

Balancing Your Business: Making Change Easy

Article Rating: NA

Submitted by: articlediner on 2006-10-08 and viewed 49 times.

Total Word Count: 2775

Author Rating:

Sample of Content:

"Perfect balance in a business exists only in the organizational chart. A living business is always in a state of imbalance, growing here and shrinking there, overdoing one thing and neglecting another" (Peter F. Drucker). So what should you do to make change easy?

Content:

â€œPerfect balance in a business exists only in the organizational chart. A living business is always in a state of imbalance, growing here and shrinking there, overdoing one thing and neglecting another.â€• (Peter F. Drucker)

I believe the three major trends in organizational processes are: discontinuation of the old way of doing business (re-engineering) migration and starting a new way of doing business (organizational change).

One of the most often cited reasons why many re-engineering projects do not achieve the level of success the organization expects deals with the issue of organization culture change. You can have the most efficient process in the world, on paper, and still not have a "world class" operation. You must remember that people have to execute the plans, perform the activities, and provide the interface to the customer. If you have left out of the improvement process a plan on how to change the behavior of the human resource, your project will not succeed.

Culture change does not come only as a result of a change in the "system." It comes as a result of consistent incremental change in the way a person feels about the system. Human beings must see that there is less pain and more pleasure associated with the change than not changing. However, it has only been in the last few years that the business community realized the importance of this relationship to their "bottom-line."

When an organization is planning a change of any kind that will affect the day-to-day activities of people, the relationship between pain (i.e., emotional cost) and pleasure (i.e., benefit to the individual) must be considered. Human beings are stimulated or held back based on their association of personal benefit or cost as a result of a change in their environment. As a person is faced with change, he will evaluate or question whether or not making the change will cost a great deal in emotional stability or provide a great deal of personal benefit. It is this relationship that determines real, lasting change in a person.

People are usually told of the benefit the organization will realize if the change is made, in terms of cost savings, ability to process more requisitions more easily, etc. So, why do most employees resist the change to the new system? Simple question because they associate more pain to changing than not changing. Most people feel that when management says "cost savings" they really mean job abolishment. And when management say "ability to process more requisitions" they really mean the employees' workload will increase. With these interpretations, or mis-interpretations, of the situation, is there any wonder why these employees are not interested in changing the way they do business?

Once a change has been announced, usually the first reaction people have is to meet the change with a sense of shock. They ask themselves, "Where did this come from?", "What is going on?", "I did not know anything about this!", or "This is not what I agreed to!" Most people I know that have been confronted with change reacted this way?

No one can expect change until after he gets through the anger, shock and denial. However, once the person has accepted the change as real and that it is going to happen, he begins to rationalize his role in the new situation. It is important to understand that not only can an individual accept the situation and begin to work toward the new vision, but one can also accept the situation as having a negative impact and choose to leave the organization. Either way, the individual has accepted the fact that the new environment exists.

It is extremely important that we understand that people will go through each phase, in varying degrees, as they transition from the old way of doing business to the new way of doing business. How we as managers handle this transition period is the key.

Change cannot be accomplished without the commitment and involvement of the organization's leaders. As an organization transition from an old way of doing business to a new way of doing business, leadership becomes the glue that will hold that organization together.

Leaders must have an assured and unwaiverable way of thinking about change. They should have a plan which will guide the situation and help to formulate the process of change to be implemented. Leaders should also have a clear idea of what the change will generate. Leaders should initiate change at the point where they have the most control and can make reliable predictions about the consequences of their actions. Leaders should also recognize that change in any one part of the situation affects the whole. They must be alert for unanticipated consequences of their actions.

The most important task of a leader is creating a climate that is conducive to the change being attempted. An emotional atmosphere in which people feel that the leader is empathetic and non-judgmental toward the employees and their needs is a climate in which people will be more open about their feelings and resistance.

Change is itself a process and must be treated as such. An organization cannot expect people to change the way they have done things for years, overnight. Change is not something that should be taken lightly. It is complex and if managed properly, can be very beneficial to the employees and the organization as a whole. Proper management of the transition of people through the process of change is critical to the success of a new system.

Planned change processes often work, if conceptualized and implemented properly but, unfortunately, every organization is different, and the processes are often adopted "off the shelf" the appliance model of organization change, but a complete program, like a quality circle package, from a dealer, plug it in, and hope that it runs by itself. Alternatively, especially in the underfunded public and not-for-profit sectors, partial applications are tried, and in spite of management and employee commitments do not bear fruit.

Migration is the in between part of the transition. You have to let go of the old way but you have not quite gotten to the point of fully grasping the new way. It is like being on a trapeze. As you let go of the first trapeze there is a moment before the other trapeze gets to you. It is during that time that you have nothing to hold on to. It is also during that time that many questions may go through the trapeze artist's mind things like, "was this a wise thing to do?" or "will I be able to catch the other trapeze?" This can be a very difficult time, yet it can also be a very innovative and creative time

Some pertinent areas to keep abreast of are:

- I. Anxiety/absenteeism/old weaknesses and wounds emerging.
- II. People are overloaded systems are unreliable signals get mixed.
- III. Teamwork is undermined people take sides old way/new way.

IV. Organizations/people are vulnerable to attacks from outside and defenses are weakened.

To get through this a manager has to recognize that this behavior is "normal" and expected create temporary systems or ways to deal with this period protect their people and communicate/keep the people informed. Be open and honest about the affects of the changes being made.

Organizations, by their very nature, are conservative. They actively resist change. You do not have to look far to see evidence of this phenomenon. Government agencies want to continue doing what they have been doing for years, whether the need for their service changes or remains the same. Organized religions are deeply entrenched in their history. Attempts to change church doctrine require great persistence and patience. Educational institutions, which exist to open minds and challenge established doctrine, are themselves extremely resistant to change. Most school systems are using essentially the same teaching technologies today as they were fifty years ago. The majority of business firms, too, appear highly resistant to change.

The age of ever changing organization, shifting strategy and capabilities to match rapidly changing markets is in full bloom. Today, the core competencies of successful organizations go beyond simply changing to react to market threats. Successful organizations institutionalize their ability to continually adapt, and master the paradox of creating a stable environment for continual change. They are flexible organizations.

Flexible organizations continually develop new strategies and adapt to new market realities, and then shift all aspects of the organization so that they are congruent with the new strategies. They are composed of people who understand the need to change structures, processes, and behavior to meet the needs of different customers, and who shift the organization design as the market and the customers shift. Flexible organizations are composed of people who enjoy change and some who do not like change, but together are experienced in the organizational change process.

Flexible organizations use their organizational design as a competitive advantage. Their executives, managers, and employees change the shape of their organization to match the external environment. They reconfigure themselves to adapt to changes in the environment unlike post-war industrial giants, which were designed only to overpower their environment. Flexible organizations are designed to fit into their environment.

The flexible form is becoming more common, because the strategic drivers in most organizations are more difficult to management, with dual or multiple reporting relationships, lateral relationships, increased teamwork, and empowered employees making decisions independently. It can drive a traditionally oriented manager crazy.

Leading change and managing performance are ongoing, organizational processes affecting all organizations, all the time. Personal, team, and organizational performance are distinctive yet interconnected dynamics that continuously influence one another. What occurs in one domain affects the performance and results experienced in the others. For example, increased organizational performance is an outcome of improved team performance and productivity. To increase team performance, personal performance needs to rise. To raise the level of personal performance, the operations and practices of the organization must be supportive, integrated, and aligned.

For instance, Total Quality Management (TQM) at first glance was seen primarily as a change in an organization's technology and its way of doing work. In the human

services, this means the clients are processed the service delivery methods applied to them and ancillary organizational processes such as paperwork, procurement processes, and other procedures. TQM was also a change in an organization's culture, the norms, values, and belief systems and how organizations functioned. And finally, it was a change in an organization's political system (i.e., decision making processes and power bases).

Other key considerations had to do with alignment among various organizational systems. For example, human resource systems, including job design, selection processes, compensation and rewards, performance appraisal, and training and development had to align with and support the TQM culture at that time. Organizational structure and design was definitely different under the TQM system. Management could possibly be reduced and organizational roles were most certainly changed. In particular, middle management and first line supervisors were operating in new ways.

In designing a comprehensive change process, the leader had to acknowledge the existing organizational culture (norms and values, managers' leadership philosophies and styles at all levels) to ensure a good fit. TQM had a need to be congruent with or aligned with other organizational processes, including reward systems, financial & information systems, and training systems.

The study of planned organizational change has, with very few exceptions, were viewed as an episodic activity. . When change is seen as an episodic activity, it has a beginning, a middle, and an end.

Some experts have argued that organizational change should be thought of as balancing a system made up of five interacting variables within the organization people, tasks, technology, structure and strategy. A change in any one variable has repercussions on one or more of the others. Again, this perspective is episodic in that it treats organizational change as essentially an effort to sustain its equilibrium. A change in one variable begins a chain of events that, if properly managed, requires adjustments in the other variables to achieve a new state of equilibrium.

Another way to conceptualize the episodic way of looking at change is to think of managing change as analogous to captaining a ship. The organization is like a large ship traveling across the calm Mediterranean Sea to a specific port. The ship's captain has made this exact trip hundreds of times before with the same crew. Every once in a while, however, a storm will appear, and the crew has to respond. The captain will make the appropriate adjustments meaning, he implement changes and, having maneuvered through the storm, will return to calm waters. Managing an organization should therefore be seen as a journey with a beginning and end, and implementing change as a response to break in the status quo and needed only in occasional situations.

The knowledge a manager has caters to the critical issues of organizational adaptation, survival and competence in face of increasingly discontinuous environmental change. Essentially, it embodies organizational processes that seek synergistic combination of data and information processing capacity of information technologies, and the creative and innovative capacity of human beings.

Today's business world does not put a premium on playing by pre-defined rules but on understanding and adapting as the rules of the game, as well as, the game itself keep changing. Examples of such changing business rules, conventions, and assumptions are suggested by the emergence of virtual corporation and business ecosystems.

Managers need to develop a greater appreciation for their intangible human assets, captive in the minds and experiences of their knowledge workers. Without these assets, companies are simply not equipped with a vision to foresee or to imagine the future.

Always make sure to, first assess preconditions and current state of the organization to make sure the need for change is clear and that there is an appropriate strategy. Leadership styles and organization culture must be congruent, if not implementation should be avoided or delayed until favorable conditions exist.

And secondly, remember that change can be a difficult, comprehensive, and long term process. Leaders will need to maintain their commitment, keep the process visible, provide necessary support, and hold people accountable for results. Use input from stakeholders, as possible, and of course, maximize employee involvement in design of the system. I believe that strategies will persist as guiding forces for organizations seeking to manage necessary change in the coming years. Strategy has been valued by managers for centuries, originating in military use. As organizations seek to win decisively in increasingly competitive fields, strategy will become increasingly important. Managers have to aggressively define their competitive threats and opportunities, build up their weaknesses.

In the interim, we can ask the question, can an organization ever be too lean, too flat, or too flexible? The flattening and loosening up of organization structures have the primary purpose of enhancing competitiveness by increasing speed, reducing cost, and increasing quality. Like all good things, however, there may be a point of diminishing returns. An organization may, at some point, need more management levels, more staffing, and more centralized staff services. More levels may provide more perspective in high-risk decisions, (and perhaps slow down the pace of action), improve integration of scattered management units represented through wide spans, and provide bite size steps in developing managers.

Perhaps the most important thing worth repeating is to involve employees in the decision making process, at whatever stages and levels possible. Create an atmosphere of amnesty, so workers and managers feel free to share improvement needs. Tell people what the quality standards are so that inspection and review is not necessary. Emphasize feedback and both quantitative and qualitative performance tracking. Make sure quality teams have the necessary tools and resources, such as training, facilitation, and time to meet. In large organizations, regional offices in particular will probably need lots of support in order to keep the process alive and thriving.

In the words of Marilyn Ferguson, American Futurist:

"It's not so much that we're afraid of change or so in love with the old ways, but it's that place in between that we fear... It's like being between trapezes. It's Linus when his blanket is in the dryer. There's nothing to hold on to." _____

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