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# **MBA ASSIGNMENT**

## Change Management

A study of a change management programme within BT

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## **1. Introduction**

The aim of this essay is to provide an analysis of a change management programme undertaken within British Telecom (BT). The essay discusses the key factors that contributed to the triggers, processes and outcomes of the programme which resulted in the restructuring of the department. The first part of the essay provides an overview of the project and discusses the challenges experienced by the people who not only initiated the change but also those who were affected by it. The second part makes use of theoretical frameworks from the management of change literature. This section discusses how the change events could be analysed in light of the emergent/interpretive perspective. This section argues for the multiplicity of interpretations generated between those initiating the change and those affected by them. The third section discusses how the experienced challenges could be overcome by improving the areas of communication, team work and participation.

## **2. BT and the restructuring of the offline operations department**

British Telecom (BT) is the largest telecommunications provider in the United Kingdom and operates in more than 170 countries. BT operates under a complex structure because of the multiplicity of the operations it has to deliver. The change project described below concerns the merging of a number of different back office departments whose role include a) responding to customer and business enquiries, to b) processing complaints, c) offering credits when they are do thereby ensuring the accuracy of the accounts. The structure of the support departments operated in isolation with the result of working is silo. The number of projects processed by the different departments required a large number of resources that were believed to be possible for streamlining, with the objective of enhancing efficiency levels. In particular, BT's senior management realised that the number of complaints received took longer than expected to resolve.

The merging between the departments took place by creating a Customer Contact Centre (CCC) which would be responsible for over viewing any customer-related issue. My experience of the change management programme took place from a consultancy position. I was well acquainted with Helen Waterson who at the time was responsible for the offline operations department and whom I interviewed for collecting data for this assignment. Even though BT initiated their own consulting

firm in order to overview the project I was also asked to advice on the design and implementation of the project by Helen.

### **2.1 Managerial and Operational Challenges**

The operational and managerial challenges of the change programme were numerous. Firstly, the different departments operated under a specific paradigm of meeting targets compliant with the type of business or private customers served. Secondly, the merging of the administrative procedures required that in order to respond to the back office work needed to be integrated in a way that would be operational by all employees, *regardless* of their previous experience within a specific department. In particular, the stages undertaken for meeting a customer or business complaint needed to be redesigned according to the performance targets set by CCC. Thirdly, new forms of accountability and clarity over job roles were required between the people responsible for managing the CCC operations. This meant that the managers would have to have a more collective understanding as well as agreement between their job roles and responsibilities which were not specified to them by BT's top management.

At a time when Helen and her colleagues were considering the restructuring of the department the more senior managers announced the contracting of external consultants. As the below excerpt indicates the consultants were called in order to overview the restructuring process; however Helen and her colleagues had not been consulted about the use of external consultants. They were informed that they would need to work with them which created a lot of agitation about Helen's involvement and decision making for the project (See Appendix 1).

A key challenge in the working relationship between Helen, her colleagues and the external consultants, was the clash of interests between what each party thought that needed to happen. Consultants were asked to play an instrumental role in the design and delivery of the project, despite the fact that BT' senior management had not consulted the external employees about their opinions on the decision. The more important outcome of the above event was that the consultants sought to enforce a specific set of performance measurement targets that needed to be equally met by all sites involved. By setting a new set of targets, the consultants envisaged reducing the time length between a) the employee receiving a call and b) responding to it. The duration of the complaint was believed to be detrimental for indicating the

pace and efficiency of the employees in responding to the issue. By increasing the number of calls received within an hour, the consultants were seeking to reduce the waiting times for customers as well as enhancing the quality of service (See Appendix 1).

A key feature in the above effort by the consultants, which developed tension between both parties was Helen's complete absence of involvement in designing the new performance measurement metrics, and its subsequent implementation. The management consultants relied on the given authority assigned to them by the top management and believed that they should be the ones leading the project. At the same time, Helen and her colleagues believed that their experience over the years was an important resource that could help indicate how the performance measurement targets should be reformed.

The lack of communication and the exercise of authority by the consultants resulted in a difficult working relationship. Helen was required to comply with the consultants' suggestion despite the fact that she did not want to do so with the result of feeling demotivated and demoralised (See Appendix 2). Helen argues that at a time when the various employees tried to discuss or challenge the consultants, they were faced with a reaction that was almost already decided. The opportunity to challenge the consultants to the extent that specific practices would not be incorporated was felt to become responsible. This resulted in the employees not feeling the enthusiasm of sharing their ideas/suggestions with the consultants but rather becoming passive recipients of the consultants' actions (See Appendix 3).

The wider outcome of the above change management project was that the consultants' eventual new performance measurement system was not feasible to implement in the way it was intended. For example, the requirement in dealing with a customer enquiry within a specified time-period was impossible to operationalise. This is because the nature of the enquiries and complaints received demanded that the employee allocated more time for understanding the complexities of the issues raised without fearing that taking longer to answer the call would reflect adversely on his/her performance. As a result, Helen and her colleagues retained a large part of the consultants' framework but after the consultants' exit they started to initiate more specific changes in order to allow flexibility for meeting the new targets. The above practice helped Helen apply the consultants' suggestions within her working environment in a way that met her specific needs.

### **3. Frameworks for the analysis of managing change**

#### **3.1 Two theoretical frameworks**

Armenakis and Bedeian (1999) and Pettigrew et. al., (2001) argue that the study and analysis of change events derives from different theoretical frameworks that influence the interpretation about how and why change happens. Burke (2002) and Burnes (2004) argue that some of the theories that helped influence the discourse on the subject can be referred to as the a) contingency approach, and b) the interpretive or emergent approach. The titles used to describe the different theoretical schools vary between authors but nevertheless tend to share a common set of assumptions discussed in the following section (Brown and Eisenhardt, 1997).

Senior (2002) and Stickland (1998) argue that the contingency approach begins from the principle that organisations represent open systems where changes in the external environment generate conditions that need to be met. For example, changes in the regulative system of a country's economy can become responsible for new investing opportunities, as well as trading practices not realised before (Armenakis and Bedeian, 1999). Corporations that are able to benefit from the potential benefits of such political or economic changes are the ones that are competent in manipulating tangible or intangible resources in exploiting the new opportunities. The contingency perspective argues that change can be a planned intervention and is dependent on the qualities of leadership with which stages are clearly laid out and operationalised (Pettigrew, et. al. 2001). Assumptions are made for how objectives can be realised in the intended manner. As Burke (2002) argues, the instrumentality with which decisions are made in an organisation remain responsible for how successful or not successful the change outcomes are believed to be. From the above follows that the process of understanding the triggers responsible for generating change becomes a key area from which corporations can reorganise processes and functions so that they are able to respond against the newly created demands (Burke and Litwin, 1992).

Hassard (1991) suggests that the emergent or interpretive theoretical framework begins from the premise that change events are part of the wider socio-cultural structure of an audience. Change needs to be understood as an 'emergent' than realised process, because planned interventions do not operate in a stable external or internal environment (Senior, 2002). This paradigm argues that planned change

interventions often fail because of the inherent uncertainty that is not able to measure, calculate or predict. Intentions can be realised but not necessarily as intended because there is no clear causality between events and people that are possible to control or predict (Tsoukas and Chia, 2002). From this follows that an understanding of change requires an appreciation of the limitations people experience to anticipate and to manage uncertainty (Brown and Eisenhardt, 1997). As a result, opportunities as well as obstacles emerge during the flow of events that need to be managed as they occur and it is the dialectic and continuous process that is responsible for how change becomes possible (Linstead, et. al., 2004). A core premise expressed by the interpretive or emergent perspective to change is the importance of subjectivity and that events do not represent the same meaning for all people (Hassard, 1991). For example, the power role and interests of managers in seeking to reinforce a change management programme is not necessarily entertained by the people that are going to be affected by the changes produced (Burke, 2002; Stickland, 1998). As Linstead et. al, (2004) argue in this paradigm: “change not only threatens the usual balance of these tensions but can re-establish different relationships within the organisation. Certain groups may perceive themselves as benefiting from the change whereas others see a potential disadvantage.” (p.287) From the above follows that the analysis of a change event is not simply an outcome of the actual happenings of the event, and which may require restructuring of operations or the change of job roles between employees. Understanding change requires an understanding of the *interpretations* of the people involved in it and which may include similar or conflicting interests (Linstead, et. al., 2004).

### **3.2 Analysis of the change management programme at BT**

This essay's analysis of the change management programme is based on the emergent/interpretive perspective. In line with the trajectory of the assignment brief, our analysis focuses on discussing three dimensions, namely the a) forces, b) processes and c) outcomes of change.

#### **3.2.1 Forces**

The first primary force of change is initiated by the top management of BT while understanding how a change of structure between the different back-offices would help streamline operations with the hope of increasing efficiency. The second force



of change is the decision to contract external consultants to delegate the project and overview the restructuring process. The top management initiated the project so that the corporate performance of the business would improve in terms of retaining customers and maximising profits. For this group the interest lies in the corporate image and their own accountability to stakeholders. The lack of communication between the top management and the employees performing at the operational level meant that there was no information about the contracting of the external consultants and the degree of power that would be exercised to the employees.

The consultants' involvement in the project represented the second main trigger of change. The consultants' effort to initiate their own change programme created a set of tensions between Helen and her colleagues that resulted in resistance and demoralisation. The consultants perceived their role and responsibility in relation to the project aims outlined by the top management and without involving the back offices' managers in the process. As a result, the unfolding of the project remained a piece of information held by the consultants. The design of the new performance targets was subject to the observations and decision making of the consultants. In particular, the reduction in the duration between calls, and the increase of the number of calls answered to 25, meant a huge increase of workload for employees. For the departmental managers like Helen, the consultants seemed to be uninterested in her experience or involvement in the project, and this led to feelings of resentment and the exercise of resistance. According to Helen's perspective the consultants were forcing a set of initiatives on her which felt like threatening her potential opposition to the initiatives, or jeopardising her job or career in the company (See Appendix 2).

### *3.2.2 Processes*

The distinction is made in the literature between 'episodic' and 'continuous' change (Weick and Quinn, 1999). Episodic change refers to a specific event or set of events that tend to disrupt the equilibrium of an organisation and call for changes that deeply affect the role or the positions of the participants (Burke, 2002). Continuous change refers to a more continuous and ongoing change process that does not disrupt the dynamics of an audience and is less likely to generate resistance by the ones affected from it (Weick and Quinn, 1999; Burke, 2002). The experience of the change management programme at BT can be characterised as episodic in that the

streamline of operations required a major restructuring of the job roles and work tasks (Burke, 2002). The delivery of the programme was followed with little constructive consultation by those affected by it. Different *interpretations* emerged within the employees in regards to the actual role and aspirations of the consultants in appearing as reformers. For BT's top management, the restructuring of the operations signalled a symbol of progress where customer complaints would be reduced and more customer calls would be answered. However, for the people performing the operations it meant a personal desire for making sense of how they needed to perform within the new set of conditions. The possibility of not performing against the new set targets could have meant a lack of performance that could consequently reflect on their job or career prospects.

### 3.2.3 Outcomes

As Denis et. al., (2001) argue, the making of different interpretations regarding the outcomes of the project brings to the fore the complexity of change events. The installation of the new performance measurement targets signified the completion of the consultants' intervention to the company. For BT's top management signified the possible solution to a long standing problem. However, for the employees the outcome of the project signified the need to making *further* changes over the introduction of targets in a way that was realistic to their job demands. Even though some of the performance targets were kept after the consultants' exit from the client, Helen and her colleagues returned to some of the previous practices for restructuring their operations. The consultants' high aspiration for reducing the number of calls was not met by the employees, despite the fact it being promoted as the key accomplishment of the project. For the people responsible for making further changes, it implied making new adjustments that were not formally defined or communicated to them by the management. This meant that the employees' capacity for meeting the reformed performance targets became possible *because* of their prior interpretation of their limited capacity to deliver against the predefined standards.

#### **4. Recommendations for Solving/Alleviating Problems**

One of the key factors that helped determine the employees' perceptions of the consultants was the lack of collaboration between them. Such lack of collaboration took place to the extent of failing to develop a mutual understanding for what and how needed to take place. The lack of consultants in failing to take into consideration the employees' reactions to their initiatives created feelings of resentment and resistance. However, the employees were restricted in exercising the felt resistance by means of creating opposition to the consultants' suggestions. Such action could jeopardise their career and future in the company.

However, the exercise of resistance took place implicitly and *after* the consultants exited from the company. In particular, the employees' effort to change and adjust the newly set performance standards to their desire and capacity became a form of expressing opposition. Despite the fact that such exercise of resistance did not become explicit whilst the consultants were involved in the project, it nevertheless helped demonstrate that the consultants' new performance targets were not successfully implemented as intended. The employees' efforts to restructure procedures to some extent became an indication that the delivery of the service was only partly successful. As Kotter (1995) argues, one of the ways with which the consultants, BT's top management and the employees could have avoided getting into this situation would have been to improve their collaboration in the areas of a) communication, b) team work and c) participation.

##### **4.1 Communication**

The use of a communicative framework through which the consultants would liaise with the employees could have been part of the consultants' conditions to the assignment and reinforced by BT's top management (Senior, 2002). Moreover, instead of using their authority to persuade, consultants could have initiated a series of open sessions where they would have the opportunity to discuss their reasoning of the project and create the opportunity for the employees to express their opinions. In the course of the project and whilst the consultants identified that the employees were not satisfied with their initiatives they could engage with them in order to identify the reasons for their resentment. Such action would offer the opportunity for the employees to express their opinions and for the consultants to consider their perspective in incorporating such opinions towards delivering the project objectives.

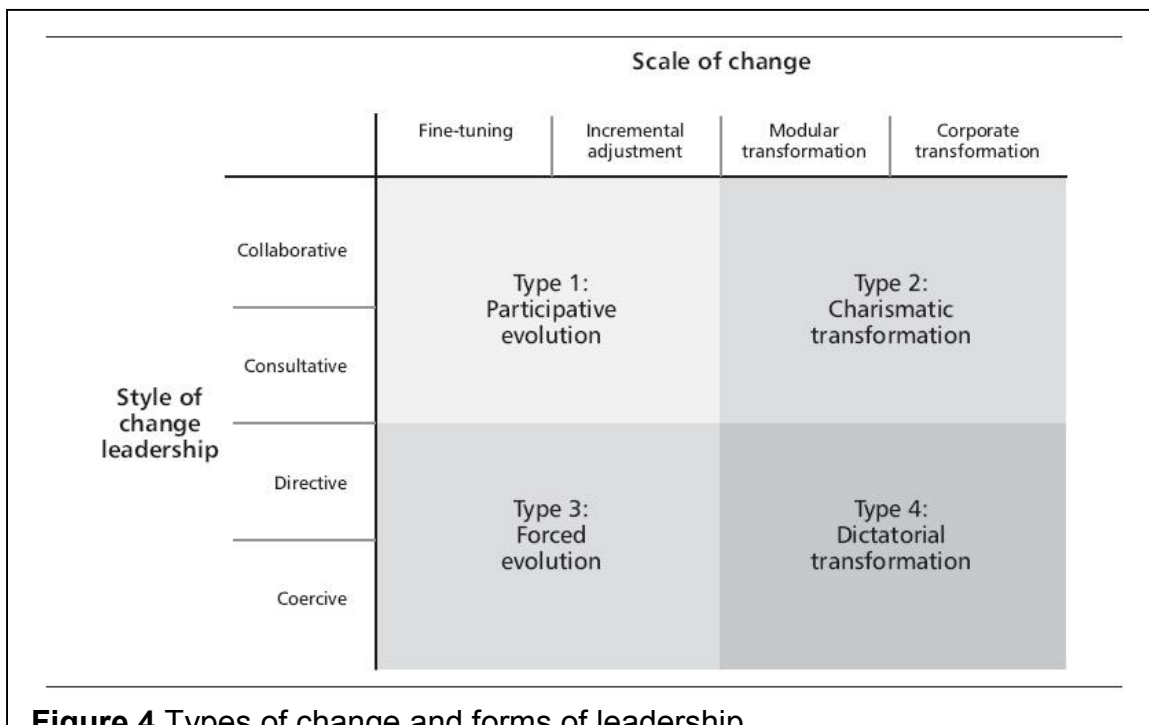
#### **4.2 Team Work**

The consultants' relationship with the employees remained distant throughout the duration of the project with the result of encouraging the likelihood of resistance. By engaging into forms of team work the consultants could demonstrate that they are willing to collaborate and listen to the employees. As Stingland (1998) argues such effort would demonstrate that consultants acknowledge and realise that the employees' current experience is an important resource. The above proposition supports the argument by Linstead et. al. (2004) in that "if those likely to resist change can be identified, then involving them in the process of change may reduce their resistance. Collaboration may result in encouraging commitment" (p. 299). One of the principle issues the consultants needed to realise was that their intervention within the client organisation was temporary. Instead, the employees affected by the changes would be the ones needing to continue the implementation of the ideas. The use of team work in the above context could help highlight the possible implementation of the project for the employees and how they could tackle them.

#### **4.3 Participation**

As Burnes (2004) argues, the opportunity for the employees to participate in the decision making of the project would help foster a sense of *ownership*. The employees could indicate ways of supporting the project if they were being involved in various stages of delivery. The consultants' assumed expertise becomes a key point of importance in alleviating themselves to a position of authority or power over the employees. As a result, the impression created is that the consultants have the knowledge capability to design and implement the project in antithesis of the employees who do not have similar level of knowledge and expertise. The clients' participation in the project would not necessarily challenge the assumed authority claimed by the consultants. Instead, it would help reinforce the impression that the employees were involved in the project and responsible for its continuation and success. Points of disagreement between the two parties could be positively constructed in allowing different points of view to be expressed. As figure 4.1 illustrates the change project falls under the 'Modula transformation' because it involves the restructuring of BT's back-office operations. The style of leadership

required needed to be collaborative instead of directive or coercive as the consultants were the key organisational actors for delivering the project. This is because the nature of the project required fine-tuning and incremental adjustments. The employees' participation would help reduce the level of resistance and the long-term success of the project by means of its later implementation.



**Figure 4** Types of change and forms of leadership

Source: Linstead et. al., (2004:31)

### 5. Conclusion

The aim of this assignment has been to examine a change management project within BT. This essay examined the conditions behind the initiation and the delivery of the project by means of the top management contracting external consultants. The change of the project required the restructuring and merging of the back-office departments into a single department titled Customer Contact Centre (CCC).

This essay argued that the use of the emergent/interpretive approach to analysing the change events indicated how interpretations are intimately dependent

on the position, role and power of the people involved (Burke, 2002). For instance, whereas the project began as a chain of events with the consultants having the leadership over the design of the new performance measurement targets, the people affected by the changes believed that consultants did not take into account their valuable experience and knowledge in doing the work. This situation generated resistance and dissatisfaction that influenced the employees' later efforts to re-adjust the performance targets in accordance to their working environment.

This essay argued that the challenges experienced in the project could have been reduced if the consultants entered into a more collaborative relationship with the employees. By improving the channels of communication, the use of team work and the employees' participation and involvement, it is argued that the consultants would have experience less resistance. Moreover, the employees would have been able to make more specific fine tuning to the new performance system with the result of making the whole system more productive.

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