MANAGING STRATEGIC CHANGE FOR ORGANIZATIONS

Samin Rezvani  
Graduate School of Management (GSM), Multimedia University  
Persiaran Multimedia, 63100  
Cyberjaya  
Selangor Darul Ehsan, Malaysia  
Email: rezvani_samin@yahoo.com

Goodarz Javadian Dehkordi  
Graduate School of Management (GSM), Multimedia University  
Persiaran Multimedia, 63100  
Cyberjaya  
Selangor Darul Ehsan, Malaysia  
Email: goodarzone@gmail.com

Armin Shamsollahi  
Graduate School of Management (GSM), Multimedia University  
Persiaran Multimedia, 63100  
Cyberjaya  
Selangor Darul Ehsan, Malaysia  
Email: ashamsollahi@yahoo.com

ABSTRACT

This article explains about the how firms can change their strategy and how they can be profitable in current modern world. Change is unavoidable for the firms these days. Organizations use the permanent vision of change as they power to compete in an progressively more competitive and globalized economy. Nowadays constant change has become an essential need for those firms and companies and, need move toward to put into operation the required changes to the organization’s structure to enhance their quality and service. Changing must be appropriate and purposeful. In this paper subject such as how they face to barriers and also the step of this aim
in this paper will be discussed. This article provides a brief overview of the history of change theory, followed by a discussion on differing change agent strategies and techniques to managing change and stability in organizations, including an introduction into the emergence of role of the change agent, a discussion of the implications for agents of change or stability, moreover discussion of the need for anticipating how people will be affected by change is also included.

KEY WORDS Organization, strategic change, management, competitive environment, tool

JEL CODES O32, O44, L23

1. Introduction
Firms and companies all are living in a moment which the speed of change is so high that we begin to see the present when it is already disappearing. The definition of change refers to cope progression of touching from an unacceptable present state to a preferred state (Beckhard & Dyer, 1983). Nowadays organizations take advantage from strategic change, so they must adjust themselves with new condition if they want have profits. The challenge for today’s managers is learning to manage change successfully. With the purpose of remain competitive in the long term, enterprises are required to assume compound changes with increasing speed, effectiveness and success (Arnaboldi & Azzone, 2005). In addition, in strategic management change we have planned change that means consequences from on purpose challenge by managers to progress organizational function if persons, teams, or organizations won’t adapt to change in the specific time they are doubtful to survive (Edmonds, 2011).

According to Churchill (1983), five main stages of development have an effect on a business’s expansion. There are existence, survival, success, take off, and resource maturity. If an organization moves from one step to another, it must adjust to the challenges of that phase (Churchill & Lewis, 1987). Organizational change is the procedure by which the organization moves from its current position and state towards some future position as a way of raising its overall usefulness. The management of change is a difficult development, which according to Larkin and Larkin (1996) is something which many organizations find incorrect. Change in definition means create anything that is different from the past, but innovation is adopted for the new ideas. Researchers believe that innovative organizations are organizations that are generally attributed to changing customer needs, changing skills of competitors, changes in the spirit of community, government regulations, international trade and react to change in conditions, and in revised form and how its products are changing their. Sometimes it is hard to convince employees to accept change and it takes time that they adapt themselves. All the people know that it is not a simple evolution. Failure can make loss of market share and position and reliability with stakeholders as well as decreased morale among management and loss of main employees. Structure and Control Systems are the most important factors of strategic change. But most of the time top
managers may adjust strategy but performance and assumptions stay same as before, with the consequence that change program tends to be unsuccessful (Pfeifer, Schmitt, & Voigt, 2005).

2. Brief History of the Change Theory

Changes subsist in the environment together in the external and internal environments. If organizations want to be to achieve victory they should be able to spend energy on investigating on primaries questions to them. Individuals have an important role in this decision, I mean changing. Lewins’ change model is very famous in strategic change management which provides a general structure that check up other thoughts about change. It has three phases which are unfreezing, changing, and refreezing (Lewin, 1947).

In this paper, brief explanation about the unfreezing, changing and refreezing will be presenting. First of all unfreezing means help people agree to that change which needed for the reason that the existing condition is not sufficient. Changing refers to involve rearrange of contemporary work norms and links to meet new needs, and refreezing goes to emphasize the changes completed so that the new ways of behaving become stabilized. “Since his early contributions, a large body of literature on the theory of planned change has developed, including strategies for overcoming resistance to change and for the process of creating change in a variety of organizations” (Bennis, Benne, & Chin, 1969).

The parameters that force the organizations to change are divided in three management criteria that respectively are: technical, political and cultural Technical factor goes to the force that happens for changing about technology and economic conditions. High-tech tools, changing interest rate and competition are the clear cut of examples of technological changes. Political element pass on to force on change bring about the issues related with power, influence, and the allocation of resources. As a clear example “who has authority, who is rewarded, and who decides how rewards and resources are allocated”. Cultural goes on to pressures for change produced by the values and way of life of People. As an example “demographic composition and cultural diversity of the labor pool and Societal values” (Tichy, 1983). The propensity for group presentation to move back to creative levels after a period of rapid change and considered stabilization hard work part of the change process. So, when taking all into consideration change, it is in the same way important to reflect on stability and its responsibility in the change procedure (Lewin, 1947).

3. Reasons for organization’s change

Usually, change is happening when organizations face to big crisis that could be internal or external or consumer behavioral which modify the firms’ setting, and also it can happen when the firm feel the need of face to change internally to achieve grate goal which is require big vision (Satler, 2002). Another factor that would push organizations decision to change is analyzing competitive position, and find a way for creating value for customers and be different from competitors. It is obvious that if they want to expand their strengths and opportunities and decrease their threats and weakness organization change is unavoidable. The most famous reasons that can be mention are like change the government’s regulation, mergers and acquisitions, changing for reach into global market, structural change or introduction of new strategy (Goll, Johnson, & Rasheed, 2007).
In fact change cannot manage totally, the organization should build up the capability and resources (Edmonds, 2011). There are also some managerial factors that can divide in three groups: technical, political and cultural. When the main focus is about technical factor it means using high-tech tools and technology based system in the organization which rising the competition between competitors. Political pressure pass on to subject which are power, persuade employees and customers and allocation of resources, and cultural parameter that goes to physiological factors and beliefs of employee that are different from each other and creating value to them can be mentioned as last but not the least (Tichy, 1983). Change needs environmental information and these information is being shared by employees, subsystems and also can be adapted and adjusted by firms staffs. Many organizations meeting point on a single factor of change project, as a clear cut of example, look at structure or strategy, while successful change programs, need a more complete analysis of all the elements influencing the final (Quinn, 1993).

4. Assumption of change versus stability

Preparing the environment of organization for changing and developing and have power to control the forces in positive way is called change agent. Each company and organization tends to change and continue changing in surroundings, so Knowledge should distribute over the organization and also the requirement for method of stabilization exactly like the process of changing. As I explain in previous paragraph change agent plays important role and it should be distinguish very well and the requirement for stability is the main parameter of growth (Lewin, 1947).

Sometimes, the functions of a change agent and stability will have common characteristics. Fundamental mechanism and roles emphasize on stability should remain still someone is attempting to change fundamentally. Actually, a serious changeable of organizational achievement is a leader’s capability to stabilize and continue the setting after the originally excited stage of new conception has subsided. Dissimilar behaviors or mechanisms to stabilize that change, the environment, nevertheless, will continue to change around this newly re-stabilized (Westover, 2010).

5. Requirements tools which organization’s need for change

Triumph in dynamic and active circumstances need a strategic realignment and increasing of technical, political, and cultural systems. Managers have three basic tools with which to achieve these kind of tasks: mission and strategy, organizational structure, and human resources management (Tichy, 1983). When an organization define its purpose and goal, and also have the aim of setting goal, rising action strategies and every things that refer to managerial processing require mission and strategy tools. Organizational structure refers to the ways which tasks are centralized and the way that employee is in step to overcome tasks and the process that utilize the structure of work. All the program of training employee, performance assessment and setting prize and financial rewards for them are passing on to Human resource management tools (Richards, O'Shea, & Connolly, 2004).
5-1 Using Strategic planning with the aim of organizational Change

First of all the aim of this part is to explain a definition of strategic planning. Strategic planning is methodical Procedure for managing organizations and firms. Strategic management takes the strategic planning for forecasting the organizational change. A successful strategic planning procedure for a company or an organization usually considered exclusively for that organization to assemble its requirements, (Berry & Wechsler, 1995). Strategic planning have some steps which Berry and Wechsler found some of them for managerial purpose and it will be discussed in following part.

- **Step One: preparation for the Strategic Planning procedure**

The subject of the organization or firm needs to achieve is very important and is the reason of doing this process. Totally this process happens in team work in the organization. The group director will employ the head of the arrangement commission who may be the organization’s chief planner, an assistant director, or a senior program manager with management and analytical skills. The member of a team must be a symbol of the major units in the organization, together with district or other environmental offices depending on the organization’s structure, since a necessary factor of good strategic planning is the close divisional statement that can effect from the meetings.

- **Step Two: clearing mission, vision and value**

Studies show that vision and mission are the most important parameters in organizations and they (organizations) should clear and obvious them. It means that making clear the Organization’s Mission, Vision and how to give value to customers play a significant role in firms. Usually mission show the purpose and goal of the firm and it should be short and memorable and also people can remember it. Value shows the culture of the organization’s employees and their behavior and how the people are satisfy with the services and product. Vision is statement that describe of what is organization look like and it is a core strategy and a future view.

- **Step Three: recognize Stakeholders and evaluate their needs and analysis**

Organization’s stakeholders are the key elements of each firm and company that can effect on the company and also effected by organizations tasks, and also may be they become the customer of the company and use the goods and services. Usually organizations have a large number of stakeholders which some of the play an important role and have their own comments and interests. Here it explains the reason of why stakeholders view is so significant.

Stakeholders are moderator of the quality of organization. In some case their opinions are different from the standards that the firm uses in the work. Pleasure of stakeholders is also important and the achievement is rising when their satisfaction is also increased. Strategic planners in the organization should recognize the internal and external stakeholders and pay attention to their opinions and ask them to share their experiences and beliefs about the organization.

- **Step Four: Identifying the External and Internal Environments**
Adapting with the change of environment that is external or internal is one of the key factors of strategic planning. Definition of external environment goes to recognize the threats and opportunities in the working environment. For the things that affect on organization’s task and future firm should examine the external environment and this way helps the managers for developing. Searching about demographics of your customer groups or market segmentation is one of the tool for being successful in this issue, and another is nationality of them or groups and community which they accompany in them. There are many other parameters that effect on the organization like political, economical, social, new technological methods and also the revenue and competition.

Companies should not forget that internal environment is also very important versus external environment. The strength and weakness of the organization is the parameter of internal environment. For classify the internal environment quality and quantity of resources play a significant role in organization and also core competencies of the firm are very important that consider in the strength’s point. Unlike the strong resources, inadequate resource consider in weakness of company or organization.

One of the significant parts of internal evaluating is the current strategy of firm and anticipating its future from its mission and vision. Swat analysis is another tool for clearing the opportunities and treats that can help in development of organization.

- **Step Five: recognize Strategic Issues**

  Totally the strategic management is an important problem in organizations. Stakeholders can analyze the swat and make a successful future for the firm. The mission and vision and value also can help the strategic points. “The Southern Growth Policies Board 22 advises organizations to consider the following questions: What is the issue? Why is it an issue? Who says it is an issue, and how do we know it is an issue? And what are the consequences of not doing anything about it?” (Frances S. Berry, 2007).

- **Step Six: expand Goals, Objectives, Performance Measures, and Action Plans**

  In every level of life setting goals and develop them playing significant role. It is obvious that in organizations also it is important and need strategic planning and also specific the purpose. The other parameter is objective. “These spell out the short-term and individual accomplishments that will lead to the overall goal achievement.” Objective is usually having connection to goals and you should consider the time and measure and at last the result.

- **Step Seven: work out and evaluate Strategies**

  For accomplish to the goals managers need strategy and also all organizations requires such as this setting. Strategy connects the organizations to external environment and helps them to develop and expand goals.“Strategy has some characteristic like political, economical, technological and moral and legal. Environments do not change in predictable ways, so the real challenge in crafting strategy is to detect the often subtle changes that will undermine the program, products or services in the future.”
Step Eight: execute and make Commitment to the Plan

First of all managers should check if executing strategy and making the plan, make a different in organization or not, if it does so they can take an action. Manager should find a connection between strategic plan and obtainable operation and considering cost and budget also in completion. “Managers can learn from the lessons of successful policy implementation and organizational change management, highlighted in the following implementation “proverbs”:

- Achieve early successes so organizational members see that change is Possible and that the planned activities led to intended purposes.
- Celebrate successes to reward employees and show clear incentives for undertaking the effort involved in organizational change.
- Promote the development of a “learning organization” where managers regularly assess program service and delivery changes.
- Work to maintain the spirit of the planning process — oriented to strategic Thinking and building a more united management team throughout the organization.”

6- Barriers of strategic change

There are many challenges and barriers versus strategic change, like culture and management, technology, strong competition, environment, structure, labor and employees and political issues that will be explain each parameter in below obviously.

The paramount barrier in organization versus strategic change is culture. The reason is clear. In the organization there is different kind of people with different kind of thinking.

Culture has a strong effect on organization’s strategy and also decision making between managers.

The definition of culture refers to attitude of employees and top managers in the organization that shows how they behave and carry out the business. Culture also can completely ruin everything in the firms. The treat of the employees, their respond and reaction to the new change is always had been the main problems that the firms are face to.

In adequate support between managers and also not pioneering in the management level are the things that happen when the problem is about culture and management. Team working is also very important in any project, so it is clear that when the team working is weak, organization face to problem with changing. The difference in culture also happens among different departments of organization. Learning programmed and teaching is the other parameter that helps the employee with different culture to adopt with change easily. It is obvious that by learning the knowledge level f the employee will enhance so that the main profit will go to firm because if the firm can enroll the new strategy goof enough all and specially this is the firm which can increase its strength over the other competitor.
New technology and product development required for strategic changing that cost a lot for an organization, so it is one of the barriers of change.

Strong competitors are also the big challenge for changing. The company should have a strategic plan for competing among it its competitors.

Environment is another parameter that plays a challenging role in organizations. The most important of them is lacking of understanding of customers and clients’ requirements. I can also say that uncertain strategic direction, insufficient concept of business environment, not to share the knowledge and problem among each others, poor vision and mission and goal setting, high speed of external change are the other factors that happen in environment barrier.

Structure of organization is also one of the barriers that limited performance, inadequate creativity and imaginative power, different moral patterns and competitions are the most paramount elements in the structure. Beside environment is the element that all the managers who think about the changing should consider while they are looking forward any change and recruiting any new strategy because without that no firms can overcome to its problems and they will remain due to the environmental effect, so environment should be considered with no doubt.

Labor and employee are the other issue of challenging while top management decides for change. Scarcity of support in changing is barrier, and also in some case they have not sufficient confidence for changing and unclear process is also confusing for personnel. They also confuse with courses and goals and lack of human resource department is also important. This factor also put evidence that how important is the data and the knowledge that director managers and strategist should have. The position and knowing the weakness and the threat that the firm is face to besides understanding the situation, considering the employee competencies and ability and also the scarcity of supply could are the issues that not knowing them will encounter the firms to the really harsh occasion.

Political issue usually happens between groups in organizations.” No willingness at the top to misuse power, Insufficient thought for socio-political feasibility, Delay for discussions on procedures and rules, Zero-sum approach to distribution of power and selective use of information” are play an important role,(Lorsch, 1986).

As it mentioned in previous paragraphs these are the challenges and barriers of strategic changing in organizations and firms.

7-Training for change:

Revolutionize actively involves “people”, it would seem usual to involve the HR task in any Projects or initiatives. We all know as much the Human resource department be well organized and knowledgeable that could not underestimate by the firm. The Hr core of any firm can understand the lack and shortage of the firm and also know who and where which employee can handle the firms needs and also in changing management who can use and flourish the changing strategy in aim of increase the return and thrive the company. “HRs may well be ideally placed, but despite their undoubted people
skills, many simply do not have the special skills required to manage change, nor should they. But it is their responsibility to take this on board and ensure that they nurture the right people to become change champions of the future. Ability for managing change should be taught and must be learning program for employee and also time training during the change management an changing strategy all thing that should be consider is how to implement and who has offered this strategy, if the person who has done that has the special ability or have enough knowledge that can measure and analyze all the aspect of this issue. That is a key parameter in the process of project and cost management.

An improved reception of change while keeping staff engaged is more likely to be achieved if someone understands how to put into action the theory of change. Stakeholder engagement is deep-seated to successful change and it is equally original to understand the function and content of a stakeholder engagement strategy, how to plan and execute effective engagements and how to provide a feedback and review cycle to adjust and improve influence. “Training in change management can help to provide a deeper knowledge of its principles. and an understanding of how to implement and manage change in an organization by increasing the ability of the firms of course with recruiting training for employees, firms can allocate their force and power in specific part of the firm and with this they can distrusted and develop the firms abilities and also the training that can be use not only for the enhancing the capability but also for using and implementing the strategic change in the firm,(Goll, et al., 2007).

Conclusion:

To put all into the consideration, the most important factor that is positive in the organizations in this era is that there will be more, not less, change, and studies declare that change is the only way that can help the firms to survive in this competitiveness environment. All managers should have an ability to manage such change. They must to have examination skills so that they can understand their framework of function. Moreover, judgment skills can use the knowledge to settle on what is about their circumstance and the suggestion of this for their change design, authority and interpersonal skills so that they can sell their change ideas to others.
Reference:


