

## **Change Management and Organizational Change**

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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 accomplishment 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. Leaders and managers have big role to play in instituting the change and they should serve as models to effectively manage the change. In order to implement victorious change initiatives, management and organizations should ensure that any plan for change should be aligned with the corporate goals and objectives as evidenced by different literatures in this study affirming the relationship between changes.*

*The purpose of this paper is to provide an overview of the concept of change management and its objectives in today's fast-moving markets. You also can perceive why individuals resist change initially, and it is rigid for them to leave the status quo, and shift to a novel state. At the end the way of implementing the change management is examined.*

**KEY WORD:** *Change, Definition, Organizational Change, Change Types, Change Management.*

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### **I. INTRODUCTION**

Change cannot be avoided when it occurs, hence it is unstoppable. The inevitability of change has made most organizations to adapt and consider it as part of the company's existence. Viewing change can be defined and perceived differently by various authors. For instance, Armstrong (2009) has defined change as any changes in structure, management, employees, processes, and other related activities. Consequently, organizational change is regarded as the empirical observation in an organizational entity of variations in shape, quality or state over time (Van de Ven and Poole, 1995). Lucey (2008) stressed that, any change initiatives and efforts should align with the corporate goals and objectives to ensure organizational success.

### **II. LITERATURE REVIEW**

Change encompasses different dimensions and can be caused by various factors. According to the UNDP (2006), there are several factors that influence change and these factors directly and indirectly impacts the organization's goals and objectives. Categorizing these factors into two, it can be described as internal factors that include technologies, operational changes and processes, internal laws and policies, conversion of government organizations to private enterprises, organizational modernization initiatives, changes in management decisions and others. While external factors include but not limited to stiff competitions between companies in the same industry, increasing pressures of globalization, political, economic, socio-cultural, technological, legal, and environmental forces (Lynn, 2001). Similarly, the research of Karmarck (2004) has also highlighted the positive direct relationship between organizational change and the achievement of the strategic objectives of the organization.

### **DEFINITION**

**Greg G. Wang and Judy Y. Sun**

Change management is a systematic and structured process of developing and implementing strategies and interventions for organizations 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. Usually, first order change does not challenge the established overall system and context of organization. It 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, second order change involves changes in fundamental assumptions about reality coupled with a shift and

realigning of vision, values, culture, beliefs and attitudes, and core processes, thus called transformational change. Change management is a process for managing the people-side of change.

## 1.2 ORGANIZATIONAL CHANGE

In today's dynamic world, technological change is a fact of life and essential for survival. New organizational developments and priorities happen quickly, thanks to COVID-19 & the digital transformation revolution helped along by ChatGPT and other generative AI tools.

Change is vital as it must cause disruption, but managing it is crucial to the outcome and how much value it provides. Manage it well, and changes will be positive and stick.

Organizational change implemented correctly will improve productivity among your employees as it boosts sales success, which is essential for business sustainability.



Source: <https://www.walkme.com/blog/5-types-of-organizational-change>

With organizational change strategies, companies can avoid stagnation while minimizing disruption, whichever business models are in play.

## 1.3 TYPES OF ORGANIZATIONAL CHANGE

Let's look at five types of organizational change companies undergo.

### 1. Organization-wide change

Organization-wide change is a large-scale business transformation that affects the entire company. This action could include restructuring leadership, human resource management, adding a new policy, or introducing a new enterprise technology.

### 2. Transformational change

Transformational change explicitly targets a company's organizational strategy. Companies best suited to withstand rapid change in their industry are agile, adaptable, and prepared to transform their game plans when needed.

### 3. Personnel change

Personnel change happens when a company experiences hyper-growth or layoffs. Each type of organizational change can significantly reduce voluntary employee turnover and improved retention, so effective organizational change management is required to avoid these outcomes.

### 4. Unplanned change

Unplanned change is often a necessary action following unexpected events. While you cannot predict unanticipated change, you can prepare for it across your organization.

### 5. Remedial change

A change leader may implement remedial changes when they identify a need to address deficiencies or poor company performance as part of a change effort.

## 1.4 CHANGE TYPES

Organizations and societies often face with pressures for change, which are both internal and external in nature. External pressures include increasing globalization, communication explosion, political pressures, economic turndowns which may include oil prices, and others. While internal pressures encompass the increasing level of education, improving socio-economic status, the desire to live a better quality of life, and others (Shivappa, 2015). Change can be described in many dimensions. It can be continuous and incremental, discontinuous and radical, planned or unplanned, catastrophic or evolutionary, positive or negative, strong or weak, slow or rapid, internally or externally stimulated (Shivappa, 2015).

Accordingly, Robbins (2005) posits that, change can be categorized into first order change that consists of evolutionary and incremental change while second order change includes the transformational, strategic, and revolutionary change. Evolutionary and incremental change refers to changes of small magnitude like finding ways to improve the present situations while keeping the general working framework (Blumenthal and Haspeslagh, 1994; Goodstein and Burke, 1991; Greiner, 1972; Levy, 1986; Mezias and Glynn, 1993; Nadler and Tushman, 1989; 1990). On the other hand, the second order change, the transformational, strategic, and revolutionary change emphasized the total change on its framework and they are called radical changes that seek to shape the organizations into new competitive advantage (Ghoshal and Bartlett, 1996; Marshak, 1993; and Hutt, Walker and Frankwick, 1995). Grundy (1993) has also introduced new models on change as he classifies change into three types:

- (1) Smooth incremental change;
- (2) Bumpy incremental change; and
- (3) Discontinuous change also called as “frame breaking change”.

In a tabular format Grundy’s change typology is defined with examples in Table 1.5

**TABLE 1.5: VARIETIES OF CHANGE**

Varieties of Change	Smooth Incremental	Change Bumpy	Incremental Change Discontinuous Change
<b>Definition</b>	Change which evolves slowly in a systematic and predictable way	Periods of relative tranquility punctuated by acceleration in pace of change.	Change which is marked by rapid shifts in either strategy or culture or in all the three.
<b>Example</b>	Organizational culture evolving overtime.	Changing demands for products resulting from the advent of computer based office systems.	Privatization of previously publicly owned utilities.

Source: Grundy (1993: 25).

**1.6 CHANGE MANAGEMENT**

Organizational Change Management (OCM) is the process of planning, implementing, and overseeing changes within an organization. Change in this case can refer to a wide range of situations including the introduction of new technologies, changes in organizational structure or processes, shifts in company culture or values, etc.

In times like these where the phrase “change is the only constant” has become even more prominent, OCM is a critical driving factor for growth and progress in every organization.

Here are some reasons why organizations need a structured approach towards managing change:

**Responding to the changing environment:**

The business environment is constantly changing, and organizations must adapt to remain competitive. OCM helps organizations to respond to changes in market, technology, regulations, customer preferences, org structure, etc. by implementing changes that are aligned with the organization's goals and objectives.

**Managing risk:**

Change can bring uncertainty and risk. OCM helps organizations to manage these risks by identifying potential challenges and developing strategies to address them.

**Improving efficiency and effectiveness:**

OCM helps organizations streamline processes, reduce wastage, improve efficiency & effectiveness. By implementing the change in a structured and systematic way, organizations can achieve their desired outcomes more effectively and efficiently.

**Maintaining employee engagement and morale:**

Change can be stressful for employees. OCM helps organizations to communicate changes effectively and provide support for employees as they transition to new ways of working. This helps to maintain employee engagement and morale, which is critical for the program's success.

**Driving innovation and growth:**

OCM enables organizations to continuously improve, innovate and grow by implementing structures and processes that supports the organization's goals and objectives.

While there are many ways to manage change, here are a few popular ones which can be used to structure change management efforts in any organization.

**Kotter's Change Management Model:**

Kotter's 8-Step Model (invented by John Kotter in the 1990s) is a practical guide for implementing change within an organization. This model is widely used and helps organizations to plan and implement change in a structured way.

This model elaborates eight-steps that provide a roadmap which can be used to implement large scale changes.

- Create a sense of urgency
- Build a guiding team
- Create a vision for change

- Communicate the vision
- Empower others to act
- Create short-term wins
- Sustain the progress & momentum
- Make change stick

### **ADKAR Model by Prosci**

The ADKAR change management model provides a step-by-step approach to change management, making it easier to understand and implement. This model focuses on the individuals, making it an effective approach for organizations that need to engage and empower employees to drive change. This model consists of a 5 step journey

- Awareness - Why change?
- Desire - Why me?
- Knowledge - How to?
- Ability - Am I doing it right?
- Reinforcement - This is how we do it now!

It is widely recognized and used in organizations for managing change processes that focus on individual behavior and mind-set.

### **Lewin's Change Management Model:**

This model was invented by Kurt Lewin in the 1950s and is one of the most widely recognized change management models. Lewin's model defines three stages of change: Unfreeze, Change, and Refreeze.

This is widely recognized as one of the first change management models. It's a simple and easy to understand model which is suitable for simpler change processes.

- The **Unfreeze** stage involves creating a sense of urgency and preparing the organization for change.
- The **Change** stage involves actually implementing the change.
- The **Refreeze** stage involves consolidating the change and making it a permanent part of the organization's culture.

## **III. CONCLUSION**

In conclusion, change management is crucial factor for an organization's ability in moving to a new way of working. By implementing change in a structured and systematic way, organizations have a much higher possibility (3 to 6 times) of achieving the goals they set out to achieve.

Change is inevitable and unavoidable. It exist in different dimensions and can be described as internal factors that include technologies, operational changes and processes, internal laws and policies, conversion of government organizations to private enterprises, organizational modernization initiatives, changes in management decisions and others. While external factors include but not limited to stiff competitions between companies in the same industry, increasing pressures of globalization, political, economic, socio-cultural, technological, legal, and environmental forces. In other words change occurs in different types. Different views and perspective of change varies between organizations as it can give positive and negative consequences. More importantly, managing resistance to change in an effective manner helped organizations to deal smoothly the implementation of change. Organizational change enables organizations to device ways to implement change management effectively with the aid of different change models. Lastly, change management provides many benefits that organization receives provided such change is aligned with the corporate's goals and objectives.

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