Managing Change in Business Organisations

Prof. (Dr.) K.L.Bhardwaj [1]
Department of Humanities &Social Sciences
MIA, Alwar (Rajasthan)
Email:bhardwajk00@gmail.com

Divyanshu Bhardwaj[2]
B.Tech. Final Year (Computer Science Engineering)
JECRC, Jaipur (Raj)

ABSTRACT

Today's business environment requires companies to undergo changes almost constantly if they are to remain competitive. Factors such as globalization of markets and rapidly evolving technology force businesses to respond in order to survive. Such changes may be relatively minor as in the case of installing a new software program or quite major as in the case of refocusing an overall marketing strategy. Organizations must change because their environments change. There are usually two forces that cause change in an organization: external forces and internal forces. Understanding where they come from is one of the keys to properly preparing for change. External forces are usually those outside of the organization that you have no direct control over. These might include local, state and federal regulations, the economy, court decisions, unemployment levels, inflation and the cost of living.

Internal forces may also cause change to occur, and would include top management’s change in company strategy, increased productivity standards, and quality control standards. Internal forces for change may also reflect external forces upon the organization.

Key Words: Globalisation- Entire Worldly Fact , Marketing Strategy-Planning for Advertising, Inflation- General Rise in the Prices, Cost of Living- Value of Having.

Introduction

Organizational change occurs when a company makes a transition from its current state to some desired future state. Managing organizational change is the process of planning and implementing change in organizations in such a way as to minimize employee resistance and cost to the organization, while also maximizing the effectiveness of the change effort. Organizational change initiatives often arise out of problems faced by a company. In some cases, however, companies are encouraged to change for other, more positive reasons. Change commonly occurs because the organization experiences some difficulty, but sometimes the most constructive change takes place not because of problems but because of opportunities. Companies need people who can contribute positively to their inevitable change efforts.

Areas of Organizational Change

Four major areas of organizational change: strategy, technology, structure, and people. All four areas are related, and companies often must institute changes in the other areas when they attempt to change one area. The first area, **strategy changes,** can take place on a large scale—for example, when a company shifts its resources to enter a new line of business—or on a small scale—for example, when a company makes productivity improvements in order to reduce costs. There are three basic stages for a company making a strategic change:1) realizing that the current strategy is no longer suitable for the company's situation; 2) establishing a vision for the company's future direction; and 3) implementing the change and setting up new systems to support it.

Technological changes are often introduced as components of larger strategic changes, although they sometimes take place on their own. An important aspect of changing technology is determining who in the organization will be threatened by the change. To be successful, a technology change must be incorporated into the company's overall systems, and a management structure must be created to support it.

Structural changes can also occur due to strategic changes—as in the case where a company decides to acquire another business and must integrate it—as well as due to operational changes or changes in managerial style. For example, a company that wished to implement more participative decision making might need to change its hierarchical structure.
People changes can become necessary due to other changes, or sometimes companies simply seek to change workers' attitudes and behaviors in order to increase their effectiveness. Attempting a strategic change, introducing a new technology, and other changes in the work environment may affect people's attitudes (sometimes in a negative way).But management frequently initiates programs with a conscious goal of directly and positively changing the people themselves. In any case, people changes can be the most difficult and important part of the overall change process. The science of organization development was created to deal with changing people on the job through techniques such as education and training, team building, and career planning.

Resistance to Change

A manager trying to implement a change, no matter how small, should expect to encounter some resistance from within the organization. Resistance to change is a normal reaction from people who have become accustomed to a certain way of doing things. Of course, certain situations or tactics can increase resistance.
Their resistance to change usually falls into one of these areas:

Uncertainty: employees usually become nervous and anxious about the change and are primarily concerned about their job security and ability to meet new job demands. You may present them with the facts and answer all of their concerns, but their own internal emotional controls may not allow them to fully comprehend how the change will affect them.

Threatened Self-Interests: concerns in these areas usually relate to personal power and position power within the organization. No one wants to see their influence diminish within the organization, so they fight the change.

Different Perceptions: everyone will have their own idea about the change. Thus, they may not see the change as benefiting them, their workgroup, or the customers that are served.

Feelings of loss: over the course of time, social networks develop within organizations and change disrupts these networks. By way of example, a schedule change might adversely affect a relationship through a change in partners, or status, security, power and the employee’s self-confidence.

Overcoming resistance to these change can be manage by keeping these goals in mind:

Participation: keep employee involvement in the planning process at a very high level. When employees can express their ideas and listen to others in the planning process, their own personal buy-in increases and makes the change easier for the organization. It also has the potential to reduce the negative.

Education and Communication: keeping communications as wide open as possible reduces the anxiety and uncertainty about the change. When rumors are spread about the change (this always happens!), quickly put the facts back out through the information process. Consider having different methods of getting the same message out to staff. For example, a change could be communicated four different ways: at a general staff meeting, through email from the supervisor or senior administrators, work group discussions and press releases.

Facilitation: several different facilitation tools can be utilized, including a) making small changes, b) making only necessary changes, c) planning changes well in advance, and d) training employees before the change occurs.

Force-Field Analysis: the title may imply that this idea is from outer space, but FFA is simply a tool that measures forces that act for and against the change. Change agents list these positive and negative criteria (assets/deficits) and then attempt to tip the balance so that the forces for the change outweigh those against the change.

Techniques for Managing Change Effectively

Managing change effectively requires moving the organization from its current state to a future desired state at minimal cost to the organization. Here are following steps for managers to follow in implementing organizational change:

Establish goals for the change: What is it that you want to accomplish from the change? Increased productivity? Increased efficiency? Decreased expenses? Once you form general goal areas, then you need to define the parties that will be affected by the change and enlist them in the change planning efforts.

Diagnose relevant variables: What are all of the issues? What will be negatively affected by the change? What external and internal forces will modify your goals?

Select the appropriate change technique: Will you employ a change agent from outside the organization? What specific techniques will you employ? How long will the change take place?

Plan for the implementation of the change: In other words, communicate, communicate, and communicate. Accurate planning is essential for this change to be successful. And make sure everyone is aware of the timeline – and make sure your timeline is fair and accurate! Adopt the slogan “Go Slow to Go Fast!” In other words, put your best efforts up front during the planning process – this will allow the actual implementation to move rapidly and successfully.

Implement the change: This can be the hardest step – taking action. With proper planning, by now you have 90% of your employees supporting the change so you can continue to focus on the positive benefits of the change

Evaluate and follow-up: This is perhaps one of the most important areas that we overlook. How successful was the change? Did things take place as they were supposed to? What do you need to go back and fix? What did you learn from the experience?

Conclusion

Successfully changing an enterprise requires wisdom, prescience, energy, persistence, communication, education, training, resources, patience, timing, and the right incentives. Successfully leading and managing change is and will continue to be a front-burner responsibility for executives. Prospects are grim for enterprises that either cannot or will not change. Indeed, no industry member is quite so welcome as the one that steadfastly refuses to keep up.

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