Strategic Management of Change

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Chapter 6. Political perspective of change

Objectives of the chapter

- Understanding the variance in individual interests within organizations;
- Understanding the roots of conflict in organizations;
- Recognizing that conflict necessitates negotiation for the resolution of divergent interests.

Organizations as areas of conflict:

- Just as governmental entities are considered organizations, it should also be understood that organizations are essentially governments containing political activities.
- Given the presence of diverse political interests, conflict becomes an inherent aspect of life in large organizations.
- Merely intensifying communication, tolerance, and patience does not eliminate conflict. However, it can be employed as a tool for negotiation.

The Triple Mix of Politics (3Rs): Rules - Relationships - Resources

- The triple mix allows for the exploration of alternatives and dimensions of action.
- Organizations contain conflicts arising from the natural diversity of individuals and interests.
- Formal structures create connections among themselves, and these connections must be managed.
- There are continuous differences among coalition members at the levels of values, beliefs, information, interests, and perceptions.
- At the decision-making level, we will need scarce resources (strategy).

The Triple Mix of Politics (3Rs): Rules - Relationships — Resources

This implies that:

- Conflict becomes a central element, and power becomes a crucial asset for negotiating the conflicts that could impede the progress of the change project.
- Objectives and decisions arise from the process of bargaining and negotiation.

Explanations for the inability to change:

Lessons that are overlooked in conflict areas surrounding the change process:

- 1. Successful change requires personal effort, capability, and qualifications.
- 2. There are correct and incorrect decisions, as well as half-right and half-wrong decisions (see the example).
 - The quality of a decision is assessed after its implementation.
 - The ratio of analysis to action must be measured, as organizations are dynamic zones that do not pause during analysis.
 - The management of decision implementation will determine the outcomes.

Example of Decisions:

After a meeting related to the acquisition of another company:

- 1. **Strategic Analyst:** The decision expressed as per my assessment. We have no longterm interest in the acquisition of that company.
- 2. Chief Financial Officer: The decision was expressed as is, the capital market showed an increase in our stocks, and I believe the decision is good.
- 3. Chief Executive Officer: It is nothing until I express my impression about it. You will hear about the decision in the next meeting, which may be on time or before its time.

Problems Related to Change Implementation:

These are problems related to political will and skill. Therefore, the person in charge of the change process must play the role of a mediator or broker by:

- Framing the agenda.
- Building coalitions.
- Being politically astute to achieve the vision.
- Considering the Triple Mix of Politics (3Rs).

Actions in the areas of conflict

Diagnosing conflict areas:

- 1. What are the relevant sub-units to the change process (specific issue)?
- 2. What are the linkage patterns?

Stakeholder's pattern	Low interest	High interest
Low power	Minimum effort	Stays informed
High power	Remains satisfied	Key actors

- 3. What is the nature of continual differences (with their temporary aspects)?
- 4. What is the quality of scarcity that we need?

Summary

- All organizations have politics;
- Divergent interests lead to conflicts that are resolved through negotiation, and conflict management must be controlled.
- Successful leaders act as mediators (brokers).