

Resource Metadata

Level	Undergraduate
Duration	3 Hours: 2 hours lecture 1 Hour Tutorial
Resources required	Moodle Platform https://udmintelec.org/course/view.php?id=5

Learning Outcomes

- Recognise that organisations must adapt to external and internal forces to remain competitive.
- Understand the role of change agents, both internal and external, in managing organisational change.
- Explain why internal change agents are often more effective than outside consultants.
- Identify how technological advancements can drive managerial and organisational change.
- Analyse the impact of external factors such as the marketplace and government laws on organisational change.
- Illustrate how strategic changes in a company are often accompanied by shifts in structure, processes, and culture.
- Recognise the importance of employee attitudes in facilitating or resisting change within an organisation.

Change Management

Introduction

Change is something that affects everybody in business. It is an alteration in people, structure or technology in relation to time and the actual needs. The environment is not free from uncertainty and there is a need to adapt to such changes. Management of change has become an issue of importance in organisations and managers must cope effectively with such a phenomenon so that their businesses can survive. However, management of change is only possible through people. In other words, employees of the organisation must cooperate with management so that change can take effective subtly without much upheaval.

Change then becomes an inevitable aspect of business. Companies that change are those that can adapt themselves to competition. Those which oppose change can find themselves in a difficult situation.

Forces for change

Change takes places through forces from different instances. Below, the external and internal forces of change are outlined.

External forces

The marketplace

The marketplace may be one of the major external forces of change. Every now and then, companies try to bring about new products in order to make them more competitive or to attract new market segments. Competitors will always bring about innovation and this is copied by others so as to exist in business.

Government laws and regulations

Government laws will cause companies to re-orientate their activities. A law by the American government to keep the nicotine level in cigarettes to a certain percentage should be abided by all the companies manufacturing cigarettes otherwise they may be subject to penalty.

Technology

Technology has revolutionised the press industry. In the past, newspapers were printed in linotype or monotype using metal characters. When offset printing entered the industry, it was possible for publishers to make papers more voluminous, to have better presentation and to use colour. Competitors had to follow suit or they would lag behind.

Economic changes

Economic changes may imply either an improvement or a decline in living standards in relation to the income that people are earning. For instance, cars can be made smaller and with low-fuel consumption in times of recession. On the contrary, soft drinks are sold more expensively in cans to cater for individual needs of consumers.

Political forces

The political aspect can be a determining factor for change. For example, the actual government's strategy on developing a local IT strategy will impact on most organisations which are going to vulgarise the use of the computer at the workplace.

Internal forces

Strategy

When a firm changes its strategy, then it introduces a host of changes. Organisations can have recourse to down layering as a result of change. When a company is merged with another one, there is bound to be a change that operates in the organisation.

Workforce

An organisation's workforce is rarely static. At a certain time, elder workers will retire and eventually leave the company. The organisation may give the opportunity to new workers to join in. In this way, new workers can come with a new vision and this may compel the organisation to change. Else, it may be the company itself that requires new blood to turn the business around.

Equipment

Equipment is another important factor to consider in the change process. Employees may have their job redesigned, need to undergo training to operate new equipment, or be required to establish new interaction patterns with their formal group.

Employee attitudes

If new employees are more enthusiastic than the former ones, and show more drive to work, the organisation can benefit from such positive attitudes to change the organisational strategy and bring about more commitment from them. If there is employee dissatisfaction, then the company should reorientate its strategy for the better.

The manager as the change agent

Changes within an organisation need a catalyst. People who act as catalysts and assume the responsibility for managing the change process are called change agents. Any manager can be a change agent. For major system wide changes, managers will often hire outside consultants to provide advice and assistance. Outside consultants can constitute a disadvantage because they can have an inadequate understanding of the organisation's history, culture, operating procedures and personnel. They are also more prone to drastic changes which can either be beneficial or disadvantageous. In

contrast, internal managers can be more cautious and bring about the change in a more subtle way.

Managing Change in Organisations

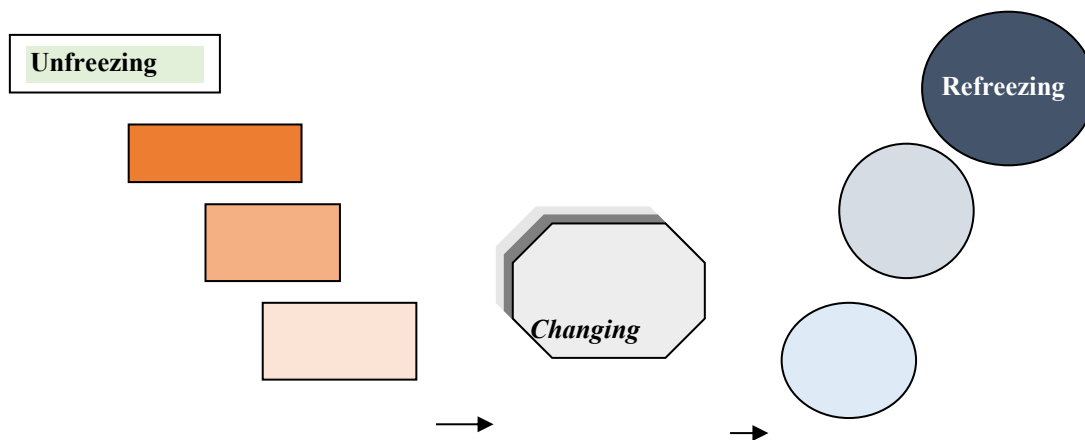
The change process in the organisation-A diagrammatic representation.

According to Lewin, successful change requires:

Unfreezing the status-quo

Changing into a new state

And *refreezing* the new change to make it permanent.



Organisational inertia

As change agents, managers should be motivated to initiate change. As such, they are concerned with the improvement of the organisation's effectiveness. Change can however represent a threat to operatives of the organisation. Employees can resist change because they might find it threatening for them.

Resistance to change

Individuals in the organisation will resist change because:

- change can cause uncertainty to them for their future

- they are concerned with the threat of loss of identity or recognition
- they can believe that change is not in the organisation's best interest.

This illustrates the concept 'fear for the unknown' that is characterised when change is about to take place in an organisation.

Techniques for reducing resistance

Education and communication

Employees should be informed about the change that is about to take place in the organisation since this is going to affect them at first instance. They should be carefully informed about the change that will take place and how it will impact on them. Information should be as clear as possible.

Participation

Individuals who are involved in the change process must be given the opportunity to participate. Before a change is made, those who are opposed to it must be given the opportunity to voice their opinion. Their involvement can reduce resistance, obtain commitment, and increase the quality of the change decision.

Facilitation and support

Change agents can offer a range of supportive efforts to reduce resistance. When employees have lots of fear and apprehension of change, then counselling, new skills training, or a short paid leave of absence can facilitate their adjustment.

Negotiation

In this situation, to bring about the change, there should be negotiation on the part of management. Management can provide workers with a package so that they can be interested with the change.

Manipulation

Manipulation refers to covert attempts to influence. In this situation, managers may twist or distort facts to make them appear attractive in order to seduce workers to accept the change.

Cooption

Cooption is both a form of manipulation and participation. It seeks to “buy off” the leaders of a resistance group by allocating them a key role in the change decision.

Coercion

Coercion is the use of direct threats or force to upon the resisters. Other methods can be threats of transfer, loss of promotions, or a poor letter of recommendation.

Questions

1. Why it is that organisations cannot always remain stagnant?
2. Describe the different change agents of the organisation.
3. Why is it better to have internal change agents than outside consultants?
4. Describe how a change in technology can spur managers to change.
5. Why is the marketplace a critical factor for change?
6. Illustrate how a change in strategy will accompany change in a company.
7. How can an organisation benefit from employee attitudes to manage change?
8. Illustrate Lewin’s principles of change in a company that uses Information Technology.
9. What is employee inertia and why does it take place?
10. How can education and communication reduce resistance to change?