**Organisational Restructuring & Change – Task Book #5**

**Change in the Workplace**

Recent changes

* Influenced by globalisation, rapid advances in ICT, significant demographic shifts.
* No longer “job for life” – change numerous times.
* Trend away from permanent to flexible, varied work – eg. contract & project work.
* Need to keep updating qualifications.
* Need more than just job-related skills –eg. interpersonal, resilience, teamwork, enthusiasm.
* Increasing choice & challenge favours self-managing people (know strengths & limitations, confidence follow dreams, seek help) – others may give up.

Flexible hours, access to family friendly leave & child-care

* Increased participation women in workforce – flexible hours, child care, leave.
* Access to paid leave entitlements.
* Both parents work.
* Fair Work Act, 2009

**Social Changes** -demography (population, age), values, attitudes, preferences. Attitudes to work, health & religion.

* Ageing population –numbers of older people increasing relative to population
  + baby boomers retiring
  + numbers young people declining relative to population due to fertility rate 1.7 (below replacement levels)
  + skills & experience shortage as baby boomers retire
  + economic implications – increased burden on pension, welfare, healthcare system
  + government trying to keep people in workforce longer – eg. raising pension age
  + implication regarding OH&S
  + implications maintaining productivity & efficiency
  + skills shortages – need recruit or retain older workers
* Gender roles –changing workplace demographics – increasing participation women in the workforce.
  + diverse working hours, patterns
  + increase demand affordable child care
  + flexible work hours, arrangements –eg. work from home
  + WLB important
  + access to family friendly leave provisions.
  + Since 1999 – carer’s leave, maternity/paternity/adoption leave, equal pay.
* Consumer preference –demand for particular product or service. Preferences influenced by culture, education, individual tastes, social media, environmental awareness, allergies etc.
  + Rise of the food nation
  + Social conscience

**Technological changes** –use of new technologies, eg nanotechnology. Technology major factor when considering change.

* Out-dated business if don’t keep up
* Lose competitive advantage
* New ways of advertising
* Products go from design, full production, obsolescence much faster
* Increases need business keep eye on its market.
* Mechanisation changed ways of manufacturing.
* Instantaneous, real time communication – skype, videoconferencing
* Increased size of world economies
* Mass production made many consumer technologies affordable
* Increased efficiency & cost saving

**Global & domestic changes** –effects demand and supply of goods, services, resources.

* Global –the world economy. Impacts on Australia’s domestic economy through our trade relations, financial investments.
* Domestic –Australia’s economy
* Recession –decline in economic activity. Low –inflation, consumer & business confidence, investment. High unemployment.
  + Eg. Global Financial Crisis 2008
* Boom –strong economic activity. High –inflation, consumer & business confidence, investment. Low unemployment.
  + Eg. Mining Boom

**Political/legal changes** – caused by the government via laws it makes, budgets it passes or changes in the government (eg. Labor or Liberal government)

* legislative workplace reform –eg. Sunday trading hours
* tax cuts
* child care funding
* increased pension age & asset testing

**Activity:** Write one paragraph for each type of change –social, political, technological, political/legal – that explains what the change it, why it has occurred and the impacts of the change.

**Organisational Restructuring**

Definition: act of reorganising the legal, ownership, operational, other structures of an organisation for the purpose of making it more profitable, better organised for its present needs. Permanent feature of today’s economy.

* culture of continuous improvement – competitive market – what’s good today might not be good enough tomorrow.
* business constantly reflecting on products/performance to stay profitable & competitive (sustainable).
* Examples of restructuring
  + relocation
  + offshoring/delocalisation
  + outsourcing
  + bankruptcy/closure
  + merger/acquisition
  + internal restructuring
  + expansion

**Factors Driving Organisational Restructuring**

Legal –laws that require business to act in certain way.

* protect consumers & employees
* ensure products manufactured to certain standard –avoid injury, death
* government regulation changes impact company operations

Environmental –significant recently – way organisation reduces impact on environment.

* fined for being heavy polluters
* appeal to consumers through environmentally friendly activity

Economic –economic growth, interest rate changes, inflation changes, employment levels, taxation changes, resource supply.

* affect price, supply, demand goods.
* outsourcing & offshoring to reduce costs – increasing practice

Technological –constant new technologies – adapt or redundant business

**Activity:** Outline the reasoning behind organisational restructuring.

For each of the factors that drive organisational restructuring, state 3 ways that that an organisation could change to accommodate the factor.

**Impact of Organisational Restructuring**

Employees –downsizing & similar restructuring adverse effects worker safety, health, wellbeing. eg. mental health issues, bullying, occupational violence.

* shift away from permanent fulltime jobs
* growth flexible work arrangements – part-time, temporary, own employment
* outsourcing & repeated rounds of downsizing/restructuring encourage flexible work arrangements but result in job insecurity.
* Job insecurity & temporary work arrangements adverse effect worker safety, health, mental wellbeing.
* combination job-strain & job-insecurity result in higher mental & physical health problems.
* relationship between job-security & mental health
* Positive effects – improvement in job position – better wellbeing, higher job satisfaction, innovative behaviour, work engagement
* substantial increase in part time work (work less than 35 hours per week)
* FIFO workers – increased during mining boom, decreasing now

Workplace culture –character and personality of your organization. It's what makes your organization unique and is the sum of its values, traditions, beliefs, interactions, behaviors, and attitudes.

* visible component in the way business looks & how employees dress. Thrives in attitudes of employees, in the setting of goals & in communication of business values to workers & customers. Business owner sets pace for creating, defining & refining company culture. Only goes as far as employees are willing to invest in it.
* management’s job minimise impact restructuring on employee well-being, promote positive impacts
* fulfilling human needs (comfort, confident, motivated stay, help colleagues) – receptive to change
* Positive workplace culture is conducive to restructuring.
  + more productive
  + proud to work for organisation
  + share knowledge, experience with colleagues improving efficiency, productivity & performance
  + enjoy going to work
  + more committed to organisation
  + happier, more satisfied – spreads to families, friends

Industries –case study QANTAS

**Activity:** Describe one positive and one negative impact on workplace culture that can result from restructuring.

**Change Management in the Workplace**

Managing & leading organisational change & growth –lead, manage, sell change effectively

* identify, innovate, lead change
* innovation – products/services, work processes, cost structures, communication protocols, work environment, employee engagement etc
* effective managers
  + establish meaningful communication, engage with workers
  + understand resistance to change
  + understand people’s motivations – use these to implement change
  + selling change more effective than telling change will happen
* how change effects people – negatives people view of change
  + discomfort – out of comfort zone with something new
  + give something up – rather than what they’ll gain
  + fell alone –risk. Want to be part of a team
* Benefits must outweigh pain for people to embrace change
  + What is the change?
  + Why is change being made?
  + How change will effect worker

**Activity:** Describe two effects of ineffective change management strategies.

Outline Two effective change management strategies.

**Internationally Recognised Manufacturing Standards**

Standards –published documents setting out specifications & procedures to ensure products, services & systems are safe, reliable & consistently perform as intended.

* common language defining quality & safety
* based on industrial, scientific & consumer experience
* constantly reviewed

Australian standards –objective & rigorous – people trust products/services that meet Australian standards.

* Benefits Australian standards
  + protect Australians – give businesses & consumers confidence in products/services
  + support Australian innovation
  + boost Australian production & productivity
  + make Australian businesses more competitive
  + link Australia to the world
  + complement Australian regulation & make markets work better

Why have international standards

* Countries with low labour costs often have poorly regulated building & manufacturing standards – sweatshops – not ethical.
* Online shopping (do products meet Australian standards?)
* Increased mobility of people – issues with non transferable goods such as power adaptors, phones/internet systems
* ISO (International Organisation for Standards)
  + technological, economic, societal benefits – harmony in standards
  + largest developer voluntary standards. Helps break down international trade barriers
  + level playing field for developing countries
  + facilitate free & fair global trade
  + minimise waste, errors – increase productivity & efficiency
* Benefits of international standards
  + Safety
  + Environmental
  + Convenience
  + Access new markets/opening up world trade
  + Facilitate free & fair global trade –levels playing field for developing countries

**Activity:** Outline each of the benefits of international standards.