

Organisational Change Management And It's Importance To Global Business Strategy'

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ABSTRACT

The subject of 'Organisational Change Management' has been occupying a focused area for business managers as well as Management Gurus since the beginning of 'Industrial Revolution.' Research work done by experts such as Peter Drucker, Maslow, wroom have lived their effectivity time-zones moving over to cross National (Beyond Global Considerations) management of changes in view of extremely diversified aspects of economical, political, technological and most importantly cross cultural aspects. Majority of the situations today including the Global Warming Vs Sustainability issues are obviously created by human factors.

In conventional aspects the organization change management was referred to as "A process of bringing about relatively enduring transitions / transformations / alterations in a given state of an organization in totality or in parts with an objective to achieving greater viability in the context of emerging business environmental developments" (Ref. Case studies in strategic Business Management: by Johnson & Striekland. 9th Edition Mcgraw hill Publications)

The paper attempts to analyze each of the implicit and explicit meaning and their relevance to the present day volatile environmental situations across the globe threatening to change the very fundamental definitions of growth and sustainability in Business Management. It is also necessary that the students of MBA studies (who unfortunately are not conversant with the changing business environment as up-to-date on account of their adherence to the syllabi and examination oriented approach of our present day education systems.)

The paper also attempts to emphasise on the real and correct understanding of various definitions of strategic change management. Today's complexity of business environments is whipped around by constant attacks from socio-political and socio-economical (Including technology) and ever growing consumerism across all perceptions of understanding the dimensions of market forces.

To day the business world seems to be the most confused lot with all major players like the entrepreneurs, the investors, the customers, the vendors and employees in a state of 'haze' which like a thick fog disallows all logical expectations. The changes happening around in any aspect of the global business environment, be it the economy, the technology, the people and to add up the climate change hazards, are in an unpredictable mode. What the world understood so far that changes were predictable or periodical in nature based on well known theories in business economics and other guidelines. This has lead to a sense of self disbelief amongst all experts who once in the recent past were applauded as stalwarts or masters on their turf.

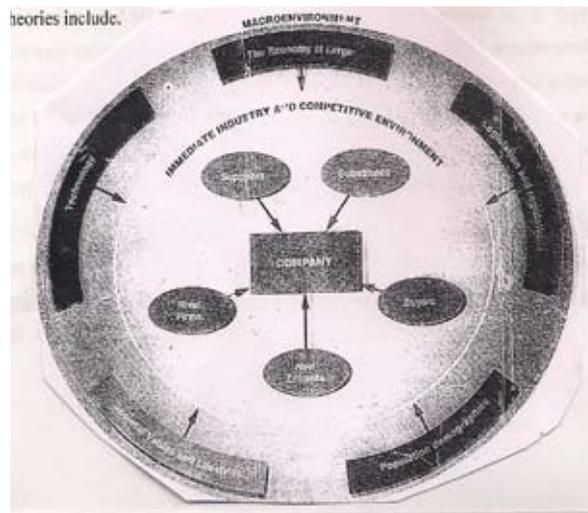
Every possible aspect of Business Management and its sustainability and growth have so far been dependant on intellectual capital's capability in meeting its stake holders interests, (may not be optimized at all stages and

phases of globalised business activities.)

The unpredictability of the changes and also their unpredictable attributes and characteristics have made every one feel less confident in futuristic objectives, plans and results.

To days ‘Change’ in its likely perception leads us to understand the term ‘Discontinuous Change’ and change as an “illusionary aspect” of awareness. Excepting for physical (including chemical and biological) laws of nature and basics of definitions of political and economical and geodynamical laws, which we understand and experience through our existential assertions. Every thing else seems, to have become ‘irrational’ and ‘unpredictable’ even in normal sense of ‘cause-effect’ principles. Let us for the sake of attempting, some clarity of view through this Haze, analyse individual window views for the Management of change in the Globalised scenario

The aspects of external environment as explained through the popular environmental scan theories include.



1. The economy (global / local) – balancing act / disappointing trade interventions
2. The state or politics (Domestic / international) – regulatory environment
3. The Society (sons of the soil) – respond / reactive
4. The technology (Hightech / lowtech) – catalytic / neutralistic / catastrophic

Now let us understand the term “Management of Change” in each of these major elements of the Business Environment.

1.0 ‘MANAGEMENT OF CHANGE’ IN THE ECONOMIC ASPECTS OF BUSINESS ENVIRONMENT

The term ‘Economy’ in terms its scope and relevance and applications are normally represented by the GDP / GNP, Balance of trade, the Fiscal and Monetary policies of the Government, measured in terms of inflationary / deflationary trends in the prices and consumption of goods and services. There are other parameters of explaining economic aspects in the broader sense of understanding of the relevant environment to specific businesses.

We have been hearing of late, very emphatically, terms such as ‘Global Depression’ and comparison to the great economic depression of 1930’s. Also trying to understand the expert opinion as to how long it would take the major economies to pass through the bottom of the curve. Some expert says that it would be a ‘V’ shaped recovery and some extrapolate it to be a ‘W’ shaped movement to recovery.

It was only in the mid or even second half of 2008 that we suddenly started hearing loud ‘cries’ and ‘alarms’ at an impending ‘Global Recession’ and also that this time around it is going to be more severe than of 1930’s on account of involvement and mutual dependence of economics of all nations and continents.

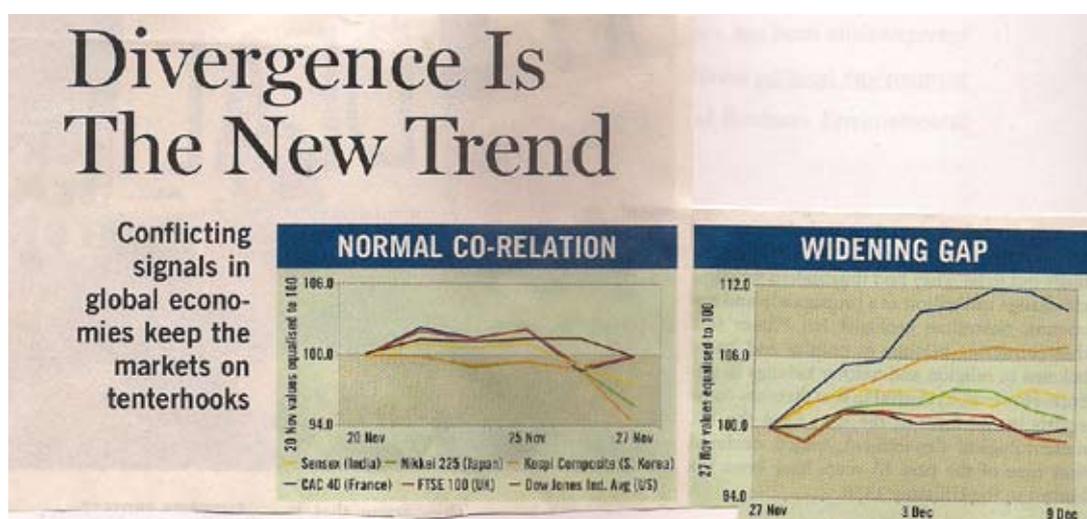
For a modest business enterprise, the ‘change’ or difference between an ‘V’ type or ‘W’ type recovery makes less sense and leads to confusion when he is still at understanding the ABC of Business Economics but are defi-

General Management

nitely influencing the business and activity around him of which he is a stake holder.. He is more confused in not being able to understand and correlate the theory he learns to the reality in business economics.

It is also not very clear whether it is ‘because of’ or ‘in spite of’ globalization of economies or on account of certain mis-adventures of world leaders in banking, industries, the cases of sub prime lending by US banks and vulgarity in consumerism, the ever spiraling greed of the rich, who apparently did not understand or care for the consequences of their life styles. All these aspects appear to lead to confusion in not knowing ‘The cause’ for ‘The effect.’

We have also seen major companies like the General Motors, The Chryslers, The Fords and even the Japanese giants such as the bench marked Toyotas and Hondas ‘biting the dust’ within a span of 6 months, about whose ‘laurels’ of achievements we were used to hearing not so far in the past. This definitely cannot be called as an ‘Economic Earth-Quake or Economic-Tsunami’ which we believe cannot be accurately predicted except for the consequences the affected have to bear upfront.



What has caused this sudden change is not clear, leave alone the students and faculty of MBA but doubt whether the stalwarts in global economy have all got a clear understanding of such as un predictable economic upheavals. Confusing and contradictory statements about the Economic Recovery are being made day-in and day-out by experts around the world. Some say it is a “Jobless Recovery” and others say that ‘Worse is yet to come’ and some have already recommended to withdraw “the Economic Stimulants” offered to business and banks by the Govt. since the economy has already recovered??

So for an issue for ‘change’ management what should be the reference point? We hear of people being rewarded with “Man of the year” award (American Finance Secretary Mr. Bernanke) where as the American Economy is still in deep trouble in terms of record levels of “Public debts” and “Unemployment”. Besides what happens to the steps taken by the countries such as India and China who as we hear have successfully bucked the economic crisis and racing towards record levels of growth in Industrial Production and other indicators of Economic Growth.

Hence in our opinion the global ‘Economic Environment’ is quite ‘Dusty’ at present and steps for Change Management need to be initiated accordingly. Only short term measures to avoid immediate impact need to be initiated to protect the Individual economies from getting barren and non productive, rather than taking steps from long term points of view since the dust has not yet settled down. It is okay to undertake time tested initiatives (as propounded by J M Keynes in 1930’s) such as states intervention through providing financial stimulants and supports and undertaking policy decisions to contain bankruptcy and Flight of Capita

2.0 THE POLITICAL ENVIRONMENT

Now let us look at the other important aspect of Change Management through the “Political aspects of Business Environment”. Politics and (even though politics has been misinterpreted as a bad word due to incompetent

handling by few for selfish motives) political environment always plays an important role in both domestic and international Business Environmental Changes.

Throughout 1980's till today we see the exodus of intellectual capital from developing countries to developed countries to undertake menial and routine jobs which the rich nations and nationals could not afford due to 'dignity of labour' and 'associated costs.'

Every potically influential person both from developed and developing countries has initiated steps which provide for easy export of such 'talents' from industrially backward to developed nations. And the politicians of poor countries have also considered this as a great opportunity to export intellectual talents and the 'repatriated payment' as 'export earnings'. These decisions are politically motivated and economically focused, have resulted in poor countries as providers of human resources to the rich and have become extremely dependant (like 'slavery') on rich countries, to provide opportunities to export more of such human resources to these countries at cheaper costs. Even if we take the BPO's, Call Centres etc. in the guise of 'knowledge management' opportunities, we are submitting our youth to undertake routine 'Robotic' type of jobs which along with 'high salary' packages (not so high for foreigners) provide for deteriorating social values and 'killing creativity' of the educated youth to 'Bench Jobs' and "Slog Till you Die" or "Get Mad" demands on their physical as also social life.

The politicians are happy that the educated youth gets employed in BPO's, KPO's, Malls and Multiplexes and the poor of the lot, the rural mass offers themselves willingly to be, as mere physical resources. We talk often of 'Inclusive growth' politically without understanding the quality levels of our policies. The rural population is being deprived of their meager resources for two square meals and shelter on top. On the contrary the rural youth is getting attracted to 'easy life' in cities like in BPO's and malls etc. resulting the rural poor neither having a "present" nor be hopeful of "future".

And can we 'Manage Change' under such a politically maneuvered environment (Remember the 'WE CAN' slogan of Barrack Obama). We need to understand the basics of 'Quality of Life' and 'Happiness and Satisfaction Levels' by discouraging 'consumerism' at all costs and consequences. (Today even at holy places like the holy kedarnath and Badrinath 'Kurkure's' and 'Lays' are offered as 'Prasad' for the devotees by vendors and priests.)

While we need to get rid of diseases, illiteracy, superstitions and provide for better living conditions for our poor, our politicians are busy grabbing the 'lands' of the poor for creation of the 'SEZS' etc., on the fertile soils of the farmers. We are fed up to read of spate of 'suicides' by farmers and volatile demonstrations against land grabbing for SEZS.

The students of management therefore need to study all these aspects of the political environment around and understanding changes required to ensure longterm happiness and improved quality of life. Only then will the definition of 'change' and "Change Management" become clear to the youth of poor countries. As a natural reaction and consequence in few cases we see examples of IIT and IIM students already undertaking "Entrepreneurial" challenges by rejecting high paying jobs from global MNCS.

The political environment is also plagued by 'fundamentalist approach' of not only from Islamic fundamentalists but even in the biggest democracies of India and America 'The Black, White, and Brown' discrimination also continues, Besides apartheid like tendencies in the down-under Australia. The least said is better of the fate of African countries and the respective political misdeeds.

Hence what 'Change' and 'Change Management' means under such a highly 'polarized' Potical Environment which definitely influences Business World around needs to be correctly understood. (Only few years ago we heard the top management of Orient Express group of USA calling Indian TATA's as 'Euede-Colon' compared to their Champaign Fragrance and perfumes). Every one of course cannot have the strength of TATA's to bare all the political turmoil. The "Singur" episode is fresh in the minds of every Indian giving rise to frustration and disgust feelings against 'political' influence and 'exploitation' of mass movements. The same political group now wants to initiate steps which they themselves vehemently apposed few months ago.

While we agree that 'Change' is the only constant' but such unpredictable changes bring in confusion to any logical approach towards 'Management of Change'.

There can be no school teaching "Management of unpredictable and discontinuous change". The best, one is tempted to do under these circumstances is rely on great uncertainties of life and continue to work without expecting any sustainable (remember the Bhagwat Geeta) results from longterm points of view. Well as it appears pessimistic, the process of globalization and related political interactions between countries has helped perhaps

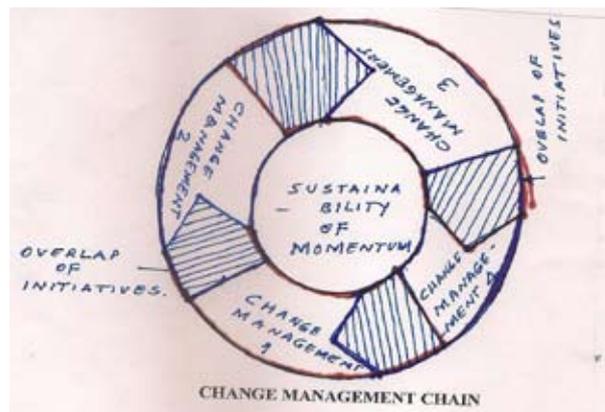
General Management

in reduced Gap between the dominant players trying to own the 'World Order' and are required to sit up and listen to the poor and emerging countries who provide them with men and markets for survival.

3.0 THE TECHNOLOGICAL ENVIRONMENT: -

Yet again in the Technological aspects of Business Environment we see changes which are subject to conflict and contradictions.

Even through the scientists around the world are out to reproduce the 'Big Bang' effect through the 'ATOMIC COLLIDER' the world around is plagued by arguments such as resistance to exploitation of earthly resources to limit the CO₂ emissions. We paid generations worth of money and efforts to establish technologies to produce goods and services to make believe that, these lead to improved quality of life of the species in the world And today we are forced to suppress or withdraw the same to save the Planet Earth from deadly disasters of the consequences of Industrialisation and the 'sickening' debates on Environmental Protection ("The Copenhagen Conundrum") requiring to spend more money on withdrawal of the technologies we cherished in the 20th Century. We have today the 'hybrid' cars, the no frost refrigerators, the use of alternate source of energy as predominant over any other issues which bother humanity and other species in the world. One wonders whether this act of reversing focus on issues is due to human endeavour or is the 'multimillenia changes' which need to happen in the universe as desired by Nature (or God). While quite a few species have become extinct from the world, new species like the swine-flu and bird-flu viruses are galloping their progress around the world as facilitated by intense human nearness and interaction for maintaining global business needs. Besides we are yet to experience the shocks of 'cloning' and stem cell research.



The other classical example is the fight between 'organic' and 'inorganic' farming and foods and the 'safety' and 'hazards' of their usage. The common man is really confused and to a greater degree disgusted with the effect brought about by technological changes.

We can take for example any product or services developed for usage through technological progress. Even product such as Mobile Phones, Television sets, besides hybridization of products are potential destroyers of sustainability of life on this earth and the creators of such products are also aware of their catastrophic consequences.

There are also scientists and professors who are basically opposed to the 'Measurement of Change' in the environment, they maintain that nothing has radically changed to be a cause of such a great worry for our planet. To support they give examples of such happenings in the past (in several million years). This change in Technological Environment appears like a mirage we all are trying to 'Catch up' with. We create certain things and put in more efforts to extinguish the same at a later time period. It is a vicious circle of changes, we have gained may be on removal of certain fatal diseases, in closing global distances, better utility of our senses, but equally we are presented with 'sudden death' situation as well as a consequent result of our past deeds (Good or bad we did not know).

Hence Technological changes may need to be understood as "feeding fodder" to the Godzilla called science and Technology which creates products and services for a limited period of utility but not guaranteed for 'eternal'

utility and sustainability. Hence needs to be defined by situations and boundaries and may have to have 'shelf life' prescriptions. To day the 'End Of Life' usage clause has already been introduced in the norms for 'Auto' Industry and the responsibility for biodegradation of 'scrap stage' product has also been thrust upon the manufactures of automobiles and is equally stretchable to all products and services. As much of variety of food we have created so much of variety of digestive medicines are required to be made available for our basic sustenance and survival.

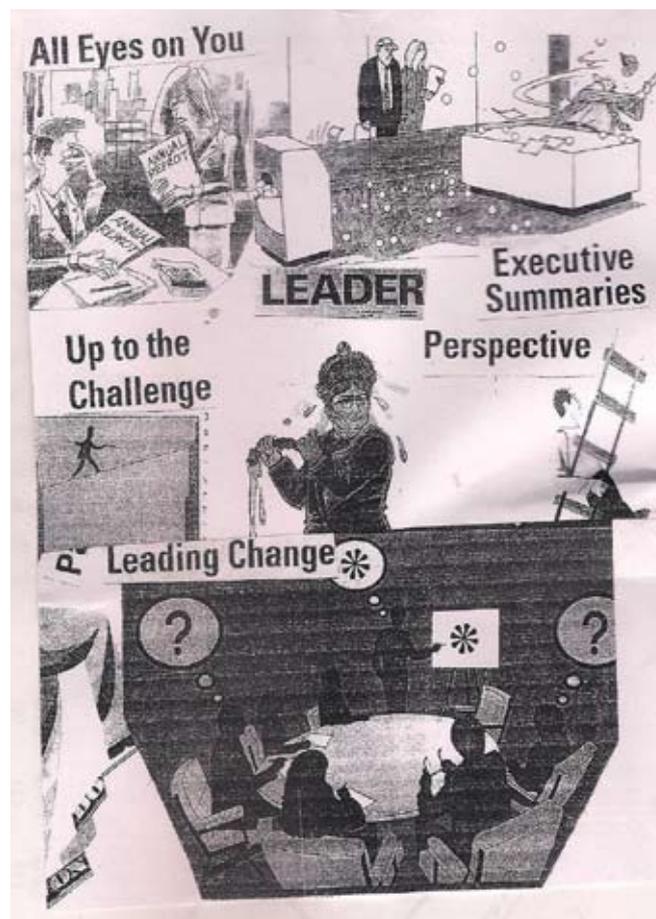
So we come to a broader understanding that "Change is not only a constant but needs to distroy it self periodically for sustainability of the planet". The students should therefore need to focus on situation needing to change and the 'Shelf-Life' concepts of products, and services. 'The change needs to change periodically' is perhaps the universal phenomenon.

Hence the theories and practices (prescriptions) of 'Management of Technological Changes' need to be situational, time-bound (shelf-life stipulated) and they need to perhaps undergo a metamorphosis (perhaps destroy themselves) to be of any use to Long term 'Sustainability' situations or provide alternatives for perpetual and eternal recycling in the business of 'Change Management'.

4.0 THE SOCIAL AND COMMUNITY ASPECTS OF BUSINESS ENVIRONMENT

Now let us come over from metaphysical dimensions to real life situations of understanding the Management of change.

In the conventional definition of "Change Management" we deal with mostly functional issues and behavioural aspects of Strategic Management. We have terms such as Strategic Human Resource, Strategic Finance and Strategic Marketing Management as key aspects of Business Management and in each of these areas "speed, Quality, and costs" are the critical success factors (The CSFS) or the key drivers depending on ones strategic



objectives or strategic positioning issues. In all these functionalities we engage our discussion on the quality of leadership including the foresight and fore thought (Thought Leadership) as prime / critical attributes of a good leader or a successful enterprise. We again have a list of attributes of an effective leader (which changes over

General Management

periodical intervals). We have a list of highly successful business houses based on their performance parameters (The Fortune 500's), but how many of these have gone in to the oblivion for failure to understand and manage change. However the Management Gurus and the respective schools of thought have stuck to the age old theories and practices, excepting for, cosmetic changes in their attempts to be rather semantic than addressing realities.

To day what we need to emphasise as the long-term, are the consequences of change Management rather than mere managing changes brought about by styles of management, be it, in products or services. The main objective of any change from real long term points of view should be to be extraordinarily proactive and include the after effects and long term consequences of the change Management process from wholistic and global perceptions.

A change however important and urgent could serve mainly the business interests in the short term, and in case it leads to an U turn and an end of the road situation, if we don't include the consequences of Change Management process as 'Preventive Process' in the perpetuative process of Change Management. The business history of our world is full of examples of such changes and change management strategies which have ultimately lead to catastrophic consequences such as the "Environmental Degradation" which is pregnant with the apprehension that a major catastrophe for the life it self on this planet is about to happen not in distance future but at our door steps.

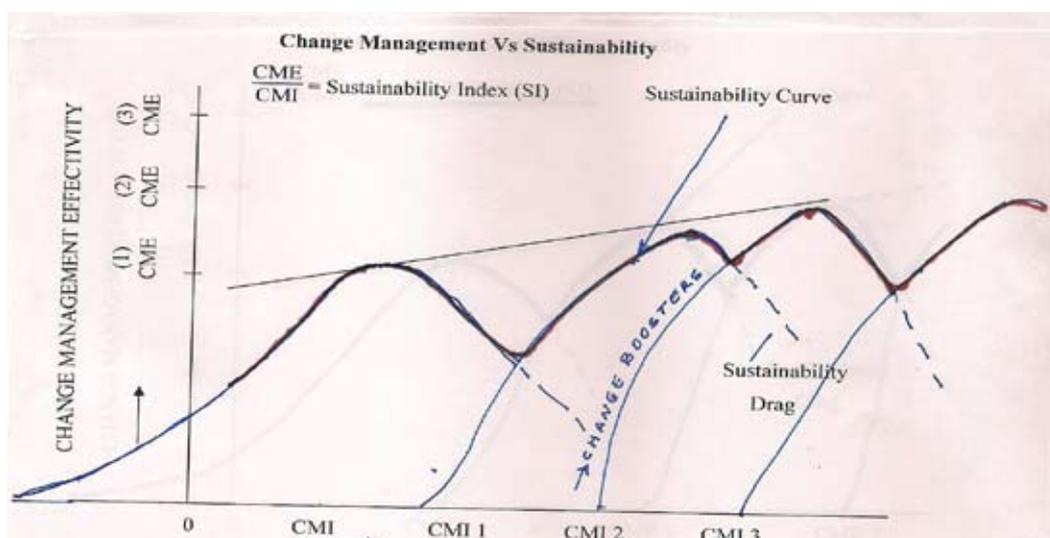
The authors based on the above narration have been able to perceive a process where in the Management of Change goes beyond known boundaries or factors of Business Management. The real Management of Change should be "Management of the " Value Chain of change_Management" which occur in succession and the weakest-link of the Change Management_Chain leads to failures in Change Management effectivity in the long run. Hence the process of Change Management and its effectivity on sustainability by subdividing into individual link of Change Management Chain, might avoid or reasonably delay the 'U' turn or the dead end situations.

5.0 THE CONCEPT OF 'SUSTAINABILITY' THRO CHANGE MANAGEMENT

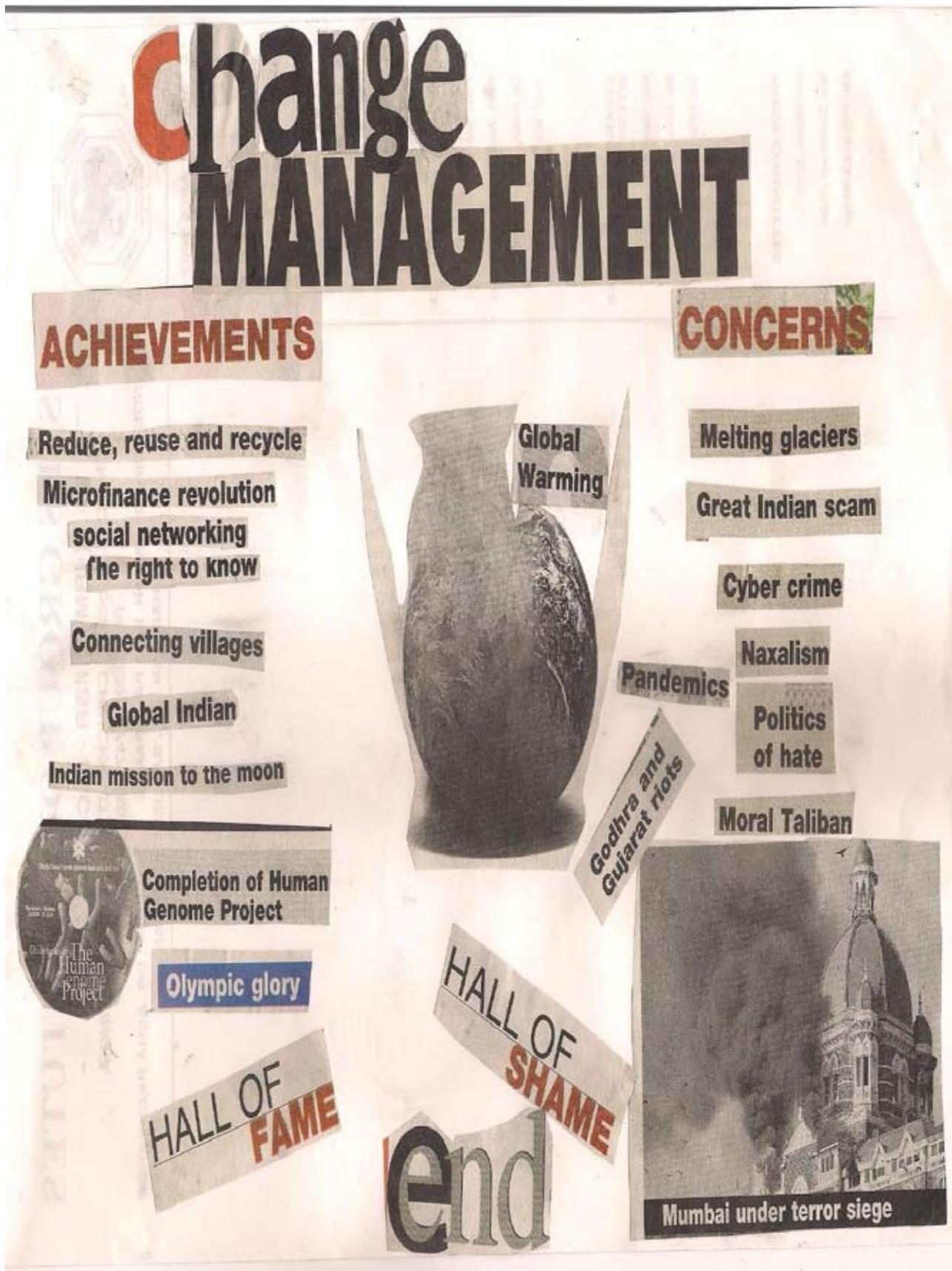
In a very broad term we understand 'sustainability' as the survival and sustenance of all types life. On this 'Planet' earth with adequate security, surety and satisfaction.

In view of the 'Environmental' scenario seen earlier in this paper, we need to be very careful in understanding 'sustainability' under unpredictable and discontinuously changing parameters.

As per laws of physics the action and reactions are equal and opposite to each other. With the same logic 'resistance' to change or resistance to sustainability (achieved through Change Management initiatives) needs essentially 'Boosters' to withhold the drag or fall in the sustainability indices. All effects of todays changes bring about resistances over a long period of time. Hence besides Change Management initiatives we need to positively introduce (Effectivity Boosters) at periodical intervals to arrest the drag or fall in sustainability. The Effectively boosters (a mix doze of all aspects of antidrag elements, such as Economical, Technological Political, Social etc.) may not necessarily restore sustainability levels but will definitely prevent the 'free fall' of essential elements of sustainability. The following trend graph will explain this concept.



It is therefore necessary to focus more on periodical effectivity boosters to ensure effects of Change Management and the expected levels of sustainability.



RECOMMENDATIONS AND CONCLUDING REMARKS

The authors wish to clarify that even though the paper appears to high light the ‘failures’ of ‘Change Management’ efforts, they are equally aware of the enormous amounts of progress and improvements made in all aspects of ‘socio-economical’ and ‘socio-technological’ factors leading to amazing results. The world today has become a honeycomb of activities with higher levels of involvement and interaction between nations creating a ‘Global Society’.

However the necessity of ‘Change Management efforts’ has become all the more urgent in view of the potentially catastrophic elements seen on the sustainability horizon.

It is necessary therefore to emphasise on the younger minds of the students by including subjects and topics on every element of Business Environment in the updated dimensions and understanding the potential risks of unpredictable and discontinuous changes.

‘Change’ and ‘Management of change’ in the background (or foreground) of risk evaluation should form the definition and concept understanding.

The authors hope that the paper is of use to the faculty and students of B-Schools, including technocrats from Industries, because the sustainability index as derived and described in the paper would be of help in ‘Innovation Management’ as well.

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