

Effective Change Management: Panacea to Organisational Growth, Effectiveness, Strategy Implementation, Increase Productivity and Competitive Advantage

Dr. Nwafor E. Simon (M.Sc, DBA, Post-Doct.)

City University, Cambodia, Monrovia-Liberia Campus.

Corresponding author: drnwaforsimon66@gmail.com

Abstract

The contemporary trends in world economies, coupled with the global competition, rapid technological development and the astronomical increase in the application of change management principles, developments in planning and control, management creative thinking, and rapid development, and or political downturn are mounting pressures on developments, profits, and nonprofit organisations today. The entire business and government sectors are facing the greatest challenges in this century; they are, every day trying to adjust to and embracing a non-stop changes. And, to cope with the ever-busy challenges, managers must however, be able to learn rapidly, efficiently and continuously, and take on new strategic imperative faster and more economical. As a response to the prevailing and dynamic nature of change, companies and organisations are having difficulties in achieving sustained performance; they are forced to look for new management approaches to develop a cutting-edge process to deal with existing trends and developments. The effectiveness of organisations accepting and adapting to change will determine the growth, development and the ability to understanding the workings of SWOT matrix for better job performance. In spite of many studies carried out by scholars and practitioners in the area of change management over the years, much still need to be done about change management and factors inhibiting its successes. This paper, however, offers a balanced approach to the relevance of effective change management in building and improving Nigeria organisations.

Keywords: Change Management, Panacea to Organisational Growth, Effectiveness, Continuity, Change Implementation, Increase Productivity.

Introduction

"The fundamental task of management is to make people capable of joint performance through common goals, common values, the right structure, the training and development they need to perform and to respond to change". Peter F. Drucker

The contemporary business community, and of course the 21st century organisations are facing the greatest challenges in this century. They are every day trying to adjust to and embracing a non-stop changes, and, to cope with the ever-busy challenges, managers must however, be able to learn rapidly, efficiently and continuously, and take on new strategic imperative faster and more economical. However, managing change within organisations is a core challenge for the HR professionals, as any change concerns people working within

the organisation. The study of Human Resource Management is based on achievement of goals through corporate strategy and effective management of change within the organisation. Change can be successful when it links people, job satisfaction and productivity within an organisation. Effective change management can result in greater productivity, higher work life quality and improved readiness for future changes. Most HR professionals are regularly being asked for developing attitudes and personal skills for change implementation as technical understanding of applying the tools for managing change.

Change management is not managing change. The essence of this paper is to change our thinking and workings about managing change; to shift our focus from change to the people facing change. Managing change is about managing people, which is fortunately something we know a great deal about-though, we do not always apply what we know. In this spectrum, therefore, we can deduce change management to mean a systematic and structured process of developing and implementing strategies and interventions for organisations transitioning from current state to a desired state. According to Korir, Mukotive, Loice & Kimeli (2012), Change management is defined as the effective management of a business change such that executive leaders, managers and frontline employers work in concert to successfully implement the needed process, technology or organisational changes. Change management typically deals with incremental change, or first order change, and transformational change, or second order change. Usually, first order change does not challenge the established overall system and context of organisation. It is often associated with changes in policies and procedures, individual needs, task and skill requirements, thus the change is incremental. Sometimes, it is also called transactional change. On the other hand, it involves changes in fundamental assumptions about reality coupled with a shift and realigning of vision, values, cultures, beliefs and attitudes, and core processes, thus called transformational change. Change management is a process for managing the people-side of change.

Change Management Defined

Change management has been defined as the process of continually renewing an organisation's direction, structure, and capabilities to serve the ever-changing needs of external and internal customers (Morgan & Brightman, 2001). According to Burnes (2004), change is an ever-present feature of organisational life, both at an operational to any organisation of its ability to identify where it needs to be in the future, and how to manage the changes required to getting there.

Consequently, however, organisational change cannot be separated from organisational strategy, or vice versa (Burnes, 2004, Rieley & Clarkson, 2001). Due to the importance of organisational change, its management is becoming a highly required managerial skill (Senior, 2002). Graetz (2000) goes as far as suggesting against a backdrop of increasing globalisation, 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 organisational change.

Mastering strategies for managing change is more important today since the rate of change is greater than at any time in history. The marketplace is changing overnight, organisational alliances and structures are shifting rapidly. Everything in the organisation is open to scrutiny. Basic operating assumptions are questioned. Traditions are challenged. The risk of failure is greater than ever before and the tension within the workforce is great and needs constant attention by the management.

Change management according to Armstrong Michael (2010) 'is the process of achieving the smooth implementation of change by planning and introducing it systematically, taking into account the likelihood of it being resisted'. Change management is a systematic and structured process of developing and implementing strategies and interventions for organisations transitioning from current state to a desired state. Change management typically deals with incremental change, or first-order change, and transformational change, or second-order change. The primary goal of change management is to enhance organisational performance ability and capability through proactive or reactive actions to cope with either internally induced or externally imposed changes. Change management has always been an integral part of organisational management. A number of change management models or processes are available. While differing in specifics, most models contain the following three phases: preparing for the change, including analysing, planning, and strategy development; managing change implementation and consolidating and institutionalising the change including change review, feedback analysis, corrective action, and stabilising the implemented change.

Change is inevitable, and as such, organisations must change to survive. There are many approaches to influence change; these differences require change managers to consider various strategies that increase acceptance and reduce barriers. A change manager is responsible for planning, developing, leading, evaluating, assessing, supporting, and sustaining a change implementation. Change management consists of models and strategies to help employees accept new organisational developments.

Change management practitioners and academic researchers view organisational change differently (Hughes, 2007; Pollack & Pollack, 2015). Saka (2003) states, "there is a gap between what the rational-linear change management approach prescribes and what change agents do". This disconnect may make it difficult to determine the suitability and appropriateness of using different techniques to promote change (Pollack & Pollack, 2015). Hughes (2007) thinks that practitioners and academics may have trouble communicating because they use different terms. Whereas academics use the terms, models, theories, and concepts, practitioners use tools and techniques. A tool is a stand-alone application, and a technique is an integrated approach (Dale & McQuater, 1998). Hughes (2007) again expresses that classifying change management tools and techniques can help academics identify what practitioners do in the field and evaluate the effectiveness of practitioners' implementations.

Types of Change

There are four types of change that an organisation goes through with the possibility of overlap among the possibilities. Operational changes relate to new systems, procedures, structures or technology, which will have an immediate effect on working arrangements within a part of the organisation. It can affect the way active business operations are conducted, including the automation of a specific business area. Strategic change is concerned with organisational transformation, which deals with the broad, long terms, and organisation-wide issues. It is about moving to a future state, which has been defined generally in terms of strategic vision and scope. Strategic change covers the purpose and mission of the organisation, and its corporate philosophy on such matters as growth, quality, innovation, and values concerning the human resources, the customer's needs served and the technologies employed. Cultural changes affect the organisational philosophies such as the way the business is conducted and in implementing a continuous quality improvement system. The cultural norms affect the going concern of business organisations. Political changes in human resources occur primarily due to political reasons of several types such as changes that happen on top patronage levels in the government agencies (Lorenzi & Riley, 2000, p. 116-124). Conversely, the effect of the political changes is felt the most on the higher levels of the organisation. When change occurs relatively in the bureaucratic organisation, those working on the bottom level often notice the change at the top.

Organisational Effectiveness

Basically, organisations are characteristic of all complex societies-they are a means of bringing together human beings and physical resources in a coordinated and controlled ways in order to achieve particular objectives. It involves the creation of structures, norms and values to monitor and control the interaction between the various individuals and parts which makes up the whole.

Organisation is defined in this paradigm as a process or an element of management concerned with change or growth of the structure. Organisations are primarily complex goal-seeking units which in order to survive must maintain their internal system to coordinate the human resources employed in companies and in order to cope with 21st century's competitive business environment, adapt to, and shape the uncontrollable external environment. The performance of the organisation is expressed by its effectiveness and, in this sense therefore, an effective company is a successful one. Effectiveness on the other hand, is best described as the degree to which objectives are achieved and the extent to which targeted problems are solved. In contrast to efficiency, however, effectiveness is determined without reference to costs and, whereas efficiency means doing the thing right'. Effectiveness means doing the right thing'. Effectiveness in dealing with, and adapting to change factor will go a long way to fostering the organisation's job performance.

Strategy

Strategy is a process through which organisations analyse and learn from their internal and external environments; establishing strategic direction, creating strategies that are intended to move the organisation in that direction, and implement those strategies aimed at satisfying key stakeholders. A typical dictionary will define the word “strategy” as something that has to do with war and ways to win over enemies. In business organisational context, the term is not much different. Businesses have to respond to dynamic and often hostile external forces (SWOT) for pursuit of their mission.

We may define the term ‘strategy’ however as a long-range blueprint of an organisation's desired image, direction and destination of what it wants to be, what it wants to do, and where it wants to go. The injection of the idea of strategy into business organisations, therefore, is intended to unravel complexity and to reduce uncertainty of the environment. Strategy seeks to relate the goals of the organisation to the means of achieving them. It is the game plan management is using to take market position, conduct its operations, attract and satisfy customers, compete successfully and achieve organisational objectives.

Strategy is an informed action that managers take to attain one or more of the organisation's goals. It can also be described as “a general direction set for the company and its various components to achieve a desired state in the future’. Strategy results from the detailed strategic planning process. A strategy is about integrating organisational activities, utilising and allocating scarce resources within the organisational environment so as to meet objectives. While conducting a strategy, it is essential to consider that decisions are not taken in a vacuum and that any act taken by an organisation is likely to be met by a reaction from those affected-competitors, customers, employees and or suppliers. Having knowledge of the goals, the uncertainty of events and the need to take into consideration and the likely or actual behaviour of others is essential. Strategy is the blueprint of decisions in an organisation that shows its objectives and goals, determines key policies, and plans for achieving these goals, and defining the business the organisation is to carry on, the type of economic and human organisation it wants to be, and the contribution (s) it plans to make to its shareholders, customers and society at large. The typical business organisation usually considers three types of strategy: corporate, business and functional. To this extent, therefore, the term strategy is associated with unified design and action for achieving major goals, gaining command over the situation with a long-range perspective and securing a critically advantageous position. Its implications for corporate functioning are obvious.

Why Do People Resist Change?

People resist change because it is seen as a threat to familiar patterns of behaviours as well as status and financial rewards. Joan Woodward states thus ‘when we talk about resistance to change, we tend to imply that management is always rational in changing its direction, and that human resources are stupid, emotional, or irrational in not responding in the way they should, but if an individual is going to be worse off explicitly or implicitly when the proposed changes have been made, any resistance is rational in terms of his own interest.

However, the main reasons for resisting change are as follows;

- The shock of the new: people are suspicious of anything which they perceive will upset their established routines, methods of workings or conditions of service. They do not want to lose the security of what is familiar to them.
- Economic fears: loss of money, threats to job security, etc.
- Inconvenience: the change will make life more difficult.
- Uncertainty: change can be worrying because of uncertainty about its likely impact on the people.
- Symbolic fears: a small change that may affect treasured symbol such as a separate office or a reserved parking space may symbolise big ones especially when employees are uncertain about how extensive the programme to change will be.
- Threat to inter-personal relationship: anything that disrupts the customary social relationship and standard of the group will be resisted.
- Threat to status or skills: the change is perceived as reducing the status of individuals or as de-skilling them.
- Competence fears: it concerns about the ability to cope with the demand or to acquire new skills.

How to Overcome Resistance to Change

Resistance to change can be difficult to overcome even when it is not harmful to those concerns, but the attempt must be made. Thus, the following steps;

- **Education and communication:** resistance can be reduced through communicating with employees to help them see the need for a change.
- **Participation:** though, it's difficult for individuals to resist change decision in which they participated, but prior to making a change, those opposed can be brought into the decision process.
- **Building support and commitment:** change agents can offer a range of supportive efforts to reduce resistance. When employee's fears and anxieties are high, employee counseling and therapy, new skill training, or a short paid leave of absence may facilitate adjustments.
- **Negotiation:** another way for the change agent to deal with potential resistance to change is to exchange something of value for a lessening of the resistance. For instance, if the resistance is centred in a few powerful individuals, a specific reward package can be negotiated that will meet their individual needs.
- **Manipulation and cooperation:** manipulation refers to covert influence attempts. Twisting and distorting facts to make them appear more attractive, withholding undesirable information, and creating false rumours to get employees to accept change are all examples of manipulation. On the other hand, cooperation is a form of

both manipulation and participation. It seeks to buy-off the leaders of resistance group by giving them key roles in the change decisions.

- **Selecting people who accept change:** research suggests that the ability to easily accept and adapt to change is related to personality. It appears that human resources that adjust best to change are those who are open to experience, take a positive attitude towards change are willing to take risks, and are flexible in their behaviours.
- **Coercion:** last of the list of tactics is coercion. That is, the application of direct threats or force on the resisters. If the management really is ready and determined to close a manufacturing plant, and the employees don't acquiesce to pay cut, then coercion would be the label attached to its change tactic.
- In the final analyses, therefore, change management means to plan, initiate, realise, control, and stabilise the change process on both the corporate and the personal level by handling obstacles carefully (Singh, Saeed, & Bertsch, 2012).

Summary and Conclusion

Change management is an integral part of organisational management and it plays a critical role in today's organisation, not only in maintaining variation of existing operations, but also in shaping the future directions of the organisation. Successful change management is able to lead and enable employees to accept new vision, new behaviour, and new culture. Regardless of dealing with proactive or forced changes, however, successful change management can determine an organisation's future status on survival, development, and strategic direction.

Organisation change is highly complex process, which can have a negative or a positive outcome on the organisation. The outcome is based on the manner in which the members within the organisation are willing to accept change. There are significant challenges that an organisation faced while making changes, these changes include resistance to change, planning, communication, etc. There are clear differences in the approaches used by the HR managers in different levels, cultures and countries. It is best for the HR managers to ensure that the business is able to complete successful change. Successful change is dependent on understanding the role of technology, role of customers, external business variables, and improving communication within the organisation. As to the present competitive global economies, future-oriented organisation cannot but be prepared for change at all times. No organisation can boast of a better performance without giving adequate attention to the need for change and the change management process.

References

- Ackerman Anderson, L. S., & Anderson, D. (2001). The change leader's roadmap: How to navigate your organisation's transformation. Jossey-Bass/Pfeiffer.
- Anderson, D., & Ackerman Anderson, L. S. (2001). Beyond change management: Advanced strategies for today's transformational leaders. Jossey-Bass/Pfeiffer.
- Armstrong Michael (2012): Human Resource Management Practice, Kogan Page Limited
- Arthur A. Thompson, Jr & A. J. Strickland (1987), Strategic Management, Business Publications. Illinois

- Bamford, D. R., & Forrester, P. L. (2003). Managing planned and emergent change within an operations management environment. *International Journal of Operations & Production Management*, 23(5), 546–564.
- Balogun J. & Hope Hailey, V (2004), *Exploring Strategic Change*, 2nd edn
- Beckhard, R., & Harris, R. T. (1987). *Organisational transitions: Managing complex change* (2nd ed.). Addison-Wesley Publishing Company.
- Berman, E. M. (2012). *Human resource management in public service: Paradoxes, processes, and problems*. Thousand Oaks, CA: Sage Publications.
- Bridges, W. (1991). *Managing transitions: Making the most of change*. Perseus Books.
- Buchanan, D. A., & Boddy, D. (1992). *The expertise of the change agent*. Prentice Hall.
- Burnes, B. (2000). *Managing change: A strategic approach to organisational dynamics* (3rd ed.). Prentice Hall.
- Burnes, B., & By, R. T. (2012). Leadership and change: The case for greater ethical clarity. *Journal of Business Ethics*, 108(2), 239–252.
- Carnall, C. A. (2007). *Managing change in organisations* (5th ed.). Prentice Hall.
- Chew, Y. T. & Choo, S. M. (2008). A Study of the Change Management and Challenges in a Bank, *Research and Practice in Human Resource Management*, 16(2), 100-118.
- Connor, P. E., Lake, L. K., & Stackman, R. W. (2003). *Managing organisational change* (3rd ed.). Praeger Publishers.
- Cummings, T. G., & Worley, C. G. (1993). *Organisational development and change* (5th ed.). West Publishing Company.
- Dale, B. & McQuater, R. (1998) *Managing business improvement and quality: Implementing key tools and techniques*. Blackwell Publishers Ltd.
- French, W. L., & Bell, C. H. Jr. (1999). *Organisational development: Behavioural science interventions for organisational improvement* (6th ed.). Prentice-Hall Inc.
- Guimaraes, T & Armstrong, C (1978): Empirically Testing the Impact of Change Management Effectiveness on Performance, *European Journal of Innovation Management*, 1 (2), pp 74-84
- Hallencreutz, J., & Turner, D.-M. (2011). Exploring organisational change best practice: Are there any clear-cut models and definitions? *International Journal of Quality and Service Sciences*, 3(1), 60–68
- Hiatt, J. M. (2006). *ADKAR: A model for change in business, government, and our community*. Prosci Learning Publications.
- Hughes, M. (2007). The tools and techniques of change management. *Journal of Change Management*, 7(1), 37–49.
- Judson, A. (1991). *Changing behaviour in organisations: Minimising resistance to change*. Cambridge, MA: Basil Blackwell.
- Kanter, R. M., Stein, B. A., & Jick, T. D. (1992). *The challenge of organisational change*. The Free Press.
- Kotter, J. P. (2012). *Leading change*. Harvard Business Review Press.
- Lorenzi, N.M. & Riley, R.T. (2000). *Managing Change*. *J Am Med Inform Assoc*, 7(2), 116-124
- Luecke, R. (2003). *Managing change and transition*. Harvard Business School Press.
- McKinsey & Company. (2008). *Creating organisational transformations: McKinsey global survey results*. McKinsey Quarterly. Retrieved August 5, 2020, from <http://gsme.sharif.edu/~change/McKinsey%20Global%20Survey%20Results.pdf>
- Mento, A. J., Jones, R. M., & Dirndorfer, W. (2002). A change management process: Grounded in both theory and practice. *Journal of Change Management*, 3(1), 45–59.
- Nadler, D. A., & Tushman, M. L. (1997). *Competing by design: The power of organisational architecture*. Oxford University Press.
- Naghibi, M.A. (2011). Strategic change management: The challenges faced by organisations international Conference on Economics and Finance Research. 4. 542-544

- Neves, P. (2009). Readiness for change: Contributions for employee's level of individual change and turnover intentions. *Journal of Change Management*, 9(2), 215–231.
- Nwafor Simon (2023): Effective Performance Management: Its impact on management strategy and organisational effectiveness. *African Journal of Management & Business Research*, Vol. 10, No 1.
- Paton R.A & McCalman, J (2000). *Change management: A Guide to Effective Implementation*, 2nd edn, London: Sage Limited.
- Pettigrew, A. M & Whipp R. (1993): *Managing Change for Competitive Success*. Cambridge Blackwell.
- Pollack, J., & Pollack, R. (2015). Using Kotter's eight stage process to manage an organisational change programme: Presentation and practice. *Systemic Practice and Action Research*, 28, 51–66.
- Raineri, A. B. (2011). Change management practices: Impact on perceived change results. *Journal of Business Research*, 64(3), 266–272.
- Rieley, J. B & Clarkson I. (2001). The Impact of Change on Performnce. *Journal of Change Management*, 2 (2). Pp 160-172
- Saka, A. (2003). Internal change agents' view of the management of change problem. *Journal of Organisational Change Management*, 16(5), 480–496.
- Strebel, P. (1996). Why do employees resist change? *Harvard Business Review*, 74(3), 86–92.
- Todnem, R. (2005). Organisational Change Management: A Critical Review, *Journal of Change Management*, 5(4), 369 – 380
- Trompenaars., F & Woolliams., P. (2003). A new framework for managing change. *Journal of Change Management*. 3(4). 361-375.