MANAGING ORGANIZATIONAL CHANGE

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ABSTRACT:

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 simultaneously maximizing the effectiveness of the change effort. Organizational change is an important issue in organizations. Organizational change occurs when a company makes a transition from its current state to some desired future state. Organizational change is the change that has an impact on the way that work is performed and has significant effects on employees. It Includes Structure of an organization, Organizational operation and size of a workforce, working hours or practices, Roles are carried out and Scope of a role that results in a change to the working situation, structure, terms and conditions or environment. Today's business environment requires companies to undergo changes almost constantly if they are to remain competitive. In this Paper I would like to discuss Areas, Techniques, Emotional Phases and Reasons for failure to Manage Change in the Organization.

Keywords: Organizational Change, Areas, Techniques, Major Types, Emotional Phases and Reasons for failure in Change
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I. INTRODUCTION

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 simultaneously maximizing the effectiveness of the change effort. Organizational change is an important issue in organizations. It is actually a process in which an organization optimizes performance as it works toward its ideal state. 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, fighting off a hostile takeover, or transforming a company in the face of persistent foreign competition. Organizational change initiatives often arise out of problems faced by a company. In some cases, however, companies change under the impetus of enlightened leaders who first recognize and then exploit new potentials dormant in the organization or its circumstances. Some observers, more soberly, label this a "performance gap" which able management is inspired to close.

II. DEFINITION

Change management has been defined as 'the process of continually renewing an organization's direction, structure, and capabilities to serve the ever-changing needs of external and internal customers.

"Moran and Bright man"

III. REVIEW OF LITERATURE

According to Burnes (2004) change is an ever-present feature of organizational life, both at an operational and strategic level. Therefore, there should be no doubt regarding the importance to any organization of its ability to identify where it needs to be in the future, and how to manage the changes required getting there. Consequently, organizational change cannot be separated from organizational strategy, or vice versa. *Graetz (2000: 550)goes as far as suggesting* 'Against a backdrop of increasing globalization, deregulation, the rapid pace of technological innovation, a growing knowledge workforce, and shifting social and demographic trends, few would dispute that the primary task for management today is the leadership of organizational change. **Kubler-Ross (1973),** who argued that all humans go through 5 stages of 'grief' (denial, anger, bargaining, depression and acceptance) when faced with a loss or change, has been seen as relevant and has been applied to the management of organizational change. **Margaret Rouse** (2009) mentioned, Organizational change management is a framework for managing the effect of new business processes, changes in organizational structure or cultural changes within an enterprise.

IV. AREAS OF ORGANIZATIONAL CHANGE

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 or to stimulate individual or team creativeness. Almost always people changes are 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.

V. MAJOR TYPES OF ORGANIZATIONAL CHANGE

Organizational change is defined as change that has an impact on the way that work is performed and has significant effects on staff. This could include changes:

a. In the structure of an organization
b. To organizational operation and size of a workforce
c. To working hours or practices
d. In the way roles are carried out
e. To the scope of a role that results in a change to the working situation, structure, terms and conditions or environment.

Organizational change can have an impact irrespective of whether changes are viewed as large or small.

Major Types of Organizational Change:

Typically, the phrase "organizational change" is about a significant change in the organization, such as reorganization or adding a major new product or service. This is in contrast to smaller changes, such as adopting a new computer procedure. Organizational change can seem like such a vague phenomena that it is helpful if you can think of change in terms of various dimensions as described below.

a. **Organization-wide Versus Subsystem Change:**
   Examples of organization-wide change might be a major restructuring, collaboration or rightsizing. Usually, organizations must undertake organization-wide change to evolve to a different level in their life cycle, for example, going from a highly reactive, entrepreneurial

organization to one that has a more stable and planned development. Experts assert that successful organizational. Change requires a change in culture cultural change is another example of organization-wide change.

Examples of a change in a subsystem might include addition or removal of a product or service, reorganization of a certain department, or implementation of a new process to deliver products or services.

b. Transformational Versus Incremental Change:
An example of transformational (or radical, fundamental) change might be changing an organization's structure and culture from the traditional top-down, hierarchical structure to a large amount of self-directing teams. Another example might be Business Process Re-engineering, which tries to take apart (at least on paper, at first) the major parts and processes of the organization and then put them back together in a more optimal fashion. Transformational change is sometimes referred to as quantum change.

Examples of incremental change might include continuous improvement as a quality management process or implementation of new computer system to increase efficiencies. Many times, organizations experience incremental change and its leaders do not recognize the change as such.

c. Remedial Versus Developmental Change:
Change can be intended to remedy current situations, for example, to improve the poor performance of a product or the entire organization, reduce burnout in the workplace, help the organization to become much more proactive and less reactive, or address large budget deficits. Remedial projects often seem more focused and urgent because they are addressing a current, major problem. It is often easier to determine the success of these projects because the problem is solved or not. Change can also be developmental to make a successful situation even more successful, for example, expand the amount of customers served, or duplicate successful products or services. Developmental projects can seem more general and vague than remedial, depending on how specific goals are and how important it is for members of the organization to achieve those goals. Some people might have different perceptions of what is a remedial change versus a developmental change. They might see that if developmental changes are not made soon, there will be need for remedial changes. Also, organizations may recognize current remedial issues and then establish a developmental vision to address the issues. In those situations, projects are still remedial because they were conducted primarily to address current issues.

d. Unplanned Versus Planned Change:
Unplanned change usually occurs because of a major, sudden surprise to the organization, which causes its members to respond in a highly reactive and disorganized fashion. Unplanned change might occur when the Chief Executive Officer suddenly leaves the organization, significant public relations problems occur, poor product performance quickly results in loss of customers, or other disruptive situations arise   .

Planned change occurs when leaders in the organization recognize the need for a major change and proactively organize a plan to accomplish the change. Planned change occurs with successful implementation of a Strategic Plan, plan for reorganization, or other implementation of a change of this magnitude.

Note that planned change, even though based on a proactive and well-done plan, often does not occur in a highly organized fashion. Instead, planned change tends to occur in more of a chaotic and disruptive fashion than expected by participants.

VI.   EMOTIONAL PHASES OF CHANGE

Organizational change has an element of loss inherent in the process, and it is a loss that is often deeply felt by employees. The Kubler - Ross Grief Model addresses the emotional issues associated with change. The four emotional states experienced throughout the change process may be expressed by employees in behaviors that are obstacles to the process of change. By understanding the emotions employees often encounter during change, you will be better prepared to facilitate the change process.

Kubler - Ross Grief Model

Stage 1: Denial
Stage 2: Resistance
Stage 3: Exploration
Stage 4: Commitment

1. The first emotional state experienced during change is denial. For example, employees encountering a change initiative might be saying to them, "I can't believe this is happening to us." Unresolved fears about the change initiative need to be addressed during this phase. Fear and mistrust need to be replaced by acceptance. To be an effective change agent, you should encourage acceptance to change by initiating trust-building activities.

2. The second emotional state is resistance to the change process. It is common for employees to begin to resist the change initiative. During this phase, employees attempt to slow down or derail the change initiative. You must be able to spot resistance when it occurs and formulate sound strategies for overcoming it. Resistance is a natural reaction to change, and it can take many forms. The easiest form of resistance to recognize is those who loudly indicate their dissatisfaction with the changes taking place in the organization. Soliciting feedback from these individuals lets you know where they stand, so that you can overcome their objectives.

   Employees often resist change through denial. These individuals refuse to acknowledge that a problem exists. For example, competition might force a business to organize work around processes to improve operating efficiencies. Functional departments involved in these processes would be combined. Employees might not see a need for this change. The reasons for change must be fully explained so that employees understand why it is necessary to embrace the change.

   Another common resistance is exhibited by individuals who willingly embrace the change, but when they realize that it takes additional time and effort, they begin to undermine the change process. It is best to slow down and allow people to absorb change gradually before forging ahead. Sometimes employees use confusion to postpone change. After explaining the changes

repeatedly, employees ask the same questions over and over again. They may truly be confused or they may be using confusion as a form of resistance to avoid accepting change.

The most dangerous form of resistance is referred to as malicious compliance. Employees enthusiastically support change, but covertly undermine the effort. For example, during presentations, the questions are polite and employees seem accepting. As you move forward they act as though they are implementing the new program. Months later you find out nothing has changed. How we respond to resistance is very important. Forcing compliance may increase resistance. Those affected by the change probably know a lot about what is required to implement something new, and their input is important to the change process. The degree to which employees will support your new initiatives depends on how many of their recommendations are used. Compromise can accelerate the change process.

3. The third emotional state encountered is exploration. If employees are unable to stop the changes from occurring, they begin to explore their new roles. Both individual roles as well as the overall role of the group are specifically defined in this stage. During the exploring stage, it is important that unresolved issues that continue to surface be addressed. Be alert for employees who remain angry about the change initiative. Those individuals should be counseled at the first sign of falling back to old behaviors. If trust has been created among the group, then peer influence can be used to encourage behavioral change.

4. The final emotional state is commitment to the change initiative. Mutual commitment is established for the change effort. Obstacles have been removed and the focus is on successful implementation of the changes.

VII.   REASONS FOR FAILURE IN MANAGING CHANGE

Research indicates that two-thirds of all organizational changes fail. This represents a tremendous cost to companies in money, resources, and time. Several of the most common reasons for failed change programs include a lack of commitment from the top, change overload, lack of incentives tied to the change initiative and a lack of training. Commitment from senior management is required if the change program is to succeed. People reveal their values through their actions, not their words. Employees infer what is important from management's behavior.

Trying to do too much at once is often an obstacle because trying to accomplish too many activities can create confusion. Helping the group to on well-defined steps that carry them from one initiative to another will instill a sense of order and confidence in the process. Often change programs are initiated without changing incentives to reinforce the desired new behavior. Change is expected, but the old behavior is still being rewarded. The organization must publicly recognize and reward employees who change by linking promotion and pay rewards to the desired behaviors. Rewards that reinforce old methods must be eliminated. Another cause of failure is that too little attention is given to developing the skills people require to make a new technology work. The organization must develop experiential training that provides real time hands-on experience with new processes and procedures. The physical environment must also reinforce these changes.

VIII. 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. Key steps in that process are:

1. Understanding the current state of the organization. This involves identifying problems the company faces, assigning a level of importance to each one, and assessing the kinds of changes needed to solve the problems.
2. Competently envisioning and laying out the desired future state of the organization. This involves picturing the ideal situation for the company after the change is implemented, conveying this vision clearly to everyone involved in the change effort, and designing a means of transition to the new state. An important part of the transition should be maintaining some sort of stability; some things—such as the company's overall mission or key personnel—should remain constant in the midst of turmoil to help reduce people's anxiety.
3. Implementing the change in an orderly manner. This involves managing the transition effectively. It might be helpful to draw up a plan, allocate resources, and appoint a key person to take charge of the change process. The company's leaders should try to generate enthusiasm for the change by sharing their goals and vision and acting as role models. In some cases, it may be useful to try for small victories first in order to pave the way for later successes.Change is natural, of course. Proactive management of change to optimize future adaptability is invariably a more creative way of dealing with the dynamisms of industrial transformation than letting them happen willy-nilly. That process will succeed better with the help of the company's human resources than without.

IX. RESPONSIBILITY FOR MANAGING CHANGE

The employee does not have a responsibility to manage change - the employee's responsibility is no other than to do their best, which is different for every person and depends on a wide variety of factors. Responsibility for managing change is with management and executives of the organization - they must manage the change in a way that employees can cope with it. The manager has a responsibility to facilitate and enable change, and all that is implied within that statement, especially to understand the situation from an objective standpoint (to 'step back', and be non-judgmental), and then to help people understand reasons, aims, and ways of responding positively according to employees' own situations and capabilities. Increasingly the manager's role is to interpret, communicate and enable - not to instruct and impose, which nobody really responds to well.

X. BENEFITS OF MANAGING CHANGE IN THE ORGANIZATION

The greatest importance of managing change is that it provides conceptual scaffolding for the people, the process, and the organization implementing change. It is a framework used to support and understand the change and its effect on the organization and its people. Benefits of Managing change in the organization as follows;

1. Change is a planned and managed process. The benefits of the change are known before implementation and serve as motivators and assessment of progress.
2. The organization can respond faster to customer demands.
3. Change management allows the organization to assess the overall impact of a change.
4. Change can be implemented without negatively affecting the day to day running of business.
5. Organizational effectiveness and efficiency is maintained or even improved by acknowledging the concerns of staff.
6. The possibility of unsuccessful change is reduced.
7. Employee performance increases when staff feels supported and understand the change process.
8. Change management provides a way to anticipate challenges and respond to these efficiently.
9. Managed costs of change: change management helps to contain costs associated with the change and also increased return on investment (ROI).
10. Creates an opportunity for the development of "best practices", leadership development, and team development.

Benefits for Individuals / staff:
1. Effective change management supports a smooth transition from the old to the new while maintaining morale, productivity, and even company image
2. Provides management and staff support for concerns regarding changes
3. An efficient change management process creates the correct perception of the change for staff and public
4. Helps to plan efficient communication strategies
5. Minimizes employee resistance to change
6. Improves morale, productivity and quality of work
7. Improves cooperation, collaboration and communication
8. A carefully planned approach to change reduces stress and anxiety and encourages people to stay loyal to the organization
9. Personal loss/gain to individuals is acknowledged and addressed
10. Change management reduces disruptive aspects and emphasizes positive opportunities in the change process

Further benefits of change management:
1. Careful planning helps to ensure that the change process is started and managed by the right people at the right time.
2. Planned change management allows you to include specific tasks and events that are appropriate for each stage in the change process.
3. Change management ensures that customers, suppliers and other stakeholders understand and support the change.

XI. CONCLUSION

Change is important for any organization because, without change, businesses would likely lose their competitive edge and fail to meet the needs of what most hope to be a growing base of loyal

customers. Today's business environment requires companies to undergo changes almost constantly if they are to remain competitive. In today's fast-paced and highly competitive marketplace, it is crucial for organizations to be flexible enough to change, in order to remain profitable and up-to-speed. Managing organizational Change is important in organizations to allow employees to learn new skills, explore new opportunities and exercise their creativity in ways that ultimately benefit the organization through new ideas and increased commitment. Preparing employees to deal with these changes involves an analysis of the tools and training required to help them learn new skills. Organization Change that results from the adoption of new technology is common in most organizations and while it can be disruptive at first; ultimately the change tends to increase productivity and service. Successful organizational change is not merely a process of adjustment, but also requires sufficient managing capabilities. Successful of change is crucial to any organization in order to survive and succeed in the present highly competitive and continuously evolving business environment.

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