The Impact of Change and Change Management in Achieving Corporate Goals and Objectives: Organizational Perspective

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Abstract: Change has become part of anyone’s lives as well as corporate existence. Most organizations faced with urgency of change in their daily operations however; their views on change differs. The main trust of this study is to critically evaluate the impact of change and change management in achieving corporate goals and objectives in the viewpoint of the organization. Specifically, it tackles on factors that causes the change that can either be internal or external factors; determine the types of change and organizational change; examine the positive and negative consequences of change. Moreover, it will shed light on the concepts and application of change management with the aid of the different change models; discuss in details how to implement an effective change management and the potential benefits that change management can offer to the organization. Any effort to change may face resistance so organizations should mechanize ways to minimize the resistance level, hence promotes a smooth transition of change. Leaders and managers have big role to play in instituting the change and they should serve as models to effectively manage the change. In order to implement a successful change initiatives, management and organizations should ensure that any plan for change should be aligned with the corporate goals and objectives as evidenced by different literatures in this study affirming the relationship between change, change management, and the achievement of corporate goals and objectives.

Keywords: Change, Organizational Change, Change Typologies, Change Management, Resistance to Change

1. Introduction

Change cannot be avoided when it occurs, hence it is unstoppable. The inevitability of change has made most organizations to adapt and consider it as part of the company’s existence. Viewing change can be defined and perceived differently by various authors. For instance, Armstrong (2009) has defined change as any changes in structure, management, employees, processes, and other related activities. Consequently, organizational change is regarded as the empirical observation in an organizational entity of variations in shape, quality or state over time (Van de Ven and Poole, 1995). Lucey (2008) stressed that, any change initiatives and efforts should align with the corporate goals and objectives to ensure organizational success. This means that management of change plays an important role in handling and responding to change effectively as well as counter the notion of resistance to change. Change can bring positive and negative impacts to organizational outcomes and because of this, the need to manage the change has become an urgent concern. Moreover, management decisions are dependent on how the change is emphasized and taken into consideration because of the influences brought by the internal and external drivers such as culture, leadership and organizational changes that is driven by economic, political, social, environmental factors and even business trends (Lucey, 2008).

The main trust of this paper is to evaluate the impact of change management in achieving the corporate goals and objectives according to organizational perspective. Specifically. It critically discusses the following topics: factors that impacts change; the types of change and organizational change; the positive and negative consequences of change; the concept and application of change management with the aid of the different change models; the ways on how change management can be effectively implemented and the benefits that change management can offer to the success of the organizations.

2. Literature Review

Change encompasses different dimensions and can be caused by various factors. According to the UNDP (2006), there are several factors that influence change and these factors directly and indirectly impacts the organization’s goals and objectives. Categorizing these factors into two, it can be described as internal factors that include technologies, operational changes and processes, internal laws and policies, conversion of government organizations to private enterprises, organizational modernization initiatives, changes in management decisions and others. While external factors include but not limited to stiff competitions between companies in the same industry, increasing pressures of globalization, political, economic, socio-cultural, technological, legal, and environmental forces (Lynn, 2001). Similarly, the research of Karmarkar (2004) has also highlighted the positive direct relationship between organizational change and the achievement of the strategic objectives of the organization.

According to the data provided by UNDP (2006), several factors influences change to occur as it affects directly and directly to corporation’s objectives. The two factors includes the internal factors or drivers such as change in operations, technologies, internal policies and laws, urgent call for modernization, management changes in decisions, as well as commercialization or privatization of previously held government organization. While external factors include the increasing demands of globalization, competition between companies in the industry, economic status, technological, political and social conditions that affects the goals and objectives of the organization (Lynn,
Organizational change is considered a major activity that can happen in many organizations. Change is so significant that, organizations should take into consideration like those changes that involves reorganization or an addition to new products or services. Another theorists of change is Professor Nut who introduced the three types of change namely: adaptive change, innovative change, and radically innovative change (Shivappa, 2015). Adaptive change encompasses the transfer of change from one organizational unit to another unit thus, it is a repetition of change through imitating the once adapted change. Innovative change on the other hand, is a change of idea or new ideas, devices or methods. Radically innovative change is a change that is considered the most difficult to attain because it has a tendency to threaten the administrative confidence, disadvantages to the workforce and in people’s lives in general.

2.2. Types of Organizational Change

The term organizational change is considered a major activity that can happen in many organizations. Change is so significant that, organizations should take into consideration like those changes that involves reorganization or an addition to new products or services. The Authenticity Consulting, LLC (2012) has identified the major types of organizational change to include Organization-wide Versus Subsystem Change, Transformational Versus Incremental Change, Transformational Versus Incremental Change, and Remedial Versus Developmental Change. The same were utilized in the study of Gantaand Manukonda(2014), thereby validating the type of organizational change prevalent in many organizations.

2.2.1. Organization-wide Versus Subsystem Change

Organization-wide change dealt mostly on major collaboration or rightsizing, and restructuring. Most organizations for instance implement the change that covers the different level in the business life cycle that may consider a change for example, from highly reactive entrepreneurial organization into stable and planned development(McNamara, 2006). Specifically, different authors and scholars emphasized the importance of cultural change as one of the main drivers of organization-wide change. On the other hand, subsystem change is a change that covers the smaller area of scope such as addition or removal of product or service, reorganization of certain change”. In a tabular format Gundy’s change typology is defined with examples in Table 1.

<table>
<thead>
<tr>
<th>Varieties of Change</th>
<th>Smooth Incremental Change</th>
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<td>Definition</td>
<td>Change which evolves slowly in a systematic and predictable way.</td>
<td>Periods of relative tranquility punctuated by acceleration in pace of change.</td>
<td>Change which is marked by rapid shifts in either strategy or culture or in all the three.</td>
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<td>Example</td>
<td>Organization culture evolving overtime.</td>
<td>Changing demands for products resulting from the advent of computer-based office systems.</td>
<td>Privatization of previously publicly owned utilities.</td>
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Table 1: Varieties of Change

2001). Research conducted by Kamarck (2004) reveals the direct relationship between organizational change and the objectives of the organization. His emphasis is dwelt on the importance of careful planning to assure the attainment of corporate goals and objectives as well as the ability to achieve competitive advantage. For instance, implementation of any change efforts requires coordination by all agents and members which should be built upon organization’s objectives such as for example, changes in management; plans and program, leadership, relationships and others that impacts both the management and the workforce.

Various studies investigate the impact of change to organizations and findings revealed that, changes that are planned for long-term reflects more positive contribution to the organization’s success than changes that are initiated for short-term and unanimous findings also suggests that, change that are intended for long-run purposes should be aligned with that strategic plan of the organizations (Cousins, et. al., 2008; Cai, et. al., 2009; Pollitt and Bouckaert, 2004). However, understanding the concept of change should be deeply internalized by the employees and management in any organization and one of those, is to understand the typologies of change.

2.1. Change Typologies

Organizations and societies often face with pressures for change, which are both internal and external in nature. External pressures include increasing globalization, communication explosion, political pressures, economic turndowns which may include oil prices, and others. While internal pressures encompasses the increasing level of education, improving socio-economic status, the desire to live a better quality of life, and others (Shivappa, 2015).

Change can be described in many dimensions. It can be continuous and incremental, discontinuous and radical, planned or unplanned, catastrophic or evolutionary, positive or negative, strong or weak, slow or rapid, internally or externally stimulated (Shivappa, 2015). Accordingly, Robbins (2005) posits that, change can be categorized into first order change that consists of evolutionary and incremental change while second order change includes the transformational, strategic, and revolutionary change. Evolutionary and incremental change refers to changes of small magnitude like finding ways to improve the present situations while keeping the general working framework (Blumenthal and Haspeslagh, 1994; Goodstein and Burke, 1991; Greiner, 1972; Levy, 1986; Mezias and Glynn, 1993; Nadler and Tushman, 1989; 1990). On the other hand, the second order change, the transformational, strategic, and revolutionary change emphasized the total change on its framework and they are called radical changes that seek to shape the organizations into new competitive advantage (Ghoshal and Bartlett, 1996; Marshak, 1993; and Hutt, Walker and Frankwick,1995).

Grundy (1993) has also introduced new models on change as he classify change into three types: (1). Smooth incremental change; (2). Bumpy incremental change; and (3). Discontinuous change also called as “frame breaking
department or new implementation of processes in delivering goods and services.

2.2.3. Remedial Versus Developmental Change
Transformational change consists of radical and fundamental change that may arise from change in organizational structure and organizational culture following the top-down hierarchical structure to an approach that requires large amount of self-directing teams (Beer and Nohria, 2000). An example includes Business Process Re-engineering that, mainly considers the major change in operational processes and methods that maximizes for instance the use and capabilities of computers and machines. Alternately, transformational change can also be called quantum change. While incremental change deals with the introduction of change in smaller scale gradually. Example of this includes the continuous improvement emphasizing on quality management processes or an implementation of new system that requires continuous processes and trainings to increase efficiencies. However, in some cases, the slower pace of the change cause some workers to not notice such change.

2.2.4. Unplanned Versus Planned Change
Unplanned change often happens when there is sudden and surprising event or condition that makes the members to react in a disorganized fashion. It is abrupt that everyone cannot take it immediately. For example, when the general manager suddenly leaves the company without enough prior notices which may cause the disorganization of functions and poor performance, malfunctioning of the operations as well as other unavoidable disruptions incident to the situation. Conversely, planned change exist when the firms recognize the need for major change and device a proactive plan to ensure the attainment of change like the well implementation of an strategic plan, reorganizational plan and others. This change is pre-planned and all the members are well-informed of the planned change.

2.3 Positive and Negative Consequences of Change
According to Petouhoff, et. al. (2006), although change can institute fear and confusion to organizations, it has also positive impacts both the employees and the organization as a whole provided that the management has carefully taken it due consideration. Manager’s deep understanding of change and its positive effects will help him evaluate the organization’s progress and development in setting policies relative to change management in the organization. The following are the positive effects brought by change as enumerated below:

- **Employee Confidence.** Realization and successful implementation of change in the organization enable a smoother experience of the positive consequences of change for both the employees and the organization. More evidence of the positive impacts manifest to the employees through their confidence relative to the management’s leadership in developing and delivering ideal management decisions. As results, employees are more motivated with confidence in carrying out their tasks and the daily decisions that makes things easier for them.

- **Competitive Advantage.** The organization’s flexibility and the ability to adapt quickly to the change will aid the firm to attain competitive advantage. For instance, when the competitors employed new systems to increase the efficiency of their operations, the quickness of the response of the organization in developing and implementing own system to counter the competitor’s action will practically sustained the competitive advantage. In other words, the organization’s edge of instituting the change quicker than the competitors will lead in the achievement and maintenance of the organization’s leadership in the industry.

- **Growth.** For companies to experience growth, it must embrace change as part of operational processes (Mosenkis, 2002). As demand changes in the workplace, employees cannot be held in statusquo because changes are evident for instance in technology, job requirements, changes in management set-ups and others. Moreover, the increasing demand for infrastructures to meet the changing needs of customers and even changes in the industry. It also include the change in manufacturing processes, new marketing concepts and changing demographics of the target market that forces the company to institute the needed change for growth.

- **Dynamic.** Dynamism is also a positive characteristic for the successful application of change initiatives when blend with corporate culture. To remain dynamic in the marketplace, the organization’s corporate culture should embrace change as part of the strategic plans and programs so that employees will continue to entrust their confidence to the management in managing change both the current and the future changes. Further, employees would feel that they can freely express their opinions and adapt whatever challenges because they believe that the company is dynamic and the atmosphere is open for any changes and are flexible, that according to Mosenkis (2002) can encourage more productivity and increased organizational performance.

However; there are also negative impacts of change to the organization. These negativities can be enumerated hereunder:

- **Resistance to Change.** While change are accepted by many, there are also members of the workforce that would likely resist to change. Resistance has become undeniable that cannot be ignored in any change efforts whether in individual level or organizational level. Todnem (2005), Fernandez and Rainey (2006) stressed that, resistance is an organization embedded phenomena
that exists in every organization and may happen individually or organization-level. The most common negative impact of resistance to change is the inability to achieve the organization’s goals and objectives. As an evidence, Burns (2004) opined that employees resist change because of fear that the change will contradict their personal interests and as defensive stand, they will prevent change to happen. They instead promote the idea of status quo for possible reasons: refusal to come out from their comfort zone; comfortability of the present job; refusal to be developed and improved and, the fear of the unknown.

- **Incompetence of Change Agents.** Change cannot be underestimated. Any plans for change should consider evaluating the readiness to implement the change. Thus, it requires people who have the adequate knowledge and expertise to manage and oversee the change processes. Cameroon (2008) for example, pointed out that, new managers and leaders employed in the company lacks the mechanism to institute the needed change and usually promotes their self-will at the expense of the interest and welfare of the company resulting into failures and misunderstanding between the management and the employees. Moreover, it will lead to employee turnovers, losses in sales and miscommunications of right decisions.

- **The Status Quo Concept.** One of the barriers to implement the needed change happens when the management along with their employees are comfortable with the current performance without any plans to improve. The drive to enhance the performance for the better has lost its significance that anybody in the organization may refuse to learn new things. Orig (2003) revealed in his study that, employees in many organizations ignore change when such change do not promote their own interests.

- **Selective Perception.** Employees usually appreciate change when it has direct and indirect impact to their personal goals and objectives. They often ignore the importance of changes for the welfare of the organization from where they derived their income and means of living.

- **Lack of Information.** Often companies struggle in properly communicating any efforts for change. No matter how good is the change plan but if not communicated to the workforce and the organization, its effectiveness is questionable and employees less likely to participate to the change efforts.

- **Lack of Management Support.** The success of the change plan is dependent on the top management and the shareholders’ response relative to its implementation. Many companies consider change as a waste of time, money and effort so, they are not convinced with the positive impacts of change (Bow, 2011). They failed to realize the importance of achieving organizational success if the change is aligned with the corporate’s goals and objectives.

### 3. Change Management, Its Concept and Application

Kotter (1996) stressed that, change is mainly influenced by the increasing demands of globalization that affects all corners in the aspect of business and human life situations. The concept of borderless conduct of businesses have made companies and institutions to accept change as vital to survival. According to Wiggins (2009), change management is an integral part of once life and much more for most organizations. The concept of managing change in acceptable and ideal level is needed by companies in order to ensure the success of the change process and implementation. Therefore, the successful management of change shall gain competitive advantage both nationally and internationally. Rouse (2006) stated that, change encompasses a framework for managing changes in the business processes like new processes, changes in organizational structures or organizational culture changes in a given business. Managing change can be applicable in many ways and varies company to company.

#### 3.1 Change Models and Frameworks

Several models can be applied to manage change, however; for purposes of this study, common models are utilized to include the three models namely: Lewin’s Change Model, Kotter’s 8-Stage Model and McKinsey’s 7s Model.

##### 3.1.1. Lewin’s Change Model

Lewin’s model of change can be traced in 1951 where the focus is on planned change that relates to group decisions, implementation and social change. It consists of unfreezing, changing and refreezing. Unfreezing is the state of unleashing the current system or procedure as an urgent concern. Changing is the state of moving forward from the old system into the new system and it requires the processes in transition. Refreezing is the act of institutionalizing the change or incorporating the change into the strategic objective of the company. The figure below shows the diagram of the change model.

![Figure 1: Lewin’s Change Model](source: Adapted from Lewin (1951))

##### 3.1.2. Kotter’s 8-Step Model

Kotter’s model of change emphasized the importance of the holistic approach in dealing with change efforts that if not taken due consideration causes about 70% failure to many organizations. This model includes the following as illustrated in diagrammatic format.

![Figure 2: Kotter’s 8-Step Model](source: Adapted from Kotter 1996)
Create Urgency. Creating a scenario that requires the urgency for change to occur. Build guiding team is to create a group equip with the power to lead and support the change effort. Develop the vision refers to the development of a vision for change and the initiative to ensure the achievement of vision. Communicate for buy-in is to make sure that all the members in the organization know about the mechanics of change. Empower action is to make sure that there will be no barriers that hinder the implementation of change. Create short-term wins means that change should be done in such a way that generates favorable gains in short period of time and pays off the people’s efforts. Don’t let up is to maximize the change efforts to gain momentum which make change a continuous endeavor. And, Make change stick or the institutionalization of the change by incorporating change to the organizational culture (Kotter, 1996, Burnes, 2001; Lewin, 2010).

3.1.3. McKinsey’s 7s Model
McKinsey model has identified the seven areas of change and further divide these areas into two categories: the soft and the hard areas. The hard areas consist of the system, strategy and structure while the soft system areas include skills, style, staff and shared values which normally are difficult to manage but considered as the foundations of the organization and are source of sustainable competitive advantage.

Any organizations that desire to implement the change in an effective manner should consider the transition of the present system or state into the desired future state thereby maximizing the resources and minimizing cost at the same time, making it beneficial to the organization (Hortho, 2008). The following key areas can be considered to ensure its success:

1) Adequate identification of the problem and assessing the urgency of the need for change should be done to understand the present situation of the organization as well as determining what kind of change is required to address the problem identified.

2) Envision the desired future state of the organization by developing a realistic picture of the ideal company situation after applying the change and effectively communicate the vision to all participants of the change and devising an effective mechanisms to ensure the smooth transition of change from the old state to the new state. It also requires the high level of stability in the change process like assuring and aligning the change efforts to the organization’s goals and objectives.

3) Change should be implemented in a systematic and orderly manner. Effective transition of the change is highly required and should consider the effectiveness in allocating resources, ensuring that planned change is carried out, persons given the responsibility to lead such change has the ability to do it, and make sure that the planned change are coordinated from the top management down to the lowest level so everyone in the organization are well aware of the direction of change. Leaders in the organization should initiate the change with enthusiasm and serve as role models in dealing with change.

4) Effective management of resistance to change increase the level of participation of the people to the change efforts. Leaders have the major role to play in initiating the change and share their vision towards the change. The higher the level of resistance will likely result to more difficulty to implement the change. Appropriate strategies should be applied to minimize the degree of resistance.

5) Managing change proactively is also an effective means of maximizing flexibility to adapt change in the future and can be considered as a creative way in dealing with the dynamics of change. This is possible with the help of...
the human resource department and all participants of the change.

5. Benefits of Change Management to Organizations

Managing change effectively provide benefits that help organizations sustain competitive advantage in the ever changing world. These benefits include but not limited to the following:

1) Managing change enables the organizations to respond quickly to the changing customer demands.
2) The management and the organization will realize the importance of change and the expected benefits it derived when implemented in the right way.
3) It allows more flexibility whenever pressures for change arise. The ability to adapt change when it occurs help the organization improve in terms of processes, decision making capabilities, financial returns and others.
4) Easy identification of problem that requires change efforts and enable organization to familiarize those problems that requires change plan.
5) Change can be implemented without affecting the daily activities of the organization.
6) It provides the management the know-how in assessing the overall impacts of change.
7) Understanding the change process by all employees would likely improve their performance thus, improve organizational performance.
8) Change management helped the organization to identify accurately the problems or anticipate challenges and respond to it efficiently and effectively.
9) Change management enable organizations to save cost and increase return on investment thereby reduce waste of resources, time and efforts.
10) Establish opportunities for the development of best practices, leadership development and team development.

6. Conclusion

Change is inevitable and unavoidable. It exist in different dimensions and can be described as internal factors that include technologies, operational changes and processes, internal laws and policies, conversion of government organizations to private enterprises, organizational modernization initiatives, changes in management decisions and others. While external factors include but not limited to stiff competitions between companies in the same industry, increasing pressures of globalization, political, economic, socio-cultural, technological, legal, and environmental forces. In other words change occurs in different types. Different views and perspective of change varies between organizations as it can give positive and negative consequences. More importantly, managing resistance to change in an effective manner helped organizations to deal smoothly the implementation of change. Organizational change enables organizations to device ways to implement change management effectively with the aid of different change models. Lastly, change management provides many benefits that organization receives provided such change is aligned with the corporate’s goals and objectives.

References


