

Change Management

Shubra Jindal

Assistant Professor, Sanatan Dharma College, Ambala Cantt

Bhupinder Kaur

Assistant Professor, Sanatan Dharma College, Ambala Cantt

Abstract

Change is a necessary thing for the survival and growth of a business unit. Everything is subject to change in this world. Here our purpose is to study the word "Change" in the context of organisation. We generally observe that there are many changes in the life of a business. These changes include the development of new methods of production, change in government policies, the period of deflation, inflation, the promotion and transfer of employees, entry of competitors in the market, decline in sales, decline in profits etc. These changes do effect the employees working in the organisation. It is important to compromise with these changes in order to safeguard the existence of both the employees and the organisation. The aim of this paper is to represent a systematic review of the reasons for resistance to change by employees and the process to manage these changes in a effective way to gain acceptance of employees.

Key Words

Change Management, Organisaional Change, Employees, Resistance to Change,

Introduction

Organisational Change is the process by which organisations move from their present state to future state to increase their effectiveness. Characteristically, change is

- Vital if an organisation were to avoid stagnation,
- A process, not an event,
- Normal and constant,
- Fast and is likely to increase further in competitive business,
- Is "Natural", that is "evolutionary" or "adaptive", that is reaction to external circumstances and pressures,
- "Directive", that is, implemented by top down management or "participative", that is, involving those parties impacted by change,
- Is "incremental", that continous small changes or "step", that is radical shift from current to new processes, and

- Is interdependent on organisational environment or culture.

Change is constant in both our professional and our private lives. Our children grow up taking for granted such things as powerful personal computers that we could not envision at their ages. The idea that human beings naturally resist change is deeply embedded in our thinking about change. Our language (e.g., “resistance to change”), our assumptions, and our mental models about change all seem to imply that something in our natures leads us to resist change. However, it is easy to find examples of human beings, from childhood on through old age, actively seeking out change of all sorts. Human beings do not necessarily resist change automatically; however, many people do resist being changed, i.e., having changes imposed on them.

Organizational change normally involves some threat, real or perceived, of personal loss for those involved. This threat may vary from job security to simply the disruption of an established routine. We generally observe that there are many changes in the life of a business. These changes include the development of new methods of production, change in government policies, the period of deflation, inflation, the promotion and transfer of employees, entry of competitors in the market, decline in sales, decline in profits etc. These changes do affect the employees working in the organisation.

Types of Change

Changes in an organization can often be identified as one of four types, with the definite possibility of overlap among them:

Operational changes affect the way the ongoing operations of the business are conducted, such as the automation of a particular area.

Strategic changes occur in the strategic business direction, e.g., moving from an inpatient to an outpatient focus.

Cultural changes affect the basic organizational philosophies by which the business is conducted, e.g., implementing a continuous quality improvement (CQI) system.

Political changes in staffing occur primarily for political reasons of various types, such as those that occur at top patronage job levels in government agencies.

These four different types of change typically have their greatest impacts at different levels of the organization. For example, operational changes tend to have their greatest impacts at the lower levels of the organization, right on the firing line. People working at the upper levels may never notice changes that cause significant stress and turmoil to those attempting to implement the changes. On the other hand, the impact of political changes is typically felt most at the higher organizational levels.

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 normal; people cling to habits and to the status quo. To be sure, managerial actions can minimize or arouse resistance. People must be motivated to shake off old habits. This must take place in stages rather than abruptly so that "managed change" takes on the character of "natural change." In addition to normal inertia, organization change introduces anxieties about the future. If the future after the change comes to be perceived positively, resistance will be less.

Education and communication are therefore key ingredients in minimizing negative reactions. Employees can be informed about both the nature of the change and the logic behind it before it takes place through reports, memos, group presentations, or individual discussions. Another important component of overcoming resistance is inviting employee participation and involvement in both the design and implementation phases of the change effort. Organized forms of facilitation and support can be deployed. Managers can ensure that employees will have the resources to bring the change about; managers can make themselves available to provide explanations and to minimize stress arising in many scores of situations.

Some companies manage to overcome resistance to change through negotiation and rewards. They offer employees concrete incentives to ensure their cooperation. Other companies resort to manipulation, or using subtle tactics such as giving a resistance leader a prominent position in the change effort. A final option is coercion, which involves punishing people who resist or using force to ensure their cooperation. Although this method can be useful when speed is of the essence, it can have lingering negative effects on the company.

Reasons for resistance to change

Misunderstanding about the need for change/when the reason for the change is unclear — If staff do not understand the need for change you can expect resistance. Especially from those who strongly believe the current way of doing things works well...and has done for twenty years!

Fear of the unknown - One of the most common reasons for resistance is fear of the unknown. People will only take active steps toward the unknown if they genuinely believe – and perhaps more importantly, feel – that the risks of standing still are greater than those of moving forward in a new direction.

Lack of competence - This is a fear people will seldom admit. But sometimes, change in organizations necessitates changes in skills, and some people will feel that they won't be able to make the transition very well.

Connected to the old way - If you ask people in an organization to do things in a new way, as rational as that new way may seem to you, you will be setting yourself up against all that hard wiring, all those emotional connections to those who taught your audience the old way – and that's not trivial.

Low trust — When people don't believe that they, or the company, can competently manage the change there is likely to be resistance.

Temporary fad — When people believe that the change initiative is a temporary fad.

Not being consulted — If people are allowed to be part of the change there is less resistance. People like to know what's going on, especially if their jobs may be affected. Informed employees tend to have higher levels of job satisfaction than uninformed employees.

Poor communication — It's self evident isn't it? When it comes to change management there's no such thing as too much communication.

Changes to routines — When we talk about comfort zones we're really referring to routines. We love them. They make us secure. So there's bound to be resistance whenever change requires us to do things differently.

Exhaustion/Saturation — Don't mistake compliance for acceptance. People who are overwhelmed by continuous change resign themselves to it and go along with the flow. You have them in body, but you do not have their hearts. Motivation is low.

Change in the status quo — Resistance can also stem from perceptions of the change that people hold. For example, people who feel they'll be worse off at the end of the change are unlikely to give it their full support. Similarly, if people believe the change favours another group/department/person there may be (unspoken) anger and resentment.

Benefits and rewards — When the benefits and rewards for making the change are not seen as adequate for the trouble involved.

Expecting resistance to change and planning for it from the start of your change management programme will allow you to effectively manage objections. Kotter and Schlesinger (1979) proposed a more emergent view to tackling employee resistance, stating that the circumstances of the change and the content of the change itself will vary largely between organisations and that this should determine the appropriate response. They outline a number

of approaches from education to coercion, describing who and when to use them to reduce resistance, and details the advantages and drawbacks of each. (Figure 1).

Figure 1: Methods for Addressing Resistance from Kotter and Schlesinger (1979)

Method	How to Use	When to Use	Advantages	Drawbacks
Education	Communicate the desired changes and reasons for	Employees lack information about the change's implications	Once persuaded people often help implement the change	Time consuming if lots of people are involved
Participation	Involve potential resisters in designing and implementing the change	Change initiators lack sufficient information to design the change	People feel more committed to making the change happen	Time consuming and employees may design inappropriate change
Facilitation	Provide skills training and emotional support	People are resisting because they fear they can not make the needed adjustments	It's a relatively easy way to defuse major resistance	Can be time consuming and expensive
Negotiation	Offer incentives for making the change	People will lose out in the change and have considerable power to resist	It's a relatively easy way to defuse major resistance	Can be expensive and open managers to possibility of blackmail
Coercion	Threaten loss of job or promotion opportunities, fire or transfer those who cannot or	Speed is essential and change initiators possess considerable	It works quickly and can overcome any kind of	Can spark intense resentment towards change

	won't change	power	resistance	initiators
--	--------------	-------	------------	------------

There are many approaches about how to change. Of course, we may all agree that the change is required for an organization, but can we all be in agreement of how the change should take place? Usually not! Therefore, deriving a change management process should be a collective effort and should result from intensive brainstorming and refining of the ideas. In this paper, we will have a look at the change management process suggested by John Kotter.

Eight-Step Change Management Process

Let's go through the steps of Kotter's change management approach.

Step 1: Urgency Creation

A change is only successful if the whole company really wants it. If you are planning to make a change, then you need to make others want it. You can create urgency around what you want to change and create hype. This will make your idea well received when you start your initiative. Use statistics and visual presentations to convey why the change should take place and how the company and employees can be at advantage.

Step 2: Build a Team

If your convincing is strong, you will win a lot of people in favour of change. You can now build a team to carry out the change from the people, who support you. Since changing is your idea, make sure you lead the team. Organize your team structure and assign responsibilities to the team members. Make them feel that they are important within the team.

Step 3: Create a Vision

When a change takes place, having a vision is a must. The vision makes everything clear to everyone. When you have a clear vision, your team members know why they are working on the change initiative and rest of the staff know why your team is doing the change.

Step 4: Communication of Vision

Deriving the vision is not just enough for you to implement the change. You need to communicate your vision across the company. This communication should take place frequently and at important forums. Get the influential people in the company to endorse your effort. Use every chance to communicate your vision; this could be a board meeting or just talking over the lunch.

Step 5: Removing Obstacles

No change takes place without obstacles. Once you communicate your vision, you will only be able to get the support of a fraction of the staff. Always, there are people, who resist the change. Sometimes, there are processes and procedures that resist the change too! Always watch out for obstacles and remove them as soon as they appear. This will increase the morale of your team as well the rest of the staff.

Step 6: Go for Quick Wins

Quick wins are the best way to keep the momentum going. By quick wins, your team will have a great satisfaction and the company will immediately see the advantages of your change initiative. Every now and then, produce a quick win for different stakeholders, who get affected by the change process. But always remember to keep the eye on the long-term goals as well.

Step 7: Let the Change Mature

Many change initiatives fail due to early declaration of victory. If you haven't implemented the change 100% by the time you declare the victory, people will be dissatisfied when they see the gaps. Therefore, complete the change process 100% and let it be there for sometime. Let it have its own time to get integrated to the people's lives and organizational processes before you say it 'over.'

Step 8: Integrate the Change

Use mechanisms to integrate the change into people's daily life and corporate culture. Have a continuous monitoring mechanism in place in order to monitor whether every aspect of the change taking place in the organization. When you see noncompliance, act immediately.

Conclusion

By reviewing this paper, a number of general points emerge that are worth highlighting. Firstly, while change can be planned and introduced by managers, it is important to recognise that employees may perceive themselves to be working within a constantly shifting environment. This does not mean that it is not possible to introduce a programme of change, but it does indicate that it is important to be aware of what other changes are also occurring and acknowledge the risk that any individual set of changes may be overwhelmed by the combination of other changes taking place.

A second point emerging from the review is that change management isn't a single, continuous process, but rather is broken down into a number of different steps. The significance of this is that managers will need to consider what strategies, in terms of

communication, training, reinforcement etc, are appropriate for the different stages, rather than decide on a single approach that can be applied throughout the process, and at the same time remain flexible and reactive to changes as they happen. This of course will require more effort and preparation time, but the reward is likely to be that change happens more smoothly and efficiently. In addition, it is important that managers have a really thorough grasp of the issues facing their employees before attempting change.

References

1. Rana, N., Ghazi, A., Khalid, R., & Zafar, F. Organizational Change Management helps to remove conflicts in Business Policies.
2. Shum, P., Bove, L., & Auh, S. (2008). Employees' affective commitment to change: The key to successful CRM implementation. *European journal of marketing*, 42(11/12), 1346-1371.
3. Hanif, M., Khan, Y. S., & Zaheer, A. (2014). Impact of Organizational Resistance to Change on BPR Implementation: A Case of State Bank of Pakistan. *European Journal of Business and Management*, 6(4), 186-196.
4. Reissner, S. C. (2011). Patterns of stories of organisational change. *Journal of Organizational Change Management*, 24(5), 593-609.
5. Lorenzi, N. M., & Riley, R. T. (2003). Organizational issues= change. *International journal of medical informatics*, 69(2), 197-203.
6. Baker, S. L. (1987). Managing resistance to change.
7. Todnem, R. (2005) 'Organisational Change Management: A Critical Review', *Journal of Change Management*, 5, 4, pp.369 – 380
8. Kotter, J.P. and Schlesinger, L. A (1979) 'Choosing strategies for change', *Harvard Business Review*, 57, 2, pp. 106–114
9. Kotter, J.P. (1995) 'Leading Change: Why Transformation Efforts Fail', *Harvard Business Review*, 73, 2, pp. 59-67
10. Kotter, J.P. (1996) *Leading Change*(Boston, MA: Harvard Business School Press)