CHAPTER TEN
Planning Change

A: Main Teaching Points (by textbook section)

In general, this chapter shows how organizations plan change, and examines some of the constraints on different types of planning. These include culture and discontinuous change in the environment. This prepares for the discussion of strategic planning in chapter 13.

10.1 Introduction

This section shows an attempt to engineer social and cultural change in an entire nation. Such radical thinking was necessitated by prolonged economic recession and the need to compete in a global world.

Make the point that countries, organizations, and individuals do not normally choose to change unless forced to by circumstances. In all aspects of life, radical change is a painful process which most people prefer to avoid. Pressures for change (which necessitate planning) usually come from the environment.

10.2 The meaning of planning

This short section deals with the assumptions made in planning. Make clear that all planning for the future has a symbolic aspect; there is no way of securing absolute control over future time. The section then examines some types of planning that are not concerned with bringing about radical change.

10.3 Planning for change

This deals first with environmental factors that influence attitudes towards planning. It then goes on to develop the point above, that radical change is a painful process and

most people prefer to avoid planning for it. This means that the planner has to take trouble persuading other people to participate in his/her planning and to implement it. This has two important implications:

- Insofar as it involves changing other people's minds and channeling their energies, planning is a political process;
- Plans can only be accepted and implemented fully when they are communicated appropriately.

Table 10.1 shows the classic planning model. Make clear to students that this makes considerable demands on various resources, not least of which is time. Lead them to think about the significance of modern communications technology. When the stream of new data is continuous, much formal planning is out of date by the time that it is implemented. Also, what are the cultural implications of this plan? In a family business the planner (the business person) may be unwilling to make modifications based on outside input if this can be taken to imply that he/she made initial mistakes. And in an unstable and unpredictable environment, reflective and systematic planning may be an expensive irrelevancy. This point is developed in section 10.5.

Table 10.2 deals with the political context within which planned changes have to be made, and which influences what changes are made, how they are made, communicated, and implemented. Affected persons have to be convinced that the eight conditions are in place before they give active support. The conditions are expressed differently in different contexts, including cultural contexts. The interests and contributions made by various participants in the political process are discussed. Barriers to change cannot be surmounted unless communications are appropriate and effective.

10.4 Planning in different cultures

This section deals first with the influence of national culture on planning priorities and doing planning. Different cultures have different planning horizons, and can be compared on this basis. These points are developed in chapter 13, where we examine how far culture influences designing and implementing strategic plans.

Concepts of short-term and long-term planning are discussed. In practice, clear distinctions between short-term and long-term cultures are difficult to make. It is unsafe to assume that members of a long-term planning culture (the People's Republic of China is often held up as an example) are long term in all their thinking. A Chinese company might be looking for more immediate returns from a joint venture than their American counterpart. Rather, students are encouraged to ask what factors (including culture) might influence a need for short-term planning in different contexts, and what factors influence a need for long-term planning.

The chapter then examines planning in different organization cultures; this builds on the discussion in chapter 4.

10.5 Planning in an unstable environment

This section develops the idea that planning styles are also determined by the availability of information. In our post-modern world, change is discontinuous and uncertain, and the supply of information continuous. The classic planning model is no longer appropriate in many environments. Scenario planning provides an alternative approach to dealing with future time.

B: Implications for the Business Student

(This section modifies the material on pp. 225–6 of the textbook.)

1. Review the CLASSIC PLANNING MODEL (table 10.1). Apply this to your business school. Typically, how far is this model applied by planners in your business school? What factors restrict its application? Consider these factors:
    –   National culture;
    –   Organizational culture;
    –   Identity of the planners;
    –   Size of the organization;
    –   Other factors in the environment.
2. Review the CONDITIONS FOR IMPLEMENTING A PLAN FOR CHANGE (table 10.2). Investigate plans made for strategic change in your business school. Use the table to review the plan for change in your business school. How far do the eight conditions explain the planners' success (or lack of success) in implementing the plan?
3. Review the MODEL FOR COMMUNICATING THE PLAN (table 10.4). Use this to analyze how planning is communicated in your business school. Typically, how far is this model applied? What factors restrict its application?

C: Class Discussion Questions

1. Find examples of firms in your country choosing alternatives to the classic planning model. What environmental factors are responsible for these choices?
2. Think of situations in which planning is:
    –   Unnecessary because the situation is entirely stable and there is no pressure to change;
    –   Impossible, either because the situation is entirely unstable, or because resources are entirely inadequate.
    In what situations CAN planning be effective?

3. Think of examples of government planning in your society. Who is responsible for this planning? How do the planners typically communicate with the general public? How can the public make their feelings known? How responsive are the planners?

D: Answers to the Exercise

1. Planning is routine, and includes finding some way of identifying the client, and checking the details of his flight.
2. Planning is routine and might be made without conscious effort.
3. Three scenarios must be planned.
4. This calls for planning how to communicate the same message appropriately to two different audiences.
5. In this extreme situation, little effective planning can be made.
6. Plan what resources might be made available for making a change.
7. No planning is possible.

E: Additional Exercise Material

Think back to a recent (radical) change implemented in your business school or company. Research the following:

- What environmental factors caused the need for change?
- What were the goals of the proposed change?
- Who identified the need for change?
- Who planned the change?
- Who championed the plan?
- Who implemented the plan?
- To whom was the plan communicated, and how?
- What is the evidence saying that this communication was successful, or unsuccessful?
- When the change was implemented, how far did the actual outcomes correspond to those planned?
- In your opinion, how successful were the planning and implementation processes?

F: Test Bank

1. Planning is most needed when people:
   a. Have no certainty about the future
   b. Have moderate certainty about the future

    c.   Have absolute certainty about the future

    d.   Are able to employ expert planners.

(Answer, b: pp. 208–209)

2.   The first stage of planning using the classic model is that the planner:

    a.   Selects the best plan from among the alternatives

    b.   Communicates the best plan to the change agents

    c.   Collects relevant information

    d.   Designs alternative plans.

(Answer, c: p. 211)

3.   Typically, planning occurs when:

    a.   There is dissatisfaction with present conditions

    b.   A significant threat arises

    c.   A significant opportunity arises

    d.   Any one or more of the above occurs.

(Answer, d: p. 212)

4.   The champion is primarily responsible for:

    a.   Implementing the plan

    b.   Securing support at top levels of the organization

    c.   Publicizing changes to external stakeholders

    d.   Identifying the need for change.

(Answer, b: p. 213)

5.   When creating support for a change plan, the planner:

    a.   Ignores opponents

    b.   Tries to move opponents to a neutral position

    c.   Ignores neutrals and opponents

    d.   Tries to turn neutrals against opponents.

(Answer, b: p. 213)

6.   Typically, change plans are unacceptable when:

    a.   The expected benefit of making the change is less than the expected cost

    b.   The expected cost is less than the expected benefit

    c.   The perceived threat diminishes in importance

    d.   The perceived opportunities increase in importance.

(Answer, a: p. 214)

7.   The chances of implementing a plan for radical change are greatly improved when:

    a.   The plan is communicated appropriately to those who will be affected

    b.   Details of the plan are hidden from those who will be affected

    c.   The plan is communicated as widely as possible to everybody

    d.   No account is taken of cultural values when the plan is communicated.

(Answer, a: p. 215)

8. Support for change among the workforce is created by:
   a. Clearly telling them what they have to do
   b. Asking them for advice
   c. Communicating all stages of the plan to them
   d. Communicating appropriately and, where appropriate, involving them in the planning process.

(Answer, d: p. 215)

9. Where needs to avoid uncertainty are low:
   a. There may be less resistance to plans for radical change
   b. Planning is more detailed
   c. Short-term feedback systems are emphasized
   d. Top management feeds down guidelines which are formalized at lower levels.

(Answer, a: pp. 217–18)

10. Where needs to avoid uncertainty are high:
    a. There may be less resistance to plans for radical change
    b. Planning is more detailed
    c. Short-term feedback systems are not used
    d. Planning is made by mid-level managers only.

(Answer, b: p. 217–18)

11. In synchronic cultures:
    a. Employees can be strongly motivated by schedules for achieving their plans
    b. Plans are likely to be changed to fit changing circumstances
    c. Plans are very unlikely to be changed to fit changing circumstances
    d. Most planning is short term.

(Answer, b: p. 219)

12. The aim of scenario planning is to:
    a. Produce strategies
    b. Compensate for over-detailed predictions
    c. Produce a single prediction of future events
    d. Predict alternative futures in an uncertain environment.

(Answer, d: pp. 223–4)