

MANAGING STRATEGIC CHANGE: **CLASS** FRAMEWORK

*builds on previous research of
Metaphors / Communications*

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Aim of the **CLASS FRAMEWORK**

- To **classify** the types of strategic change

Practical benefits

- To enable clear communication of the strategic change to assorted stakeholders.
- Answer the question: **“What are we doing?”**

Research benefits

- To enable **more systematic** studies
- To determine **what type(s) of changes ‘succeed’**

CLASS FRAMEWORK

TO MANAGE AND COMMUNICATE STRATEGIC CHANGE

| Strategic C HANGE | ADDITIVE Enhance -or- Augment, 'build on the past' | SUBSTITUTIVE Replace -or- Reinvent, 'break with past' |
|-------------------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------|
| Change L EADER | INTERNAL Appointment | EXTERNAL Hire |
| A RTICULATION | FORMAL Plan | INFORMAL Vision |
| S YMBOLISM (Metaphors, Vocabulary) | DEDUCTIVE Imposed by Top Management | INDUCTIVE Extracted from Stakeholder Discourse |
| S takeholder R ESPONSE | ACCEPTANCE Authorized narrative dominates | RESISTANCE Rogue narrative dominates |

Additive -or- Substitutive Strategic Change ?

- **Additive** mode of strategic change **enhances or augments** the existing organization by **adding specific elements**
- **Substitutive** mode of strategic change **replaces or reinvents** the old organization by substituting specific elements with new ones
- “**Building on the past**” may be easier than “**Breaking with the past**”. Thus, **Additive change may be more likely to be ‘successful’**.

Internal Appointment -or- External Hire of Change Leader ?

- **Why an external hire?** Implies that **existing management was ineffective or too rigid and unadaptable** to enact the strategic change
- **Short-term negative** effect of **external hire** due to organizational instability (learning curve) and demotivated employees
- **External hire** to lead the strategic change only if significantly superior to the internal contestants. Thus, it may be less common (and less successful).

Formal Plan -or- Informal Vision for Strategic Change ?

- **Formal plan** commonly identifies **where the organization is 'now'** and **series of coordinated actions** that it will take. Emphasis is on current state and journey.
- **Informal vision** describes the **desired future** of/for the organization. Emphasis is on future state of the organization. **Strong leadership needed** to shape the journey in the absence of a detailed plan.
- Formal plan may be more likely because of desire to reduce uncertainty. Informal vision may be more likely when there is (over)confident leadership.

Deductive –or- Inductive Symbolism for the Strategic Change

- **Top-down words and symbols**, including analogies and metaphors, from the change leaders. Usually in the form of **strategic plans and announcements**
- **Bottom-up (grassroots) vocabulary and symbolism** may be the result of **absent or ineffective communication by the leadership**.
- Top-down communication and symbolism is more likely 1) when leadership is more confident and/or 2) in higher power distance environments

Acceptance -or- Resistance by Stakeholders

- Different stakeholders are likely to have different perceptions of a strategic change
- **Many factors** can shape the initial degree of support for or resistance to strategic change
- **Resistance** may be due to self-interest, lack of trust, misunderstanding, rigid / inflexible
- **Actions** such as communication, involvement, facilitation/support and negotiation can eliminate or reduce resistance
- Resistance over time (during the strategic change process) will depend on **even more factors**

Research of 100 Strategic Changes

- **Ambitious research project**
- Aim: Apply CLASS Framework to understand
 - 1) the **frequency** of different phenomena
 - 2) the **effectiveness** of different approachesacross **100 strategic change initiatives**
- Wide range of organizations – different sizes, different industries, different cultures

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by Martinsons

Thank You

