

11

Managing and Monitoring

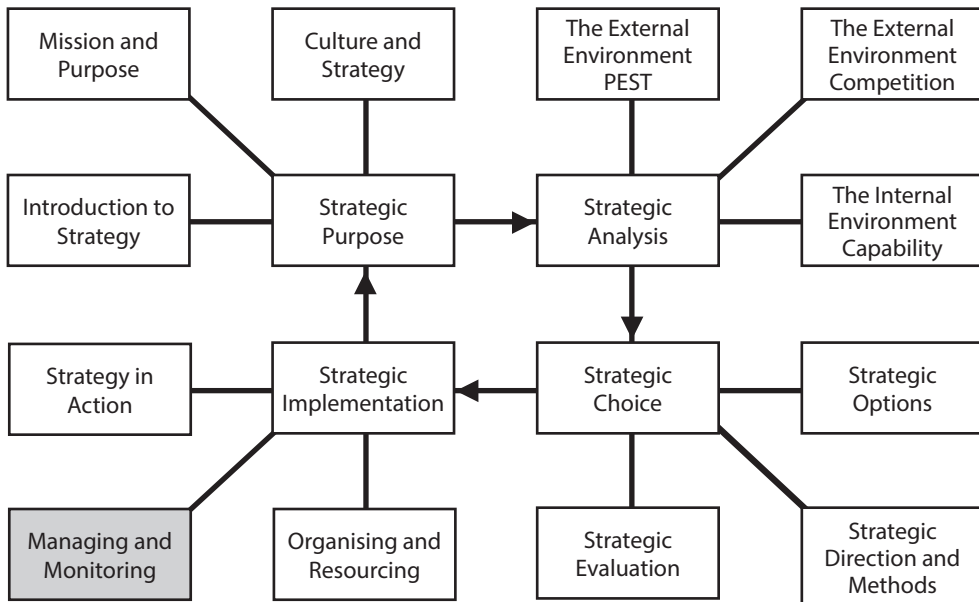


Figure 11.1

Learning outcomes

After studying this chapter and related materials you should be able to understand:

- Management of change
- Methods of monitoring
- Methods of control
- Identification of key factors for effective strategic management

and critically evaluate, explain and apply the above concepts.

Introduction

This chapter analyses issues of managing and monitoring change as well as those of implementation that are required for a new strategy. Management of change may in itself be a challenging task, particularly where a traditional organisation faces the prospect of fundamental change. Indeed Thompson & Strickland (2003) found the strategy-implementing/strategy-executing task to be the most complicated and time-consuming part of strategic management.

Key issues for management of change include:

- ◇ Calculation, and the use of force field analysis to identify drivers and resisting forces of change.
- ◇ Effective communication of the rationale and elements of strategy throughout the organisation.
- ◇ Political and tactical methods of achieving compliance with a strategy.
- ◇ Attention to the issue of organisational culture.

It is also necessary to devise control mechanisms to ensure that a strategy is translated into objectives and key tasks and that the attainment of these objectives is monitored. Strategic performance needs to be monitored to ensure that strategy is being effectively carried out. Any problems that are revealed from the monitoring process then need to be addressed. Finally the chapter considers aspects of effective implementation of strategy.

Case study 11 demonstrates how the South Australian Tourism Plan 2020 is translated into a number of key objectives or actions, how each of these are assigned targets and timeframes and how implementation is monitored.

Case study 11: South Australian Tourism Plan 2020

The State Government of South Australia and South Australian Tourism Commission (SATC) are promoting tourism to play an important role as the State makes an economic transition from its manufacturing base into a range of new industries. Tourism was identified by consultants Deloitte as one of five 'super-growth' sectors that will drive jobs and growth. Further analysis undertaken by BDA Marketing Planning shows the South Australian tourism industry is capable of achieving more than merely average growth. Its potential has been identified as \$8.0b by December 2020. To achieve this requires competitive share gains across all sectors of the South Australian tourism industry.

The South Australian Tourism Plan 2020 was developed through consultation with South Australia's tourism regions and stakeholders in industry, business and Government, involving the input of over 400 individuals. It concludes that for the State to reach its expenditure potential the focus must be on five priority action areas:

- ◆ Driving demand.
- ◆ Working better together.
- ◆ Supporting what we have.

- ◆ Increasing the recognition of the value of tourism.
- ◆ Using events to grow visitation.

In addition, two further areas of critical importance were raised consistently by the industry during consultation (but recognised as being beyond the direct control of the South Australian Tourism Commission):

- ◆ The total cost of doing business.
- ◆ Investment in public infrastructure.

Monitoring and Evaluation is primarily through an annual review and report against the South Australian Tourism Plan 2020. Some of the key metrics to be reviewed are identified below. A major review will be conducted at the three year mid-point of the strategic plan and revised actions developed if required. Progress on actions and issues arising will be a standing agenda item in SATC Board meetings, as well as SATC meetings with Regional Tourism Organisations and industry associations.

Metric	Specific	Baseline 2013	2020
\$8.0b potential by 2020	Reach the \$8.0b tourism expenditure potential in SA by 2020	\$5.1b	\$8.0b
Inbound expenditure	Total inbound expenditure	\$727m	1.24b
Interstate expenditure	Total interstate expenditure	\$1.25b	\$2.13b
Intrastate expenditure	Total intrastate expenditure	\$1.24b	\$1.61b
Events expenditure	Value of Leisure Events expenditure	\$261m	\$400m
Regional expenditure	Expenditure in SA outside of Adelaide	\$2.26b	\$3.55b
Interstate high yield consideration	Consideration of South Australia by High Yield travellers	40.3%	55%
Maintain, then grow, air capacity	Interstate weekly seats into Adelaide	82,600	110,000
	International weekly seats into Adelaide	14,500	>14,500
Jobs	Number of people directly employed in the SA Tourism Industry	31,000	41,000
Hotel occupancy	Room occupancy of South Australian establishments	61.4%	65.3%
	Room occupancy of Adelaide establishments	71.9%	76.5%

This case study demonstrates the importance of stakeholder engagement in strategic implementation. It also shows that the SATC have identified key metrics as measurable objectives for its strategy and has established a baseline reading for each of these. Further the SATC undertakes to monitor progress regularly and conduct a mid-point review so that the strategy can be amended in the light of any changing circumstances.

Management of change

Management of change:

how strategic change is identified and implemented.

Management of change (Paton and McCalman, 2008; Page, 2007) is the process by which strategic change is identified and implemented as a specific objective. A key challenge for many tourism entities is that their structures were generally designed to solve yesterday’s problems. In other words, organisational structure and culture tend to evolve reactively. So an audit of an organisation’s capability may well find that it is perfectly structured to deal with the challenges that the organisation faced in the past five years, but inappropriately equipped to deal with the future.

A frozen organisation:

one which has become rigidly routinised.

To compound this problem organisations may become ‘frozen’ in a particular state (Lewin, 1952). A frozen organisation is one which has become rigidly routinised. This tendency may occur because once a particular organisational structure and culture has evolved there is a strong tendency for structural and cultural reproduction. An organisation will tend to recruit, induct and reward its staff in line with its established culture, and the organisation will stay the same.

Lewin’s model for creating successful organisational change identified three important stages. First the unfreezing of current organisational behaviour patterns is necessary in order to make the organisation more receptive change. Second, Lewin identified the importance of movement, which involves the carrying out of change or the reconceptualisation of the organisation. Finally, Lewin noted the importance of refreezing the organisation so as to institutionalise the change.

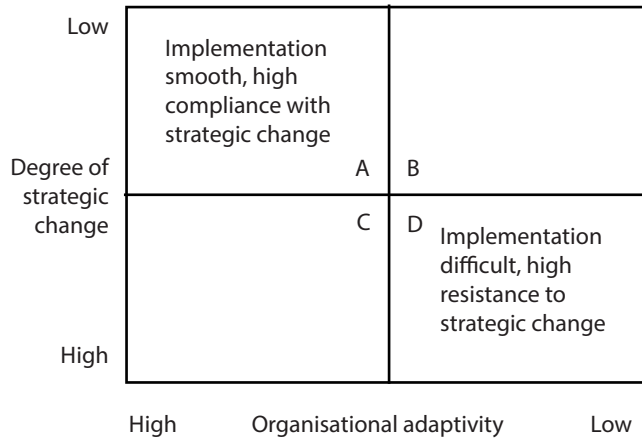


Figure 11.2: Strategic implementation

There is a considerable challenge for management of change particularly where such change is both extensive and to be introduced in the face of a conservative organisation (quadrant D of Figure 11.2). Change in these circumstances is likely to be strongly contested in parts of the organisation. The management of strategic change must therefore pay attention to the four Cs of change (Tribe, 1997) which are: