Managing Change

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He has presented papers at various national and international conferences under the auspices of UNESCO. He has also conducted various workshops for teachers, students, parents and administrators. The topics covered a wide area viz., Leadership and Team Building, Value Education, Administration Skills, Career Choice, Effective Decision Making in Administration, Effective Communication Skills, Interpersonal Relationships, Continuous Comprehensive Evaluation, Skills in Dealing with Managers, Secretarial Skills. He has also authored several books on different subjects.

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1 MEANING OF CHANGE

1.1 INTRODUCTION

In 1962 the then British Prime Minister gave a speech in South Africa, which contained the memorable assertion that *'a wind of change is blowing across this continent'*. It had a lasting impact, because the experience of change was unfamiliar to many people, and brought anxiety to those other people whose recent experience of change had been in the massive dislocation created by World War II. For people the world over, therefore, the 'wind of change speech', as it later became known, raised hopes and expectations on the one hand, anxieties and fears on the other. But what did he mean by 'change'?

Over half a century later, succeeding generations have become very familiar indeed with change. In the last two decades of the 20^{th} century technology and science changed everything – or so it seemed at the time. There is now a widespread assumption that technological change is a fundamental component of life, and that there is some 'natural law' at work which dictates an ever-increasing speed of change in the 21^{st} century. From the evidence of recent centuries we are entitled to believe that the first part of that assumption must be correct so people who are anxious about new science-based technologies and would prefer to slow down or stop change, are likely to seek to exert increasing influence over the way changes evolve in the coming years, particularly in relation to the medical sciences, computers, Internet etc.

Such caution – amounting almost to resistance sometimes – is not new. In the early days of 'industrialisation' some workers sought to slow change by damaging or vandalising machinery. Later, some intellectuals wanted to impede, or at least to slow down, the advance of technologies across the world. Such 'resistance to change' is born of current anxieties which in retrospect often fade in their insignificance but seemed very real at the time.

The assumption of there being an ever-increasing speed of change is, however, a mistaken one. Certainly, there are periods of dramatic growth, as occurred in the 1700s to 1710s, again in the 1770s to 1780s, in the 1830s and in the 1870s, in the early years of the 20^{th} century and, more recently, since the 1970s. These periods foster the feeling that change will go on growing faster and faster for ever; but in practice quieter periods intervene, when the actual pace slackens. Until now 'it's all happening epoch' or period of change has been followed by a relative lull, sometimes so much so that some people began to speculate whether growth had ceased. But whatever may be the pace of change, it is true that understanding and managing change are the dominant themes of management today. Adapting to ever-changing present is essential for success in the unpredictable future.

Robert Heller (1998) has rightly said:

> *"Change affects every aspect of life: taking a proactive approach to change is the only way to take charge of the future, either as an individual or as an organisation. Approach it with an open mind, and learn to develop its positive elements".*

1.2 THE MEANING OF CHANGE

The tendency for change is to be resisted when it affects us, even when the change in question is simply to go back to where we were at an earlier time, either physically or mentally. Change can be defined as being 'alteration', whether positive or negative, and organisations are constantly confronted by either change or the need for it, if they are to develop and prosper as their circumstances continue to evolve.

What we can be sure of, is that change is a constant element in our lives, and we have to make the best of it. In periods of rapid change, managers have to be extremely adept at trying to 'master' change for the benefit of their respective organisations.

Managers need to discard past practices and concentrate on resources where they are likely to optimise results quickly. When the pace of change slows, managers must seek new opportunities by capitalising on the new conditions created by the preceding surge in activity.

Underlying this variable speed of change is another established pattern of events. Perhaps, surprisingly, historically there has been a relatively long 'lead-time' between:

- The acquisition of knowledge through research; and
- The appearance of products and services based upon that research.

Often announcements about a recent medical research finding – itself possibly very hopeful and even exciting – are mistakenly interpreted as marketing launches for new medicines. Although competition might be expected to hasten the exploitation of research and development, historically the lead-time has been about 30 to 40 years, far longer than might be assumed or expected.

Examples of this abound, but probably the most obvious relates to the computer. The basic thinking about computers was completed in the 1920s and the mainframe computer was developed in 1945, at the end of World War II. By 1965 large companies were already using computers, but only in airconditioned rooms with staff in attendance, wearing white coats of the type favoured by researchers in their laboratories. In 1981 – it would be ungracious to say ‘finally’ – IBM launched the Personal Computer (PC) and the ‘world of work’ began to be transformed. The rest, as the saying goes, is history, with all the computing power along with Internet which is literally in our hands in the shape of smartphones – both on android and iOS platforms!

What all this tells us is that it takes time for knowledge to be ‘translated’ into practical realities which impact upon daily life. When inventions occur rapidly – as in the period between the mid-1850s and the First World War (from 1914 to 1918) when, according to Drucker (1970), there was an invention every 14 to 18 months – time is needed to absorb, understand and apply the resultant changes. Opportunities to do things differently to greater advantage might require changes in behaviour and practices that challenged long-held beliefs and attitudes. It might require everyone to learn rapidly, and to adapt cheerfully.

2 DIMENSIONS OF CHANGE

2.1 INTRODUCTION

To deal effectively with increasing rates of change, one needs to understand various factors. Specific changes in an organisation's internal structure and external markets often derive from wider changes in society, economics, or technology.

Change which affects organisations might occur in several dimensions, including the following:

- **The environment,** in all its complexities;
- **Technologies,** and the laws and regulations attaching to them;
- **Society and culture,** attitudes, 'cultures' within organisations, policies and commitments;
- **Organisation size and/or structure,** determining how things get done;
- **Competitive rivalry,** within industries.

2.2 THE ENVIRONMENT

The environment might be divided into two distinct parts:

- **Micro environment:** It includes the six external areas with which there is likely to be the most frequent and sustained contact in the normal course of events. These are:
  - Customers
  - Suppliers
  - Distributors
  - Sources of finance
  - Direct competitors
  - Other specific 'publics', or sections of the general public.
- **Macro environment:** It includes the whole organisation and comprises those elements which it cannot readily control but has to operate within. These include Political, Economic, Social/cultural and Technological forces, often remembered by using the acronym 'PEST'. It also includes legal and regulatory forces, fiscal matters, indirect competitors and international issues.

Fig. 2/1 below shows the dimensions of micro and macro environment.

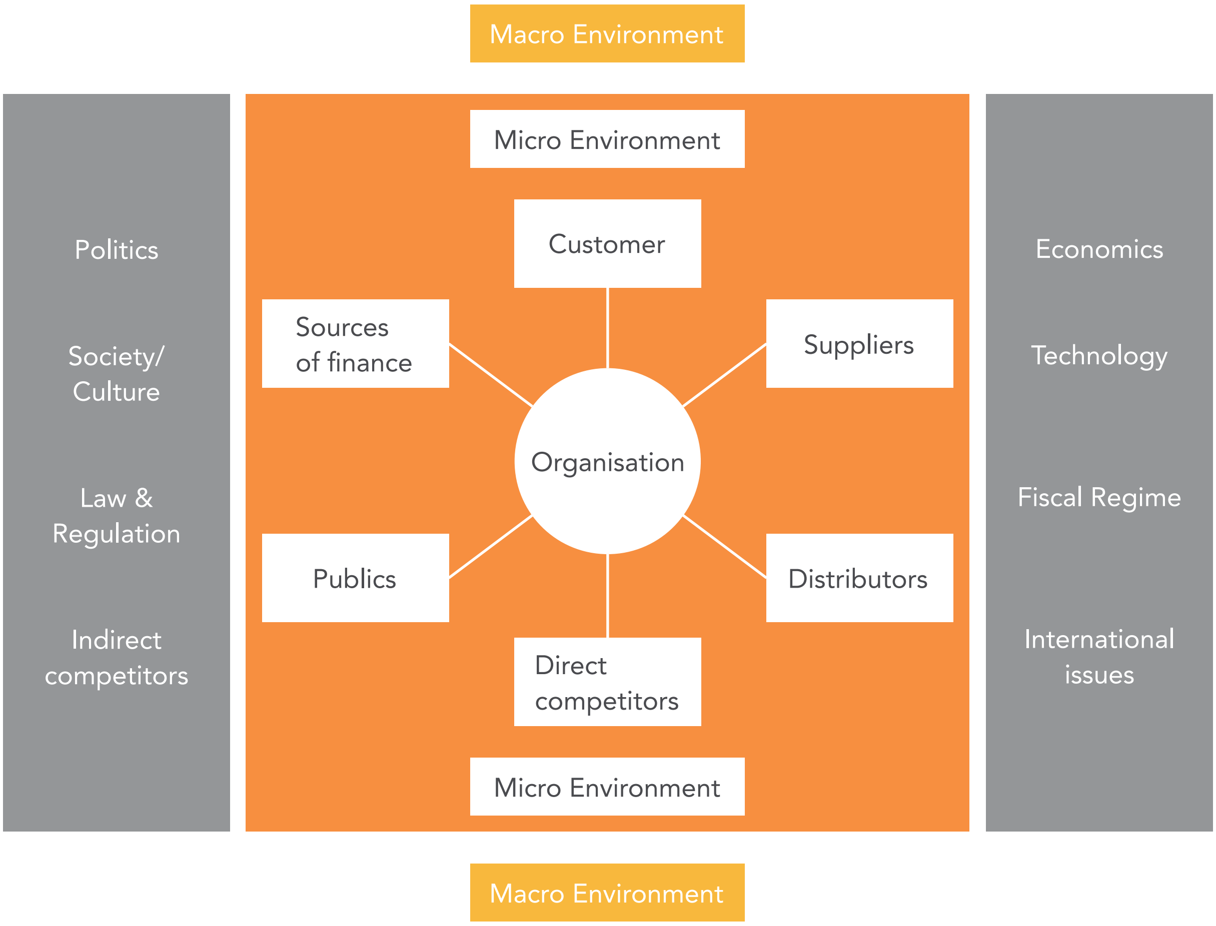

Fig. 2/1 Micro and Macro environment

Any control over the macro environment which it is possible to exercise is likely to be limited. For example, lobbying civil servants and politicians, either directly or through representative bodies, might result in new laws that benefit everyone in a particular sector, or can reduce the impact of current legislation which is seen as being disadvantageous, relating perhaps to performance criteria or taxation. Generally, planners have to work with what they find to be the prevailing conditions in the macro environment.

2.2.1 ANALYSIS

The main aim of analysis is to obtain a clear, coherent understanding of the current and likely future environment, in order to optimise the organisation's chances of success. Analysis is potentially fraught with difficulties because of widespread and pervasive complexity. Each element has to be carefully evaluated because it is fundamentally important to know which ones are of greatest importance to performance and financial results. Attention is focused on those which are likely to have the severest impact.

In evaluating each factor, the manager is guided by a few key questions:

- *To what extent is this particular element truly relevant to our strategy?*
- *To what extent should it be relevant?*
- *To what extent could our organisation make the most of this?*

2.2.2 MILES'S SIX QUESTION FRAMEWORK

To better understand the environment, a number of methods have been suggested, notably including Miles's Six Question Framework for classifying environments into (a) simple, (b) dynamic, or (c) complex:

- **Complexity:** How complex is the environment?
- **Nature:** How dynamic and unpredictable is the environment?
- **Present stance:** How routine or standard are our interactions with the environment?
- **Interconnections:** Are there any connections between different elements of the environment, and if so, what are they?
- **Pressures:** How reactive are we to environmental pressures which affect our operations?
- **Flexibility:** How flexible are we in responding to the environment?

Stable conditions should be fairly predictable, because there is no change over sustained periods. Unfortunately, such conditions are rare – and are beyond the experience of the managements of most organisations. More probably, change will be present, although this might be gradual, or incremental, and relatively understandable.

Most environments, however, are subject to more pronounced changes, both in nature and in scale, which make forecasting and planning more difficult. In recent years most people have seen seemingly dramatic changes in many areas, and that is likely to be a permanent feature of some environments in the future.

2.2.3 POLITICS

Governments of countries are responsible for creating and altering much of the 'operational parameters' within which organisations perform. Most obviously, they do this by making laws, in the name of all occupants of their respective countries, regardless of how they derive their authority. Rather less obviously, they also pass regulations, which might not be so readily recognisable and might in some cases even be quite obscure.

Most governments legislate heavily; ruling politicians routinely present their proposals and ideas. The complexity and scale of government, even for the smallest country, necessitates that in most circumstances the detail of proposed legislation is seldom available for scrutiny before its adoption becomes imminent. In addition, every government has to act in response to events which were, or might have been, unpredictable or otherwise did not by their natures lend themselves to any formal policy statement before they arose.

In reality, very little activity - whether commercial or 'not-for-profit' - is free of regulation by-laws, directives and regulations made by government or introduced at the behest of government, probably through some 'self-regulation' by a trade or industry sector. It is necessary, therefore, to investigate and understand the role of government and any of its regulatory off-shoots in relation to the individual organisation.

So political motivation has to be traced and understood in order that managers can monitor changes in political direction and emphasis. The managements of most companies are capable of trying to identify proposed changes before they happen and decide their relevance. And if necessary, they endeavour – either directly or through representative bodies – to influence change in order to minimise threatened dangers and maximise any political advantages.

The range of matters affecting organisations which politics might impact upon is far-reaching: from considerations of organisational structure and behaviour to accessible markets, employment conditions, marketing policies and financial controls. A pronounced illustration of this is the wide differences in salaries, wages and other labour payment levels and in regulations on taxation of profits between different countries and regional economic groups. Not only are levels of pay or tax of critical relevance, such matters as the 'repatriation of profits' made by a company in one country through transfer to its country of origin might also be of importance.

2.2.4 ECONOMICS

The term 'inflation' refers to an increase in the general level of prices sustained over a period of time. High rates of inflation can inflict great economic damage. Governments of countries which experience high inflation might take measures designed to reduce demand for goods and services and increase unemployment. As more people lose their jobs the rate of inflation should decline – because at the same time fewer people have either the means or the inclination to spend as much of their disposable incomes or savings as previously, or to borrow money (or more money) with which to make purchases. In consequence, output of goods and services contracts, and a 'recession' starts looming.

In countries in which welfare payments are made to unemployed people, the extent to which the rate of inflation falls will be less than in countries where the 'safety net' provided by the State is weak or absent. In other words, it takes a lot more unemployment to reduce the level of inflation in countries which make more generous provision for citizens who temporarily fall on hard times.

It is uncertain whether high inflation encourages or reduces economic growth. Some countries have achieved substantial economic growth while experiencing high levels of inflation. Other countries have grown slowly during low or high inflation. In any examination of the environment, thought has to be given not only to current but also to likely levels of inflation.

Organisations which depend upon consumer spending, perhaps as retailers or through direct marketing or by selling to customers who are themselves dependent upon consumer sales, have to be particularly sensitive to prevailing economic sentiments. Sales volumes can reflect current buoyant confidence, based on stable low inflation and high employment, or widespread anxiety about future employment prospects. Prolonged economic recession can inflict long-lasting damage on sales, particularly when consumers believe that if they postpone purchases, they will see prices fall further.

Markets and monetary flows can fluctuate sharply. This compels organisations to be ready to adjust to sudden change at any level.

2.3 TECHNOLOGIES

The revolution in Information Technology (IT) is having a profound impact on methods of management, manufacture, service, purchasing, and selling. The rate of change has been of concern to most if not all organisations in recent years. Few indeed are those who have not had to familiarise themselves with the broad sweep of innovation that has impacted on so many lives, in the home, in the workplace and in the physical environment. For organisations generally, interest is focused primarily on the use of computer technologies in achieving greater automation and higher productivity. Planners need to know about the patterns and speeds of technological change for many potential implications for their organisations.

Changes created by technological advances do not occur in isolation. They are accompanied by resultant changes elsewhere, for instance, in the types of materials to be used in new manufacturing processes and the components required to maintain uninterrupted production. New suppliers might be needed, and that might result in a protracted search and in subsequent new supply systems dependent upon making new relationships work to the mutual satisfaction of both parties to the deals.

2.3.1 CONSIDERATION FOR CUSTOMERS

Before deciding to introduce some significant changes, it is necessary to understand what the customers would approve of for the following reasons:

- Some customers might exert pressure for further change, for example, when powerful retailers require their suppliers to install matching stock, or inventory control systems.
- Other customers might have difficulty in adapting to changes brought about by technology enhancements (such people are sometimes unkindly called 'technophobes' by others who welcome the change.) For example, some people cannot cope with text messaging and/or other 'enhanced' facilities on mobile phones/laptops such as communicating via Skype or Facetime, or Instagram, and so on – which some older people might not like to use anyway.
- Some customers might resist changes because they perceive a reduction in the quality of service provided, as where, for instance, they are required to collect cash from a 'hole in the wall' (ATM) instead of having a person hand them what is – after all – their money, in the more congenial surroundings of the bank's interior.

The managements of organisations must therefore seriously consider the advantages and the disadvantages of adopting technology-driven improvements, which, in any event, usually require significant capital investment. Constant development in computer systems and Information Technology (IT) have raised repeated challenges to organisational resources, in terms of capital investment and manpower. Over and again managers have had to ask themselves to what extent their operations would benefit from the very 'latest' technology, and to compare that with the capital costs involved.

In fact, changes in technology have brought about tremendous development within the life-span of a single generation. Lindsell-Roberts (2011) has very succinctly described some of these changes:

Earlier	Changes
Manual typewriters	Electric typewriters > high speed computers > laptops > iPads etc.
Radios	MP3 players
Encyclopaedias	Wikipediaes
Wired	Wireless
Letters	Emails – texting
Rotary phones	Smart phones
Kilobytes	Terabytes
Local data storage	Clouds

As a matter of fact, today's workplace continues to be about rapid-fire changes in technology. Don McLaughlin, the then Chief Learning Officer at Cisco Systems, asked his 20-something-year-old son, *"What's the leading edge in technology"?* His son replied, *"Dad, I'm too old. Talk to someone in high school because they use technology dramatically differently from the way I use it".*

2.4 SOCIETY AND CULTURES

It has been remarked that the trouble with people is that we are all different. The social and cultural aspects of the environment are likely to be the most complex and demanding to understand, because of the rich cultural diversity to be found in most countries, amongst both indigenous and ethnic groups, and the many differing social structures and attitudes, Everyone has their individual perceptions, attitudes and beliefs, motives, wants and needs, hopes and fears, ambitions and anxieties, likes and dislikes, prejudices and inhibitions. Many and varied are the groups and sub-groups which make up a 'society' or 'culture', all of which have their own distinctive features and are either in ascendency or decline at any given time, whether in their relative size or influence.

General trends in society, politics, and demography touch everyone. In recent years these have resulted in upsurges in the youth and consumer markets, a shift in emphasis from community to a more individual-centred society, and ageing populations. Businesses are affected by such trends, which influence consumer demand and other economic patterns. Managers need an informed awareness of changes and their reasons.

To understand social structures better, we may define seven stages of a human's life as follows:

- **Childhood and adolescence:** These are in reality two very different phases. Both belong to that embryonic early life that is decidedly pre-adult.
- **Young singles:** This is the period of first adulthood, when there are no children and probably few self-generated social or domestic responsibilities.
- **Young couples:** Emerging relationships have evolved into commitments which prompt cohabitation. The strength of relationships differs according to social and cultural influences and any resultant children are under age six.
- **Maturing couples:** People in this stage are powering through the principal years of parenthood and family commitments, with children between the ages of 6 and 17 inclusive.
- **Older couples:** In this category are included those whose children have reached 18 years of age and who continue to live in the family home.
- **Empty nesters:** This popular term describes those people whose children have reached age 18 and who have left the family home, to which they might return periodically solely for visits.
- **Older singles:** These persons are advancing in years and reside alone.

It would be a mistake to suppose that the characteristics most commonly found amongst people in one stage or another are necessarily absent in other stages. In reality, there are fairly broadly defined, and natural segments that occur and might contradict these seemingly neat divides. Managerial interest, therefore, is focused on both shared characteristics and differences and upon what are called 'psychographics', those all-important attitudes and beliefs which dominate personal sets of values relating to moral and social issues, lifestyles and social mobility.

Analysis of relevant data, from the mass available, and considerations of what is clearly recorded and known and projecting forward on that basis, should provide sound indications of likely future trends for up to half a generation ahead. The greater difficulties arise in determining the relevance of those expectations to the organisation's own future, particularly when there is evidence of social turbulence, which can give rise to substantial and sustained social changes. These might result from increasing prosperity, higher educational attainment, enhanced health and welfare standards, rapid communications, global markets, substantial migration, and mass tourism.

According to Lindsell-Roberts (2011), there have been dramatic changes in life-style of people all over the world. This can be clearly understood through the following:

Life-style earlier	Life-style now
9 – to – 5	24/7
Jet setters	Cyber surfers
Office workers	Virtual workers
Single skill set	Lifelong learning
Shopping malls	Amazon, eBay, and many more
Brick and mortar	Virtual workplaces
Security	Risk taking
Status quo	Constant change
National	Global
Homogenous	Heterogenous
Lifers	Job hoppers

Moreover, rising living standards tend to increase 'labour mobility' – the movement of workers between different areas of a country and between countries – and also tend to extend life expectancy. Such matters alter 'demographics', that is to say, what types of people are found where. In some locations there might be an abundance of people in their twenties, thirties and forties, attracted by a wide variety of local labour opportunities. This is usually most pronounced in the larger cities.

By contrast, elsewhere there might be a predominance of people in their fifties, sixties and seventies, reflecting a relatively lower level of local economic activity. People are living longer and they tend to settle in later life, should they have the necessary financial means to do so, in places that are viewed as 'quieter'.

These differences are major factors for the corporate planner to consider, and analysis can be complicated by the sometimes-swift changes in demographic profiles that occur with increasing frequency.

2.5 ORGANISATION

Organisation is commonly defined as:

> *"Group of people working together in cooperation towards the achievement of one or more common objectives".*

In our daily life we are surrounded by organisations. Most of us begin life as a member of a family – a very special type of organisation – or as a member of some kind of similarly organised group of people. Very soon we start becoming involved with other organisations: regular visits to the local health centre, a religious group or faith, later being enrolled in a play group. Then, at the age of five or so, we join a complex set of organisations we call the 'education system'. We start school.

Organisations are not a modern phenomenon. However, in the past there were far fewer large and complex organisations than there are today. That was partly due to the small number of people who were available then to form groups, and partly due to a lesser need for organisations on a large scale. Smaller social units and human groupings were dominant in earlier societies. They have not disappeared, and they are still of vital importance today.

2.5.1 STRUCTURES OF ORGANISATIONS

Prior to the twentieth century, most organisations were smaller and simpler than they are today. In the past, most organisations were so small and simple that the 'unifying power' of just one person – the owner/manager – was such that they alone made decisions, and the success – or failure – of the whole enterprise depended upon them. Today, even most small companies have more than one manager: power or authority is shared, decisions are decentralised, and responsibility is delegated.

The laid down primary objectives of an organisation and the tasks which it undertakes decide the form of its structure – called its 'organisational structure', that is, the arrangement of its constituent parts. A change in the marketplace, the use of different raw materials – for example, plastic instead of steel – new or improved technology, can dictate the need for a change to an organisation's structure: what is called 'restructuring'. A failure to change or adapt – or to do quickly enough – can have disastrous effects on a business.

Most organisations have – by conscious or unconscious design – developed structures to cope with the circumstances, the problems and the environment which they face at any specific point in time. Being adaptive systems, businesses are constantly changing – sometimes in small, barely noticeable ways; but at other times in major ways as they adapt to changing circumstances – sometimes rapidly changing – and to changes in external influences.

2.6 COMPETITIVE RIVALRY

Competition varies both in type and degree. Probably its most obvious form is seen when rivals decide to 'cut' the price of their products. When this occurs, it creates instability in the market. Price cuts - or 'discounts' - might arise from several causes. A company might be producing more than it can sell or finding that its 'market share' – that is, its sales expressed as a percentage of total sales in that market – is in decline. It might determine to seek domination of its market through lower costs.

Price-cuts are capable of being readily matched, or exceeded, by competitors; they might buy a larger market share for so long as price reductions are offered, but newly-won customers might well purchase elsewhere as soon as the discounts are withdrawn. Competitors might have greater financial strength to survive a period of price-based competition – or a 'price war' – better than the company which 'starts the fight', and – dangerously – consumers might begin to suppose that lower price equals lower quality and value. Moreover, discounting can become habitual, and if sustained, can come to be routinely expected by customers. In effect, each is 'dragging down' the others in pursuit of short-term gain, in defiance of their mutual inter-dependence.

The structure of an industry will influence 'levels of competition'. Where, as often occurs, two or three competitors together dominate an industry, they can between them maintain a degree of discipline and good order over all the participants. This might be done by, for example, setting prices that others follow, establishing industry standards for good practice and supporting self-regulation through funding a trade association or similar body to which all players might subscribe as members.

The threat of new entrants is always present, and can come from some unexpected sources, including large companies, hitherto operating in entirely different industries, which are intent upon diversification. Or they might take the hard route of starting ‘from scratch’, albeit with substantial assets to deploy. They might prefer to purchase an existing ‘player’, either in whole or in a substantial part that is sufficient to permit them to exert a direct influence on the future management of the company.

It follows that, if the companies already in the industry choose or are obliged to price their products and/or services that are below the entry deterring price, the threat of entry by newcomers might be removed, because the prospective potential returns have fallen. On the other hand, higher profitability might encourage entry, which in turn might serve to push down returns for everyone as more companies compete, including the newcomers.

By recognising and understanding what prompts competition it becomes possible to identify and ‘stake out’ positions to occupy, so that, for example, the company’s product range is seen as meeting a particular type of demand, or to go on the attack, perhaps through capital investment or innovation.

Similarly, a company might devise a strategy that is based upon ‘exploiting change’ within the industry, which in turn affects competition. Often, we find that a merger or acquisition, a strategic alliance or a departure can substantially re-shape the ‘battle ground’. Change is likely to be more or less continuous and therefore should be expected.

3 RESISTANCE TO CHANGE

3.1 INTRODUCTION

Change will always meet with some resistance. However, very often what might seem like resistance to change is mistaken for reflection, consideration, evaluation – and might actually be very positive; hence the popular claim that 'a change is as good as a rest'. New experiences are generally welcome provided they appear to make sense. Few people dislike taking holidays, or vacations, for example, but most like to know something about their destinations before leaving home, and certainly not all such changes are unequivocal successes. Such changes can leave the traveller with the seeming contradiction of being both weary (from physical travel) and also refreshed (from new experiences and observations.) So why do people resist – or at least appear to resist?

3.2 REASONS FOR RESISTANCE TO CHANGE

The main reasons for resistance to change appear to be the following:

- **Anxiety/fear of the unknown:** Trying something new is seldom easy if you do not know very much, if anything, about it first. Some people are drawn to 'taking the plunge' as if they are learning to swim by dropping in at the deep end of a swimming pool, knowing that they have to survive or else fail. Other people – probably most others – prefer to prepare for change, rather as some outstanding 20th century military commanders such as Montgomery were famous for preparing very thoroughly before battle. This explains why managers prefer to research and plan very carefully, the more so as they perceive ever greater turbulence around them.
- **Anxiety about the scale of the challenge:** Most people know that a little 'stretch' or challenge in working lives is both necessary and can be enjoyable, much like trying to excel at a sport. But a change in, for example, work practices can require personal competency and self-esteem, particularly among older people and who have not experienced as much change in their lives as have others around them, and so might not have the self-confidence to tackle change in a positive manner.
- **Anxiety about disruption to life:** No one particularly welcomes having to make moves that will force breaks in established and familiar relationships, whether that be through fresh assignments, relocation, redundancy or any other 'uprooting' process. There can be consequences for families and friends

as well as for colleagues. Nor are such thoughts confined to individuals. Organisations, too, can have difficulty in embracing change. The reason might be one or more of these:

- It might be a **structural problem**. Giant European companies, for instance, which are run by complex networks of committees designed to optimise democratic decision-making, creativity and experience can be very slow indeed to adapt to new circumstances. Some large corporations – despite or in spite of massive public relations (PR) teams – very publicly find great difficulty in responding quickly enough to well-organised environmental pressure groups. Every organisation needs to be as flexible as possible in its structure, so that it can react effectively to unexpected events and make necessary changes promptly.
- It might be a **'cultural' problem**. There has to be a positive 'can do' attitude – or 'culture' – prevalent throughout the organisation, and managers play a pivotal role in achieving this. They set the tone or examples which everyone follows, so if there is a sense of complacency a call for change might not be heard or, if it is, it might not receive the positive – and perhaps urgent – response needed. On the other hand, if there is an air of excitement which positively welcomes change, the 'cultural' impetus can be very strong.
- It might be a **historic problem**. Long-established organisations tend to develop the corporate version of 'hardened arteries' in older human beings. This is particularly so if ownership is concentrated and long-held, or where owner-managers account for all operational decisions. This stems from the type of 'authoritarian style of leadership'. A feeling that *'we have always done it this way, so we don't need to change now'* might result in resistance to change, often with dire consequences.

3.3 ANTICIPATING RESISTANCE TO CHANGE

Resistance to change takes several forms:

- Opposition based on misunderstanding;
- Fear of personal consequences;
- Emotional attachment to status quo.

To face the above types of resistance one needs to plan ways to deal with them. The first step in this direction is to make an effort to build trust. Consulting everyone who is going to be affected and keeping the channels of communication open will go a long way in building trust. Sufficient time is to be allowed to people so that they can understand the implications of the proposed changes, and have time to make rational decisions.

3.4 CONTINUITY VERSUS CHANGE

Charles Handy (1990) argued that for senior executives in charge 'continuity is comfort', and that they prefer to believe that the familiar routine of the organisation will continue undisturbed. This predictability ensures that those same people remain in control. Such attitudes, of course, 'sow the seeds' of reluctance to accept any change, that might call for some relatively dramatic action in order to 'unblock the system'. This might amount to a crisis, where there is a threat of bankruptcy, hostile takeover or collapse, what Handy calls 'fright'.

When changes occur under the impetus of crisis, people in general – managers and employees included – are likely to resist change much less because they can see clearly the need for change. So, it is very often organisations whose managements have been reluctant to adapt which might suddenly appear to make changes which – to the observer – appear to be dramatic or questionable. Organisations, like human beings, acquire reputations and those organisations which have been thought of as being slow to change might lose credibility if they make unexpected substantial changes. Questions might be asked or thought, for example:

- *Has the management really thought through what they are doing?*
- *Is there a crisis looming which they have not told us about, as shareholders, financial backers, employees, customers, suppliers?*

3.5 LIMITING RESISTANCE

Several methods can be adopted to limit resistance. Some of these could be the following:

- Detecting resistance in a timely manner and interpreting it;
- Recognising active and passive resistance, and taking steps to understand the root cause:
  - **Active resistance:** opposition to ideas inside and outside meetings, angry memos and emails, threat of industrial action etc.
  - **Passive resistance:** delaying tactics, not contributing in meetings etc.
- Making people feel that their contribution is strategically important for the organisation;
- Treating people gently and winning them over;
- Using frequent meetings – individual as well as group – to break down barriers to proposed changes.

4 THE CULTURE OF CHANGE

4.1 INTRODUCTION

In an environment where change is routinely looked upon as being 'normal' – or is the 'norm' – the need for managers to represent changes as being necessary in order to meet a crisis, should not arise. That is not to say that crises might not occur, but should they arise both managers and their subordinates will expect to make changes. Everyone in the organisation understands that there is a need for ongoing change, and that change is in their interests. Managers become increasingly adept at implementing changes, part of which involves consultation, discussion and explanation.

4.2 LEARNING ORGANISATIONS

In its most advanced form, the acceptance of change and the management of change to optimise advantage can create positive excitement. Moss Kanter (1989) quotes typical responses from people in American companies where this occurs: *"It's exhilarating; it's fun; there is never a dull moment; time flies here",* and so on. Such workplaces have been described as 'learning organisations', where everyone expects as a matter of course to routinely acquire new knowledge and skills with which not only to better perform their existing responsibilities, but also do so in anticipation of the expected changes to come.

Anticipation is a key element of these environments. To the outsider a physical sign of what is happening 'inside' an organisation comes from observing the manner of daily arrivals and departures of the workforce. People attend punctually and might depart late, because they look forward to another day and don't want the clock to govern their leaving if there is some unfinished business that can be best done there and then. This contrasts with the other extreme, where people 'crawl' to work and 'dash' away as soon as they are free to leave.

Peter Senge (1990) said:

> *"The learning organisation is a place where people continually expand their capacity to create the results they truly desire, where new and expensive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together".*

There is a great need for transforming organisations into learning organisations because competition in the market continually changes. To advance and grow – and indeed to survive – in a highly competitive environment, an organisation needs to have a learning culture. This is because of the following:

- There is a need for a smart and adaptable workforce;
- The workforce needs to challenge itself and the business;
- The workforce needs to be responsive with an insightful approach;
- The business must learn from its employees and constantly adapt as per circumstances; and
- To excel, organisations need to tap into people's capacity to learn.

Peter Senge (1990) further defined the five disciplines which can enable organisations to change and develop through both individual and collective learning.

He proposed the following elements to ensure a learning environment:

- Team learning;
- Building shared vision;
- Mental models;
- Personal mastery; and
- Systems thinking.

Learning organisations do not simply 'happen' effortlessly. Managers need to be deeply committed to monitoring and forecasting, developing contingency plans, seeking to match skills to emerging needs as they arise, reviewing all systems and processes continually and maintaining a 'can do' atmosphere which is stimulating and responsive. By being proactive and not reactive, they seek to determine both the pace and direction of change.

Managers are not alone in making learning organisations operate effectively and efficiently. Everyone else – all employees – will be encouraged to contribute their ideas and suggestions which will help to improve operations. Feedback systems are designed to promote this, including individual appraisal by line managers of their direct subordinates. There is a feeling of 'membership' and participation, which goes to the heart of the 'culture'.

In a less self-confident and robust environment some employees might be reluctant to come forward with comments and contributions, because they fear the risk of rejection. Other employees might feel that managers who lack sufficient ideas of their own are unreasonably pressuring them. The 'risk: reward ratio', as they see it, does not offer them sufficient inducement to volunteer their thoughts. The rewards do not necessarily have to be financial. They might be more concerned with turning jobs into 'careers', through more interesting work, better promotion prospects, improved skills training, or greater responsibility. When managers recognise these impediments and address them, they are pushing their operations towards becoming learning organisations.

4.3 MOTIVATION FOR CHANGE

The motivation for change can vary, including, for example:

- Striving to meet organisational objectives;
- Wanting higher earnings, both in terms of turnover and revenue;
- Maximising profits;
- Aiming for greater stability and security through growth;
- Achieving greater economies of scale through growth;
- Securing greater power and job security personally;
- Meeting new challenges and escaping boredom personally.

4.4 ACTION FOR CHANGE

Any change needs to be worth doing. In other words, it must result in some benefit for the organisation – change merely for the 'sake of change' might not be beneficial and, indeed, might be harmful. Managers can use a 'cost: benefit analysis' in order to decide whether the anticipated benefits – financial or otherwise – will justify the expense, including time, effort and money needed to implement the change. In other words, any temptation to make a change 'for change's sake' has to be firmly resisted. Not only do proposed changes need to be fully budgeted and funded, but also the people – human resources needed – have to be fully trained in advance of the changes.

5 THE ENTERPRISE CULTURE

5.1 INTRODUCTION

We all live now in a time of great entrepreneurial change, according to Peter Drucker (1970), when old and staid institutions suddenly have to become very 'limber' or flexible. There is much talk of there being an 'enterprise culture' which embraces change, but generalisations about change might serve only to confuse. What, then, is an 'enterprise culture' and is it inextricably linked to fostering and managing organisational change?

The word 'entrepreneur' is an adaptation of the French word meaning 'anyone who undertakes a business enterprise with the chance of making a profit or a loss'. Entrepreneurs take enterprising initiatives that are not without risks – often financial – of success or failure. Entrepreneurs are responsible for promoting much change, either through their direct efforts or indirectly, by provoking others to make changes.

5.2 ENTREPRENEURS AND ENTERPRISE CULTURE

Entrepreneurs are usually thought of in terms of 'leadership'. There are many desirable qualities required of the commonly held perception of the entrepreneur, which include:

- Self-confidence and resourcefulness;
- Focus, concentration and perseverance;
- Analysis, to understand and see through the maze of distractions;
- Flexibility of approach;
- Judgment and the ability to make decisions; and
- Motivational skills that inspire confidence and respect.

For many entrepreneurs, tangible and visible financial rewards might not necessarily be the most satisfying. Entrepreneurs might be stimulated by the prospects of less visible and more intangible rewards. Those might include a strong sense of achievement, of status and of commanding the recognition and respect of others, particularly contemporaries and business competitors. Entrepreneurs have a keen understanding of the likely consequences of failure as well as of success, and a commitment to their work that might appear to others to be excessive, and even daunting.

The 'enterprise culture' is not a new concept. It has ancient origins going back to the very earliest civilizations but the current emphasis is mainly attributable to these times of rapid change. Charles Handy's *'Age of Unreason'* pictures an environment in which managers have to completely re-think where there is no respite from change, only a persistent need to manage change effectively.

A famous entrepreneur, Mark M Cormack, observes that:

> *"Running a company is a constant process of breaking out of systems and challenging conditioned reflexes, of rubbing against the grain".*

Peters (1992) is very emphatic about this:

> *"We must learn, individually and as organisations, to welcome change and innovation as vigorously as we have fought it in the past".*

He argues that innovation should be a way of life for everyone in the workplace, and he asserts that no skill is more important than the corporate capacity to change.

Peters wants managers to be evaluated less in terms of how well, for example, they handle their budgets and more about their obsession with change! He suggests questions such as:

- *What exactly have you changed lately?*
- *What exactly have your subordinates changed lately?*

Change, he argues, has to be the norm, not a cause for alarm, and people should ask themselves at the end of every working day what specifically they are now doing differently to the way it was done when they started work that morning. He advocates corporate reorganisation every six to twelve months, to avoid the risk of falling out of step with the times.

5.3 QUIET ENTREPRENEURS

Moss Kanter (1989) has identified four types of people who effect change within their organisations, people whom she calls 'the quiet entrepreneurs' who do not start enterprises – and who might not even be managers at all – but who improve existing organisations through their daily efforts in three main areas, which are: product development, production technologies and work practices. These four types are:

- **The system builders:** They are the designers and planners of, for example, research, systems and plans.
- **The loss cutters:** They are concerned with achieving optimum efficiency and effectiveness through systems.
- **The socially conscious pioneers:** They address people-oriented efficiency and effectiveness issues.
- **The sensitive readers of cues:** They are concerned with understanding cues about the need for strategy shifts, for example, with anticipating changing patterns of demand for products and services.

Such people are not necessarily involved in effecting 'big' changes or events. Rather they 'trigger' change, perhaps only in a small part of the organisation, but nevertheless changes which can later be viewed as being the reasons for decisions that subsequently brought about an alteration in a wider state of affairs – by which time very many more people were involved.

They are not individually the creators of substantial change, but collectively they might exert great influence, because their cumulative small adjustments, improvements and new techniques can gradually move or improve a whole organisation. In practice, a 'micro change' might result in 'micro change' or major reorientation.

6 RESTRUCTURING AND CONSOLIDATION

6.1 INTRODUCTION

In any discussion of change within organisations, it might be assumed that growth, of one kind or another, was the main purpose. After all, individuals' earnings usually only go up when turnover or revenue grows, profits increase when sales multiply, and so on. However, change might be intended that involves not growth but contraction (lessening or 'drawing in'.) In such a situation management might decide that their objectives for increasing, for example, profits might be better achieved through not increasing size – perhaps of its workforce or its machinery or its premises, but by reducing it.

6.2 ORGANISATIONAL STRUCTURES

We need to understand how the organisational structure of a business might – of necessity – 'grow' or expand and develop, perhaps from quite modest beginnings. Let us use a fictitious retailing business called 'Harvey's Store' as an example.

6.2.1 DELEGATION

In any business a variety of different activities or types of work have to be performed in order to achieve its objectives; even the running of a small retail shop or store involves ordering/purchasing stocks/inventory of goods, storing or warehousing it, paying for it, selling goods, collecting and banking payments, and much more. What activities are involved in a particular business and how many people will be required to perform those activities adequately, will depend primarily on:

- The objectives of the business and the policies laid down by its management for their attainment;
- Whether the business is involved in industry, in trading or in the provision of a service, or in two or more of them; and
- The size of the business.

The simplest form of organisational structure can be seen in a sole-proprietor business. The owner of such a business, perhaps assisted by one or two other people (family or employees) will perform all the work involved in achieving the objectives of that business. The owner will be personally responsible for the quality of all or most of that work, and for making the decisions and taking the actions which will directly affect the success or otherwise of the enterprise.

But assume that the business – Harvey's Store – is successful and that its owner decides to expand it, or that circumstances force them to do so. The expansion of a business results in an increase in the volume of work to be performed, and might also necessitate moving to larger premises or opening a branch, or some other such structural change in the organisation.

It is unlikely that only the owner will be able to cope with the increased workload, and so it will be necessary for them to employ other people for assistance in running the business. But it would in itself be a full-time job to check every tiny item of work performed by every member of staff employed by the owner – and they would have no time left to concentrate on the most important activities which, perhaps, only they might have the necessary experience or expertise to perform. So how do they handle the new situation?

6.2.2 DELEGATION OF RESPONSIBILITY

What our business owner does is to entrust the performance of certain activities – or certain groups of related activities – to another person. That 'other person' might be a member of their family or a partner or an experienced employee or someone specially engaged, whom they believe they can trust to perform well the activities concerned – without having to be constantly supervised and checked by them. It might well be that different types or groups of activities will have to be entrusted to two or more different people.

What the owner has done, in effect, is that they have resorted to 'delegate responsibility' to other people for the efficient performance of the activities concerned, and given them the authority to take certain actions and to make certain decisions. The owner of the business is now by definition 'a manager', and they can, of course, maintain 'managerial' control:

- By issuing instructions and guidelines;
- By calling for and studying reports from subordinates;
- By checking performances from time to time; and
- By encouraging those concerned to approach them for any help, advice or guidance which they might need from time to time.

In management/administration, 'delegation' means:

> *"To entrust a person with the responsibility and authority for certain work, actions and decisions: to 'transfer' the responsibility from one person to another person; for example, from a manager to a subordinate, such as a supervisor".*

It is also essential to note that hand in hand with responsibility must go the authority – the power or right – to perform the allotted work, and to carry through the actions to be taken or the decisions to be made.

In some cases the need for delegation manifests itself over a period of time, as a business steadily expands; in other circumstances it is the result of a sudden increase in workload (which might be more or less unexpected, for instance a competitive business might close, and its customers might come to 'our' business).

All such situations will necessitate starting the process of making suitable changes.

6.3 RESTRUCTURING

'Micro changes' are unlikely to require alteration to structure, but large-scale change almost always requires some 'restructuring' of an organisation, so much so that often restructuring is implicit in management thinking about change. Strengthening efficiency and effectiveness need not, though, automatically necessitate restructuring. It might be tempting to restructure in order to give a sense of change, but unless the need for reorganising is soundly based, it might prove to be a fruitless waste of time and effort. Sometimes alterations are modest, such as relocating people and departments within a building; at other times they are dramatic, as when subsidiaries are grouped under new divisions, which in turn are relocated away from the centre.

The need to reorganise first has to be identified. If there seems to be some indication of a problem, it can afflict the best planned structures after a time, when people are having difficulty in handling increased workloads, controls are weakened, there is poor coordination of effort, or lines of communication have multiplied. In this situation the following questions need to be asked:

- *Are the existing arrangements looking 'tired', even unsuitable?*
- *Does this sticky condition give rise to faults in the structure itself?*
- *If so, where exactly are the consequent problems?*
- *Are they likely to be temporary or permanent?*
- *Do they recur or are they isolated single events?*

In short, we need to ask:

- *Is restructuring necessary and will it be beneficial?*
- *Can it be planned properly and implemented before the weaknesses in the current structure worsen?*

6.4 ORGANISATIONAL RESTRUCTURING FOR GROWTH

Over a period of time the owner-manager of our fictitious retail trading business 'Harvey's Store' might need to delegate to other people the responsibility for some or all of these types of activities, or 'functions':

- **Dealing with stocks of goods:** ordering and reordering the goods to be sold, storing/warehousing them and issuing them to the store – or direct to customers.
- **Sales of the goods:** staffing and running the store, the layout of goods for sale in the store, window displays, advertising, publicity and sales promotion, and related matters.
- **Accounting or financial affairs:** such as handling and banking monies paid by customers of the business, ensuring that those to whom goods are sold on credit pay for them when payment is due, paying for goods received from suppliers, paying salaries and wages, etc.

The owner – as manager – will, of course, retain overall control over the various activities which have been grouped into related or similar activities or functions. They will ensure coordination between the various people, for instance to ensure that goods are ordered which customers demand, and not those for which there is little or no demand.

Earlier, the organisational structure of the business looked like as in Fig. 6/1 below.

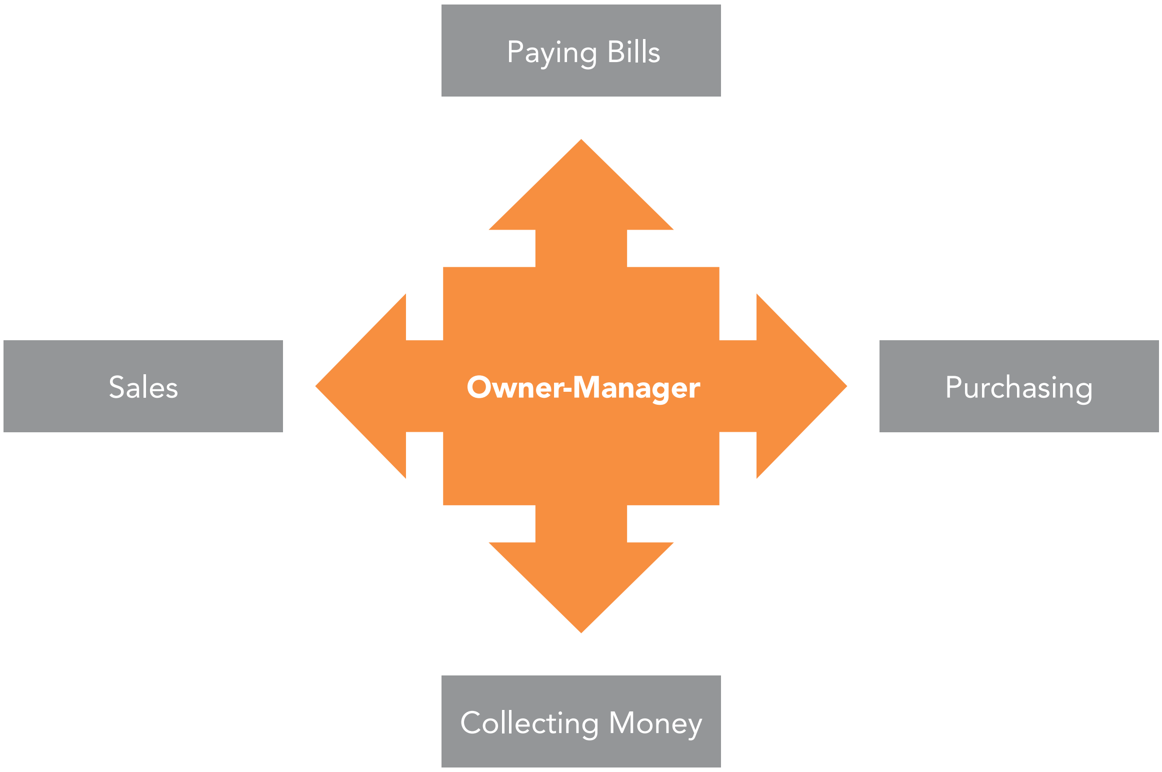

Fig. 6/1 Organisational structure of sole-proprietor business: Stage-1

Now changes will have to be made in organisational structure which will then look as in Fig. 6/2 below.

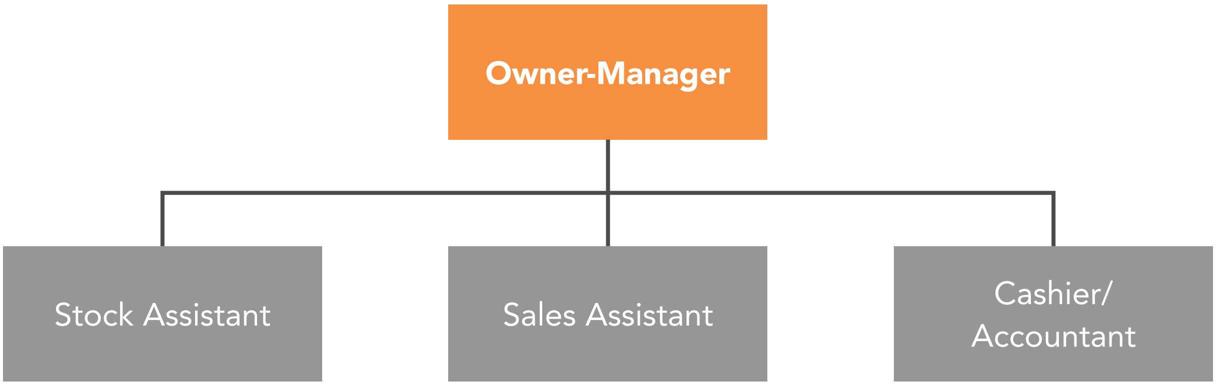

Fig. 6/2 Organisational structure of small business after delegation: Stage-2

If the retail business continues to expand, each of the three persons (who were delegated responsibility for stores, sales and accounting, respectively) or their successors, will probably need assistance in carrying out their duties and responsibilities, and so one or more subordinates will be employed to work with each. Thus, over a period of time, sections – containing groups of people engaged in related or similar work – will come into being; the sizes of sections will vary, and even at this stage they might be called 'departments' – although not yet a strictly accurate description.

Accordingly, in our Harvey's Store business, over a period of time a stores section, a sales section and an accounts section might come into being.

Although the people employed in each section will be performing related tasks, it is likely that gradually different people will 'specialise' in different activities – depending on their abilities and aptitudes and the necessity for specialisation or the division of labour within a section. For example, in the stores section:

- One person might specialise in purchasing, that is, in maintaining contact with suppliers, meeting and negotiating with their representatives, placing orders, etc.
- Another person might specialise in receiving deliveries, checking them and in storing the goods correctly.
- A third person might specialise in issuing goods – including packing and despatching or delivering.

The said persons will, of course, be delegated responsibility for the activities in which they specialise, and they will be answerable to the section manager. And if the business continues to expand, some or all of those people might themselves need subordinates to assist them in their work. Now the organisational structure will be changed and will look as in Fig. 6/3 below:

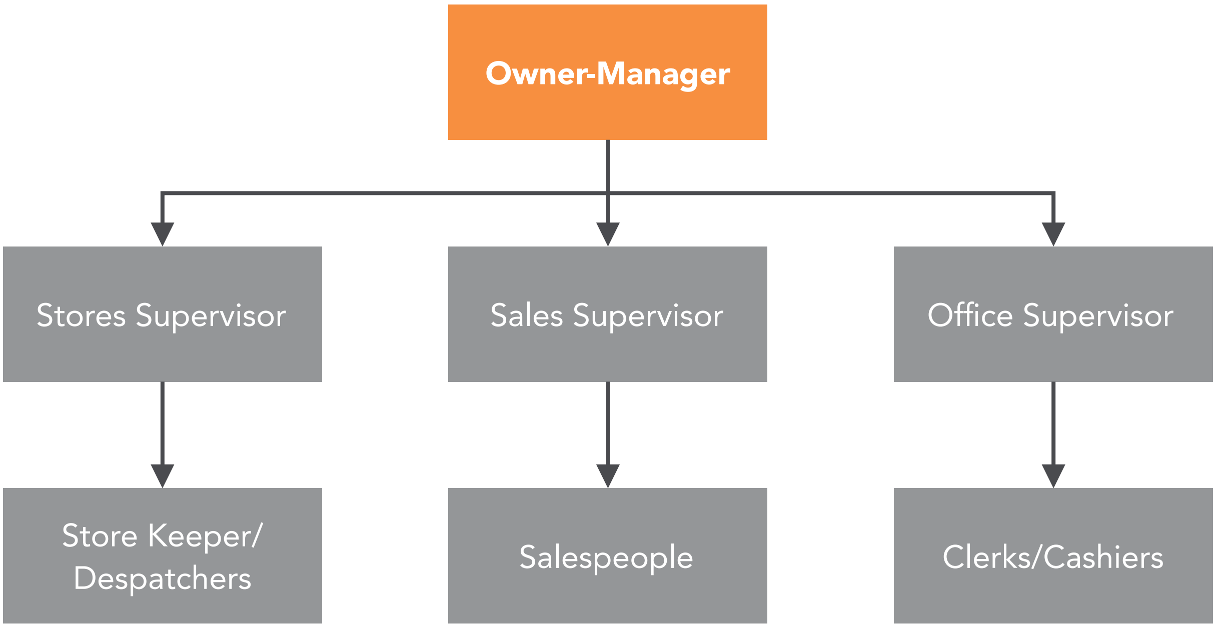

Fig. 6/3 Organisational structure of the medium size business: Stage-3

Should the business continue to expand from the foregoing stage – with the consequent employment of more personnel – some if not all of the specialist subdivisions of sections will themselves have grown into sections. Each original small section will have grown into a full department – the stores function – and could have a purchasing section, a stock inventory control section and an issues section, each with its own section head/manager under the overall control of the departmental manager.

By this stage, the owner of the original small business will no doubt have formed it into a limited company – say, as Harvey's Store Limited – of which they might be the managing director. Alternatively, they might have relinquished their managerial control, in which case there will probably be a salaried managing director or a general manager, with responsibility for the overall control and coordination of the activities of what is now a large business. Now several changes will have to be made, and the organisational structure will look as in Fig. 6/4 below.

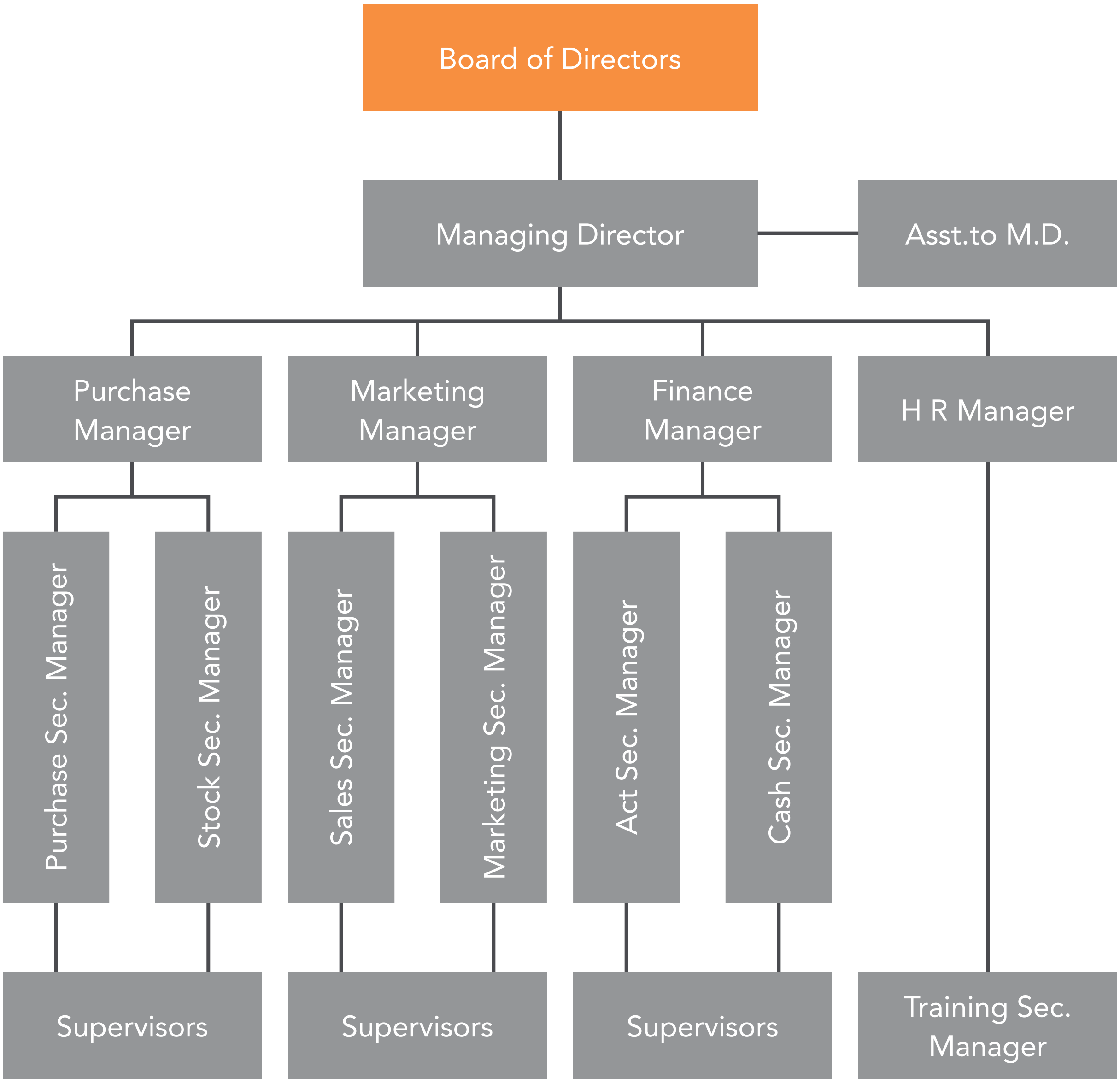

Fig. 6/4 Organisational structure of a limited company

6.4.1 SPANS OF CONTROL

By stage 3 of the development of the retail business we are examining, consideration must be given to 'spans of control'. This means the number of subordinates 'reporting directly to' or 'in the control of' one particular foreman, supervisor or manager.

The number of subordinates who can be effectively supervised directly by one foreman, supervisor or manager can vary greatly from one section or department to another. An often-asked question is: *"How many people can a foreman or supervisor or manager control?"* The answer to this question is not simple because different factors and/or circumstances are involved in different situations.

These are some of the factors which have a bearing on the 'width' of spans of control:

- Not all foremen, supervisors or managers have the same talents or abilities, and some find it difficult to cope with a large number of subordinates.
- The nature of the work being performed is significant:
  - If the work is relatively simple and/or repetitive, and if most employees are performing the same work, large numbers can be supervised relatively easily.
  - On the other hand, fewer people can be supervised effectively by one person if their work is complex.
- The experience and reliability of the workforce is an important criterion. Fewer newly employed, little trained workers can be effectively supervised by one person than can trained and experienced people who have been performing the same work for the business for some time.
- Obviously, the time available to a manager for supervision is a vital consideration – particularly in cases in which a manager might frequently have to be away from their post during the course of their duties.
- The nearness of the team to the manager is also a consideration; a sales manager, for example, could probably effectively supervise fewer salesmen whose territories are scattered across a country, than they could if they all sold from one shop or showroom.

Adjustments in spans of control might have to be made – with appropriate and timely changes – from time to time as circumstances and personnel (both supervisory or managerial and subordinates) change. Too wide a span results in lack of control, while too narrow a span involves wasted personnel and an 'over-supervised' staff.

6.4.2 THE 'FLOW' OF DELEGATION

Let us now examine Fig. 6/4 in greater detail in order to understand the changes carried out. We see that responsibility is delegated from the top management of the company down to lower levels of management:

- Firstly, the shareholders, through the board of directors, delegate to the managing director the responsibility for the overall day to day running and control of the business.
- Responsibility for certain 'specialist' activities or functions is then delegated to senior executive officers, the departmental managers: a store manager, sales manager and an office manager in our retail trading business.

- Those departmental managers 'break down' the areas of responsibility, and while they still retain overall control of their departments, they delegate certain responsibilities to various assistant managers or supervisors in charge of sections.
- In turn, those executives might further break down the areas of responsibility and delegate responsibilities to foremen or supervisors.
- Finally, those persons might themselves delegate responsibilities to more junior staff, and so on, for example, sales people or a team of shop or showroom sales staff.

The organisational structure in Fig. 6/4 shows responsibility and authority being delegated – 'flowing' – 'downwards'. But at the same time the personnel shown 'lower' in the structure are answerable or accountable for their actions and decisions, etc. to the executive in the next 'box' upwards.

6.4.3 BUSINESS EXPANSION IN BRANCHES

In a very large business, a number of departments might be grouped into a 'division'; each department will have a departmental manager who will be responsible and accountable to a divisional manager – who might well be an executive director, but who will still be subordinate to the managing director.

In our example of the retail business, we have assumed that it expanded as one unit. However, although the original unit might have expanded, one, two or more branches (in the same town or in different towns) might have been established, and the headquarters need not necessarily have remained at the parent branch. Each of the branches would no doubt comprise a number of departments – each made up of a number of sections – under the control of a branch manager.

Although branch managers might be free to run their branches as they feel best – within the framework of the policy laid down by the board of directors – some activities might be 'centralised'. For example, there might be just one purchasing department for the whole organisation, with the branches ordering their stocks through it. And, of course, the branches and their managers will still be responsible to the managing director.

Obviously, all these developments can be successfully achieved only if well-thought out changes are planned and executed well.

Restructuring involves making changes, whatever the existing structure. This may entail, for example, reducing the number of functions or re-arranging the people who reports to whom (spans of control), how and under what circumstances. Whether the structure is based on the lines of responsibility, functions, or a combination of these, whether it is vertical, horizontal or circular, the restructuring involves making modifications with a view to achieving greater efficiency and effectiveness.

6.5 DIVESTMENT

The term 'divestment' is used for the act of disposal, which for companies usually involves selling a part of their operations or withdrawing certain products or services from the market.

Divestment might come about because management wishes to concentrate on 'core' businesses or activities, which offer the promise of better 'returns' with the benefit of a greater commitment of available resources. It might be prompted by dissatisfaction with the performance of a 'subsidiary', that is, another company which is wholly owned. Such a subsidiary might have been purchased for any one of a variety of reasons which no longer applies, or which has failed to reach its performance promise, or has much reduced growth prospects. Disposal 'releases' assets and resources that might be better 'redeployed' to greater effect elsewhere. A major consequence of divestment might be that a company withdraws from a market completely. This could be a central reason. Often managements of companies make mistakes about markets and have to decide when to quit because their products are unsuccessful. More frequently, companies achieve satisfactory returns for a few years until the markets in question start to decline – a natural process as markets 'matured' – and the managements have to judge when best to 'pull out' on sound commercial grounds.

The rapid pace of innovation often means that companies with products which are at the forefront of latest technologies experience quickly maturing markets. For example, a new electronic surveillance product might survive little more than 18 months before having to face intense competition from 'me too' challengers.

6.6 DELAYERING

To realise the foregoing aims, in recent years many organisations have removed whole 'layers' of managers to this end, so that in some cases six or eight tiers – or layers – of management have been reduced to just two or three; this is referred to as 'delayering'. That might have led to the remaining managers widening their responsibilities, and often also resuming some of their former duties before promotion, a case of having to re-learn old practices as well as adopting new ones. There is a widespread trend towards achieving 'flatter' structures, in which people generally accept greater responsibility, and there is less specialisation within units, while there is more flexibility with which to take initiatives and to respond to events.

Such rationalisations – greater efficiencies – are also commonplace where organisations, particularly companies, which have created or acquired additional branches or other operations over the years are seeking to achieve 'more with less'. For instance, company managements might find that there are wasteful duplications of effort in different factories, or plants, simply because another company was purchased and rationalisations were not undertaken at the time, for whatever reason.

Some absurdities can arise, as where – and it does happen – partly assembled products are transported over long distances between successive stages of assembly. Similarly, it happens with public bodies, for example, a hospital might have established rural medical clinics for 'out-patients' and thereby created some wasteful or complex structures that would benefit from more streamlined distribution systems for medicines, or for better time-efficient deployment and use of medical teams.

6.7 CONSOLIDATION

It is essential to appreciate that restructuring is not about destruction, nor about tearing down what works. It should involve a systematic, careful consolidation, which might or might not involve redeploying resources, closing facilities and re-shaping whole structures.

It follows that a restructuring might result in a larger or more complex organisation, although this is unlikely. It certainly might involve closing whole factories, warehouses or office buildings and opening replacements elsewhere. This could be prompted mainly by the need to be physically closer to customers, labour, suppliers or transport links, to benefit from the most modern conditions or to have ready access to key opinion formers and influential stakeholders, such as politicians, civil servants, major shareholders, funding authorities and donors.

Many people express various degrees of resentment and attitudes of grudging acceptance towards restructuring, as if it is a necessary modern-day evil visited upon mankind for wanting to improve its lot. Possibly this is because there might be an over-zealous belief in the corporate 'healing power' of restructuring. It also provokes cynicism where previous restructuring has failed to 'deliver its promises' and in retrospect appears expensive and unproductive.

However, for every such experience there might be another that has had very positive outcomes which well warranted the effort, and any progressive thinking group of people managing any organisation is likely to want to restructure from time to time. The challenge is to know when best to do it and how best to do it. There will be times when it is not necessary at all.

6.8 CHANGE EVALUATION

Change, whether or not it involves restructuring, can be evaluated by asking these questions:

- Has it made any real contribution to achieving objectives?
- Has it met its short-term targets?
- Has it solved the problem?
- Has it improved people's performance?
- Has it gone down well with people?
- Has it got scope for continuing benefits?
- Has it provided lessons for us to apply elsewhere?
- Has it been achieved within budget?
- Has it been fully and adequately supported by managers?
- Does it have scope for further refinement or modification?

Whether change is evolutionary or revolutionary, it is a constant challenge and a necessity for businesses and organisations of all types. Charles Handy (1990) argues that change in current times is discontinuous and forms no part of a pattern, that the way in which work is organised makes the greatest difference to how people live, and that this 'discontinuous change' calls for novel approaches, for 'thinking the unlikely and doing the unreasonable'.

7 A FRAMEWORK FOR CHANGE

7.1 BARRIERS TO CHANGE

Moss Kanter (1989) complains about managers who allegedly supress innovation. She cynically describes ten serious faults in such managers, based on her extensive and respected research of American business.

They are:

- They regard any new idea from subordinates with suspicion, because it is new and from 'below'.
- They insist that proposals for their approval are first exposed to several successive managers for their endorsement.
- They instruct departments and people to challenge and criticise each other's proposals, so that they avoid making a decision and select whichever proposal survives the process.
- They criticise freely, they do not praise (to keep people 'on their toes', they insist) and they let people know they can be 'fired' at any time.
- They treat identification of problems as indication of failure, to discourage being advised if anything is not succeeding as intended.
- They maintain vigorous control over subordinates, they may permit no deviations, nor the exercise of initiative by subordinates.
- They make decisions in secret and announce them unexpectedly (also to keep people 'on their toes', they think).
- They do not dispense information to other managers unless disclosure is fully justified (to avoid it reaching the 'wrong hands').
- They instruct subordinate managerial staff to quickly implement their threatening decisions (in the guise of participation and delegation).
- They try to ensure that only they and their fellow 'higher ups' know everything of importance about the organisation.

The foregoing 'rules' – for what we can see in the stifling of 'innovation' – reflect a totally unprofessional type of negative culture and attitude. They make it difficult and unattractive for any initiatives to be proposed to address problems or to offer innovative solutions, what Moss Kanter calls 'pure segmentalism in action'. This 'segmentalism' is held to be, in general, the main hindrance to managing change; poor management, a lack of appreciation of the need for change, insufficient determination to change, and human inadequacies, are all cited as further handicaps.

Some potentially innovative people might be employed in organisations which suffer from this 'segmentalism', but their potentially positive and beneficial contributions are 'gagged' by their seniors. That can lead to frustration and dissatisfaction, and to the loss of good personnel – commonly to more go-ahead competitors.

The negative 'rules' described above are both direct and, to some degree, humorous. We can say that managers who are self-aware and who have a sense of humour are most likely to overcome resistance, whether that amounts to withholding support or outright opposition to proposals and ideas. However, a flexible and adaptable approach permits effective response. For managers without this aptitude, either there is difficulty in meeting resistance, and/or a risk that they might actually make matters worse by attempting to force change.

7.2 THE MANAGER'S ROLE

In practice, the process of effecting change might be more easily described than managed. The manager has a difficult role to perform, because they might well have been involved in deciding to make the change as well as bearing responsibility for seeing that very change implemented. Further, they might have reservations or lack of confidence in the proposals, might even resent what is planned, or have personal anxieties about it.

Any such concerns have to be subordinated to the situation, as follows:

- The manager is required to concentrate on looking after the interests and welfare of personnel who are affected by the proposed change; and
- On ensuring that the change is conducted effectively and efficiently to the optimum benefit of the organisation.

In addressing the first of these two responsibilities, managers today must seek to:

- Identify and understand the implications for their subordinates, and negotiate any desirable modifications to the proposal;
- Determine the most appropriate means of communicating the 'change proposal' to subordinates, and emphasise the positive aspects while recognising the costs;
- Involve subordinates in determining the best practice for implementing the change.

The responsibility to the organisation necessitates the demonstration of commitment – depending on the particular circumstances or situation – through such activities as for example:

- Creating teams which are charged with 'thinking the unthinkable';
- Holding brainstorming sessions and creating 'quality circles', designed to stimulate creative thinking amongst people – based on their practical working knowledge and experience – about how they might improve their processes and procedures;
- Searching outside the organisation for successful examples of innovation which might be adapted and applied to advantage;
- Including evidence of creativity and originality of thinking in criteria for job applicants;
- Encouraging customers and shareholders to 'come forward' with suggestions and ideas;
- Allocating adequate funding to research and implementation of change to give proposals their best chance of success.

Corporate history is littered with examples of persistent and expensive problems which remained unresolved until someone (normally a manager or director) thought to ask the person(s) or employee(s) whose daily work was involved with it, or who was in some way connected, for their suggestions. Once managers recognise that subordinates are likely to be knowledgeable about what they do all day long, those managers might very well find a valuable additional asset, which might be used to useful effect in addressing process-related issues.

7.2.1 MANAGER AND CUSTOMERS

Loyal customers like to 'talk' with 'their' companies and to develop what they perceive to be relationships. This is particularly so in sectors in which the customer is aware of the confidence and trust which they place in the supplier, for example, in airlines. Managers who value their customers appreciate that amongst all the many generalisations and goodwill messages there will be useful information. There are some remarkable stories told of how organisations have achieved major improvements which originated from contributions volunteered by customers. Hotels, for instance, include 'review' sections on their websites. A hotel's guests can 'post' their experiences – good or otherwise – while staying at that particular hotel, which is very valuable information for the hotel's management.

7.2.2 MANAGER AND SHAREHOLDERS

Shareholders are another potential source for the innovative company to 'tap'. Some shareholders might be institutional fund managers, with a wealth of experience in observing and valuing companies, others might be private investors, past or present employees, with a strong interest in the company's success. Other types of organisations have their equivalent; people who – although they are not directly involved in its day to day activities – might be very well placed to offer worthwhile contributions. Such persons might include, for example, 'friends' of hospitals, charity trustees, students and their parents, and local government councillors; all of them willing the organisation to succeed while not being directly involved in its operations.

7.3 A FRAMEWORK FOR CHANGE

Change in an organisation can be caused by relatively sudden events or a crisis situation 'triggering' it, or it can be a continuous state of affairs, as with 'learning organisations' which actively seek advantageous changes.

Whatever the reasons for change, managements should at the very least have a planned framework within which they can:

- Properly consider what the needed changes are;
- Plan the changes and the implementation of those changes;
- Help all stakeholders – especially employees – to accept the changes;
- Follow-up and assess the change process;
- Identify any further actions required.

A useful framework within which to do this – and which may be modified in line with particular situations and environments – is suggested below.

7.3.1 PLAN FOR CHANGE

- Develop a clear vision for the change(s).
- Develop a list of objectives to be achieved from the change(s).
- Identify significant steps in the change process.
- Develop a mission or requirements plan for the change(s).
- Communicate the stages of the plan to those involved, and continue to communicate regularly.

- Develop a planned timetable which avoids unnecessary haste and carelessness.
- Plan how each stage or step of the change process can be controlled and monitored.

7.3.2 ENGAGE PEOPLE IN THE PROCESS

- Maintain a controlled approach, and inspire confidence in those affected by the change(s).
- Consider how employees and other stakeholders will be affected.
- Consider why change may be resisted, and develop plans to overcome or minimise that resistance.
- Plan change carefully to make people positive about the change(s); involve them in the change(s); regularly consult and inform them of progress.
- Make controversial or unpopular change(s) as gradually as possible.
- Develop a 'change' philosophy, motivate stakeholders to support and accept the change(s).
- Maintain a firm but flexible outlook, accept comments and advice.
- Monitor the change(s).

7.3.3 MONITOR, CONTROL AND FOLLOW-UP

- Check and investigate if each stage or phase of the change process has gone according to plan.
- Check if desired results are achieved; if not, investigate why not.
- Check how those have been affected feel about the new situation and take action where necessary to help and encourage those not responding well to the change.
- Analyse whether the process, or parts of it, could have been done differently or better.
- Analyse if there have been any unexpected benefits or problems.
- Investigate whether further change, or modifications, are required.
- Analyse what has been learned from the process.

7.4 CONCLUSION

It is necessary to incorporate feedback and communication mechanisms for each stage of the change process.

Useful points and questions are made against each stage of the process, which if nothing else, should help provoke thought and remind those leading the change process about important issues not to be overlooked.

There is obviously considerable overlap between the three identified stages, which are fluid and will interact together throughout the process of change. It should not be thought – and cannot be expected – that the change process will start at one single point, or finish and be completed at another specified point in time.

8 THE WAY FORWARD

8.1 INTRODUCTION

The way we do business today has undergone drastic changes, and these changes are still continuing. The way forward is to recognize what needs to be done in the following areas:

- Adoption of latest technologies- particularly Artificial Intelligence (AI);
- Training in soft skills; and
- Re-skilling the workforce.

8.2 ARTIFICIAL INTELLIGENCE (AI)

The concept of AI goes back to the late 1940s and 1950s when McCulloch did research on the structure of the brain and the concept of artificial neural networks. Many others took up the work and today we have advanced quite a lot in this area.

Such efforts are an ongoing process and frequently experts are coming out with new logic, techniques and improved models. Towards this aim neural networks are contributing a lot. These networks are processes connected with each other and capable of learning, analysis and synthesis. This smart system surpasses traditional algorithms in that the interaction between a person and computer becomes more interactive. The quest is neither over nor complete, and every day it will be quite possible to reach the goal. However, whatever has been achieved so far, has been quite useful in coming out with practical solutions to several problems.

8.2.1 IMPORTANCE OF AI

AI is about designing software that has the capability of analysing the various forces operating in the environment and making intelligent choices from among the alternatives available.

We can say that:

- AI can make analysis of data and decision making faster than a human being. This is already visible from its use in the fields of medicine and transportation. Inroads are already being made into the arena of education and learning.
- It may be possible to feed results into databases leading to development of theories and algorithms which AI can either validate or discard.

8.2.2 EXAMPLES OF CURRENT USE OF AI

If we look around us, we will be surprised to acknowledge that a lot of things we take for granted have already been showing the increased use of AI – even with several constraints – and efforts are on to reach the stage when more options are available to use the AI systems.

Some examples of ongoing efforts are given below:

- Online service in education and learning beyond the printed text books;
- Access to information on the Internet;
- Google' conventional agent;
- Evidence-based treatment plans for cancer patients;
- Cambridge-based national language processing system (Vocall Q) – now owned by Apple;
- Application of AI to code development using DiHBlue from Oxford University;
- Microsoft's 'emotional recognition' web app;
- Microsoft's tools such as Azure Machine Learning Experimentation Service, Azure Machine Learning Workbench, and Azure Machine Learning Model Management Service;
- One of the examples of using AI can be found in the organisation of Corporate Learning Week 2017 (CLW) involving learners from Google, Six Flags, LinkedIn, Southwest Airlines and the NBA among others, focusing on:
  - The empowerment of learning;
  - Bridging the gap in technical skills;
  - Enhancing leadership skills;
  - Building a more innovative organisation;
  - Enabling workforce to be more efficient and productive, etc.

The managements have not only to adopt and adapt such systems in their organisations, but they have also to prepare the workforce to embrace this technology. Workers are normally sceptic of accepting such systems as they feel that with the adoption of such technology their jobs will become redundant. On the contrary, their role will enhance and change as, after all, who has to drive this technology? Managements need to train the workforce and make them ready to accept the change.

8.3 TRAINING IN SOFT SKILLS

Today the customers are more demanding than earlier. They are aware that if they don't get good and acceptable service and treatment at the hands of employees in a particular organisation, they can go to the competitor who might provide better treatment and service.

Most organisations require that those who work in them have certain abilities that allow them to do their jobs effectively. For example, computer programmers need to know how to use Programming languages. These abilities are known as hard or technical skills. However, today employees need to have soft skills also. Soft skills as opposed to hard skills greatly impact the personality development of employees. Organisations today recognise that the professional development of their employees plays an important part in maintaining relationships with their customers, clients, suppliers, co-workers and developing a successful business. A lot of employees – who have been working in an organisation for a few years – are reluctant to admit that they need to learn certain soft skills. The managers need to work with such employees and make them understand that by learning some very important soft skills they will be able to bring about a desirable change in their own development as well as in the achievement of their organisation's goals and objectives. But before this, managers themselves have to undergo training in soft skills as they have to not only lead the way but have to walk the talk.

8.3.1 WHAT ARE SOFT SKILLS?

Soft skills are the personal character traits or qualities each of us has. They make us who we are, generally encompassing our attitudes, habits and how we interact with other people. They refer to abilities that make people better employees and open doors for many opportunities that are not directly related to the subject matter of their jobs. In other words, soft skills refer to a person's ability to relate to others, to get them and others organised, to communicate in written, spoken and/or other forms.

8.3.2 NEED FOR SOFT SKILLS

Soft skills allow us to effectively and efficiently use our technical skills and knowledge. They improve the way we interact with our bosses, co-workers and customers/clients. They permit us to get our work done on time. They influence how we feel about our jobs and how others perceive us.

Consequently, the demand for and reliance on soft skills is on the increase due to constant change in the work environment, customer-driven market, information-based technology and globalisation.

The development of soft skills in this market is important as there is intense competition for many available positions. The ability to develop and use soft skills can make the difference between the achiever and the non-achiever.

Today, employers want people with efficient soft skills. These are key skills to effective performance across all job categories. As the world has changed, and the nature of work has changed, the skill set required of managers and other executives has changed.

Today's business is all about people. It is about communication, relationships and about presenting yourself, your company and your ideas in the most positive and impactful way. Many business people like to think that success is based on logical, rational thought and acts, but it is also to be remembered that the human element is as important as the skills mentioned above. That is why a strong soft skills set is considered to be very important. For this change to happen, managements need to be committed, and they should enable their employees to change themselves, their attitudes, their way of working etc.

8.4 RE-SKILLING OF WORKFORCE

There was a time – not long ago – when people would join a job, move upwards and retire. The movement from one job to another was not so common, as experience of work in an organisation was considered important both by the employer and the employee. But now things have changed. Professional lifespan of individuals and even organisations has shortened when they fail to anticipate change and adjust themselves against headwinds.

The fast development of technology has made it necessary for people to not only upgrade their existing skills but also re-skill themselves in order to cope with the demands of the new situation.

Technology-driven skills are perhaps the biggest contributors ensuring the irrelevance of employees, if they do not anticipate the changes they need to make in their skill-set to remain professionally relevant.

Today software robots – or bots as they are commonly called – are gradually changing the business processes in the same way as automation did to manufacturing processes long ago.

One of the most disrupting processes at workplace today is Robotic Process Automation (RPA) which uses various technologies such as:

- Document recognition
- Screen scrapping
- Optical Character Recognition (OCR) etc.

Using AI systems bots can be trained, for example, to recognise invoices coming in different formats – PDF, tiff, jpeg etc.

But RPA will also reduce a lot of manual work. So those doing the work need to take on roles that are more creative, and for this they will have to upskill themselves.

Another important field that is undergoing tremendous change is that of Big Data Engineers. Now the data has evolved into big data which plays a key role in making business decisions, changing the nature of the job of handling data. The result is that three independent job roles – database manager, Hadoop system manager and system administrator – are disappearing giving way to full-stack data engineers. Since databases are being replaced with warehouses, a thorough knowledge of databases is required, and that needs upskilling of the workforce.

Moreover, in modern times most of the workers are not engaged only in one task. They are supposed to be multitasking in order to ensure that neither there is wastage of time and/ or resources nor a situation when there is nobody to substitute for an absentee employee.

It is for the managements to ensure that their employees are encouraged and motivated to re-skill themselves. Ultimately the re-skilled workforce will not only have an opportunity for personal development but will also be a crucial factor in further growth and development – and indeed the very survival – of the organisation itself. Updating the skills of the workforce as well as re-skilling them is really a way forward for the managements who should always be ready to make necessary changes in their attitude, work culture and organisational environment.

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