

Factor that May Drive Change in an Organization Thereby Forcing a Company to Change its Growth and Competitive Strategy

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Abstract:

Organizational change can be any alteration that occurs in total work environment in order to develop adaptability to change otherwise it will either be left behind or be swept away by the forces of change. Organizational change is inevitable in a progressive culture. Modern organizations are highly dynamic, versatile and adaptive to the multiplicity of changes. Organizational change refers to the alteration of structural relationships and roles of people in the organization. It is largely structural in nature. An enterprise can be changed in several ways such as technology, its structure, its people and other elements can be changed. Organizational change calls for a change in the individual behavior of the employees so that Organizations survive, grow or decay depending upon the changing behavior of the employees. Most changes disturb the equilibrium of situation and environment in which the individuals or groups exist. If a change is detrimental to the interests of individuals or groups, then it will resist the change. Thus there are various factors that may drive change in an industry thereby forcing a company to change its growth and competitive strategy. However, some of the factors may include globalization, workforce diversity, new employee relationships, information technology, work place values and ethics, customer expectations and preferences, social, political and legal factors to mention just a few.

Globalization

According to the Association of Business Executives (2014), Globalization is a situation when an organization extends its activities to other parts of the world, actively participates in other markets and competes against organizations located in other countries. Globalization enables an organization to connect and co-ordinate its geographically dispersed units so that it can serve global customers and complete against other global businesses. Globalization has had an influence and effect on the field of organization change because in order to remain competitive, organization has in many cases been forced to restructure their operations and introduce new forms of communication to remain relevant environment. In addition, even though globalization sometimes results in new career opportunities among employees because of expanded operations, the process of continuous change and organizational restructuring and consequent layoffs of staffs, in order to remain competitive and viable, often lead to increased stress among employees, which is of direct relevance to organizational behavior. Globalization has therefore become a contingency factor as it impacts and influences organization change.

Workforce Diversity

This is another factor that influence change in an organization due to the fact that workforce in most

organizations, especially those with global reach has become multi-national and multi-cultural in recent years, mainly because of globalization. Even at national level, the increasing representation of minorities, people with disabilities and assumed center-stage in most political systems, have implications for organizational change. Gerry J, Richard W and Kevan S (2011), explain Workforce diversity as the bringing together of a variety of people to one workplace. This workplace would be comprised of people with a wide range of experiences, backgrounds and characteristics. Those key characteristics that make workforce diversity include: race, ethnicity, gender, religion, age, ability and sexual orientation. Companies that embrace workforce diversity are growing and can become more competitive creativity, innovation, positive reputation and more. Having different perspectives on how to running the business can increase creativity and allow people to positively collaborate with one another. This collaboration could bring additional innovation and the ability for the business to stay ahead in these changing times and of course, celebrating diversity within a business can encourage a positive public reputation and create more devote brand fans.

New employment relationships

Before the advent of globalization most employees worked in organizations they felt and where life-long employment was more or less guaranteed. However, nowadays this is no longer the case because most organizations today tend to value employees with relevant and up-to-date skills and competences instead of loyalty and length to tenure. If employees do not have the skills and competences required to make the organization remain competitive they face the increasing danger of layoffs or retrenchment capabilities through regular training and updating of its competences. This is potentially stressful to employees who have to keep on learning new skills to remain in employment. Employment relationships have also affected by the fact that many employees especially in the west do not even go to the office. They instead work from their own homes with computers connections to their office. This phenomenon is sometimes referred to as telecommuting or tele-working, where employees are removed physically from their organization's work place, colleagues and clients, through the use of information technology. This has implications for organizations change because organizations have come up with new ways of managing employment relationships, which are not based on the traditional organizations with its command and evaluating employees have to be found since employees have to manage themselves through self-leadership and find ways of coping with the calmness of working from home.

Information technology

The explosion of information technology in recent years has created a lot of opportunities to “connect people around the planet and allow small business in developing countries complete in the global market place. Information technology has given rise to virtual teams has made it possible for knowledgeable workers to carry on their business from home. As a result, information technology has challenged traditional management thinking about how employees should work and interact, how organizations are structured and how they relate to client and stakeholders. Information technology has also made it possible to create network organizations which are linked together through the internet to produce or provide a certain product or service to clients, without necessarily having any physical contact.

Workplace value and ethics

The other factors that influence change in an industry are workplace values and ethics. Values are stable

and enduring beliefs about what is good defining their priorities, preferences and desires, which ultimately influence people's attitudes, behavior, motivation and decision making. Ethics on the other hand refers to the study of moral principles and values that determine the extent to which certain actions and practices are correct or incorrect and whether certain outcomes are good or bad. Globalization, which has made many organizations multi-cultural has implications for workforce values and ethics, because as organizations become more cosmopolitan, differences in values and ethics also become pronounced and pose a serious challenge for the organizational cohesion and effectiveness. This is because employees may find that their personal values conflict with the organizational values which have a multi-cultural orientation. Organizations are therefore faced with the challenge of the aligning and integrating the values of a diverse workforce with those of the organization in order to remain competitive and viable as an entity. Corporate leaders are also always looking for ways and means of developing or encouraging ethical values, which are compatible with the achievement of organizational goals. The ethical challenge is quite significant, because what is right or wrong in Asian or African context may be the opposite of the situation, for instance in the developed world where cultural values and ethics are much more liberal. Workplace values and ethics are therefore emergent trends which have implications change.

Customer expectations and preferences

In today's market, the customer has a wide range of products and services to choose from. Generally speaking, the customer has become more discovering in the quality of good and services provided by various organizations. As competition increases and a diversity of goods and services become available, customers will tend to support and give business to those organizations which provide or deliver high quality goods and services at affordable prices. Organizations which fail to meet this emerging customer 'expectations may face the serious difficulties in their operations, which will pose a serious threat to their existence. Further, those organizations which appear to be successful in meeting these expectations face the challenge of continuously reconfiguring themselves in order to remain relevant and competitive. These developments have implications for the manner in which a particular organization is structured and manages its workforce in an ever changing and dynamic environment.

Social, political and legal factors

Social changes reflect in terms of people's aspirations, the needs, and their ways of working. Social changes have taken place because of the several forces like level of education, urbanization, feeling of autonomy, and international impact due to new information sources. These social changes affect the change in the organization. There, it is required to make adjustment in its working so that it matches with people. However, Political and legal factors broadly define the activities which an organization can undertake and the methods which will be followed by it in accomplishing those activities. Any changes in these political and legal factors may affect the organization operation. For instance, in most countries when there is change of government, it means that even trade policies may be affected and thus most industries will be affected unless the management adapts the change easily.

2. The environmental analysis can help enterprise deal with the business environment

Gerry J, Richard W and Kevan S (2011), in their book "exploring strategy" point out that the business environment consists of a general environment and an operating environment. The general environment consists of the economic, political, cultural, technological, natural, demographic and international

environments in which a company operates. The operating environment consists of a company's suppliers, customers, market intermediaries who link the company to its customers, competitors and the public. Both the general and operating environments provide business opportunities, harbor uncertainties and generate risks to which a business must adapt. Thus Successful businesses adapt their environment including human and financial resources, policies, technologies and operations. The company performs an environmental analysis to identify the potential influence of particular aspects of the general and operating environments on business operations. This analysis identifies the opportunities and threats in a business environment in terms of a company's strengths and weaknesses. For example, a company may consider the impact of operating in a communist country and the threats posed by government-controlled resources. A company might also consider the opportunities of a government-controlled market in terms of competing products, the implications of well-educated and well-paid consumers to product development and sales and the impact of the location of its primary suppliers in a country in economic crises.

Therefore, Environmental analysis will help an enterprise to understand what is happening both inside and outside the organization and to increase the probability that the organizational strategies developed will appropriately reflect the organizational environment. Additionally, Environmental scanning is necessary because there are rapid changes taking place in the environment that has a great impact on the working of the enterprise. Hence, Analysis of business environment will help to identify strength weakness, opportunities and threats. SWOT analysis is necessary for the survival and growth of every business enterprise. Thus, in order for an enterprise to deal with the business environment, the following must be done.

a. Identification of strength:

Strength of the business firm means capacity of the firm to gain advantage over its competitors. Analysis of internal business environment helps to identify strength of the firm. After identifying the strength, the firm must try to consolidate or maximize its strength by further improvement in its existing plans, policies and resources.

b. Identification of weakness:

Weakness of the firm means limitations of the firm. Monitoring the business environment helps to identify not only the strength but also the weakness of the firm. A firm may be strong in certain areas but may be weak in some other areas. For further growth and expansion, the weakness should be identified so as to correct them as soon as possible.

c. Identification of opportunities:

Environmental analyses helps to identify the opportunities in the market. The firm should make every possible effort to grab the opportunities as and when they come.

d. Identification of threat:

Business is subject to threat from competitors and various factors. Environmental analyses help them to identify threat from the external environment. Early identification of threat is always beneficial as it helps to diffuse off some threat.

e. Optimum use of resources:

Proper environmental assessment helps to make optimum utilization of scarce human, natural and capital resources. Systematic analyses of business environment helps the firm to reduce wastage and make optimum use of available resources, without understanding the internal and external environment resources cannot be used in an effective manner.

f. Survival and growth:

Systematic analyses of business environment help the firm to maximise their strength, minimise the weakness, grab the opportunities and diffuse threats. This enables the firm to survive and grow in the competitive business world.

g. To plan long-term business strategy:

A business organization has short term and long-term objectives. Proper analyses of environmental factors help the business firm to frame plans and policies that could help in easy accomplishment of those organizational objectives. Without undertaking environmental scanning, the firm cannot develop a strategy for business success.

h. Environmental scanning aids decision-making:

Decision-making is a process of selecting the best alternative from among various available alternatives. An environmental analysis is an extremely important tool in understanding and decision making in all situation of the business. Success of the firm depends upon the precise decision making ability. Study of environmental analyses enables the firm to select the best option for the success and growth of the firm.

3. Some of the steps that contribute to making change a success

The Association of Business executives (2014), explains that there are two major kinds of organizational change; change imposed by circumstances and change that is planned and adopted to encourage growth or improvement. This applies to both individuals and large-scale enterprise organizations. Change management systems are designed to help businesses plan for change instead of react to it. A change management plan can support a smooth transition and ensure your employees are guided through the change journey. The harsh fact is that approximately 70% of change initiatives fail due to negative employee attitudes and unproductive management behavior. Using the services of a professional change management consultant could ensure you are in the winning 30 percent. Therefore a successful change will require serious steps so that it becomes easier for the employees to adapt to the change and also making sure that no one is left behind in the change process. The following are some of the steps that may be considered.

1. Clearly define the change and align it to business goals.

It might seem obvious but many organizations miss this first vital step. It's one thing to articulate the change required and entirely another to conduct a critical review against organizational objectives and performance goals to ensure the change will carry your business in the right direction strategically, financially, and ethically. This step can also help to determine the value of the change, which will quantify the effort and inputs that should be invested.

2. Determine impacts and those affected.

Once the organization knows exactly what it intends to achieve and why, then there must be a need to

determine the impacts of the change at various organizational levels. Review the effect on each business unit and how it cascades through the organizational structure to the individual. This information will start to form the blueprint for where training and support is needed the most to mitigate the impact

3. Develop a communication strategy.

Although all employees should be taken on the change journey, the first two steps will have highlighted those employees you absolutely must communicate the change to. Determine the most effective means of communication for the group or individual that will bring them on board. The communication strategy should include a timeline for how the change will be incrementally communicated, key messages, and the communication channels and mediums planned to use.

4. Provide effective training.

With the change message out in the open, it's important that the employees know that they will receive training, structured or informal, to teach the skills and knowledge required to operate efficiently as the change is rolled out. Training could include a suite of micro-learning online modules, or a blended learning approach incorporating face to face training sessions or on-the-job coaching and mentoring.

5. Implement a support structure.

Providing a support structure is essential to assist employees to emotionally and practically adjust to the change and to build proficiency of behaviors and technical skills needed to achieve desired business results. Some change can result in redundancies or restructures, so it is important to consider providing support such as counseling services to help people navigate the situation. To help employees adjust to changes to how a role is performed, a mentorship or an open-door policy with management to ask questions as they arise could be set up.

6. Measure the change process.

Throughout the change management process, a structure should be put in place to measure the business impact of the changes and ensure that continued reinforcement opportunities exist to build proficiencies. You should also evaluate your change management plan to determine its effectiveness and document any lessons learned.

In conclusion, it can be state that change means the alteration of status quo or making things different. The term change refers to any "alterations which occurs in the overall work environment of an organization." Change is inevitable in the life of an organization. In today's business world, most of the organizations are facing a dynamic and changing business environment. They should either change or die, there is no third alternative. Organizations that learn and cope with change will thrive and flourish and others who fail to do so will be wiped out. The major forces which make the changes not only desirable but inevitable are technological, economic, political, social, legal, international and labour market environments. When an organizational system is disturbed by some internal or external force, change frequently occurs. Thus Change, as a process, is simply modification of the structure or process of a system. It may be good or bad, the concept is descriptive only.

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