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Featured article

Success factors in dealing with significant change in an organization



Guru interview

An interview with Peter Kelly
Interview by Alistair Craven

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Welcome to Management Focus

... and welcome to the January/February issue.

In this day and age it is commonplace for an organization constantly to undergo some sort of change. Most change is due to some variable, internal or external, that requires the enterprise to respond in order to stay productive and competitive.

As your company attempts to deal with significant change, there may be a formula for successful implementation. To maximize the opportunity for success, it is recommended that you have an action plan that begins with a valid understanding of change and the need for your organization to confront it. Find out more with our featured article.

Peter Kelly is Head of the Financial Inclusion Team at Barclays. Financial Inclusion is a key component of Barclays' approach to corporate responsibility, and the team was set up to lead on the bank's financial inclusion agenda and to find innovative and sustainable ways to ensure that people are given opportunities to benefit from financial services.

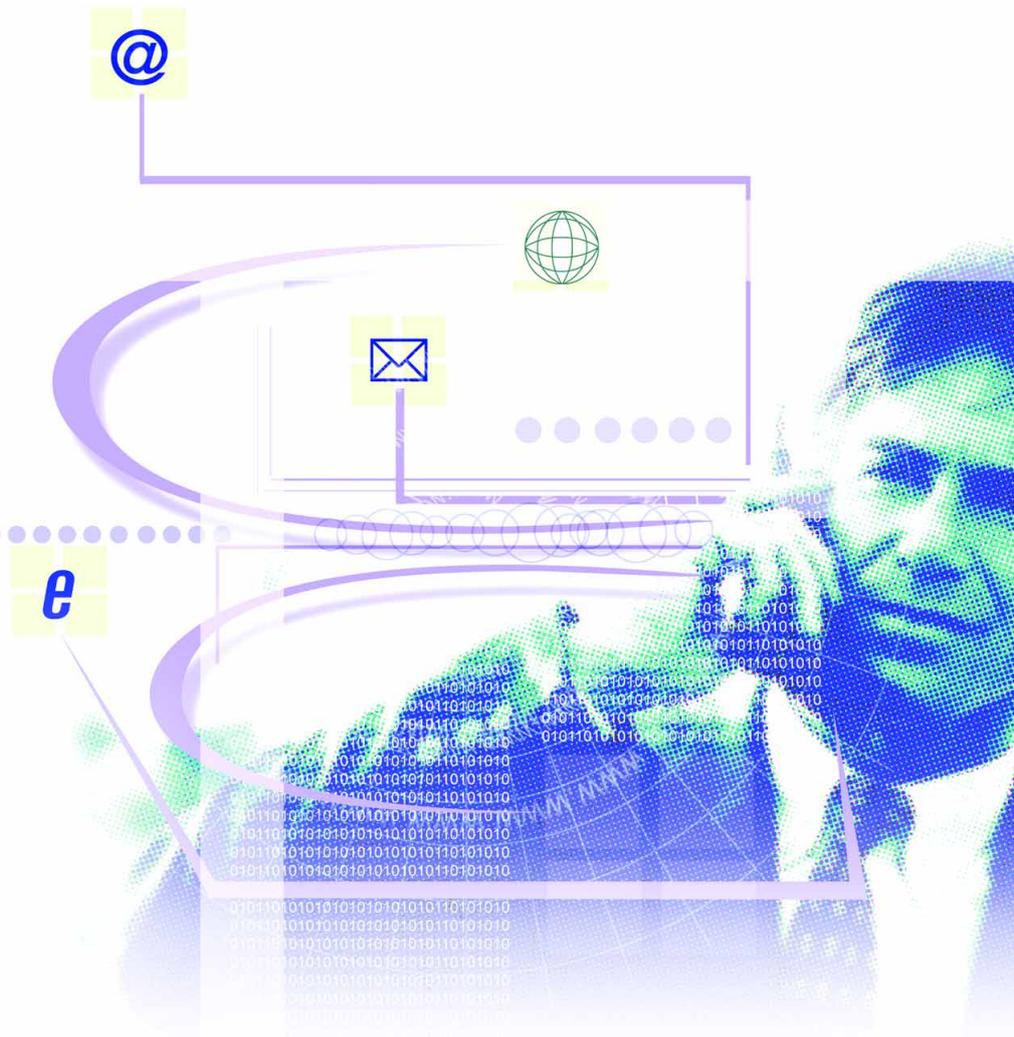
As Head of Financial Inclusion Peter is responsible for policy and strategy. Find out more about his role at Barclays, and Barclays' approach to corporate responsibility, in this interview.

Nowadays, e-mail is a major way for employees to communicate within the workplace. This, however, has a very serious downside. E-mail is increasingly being used to bully and harass co-workers. In this issue of *Management Matters*, our expert provides advice to employers and managers wishing to prevent e-harassment within their organization.

To expand on the topics highlighted in *Management Focus*, log on to our website at <http://first.emeraldinsight.com> where you will find a plethora of articles and interviews designed to help you stay one step ahead of your competitors.

Best wishes for a successful year ahead.

Debbie Read
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Success factors in dealing with significant change in an organization

While all organizations undergo constant change, business enterprises need to become more proactive in dealing with this constant flux! The question of how the enterprise attempts to deal with significant change is often crucial to how well it succeeds.

Previous research suggests the need for critical factors to be addressed during periods of significant change in order for the organization to be successful. Through the examination of a specific case involving significant change, the successful implementation of a decision support system (DSS) within an organization in higher education, the process of dealing with a significant change is scrutinized and evaluated against these critical factors.

Change and critical success factors

Significant change

In this day and age it is commonplace for an organization to be constantly undergoing some sort of change. Most of these are due to some variable, internal or external, that requires the enterprise to respond in order to stay productive and competitive. Change is happening constantly and in most cases it is absorbed by the organization by means of fine-tuning the tactical daily action plan. However, in the ongoing quest to be competitive, organizations are being exposed to more comprehensive change. Of importance is the significant change with which an enterprise must cope in order to improve competitive advantage and maximize the gain from the transformation process.

Significant change is defined as any change where there is impact on the enterprise due to some radical financial, and/or organizational adjustment. It is seen as affecting the majority of the staff or having impact on the financial health of the

operation. It can be referred to as strategic in nature. Such change can be considered frame-breaking, culture-changing, transforming, radical, revolutionary, etc. where one or all of the four components (people, tasks, technology, and structure) are at the impetus.



The goal of the change transformation is to alter basic assumptions currently held in esteem by the organization, in favour of

some altered version that leadership has deemed worthy. This is influenced by an organization's ability to weather the transformation process based on identified critical success factors (CSF).

Critical success factors

There are a number of success factors for implementing a significant change, which include ongoing comprehensive communication, and the need to address the staff person's perception of the organization's ability to deal with change.

In addition to the success factors, some sound organizational practices have also been identified, and serve to complement the factors in attaining success. Organizations must continue to look at lessons learned for ways to improve decision-making based on organizational knowledge. Organizational knowledge ultimately enhances the enterprise's ability to improve its performance. Performance analysis aids in identifying whether achievement of planned results and objectives has been reached. The significant realization is that assessment feeds what can be considered a dynamic process for improvement. A system, whether experiencing significant change or not, needs constant monitoring with feedback in order to judge whether things are on track.

Proposition of new factors

Prior to implementing any change, those at the forefront of the initiative should identify potential alliances and hurdles that may

need to be dealt with in order to assess the potential for success. Thus, the need for analysis exists whereby the gap between where the organization is now and where it could be due to the significant change is evaluated, an approach plotted, and critical tasks identified. Observations of the transformation need to be anchored in a common observation terminology, i.e. a landmark needs to be recognized by those expecting to monitor the progress. From this logic a plan to deal with change can be proposed.

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As an enterprise looks to make a significant change within, it is important to have a plan of action which takes into account the definition of the issues and available resources, as well as the need to provide appropriate instruction to implement the change. Existing training and education need to be replaced with more pertinent education focusing on the new issues. At the heart of planning are the questions of:

- where are we now,
- where are we going,

- what are the environmental conditions of our situation, and
- what is our proposed plan of action to traverse the identified gap.

The organization must address its skill and ability deficits by examining factors that influence instruction. If the change involves skill-based activities, then the curriculum should focus on training; if the change is knowledge-based, then the curriculum needs to be considered educational. The intent of the enterprise is to not only incorporate the specified change, but to do so with minimal disruption, and more importantly to achieve the desired outcomes through an efficient and cost effective implementation. In general, if goals are achieved, the process used to get there was effective.

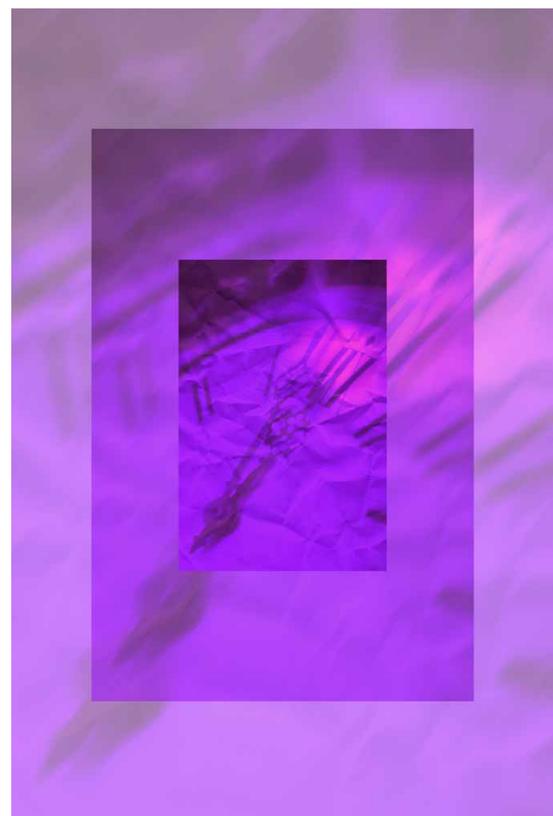
An appropriate curriculum draws on theory to produce a non-theoretical, operational guide for making decisions. It is important that the instructor be seen as a facilitator, using a curriculum – a plan, whereby the learner realizes that the discovery of knowledge stems from his/her own effort.

Preaching the message to the audience without the buy-in will certainly communicate the information, but it is questionable as to whether it will be taken to heart, and more importantly, acted upon. Most important of all, besides linking back to a practical use in the work environment, it must provide the insight as to how the change will benefit each stakeholder who participates as well as address both the technical and the human elements upon which the change transformation touches.

Summary

In today’s environment, as an enterprise attempts to deal with significant (traumatic) change, there may be a formula for a successful implementation. To maximize the opportunity for success, it is recommended that the action plan start with a valid understanding of change and the need for the enterprise to confront it.

The ability to adapt to one’s environment is evolutionary in nature and it is recommended that appropriate planning and analysis be conducted before taking



action. There needs to be a solid plan based on learning and change theory, and models that provide the enterprise with a foundation upon which to build their very own framework specific to the individual enterprise.

Organizations need to incorporate into their planning process a way to handle the inevitable “Significant Change.” By having an action plan that addresses the critical factors for success, supported with a prescribed change process methodology and curriculum, the enterprise may not only have a successful transformation, but it may also become a more flexible organization willing to deal with change in the future.

Don Chrusciel and Dennis W. Field, Iowa State University, Ames, Iowa, USA

This is a shortened version of the article, which originally appeared in *Business Process Management Journal*, Volume 12 Number 4 2006.

An interview with Peter Kelly

Interview by Alistair Craven



Peter Kelly is Head of the Financial Inclusion Team at Barclays. The Financial Inclusion Team was established in 2000 as part of Consumer and Community Affairs.

Financial Inclusion is a key component of Barclays' approach to corporate responsibility. The team was set up to lead on the bank's financial inclusion agenda and to find innovative and sustainable ways to ensure that people are given opportunities to benefit from financial services.

As Head of Financial Inclusion for Barclays Peter is responsible for policy and strategy. Specific areas of responsibility include access to banking, affordable credit and global microfinance. Corporate Responsibility at Barclays underpins its business activity, and Financial Inclusion is a key part of this strategy.

In terms of market capitalization, Barclays is one of the largest financial services companies in the world. It has been operating for more than 300 years with 25 million customers and 118,000 employees in over 60 countries.

Q: Welcome to Management First. First of all, can you tell us about your day-to-day role at Barclays?

A: I head up the financial inclusion team at Barclays, a key part of our corporate responsibility. I am responsible for strategy and policy. Essentially my job is about improving access to financial services, advice and support particularly for those people on low income and benefits. As such much of my work is focused in deprived parts of the UK.

Quite often routine financial services that many of us take for granted, such as a bank account, or a short term loan are not readily available or accessible to everyone. And this is not just about individuals; many small enterprises have similar issues particularly accessing finance to grow their businesses.

I set up the team in 2000, the first of its kind in any UK bank, to tackle this problem and since then through the exceptional work of my team and colleagues across the bank we have become recognized as a thought leader in this field. It is hugely satisfying when we hear this from external stakeholders and this is exactly the space I want us to be in.

Q: According to UK entrepreneur Rachel Elnaugh, "the fact that banks are allowed to profit so much from the business community without being forced to give something back is quite obscene." How would you respond to this?

A: Actually, Barclays has the greatest positive impact by being good at what we do. It's because Barclays is successful we can create employment in the 60 countries around the world where we do business, employing over 110,000 people who in turn have hundreds of thousands of dependents. Because we are successful we pay large amounts of tax. If we added the tax Barclays paid last year on employee compensation to the tax paid on our profits, it totalled more than £3bn. That's an enormous amount of money for schools, roads and hospitals.

Because we are successful, we can pay big and growing dividends to our shareholders: and our shareholders are mostly the pension funds who look after millions of citizens of both this country and others in their retirement.

Banks give back in other ways. Corporate responsibility is at the heart of business strategy. This includes our work on financial

inclusion, our community programme, environmental performance and our work on human rights. We think "responsible banking" is very much about running a bank profitably and in a responsible way.

Q: As you have mentioned, Barclays is recognized as a pioneer in the field of financial inclusion. You have said that promoting financial inclusion is an important part of Barclays' approach to corporate social responsibility. Can you elaborate on what you mean by this?

A: To me it is simple. In the context of corporate responsibility, financial inclusion should be as important to the financial services sector as the environment is to the oil industry – it should be core to our business.

The causes of financial exclusion can be complex and especially sensitive. It is not just about the availability of products and services as some people are not ready or willing to join mainstream banking and there are some services that banks like Barclays are not able to provide. Self exclusion does exist, sometimes as a result of a lack of confidence which may result through limited education or money management skills.

However this is not necessarily the norm and many people are in fact very good at managing their budget and making ends meet. But if things go wrong, say the boiler breaks down or they need £50 to buy school shoes for the children, sometimes the only option is the high cost doorstep lender who can charge up to 1000 per cent APR. Far worse is the unlicensed loan shark.

Figures vary although up to 2 million families in the UK do not have a bank account and many of these people will not be able to access mainstream credit. Helping these people is an integral part of "responsible banking".

Q: In general terms, how important is it for Barclays to be perceived as a socially responsible organization?

A: It is of the highest priority. Corporate responsibility is at the heart of business strategy, the strategy has been fully endorsed by our Executive Committee and by the Group Board. It is not an add on, not a "nice to do" but underpins all our business activity.

Management Matters

Welcome to our Q&A section – Management Matters, where you can find actionable advice on current management topics. In this issue your question on e-mail harassment is answered by our resident expert.

Q. E-mail is increasingly being used to bully, harass and air prejudices against co-workers, which opens up a legal can of worms for all those running businesses. What advice would you give for employers wanting to prevent e-harassment?

In today's technological age, e-mail is a major way of communicating within the workplace. This, however, presents an ideal opportunity for bullying and harassment to take place amongst colleagues, which not only causes undue stress to the employee, but also has the potential to harm the bottom line of your organization in terms of staff time wasted, staff turnover, sickness absence and poor productivity, etc.

As an employer, you should investigate and deal with incidences of bullying and harassment, promptly, thoroughly and fairly according to recognized and agreed e-mail policies. Clear disciplinary procedures will also help to raise awareness of the problem and crack down on persistent offenders.

My advice would be to include a section in your company's employee handbook that specifically deals with appropriate and inappropriate use of e-mail and Internet facilities. Specify that, among other things, the company's e-mail facility must not be used to send or receive any materials that:

- could cause offence to any person, e.g. any sexist or racist remarks or jokes, or any remarks relating to a person's sexual orientation, religion, disability or age;
- contain any obscene or pornographic content;
- contain any threatening messages. Harassment or bullying will not be tolerated under any circumstances and may constitute a criminal offence;

- contain any remarks that may adversely affect the reputation of another person or organization. Defamatory statements may have to be disclosed in litigation or in investigations by other authorities.

Stating that the company maintains a right to monitor employees' e-mails, where there is a reasonable suspicion that the content breaches company policy, may help to deter any bullying and harassment via this medium. You should also make it very clear that any breach of the policy could result in a disciplinary action which may ultimately lead to dismissal.

Workforce training in e-mail etiquette would also help to prevent incidents arising in the first place, as many people do not realise how easy it is to misinterpret their e-mail messages. Make workers aware of the Do's and Don'ts of e-mails, such as:

- Don't write in capital letters – this is seen as aggressive.
- Do think twice before sending an e-mail in the heat of the moment. You are likely to regret it.

Whilst looking into the best way to answer this question, I came across www.bullyonline.org, which is the website of the UK National Workplace Bullying Advice Line. If your company hasn't yet devised a policy for dealing with bullying and harassment at work, or if you wish to update your policy to include e-harassment, then this is a very useful site that provides advice on how to go about it and how to create an anti-bullying ethos within your work environment.

Our resident expert has over 25 years' professional experience in management, ranging from academic journal editor and management consultant to senior board member.

If you would like to send him a question, write an e-mail to Web Content Manager Debbie Read at dread@emeraldinsight.com and the best submissions will be featured in future issues of Management Focus.

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Final thought ...

“Workplace bullying – in any form – is bad for business. It destroys teamwork, commitment and morale.”

Tony Morgan, Chief Executive,
The Industrial Society

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