

CHANGE MANAGEMENT: A CHALLENGE FOR ORGANIZATION DEVELOPMENT IN 21st CENTURY

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ABSTRACT

The modern organizations are threatened with the challenges of squeezing profit margins due to global competition, technological innovations, organizational diversity, work life balance and globalization. To face these challenges, a continuous change process is required to be adopted in the 21st century which is based on the principles of stakeholder participation. In this paper, the basic change process has been discussed and the strategies required for each phase are elucidated. The survival of modern organization lies in making the change a continuum.

INTRODUCTION

Change is the only permanent phenomena of nature. Beauty lies in change and only a changing object is fascinating. The natural change process is more organized, coherent and disciplined. In fact the variety of nature emanates from this change process. Human being contrarily is more impeding to change. Our habits and way of life becomes major part of our life, identity and personality. A famous proverb says: "Everything except habit can be changed" The modern management is faced with an uphill task of changing human resource of an organizations which by and large has become accustomed to low productivity, inefficiency and apathy towards organization goals and objectives. The 21st century organization is faced with many challenges but the following main challenges are becoming threats to the survival of most of the traditional, static and non-productive organization if not catered properly.

- Squeezing profit margins and more price competition:

The phenomena of globalization and post WTO scenario have forced the organizations to opt for price competition as base for the survival in international market. This coupled with the concepts of Total Quality Management (TQM) and ISO certification has further influenced the organization to squeeze their profit margins, to develop product of best quality at the most affordable prices.

- The Advent of Information and Telecommunication Technology (ICT):

The invention of the micro processor with the network technology has substantially reduced the cost of acquiring information. The easy access to the information has affected the consumer behavior, which has turned more complicated and un-predictable. The Internets and intranets have encouraged the real time based transaction. The E-commerce and virtual organization is posing many more threats to the traditional organization.

- Diversity of modern organizations.

The globalization has enhanced the volume of global Foreign Direct Investment (FDI), ease of Capital transfer and merger and acquisition of Multi-National Corporations (MNC) to form relatively large business giants. The diversity of organizations has thus become a big challenge to handle. The ICT has further facilitated creation of the virtual organization which is not only much diversified but are highly technological based.

- Convergence at global culture :

The diversity and ease of access to information has resulted into convergence in the human habits, tastes and preferences, which at the same are also becoming more complicated.

- Work life balance.

The transformation of collective living into nucleus settlements has increased demands on individual for sparing more time for the family. Personal life has become more priority as a result. There is a strong need to draw a balance between the work life and personal life.

- High rate of Change.

The external organizational environment like culture, Government regulations, International law and the competitive position are changing with an astounding rate.

The modern 21 st century dynamic organizations need to face these challenges through continuous Organization and Human Resource development. The most difficult episode of this recipe is the Change Management.

Change is the process of moving from one state (current state) to another (future state) and Change Management is a disciplined approach to help organizations manage transition from current state to the desired future state. The change for an organization may become inevitable at time due to external forces or internal transition.

The transition cycle is composed of four distinct stages as shown in Figure 1.

Internal transitions must occur before change is fully realized.

Figure 1 Transition cycle

Phase:1 Denial. Gain Power through Information

In the first phase of transition, people have very little or no belief in the change and efforts are not only denied but people are apathetic towards such efforts. The new developments are mostly ignored. This is in fact the testimony of management maturity as in most cases the efforts are discontinued with apparent no change at prima facie. Many senior and executive managers discontinue their efforts and even if they are doing it, they are not convinced with the belief that transition is taking place. This is the most pessimistic approach.

The denial stage needs to be dealt with very tactfully and information can be the main weapon to fight with. The following strategies can be adopted at this stage.

- i. Gather information from reliable sources.
- ii. Avoid getting caught up in rumors and speculation.
- iii. Discuss rumors openly with your manager and verify facts.
- iv. Allow yourself time to internalize and reflect on how you feel about change.
- v. Don't be swept away by other's emotion.
- vi. Avoid staying stuck in this stage. It can be draining and defeating.

The most important strategy at this stage is to look ahead and avoid sticking into this stage. Many time the senior managers are wasting much of their times in the arguments for justification at this stage. The best approach is to communicate and communicate. The effective communication strategy at this stage will help the leaders to be listened, which will be the most favorable outcome.

Phase 2: Resistance: Stop Spinning Your Wheels

Once the people in an organization somehow understand and listen to the arguments, an immediate reaction come from the employees is generally negative. The employees themselves are faced with internal pressures like sense of incompetence to deal with the change and loss of control. When the CEO of a Co desires to transform the organization through technological infusion, the traditional managers are always concerned about their future role and contribution to a system generally alien to them. In this stage, the employees normally avoid to play any role and rather blame other colleagues and fellows. The resistance is even physically demonstrated in the form of fighting, shouting and scuffling. One can remember the difficult times faced by the IT personnel in the transition phase of banking sector in Pakistan from manual to computerized processing system.

The best strategies in this phase could have been;

- Accept that this is a period of emotional turmoil and that you may experience feelings of anger, hurt disappointment, depression, betrayal and loss.
- Seek emotional support from trusted friends, family, peers and managers.
- Avoid self-defeating behavior such as acting like a victim, developing a bad attitude, and rallying others to fight the change.
- Avoid staying stuck in this stage: A prolonged negative attitude can earn you a poor reputation and undo a lot of your good work.

The senior managers will have to exercise patience, absorption and flexibility in attitudes through very strong nerves.

Phase 3: Exploration: Venture into Uncharted Territory.

The successful maneuvering of the managers in the resistance phase will lead to exploration stage in which the senior managers will focus on exploring the areas of working together with the staff. Various alternatives for the proposed changes are analyzed in terms of the available human and non human resources within organization and outside. A very common problem in this phase is the excess of information which is sometimes referred to as “Information overload”. The managers may become confused and indecisive in such situations. However the basic matching principle can be good gridlines to avoid such confusion. The principle simply says that solution only relevant to the problem must be focused. It is the time where very high energy and work is required.

Some of the possible strategies in this phase can be;

- Continue to suggest ideas and think unconventionally. The innovative thinking and dispositions must be encouraged.
- Focus on changes that can be made to work rather than listing all the things that can go wrong. The strength of team work must be realized.
- Focus on priorities and set short term goals for yourself. The Management by Objective (MBO) can be a good guideline, where the total goals are divided into smaller goals and assigned to different departments to achieve these.
- Acquire new knowledge skills to change your attitude.
- Facilitate with problem solving attitude and motivate the staff, so that they can be influenced to achieve the goals enthusiastically and willingly.

The senior managers are expected to play true leadership role in the exploration phase.

Phase 4: Commitment.

The commitment for the change mainly comes from the synergy of teamwork. In this stage the management needs to be more focused and planned. The success of earlier stages brings cooperation and satisfaction to team members and senior managers. The achievements of the small teams make the vision clearer to the staff. The CEO Motorola Inc while explaining the vision of his company said:

..... a corporation that will look gigantic but have the dynamic of little teams .

Some of the strategies in this stage are;

- Continue to suggest ideas and think unconventionally. The change process is a continuum and must continue indefinitely
- Continue to find new solutions to the new situation.
- Revisit and refine your goals.
- Continue to rally people around the change.
- Avoid complacency by assuming a new status quo and keep the rhythm of change going.
- Continue to expand your skills and knowledge.
- Break out of your comfort zone by taking on new assignments and challenges.

The change process is a continuum and an iterative process which likes a software development is rolling spirally. The management of different requires different types of skills, knowledge and attitudes. However the following guiding principles must be followed in the Management of Change.

- People or Human Resource is our only sustainable competitive advantage - they are the intellectual capital of the organization.
- Those who are closest to the work have the best information about what is needed to do it most effectively.
- People tend to support more readily what they help to create.
- People need to understand the context of the change. Understanding is found through dialogue.
- To build a sustainable change, people must experience some personal results.

The traditional management in our country is more guided by the Principle of “Status-quo” and our public sector had been following these principles for more than five decades. The lack of research, experimentation and innovation has rendered our organizations redundant, passive and unclear in their objectives and roles. But the 21 st century is having different environment. The complexity of tasks ahead, the emerging challenges and ever-growing competition is pushing the modern organizations to be dynamic and change oriented. It is high time to adapt to the change through intelligent, sincere and earnest efforts.

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