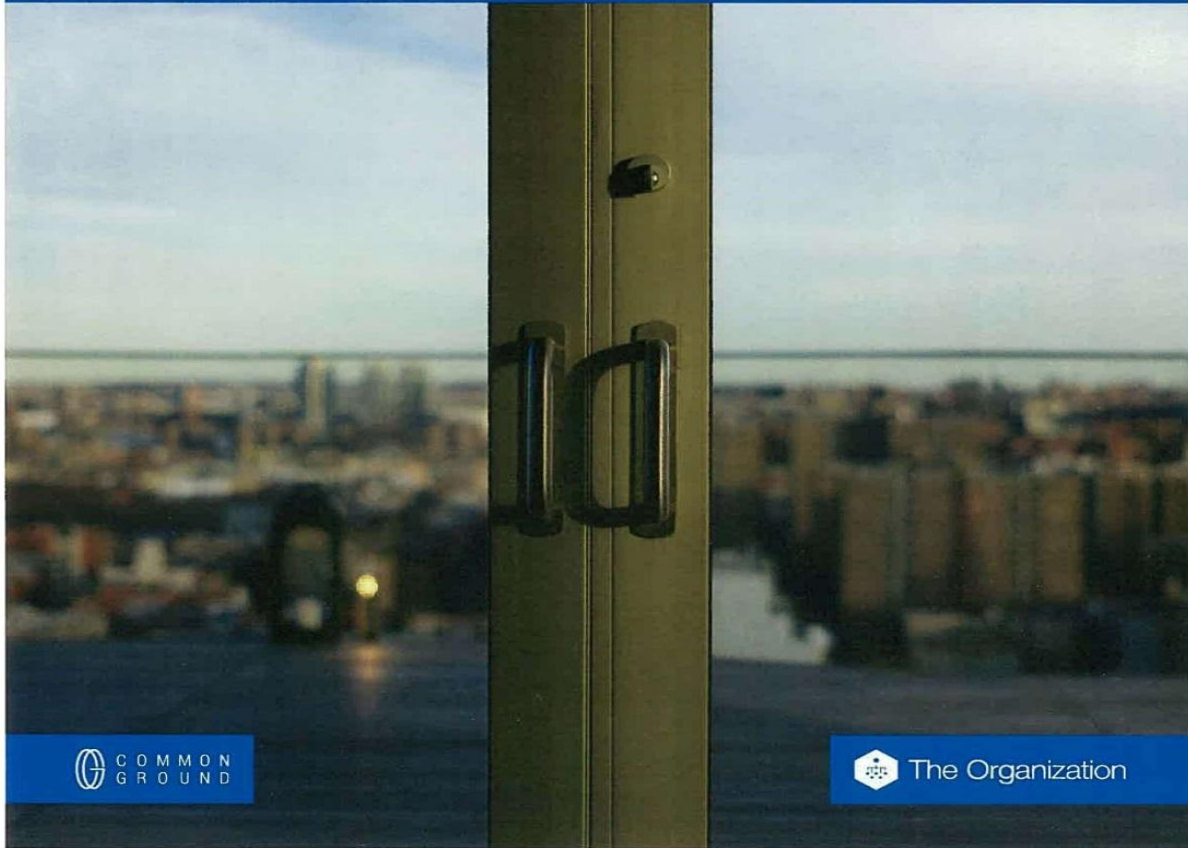


# Thirteenth International Conference on Knowledge, Culture and Change in Organizations

13-14 JUNE 2013 | UNIVERSITY OF BRITISH COLUMBIA – ROBSON SQUARE | VANCOUVER, CANADA

[ONTHEORGANIZATION.COM](http://ONTHEORGANIZATION.COM)



 COMMON  
GROUND

 The Organization



FUTURE 25%

25%

PAST

PRESENT

50%

# Kotter's 8 step change process



<sup>5</sup> Kotter, John P. and Cohen, Dan S. The Heart of Change. Boston: Harvard Business School Press

# Carnegie, Jaques and Requisite Organisation: a meeting of minds at Conzinc Riotinto Australia.

## Organisational Change Management in the Australian Mining Industry



Sir Roderick Carnegie

Figure 1.3 Brunel University: Memorial to Jaques

KNOW YOUR UNIVERSITY

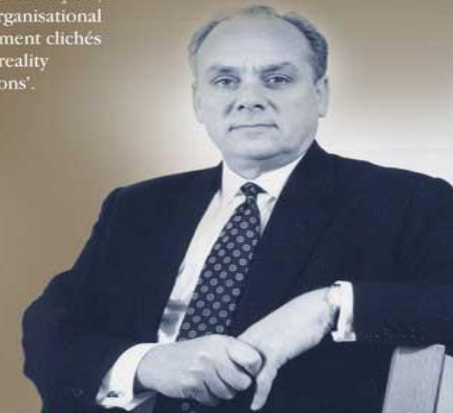
**Brunel**  
UNIVERSITY  
WEST LONDON

Elliott Jaques

Elliott Jaques (1917-2003), psychologist and psychoanalyst, was born in Canada and graduated from the University of Toronto. He gained a PhD in Social Relations from Harvard University. He served in the Canadian Army Medical Corps during World War 2, acting as liaison to the British Army War Office Psychiatry Division. He remained in England where he became a founding member of the Tavistock Institute and in 1964 created the School of Social Sciences at Brunel University.

Professor Jaques authored over 20 books and was the originator of concepts such as 'corporate culture', 'mid-life crisis', 'fair pay', 'maturation curves' and 'time span of discretion'.

A collaborator with Wilfred Brown in *The Glacier Project*, he called his work *Social Analysis*, a starting condition being 'a willingness to go deeply into organisational questions, to get behind the façade, to give up organisational and management clichés and to seek reality based solutions'.



### Requisite Organization The Total Managerial System



### Organization Structure:

- Role Accountability and Authority
- Vertical Layering
- Cross-Functional Relationships

### Organization Processes

- Managerial Leadership Practices
- Felt Fair Compensation

### People at Work

- Individual Capability
- Talent Pool Development

# Research on the theories of Elliott Jaques

- **91 PhD dissertations** on Jaques' organisation theory and **63 masters**
- Research in Australia, Israel, Argentina, Canada, Sweden, USA and the UK
- Responsible for the term '**mid life crises**' and '**corporate culture**'

(Craddick 2009, pp. 70-1)

## A range of organisational change management models were evaluated

- change strategies of sample organisations: (Dunphy & Stace 1990)
- 7-S model: (Waterman, Peters & Phillips 1980).
- types of environmental organisational change models: (Nadler, Shaw & Walton 1995)
- eight steps to transforming your organisation: (Kotter 1996)
- enduring skills of change leaders: (Kanter 1999)
- three horizons change model: (Coley 2009)
- organisational hologram design process: (Mackenzie 1991)
- three step change process: (Lewin 1951)

Step	Area Considered	Specific Areas Evaluated
1	<b>Establishing a sense of urgency</b>	Examining market and competitive realities Identify and discussing crisis, potential crises or major opportunities
2	<b>Forming a powerful guiding coalition</b>	Assembling a group with enough power to lead the change effort Encouraging the group to work together as a team
3	<b>Creating a vision</b>	Creating a vision to direct the change effort Developing the strategies for achieving that vision
4	<b>Communicating the vision</b>	Using every vehicle possible to communicate the new vision and Teaching new behaviours by the example of the guiding coalition
5	<b>Empowering others to act on the vision</b>	Getting rid of obstacles to change Changing systems or structures that seriously undermine the vision Encourage risk taking and non-traditional ideas, activities and actions
6	<b>Planning for and creating short term wins</b>	Planning for visible performance improvements Creating those improvements Recognizing and rewarding employees involved in the improvements
7	<b>Consolidating improvements and producing still more change</b>	Using increased credibility to change systems, structures and policies Hiring, promoting and developing employees who can implement the Reinvigorating the process with new products, themes and change
8	<b>Institutionalising new approaches</b>	Articulating the connections between the new behaviours and corporate Developing the means to ensure leadership development and succession



**John Paul Kotter** is the Konosuke Matsushita Emeritus Professor of Leadership at Harvard Business School.

In *Leading Change* (1996) Kotter argues that companies must change if they are to avoid obsolescence. None have been really successful; many more have failed because they **haven't altered human behaviour. This is the job of the leader .**



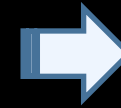
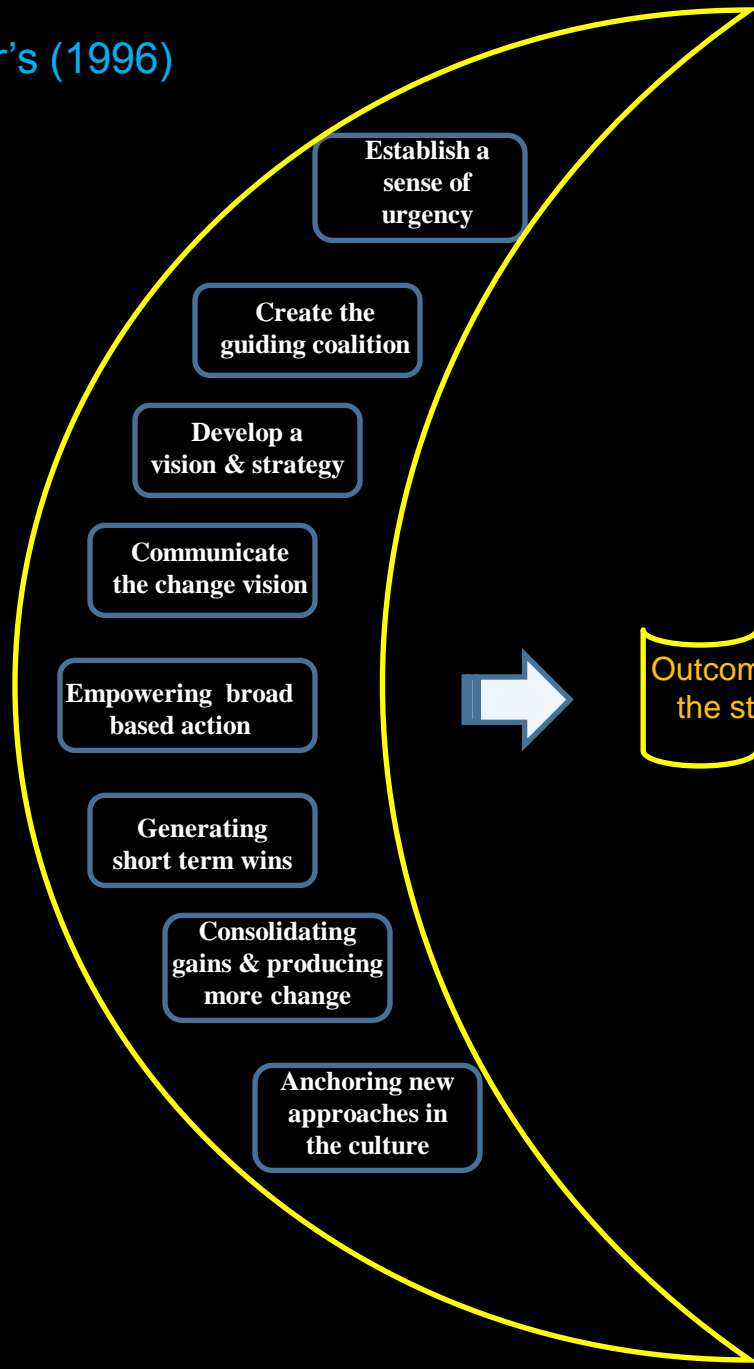
**Rosabeth Moss Kanter** holds the Ernest L. Arbuckle Professorship at Harvard Business School, where she specializes in strategy, innovation, and **leadership for change.**

Her strategic and practical insights have guided leaders of large and small organizations worldwide for over 25 years, through teaching, writing, and direct consultation to major corporations and governments.

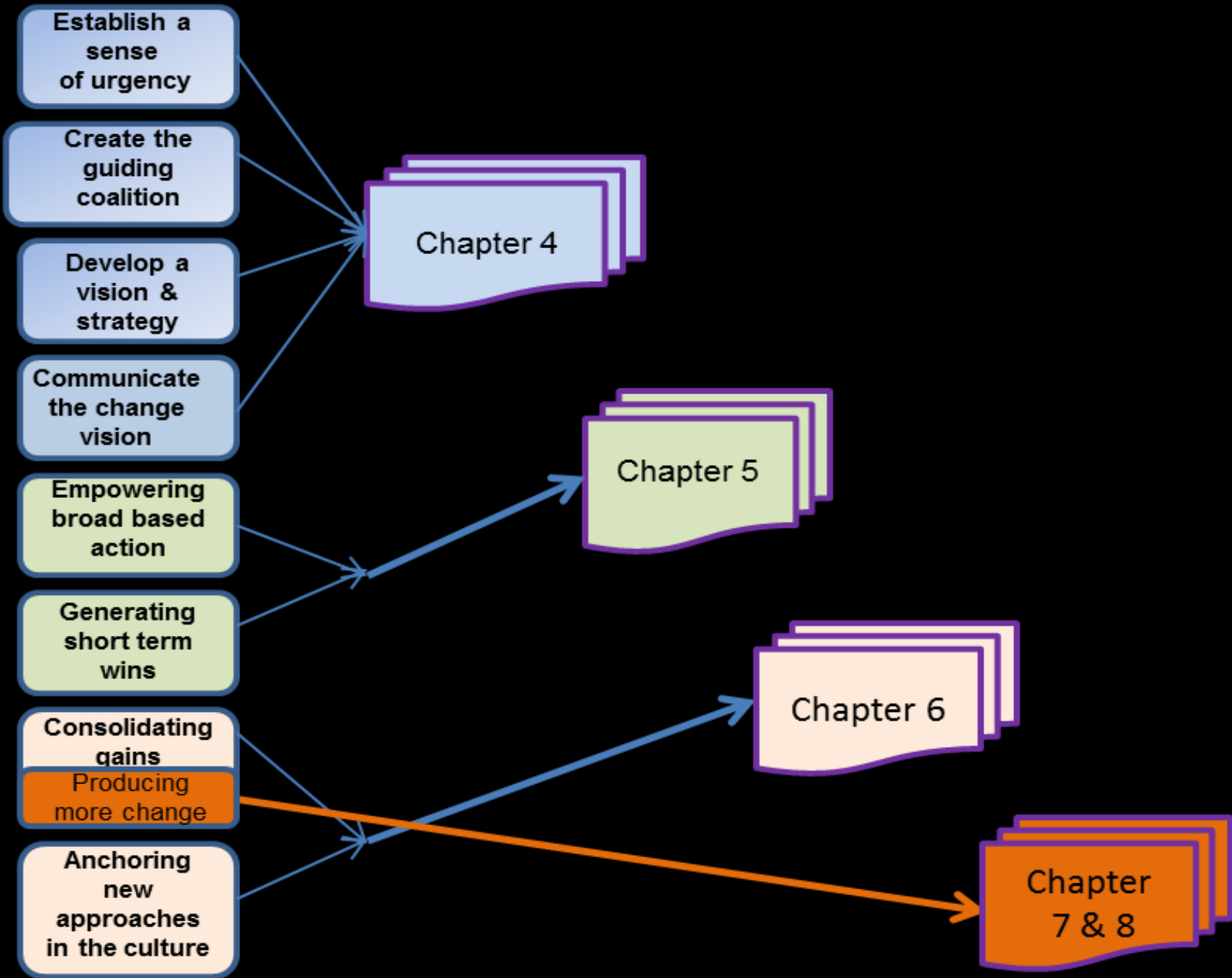


# Linking study aims and outcomes to Kotter's (1996) organisational change process

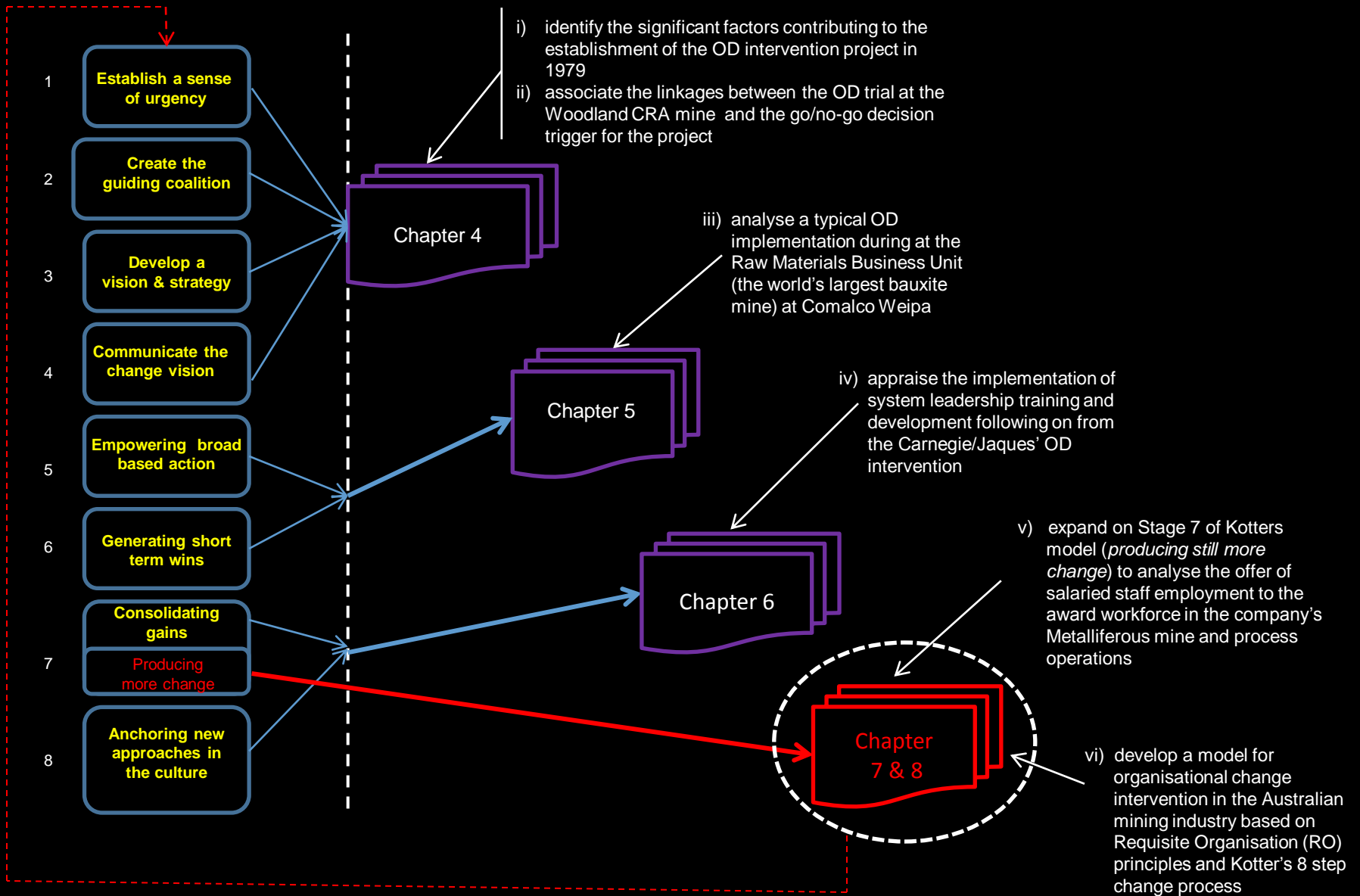
**Study aim**  
Research the Carnegie/Jaques Organisation Development (OD) intervention at Conzinc Riotinto Australia through the lens of Kotter's 8 step Organisational Change process



**Outcomes of the study**



# Linking study aims and Kotter's (1996) organisational change process



## Carnegie and the McKinsey Years

A year after his graduation from Oxford in 1957, Carnegie was at the top of his MBA class at the Harvard Business School, but he was bored and thinking about dropping out. The Dean introduced him to Marvin Bower from McKinsey, who gave young Rod the same advice Marvin had received 25 years earlier: if he dropped out of HBS he'd spend the rest of his life explaining that he hadn't flunked out. Bower - known as 'the soul of McKinsey' - offered the young Australian a job as the firm's first summer associate.

I 'spent 12 years working with McKinsey, seeing how the best enterprises in the world operated'.

(Alumni News 2003)

## “A” Players hire A+ Players

Actually, Steve believed that A players hire A players – that is people who are as good as they are. I refined this slightly – my theory is that A players hire people even better than themselves.

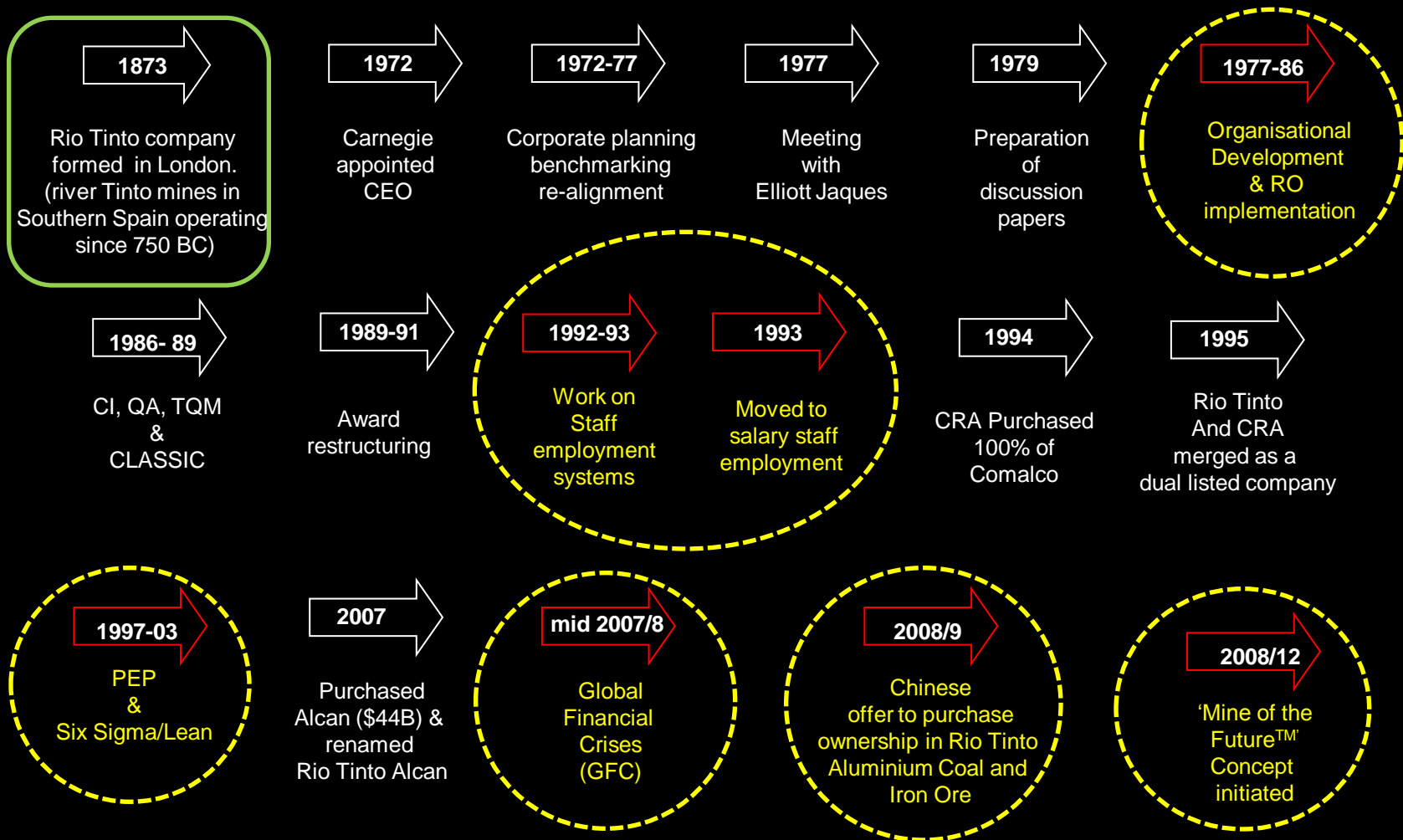
It is clear though that B players hire C players so they can feel superior, and C players hire D players.

If you hire B players expect what Steve called “the Bozo explosion” to happen in your organisation.

# Strategy and the 'Punctuated Equilibrium' Model

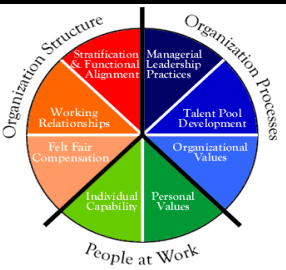
Corporations tend to follow a strategic orientation evolving through 'equilibrium periods'

This equilibrium is "punctuated" by short bursts (triggers) of fundamental change known as 'revolutionary periods' (adapted from Hunger & Wheelen, 2011 p. 4).

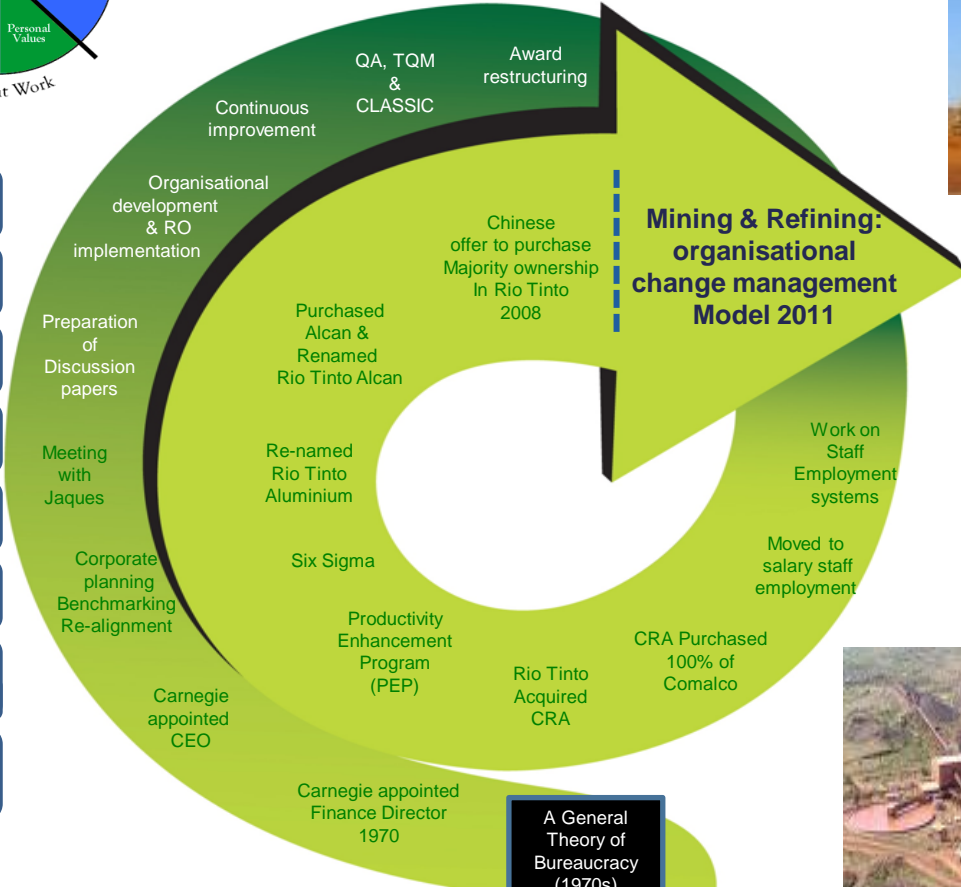


Rio Tinto Corporate Activities: 1972 – 2012

# Requisite Organisation



- Establish a sense of urgency
- Create the guiding coalition
- Develop a vision & strategy
- Communicate the change vision
- Empowering broad based action
- Generating short term wins
- Consolidating gains
- Producing more change
- Anchoring new approaches in the culture



“For future access to resources, we are looking beyond our current licence to operate and thinking about better ways of mining.”

With our Mine of the Future™ programme we are demonstrating improvements to mining processes that include unprecedented levels in automation, and remote operations that will revolutionise the way mining has been conducted for more than 100 years (Albanese 2008).

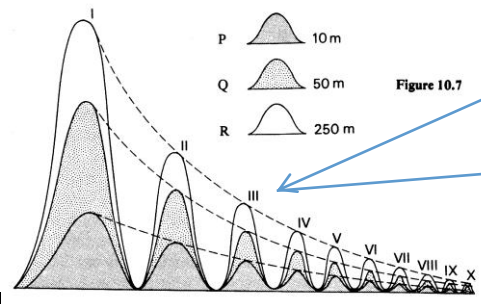
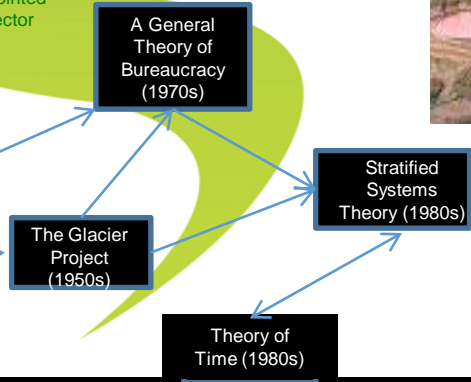
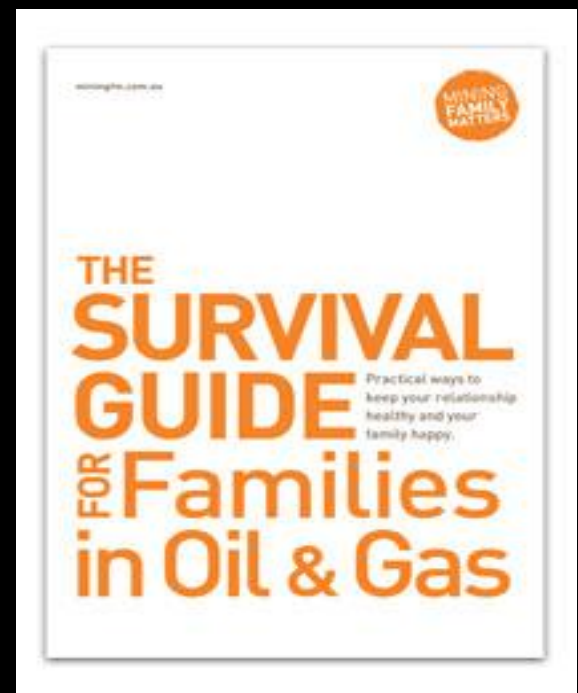


Figure 10.7



Mining & Refining: organisational change management Model 2011

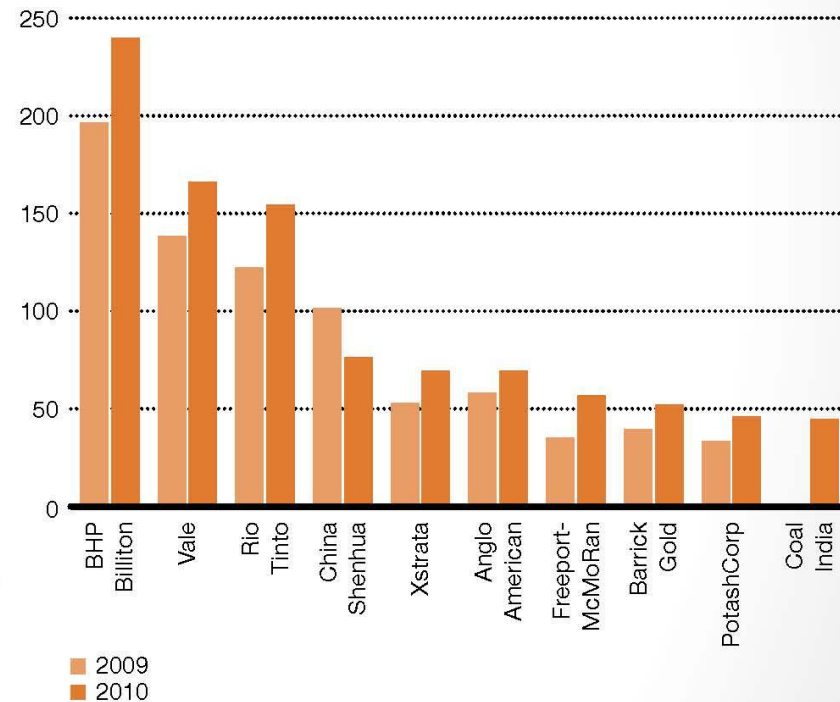




# Top 10 Mining Companies

- Across the top companies, there was a cumulative 32% increase in revenue, a 72% increase in adjusted EBITDA and a **156% increase in net profit**.
- New entrant: **Coal India**. Following its IPO in October 2010, it's the largest new entrant.
- **The big get bigger**. They are also diversifying in other directions. For instance, some have begun exploring the benefits of **vertical integration** in an attempt to control the entire commodity value chain – from coal mining to steel production to power generation.

Top 10 market capitalisation (\$ billion)—31 December 2010



Source: Capital IQ.

Note: EBITDA: earnings before interests, taxes, depreciation, and amortization



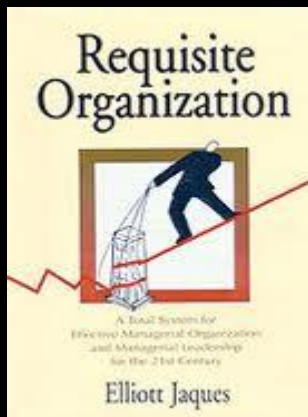
## Refreshing the Mining CEO level 2012/13

- Mark Cutifani is in the process of taking over Anglo American after Cynthia Carroll left in October (underperformance)
- Sam Walsh replaced Tom Albanese in January at Rio Tinto (underperformance)
- Andrew McKenzie at BHP Billiton will take over from Marcus Kloppers in May (culture change)
- Murilo Ferreira is less than 2 years into the running of Vale
- Mick Davis of Xstrata will leave once the merger with Glencore is concluded
- Anglo Gold is looking for a new CEO

2013



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Conference  
June 16-18, 2013  
Atlanta, Georgia USA  
(by invitation only)



**Kotter's 8 step change process and RO applied to the Global Mining Industry**

## Eight Steps To Successful Change - John Kotter



