

Change Management

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Abstract: Managing change within organizations is a core challenge for the HR professionals, as any change concerns people working within the organization. The study of Human Resource Management is based on achievement of goals through corporate strategy and effective management of change within the organization. Change can be successful when it links people, job satisfaction and productivity within an organization. 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. This article will outline the challenges faced by Human Resource managers in change implementation. The well-known theories and literature will also be discussed to share light on the importance and change management for HR. Also, recommendations and suggestion will be provided for improving change management process within an organizational context. *Keywords:* Change Management, Human Resource Management

Introduction

In the present dynamic business world, when changes are not managed correctly strains the ability of HR to improve the business of creating and maintaining competitive advantage. Professionals that practice Human Resource need this knowledge, abilities and skills to adapt to organizational change and locate when it is required and how to leverage such opportunities successfully. According to the 2007 Change Management Survey Report of SHRM, only 23 percent of the organizations possessed full time HR staff for purposes of change management. This leaves around 77 percent of the HR professionals in the organizational context face change management challenges on regular or ad hoc basis. Several organizations tend to adapt and change continuously for remaining competitive and effective, yet the application of organization seems rare. Latest statistics disclose that one out of three efforts towards organizational change is believed to be successful by the leaders. Implementation of a successful change program is full of challenges and the change management process remains highly problematic. These challenges are common among several organizations as people are unwilling to make changes and are hell bent on following the old methods (Pieterse, Caniëls & Homan, 2012, p. 798-804). Change management is usually defined as a set of aptitudes and skills an individual is required for successful initiation and implementation of change. Also, it considers the applications of change mechanism (e.g. training, process re-designing, communication, etc.) in the creation of value for the organization. The process of change is driven by strategic considerations that include the need for improving business processes and integrating ways of working. Such considerations result in well-structured change management programs on the basis of the assumption that the management of change would be done with limited interventions that are objective, linearly manageable and measurable in a short period of time. Scholars who have researched on the issue of resistance to change identify the need for further research on the issue of top-down change management (Dibella, 2007, p. 231-42). The objective of this paper is to discuss change management, which has become one of the most important issues for HR managers in today's world. The paper will conduct an in-depth research on change management and the theories of change management to have a better grasp of the topic. The organization of the paper will start with a discussion of the current challenges related to change management faced by the HR managers. The paper will then highlight

the change management literature from the past few decades and discuss few theories that provide necessary information on the issue. Finally, the paper will provide recommendations and suggestions that can be helpful for management of change in the present business world.

Practical Application of Change

One of the toughest decisions for HR managers is to prepare the organization to deal with the change. The present environment for business is highly competitive and rapidly changing and the organizations that change efficiently and rapidly would be the ones that will survive with time. Many organizations would start to eliminate as they do not succeed with change management. Additionally, there are several pressures for making changes in most industries as the level of competition rises and technology advances. This means that people responsible for change, i.e. the HR managers remain highly stressed to ensure the organization goes through successful change management. Most organizational changes usually involve several different levels and types of personal losses for the employees within the organization. For instance, change requires the effort from the organization to learn about the new that is considered by many a waste of energy and time that should be implemented in other business facets. It is possible, that some might welcome the possibility of learning opportunity; several people in the organization do not wish to spend their time and energy unless they are dissatisfied with the arrangements or they view powerful advantages of the proposed changes. For example, business upgrading their software is beneficial for the business, which would outweigh the short term investment needed for learning new business programs. Also, people in the organization want to feel better about themselves. Usually, work is a matter of pride for people and they feel responsible for performing job in a better way. They feel they are one of the members on the success and this feeling gives them confidence and importance of their position in the organization. In several work situations, when the work itself is not significant and the organizational culture makes it tough for the people to feel better about themselves. In such situations, people tend to invent strategies for helping them feel good about themselves, and such strategies involve gaining a sense of control, significance and belongings from their work. These strategies involve opposing the management, on the self-held assumption that they are incapable of leading and most of their decisions are not in the best interest of the organization.

Still, these strategies used by the workers for the achievement of better feelings are quite misunderstood or unknown by the management. Therefore, possible change initiatives, unintentionally and unknowingly, threatens to cause workers significant personal loss. Therefore, it is not surprising, when workers resist and do their best for sabotaging the possible implementation of change. Change initiatives mostly require significant losses for the managers at the middle level. Generally speaking, people in the organization consider that information systems lead to increase in the top executives' ability to know more regarding what goes on and exerts greater control. This leads to the possibility of serious loss of organizational and personal significance for most middle level managers. Sometimes the middle level managers end up fighting this loss. Any change to the organization involves the possibility of changing habits, i.e. changing the manner which actually work can be done in the organization. This sort of change, mostly involves changing the way we tend to interact, both with tools and people. After the change, new systems require business organizations to learn about a new collection of organizational behaviors (Lorenzi & Riley, 2000, p. 116-124).

Types of Change

There are four types of change that an organization goes through with the possibility of overlap among the possibilities. Operational changes can affect the way active business operations are conducted, including the automation of a specific business area. Strategic changes take place when the business direction or the strategy is affected. For example, changing the business strategy from business growth to sustaining the market share is an example of strategic change. Cultural changes affect the organizational philosophies such as the way the business is conducted, example, implementing a CQI (continuous quality improvement) system. 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). Different sort of changes typically have the greatest impacts on different organizational levels. For instance, the operational changes tend to have the highest impacts on the lower organizational levels, right in the firing line. Employees working at the upper-levels might never notice changes, which cause significant turmoil and stress to those attempting implementation of change. Conversely, the effect of the political changes is felt the most on the higher levels of the organization. When change occurs relatively in the bureaucratic organization, those working on the bottom level often notice the change at the top.

Current Challenges

Change management research and models remain relevant in the 21st century. The problem is not anymore about their worth or relevancy. The challenges and problems facing organizational development researchers and experts, organizational leaders and HR managers relate to the complexity and speed of change needed today (Pryor et al. 2008, 1-7). Most companies face similar types of large scale changes in their lifetime. These changes are caused by either internal problems faced by the HR that requires a solution, technological advancement and entering a new

era can because of change management. Strategic changes on the other hand, are a more regular and an important aspect of change management. But strategic changes have a bigger impact on the organization as these affect the organization from top-bottom approach. Strategic change is important as it is considered as a way for making changes to the vision and adjectives of the organization for achieving greater success. It is clear that there is no clear method for change management and change management is not always successful. Several companies are failing in implementation of plan doe change management, whereas others fail in conveying the change among organization and employees. HR managers responsible for making strategic changes need to keep challenges they would face from outside and within the organization. One of the most common challenges faced by the HR managers to manage change is to understand the behavior and culture of employees. Asking people to change something that they have got habitual about is not an easy task. Another aspect that needs to be taken care of while discussing strategic change is compatible between organization and change. The most common mistake made is using past knowledge of change management and applying it to a current problem. Finally, changing perceptions and attitude of people towards an effective change is the priority for business (Naghbi & Babn, 2011, p.542-543). There is a correlation between the success/failure of outcomes of HR change programs and hard factors that have an influence on change. The four hard factors are the duration of the project, time between change reviews; integrity of performance or the capabilities of employees affected by change agents; commitment of employees and senior executives who will get affected by the change; and the extra effort needed for employees to make the change (Sirkin, Keenan & Jackson, 2006).

Planning Challenge

Planning is an important challenge for businesses and HR managers. Without proper planning, organizations might fall apart during the change process. It is very important to understand what will change and how the change will affect the organization. Similarly, it is important that the new system is compatible with the old system and the employees are not lost within the new system. Assigning roles is another aspect that needs to be taken care of in change management process. Employees should be assigned tasks that need to be achieved for successful change management. Finally, change management should also have a particular timeline during which the expected changes are completed. Therefore, organizations need to plan properly to ensure the challenge of change management turns out to be successful.

Consensus Challenge

It is highly important that all members of an organization agree on the change management and are willing to accept and work together for overcoming barriers. When top management decides to start the change management process, it is possible that the speed of change application is much faster. When management staff is on board and capable of dealing with changes; the challenge of having important leaders in consensus is easier. When people in the organization are aware how the organization will get

affected and how things would get better, it is possible that the organization will be able to overcome consensus challenge.

Communication Challenge

When employees are communicated and informed in advance about possible changes, it brings speculation and rumours into the workplace. Everyone wishes that they know about the possibilities and where they stand in the organization after the change. This feeling of uncertain future creates a challenge for HR to perform successful change management, as without proper communication channel is disrupted and employees feel they are not important enough for the organization. To overcome this challenge, management should maintain regular communication with their employees and ensure that any new information or change implementation is done with all employees on board.

Employee Resistance Challenge

Resistance from employees is one of the most common challenges faced by the HR for change management. With time, most employees get comfortable about the business processes and are unwilling to make changes to their regular schedule. As major changes can disrupt their familiarity, employees can become disappointed with the aftereffects of change. Any change can make employees relearn the basics and change the manner of doing things. New procedures can be highly different making employees feel upset with the change. Employee resistance is therefore a clear challenge for business organizations (Chew & Choo, 2008, p. 100-118).\

Literature Review

Change Models

One of the earliest efforts made in understanding the change management process came from Kurt Lewin in 1947. Lewin in his research made two observations; firstly, initiatives for change encountered rigid resistance, even when general agreement existed between the initiative goals. Secondly, even when initiatives that appeared overcoming resistance and turned out successful were mostly short lived, leading to the system returning back to their previous condition in a short period of time. Lewin's research also ended up disclosing that unfreezing the organization is better when it is directed at reducing the resistance forces, rather than improving the change forces. Similarly, increasing change pressures often generate countervailing resistance, on organizational and individual levels, leading to increase in the level of tension and anxiety in the organization. Mitigating or removing resisting forces can mostly become more effective to unfreeze the organization and starting the way for the change initiatives (Lewin, 1947, p.5-30). As scholars have different beliefs about the change concepts, several streams on the change management issue have arisen. For instance, Tichy and Devanna (1986) had identified the three different stages in sequencing the organizational change with the use of the metaphor to focus the attention on the change leader. The evolving task of the transformational leader can be explained in the three actions:

Act I: Identifying the need for performing revitalization (creating the need for change and overcoming cultural and political resistance to change),

Act II: Creating the new vision (diagnosis of the problem, creating the motivating vision and mobilizing commitment); and

Act III: Institutionalizing the change.

Another model of change management is the evolutionary model used for variation-selection-retention (Hannan & Freeman, 1989). Change management is approached with the use of an evolutionary model of biology. Organizations are perceived of having frequent variations, short lived unless they are selected for investigation. Therefore, efforts for solving problems generates several innovations with a limited or selective spread as the selection regime discloses the several variations shaped by the systemic forces like the general component of the business's external environment (i.e. cultural, social, economic, technological, etc). Occasionally, local innovation tends to be retained after the successful selection and change testing in other aspects of the organization. Change is ubiquitous and inevitable in a swiftly expanding world. The landscapes of several external forces make it difficult for the prosperity and success of the organization. Indeed, the dilemma faced by most businesses today is the management of strategic change initiatives effectively and efficiently. Rousseau defined the psychological contract as to what an individual understands of the various terms and conditions of the relationship with others. In change management, the relevance of the psychological contract concept is twofold. Firstly, contract's content is informal, unwritten and implicit. As a result, employers and employees might hold different understandings of the contract's content and the degree by which everyone fulfill their obligations. In a business organization, the perceived balance or fairness (from the employee's point of view) between employee's treatment by the employer and the effort an employee places into a job, defines the basis of the psychological contract. Successful change management for HR depends upon the relationship or the psychological contract between the employer and the employees. The better the relationship, easier it becomes for the HR to implement change in the organization (Pieterse, Caniëls & Homan, 2012, p. 798-818). In the world where technology has gained such an important place at work, the increasing relevance of knowledge workforce and shifts in the accepted work practices, management of change is gaining significant importance in the organizational context. As several organizations have started to realize the importance of change, several organizations; as much as 70 percent of the business organizations fail in their change management programs by failing to achieve their intended outcomes. To complete a successful organizational change there is an increasing amount of literature that looks at the processes and the concept of change management and important factors that contributes to an organization's success. There is a difference in approaches to change management in public and private organizations. Similarly, change management is conducted in slightly manner in different cultures, countries and levels (Todnem, 2005, p. 369-380).

Change Management in Non--Profit and Private Organizations

Change management has an important role in the Non-profit sector, as there is a significant need for making changes to the skills of employees with the passage of time. It is important that stakeholders should play an important role in the change process at all levels ranging from community to national levels. The Non-profit and private sectors are completely different institutions that serve different purposes. To choose and impose private sector models of change can create new problems for the Non-profit organizations (Chemengich, 2013, p. 35). The private sector and non-profit organizations are run in a different manner and the mentality and attitudes in both organizations are completely different. In case of private organizations change management is the responsibility of the HR department and the organization leaders; whereas, in most non-profit organizations change is conducted by the organization leaders. Van Der Voet, Kuipers & Groeneveld (2013) conducted a study to understand the management and implementation of change in the non-profit and private organization through a theoretical framework that concerns the relationship between affective commitment and leadership behavior to make changes to the organizations in private and non-profit organizations. Their study helped in concluding that the leadership of supervisors is important for change management and implementation. But in case of private organization's leadership alone is not significant in making changes. The HR and majority of employees need to be in cohort for making necessary changes. On the basis of the change management theory, leadership can contribute to the preparation of emergent and planned changes in the organizational context. This action would help in creating the necessary changes and manage the organization's commitment to change. In case of the private sector, the complexity of the formalized organizational structure and organizational environment of the non-profit organizations impacts the behavior of leaders towards change (p.1-40).

Change Management in Different Countries

Change is an important function of HR management, but it requires different approaches to conduct changes in different countries. There are many caveats to this. Firstly, there are different management styles and few countries and most firms specialize in some of the HR practices rather than all of them. Secondly, there are several management practices, which are contingent for the HR such as the business strategy, M&A, marketing and finance. The HR needs to focus on a subset of management practices that would raise the efficiency of the firm's services through implementation of change. Thirdly, several other management types such as organizational leadership is undoubtedly important for the success of businesses, but these factors are significantly tougher to quantify. Leadership in western culture and the eastern cultures are viewed differently and the businesses carry out change management in different styles in different countries. Finally, even the core set of practices surely needs change over a period of time. For instance, with the advent of cheaper computers, conducting changes through performance reviews and feedback has become much easier for businesses (Bloom et al, 2011). Most frameworks

tend to discard the present situation in the favor of a better option, therefore, discarding the present that might already be the best. Trompenaars & Wooliams (2003) argue that making changes the organization contradicts the previous terms. This is because different cultures act in preserving their core beliefs and protecting their norms during the change process. According to Trompenaars & Wooliams (2003), the best methodology is to diagnose the difference between the present and the future changes and avoid the possible dilemmas in the change management process (p. 361).

Recommendations and Suggestions

Technology is not enough on its own as technology investments are mostly made up with software and hardware, making mistakes with just implementing the technology is highly probable. The crux of the matter is that no technology is successful after implementation without the people. The human factor magnifies the work redesigning process and gives it the right guidance. The HR manager needs to understand that several work-process changes projects the focus on technology and fails to focus on the organizational and human aspects of work. Most often, the technology strategy drives the organizational change. A combination of technology with the human factor makes the balanced roadmap for making organizational changes. Therefore, for any change in the business, it is highly important that technology and human factors are taken for consideration. For making any change in the organization, the HR manager needs to rethink the customer needs. Every time the customers view the business making changes for their best interest, the business wins. These days, the HR manager needs to understand that identifying the aspects of processes, which are visible to customers and prepare formats for making changes. The important thing is making changes in the present methods and getting the process right. Customers are the most important facet of business and without successfully retaining customers any business cannot survive for long term. Changes are made to the business of ensuring the business is able to gain and retain customers. HR managers need to ensure that any change made does lead to the possibility of the business losing their customers. Improving communications in the change initiatives are one of the most important actions that HR managers need to take. Communication can be the key for developing the change initiatives and implemented. Information sharing is an important function of communication of change. Stakeholders should be kept in touch with the possible changes in the timing, nature and importance of business decisions. To conduct a successful change, participation from management at several levels is necessary. Any change in the organization needs the HR manager to ensure that the management at all levels is involved as the change agents. Any change can only be successful when the employees are motivated towards the change and willing to accept the vision presented by the organization's leadership. When the HR managers provide the evaluations or feedback to all members of the organization, it is easier to take care of the change initiatives.

Conclusion

In the present climate of evolving political priorities and economic pressure, organizational change has become an increasing priority for HR managers within most organizations. However, organizational change is highly complex process, which can have a negative or a positive outcome of the organization. The outcome is based on the manner in which the members within the organization are willing to accept change. There are different types of changes that an organization goes through, such as operational, cultural, strategic and political change. There are significant challenges that an organization faced while making changes, these changes includes resistance to change, planning, communication, etc. There are clear differences in the approach 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 and improving communication within the organization.

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