

4-1-2011

## Managing Change in an Organisation-An Overview

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### Recommended Citation

Gwavuya, Frank (2011) "Managing Change in an Organisation-An Overview," *Academic Leadership: The Online Journal*: Vol. 9 : Iss. 2 , Article 25.

Available at: <https://scholars.fhsu.edu/alj/vol9/iss2/25>

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# Academic Leadership Journal

## [Managing Change in an Organisation-An Overview](#)

Issues: [Spring 2011 - Volume 9 Issue 2](#)

Posted On 2011-03-05 07:41:00

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### **Introduction**

In any organization, effective change management is a fundamental requirement for the success and continued survival of any business concern. It is almost impossible to read two consecutive issues of business papers in most countries without encountering at least one article about some organisation undergoing a major strategic or structural change. New units are acquired and old units sold off; divisions are created or combined; an organization moves from a functional to a matrix organizational structure; the authority of the chief executive officer or a staff department is increased or decreased; the new chief executive officer institutes a major reorganization; an entire level of management is eliminated and the decision making powers of lower level managers is dramatically increased

### **Change management as a concept**

Change management is often seen as a discipline of the last decade of the twentieth century, spawned by the rapid advances in technology and communications that presaged the 21<sup>st</sup> century (Mancosa, 2006). Change management has its origins in the 1960s and 1970s in the work of behavioural scientists who created the discipline of organization development, or OD as it came to be known. The development of organization development into change management can be traced by the definitions of leading authors at various times. Mitchell's (1978) definition said "organization development is usually seen as a long-term attempt to bring about greater levels of personal and interpersonal effectiveness. According to (Robbins, 1987), change is triggered by certain forces in the internal or external environments and these forces are then acted upon in the organization by the change agent. The agent decides what is to be changed by selecting a suitable intervention.

The agent decides what is to be changed by selecting a suitable intervention. Implementing the intervention consists of both what is to be done and how it is done. This requires attention to three phases: unfreezing the status quo, moving to the new state, and then refreezing the new state to make it permanent. The how refers to the way in which the agent chooses to put the change process into effect. Successful change improves the organization's effectiveness and, naturally, a change in one area will impact on other areas and is likely to initiate new forces for other changes.

Among the more visible reasons for change Robbins lists are: change in objectives, purchase of new equipment, scarcity of labour, implementing sophisticated IT equipment, government regulations, the economy, unionization, increased pressure from consumer-advocate groups, mergers or acquisitions, rapid changes in price or availability of raw materials, actions by competitors, decline in employee morale, increase in turnover, sudden internal or external hostility, insufficient supply of internal executive

candidates, and, finally, a drastic decline in profits. However, in more recent times, (Fombrun, 1994) proposed a model of strategic change as a set of interrelated processes as illustrated below:

In Phase 1, managers strive to make sense of the environmental turbulence that surrounds their organizations and they actively seek information on competition, threats and economic conditions around which they construct likely scenarios. Internally, they identify the forces of inertia and counter momentum that are likely to impede their firm's strategic reorientation.

Phase 2, involves evaluating the organisation's strategic posture in the light of the environmental information. For example, globalization and technological advances will increase rivalry and so put pressure on the organization to improve efficiencies, while demands for social responsibility will focus attention on issues of fairness and ethics.

Finally, Phase 3 addresses the critical issues of the role of leadership, and the organizational culture and its structure in energizing the strategic change. An important principle is that the people who carry out the plans should be involved from the beginning.

### **Sources of Change**

How does an organisation know that change is necessary? The impetus for change can come from virtually anywhere. Large scale, or transformational, organisational changes are caused and influenced by a number of factors. Harvey and Brown (1996:90) mention the following five: downsizing workforces; globalisation of markets; flattening of hierarchies, the vast influence of new information technology and re-engineering of workprocesses. Change can be as a result of change in objectives that is to say when an organisation's objectives or mission change, its structure and operating methods will typically be redesigned too.

The purchase of new equipment could make an organisation more capital intensive and standardisation will tend to replace specialisation. Also the scarcity of labour can impact greatly on its structure and method of functioning; this may force an organisation to either stop the production of a particular product. Increased government regulation could result in an organisation setting up new functions, positions and methods to deal with it, while deregulation often result in diversifications, mergers, sell-offs, consolidations, and internal reorganisations as organisations respond to new environment.

Harvey and Brown (1996:95) further asserts that an economy; in this case fluctuating interest rates and rapid world changes in price or availability of raw materials can be expected to influence different functions within an organisation. Apart from the financial function, for example, purchasing and warehousing will be impacted by price levels and availability. Of note is also actions of competitors; new entrants into the market or increased competition, both locally and globally, can result in severe cost control pressures on an organisation and on its methods and strategies. The result could be a number of knock-on effects, such as a change in the level of outsourcing or subcontracting.

### **Managing Resistance to Change**

Those championing for change should pay special attention to the potential for resistance, both in terms of the adverse consequences it brings and the underlying problems it may indicate (Burnes,

1996). In order to preempt possible resistance to change, organizations ought to cultivate a conducive climate where change is accepted as the norm (Chaneta, 2010). Organizations therefore, need to create readiness for change among their employees and adopt an approach, which is aware of the possibility and case of resistance and deals with these at an early stage.

According to Harvey and Brown (2006) in order to achieve this, an organization ought to:

- Make people aware of the pressures for change. The organization should inform employees of its plans for the future, market pressures it faces and the performance of its key competitor on a regular basis. Through this approach, organization employees will come to accept that change is not only inevitable but is being undertaken to safeguard rather than to threaten their future.
- Give regular feedback on the performance of individual processes and area of activity with the organization. This allows an organization to draw attention to any discrepancy between actual performance and desired present and future performance.
- Publicize successful change. Organizations should publicize the projects that are not performing as expected should not be ignored, but examined, explained and lessons learnt. Staff should be encouraged to expect and set credit and positive outcomes for change programmes.
- Understand people's fears and concerns. Organizations need to recognize the real and legitimate fears of employees as change does at first create uncertainty. Individuals and groups may resist change if they fear its consequences. Those championing for change should pay special attention to the potential for resistance, both in terms of the adverse consequences it brings and the underlying problems it may indicate.

According to Pendlebury et al. (1998:48) there are ten(10) keys to successful change. These ten keys describe the activities, skills and competencies that are required for successful change management as follows:

#### Key 1: Defining the Vision

The initial vision prompts and justifies change and acts as a reference point and landmark to define the domain of the change and to broadly identify the major issues and highlight possible difficulties. The formulation of the vision must follow five steps namely; spell out the requirement for change; identify the critical issues; generate a number of optional visions; choose the most suitable vision and formalize the vision.

#### Key 2: Mobilizing

Mobilizing creates the dynamic for change to take place. Its objectives are:

- To sensitize organization members to the requirement for imminent change;
- To reinforce the critical issues identified in key 1 ;
- To select the appropriate change initiatives; and
- To overcome the initial inertia and maintain the necessary momentum thereafter.

### Key 3: Catalyzing

The process of catalyzing aims to fight resistance, to overcome inertia, create support, and reaffirm the validity of the proposed changes. A number of key groups may be involved in this process, including: senior management, change steering committee, change facilitation teams, expert groups and support teams.

### Key 4: Steering

The steering process involves a number of activities namely: creating the rational structure of the entire change process; day to day maintenance of the process and avoiding entropy; facilitating and expediting change; offering objective suggestions and recommendations; monitoring receptivity to change of key staff within the organization; identifying and providing key resources, tools and methods to staff; initiating and following up on relevant training; and ensuring the appropriate application of the entire change programme.

### Key 5: Delivering

Delivering is the process aimed at effecting the vision and the actual transition from the current situation to the planned state. It consists of five phases:

- Putting together a comprehensive analysis of the status quo and identifying all of the change opportunities thus identified;
- Compiling a detailed implementation plan for each change initiative and spelling out the improvements to be realized in each case for the vision to be attained;
- Doing pilot runs and testing where necessary;
- Putting the results of testing to use by a more general application of the change process; and
- Putting in place the systems that will ensure that change is lasting.

### Key 6: Obtaining participation

The active involvement of all organization members is an essential element to the success of the change process. It enables the organization to exploit the full diversity of employee expertise and experience and helps to overcome resistance to change by directly involving employees and making the change enduring.

### Key 7: Handling the emotional dimension

The full diversity of organization members is reflected in their typical reactions to change. These may vary from outright rejection on one hand to keen acceptance on the other. Generally, these reactions are illogical and can hinder the change process or even totally obstruct it. The priorities in handling the emotional dimensions are:

- To identify the emotional factors that have a bearing on the change;
- Evaluating the dysfunction created by resistance and psychological barriers during the

implementation phase; and

- Effectively treating these emotional dimensions.

#### Key 8: Handling Power Issues

Change frequently upsets the balance of power within an organization. Typically, an organization will consist of an official power structure and, in addition, several power coalitions that exist in parallel with the official structure change tends to disturb these coalitions and the objectives of this key is to ensure that the balance of power evolves in line with the vision of the change process. There are three stages that need to be addressed:

- Recognizing the power issues,
- Dealing with the power questions effectively and
- Modifying the balance of power in line with the change objectives

#### Key 9: Training and Coaching

A change programme often requires of all organization members that they acquire not only new skills, but also new ways of thinking and behaving. An important part of the change process, then, is the training and coaching issues. These include:

- Carrying out a training needs analysis to establish training and coaching needs;
- Identifying and presenting training for the acquisition of technical job skills and responsibilities and interpersonal and change support skills.
- Coaching and mentoring and instruction in such techniques; and
- Self-improvement methods and techniques to support the change initiative and gaining maximum benefit from it.

#### Key 10: Communicating Actively

Effective communication through the entire change process is absolutely essential to its ultimate success. This involves informing people about the progress of change initiatives to keep them motivated and reassured, as well as facilitating the proliferation of ideas needed to enhance and accelerate the process. The various roles, methods and responsibilities for communication must be ded not only to facilitate the process, but also to put a lid on possible negative influences.

### **Managing and Changing Organisation culture and climate**

Changing an organisation's culture and climate is often related to the implementation of a new strategic direction that the organisation wishes to follow. Changing the climate cannot be done directly that the organisation wishes to follow. Changing the climate cannot be done directly since climate represents an amalgam of perceptions, attitudes and expectations. In other words, climate should be seen as a result or output; so efforts to influence climate must be directed 'upstream' at areas such as the organisation's processes and structures, including communication, decision-making, co-ordination of

goals and objectives, the motivating climate and the quality of the physical work environment and, finally, top management's interest in the well being of employees and organisation members.

In so far as changing an organisation's culture is concerned, Miller (1998:375) says that achieving real and enduring change is a difficult task which "costs a fortune and takes forever." The results can, however, be worth the effort. Although each situation is unique and should be treated as such, there are a number of general guidelines for bringing about significant changes to an organisation's culture (Miller, 1998: 376-377): understand the current culture so you know where you stand. If necessary, perform an extensive cultural audit; avoid head-on confrontation with the old guard if at all possible; change the management leadership. A gradual shift may be appropriate, or top executives may have to "clean house" bring in all new managers; while vision statements can be important, don't count on them alone to bring about cultural change. Words become empty and hypocritical if those using them neglect to change their own behaviour. Leaders must "live the new culture"; create a new organisation folklore. The definition of myth is "a fictional tale that offers insight into deeper truth." Organisations help themselves understand who they are by the stories they tell one another about themselves and use symbols to instil new thinking. Symbols often become the subject of new organisational folklore and myths."

The more fundamental and transformational the change that an organisation undergoes, the more imperative it becomes that its culture also changes. Paradoxically, though, it is an organisation's culture that protects it against wholesale changes and misadventures. Many organisation renewal programmes that have collapsed, then, probably did so because the cultural forces to preserve the status quo were ignored. So unless there is a cultural change, large scale organisational transformations will generally be resisted, while, on the otherhand, large scale organisational transformation will not succeed without cultural changes. The consensus among most change management theorists is that cultural change is the most difficult intervention to implement, as well as being the most perilous to attempt and the one whose success is least guaranteed.

## **Conclusion**

As earlier pointed out, management need to appreciate that at some point in an organization, change is inevitable because of the changes in the internal and external environments. It is therefore imperative that management approach the change process in a systematic and logical manner to achieve cohesion throughout the organization. For change to be a success there is need to ensure that all employees of the organization are involved in the process itself so that they also appreciate efforts by management. People are not just important for being objects of change: they are the ones who carry it out. They are the glue which holds it together. They can influence the choice of objective(s) and the way change is planned.

In turn, objectives and planning can also affect their willingness to accept or become involved in change. According to Burnes (1996), the change management model potentially resolves the dispute between planned and emergent approaches to strategy development and change. Visionary leadership is the key to an organization's success.

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VN:R\_U [1.9.11\_1134]