

Why change management?

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The magnitude of today's environmental, competitive, and global market change is unprecedented. It's a very interesting and exciting world, but it's also volatile and chaotic:

- **Volatility** describes the economy's rate of change: extremely fast, with explosive upsurges and sudden downturns.
- **Chaos** describes the direction of the economy's changes: we're not sure exactly where we're headed, but we are swinging between the various alternatives at a very high speed.

Keywords: management, change, opportunity, anticipate.

To cope with an unpredictable world you must build an enormous amount of flexibility into your organization. While you cannot predict the future, you can get a handle on [trends](#), which is a way to take advantage of change and convert risks into [opportunities](#).

One of the keys to dealing with change is understanding that change is never over. "Change [brings opportunity](#) to [those who can grasp it](#), and the discontinuities of the [new economy](#) offer unlimited opportunities."

In today's tidal wave of global economic, technological, and social change, that name of the game for you and your organization is survival. If you are going to withstand relentless and constantly growing global competition, you need to [be different](#) and [radically change the way of doing business](#). You have to give up the [old hierarchical, adversarial approach](#) which wastes individual talents and saps energy in unproductive conflict. Instead you need to create a [new management model](#), switch [from management to leadership](#), [manage change](#), [build trust](#), drive out fear of failure and and create productive [partnerships](#) in which everyone can offer their unique knowledge and talents. If you know how to help your organization to do this, you can [make a decisive difference](#).

Why Do Need To Anticipate Change?

Change represents an opportunity for your business and it must be anticipated and prepared for. Foresight and change anticipation is a hallmark of [effective leaders](#). Technolo-

gy, [radical innovations](#), [new business models](#), globalization, demography, consumer demands and choices all contribute to making today's society one of accelerating change. The drivers of change are numerous and complex, and their impact varies from one sector to another. The way change affects your company depends largely on the capacity of key actors to anticipate and prepare for such an eventuality. Existing business models and strategies may be threatened by changing circumstances. Adapting too late or too little can result in disaster for your business. If you wish to avoid a long and painful adaptation process you must improve your capacity to anticipate and prepare for future change at the earliest interval.

In today's rapidly-changing economic climate, your company will have a [competitive advantage](#) if you succeed in integrating change into your [business strategy](#) effectively. Using foresight and anticipation to envisage possible future scenarios is the first step in preparing for change and managing it successfully.

There is big difference between anticipating and guessing. Anticipation means expecting, being aware of something in advance, to regard it as possible. The ability to anticipate is one of the key ingredients of efficient speed and [change management](#). "Being able to anticipate that which is likely to occur in the next few months and the next few years is enough to give you an edge over 99% of the population who simply go along with whatever happens".

Why Change Management?

You can bring the change about yourself or it can come in ways that give you little choice about its what, when, and how. Fighting against change can slow it down or divert it, but it won't stop it however. If you wish to succeed in this rapidly changing new world "you must learn to look on change as a friend - one who presents you with an opportunity for growth and improvement."
 Most people don't like [change](#) because they

don't like being changed. When change comes into view, fear and resistance to change follow – often despite its obvious benefits. People fight against change because they:

- fear to lose something they value, or
- don't understand the change and its implications, or
- don't think that the change makes sense, or
- find it difficult to cope with either the level or pace of the change.

Resistance to Change in the Workplace: Main Reasons:	
Fear of the unknown	Change implies uncertainty, and uncertainty is uncomfortable. Not knowing what may potentially happen often leads to heightened anxiety. Resisting change is one of the anxiety-reducing actions.
Fear of failure	The new order may require skill and abilities that may be beyond our capabilities. There is resistance to trying a new approach as people know how to operate in the existing order, but fear they will not be able to the new skills and behavior that will be required of them.
Disagreement Losing something of value. with the need for change	Associates may feel that the new direction is a wrong direction.
Losing something of value	All associates want to know how the change will affect them. If people believe they will wind up losing as a result of the change, they will resist.
Leaving a comfort zone	People are afraid to go after what they want because it would force them to stretch their comfort zones. It's only natural to put off things that scare us, to sidestep goals that require us to leave our comfort zone and take a risk.
False beliefs	To put themselves at ease and avoid taking the risk, many people fool themselves into believing everything will all work out someday by itself.
Misunderstanding and lack of trust	People are afraid to go after what they want because it would force them to stretch their comfort zones. It's only natural to put off things that scare us, to sidestep goals that require us to leave our comfort zone and take a risk.
Inertia	All organizations suffer from inertia to some degree and try to maintain status quo. Change requires effort, oftentimes, a significant one. So, don't underestimate the power of fatigue and burnout.

Resistance emerges when there is a threat to something the individual values. The threat may be real or it may be just a [perception](#). It may arise from a genuine understanding of the change or from misunderstanding, or even almost total ignorance about it.

The rate of change in today's world is constantly increasing. Everything that exists is getting old, wearing out and should be replaced. "Revolutionary technologies, consolidation, well-funded new competition, unpredictable customers, and a quickening in the pace of change hurled unfamiliar conditions at management."

How you change a business unit to adapt to

shifting economy and markets is a matter of management style. Evolutionary change, that involves setting direction, allocating responsibilities, and establishing reasonable timelines for achieving objectives, is relatively painless. However, it is rarely fast enough or comprehensive enough to move ahead of the curve in an evolving world where stakes are high, and the response time is short. When faced with market-driven urgency, abrupt and sometimes disruptive change, such as dramatic downsizing or reengineering, may be required to keep the company competitive. In situations when timing is critical to success, and companies must get more efficient

and productive rapidly, revolutionary change is demanded.

When choosing between evolutionary change and revolutionary action, a leader must pursue a [balanced](#) and pragmatic approach. Swinging too far to revolutionary extreme may create "an [organizational culture](#) that is so impatient, and so focused on change, that it fails to give new initiatives and new personnel time to take root, stabilize, and grow. What's more, it creates a high-tension environment that intimidates rather than nurtures people, leaving them with little or no emotional investment in the company."

"You never change something by fighting the existing reality. To change something, build a new model that makes the existing model obsolete." – *Buckminster Fuller*.

In the Harvard Business Review article "Leadership That Gets Results," Daniel Goleman cites research which shows that up to 30% of a company's financial results are determined by [the climate of the organization](#).

And what is the major factor that drives the climate of an organization? It's [the leader](#). In *Primal Leadership: Realizing the Power of Emotional Intelligence*, Goleman states that roughly 50-70% of how employees perceive their organization's climate is attributable to the actions and behaviors of their leader.

In the [new era](#) of rapid changes and [knowledge-based enterprises](#), managerial work becomes increasingly a [leadership](#) task. Leadership is the primary force behind successful change. Leaders [empower employees](#) to act on the [vision](#). They execute through inspiration and develop implementation capacity networks through a complex web of aligned relationships.

A leader creates the environment that determines people's moods at the office and their mood, in turn, affects their productivity and level of engagement. When we move the curtain a bit, we can see clearly that a leader's bad mood is a source of infection – an emotional contagion that eventually spreads across people to entire units. We can learn a thing or two from leadership in the military. Imagine the effect on troop morale and ener-

gy that an "overwhelmed," "anxious," "worried" or "irate" leader would have. And how about a leader who is plagued by uncertainty? "Indecision, is contagious. It transmits itself to others. It can become debilitating and habit-forming in an organization, as people take their cues from the leader's state of mind.

Many companies are extremely cautious not to make errors and some are so shielding that they spend enormous amounts of money, time and human effort to research plans thoroughly in an effort to avoid mistakes. Yet case studies in business schools show us time and time again that regardless of this effort mistakes are bound to happen. In addition, the accelerated pace of change and current ease of new entrants to new markets due to technological advantages leave no time for companies to research every possible in and out. For example, by the time that IBM and Compaq decided to create an online sales strategy it was too late. In fact IBM and Compaq did not seem to notice when [Dell](#) decided to sell computers over the Internet. How could this be? Well people develop habits. They have emotions. They become blind to things that become familiar. They have their own unique points of view. These factors produce cultures and dynamics that paralyse efforts to do something new. Including looking at small start up firms, like Dell, as a competitive threat and making a quick jump to new, innovative technology. IBM no longer makes PCs and Compaq is foolish for even suggesting that they will be able to compete with Dell online. Clearly freedoms must now, more than ever, be in place to allow employees to [change strategies](#) quickly and without scrutiny. Doing more with less, [in less time](#), is now a survival necessity for firms of all sizes.

Idea Procurement and Implementation

In order to flourish [your firm's culture](#) must [encourage and nurture ideas](#) rather than kill them. If an employee has a great idea and has it quickly squashed and mocked by their superiors they tend to stop sharing their thoughts in fear of more rejection and humiliation. An antagonistic culture that fights change of

any kind is the ultimate idea crusher and will not be able to keep up with a fast changing society. Larry Yukron, owner of Adventure Experts and former Qwest Communication executive, related that several firms in Silicon Valley have installed a **"five minute rule."**

The Five Elements mean Movement, Change, and Development. They are changing, moving, waning, and expanding all the time. The most important of all is the balance of all five elements. The movements of five elements are stable and predictable when they are in balance, and *vice versa*.

Balanced Organization: 5 basic elements	
Leadership	<u>Corporate vision inspires</u> and energizes all employees; <u>Leaders are energized, communicate</u> strategic direction, and <u>lead by example</u> ; <u>Leaders inspire</u> and <u>energize people</u> , provide <u>coaching</u> ; Leaders <u>create positive change</u> and see change as an <u>opportunity</u>
Culture	<u>Shared values</u> link the organization together; all employees live the values; <u>Corporate culture inspires people</u> and nurtures <u>an attitude of relentless growth</u> ; <u>Team culture</u> reigns, <u>teams</u> are infused with purpose, personality, and <u>passion</u> ; <u>Customer-focused quality culture</u> and <u>continuous improvement</u> culture established
Employees	People are <u>sharply aligned with corporate vision</u> and <u>strategies</u> ; Individuals and <u>teams</u> are <u>empowered</u> and have a decision-making authority; People hate and <u>fight bureaucracy</u> relentlessly at all organizational levels; <u>Innovators</u> have freedom to <u>experiment, fail</u> , and begin again more intelligently
Performance	<u>Motivation</u> systems encourage extraordinary <u>performance</u> from all employees ; <u>Suggestion systems</u> involve all employees in continuous <u>efficiency improvement</u> ; <u>Coaching environment</u> helps people unlock their true potential; Effective <u>performance measurement</u> system is established
Capabilities	Effective <u>creativity, idea</u> , and <u>knowledge management</u> systems are established; <u>Teamwork</u> is made a religion, <u>cross-functional innovation teams</u> are empowered; <u>Cross-functional synergies</u> are exploited, <u>diversity</u> is leveraged; <u>Leadership development</u> programs help grow <u>leaders</u> at all organizational levels.

The rule permits anyone to suggest an idea. Then for the first five minutes after the idea is expressed only positive comments can be made. By the time the idea is talked about for five minutes it has usually spun into an impromptu brainstorm session that cultivates truly great ideas and some form of the discussion is often implemented. Firms today must enthusiastically welcome new ideas and suggestions. If an idea is properly given attention it just may become a solution to a problem, the next great marketing campaign, or even the perfect incubator for your next innovative product or service.

Furthermore, we must be certain to do something with all generated ideas. If we encourage ideas, and then sit on them without taking any action, we will not get ideas generated in the future. In addition, if we must reject or decide not to implement an idea without providing an adequate justification, firms will lose the future good will and creativity of these individuals.

Empowerment

Ideally, empowerment of employees results

in increased initiative, involvement, enthusiasm, innovation and speed, all in support of the company's mission. The word empowerment means to authorize, enable, and to permit. Defining and encouraging empowerment is the job of leadership. However, traditional leadership in a multi level organizational structure may be fearful of empowering their subordinates in anxiety that ideas and initiatives from 'below' may undermine their authority and ultimately their position in the firm. This is indeed a struggle but may be overcome by clear, ongoing communication and commitment from the top of the firm down. Middle management needs to be assured that subordinate empowerment is for their personal gain as well as the collective good of the firm. If this cannot be accomplished a non-conforming individual may need to be removed from the firm before a cultural transformation takes place in order to avoid conflict.

Communication

Communication is absolutely essential to give birth to a creative workplace in a ma-

ture, seasoned culture. In fact creativity in communication is key to implementing a culture rebirth. As we have mentioned, major [changes in organizations](#) often evokes resistance based on fear. Imagine a [CEO](#) talking about the need to [restructure](#) for greater efficiency with [innovation](#). S/He talks about trends, budgets and so forth. So far, so good. But let that same executive mention the word down size and all of the rational information of needs to reorganize are abducted by the emotional. Leaders need to communicate the [corporate culture change initiative](#) in a way that [energises](#) and excites while simultaneously examining and overcoming their crew's hesitancy to embrace this same proposition.

Believing in Your People

[People](#) tend to rise on the occasion that someone truly believes in them. A preacher once said if you place an A on a person's head they will give you an A, but if you put a C on their forehead they will give you a C, no higher. Many times people are looking for someone to be interested in them and hold accountability to. When they find this individual they will produce. It is essential during a cultural transformation that each person in the firm has someone that believes in them and is counting on them to succeed.

Harvesting Emotional Energy

[Values](#) give meaning to people's lives. Organisational performance is directly related to its ability to tap into its human potential. For many people work is one of the most important ways they are able to give expression to who they are in their search for fulfilment. When a person works for a firm whose values mirror those of their own they will respond by fulfilling their potential and tapping into their deepest levels of creativity. Align your [mission statement](#) under a clear set of humane values and through living those values your [corporate culture](#) will harvest the [emotional energy](#) and the [creative potential](#) of your employees.

Accommodating Personal Idiosyncrasies

Accommodating personal idiosyncrasies may help the creative mind to flourish. Whether it be eating a candy bar at a meeting, a brainstorm session in the wilderness or taking off all day and writing the proposal between 1 and 7 am people must have freedoms to create and produce how and where they want. If firms permit their employees to create the plan to get from A to Z rather than dictate each step in the process they just may spur an otherwise average employee to new heights of [creativity](#) and accomplishment.

Positively Influencing Intrinsic Motivation

Intrinsic [motivation](#) highly correlates with increased creativity levels. High-level encouragement toward innovation, immediate supervisor encouragement, autonomy and sense of control, optimal challenges, and tasks matched to interests all positively influence intrinsic motivation. Therefore, firms should seek to have their employees [do what they love](#) and love what they do. For businesses the first involves matching work well around an employee's expertise. The latter involves creating the environment that will allow employees to retain the intrinsic motivational focus, while [supporting their exploration of new ideas](#).

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