary consequences on the field of action or its environment.

The above checklist of the key points enables us to tackle the (process-content) problem of change in an overall manner, and thus to manage complexity.

So as not to be dissuasive, though, the actors piloting the process may seek to demonstrate a certain simplicity of action despite the fact that they themselves are aware of the contingencies and complexity of the real world.

The search for the dosage (simplicity-complexity) is, in fact, essential, and the same applies to the fifteen other "dosology model" couples put forward for the piloting of change.

D. The Models for the Piloting of Change

1. Dosology Model

In any strategically piloted process of change any lasting "extremes" need to be eliminated. A "dosing" procedure, then, is

preferable, i.e. seeking out optimisation and adequate proportions.

The notion of dosing should be understood in the general ambivalent sense, with three components:

- arbitration or the art of finding a "happy medium";
- simultaneousness or achieving, over the same time period, two phenomens or two actions;
- alternation or the succesion of elements which, in turn, keep recurring, on a more or less regular basis.

The following diagram (page 103) shows, in a synthetic form, all sixteen of the couples requiring a timely dosage throughout the change process. Amongst these sixteen couples is the couple (analysis-action). This couple underlines the necessity for a certain alternation between, on the one hand, the "taking one's distance" attitude - the search for what is at stake or the analysis - and, on the other hand, solid application by action "in the field". This leads us to consider the different fields of analysis and action.

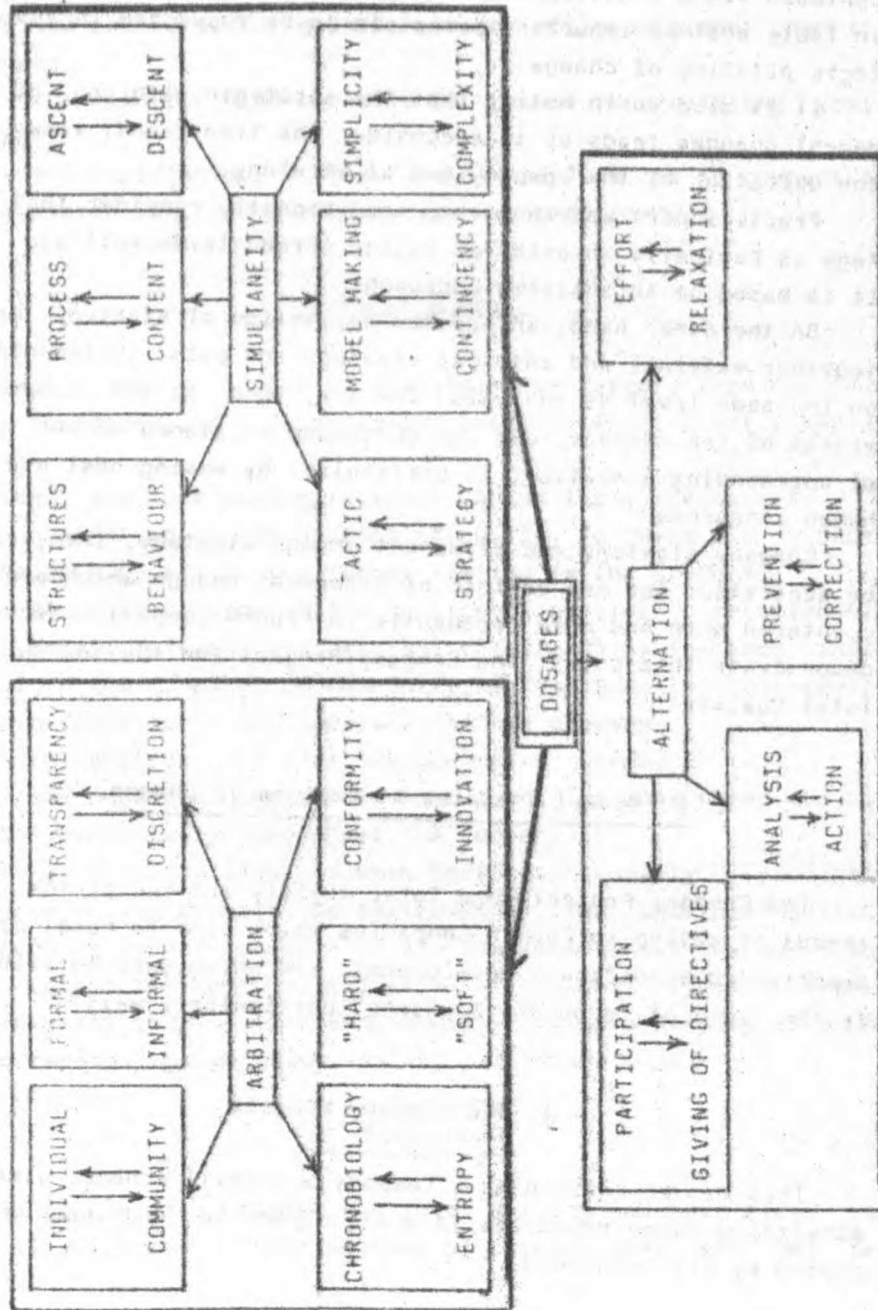
These are BASIs (Domaine d'Analyse et d'Action Strategiques Internes) Fields of Internal Strategic Analysis and Action (FISA) which may be examined and put into play so as to implement and pilot change.

2. FISA Model

The FISA can be accounted for by using the following list. This list is not necessarily complete:

- work organization and working conditions,
- work methods,
- intra and inter departmental cooperation,
- jobs/equipment appropriation,
- product design and manufacture,
- competences/jobs appropriation,
- training-action,
- internal information and communication,
- reward for contribution.
- management style.

THE DOSOLOGY MODEL OF CHANGE



The general strategy of change may also be made up as a combination of the analyses and actions in these different fields, centered along a uniting axis. The coherence of the approach is, in fact, another important principle to be respected in the strategic piloting of change.

It is also worth noting that the strategic piloting of permanent changes leads us to reconsider the traditional view of the operating of the company and of strategy.

Practitioners and theorists traditionally consider that strategy is basically an external factor (Products/Market) and that it is based on an analysis approach.

On the other hand, an updated definition of strategy brings together external and internal strategy and puts implementation on the same level as analysis. The aim, then, is the competitiveness of the company, and its continued existence in the midst of surrounding evolution, in particular, by making best use of human resources.

Company strategy and permanent change strategy, then, cannot be separated. Two new vectors of permanent change which are encountered more and more frequently in French companies serve to demonstrate this point: the Company Project and the search for Total Quality.

E. Recent Examples of Vectors of Change

The Company Project and Total Quality are two of the major themes of action in French Companies which seem to have clearly experienced significant development, and which seem to illustrate the idea of "process of change" particularly well.

1. The Company Project

This can be defined as a company's overall scheme, aimed at mobilizing human resources in a way common to, and known and accepted by all concerned.

It is worth pointing out at this point that if the Company Project has been much adopted in France, then it is probably because it enables three requirements to be met:

- the necessity for greater company efficiency and competitiveness,
- the need for high capacity for change in a mutating environment,
- the expectations of the "social body" as far as communication, expression, and participation are concerned.

2. Total Quality

This "strategic" idea of quality stems largely from the ever-more "Europeanized", Japanese and American Total Quality approaches.

There are four main principles behind these approaches:

- a widening of the concept of quality to cover all aspects of the company's life (no longer limited to the product);
- an extrapolation of the "customer/supplier" relationship to cover all internal and external relationships for each individual in the company; consequently the employee is considered as both "customer" and "supplier" to the company;
- integration of all of the customers' needs;
- the permanent installation of tools for monitoring and appraisal of activity throughout the company.

Total quality, then, is both "external" quality (products, services, contacts with the environment), and "internal" quality (conception and realization of all the acts of all the men and women within the company, and in all functions). It is a search for "overall company operating quality" using a process of action and permanent change which implies all of the staff.

F. Conclusion

— If the Company Project and Total Quality concepts serve as good illustrations of the process of change, they are not the

only types of permanent change in existence. Another example is that of socio-organizational innovation in all its forms.

Change in the company, in all cases, seems to call for genuine strategic piloting based on a methodology which is both flexible and rigorous.

Given this, certain traditional ideas on management and strategy call for a certain amount of updating in order to give internal strategy an important status, and so that implementation may be recognised as being a strategic factor.

In fact, in time, management know-how could well be assimilated to the capacity to pilot company change in all its forms.

Annie Bartoli

STRATEGICZNE STEROWANIE ZMIANAMI W PRZEDSIĘBIORSTWIE

Gwałtowne zmiany w otoczeniu współczesnych przedsiębiorstw zmuszają je do zmian wewnętrznych, które powinny być prowadzone w sposób "strategiczny". Zmiany te mają charakter ekonomiczny, techniczny, społeczny, kulturowy i psychologiczny, a reakcja na nie przybiera postać polityki albo utrwalania stanu istniejącego lub permanentnych zmian nakierowanych na przyszłość. W realizacji tych zmian napotyka się liczne hamulce, które winny być zlikwidowane, m. in. przez właściwą strategię. Obejmuje ona trzy kluczowe stadia postępowania: początkowe (konfrontacja idei zmian z realiami organizacji i prowadzenie procesu zmian), stadium uruchomienia i aktualizowania, gdzie uwaga powinna być zwrócona na cele i kontekst zmian - ekonomiczny, społeczny itd., oraz stadium zarządzania, aktywowania i integracji wszystkich czynników funkcjonowania przedsiębiorstwa. Na zakończenie przedstawiono modele sterowania zmianami, ich elementy składowe, ilustrowane dwoma przykładami modeli działań w kierunku zmian we francuskich przedsiębiorstwach.