

## Change Management

Shuo Chen

Tianjin Maritime College, China

chenshuocici@163.com

**Keywords:** Excessive pursuit of economic interests and expansion; Financial difficulties; Human interest

**Abstract:** This paper explains and demonstrates some strategies of CHAMATE to spread its brand and public recognition by thinking as yellow, blue and red ways, to some degree, it was successful while its sub branches were set up all over China and people got to know it gradually. However, because of the inappropriate management and wrong decisions, that is the excessive pursuit of economic interests and expansion, the company came across the financial difficulties. Therefore, we try to analyze the company from a different way---red-print thinking, to run business from the people-oriented perspective, to focus on human interest, and make changes in the organization, and the aim of us is do favor to get CHAMATE out of the current negative situation and move on track finally.

### Introduction

The organization we choose is called CHAMATE, it is a Chinese casual dining brand which was established by JianMingQin in taoyuan city, Taiwan, 1991.

CHAMATE not only provides natural, tasty, healthy Chinese meals, but also is a comfortable, trendy and high quality life style as well, so the casual dining ambiance attracts a wide range of people and groups, it becomes a relax place for people to enjoy the quality Chinese meal and afternoon tea there.

The managing philosophy of CHAMATE is to treat customers as friends, co-workers as family; its managing target is to make customers feel at home, to enjoy tea and take a wonderful break. The company's business vision is to make CHAMATE as a successful catering & beverage business, to be the global citizenship and to expend restaurants in major cities all over the world, thus to build a CHAMATE Garden ultimately. It insists to establish an intimate relationship of people to touch and warm feelings by means of tea.

As the enhancement of CHAMATE's popularity, the brand's sub branches have sprung up in Shanghai, it is easily to see the restaurant iconic green logo in Shanghai bustling commercial area. Although the recognition increased, due to the mismanagement, CHAMATE fell into loss trends unfortunately. According to the public data of 2005 from the Shanghai Hongkou Trade and Industry Bureau, the main business income of CHAMATE has achieved as high as billions, despite of this, the company's profit was still negative. What made it worse, since its establishment in 2002 in Shanghai, CHAMATE made huge losses for seven consecutive years and the loss amount was increasing year by year.

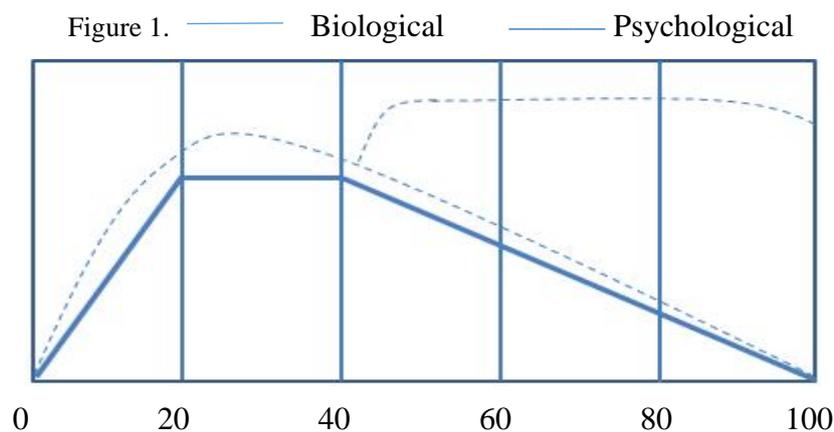
### Organization of the Text

**Change perspective and motivation.** At the beginning, CHAMATE made some strategies to spread its brand and public recognition by thinking as yellow, blue and red ways, to some degree, it was successful while its sub branches were set up all over China and people got to know it gradually. However, because of the inappropriate management and wrong decisions, that is the excessive pursuit of economic interests and expansion, the company came across the financial

difficulties. Therefore, we try to analyze the company from a different way---red-print thinking, to run business from the people-oriented perspective, to focus on human interest, and make changes in the organization, and the aim of us is do favor to get CHAMATE out of the current negative situation and move on track finally.

## Individual level

**1. Biographical fit.** People in different ages will have different characteristics, expectations and behaviors. For CHAMATE, knowing the difference between employee's age for customers will assist personnel departments in shaping their new HR policies and help managers to have a fully understanding about the characteristics of the new employees.



According to the Figure 1 of CHAMATE, the average age of employees is 25.8.

Many forty-year-olds have earned their way and earned respect. From being specialists they have often turned into generalists and they have developed their own styles. According to this, for CHAMATE, they should take these characteristics into consideration when looking for new employees.

**2. Power sources.** Generally, the power source of people in CHAMATE is expertise and competences. Since the average age of CHAMATE's employees is young, the advantage of experience is not obvious. People with more expertise and competence have been attached more importance, meanwhile, people in a higher position usually have more power.

**Group Level.** In the past years, CHAMATE required the employees to ask customers to buy the special discount voucher and if it did not meet the standard amount then employees themselves should buy the voucher. It is quite an unfair regulation and employees always under a great pressure. A conclusion can be drawn that CHAMATE does not have an optimal conflict level.

When setting up of the new CHAMATE, conflicts are inevitable but the strategy should be made to balance the conflicts and pressure.

## Organization level

**Culture types.** Handy distinguished four contrasting types of culture, stating that in real organizational life these four types are less encountered than mixtures of these types. However, in most organizations one of the types still dominated the "culture-mix."

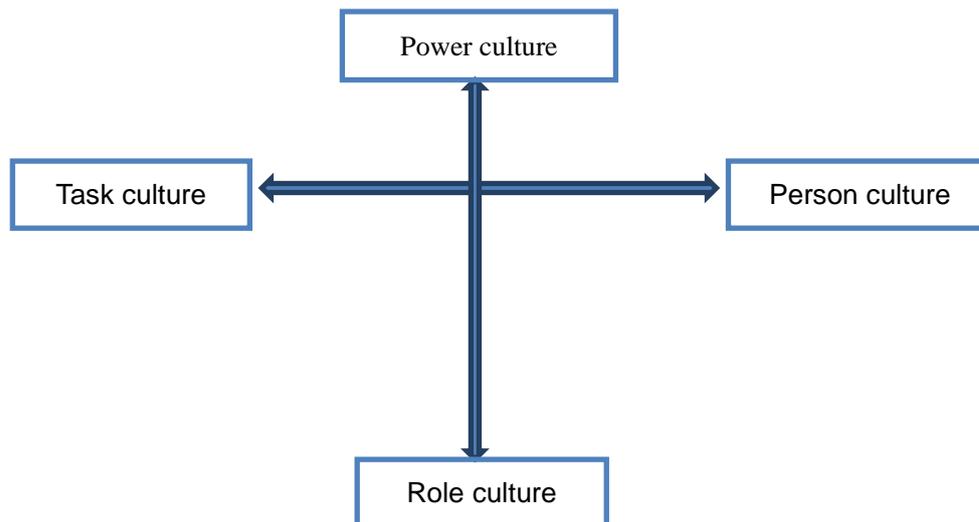


Figure 2. Culture types

According to Figure 2, culture diagnosis is a process that helps to characterize an organization and the model is a good “quick scan” to help gain an understanding of a specific culture.

CHAMATE stands between role culture and task culture. Because of the stable development of the catering industry environment in China, relationships are determined by rules, regulations, and rationality. Employees strive to achieve the greatest possible certainty and stability. Therefore, the role culture is formed. At the same time, the behavior of employees is determined by their tasks.

When the new CHAMATE is built, frictions between different subcultures should be minimized and also it should be clear about their new desired culture and make changes to acquire it.

### **Stimulate people in the right way**

- Evaluate the best employees every month
- Make internal staff points to reward them
- Have all of the employees involved

### **Create a good atmosphere**

- All employees involved
- Organize employees to have outside activities
- Make interactions between upper and lower to establish a good working environment

### **Make things attractive for people**

- Good working environment
- Different kinds of management style to run the company which makes employees experience different environment

### **Individual level**

- Managers of CHAMATE should have good conversations with employees
- CHAMATE can create new challenges and internships for employees
- Determine the CHAMATE’s goals, procedures and roles together with management and HR department

## **Group level**

- Celebrating the employee's birthday
- Organize employees to have outside activities
- Managers should explain things to staffs, to be interested in and coach their staffs

## **Organization level**

- Link pay to performance
- Forbidden rewards based on seniority and age

## **Literature References**

The managing philosophy of CHAMATE is to treat customers as friends, co-workers as family; its managing target is to make customers feel at home, to enjoy tea and take a wonderful break. According to the annual securities reports of CHAMATE, the average age of employees is 25.8 [5]. Handy distinguished four contrasting types of culture, stating that in real organizational life these four types are less encountered than mixtures of these types. However, in most organizations one of the types still dominated the "culture-mix." [3] It insists to establish an intimate relationship of people to touch and warm feelings by means of tea [1].

Vandendriessche sketched a curve that underscores how creativity is highest when there is an "optimal level of conflict." Two situations as follows, first is no pressure or conflict at all and second is the pressure becomes too great and conflicts abound [6]. According to the public data of 2005 from the Shanghai Hongkou Trade and Industry Bureau, the main business income of CHAMATE has achieved as high as billions, despite of this, the company's profit was still negative [7]. Kor and Wijnen distinguish a number of sources of power or authority and it is based on expertise, charisma, personality, physical strengths as well as formal position for managers[4]. Many forty-year-olds have earned their way and earned respect. From being specialists they have often turned into generalists and they have developed their own styles[2].

## **Summary**

As my choice is CHAMATE, a Chinese casual dining restaurant facing with serious financial problems caused by inappropriate management, change is extremely urgent. As Deutschman's opinion, the manager should establish a stable and reciprocal relationship with the company which provides him an chance and condition to learn and practice the skills for making change, and the company can also play an useful role to inspire and encourage a manager to create internal changes when needed; when the manager and the organization have achieved the successful mode to think about questions, people can reframe his ideas to make changes come true, because an beneficial environment will do favor to a man to renovate his ways of thinking. if we combine the model and the company, it is not hard to observe that Deutschman's view is not suitable to CHAMATE for the beginning is going towards a wrong direction. Deutschman demands the manager to find an affirmative organization to store hope for people when changes are necessary, and they both do have firm and solid relation with each other, the mindset has rigid, it is hard to break the original attitude in a short time, if repeat the skills they adopt, it is just the wrong change again and again, because no matter what they do for make change, it occurs in the wrong direction.

Let us put our attention on the application of the theories in CHAMATE, five colors were used largely during the whole process, either at the beginning or the improvement of change. When CHAMATE was established, it focused on expansion of its brand and pursuit of money, a clear goal of turnover grow by 20% which was allocated to specific subbranches and specific measures, it was an inflection of Blue print: define a clear result beforehand and formulate a step by step plan; in 2009, as a famous Chinese casual dining restaurant, CHAMATE had a big cooperation with

VANCL, a domestic fashion brand of cloth and furniture born in Internet, both of them had extensive promotional resources in their respective fields and loyal customer groups, they hoped to integrate resources of both sides and cross-cooperation of enterprises, thus can achieve the extension of potential consumers, improve transactions and penetration and strengthen the brands in different industries. It was an application of Yellow print: search for common interest and create the win-win situation. Although the emphasis of CHAMATE was revenue, the wrong management made the company realize the aim should be placed in the people-oriented, a wide range of reforms were made to award employees and motivate them for better services, such as the promotion of employee stock which was learned from Starbucks's "coffee bean stock", employees bought stock from the company and shared year-end bonus, it put employees stand in the same side with CHAMATE and motivate staff much better than punishment. This change was taken from the point of view of red print: use the right incentives to motivate people, make it comfortable and interesting for people, and award people.

From the series of measures above, the five color theories are largely used in CHAMATE and useful for the organization's change and improvement, to some extent. During the comparison between these two books, a conclusion can be drawn that Deutschman's view is much more suitable for an individual to make change at work or in life while Leon de Caluwé's idea is much more like a tailored theory made for changes happening in an organization.

In our case, red-print is the basic color because human interest seems to be the best way to choose. The future goal for this human interest is to build up a perfect organization that is highly competent, not easy to be copied by its competitors.

It could also apply different strategies by other "color-print", but we think red is the basic color in this case. We believe our intervention plans will guide the human interest to step into the success of tomorrow.

## Reference

- [1] CHAMATE, 2009. <http://www.chamate.cn/about.asp>
- [2] Caluwé, Léon de, and Hans Vermaak. Learning to change: a guide for organization change agents. Thousand Oaks, Calif.: Sage Publications, 2003. Print
- [3] Handy, C., Understanding voluntary organizations. Harmondsworth: Penguin Books, 1988
- [4] Kor, Rudy, and Gert Wijnen. 50 checklists for project and programme managers. Aldershot, Hampshire, England: Gower, 2000. Print.
- [5] The 2008 Annual Report of CHAMATE
- [6] Vandendriessche, F., De input-output manager. Tiel: Lannoo, 1996
- [7] YWCN, 2011. <http://www.jz99.cn/chaogu/rumen/35513.html>