RMIT COLLEGE OF BUSINESS AND LAW:
CHANGE MANAGMENT ASSESMENT 1

CHANGE AT WORK

BY MARLON HOLLOWAY

Change Management Assessment 1: Interview about change at work

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Abstract:

Within this report we will explore the topic of change at work, through the lens of industry within the subjective experience of a young financial manager and HR manager at an upcoming financial-technology business.

Alongside this, we will present and analyse this individual's change experience within the context of presently accepted change management theories and models to evaluate effectiveness and provide a conclusion based on our understanding of change management within the workplace.

Introduction:

Through our analysis, we note change is ubiquitous across businesses and industries, manoeuvring effective change management is essential for modern organisations to remain competitive and navigate challenges.

Interview Summary:

Within this report, our interviewee; a HR and financial-technology professional within an emerging financial brokerage. Describes to us the subjective experience of change and its corresponding effects within her role, the business she works for and the financial-tech industry. (See Appendix A & B)

In interest, we discussed change within both the incremental and transformational sense. Macroeconomic shifts within the financial-technology industry such as rising interest rates, the April, 2022 crypto crash (See appendix C); as well as significant cultural and workplace shifts such as the transition to online work within 2019 COVID lockdowns, and the corresponding transition back to work. Thus creating an environment in which our interviewee has been subjected to widespread change, and corresponding change management necessity.

Change summary at a glance:

- **Shift in work environments**
  - Working from home and returning to in person work.
- **Shift in work expectations**
  - Culturally and personally
- **Financial macroeconomic environment changes**
  - Inflation, personal spend, interest rates & crypto crash.
- **Technology sector difficulties**
  - Reducing headcount, reducing cost, prioritisation of core competencies.

Our interviewee experienced widespread change most specifically over the past few years in her role (2019-2023). Most significantly of which was the close relation to shifting work environments and the corresponding cultural and personal shifts in working expectations. Her role within HR has seen significant effort in both managing the change of working from home; setting up technological infrastructure, establishing online communication channels as well as providing wellbeing and cultural initiatives whilst WFH.

Alongside the WFH shift, our interviewee's company has had significant difficulty in supporting the return to work. In which our interviewee noted that "Workplace drive has been difficult, it was hard to establish a regular pattern for staff to return into the office, personal drive was low."

Interview critical analysis:

Contextually, our interviewee's management approach to change has been closely related to Kurt Lewin's Theory of change management. In which internally within their business environment installing the "unfreeze, change and refreeze" framework allowed management to respond to change functions such as the transition to online work with agile deployment and cultural intelligence related to core functions and habitual cycles associated with cross functional team environments.

Academically, this managerial and "top down" approach to change management is prevalent in Hayes academic findings; in which Hayes notes "This led to the realisation that groups can exert a strong influence over whether individuals will accept or resist change." (Hayes 2022)

Within the freeze framework, HR staff including our interviewee established means of connection and time allocation to endorse collaborational efficiency, within meetings and discussions; closely related to the Lewin theory, we note that breaking down and questioning the underlying effect change of function allowed for clear, concise and tailored transition through change; this approach of "Freezing" and evaluating the change forces at hand is prevalent of Hayes' approach to change management "Diagnosing situations in present terms of driving and restraining forces can provide a scenario useful basis for developing action plans to secure the desired change." (Hayes 2022)

In a similar sense to Lewin's theory, John Kotter's 8 step change model can also be evaluated as a function of change management prevalent in the transition to online work; Kotter's model "highlights the importance of alignment and explores the factors that determine organisational effectiveness in the short, medium and long term." (Hayes 2022). Most notably, step 4 "Enlist a volunteer army" was a key function that allowed our interviewees HR team to enact successful cross collaborative change.

Upon the transition to online work, It was noted that "Each team had a differentiated response to shifting online"; in so much that certain teams welcomed the ideas, particularly "engineers, data analysts and administrative staff. Whilst, Sales and Marketing teams were unsure about how they would weather such change; "Transformation is impossible unless hundreds or thousands of people are willing to help, often to the point of making short-term sacrifices." (Kotter 1995)

Alongside, step four of Kotter's change model. The HR team worked alongside leadership from every core business team. This enabled a tailored approach to the online shift and allowed team leaders to assess competencies and launch WFH initiatives that corresponded to their teams individualities. Services like "collaborative business hours" and cultural initiatives like "Lunch and Learn" promoted collaboration, belonging, and culture in the online work environment.

JOHN KOTTER'S 8-STEP CHANGE MODEL:

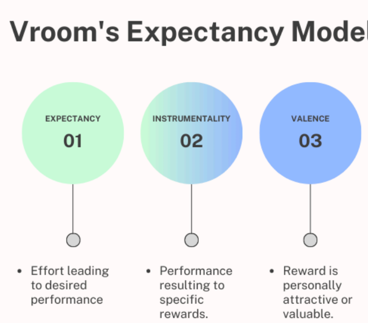
Marlon Holloway, 2023

Furthermore, when questioned about change issues our interviewee discussed the problematic nature of the “return to work program”. In which, her HR team has struggled to encourage roughly ~40% of the workforce to return to majoritively in person work.

Upon evaluation of this, we note that the 1964 Vroom’s expectancy model provides insights that highlight key functions of individual desire and motivation; specifically within the low motivational context of the return to work; we break down these functions within the “Expectancy, Instrumentality and Valence” (Vroom 1964) frameworks below:

Expectancy: An individual may doubt that they are more productive within the office, many individuals find that they are indeed more productive within the confines of their home; reducing the urge to return to in person work.

Instrumentality: Individuals within the financial-technology industry may find that the rewards they are eligible to receive are equally as attainable working from home, as such motivation to return to work is diminished.



(Marlon Holloway, 2023)

Valence: Perhaps most significantly, the covid pandemic has shifted individuals prioritisation of work life balance and valuation of increased personal, family and free time. The work from home revolution allowed for workers to feel greater freedom and associated personal benefit whilst WFH; as such deeply negating desire to return to in person work.

In expansion here, we note that our motivational dilemma is an underlying and unforeseen consequence of the transition in and out of online work. In this case, if I was to provide a suggestion to our interviewee and corresponding managerial team. It would be to adopt a “systems based” approach to better understand the underlying structure and networks; as well as their effects and potential impacts to change.

This approach could theoretically equip the team to better understand “knock-on effects” and better adapt to complex problems such as our motivational issue at hand; “Mapping such complex systems helps organisational leaders navigate into adaptive strategies.” (Westover 2022).

Alongside the application of “system based” approaches to change management, I would note that organisational design (OD) theories would have similar effect to the underlying social, cultural and economic issues our interviewee’s business is experiencing through change.

When considering the interviewee’s comment “We are focusing on our core business offerings and ensuring profitability”. We note that core values of OD could theoretically promote greater collaborative efforts, corporate innovation; “share power and decision making, get things done more effectively and efficiently” (Porras and Bradford, 2004) and perhaps most importantly in the case of our interviewee, provide positive impact to organisational culture and belonging; “change of focus from group norms and values to organisational culture” (Burnes 2016)

This “culture based” approach is prevalent across a number of change management theories. In which an embedded approach is necessary for change adoption within the mid, and long term; “change sticks when it becomes “the way we do things around here,” when it seeps into the bloodstream of the corporate body.” (Kotter 1995)

Reflection:

Upon reflection of this report we note that the changement management process is a highly complex and fluid experience for the workforce, management and organisations alike; “While change is rarely linear, the oscillations, reversals and fluctuations in pacing and sequencing that usually characterise change will be more pronounced than ever” (Amis & Greenwood 2020)

While change management tools, such as Lewin's Theory, Kotter's 8-step model, Vroom's expectancy model, and organisational design theories, offer structure and insight, they aren't universally applicable.

Particularity, we note that in the case of our interviewee. The experience of change has had a widespread effect on the intrinsic motivational, and social aspects of their business. Whilst, we note clear crossover in terms of change management application and our given change management theories; perhaps we must note that all change management must be tailored, subjected to individual scrutiny and altered to cater the needs of the individual workforce.

In our case, our change managers found a deeper necessity in investment and development of corporate culture, and wellbeing incentives. As well as developing online collaborative infrastructure; a solution in which models and theories could never infer.

As such, we note that whilst these change management models are highly effective in guidance; a change manager must understand their workforces needs and individualities; as well as establish open lines of communication and feedback to constantly iterate and pivot throughout the change management process.

Conclusion:

Upon conclusion, we note change management needs to be executed over a significant time and closely monitored and adjusted due to the contextual background of the issue at hand, as well as the individual needs of the business, group of persons involved.

It is clear that change affects a number of people in varied ways. In so much that we note, in the context of our case study; the impact of COVID-19, and shifting work environments has had a large scale impact on workers motivation, core values and expectations from their employer; While change can occur rapidly, the cumulative and drawn out effects of change tend to unfold gradually and must be thoughtfully addressed.

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Appendixes:

Appendix A, Interview Guide :

Interview Questions:

Q1) Please describe your role, and your business you work for?

Q2) How have you experienced change within your role?

Q3) How have you experienced change within you business environment?

Q4) What has your business / team done in response to the above change, has it worked?

Q5) Would you say that your business is subjective to change, and why?

Q6) How has COVID changed the workplace at SF?

Q7) How has your workforce responded to change?

Q8) As a technology company, I am aware that many companies are currently bracing themselves (hunkering down) to prioritise profitability; within your role how has this macro-economic change affected the workplace / workforce.

Q9) Looking into the future.. What is SF doing to drive profitability in the changing economic environment?

Q10) Tell me about the crypto launch.

Appendix B, Interviewee Responses:

(Note: These responses are not to be treated as verbatim; certain responses have been simplified / summarised for the effect of interview flow. Some answers have been anonymised / left vague to maintain contractual obligations)

Q1) Please describe your role, and your business you work for?

I work in a financial-tech company that is publicly traded on the ASX. Within my role I am an accounts payable/receivable accountant and a HR and office manager. (Role title: Finance and Administration officer.)

Q2) How have you experienced change within your role?

The most profound change I have experienced within my role has been the effect of COVID-19 within our workplace; both socially, economically and culturally it has caused widespread change in the ways of working.

Most impactfully, was the transition to online work. Our company had seen a major period of growth prior to COVID-19; our headcount had doubled, we had just started moving into a much bigger "prime real estate office" in Melbourne. We were gearing up for one of the biggest years in our company with a number of new project launches that would see us break into different areas of the industry.

> Our HR team really struggled with an influx of new headcount, employee training was difficult and our management wasn't really ready to cater for this boom.
>
> Both prior to COVID and coming out of COVID, people had increased savings due to lockdowns; the market looked really good. This drove growth that we were somewhat not ready for.

As everyone did, we had to switch to online ways of working. As a HR manager, this caused instrumental change to our responsibility to our workforce. We had to supply a workforce with online materials, software and standards of working.

Significantly too. The transition back to in person work has been incredibly difficult. In the first year post-lockdowns; workplace drive was very low, it was hard for staff to come into the office, motivation was low.

The business and upper management has had issues having people not coming into the office. We installed a mandatory "return to office policy", however culturally no one was really following the rules. Within 2023 our business has started to enact disciplinary actions for any members of the team who have not followed these rules; seeing us let go of certain individuals, and setting expectations within team environments.

> There have been instances in which team members have left post mandatory office rules.

Q3) How have you experienced change within you business environment?

From COVID our workplace went fully online, our HR team managed to supply our workforce with WFH measurers and facilitate a transition that allowed for our workplace to continue our workload and productivity across projects.

Through careful planning and managerial oversight the transition went very smoothly, yet the comfort of online became a norm of the workforce and the transition back to the office has become difficult.

Follow up: How has the team effectively launched and catered towards the transition to/and out of online work.

> We focused on cultural and social wellbeing: Food on Wednesdays, Lunch & learn. Company culture overhaul. Throwing company events and small activities to make people feel excited to come into the office space.
>
> We also promote cross collaboration within both our online and in person office spaces; as it provides thought sharing, innovation and productivity.
>
> Facilitate open form, collaborative spaces and interconnectivity via space.

Q4) What has your business / team done in response to the above change, has it worked?

Our change functions have fallen within a few main areas:'

- Transition in/out of the office (COVID)
    - Establishing infrastructural needs, communication channels and ways of working for our workforce.
    - Establishing wellbeing initiatives to make people enticed to return to the office / happy throughout lockdowns
    - Cultural overhaul, endorse social aspects of working; what it means to be a “X” employee. Provide initiatives that activates our values (Ie Lunch & Learn, Cross-Collab Teams)

Q5) Would you say that your business is subjective to change, and why?

Our business is highly impacted by customer demand and financial markets. As well we are a highly innovative business that operates in a somewhat traditionalistic business environment, we are subjective to change.

Q6) How has COVID changed the workplace?

A multitude of factors, namely internally the shift in and out of online work has been the biggest change function. Our workplace, which is highly interconnected, had to smoothly transition to online work, whilst maintaining our standards of productivity.

As well, the key macroeconomic factors that affect personal investments have been shifted significantly throughout COVID. For one, personal spend / personal savings greatly increased as we emerged out of COVID which allowed us to have a very successful “bounce back”.

Yet throughout COVID, there was a lot of instability within the market. Particularly within a key area we were about to launch in; Cryptocurrencies.

> Crypto crashed right as we were about to enter the market causing a key issues with our launch timelines.

Q7) How has your workforce responded to change?

Post doubling headcount, we lost a lot of people on the tech side of things. At one point we got rid of the entire sector; purely to reduce cost and look to create more intuitive products.

We are continuing to lose teams within our business due to leadership struggles and company wide drive.

COVID's impact has made the most change within the motivational side of workforce. We found that a number of key players within our company had a shift in ideologies post-COVID. In which key values such as work-life balance, and family time are now something that is prioritised.

Similarly, employees now seem to more significantly value our workforce culture, and the social benefits we can provide as an employer. Employee surveys stating that the key defining factors are the office events, collaboration and socialising being the key reasons for in person office hours.

> As such we have increased budgets for culture and wellbeing programs, free lunches, office events outside of work hours, and wellbeing initiatives.

Q8) As a technology company, I am aware that many companies are currently bracing themselves (hunkering down) to prioritise profitability; within your role how has this macro-economic change affected the workplace / workforce.

A number of key projects have been "put on ice" to reduce company expenditure. Namely projects that fall outside of our key KPI's and company goals have been reduced.

Over the next few years, we are focusing on our customers; creating more intuitive products and developing better services, products and features within our core business proposition.

Q9) Looking into the future.. What is "X" doing to drive profitability in the changing economic environment?

Within the future we are focusing on our core business offerings and ensuring profitability. Concurrently the technology landscape is difficult and we see this across a number of much larger tech companies (Meta, Alphabet & Amazon)

My key outlook will be on a few functions:

- Ensuring our people are happy
  - Continuing to invest in the cultural landscape of our employee's, ensuring their needs are met so they can meet the needs of our business.
  - Providing "best in class" services for our users. What can we do to make our service the best? What needs to be developed?
  - Making the investors happy. Continue to invest and believe in our product, drive growth and value for everyone.
- Establishing profitability
  - Looking into key areas of our business that may not be specifically driving profitability, are they necessary? What can we do to promote profit here?

Q10) Tell me about the crypto launch.

A week prior to a large-scale crypto launch, a partner we were using experienced financial difficulties and shutdown; putting on hold a large scale project.

- We had issues within our team environments.
- We experienced issues within our regulatory landscape, the ASIX and legal bodies.
- We actively have shelved the project until a later date.

(Note, our interviewee was concerned about NDA and sharing internal/confidential information - This answer has been simplified for the record)

Appendix C, 2022 Crypto Crash:

(For the sake of brevity, this example was from the core report; yet included here due for further change context)

Another such example of change was the tentative April 2022 launch of a cryptocurrency within the company's online user centric brokerage. Yet due to a number of regulatory issues and perhaps most significantly, the unfortunately timed April 2022 crash of most cryptocurrencies (See image below); the associated team, work to date and development had been "put on ice", displacing a number of employees and creating a significant loss for the company.

Image 1.0: *The two largest crypto currencies; Bitcoin (BTC) and Ether (ETH), shown above*