

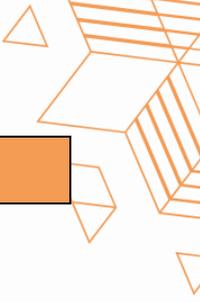
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# Chapter 16

## The rationale for planning





## 16.2 Analyse the reasons for resistance to change in an organisation.

### HL Paper 1 Q5 (d)

- (d) Employees are losing patience with change initiatives, according to Harvard Business Review.

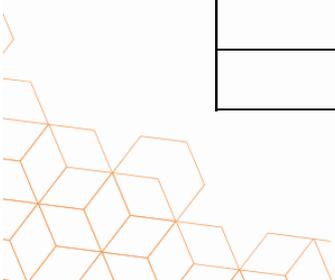
Analyse **four** reasons for resistance to change in an organisation.

1

2

3

4





16.4 Outline a range of approaches which may help to overcome resistance to change.

HL Paper 2 Q3 (b)

(b)



JPMorgan Chase & Co's move to ask employees who are on hybrid work schedules to return to the office full time has prompted hundreds of staff comments, including complaints.

The issue came to a head after the company told staff it wanted them in the office five days a week from March.

Outline **two** ways companies like JPMorgan Chase & Co can overcome resistance to change.

1
2





16.7 Explain the importance of planning for change and discuss how a force-field analysis\* could support strategically planning for change in an organisation.

## HL Paper 2 Q1 (d)

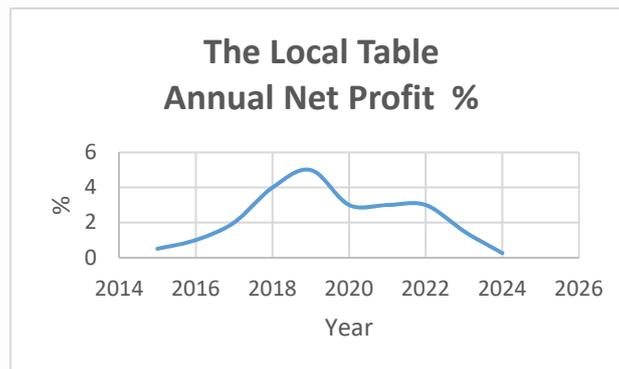
### The Local Table Restaurant

The Local Table, an Irish restaurant, was founded in 2015 by two brothers, John and Mark Lee. The business is built around a unique selling point (USP) of using locally sourced ingredients, reflecting their commitment to quality and sustainability. However, this approach has introduced challenges, including supply chain issues, which mean not all menu items are available year-round. To adapt to this, The Local Table has embraced digital innovation by replacing printed menus with a daily updated menu application, allowing them to update offerings in real-time based on ingredient availability.

The Local Table began as a single outlet, funded through John and Mark's personal savings. The venture quickly gained traction, attracting large volumes of customers and earning a profit. Motivated by this, the duo expanded their business by opening two additional outlets in nearby towns, financing the expansion with a long-term loan. They installed solar panels aiming to reduce energy costs and eventually generate surplus electricity to sell back to the grid.

The Local Table operates without a dedicated marketing team, with John handling marketing and personally managing social media updates when time permits. It primarily relies on word of mouth and has not actively sought customers reviews. Competition has intensified, making it difficult to retain a loyal customer base. Despite its growth, it has faced mounting challenges. Mark is struggling with managing human capital. Overseeing three outlets has also stretched their operational capacity, leading to increased staff turnover and inconsistencies in both service and product quality.

Economic pressures have added to their difficulties. Rising costs across various aspects of the business, coupled with changes in the minimum wage, have impacted profitability.



Faced with these challenges, John and Mark are considering their next steps to secure The Local Table's future. Among their potential strategies is the introduction of new plant-based menu options, aimed at diversifying their offerings and attracting a broader customer base. Their concerns reflect wider industry struggles, as the Restaurant Association of Ireland has expressed concerns about the viability of the industry under current economic pressures. The closure of 856 Irish restaurants and cafés in 2024, underscores the difficult road ahead. As The Local Table navigates these turbulent times, its ability to adapt and innovate will be critical in determining its future.





### EverGlow Organics Ltd Poised for Global Expansion

#### Irish Skincare Success Story Eyes Europe and Asia

EverGlow Organics Ltd is a successful Irish company specialising in organic skincare for men and women. The business has grown steadily in Ireland and now plans to expand into Europe and Asia. The company is motivated by a growing demand for organic products and the potential to save money through economies of scale.



#### Adapting to New Markets

While their products have been well-received in Ireland, the company's management team is mindful of differences in culture, language, traditions, and income levels in the new markets. The business may need to adjust elements of its marketing mix to appeal to international consumers. The company recognises that conducting market research will be crucial before entering these markets. They will need to receive direct feedback from potential consumers and analyse existing data on market trends in each country.

#### Funding and Financial Considerations

EverGlow Organics Ltd is considering various financing options, such as applying for a long term loan or seeking investors. In addition to the financial risk, the company is concerned about changing exchange rates and established businesses in the new countries.

#### Investing in People and Technology

To support its growth, the business will hire freelance content creators to promote its products to new audiences. The company also plans to invest in new technology to handle increased demand and ensure effective communication. Recently, the team conducted a force field analysis to examine the driving and restraining forces related to the expansion.

- (c) *EverGlow Organics Ltd conducted a force field analysis to examine the forces for (driving) and the forces against (restraining) the expansion.*

Using examples from the text, identify **two** driving forces and **two** restraining forces relating to the expansion of EverGlow Organics Ltd.

Driving Forces
1
2
Restraining Forces
1
2

# Sample Papers - Workpack



## OL Paper 2 Q2 (e)

- (e) 70% of employees in a small business have asked to move to a hybrid working model that would allow them to work from home two days per week.

Their manager would like to implement this change but is unsure if it would be best for the organisation as a whole.

To help them decide, they construct a **Force Field Analysis**.



Indicate whether each of the following statements is a driving force or a restraining force, by putting a tick (✓) in the correct box.

### FORCE FIELD ANALYSIS

Moving to a hybrid working model ...	Driving Force	Restraining Force
may result in employees feeling isolated		
may bring about a higher likelihood of confidentiality breaches		
may lead to difficulty in monitoring employee productivity		
would fulfil an element of the Corporate Wellness Programme		





16.8 Explain what is meant by contingency planning in terms of crisis management in an organisation.

OL Paper 2 Q4 (e)

- (e) Many businesses regretted not having contingency plans in place when Storm Eowyn hit Ireland in January 2025.

Explain the term contingency planning.


16.9 Discuss the factors that should be considered when developing a contingency plan.

OL Paper 2 Q4 (f)

- (f) Discuss **one** factor that should be considered when developing a contingency plan.



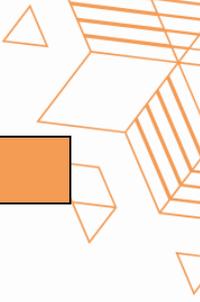



# Chapter 16

## The rationale for planning

### SOLUTIONS





## 16.2 Analyse the reasons for resistance to change in an organisation.

### HL Paper 1 Q5 (d)

- (d) Employees are losing patience with change initiatives, according to Harvard Business Review.

Analyse **four** reasons for resistance to change in an organisation.

#### **Fear of job loss or reduced security**

When new systems or technology are introduced, some employees worry they might lose their job or that their role will change. This fear can make people defensive or unwilling to take part in the change.

If management doesn't deal with these fears, people may hold back or block progress.

#### **Lack of communication and clarity**

If the reasons for change aren't clearly explained, staff can feel left out or confused about what's happening. This can lead to rumours or misunderstandings.

Open, honest communication helps build trust and makes people more willing to accept change.

#### **Loss of routine or comfort / Fear of not being able to manage changes**

Change can take people out of their comfort zone and force them to learn new ways of doing things. This can be stressful and make them miss the "old" way of working.

Managers should support people through the change so it feels less disruptive and more manageable.

#### **Perceived lack of support or resources**

If employees don't think they'll get the training, time, or tools to adjust, they may feel the change is unfair or unrealistic. This can lower confidence and effort.

When management provides proper support, staff are more likely to stay positive and engaged with the change.





## 16.4 Outline a range of approaches which may help to overcome resistance to change.

### HL Paper 2 Q3 (b)

(b)



JPMorgan Chase & Co's move to ask employees who are on hybrid work schedules to return to the office full time has prompted hundreds of staff comments, including complaints.

The issue came to a head after the company told staff it wanted them in the office five days a week from March.

Outline **two** ways companies like JPMorgan Chase & Co can overcome resistance to change.

#### **Communicate openly and explain the reasons for change**

Managers should clearly explain why the move back to the office is happening, what benefits it brings for teamwork and performance, and how it affects staff. When employees understand the “why,” they’re more likely to accept the change.

#### **Support employees during the transition**

The company could make the return easier by offering flexible start times, help with commuting costs, or opportunities to share feedback. Showing empathy and providing practical support helps staff feel valued and reduces frustration.

#### **Involve employees in the process**

Giving staff a voice in how the change is introduced helps them feel included rather than imposed upon. For example, managers could ask for feedback on how to make the office environment more productive or flexible.

#### **Provide training and clear expectations**

Some employees may have adapted to remote work routines and need support to adjust. Offering short workshops or guidance on new systems, workflows, or communication tools helps build confidence and smooths the transition.





### **Lead by example**

Managers should model the behaviour they expect from staff by being present, positive, and consistent in the office themselves. When leaders show commitment to the change, employees are more likely to follow their lead.

### **Incentivise participation**

The company could offer rewards or recognition for teams that adapt well to the new arrangements, such as bonuses, extra leave days, or public acknowledgment. Positive reinforcement helps staff see the benefits of engaging with change rather than resisting it.





16.7 Explain the importance of planning for change and discuss how a force-field analysis\* could support strategically planning for change in an organisation.

## HL Paper 2 Q1 (d)

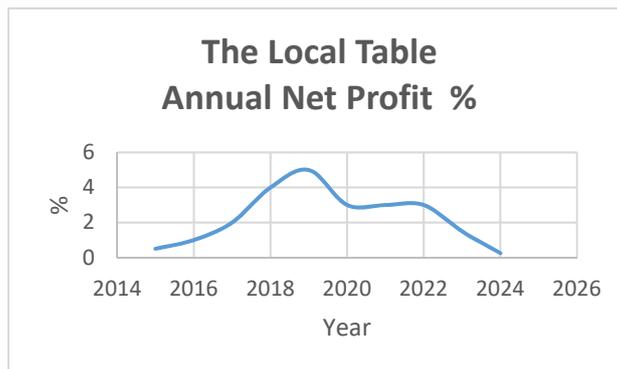
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- (d) John and Mark are considering closing two of the restaurants and returning to only operating the one original restaurant.

Use a Force Field Analysis to examine the potential effects of this decision on the business.

## Driving Forces

### 1. Reduced costs and workload (4/5)

Running three outlets has stretched John and Mark's capacity and increased costs such as wages, rent, and utilities. Returning to one restaurant would lower expenses, reduce stress, and allow them to focus on managing operations more efficiently.

### 2. Improved quality and consistency (5/5)

By concentrating on a single location, they can give more attention to staff training, customer service, and food standards. This focus would help restore consistency and strengthen The Local Table's reputation for quality and sustainability.

## Restraining Forces

### 1. Risk of losing customers and revenue (4/5)

Closing two outlets could significantly reduce their customer base, particularly in nearby towns where they have built a following. This could also weaken their market presence and reduce total sales.

### 2. Negative public perception (3/5)

Scaling back might be viewed by some customers, staff, or suppliers as a sign that the business is struggling. This perception could harm the brand's image and reduce staff morale.

## Overall Decision

The total driving force score (9/10) is slightly stronger than the restraining force score (7/10). This suggests that closing two restaurants could be a sensible short-term decision to stabilise the business, control costs, and most importantly rebuild quality.

To reduce the negative effects, John and Mark should communicate clearly with customers, emphasising that the change will help them refocus on what makes *The Local Table* unique, high-quality, locally sourced food and strong community ties.

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Using examples from the text, identify **two** driving forces and **two** restraining forces relating to the expansion of EverGlow Organics Ltd.

#### Driving Forces

1. There is growing global demand for organic and sustainable skincare products.
2. EverGlow would benefit from economies of scale and reduce their costs.
3. Investing in new technology and freelance content creators will help EverGlow reach new customers and manage expansion more effectively.

#### Restraining Forces

1. Cultural and language differences in new markets could make it harder to attract customers.
2. Expanding involves financial risks such as changing exchange rates and large upfront costs.
3. Competition from established international skincare brands may limit EverGlow's success.

# Sample Papers - Workpack

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may result in employees feeling isolated		✓
may bring about a higher likelihood of confidentiality breaches		✓
may lead to difficulty in monitoring employee productivity		✓
would fulfil an element of the Corporate Wellness Programme	✓	



## 16.8 Explain what is meant by contingency planning in terms of crisis management in an organisation.

### OL Paper 2 Q4 (e)

- (e) Many businesses regretted not having contingency plans in place when Storm Eowyn hit Ireland in January 2025.

Explain the term contingency planning.

**Contingency planning** means preparing backup plans or procedures to deal with unexpected events that could disrupt a business.

It helps a business respond quickly in a crisis, reduce damage, and continue operating as smoothly as possible.

## 16.9 Discuss the factors that should be considered when developing a contingency plan.

### OL Paper 2 Q4 (f)

- (f) Discuss **one** factor that should be considered when developing a contingency plan.

#### **Cost**

Preparing for a crisis often involves extra spending, such as staff training, backup systems, or insurance. A business must weigh the cost of being prepared against the potential losses if a crisis happens and no plan is in place.

#### **Time**

Contingency planning takes time to design, test, and review. Businesses need to make sure plans are updated regularly and that employees know what to do so they can respond quickly when problems arise.

#### **Risk**

Not all risks are equally serious or likely to happen. A good contingency plan focuses on the risks that would cause the most disruption, such as supply chain breakdowns, data loss, or power outages.

