



Applying change management models to the revalidation of an undergraduate Accounting & Finance programme – a study in the UK higher education

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ABSTRACT

Obtaining exemptions from professional bodies' examinations has become important for institutions in the higher education sector and there is a growing attention to provide such exemptions to graduating students. However, incorporating necessary changes to the teaching syllabus and meeting the required changes in assessments and other areas of teaching and the related syllabus, can be difficult, hence learning from cases will add to the body of knowledge. This paper uses several change management (CM) models to analyse the context and then highlights the CM problem, which was 'resistance' to a major curriculum change programme experienced in a higher education institution in the UK. Key stakeholders were identified in this process together with potential outcomes and salient conclusions. Despite resistance and refocusing, the eventual outcome was a new accounting programme which simultaneously satisfied. Faculty requirements and offered future students potentially nine professional exemptions (the maximum exemptions available) from the Association of Chartered Certified Accountants (ACCA) UK and the opportunity to pursue conceptual accounting studies, which would improve their skills and employability.

Keywords:

Change management; accounting education and curriculum; professional body accreditation; change management models.



1. Introduction

In the summer of 2010 one of the authors was appointed as a Senior Lecturer at a University in South Yorkshire (SYU), in the UK. The undergraduate curriculum was dominated by professional accountancy bodies' exemptions. In total the BA (Hons) Accounting and Finance (A&F) programme attracted the maximum possible of nine exemptions from ACCA. Obtaining maximum exemptions is the desire of many higher education institutions and Collison et al. (2007) discuss the major role of the profession in accounting education and its influence on higher education institutions keen to achieve exemptions from professional accountancy bodies' examinations, for their students. This meant that there was little room in the syllabus to teach more conceptual modules that introduced students to critical thinkers who argue that accounting supports the status quo and current power structures (Puxty, 1993; Tinker and Gray, 2003; Spence, 2007).

In September 2014 one of the authors was promoted to Head of Programme at a University located in North Yorkshire (NYU), in the UK, and was responsible for the following programme disciplines: accounting & finance, marketing and tourism. His

appointment was for the specific purpose of curriculum development particularly for the A&F programme which only attracted three exemptions from ACCA.

Initially, in November 2014, the Head of Department requested the author to undertake a scoping exercise across the designated programme disciplines to gauge the views of staff. All of them agreed that the programmes required, where possible, professional body accreditation. Eventually it was decided not to pursue professional accreditation for the marketing and tourism programmes as the relevant professional bodies were making unrealistic demands such as the requirement to assess student work.

The accounting team acknowledged that the A&F programme needed more exemptions from ACCA because it would potentially attract more students and ensure job security. However, this would cause major change and the Head of Programme reflected on the work of Johnson et al (2005) (which cites the work of Balogun and Hailey, 2004) who identify four categories of strategic change (See Fig 1.0) and these have inferences as to how change might be managed.

		Scope of change	
		Realignment	Transformation
Nature of change	Incremental	Adaptation	Evolution
	Big Bang	Reconstruction	Revolution

Fig 1. Types of Change

Source: Johnson et al. (2005: 506) Exploring Corporate Strategy

Reflecting on the possible approaches to change, the Head of Programme could argue that change in the organisation should be incremental because this variety of change scaffolds on the skills, routines and beliefs of those in the organisation. Therefore, change is more likely to be understood and lessen indifference. However, in this context and due to pressures on time, it was decided to adopt a 'Big Bang' approach (see Fig.1.0) which would lead to 'reconstruction' i.e. a validated programme with maximum ACCA exemptions.

It was acknowledged that managing change in this public sector setting, with fixed routines, formal structures and anticipated resistance to change would be challenging. However, based on previous experience of teaching accounting and finance programmes, it was considered that nine exemptions, the maximum offered by ACCA, was the 'industry standard' and was one that competing institutions were offering. Approaches to managing change need to be contextualised and as Balogun and Hailey (2004) highlight there are several vital contextual

characteristics that need to be taken into account when planning change programmes, see Fig 2.0. Reflecting on the model, the He concluded that the Accounting Department had the 'capacity', 'capability' and 'readiness' to apply for all possible exemptions. Despite time constraints, it was believed that the support of the Head of Department meant that internal University and external ACCA deadlines would be honoured.

The formal revalidation process began in September 2015 with a series of facilitated workshops and set deadlines. The entire Department was involved, as all undergraduate programmes had to be revalidated. Thus the Accounting Department began to formally consider applying for the further professional accreditation that had been partially agreed during the scoping exercise.

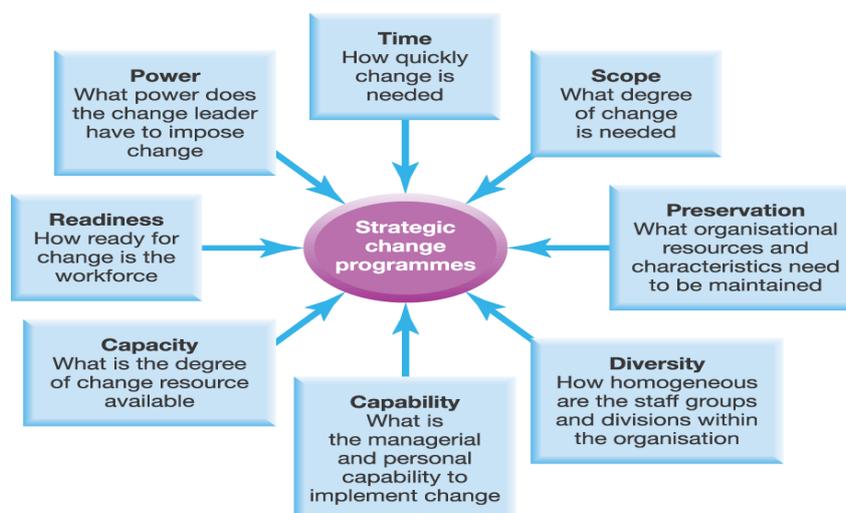


Fig 2. Contextual Features and Their Influence on Strategic Change Programmes

Source: Johnson et al. (2005: 508) Exploring Corporate Strategy

2. The Change Management Problem

In a scheduled meeting the Accounting Department staff voiced their concerns regarding the application for nine exemptions and felt more comfortable in applying for six. The Accounting Department team met on several occasions to discuss the current situation and possible changes. There were different views, some of which were in sharp contrast with the views that the Head of Programme had expressed. For instance, they explained that embedding nine exemptions in the degree would damage the student experience as modules would be skewed heavily towards the technical side of accounting, leaving little room to explore conceptual issues thereby potentially leaving students' higher order cognitive development lacking. The Head of Programme argued that student employability would suffer as graduating students would be uncompetitive in comparison with other accounting and finance

graduates who would hold nine ACCA exemptions and would be more attractive to potential employers. It was also pointed out that a graduate with maximum exemptions could qualify quicker as a Chartered Certified Accountant, as the graduate would only need to complete five further exams, be cheaper to train and could start Continuing Professional Development activities sooner rather than later, thereby consolidating the graduate's higher order cognition.

During further communications (including emails) between the Head of Programme and Head of Department, it was stated that this was not a student experience problem rather a capacity issue for the accounting team who would be forced to deepen their accounting knowledge and teach at a higher level, which had been taken for granted. The situation became more difficult when the Head of Programme facetiously emailed the accounting team stating that applying for nine exemptions was 'non-negotiable'.

After a rather heated meeting chaired by the Head of Department, it was made clear that exemptions were important but had to be collectively decided.

The Head of Programme believed that what was being proposed was commercially correct i.e. an application for nine ACCA exemptions and was becoming increasingly concerned about his credibility and thought that the resistance was misguided, under these particular circumstances due to a lack of commercial awareness. This reminded the Head of Programme of his recent review of literature, stating that change is positive and resistance to change is not

positive (Huy and Mintzberg, 2003), with those who resist change termed as ‘self-serving’ or ‘dysfunctional’ (Huy et al, 2014).

A further review of literature led the Head of Programme to review the Forcefield Analysis Model (see Fig. 3.0); he took on board the suggestions that CM problems need to be addressed by highlighting forces for and against change. Utilising the Forcefield Analysis Model as shown in Fig 3.0, which lists common push and pull factors, it was not surprising that the accounting team had resisted change.

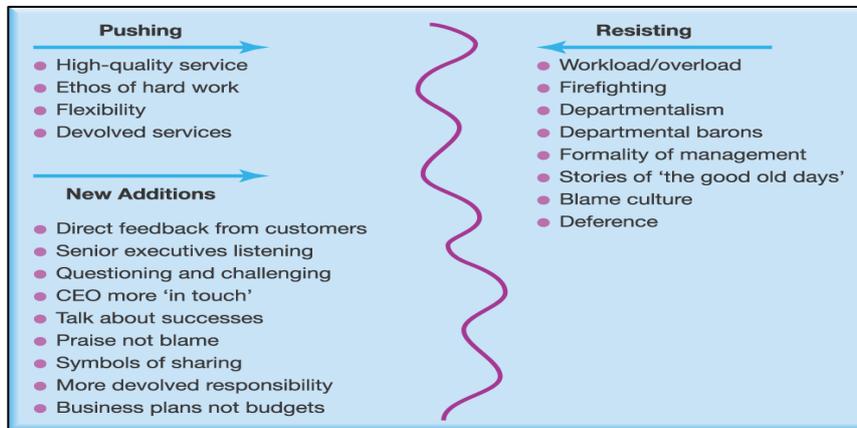


Fig 3. Forcefield Analysis Model

Source: Johnson et al. (2005: 514) Exploring Corporate Strategy

The Head of Programme had underestimated the emotional and cultural impact of academics. Due to various organisational changes, a Head of Department and a Dean had left since his appointment. They had departed due to a more than quadrupling of student numbers, a major influx of international students and an external enquiry regarding high failure rates which was deeply unpopular because it blamed the Faculty. One long standing member of the Faculty commented, in private, that this had been a ‘great place to work’ but had become ‘increasingly managerial’ with diktats from the senior management team. The recent turmoil had probably conditioned the accounting team’s negative application for maximum exemptions. It is possible that the members of staff were genuinely out of their depth and feared for their positions. Consequently, the resistance had to be dampened or overcome completely. This situation reminded the

Head of Programme of Rick Maurer’s (2010) model (cited in Moyce 2015) which determines the level of resistance ranging from L1 – L3. In this approach, Level 1 describes resistance to the content of information whereas Level 2 is an emotional response to what people comprehend the change will mean to them. In Level 3 the change being proposed is used as a proxy battle ground for anger that has been building up for some time. Reflecting on these, the Head of Programme’s assessment was that the resistance in this context was a mixture of elements of all three Levels.

The Head of Programme started to rethink his approach to demanding the implementation of change and thus applying for nine exemptions and sought an answer to the Socratic question ‘What should I do?’ Perhaps this resistance was an opportunity to further inform and validate what was being proposed, both with respect to the change outcome, i.e. the number of

exemptions and the method of implementation. Could nine exemptions be inappropriate for this department given the unique student constituency in the institution that on the whole recruited regionally rather than nationally? Where nine exemptions were offered the admission criteria was usually between 280 – 320 A Level points whereas the NYU department only stipulated 260 points or equivalent and during clearing would even consider students with close to 200 points or equivalent.

Reflecting on the Forcefield Analysis Model (Fig 3.0), the Head of Programme started to identify push factors that would resolve the current impasse and get the revalidation back on track. He had been rather blunt and 'technical-rational' and was not sensitive to the likely reactions of the accounting team. The driver for accreditation was being driven largely by external requirements such as the accounting profession and competition with other accounting programmes. The Head of Programme formed a team of four colleagues as the steering team to manage and push for accreditation. There was clear departmental support for six exemptions which would be more than the current three as this would make the programme more attractive to students and consequently lead to an increase in the student intake.

A critical review of the discussions with colleagues from the programme and also reflecting on the Forcefield Analysis Model was important for the Head of Programme to realise that he needed to be 'flexible' and gently 'push' the resistance away (as described by Forcefield Analysis). Realising the 'complexity' and messy nature of the situation he formally apologised to the accounting team regarding the 'non-negotiable' email and suggested that they go away and design a programme with six exemptions. This was to clarify that once all of the discussions had been completed and the different views considered and consequently a decision had been made, there was no way that progress would be halted. Before that point, the Head of Programme was open to further discussions and would consider amending the plan, but once agreed, there would be no delay in the process.

The progress of the plan was monitored regularly in monthly workshops. Several weeks later, in a workshop, the accounting team showed a new programme diet that contained the possibility of applying for *seven* ACCA exemptions and staff stated that in future they would be prepared to apply for the

remaining two exemptions as well. The Head of Programme quizzed the team as to why seven and not six exemptions and they responded that there was enough room for an extra module that would attract the necessary accreditation. There would also be room to pursue conceptual issues in accounting and finance and the opportunity for students to undertake an independent piece of research such as a dissertation. The latter is an authentic differentiator as very few accounting programmes offer students the chance to undertake scholarly activity. The progress of the team showed that when incumbents are well informed about the reasons for change and are involved in the process and they understand that once agreed, the plan will not be stopped, then there is a good possibility that they will contribute to the successful implementation of the programme changes.

The Head of Programme had begun the revalidation process especially for the accounting and finance programme, with a 'top-down' mind-set, highly motivated and ready to manage the change to a tight schedule. He had naively ignored the reality and discourse, especially the negative perception of ACCA exemptions, by the accounting team. Thus the Head of Programme faced almost immediate and protracted resistance and foolishly raised the stakes with his 'non-negotiable' email. It was felt that the genuine apology helped calm the situation, gave a fresh impetus and allowed the team to take ownership whilst the Head of Programme managed the process. One of the accounting team even commented that the newly appointed Head of Programme had become 'one of them'. This is reflected in Trowler et al's (2003:11) comment:

"Change agents can be most effective when engaging with groups that are growing the cultures and structures that allow them to change and to preserve their sense of identity."

3. Conclusion

Upon deeper reflection the power and interest of the Accounting Department members as stakeholders had been missed. The Power / Interest matrix as illustrated in Fig 4.0 has been utilised as a lens in an attempt to describe the political context within which an individual change management strategy would be engaged by classifying stakeholders in relation to the power they hold and the extent to which they are likely

to show interest in following or resisting a particular change management strategy.

Based on Fig 4.0 the initial scoping exercise was mistaken as tacit approval for the ‘big bang’ functionalist implementation of maximum exemptions and the Accounting Department members were thought to be located in Segment C. Thus the Accounting Department members were undervalued and after the ‘non-negotiable’ email these stakeholders suddenly repositioned to Segment D and frustrated the adoption of the primary change management initiative i.e. maximum exemptions.

		Level of Interest	
		Low	High
Power	Low	A Minimal effort	B Keep informed
	High	C Keep satisfied	D Key players

Fig 4. Stakeholder Analysis

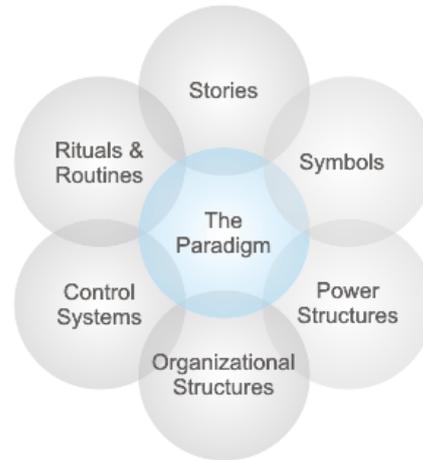
Source: Adapted from A. Mendelow, Proceedings of the Second International Conference on Information Systems, Cambridge, MA, 1991.

It is important to note that the whole process was incremental and collaborative as senior management had carefully planned the Head of Programme’s revalidation exercise with scheduled workshops and milestones. The problem was the lack of appreciation of the cultural context and if time had been spent, for example, using a ‘cultural web’ as articulated by Johnson et al (2005), the Head of Programme may not have encountered such uncomfortable resistance.

The Cultural Web, see below, provides an approach for examining and changing an organisation’s culture. It identifies the cultural assumptions and practices thereby allowing the alignment of organisational elements with the strategy, in this case maximum ACCA exemptions.

The Cultural Web identifies six interconnected components that comprise the ‘paradigm’ – the model – of the work environment. By analysing the individual factors in each component it becomes apparent what is working, what is not working and what needs to be changed.

Fig 5. The Cultural Web



Source: www.mindtools.com/pages/article/newSTR_90.htm - accessed 17 August 2017

The six elements are:

Stories – The past events and people who best immortalize the values and behaviours.

Rituals and Routines –The daily accepted norms and values especially those acknowledge by management.

Symbols – The visual images of the company including logos, office layout and formal or informal dress codes.

Organizational Structure – As articulated by the organization chart and the unwritten or hidden lines of power and influence that suggest whose contributions are valued.

Control Systems – These include financial systems, quality system, and rewards.

Power Structures – The centres of actual power in the company. This may comprise of one or two key senior key senior management personnel or maybe a department. It is these people who have the greatest amount of influence on decisions, operations and strategic direction.

Once a cultural web has been established the process is repeated but this time thinking about a desired or new culture and how the gap between the actual and desired culture can be reduced. The Head of Programme had underestimated the power structure in his new department especially an accounting faculty that had never been challenged on curriculum or

professional body accreditation, resulting in high levels of resistance.

On the other hand the Head of Programme probably would have still faced resistance as this was going to be a major change in the accounting and finance curriculum as well as the established cultural discourse i.e. the paradigm. A better understanding of the cultural context would have allowed the Head of Programme to anticipate the resistance as a normal emotional response. Thus in the role as change agent he would have been able to help his colleagues through the 'coping cycle' (Carnall 2003) and help them potentially emerge more compliant or less resistant, rather than escalating the issue in the email to the Head of Department and start questioning the capability of the team.

However, the Head of Programme considered the situation and apologised thus dampening the ill feeling. This simple but straightforward gesture enhanced the need for accreditation and empowered the team to make the change. The resulting accounting programme with seven exemptions, with the strong likelihood of nine exemptions in the future, is positive and coupled with scholarly activity will make the students employable and critical thinkers. This supports Lee's (2002) contention that teachers and researchers should produce future accountants who can think and integrate research and practice. This also exquisitely demonstrates what Trowler et al (2003:31) state, 'Changes develop as they are created, applied and practised'. Moreover during a change management initiative it is not the change itself that does not work, rather it is the method and based on the Head of Programme's experience, the attitude of the change agent which may inhibit the change from crystallising.

Based on the CM initiative (Levasseur 2001), the progression from 'unfreezing' via the workshops to 'moving' through sustained communication occurred. Despite 'resistance' and 'refreezing' there was a new accounting programme that satisfied the author's colleagues and ultimately benefits future students.

In short, notwithstanding resistance and refreezing, the eventual outcome has been successful as the new accounting programme will satisfy the Accounting Department's requirements and offer future students potentially both nine ACCA exemptions and the opportunity to pursue conceptual accounting studies.

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