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Module: Introduction to Business Management **Level:** Second year LMD

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Lecture 03 : Recent trends in Management
(Change Management)

Objectives :

1- Defines change and change management as essential for organizational and individual adaptation.
2- Discusses internal and external forces driving change and their impact.
3- Outlines types of change (developmental, transitional, transformational, etc.) and associated strategies.
4- Highlights the change management process, including planning, implementation, and sustaining change.
5- Addresses resistance to change with strategies like communication, participation, and negotiation.

Structure :

1- Introduction
2- Concept of Change and Change Management
3- The Goal of Change Management
4- Forces of change
5- Types of Change
6- CHANGE MANAGEMENT PROCESS
7- STRATEGIES FOR CHANGE MANAGEMENT
8- RESISTANCE TO CHANGE
9- Typical Criticisms of Change Management
10- Conclusion
11- Glossary

1- Introduction :

Change is an inherent aspect of organizational life, driven by the need to adapt and evolve in response to internal and external forces. The concept of change encompasses the transition from the current state to a desired future state, often involving a shift in perception, thinking, and behavior.

Change can stem from dissatisfaction with the old ways and a belief in the new, aiming to improve upon past and present practices. However, the journey through change can be challenging, causing stress and anxiety during the transition.

Change management emerges as a critical discipline to complete this transition effectively. It involves a systematic and planned approach to implementing changes at both the organizational and individual levels, ensuring that the transition is smooth and the benefits of change are maximized.

2- Concept of Change and Change Management :

2-1- Change :

- is defined as "to make or become different, give or begin to have a different form."
- also means dissatisfaction with the old and belief in the new.
- underlies a qualitatively different way of perceiving, thinking, behaving and to improve over the past and present.
- In this way, change is the process of moving from current state to future state and in between come the transition state which creates stress and anxiety.

2-2- Change Management :

When we say **change management**, we mean making changes in a planned and systematic fashion. In another way, change management is a systematic approach in dealing with the change, both from the perspective of an organisation as well as on the individual level.

It means to plan, initiate, realise, control and then finally stabilise the change processes on both corporate and personnel level.

In Change management process the changes of a system are implemented in a controlled manner by following a pre-defined framework/model, to some extent with reasonable modifications.

Change management plays an important role in any organisation since the task of managing change is not an easy one. Change management can ensure standardised methods, processes and procedures that are useful for all changes.

It is also useful for efficient and prompt handling of all changes and to maintain a proper balance between the need for change and the potential detrimental impact of changes. The main objective of change management is to reduce the probability of change implementation failure; reduce resistance to change and to get maximum benefit from the implementation.

2-3- Organizational and Individuel change management

Change management can be referred from two perspectives:

- Organisational change management
- Individual change management

a) Organisational change management : is the management of change from the perspective of a manager or the top leadership. It takes into account both the Change Management processes and the tools that managers use to make changes at an organisational level. It focuses on change management practices and skills as well as strategies, plans and training programs. It is related with one to many (one manager dealing with the whole organisation collectively).

The emphasis is laid on communication, training and the overall culture or value system of the organisation.

b) Individual change management : is the process of helping employees to understand them where they are in the change process and managing that change effectively.

This change management is related with bottom level that means employees. It is related with one-on-one (each individual is given emphasis because they are the one who bring change). The focus for individual change management is on the tools and techniques to enrich employees through the transition.

3- The Goal of Change Management :

The primary goal of change management is to enhance organizational performance ability and capability through proactive or reactive actions to cope with either internally induced orexternally imposed changes.

The purpose is to respond to, or anticipate in, the changing internal and external environments for achieving strategic organizational goals.

4- Forces of change :

Organisations undergo change for their betterment. It facilitates the overhauling of organisational systems and processes. Typically, the concept of organisational change, in regard to organisation is wide, as opposed to smaller changes. Change should not be done for the sake of change rather it’s a strategy to accomplish some overall goal. Some major driving force provokes usually organisational change.

The forces can be from **internal** or **external** sources. Awareness of these forces assists managers to implement an organisational change.

4-1- External Forces :

External forces for the change originate outside the organisation and it might have a global effect. These are also called environmental forces that are beyond the management's control. External forces such as demographic characteristics, economic factors, technological advancements, market changes and socio-political pressures are affecting the operating environment in organisations.

Demographic changes are related with the diversity in workforce. It is a well- known fact that globalised economy has created increased threats and opportunities, forcing organisations to make drastic improvements not only to gain competitive advantages but many times to survive. Rapid technological innovation is another force for change in organisations and those fail to keep pace with will be bound to lag behind. Market changes such as competitors introduce several new things like new products, reduce prices or augment customer services. At the same time, changes occur in customer tastes, interests and income. Some changes are created by social and political events. Political events may create substantial change. But it is difficult for organisations to predict such changes. Thus managers are required to adjust their managerial style or approach to fit within these changes.

4-2- Internal Forces :

These forces originate from inside the organisation and are under the control of the organisation. These forces come from human problems and managerial behaviour and decisions. Generally problems related with the human behaviour are about how they are treated at their workplace. No organisation can progress without the commitment and dedication of its employees. Dissatisfaction among employees regarding the working conditions as well as individual and organisational needs may lead to conflict between management and their employees. Excessive interpersonal conflict is often a clear sign that change is needed. Unusual or high levels of absenteeism and turnover also represent the forces for change. How an organisation decides to motivate, communicate and integrate change into the work force will determine the magnitude of its success.

Employee's participation and suggestions are must in this regard. Leadership training is also vital to this problem.

Change, by its very nature is unpredictable and often unmanageable, yet an organisation's success depends upon its ability to predict and control change in one or another way. The internal and external forces of change are quite interrelated so both of these must be taken into consideration while planning for an organisational change. These changes must be planned and actively managed if organisations want to survive and grow. Constantly assessing where we are and where we want to be, alert managers to the changes that are needed and accordingly they involve employees. When employees realise that change will benefit them, they welcome the changes. Management must assist employees in accepting change and help latter to become well adjusted and effective, once these changes have been implemented.

5- Types of Change :

There are different types of change and each type requires different strategies and plans to implement change effectively. Understanding of the nature of change helps in formulating appropriate strategy for their implementation. The main types of changes are as follows:

- Developmental change
- Transitional change
- Transformational change
- Incremental change
- Planned change
- Unplanned change

a) Developmental change

These changes enhance or rectify existing aspects of an organisation. It is connected with improvement in process, methods or performance standards of the organisation. These types of changes are very necessary to remain in competition. In this type of change the employees are trained in the new techniques.

b) Transitional change

This type of change replaces existing processes or procedures with something that is completely new. The period during which an old process is being changed into a new is called as the transitional phase. It is more challenging to implement transitional change than developmental change.

c) Transformational change

It is also known as radical, fundamental or quantum change. This occurs after the transition period. They may involve both developmental and transitional change. These changes involve the whole or larger part of the organisation. The change is related with shape, size, structure, processes, culture and strategy of the organisation. This change takes time to occur and requires a shift in assumptions of the organisation and its members.

d) Incremental change

They are directed towards any unit, subunit or part of the organisation. They are just opposite to the transformational changes and adaptive in nature. It is said that a failed incremental change causes less harm to the organisation as it is related with only a part of the organisation.

e) Planned change

When the change is, a product of conscious reasoning and actions and is deliberate it is known as planned change. It occurs when manager recognises the need for major change and plans according to it. It is qualitative in nature. While thinking of planned change the manager must communicate the vision to each and every one involved in the change process and establish the support elements that are necessary for the success of change.

f) Unplanned change

They usually, occur due to some major or sudden surprise to the organisation. It is also known as emergent or reactive change. They are generally imposed by some external factors or internal features and are beyond the control of management. They leads to high disorganisation.

6- CHANGE MANAGEMENT PROCESS

Generally responsibility for managing change lies with the management and executives of the organisation. It is a definite process, which includes several stages or steps. By following the change management process the monitoring and controlling of change becomes easy.

Change Management Process follows these steps :

Step 1: Assess need for change

In this phase a problem is recognised as well as organisational and need assessment is done. This is the preparatory phase, which helps in developing the foundation upon which the change is made.

Step 2: Purpose for change

In this stage, decisions regarding changes to make ideal future state and obstacles in the change process are considered. Here a team is also built to implement the change and a team leader or “change agent” is identified. Strategies are also finalised in this phase.

Step 3: Plan for change

A formal plan for managing change is prepared in this phase. Flexible priorities are set.

Step 4: Implement the change

In this phase actual changes are made. This phase involves variety of things like meetings, training of employees, etc. Here feedback is also obtained whether the change is successful or not. Comparison with others is made and corrective actions are taken.

Step 5: Sustaining the change

It is known as commitment phase. It helps in understanding how to sustain support for the changes. Here integration of results is made.

To ensure successful change management, it is essential to have a disaster recovery plan at all stages. Change is a costly affair but it becomes very rewarding if carefully and thoughtfully implemented. Since huge resources are needed for change management process, quality plans are essential for it and it is the responsibility of the top management to ensure successful change.

7- STRATEGIES FOR CHANGE MANAGEMENT

Change can be approached in a number of ways. Efficient change management strategies are required for overcoming the change in the organisation. For this purpose five strategies are adopted:

7-1- Directive Strategy

In this strategy authority and power of the manager is used to manage change. This is mostly used by the top-level management with no or minimum involvement of others. The advantage of this strategy is that it can be undertaken quickly as it involves less number of people. The disadvantage of this strategy is that it does not consider the opinion of others who are involved or affected by these changes. In this strategy the changes are imposed upon the staff without any discussion or their preparedness which may cause resentment among them.

7.2- Expert Strategy

In this approach the change is viewed as a problem solving process and for this purpose help of an expert is taken to resolve it. In this approach also there is little involvement of those who are affected by these changes. The main advantage of this approach is that with the help and guidance of experts the change can be implemented quickly and effectively.

7.3- Negotiative Strategy

In this strategy the top management discusses the various issues with those who are affected by the changes. This approach involves negotiation and bargaining on the part of the top management to implement the changes in the organisation.

The changes to be made are discussed and the methods of implementation and the possible outcomes are also agreed upon. The major advantage is that this approach have major involvement of all those who are affected by these changes which results in participation and support from all.

The main disadvantage of this approach is that it takes longer to implement the changes. Another disadvantage is that it is difficult to predict all the possible outcomes. In this approach the changes made are not always as per the expectations of the managers.

7.4- Educative Strategy

This approach is based on redefining and reinterpreting people’s norms and values thus motivating them to support the changes being made. Here the main attention is on them who are involved in the process of change. The theory behind this approach is that people’s behaviour and mindset is governed by social norms and values and to change them first these existing norms and values must be changed and redefined. And for this education, training, consultation must be needed.

The advantage of this approach is that it helps in developing positive commitment to the changes being implemented. Thus this approach brings the support and participation of the individuals in the organisation.

The major disadvantage is that it takes longer to implement because of involvement of several people.

7.5- Participative Strategy

As the name suggests it is based on participation of all individuals in the change process. Though the decisions are taken by the top level management, discussions and meetings are held for taking the view of the individuals before implementing the change. The focus is on full involvement of those who are affected by the changes. The views of the experts and consultants are also sought.

The major advantage is participation and involvement of all so the change process has support of all. It gives individuals an opportunity to increase their skills and knowledge about the organisation and its functioning.

The main disadvantage is that it takes longer to implement the changes as, it is relatively slow. It is not only time consuming but costly also because of number of meetings and discussions.

8- RESISTANCE TO CHANGE

Both Change and resistance to change have common occurrence within organisations. Resistance is an inevitable response to any major change.

“Resistance is the employee’s resultant reaction of opposition to organisational Change” *(Keen, 1981; Folger & Skarlicki, 1999)*. It emerges when there is a threat to something the individual value. The threat may be real or just a perception. It is the result of the understanding or misunderstanding of the change or total ignorance about it. Resistances to change are of several types and understanding of these helps in reducing ways of resistance and encourage compliance with change. In this context sometimes the help of change agent should be taken.

8-1- Reasons fo resistance to change :

The reasons of employee’s resistance to change are as follows:

- Lack of Understanding
- Fear of unknown and failure
- Lack of competency
- Employees feel overloaded
- Genuine objections

a) Lack of Understanding

The Employees do not understand why the change is happening when they don’t have sufficient knowledge about the change. Some communication problems are often related with this aspect of change. Without understanding the reason behind the change, it becomes quite difficult for people to accept change.

b) Fear of unknown and failure

Employees resist change because they have to learn something new. They fear the unknown and about their ability to adapt it. People are always suspicious about the unfamiliar thing; they are concerned about how to get from the old to new, because it involves learning something new with risk of failure. They are very much satisfied with the status quo and try to maintain it.

c) Lack of competency

Sometimes employees resist change because they don’t have required competencies as needed when and after the change is implemented. They don’t want to show their weaknesses that’s why they resist change. Sometimes they presume that their lack of competency may cost them their job.

d) Employees feel overloaded

Sometimes the employees do not have sufficient time to engage with the change. They are not in the position to handle two things simultaneously i.e. handle change and carry their current responsibilities.

e) Genuine objections

Employees also resist change because they don’t share the value driving the change. They genuinely believe it is wrong to initiate change in the organisation and resist saving the organisation. They have genuine objections.

8-2- How to deal with Resistance to Change

Kotter and Schlesinger have suggested six (6) change approaches to deal with the resistance to change:

a) Education and Communication :

This approach is used, when resistance is the result of the lack of information or inaccurate information and analysis. In this case it is better to educate and communicate people who are going to be affected by the change. This helps employees to see the change effort in new light and not to entertain rumors about the change in the organisation.

b) Participation and Involvement

This approach is useful when the changing authority does not have full information about the change. In this case it is better to involve the employees in the change process as it lowers the chances of resistance to change.

c) Facilitation and Support

Sometimes people resist due to some adjustment problems like fear from the anticipated change. In these situations it is advised to the managers to support the staff fully and force them into the new situation so that they can understand that it is not as difficult as they presume. The support of the management helps employees to overcome their fear and anxiety. There must be provision for counseling, coaching and special training for the employees to handle the change effectively.

d) Negotiation and Agreement

This method is useful when people fear of losing something due to change. In such conditions the manager offers some incentives to them. For this purpose the manager negotiates with the employees not to resist change.

e) Manipulation and Co-option

As Kotter and Schlesinger suggests that when any other approach does not work, an effective manipulation technique like co-opting those who resist.

Co-option involves the patronising gesture in bringing a person into a change management-planning group only for the sake of appearances rather than their substantive contribution. As involvement of the leaders of the resisting group have only symbolic role to be played in decision-making process.

f) Explicit and Implicit Coercion

This approach is used when it is essential to implement the change speedily. In such cases change is forced upon the employees by making clear that resisting change may lead to losing jobs, firing, transferring or not promoting employees.

These six approaches help in identifying the types of resistances to change and how to overcome them. Sometimes the combination of these approaches is used to tackle with resistance.

9- Typical Criticisms of Change Management

Criticism on change management is often around the following issues.

A first issue is that change management is unnecessary and irrelevant to the core business.

A second criticism is that change management does not require a process as people will change when they are forced to.

A third issue is that change has become a constant in people’s daily life; therefore, no special effortis needed to implement change.

A fourth issue is that change only involves management teams.Employees will follow if management decides to change.

Conclusion :

In conclusion, change management is a critical organizational function that ensures transitions are handled effectively, minimizing disruptions while maximizing the benefits of change. By adopting structured frameworks, addressing both organizational and individual perspectives, and employing strategies to manage resistance, organizations can successfully navigate the complexities of change. Whether driven by internal aspirations or external pressures, the ability to manage change effectively is vital for achieving long-term success and sustainability. As organizations continue to evolve in an ever-changing environment, change management remains a cornerstone of innovation, adaptability, and growth.

SUMMARY

1-Introduction

2- Concept of Change and Change Management

2.1. Change:

- Change refers to becoming different, adopting new forms, or improving over past methods and perspectives.
- It involves dissatisfaction with the old and belief in the new, leading to improved ways of perceiving, thinking, and behaving.
- The process includes a current state, a transition state (often causing stress and anxiety), and a future state.

2.2. Change Management:

- Change management is the systematic and planned implementation of changes at organizational and individual levels.
- It includes planning, initiating, realizing, controlling, and stabilizing change processes.
- Key benefits include reducing resistance, minimizing failure risks, and achieving maximum organizational and personal benefits.

2.3. Organizational and Individual Change Management:

- **Organizational Change Management:** Focuses on leadership-driven strategies, training, and communication to implement changes across the organization.
- **Individual Change Management:** Centers on helping employees transition effectively, using tools and techniques to support their adjustment during change.

3- Goal of Change Management

- Enhance organizational performance and capability to adapt to internal or external changes proactively or reactively.
- Achieve strategic objectives by aligning responses to dynamic internal and external environments.

4- Forces of Change

4.1. External Forces:

- **Demographic Changes:** Workforce diversity due to globalization.
- **Economic Factors:** Competition and global market trends.
- **Technological Advancements:** Rapid innovation requiring adaptation.
- **Market Changes:** Shifts in customer preferences and competitive tactics.
- **Socio-Political Pressures:** Impact of political and social events.

4.2. Internal Forces:

- **Employee Dissatisfaction:** Issues related to working conditions and organizational alignment.
- **Interpersonal Conflicts:** Highlight the need for change.
- **Turnover and Absenteeism:** Indicators of underlying dissatisfaction.
- Leadership training and employee participation are crucial for managing internal changes.

5- Types of Change

- **Developmental Change:** Enhances existing processes and performance standards.
- **Transitional Change:** Replaces old processes with entirely new ones; involves a challenging transition phase.
- **Transformational Change:** Fundamental shifts impacting the entire organization, including structure and culture.
- **Incremental Change:** Small-scale, adaptive improvements to specific areas.
- **Planned Change:** Deliberate changes driven by strategic vision and communication.
- **Unplanned Change:** Reactive changes to unforeseen events, often disruptive.

6- Change Management Process

1. **Assess Need for Change:** Identify issues and assess organizational readiness.
2. **Purpose for Change:** Define ideal outcomes, address obstacles, and form a change team.
3. **Plan for Change:** Develop a flexible, detailed plan with clear priorities.
4. **Implement the Change:** Execute plans with training, meetings, and feedback.
5. **Sustain the Change:** Integrate results, secure commitment, and ensure long-term success.

Disaster recovery plans are vital to handle unforeseen challenges during change.

7- Strategies for Change Management

- **Directive Strategy:** Uses managerial authority for quick changes but risks employee resistance.
- **Expert Strategy:** Relies on experts for problem-solving with limited staff involvement.
- **Negotiative Strategy:** Involves stakeholders, fostering support but taking longer to implement.
- **Educative Strategy:** Focuses on redefining norms through education and training to gain commitment.
- **Participative Strategy:** Emphasizes collective involvement, enhancing support but is time-consuming and costly.

8- Resistance to Change

8.1. Reasons for Resistance:

- **Lack of Understanding:** Insufficient communication about the change.
- **Fear of the Unknown and Failure:** Anxiety about learning new skills or adapting.
- **Lack of Competency:** Concerns over skill gaps and potential job loss.
- **Overload:** Balancing current responsibilities with new changes.
- **Genuine Objections:** Employees may disagree with the rationale behind the change.

8.2. Dealing with Resistance:

- **Education and Communication:** Clarify the purpose and process of change.
- **Participation and Involvement:** Engage employees in planning and implementation.
- **Facilitation and Support:** Provide counseling, training, and management support.
- **Negotiation and Agreement:** Offer incentives to reduce resistance.
- **Manipulation and Co-option:** Symbolic involvement to minimize opposition.
- **Explicit and Implicit Coercion:** Enforce changes when speed is critical.

9- Typical Criticisms of Change Management

- Criticized for being unnecessary or irrelevant to business needs.
- Viewed as overly complex or focused only on leadership without involving employees.
- Assumes people will naturally adapt without formal processes, which may not always hold true.

GLOSSARY

English	Arabic
Transition	الانتقال
Curent state	الوضع الحالي
Desired future state	الوضع المستقبلي المنشود
Shift	التحول
Stress & anxiety	التوتر والقلق
Reasonable modifications	تعديلات معقولة
Failure	الفشل
Resistance to change	مقاومة التغيير
Individual change	التغيير الفردي
Organisational change	التغيير التنظيمي
Change Management	إدارة التغيير
Proactive and reactive actions	إجراءات استباقية وتفاعلية
Anticipation	التوقع
Forces of change	قوى التغيير
Betterment	التحسين
Overhauling	إعادة الهيكلة (إصلاح شامل)
Predict	التنبؤ
Commitment	الالتزام
dedication	التفاني
Absenteeism	التغيب
Magnitude	الحجم/ الدرجة
Developmental change	التغيير التطويري/التنموي
Transitional change	التغيير الانتقالي
Transformational change	التغيير التحولي
Incremental change	التغيير التدريجي
Planned change	التغيير المخطط
Unplanned change	التغيير غير المخطط
Radical	جذري
Quantum change	التغيير الكمي
Shape	الشكل

Size	الحجم
Conscious reasoning	التفكير الواعي
The vision	الرؤية
Emergent	الناشئ
Monitoring	المراقبة
Assess need fo change	تقييم الحاجة للتغيير
Purpose for change	الغرض من التغيير
Sustaining the change	الحفاظ على التغيير
Disaster	الكارثة
Overcoming	التغلب
Directive strategy	الاستراتيجية التوجيهية
Preparedness	الاستعداد
Resentment	الاستياء
Expert strategy	استراتيجية الخبراء
Bargaining	المساومة
Educative strategy	الاستراتيجية التعليمية
Mindset	العقلية / طريقة التفكير
Participative strategy	الاستراتيجية التشاركية
Sought	المطلوب
Compliance	الامتثال
Lack of Understanding	نقص الفهم
Fear of unknown and failure	الخوق من المجهول والفشل
Lack of competency	نقص الكفاءة
Employees feel overloaded	شعور الموظفين بالارهاق
Genuine objections	اعتراضات حقيقية
Facilitation and support	التسهيل والدعم
Negotiation and agreement	التفاوض والاتفاق
Manipulation and Co-option	التلاعب والادماج
Explicit and Implicit Coercion	الاكراه الصريح والضمني