

Change Management

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Abstract

Change management is a systematic approach to dealing with change both from the perspective of an organization and the individual.

Change is difficult. Change is happening in your organization. Every day, new initiatives and projects are launched to improve performance, increase profits, and enhance your competitive advantage. Business leaders need to realize that any new initiative has a change component to it even something as small as moving an employee's desk. And the rollout of a process improvement methodology will have a significantly larger impact on an employee than moving a desk does.

You could be implementing technology to enable a more mobile workforce, reengineering a process to ensure regulatory compliance or pursuing an enterprise-wide transformation around customer experience. No single methodology fits every company, but there is a set of practices, tools, and techniques that can be adapted to a variety of situations. Leaders of organizations that lack mature business process management often don't recognize the need for change management. They may believe that change management just adds unnecessary time and resources to the deployment of a process management program. But the reality is that failing to plan for change can be the kiss of death for process improvement initiatives.

Change management is the approach to driving adoption and usage so initiatives deliver expected results and outcomes.

1. Introduction

Change cannot be avoided when it occurs, hence it is unstoppable. The inevitability of change has made most organizations to adapt and consider it as part of the company's existence. Viewing change can be defined and perceived differently by various authors. For instance, Armstrong (2009) has defined change as any changes in structure, management, employees, processes, and other related activities. Consequently, organizational change is regarded as the empirical observation in an organizational entity of variations in shape, quality or state over time (Van de Ven and Poole, 1995). Lucey (2008) stressed that, any change initiatives and efforts should align with the corporate goals and objectives to ensure organizational success. This means that management of change plays an important role in handling and responding to change

effectively as well as counter the notion of resistance to change. Change can bring positive and negative impacts to organizational outcomes and because of this, the need to manage the change has become an urgent concern. Moreover, management decisions are dependent on how the change is emphasized and taken into consideration because of the influences brought by the internal and external drivers such as culture, leadership and organizational

changes that is driven by economic, political, social, environmental factors and even business trends (Lucey, 2008). The main trust of this paper is to evaluate the impact of change management in achieving the corporate goals and objectives according to organizational perspective. Specifically, it critically discusses the following topics: factors that impacts change; the types of

change and organizational change; the positive and negative consequences of change; the concept and application of change management with the aid of the different change

2. Literature Review

Change encompasses different dimensions and can be caused by various factors. According to the UNDP (2006), there are several factors that influence change and these factors directly and indirectly impacts the organization's goals and objectives. Categorizing these factors into two, it can be described as internal factors that include technologies, operational changes and processes, internal laws and policies, conversion of government organizations to private enterprises, organizational modernization initiatives, changes in management decisions and others. While external factors include but not limited to stiff competitions between companies in the same industry, increasing pressures of globalization, political, economic, socio-cultural, technological, legal, and environmental forces (Lynn, 2001). Similarly, the research of Karmarck (2004) has also highlighted the positive direct relationship between organizational change and the achievement of the strategic objectives of the organization. According to the data provided by UNDP (2006), several factors influences change to occur as it affects directly and directly to corporation's objectives. The two factors includes the internal factors or drivers such as change in operations, technologies, internal policies and laws, urgent call for modernization, management changes in decisions, as well as commercialization or privatization of previously held government organization. While external factors include the increasing demands of globalization, competition between companies in the industry, economic status, technological, political and social conditions that affects the goals and objectives of the organization (Lynn,2001).

Research conducted by Kamarck (2004) reveals the direct relationship between organizational

change and the objectives of the organization. His emphasis is dwelt on the importance of careful planning to assure the attainment of corporate goals and objectives as well as the ability to achieve competitive advantage. For instance, implementation of any change efforts requires coordination by all agents and members which should be built upon

3. Change Management

Successful adaptation to change is as crucial within an organization as it is in the natural

world. Just like plants and animals, organizations and the individuals in them inevitably encounter changing conditions that they are powerless to control. Adaptation might involve establishing a structured methodology for responding to change requests in the business environment or establishing coping mechanisms for responding to changes in the workplace (such as new policies, or technologies).

What is change management

Change management is a structured approach for ensuring that changes are thoroughly and smoothly implemented, and that the lasting benefits of change are achieved.

Change management as a discipline has grown tremendously. Change Management, often called Change Control, is simply the process of managing most changes that can have positive OR negative effects on any environment- be it IT, Human Resources, or simply the way a small office works from day to day. Simply put, it is the act of pausing the decision making process before the implementation stage to check whether if it could be affecting more than the scope of the intended activity.

A simple example might be a decision to paint an office. A manager may tell an office worker to arrange to get the office painted, only to have the person schedule it during office hours, instead of on a weekend or overnight, with a consequential

interruption to the normal flow of productive work. A short change control meeting of the stakeholders- the office workers- could have avoided the work interruptions. Similarly, if the change control group also included the corporate office representative, they may have found out that the corporate headquarters had already scheduled a contractor to do all locations, and thereby received significant savings or ensured a standardized corporate "look".

Usually, **change occurs because a problem exists in a process**, and there is a clear idea for a better way to do it. While this sounds fairly easy, it often can be quite complicated and frustrating. Without a change control process in place, people will assume that any change is a good change- until it isn't- and that's when it becomes a problem, sometimes an expensive one, for companies.

Why we need change management

Below are several reasons change management has become so important to organizations in recent years.

More and frequent changes— Change is occurring at an incredible pace in organizations today. The sheer quantity of changes is increasing, and changes are happening more frequently and faster than ever before. With such large amounts of change happening, organizations need a better and more structured way to manage the individuals in the organization impacted by all of these changes.

Value system of empowerment - Over the last fifty years, value systems have shifted in many organizations. Old values of control and predictability have been replaced by new values to push decision making, authority and responsibility down into the organization. While this shift has delivered many benefits, it has also made top-down changes more difficult and increased the resistance they face. Organizations with empowered workforces need to manage the human

side of change more effectively than they did in the very hierarchical structure of the past.

Competitive advantage - Many sources of competitive advantage have eroded as information moves more quickly and across the globe in seconds. In upcoming years, speed and agility will be a central differentiator in the market place. And organizations that do not use change management cannot build their internal competency to quickly and effectively implement change. Strong change management competencies within an organization are a key source of competitive advantage in coming years.

Change management is all about managing the increasing complexity of a project, plain and simple. Your team must understand how to manage the complexities of an ever growing, always expanding list of customer demands, enhancements, and features.

To successfully build and deploy a change management platform, you need to understand how it fits into your company. What are your current processes? How strictly are they adhered to? Who needs access to this information, and where are they located? You may all be centrally located in one office now, but what are your company's plans for growth? The actors (roles) will tell who will use your change management system, and help you to model out the flow of communication necessary for a successful system.

Principles of change management

10 Principles of Change Management

No single methodology fits every company, but there is a set of practices, tools, and techniques that can be adapted to a variety of situations. What follows is a "Top 10" list of guiding principles for change management. Using these as a systematic, comprehensive framework, executives can understand what to expect, how to manage their own personal change, and how to engage the entire organization in the process.

1. Address the “human side” systematically. Any significant transformation creates “people issues.” The change-management approach should be fully integrated into program design and decision making, both informing and enabling strategic direction. It should be based on a realistic assessment of the organization’s history, readiness, and capacity to change.

2. Start at the top. Because change is inherently unsettling for people at all levels of an organization, when it is on the horizon, all eyes will turn to the CEO and the leadership team for strength, support, and direction. The leaders themselves must embrace the new approaches first, both to challenge and to motivate the rest of the institution. They must speak with one voice and model the desired behaviors. The executive team also needs to understand that, although its public face may be one of unity, it, too, is composed of individuals who are going through stressful times and need to be supported. Only after the leadership team went through the process of aligning and committing to the change initiative was the work force able to deliver downstream results.

3. Involve every layer. As transformation programs progress from defining strategy and setting targets to design and implementation, they affect different levels of the organization. Change efforts must include plans for identifying leaders throughout the company. The leaders who are identified and trained must be aligned to the company’s vision, equipped to execute their specific mission, and motivated to make change happen.

4. Make the formal case. Individuals are inherently rational and will question to what extent change is needed, whether the company is headed in the right direction, and whether they want to commit personally to making change happen. They will look to the leadership for answers. The articulation of a formal case for change and the creation of a written vision statement are invaluable opportunities to create or compel leadership-team alignment. Three steps should be followed in developing the case: First, confront reality and articulate a convincing need for

change. Second, demonstrate faith that the company has a viable future and the leadership to get there. Finally, provide a road map to guide behavior and decision making. Leaders must then customize this message for various internal audiences, describing the pending change in terms that matter to the individuals.

5. Create ownership. Leaders of large change programs must overperform during the transformation and be the zealots who create a critical mass among the work force in favor of change. This requires more than mere buy-in or passive agreement that the direction of change is acceptable. It demands ownership by leaders willing to accept responsibility for making change happen in all of the areas they influence or control. Ownership is often best created by involving people in identifying problems and crafting solutions. It is reinforced by incentives and rewards. These can be tangible (for example, financial compensation) or psychological (for example, camaraderie and a sense of shared destiny).

6. Communicate the message. Too often, change leaders make the mistake of believing that others understand the issues, feel the need to change, and see the new direction as clearly as they do. The best change programs reinforce core messages through regular, timely advice that is both inspirational and practicable. Communications flow in from the bottom and out from the top, and are targeted to provide employees the right information at the right time and to solicit their input and feedback. Often this will require overcommunication through multiple, redundant channels.

7. Assess the cultural landscape. Successful change programs pick up speed and intensity as they cascade down, making it critically important that leaders understand and account for culture and behaviors at each level of the organization. Companies often make the mistake of assessing culture either too late or not at all.

8. Address culture explicitly. Once the culture is understood, it should be addressed as thoroughly as any other area in a change program. Leaders should be explicit about the culture and underlying

behaviors that will best support the new way of doing business, and find opportunities to model and reward those behaviors. This requires developing a baseline, defining an explicit end-state or desired culture, and devising detailed plans to make the transition.

Company culture is an amalgam of shared history, explicit values and beliefs, and common attitudes and behaviors.

9. Prepare for the unexpected. No change program goes completely according to plan. People react in unexpected ways; areas of anticipated resistance fall away; and the external environment shifts. Effectively managing change requires continual reassessment of its impact and the organization's willingness and ability to adopt the next wave of transformation. Fed by real data from the field and supported by information and solid decision-making processes, change leaders can then make the adjustments necessary to maintain momentum and drive results.

10. Speak to the individual. Change is both an institutional journey and a very personal one. People spend many hours each week at work; many think of their colleagues as a second family. Individuals (or teams of individuals) need to know how their work will change, what is expected of them during and after the change program, how they will be measured, and what success or failure will mean for them and those around them. Team leaders should be as honest and explicit as possible.

Kotters 8 step change mode Implementing Change Powerfully and Successfully

Step 1: Create Urgency

For change to happen, it helps if the whole company really wants it. Develop a sense of urgency around the need for change. This may help you spark the initial motivation to get things moving.

This isn't simply a matter of showing people poor sales statistics or talking about increased

competition. Open an honest and convincing dialogue about what's happening in the marketplace and with your competition. If many people start talking about the change you propose, the urgency can build and feed on itself.

Step 2: Form a Powerful Coalition

Convince people that change is necessary. This often takes strong leadership and visible support from key people within your organization. Managing change isn't enough – you have to lead it.

You can find effective change leaders throughout your organization – they don't necessarily follow the traditional company hierarchy. To lead change, you need to bring together a coalition, or team, of influential people whose power comes from a variety of sources, including job title, status, expertise, and political importance.

Once formed, your "change coalition" needs to work as a team, continuing to build urgency and momentum around the need for change.

Step 3: Create a Vision for Change

When you first start thinking about change, there will probably be many great ideas and solutions floating around. Link these concepts to an overall vision that people can grasp easily and remember.

A clear vision can help everyone understand why you're asking them to do something. When people see for themselves what you're trying to achieve, then the directives they're given tend to make more sense.

Step 4: Communicate the Vision

What you do with your vision after you create it will determine your success. Your message will probably have strong competition from other day-to-day communications within the company, so you need to communicate it frequently and powerfully, and embed it within everything that you do.

Don't just call special meetings to communicate your vision. Instead, talk about it every chance you get. Use the vision daily to make decisions and solve problems. When you keep it fresh on everyone's minds, they'll remember it and respond to it.

It's also important to "walk the talk." What you do is far more important – and believable – than what you say. Demonstrate the kind of behavior that you want from others.

Step 5: Remove Obstacles

If you follow these steps and reach this point in the change process, you've been talking about your vision and building buy-in from all levels of the organization. Hopefully, your staff wants to get busy and achieve the benefits that you've been promoting.

But is anyone resisting the change? And are there processes or structures that are getting in its way?

Put in place the structure for change, and continually check for barriers to it. Removing obstacles can empower the people you need to execute your vision, and it can help the change move forward.

Step 6: Create Short-Term Wins

Nothing motivates more than success. Give your company a taste of victory early in the change process. Within a short time frame (this could be a month or a year, depending on the type of change), you'll want to have some "quick wins" that your staff can see. Without this, critics and negative thinkers might hurt your progress.

Create short-term targets – not just one long-term goal. You want each smaller target to be achievable, with little room for failure. Your change team may have to work very hard to come up with these targets, but each "win" that you produce can further motivate the entire staff.

Step 7: Build on the Change

Kotter argues that many change projects fail because victory is declared too early. Real change runs deep. Quick wins are only the beginning of what needs to be done to achieve long-term change.

Launching one new product using a new system is great. But if you can launch 10 products, that means the new system is working. To reach that 10th success, you need to keep looking for improvements.

Each success provides an opportunity to build on what went right and identify what you can improve.

Step 8: Anchor the Changes in Corporate Culture

Finally, to make any change stick, it should become part of the core of your organization. Your corporate culture often determines what gets done, so the values behind your vision must show in day-to-day work.

Make continuous efforts to ensure that the change is seen in every aspect of your organization. This will help give that change a solid place in your organization's culture.

It's also important that your company's leaders continue to support the change. This includes existing staff and new leaders who are brought in. If you lose the support of these people, you might end up back where you started.

Change management activities Once you have considered the change management objectives and scope, you'll also need to consider the specific tasks. Again, the range of possible activities is broad. It's a question of working out what will best help you meet the change challenge in hand, as you have defined it in your objectives and scope, and how to work along side other people's and projects' activities and responsibilities.

Remember, these are just some typical change management activities. Others may be required in your specific situation. Equally, some of the above

may not be within your remit, so plan carefully, and coordinate with other people involved.

4. How to Implement Change Management

Effectively Any organizations that desire to implement the change in an effective manner should consider the transition of the present system or state into the desired future state thereby maximizing the resources and minimizing cost at the same time, making it beneficial to the organization (Hortho, 2008). The following key areas can be considered to ensure its success:

1) Adequate identification of the problem and assessing the urgency of the need for change should be done to understand the present situation of the organization as well as determining what kind of change is required to address the problem identified.

2) Envision the desired future state of the organization by developing a realistic picture of the ideal company situation after applying the change and effectively communicate the vision to all participants of the change and devising an effective mechanism to ensure the smooth transition of change from the old state to the new state. It also requires the high level of stability in the change process like assuring and aligning the change efforts to the organization's goals and objectives.

3) Change should be implemented in a systematic and orderly manner. Effective transition of the change is highly required and should consider the effectiveness in allocating resources, ensuring that planned change is carried out, persons given the responsibility to lead such change has the ability to do it, and make sure that the planned change are coordinated from the top management down to the lowest level so everyone in the organization are well aware of the direction of change. Leaders in the organization should initiate the change with enthusiasm and serve as role models in dealing with change.

4) Effective management of resistance to change increase the level of participation of the people to the change efforts. Leaders have the major role to play in initiating the change and share their vision towards the change. The higher the level of resistance will likely result to more difficulty to implement the change. Appropriate strategies should be applied to minimize the degree of resistance.

5) Managing change proactively is also an effective means of maximizing flexibility to adapt change in the future and can be considered as a creative way in dealing with the dynamics of change. This is possible with the help of the human resource department and all participants of the change.

5. Benefits of Change Management to Organizations

Managing change effectively provide benefits that help organizations sustain competitive advantage in the ever changing world. These benefits include but not limited to the following:

1) Managing change enables the organizations to respond quickly to the changing customer demands.

2) The management and the organization will realize the importance of change and the expected benefits it derived when implemented in the right way.

3) It allows more flexibility whenever pressures for change arise. The ability to adapt change when it occurs help the organization improve in terms of processes, decision making capabilities, financial returns and others.

4) Easy identification of problem that requires change efforts and enable organization to familiarize those problems that requires change plan.

5) Change can be implemented without affecting the daily activities of the organization.

6) It provides the management the know-how in assessing the overall impacts of change.

7) Understanding the change process by all employees would likely improve their performance thus, improve organizational performance.

8) Change management helped the organization to identify accurately the problems or anticipate challenges and respond to it efficiently and effectively.

9) Change management enable organizations to save cost and increase return on investment thereby reduce waste of resources, time and efforts.

10) Establish opportunities for the development of best practices, leadership development and team

6. conclusion

Change is inevitable and unavoidable. It exists in different dimensions and can be described as internal factors that include technologies, operational changes and processes, internal laws and policies, conversion of government organizations to private enterprises, organizational modernization initiatives, changes in management decisions and others. While external factors include but not limited to stiff competitions between companies in the same industry, increasing pressures of globalization, political, economic, socio-cultural, technological, legal, and environmental forces. In other words, change occurs in different types. Different views and perspective of change varies between organizations as it can give positive and negative consequences. More importantly, managing resistance to change in an effective manner helped organizations to deal smoothly the implementation of change. Organizational change enables organizations to device ways to implement change management effectively with the aid of different change models. Lastly, change management provides many benefits that organization receives provided such change is aligned with the corporate's goals and objectives.

Change must involve people – change must not be imposed upon the people.

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