

# **Change Management**

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## **Must for today's Organization**



**By Hemamalini Suresh**

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For additional information or assistance please contact Hema at (+91)422-320-606. [www.thinkbn.com](http://www.thinkbn.com) • 697A, Trichy Road,  
Coimbatore, TN 641045.

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## 1 Abstract

Companies need to be flexible and innovative in the ways in which they deal with the unfamiliar situations they often find themselves in. We are in a time of great change. The reality of yesterday proves wrong today, and nobody really knows what will be the truth tomorrow. The steadily increasing complexity of the world is asking too much of us. How can we -as individuals, as well as organizations, prepare ourselves for an uncertain future? Through creating our own future. Change management means empowering organizations and individuals for taking over their responsibility for their own future.

This paper describes the Challenges of Change faced by today's managers and how to cope with these challenges and lead the organization.

## 2 Introduction

Organizations worldwide are confronting more turbulent markets, more demanding shareholders, and more discerning customers, and many are restructuring to meet such challenges. Change is always happening, like a river winding its way to the ocean; it never ceases. Continuous and overlapping change has become a way of life in the corporate environment. Leaders who want to get ahead in today's marketplace must learn to respond to a growing number of changes in how they structure companies, conduct business, implement technology, and relate to customers and employees. While most organizations focus on deciding what to change to improve company performance and quality, the human element of executing these decisions is often left unattended. To successfully implement major change, companies must find the connection between the organization, the worker, and the change initiatives being introduced. That connection is achieved by fostering *resilience* among individuals in the organization.

Change is uncomfortable, and adapting to change is messy. But change is vital - it defines life itself. The key is to learn how to embrace the changes that face us both professionally and personally.



**What do you think about when you hear the word "change"?**

### 3 A definition of change management

According to Webster's Ninth New Collegiate Dictionary: "**Change**" is:

- to give a different position, course, or direction to
- to make a shift from one to another
- to undergo a modification of
- to undergo transformation, transition or substitution

and "**Manage**" is defined as:

- to handle or direct with a degree of skill or address
- to exercise executive, administrative and supervisory direction of

In the organization's view, Change is the implementation of new procedures or technologies intended to realign an organization with the changing demands of its business environment, or to capitalize on business opportunities.

Change Management is a structured process that will cause proposed changes to be reviewed for technical and business readiness in a consistent manner that can be relaxed or tightened to adjust to business needs and experiences.

### 4 Challenges of Change

Change usually involves the introduction of new procedures, people or ways of working which have a direct impact on the various stakeholders within an organization. The key to successful change management lies in understanding the potential effects of a change

initiative on these stakeholders. Will employees be scared, resistant, pessimistic or enthusiastic about your proposed changes? How can each possible reaction be anticipated and managed? As you begin to think about any kind of significant change, be aware of how the change will impact others in your organization and your customers. A new vision, set of driving values, mission or goals constitute significant change. So do new performance standards, new policies or procedures, a new computer equipment installation, or a relocation of your business.

These challenges may manifest themselves under different names or other guises but are essentially the challenges of:

- *Leadership* - changing the running of an organization from a command and control nature of management to the nurturing and motivational nature of leadership.
- *Focus* - making business choices to bring alignment and focus to the organization.
- *Commitment* - creating commitment to the future of the enterprise throughout the organization.
- *Resistance*- Resistance is a complex entity that directly affects the outcomes of change, both positively and negatively.

Each of these challenges is unique, yet they are simultaneously independent and interrelated. Overcoming any one independently is insufficient for realizing sustainable change. For change to be successful in the knowledge economy, an organization has to overcome all the challenges.

#### **4.1 Leadership**

We know that leadership can make a great difference, and we know that its importance for organizational success is intensifying. Change cannot be accomplished without the commitment and involvement of the organization's leaders. Let's look at the role a leader should play during the change process.

***Leaders must have a way of thinking about change.*** They should have a "model" which will guide analysis of the situation and help him to formulate the process of change to be implemented.

***Leaders must have clear goals.*** They must have a clear idea of what results the change will generate.

***Leaders should initiate change at the point where they have the most control and can make reliable predictions about the consequences of their actions.***

***Leaders should recognize that change in any one part of the situation affects the whole.*** They must be alert for unanticipated consequences of their actions.

The most important task of a leader is creating the climate that is conducive to the change being attempted

#### 4.2 Focus

Without a consistent focus, it becomes incumbent on each member to interpret the environment and to make decisions on which opportunities to explore from his or her own perspective. The likely result is a collection of highly skilled individuals, working extremely hard, and pulling the organization in a number of uncoordinated directions. Hence today's leaders must rely more on the discipline to focus on the right opportunities for the organization to steer the followers in the right direction.

#### 4.3 Commitment

Individuals who are asked to make a change are really being asked to make a commitment of personal energy. Company resources must be devoted to help workers understand the impending change, convince them of its value, and manage the resistance that will inevitably surface. As a leader builds understanding and generates commitment, the intense resistance to change, born out of fear of the unknown, is abandoned and replaced by the courage to take new directions and to actively pursue change. (See the below fig)



#### 4.4 Resistance

Resistance to change is a human condition. Every human being and consequently every organization exists in a current reality; an understanding of themselves and a level of comfort with their current situation. Bringing new skills or knowledge into a company is not always easy. People fear change. Management should oversee this integration, and smooth the way by keeping everyone aware of the company's objectives and how new competencies have a valuable part to play.

Resistance management may improve if the organization recognizes the potential benefits of resistance.

**Resistance may be your friend to implement the correct change.** It is much more complex than it may first appear. Make sure you fully understand the reasons why it exists in your situation and persevere in your attempts to get to the bottom of them

**Give the staff a chance to voice up and encourage true participation in change** It may be of greater value in the long run to utilize the talents and energies of your staff so that as a team you can work towards fully achieving the objectives of your change program. By involving employees and providing the opportunity to give feedback, many difficulties can be overcome and the overall outcome is far more likely to be beneficial than if a half-hearted "salesmanship" attempt at participation is used

## 5 Orchestrating Successful Organizational Changes



Change is an opportunity to do more business . . . if you are ready to offer Change to your customers and clients when the right time comes along. The keys are to be ready before they are ready or need to Change, to let them know you are aware of oncoming Change, and that you have the services and products that will help them meet Change. Before offering to help other effect Change, you need to do the following

## **5.1 Examine your business closely**

### **5.1.1 A. Breakdown your business into 5 Categories:**

1. Outputs -- products, services, information, ideas
2. Personnel -- people, salaries
3. Resources -- equipment, suppliers
4. Operations -- policies, procedures
5. Customers -- former, current, prospects

### **5.1.2 B. Apply the following questions to each of the above categories:**

1. Can we adapt to the Change?
2. Is Change unimportant or dumb (from the recipient's point of view)?
3. How are we going to do it?
4. How will other people outside the business view Change? How would I like them to see it? What should be done to achieve this?
5. Who will be responsible for the development?
6. How will this be integrated into our present offerings?
7. What it will cost others in time, space, effort, and money to accomplish Change?

If these questions are not answered adequately, Change can cause a revolution. If these points are not covered, it will have a negative effect on the business environment. Only by analyzing your business and gathering information will you be ready for the opportunity Change presents.

## **5.2 Eight Steps for starting a bottom-up revolution**

(Courtesy: Leading the Revolution by **Gary Hamel** and excerpts from the interview published in [managementfirst.com](http://managementfirst.com))

### **5.2.1 Step1**

**Build a point of view (POV).** Understand what is changing in the world and what opportunities these changes make possible. Create a POV that is credible, coherent, compelling and commercial. Start your journey with a sense of destiny. Don't be afraid to dream big.



### **5.2.2 Step 2**

**Write a manifesto.** Infect others with your ideas by demonstrating the inevitability of the cause, speaking to timeless human needs and aspirations, drawing clear implications for action and eliciting support. Think of your manifesto as a virus. It must build a case for your intellectual authority and it must capture people's imagination.

### **5.2.3 Step 3**

**Create a coalition.** Transform individual authority into collective authority by seducing, cajoling and convincing others to get things done. Build strength from below, as many new opportunities don't fit neatly into any of the existing organizational boxes.

### **5.2.4 Step 4**

**Pick your targets and pick your moments.** Know and understand who in your organization can say "yes" and make it stick. Every event is an opportunity to advance your POV, but pick your moment carefully. Plus, always have an elevator speech ready.

### **5.2.5 Step 5**

**Co-opt and neutralize.** Win-win propositions are vital to your campaign. Make people see you as a catalyst for change.

### **5.2.6 Step 6**

**Find a translator.** Find someone who shares your view of the future and who can better communicate to the influential people. This gives the audience a better/different view of the project.

### **5.2.7 Step 7**

**Win small; win early; win often.** Start small! Organizing efforts are worth nothing if you can't demonstrate that your ideas actually work. Ask yourself, "What will constitute an early win?"

### **5.2.8 Step 8**

**Isolate; infiltrate; integrate.** Take action! Turn your experiment into a reality. Your experiment must take root throughout the organization and send out runners that will transform the landscape.

## **5.3 Successful change- An Example**

A classic example of success through effective change management involves the global communications giant Motorola. The Space and System Technology Group at Motorola gradually introduced self-managing teams as a work change initiative. This came about from listening to employees and from a pressing need to improve quality of output and cycle times. As a result of a well-communicated and carefully implemented change,

Motorola was able to boast a figure of 22 defects per million, as compared to 750 defects per million before the change - a considerable improvement by any standards!

At the end of the day, change boils down to people. People make things happen, and company people will be the ones carrying out the changes. However this is only likely to occur if a change initiative is properly communicated by the management. The organizations that succeed at change are the ones that are able to consider the people who will be affected by the change and that will be crucial to its long-term chances of success.

## 6 Conclusions

Our economic environment is changing. Today's businesses are faced with new challenges as they continually try to position themselves for the future. What is required is a new set of rules. Today's managers can no longer control their organizations, they must lead them. Their challenge is not one of managing to maximize utilization but of engaging the staff for maximum innovation. This requires nothing less than personal transformation. A transformation in which leaders learn to take responsibility for articulating the direction, for creating an environment that empowers the members of the organization to be creative and for enabling individuals to be driven by their own will to continuously innovate in the pursuit of the future.

These challenges are not new. However, the environment is and we can no longer apply the old techniques and expect new results. We can be encouraged by the new world, which reflects more directly the deepest of our dreams as individuals and as organizations

So organizations have to follow the **Law of Change:**

*Change -- or Die.*



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