

**MANAGING ORGANIZATIONAL  
AND STRATEGIC CHANGES  
AT  
WORK PLACE**

**Fred Anigbogu**

# Types of Organizational Change

- **Anticipatory changes:** planned changes based on expected situations.
- **Reactive changes:** changes made in response to unexpected situations.
- **Incremental changes:** subsystem adjustments required to keep the organization on course.
- **Strategic changes:** altering the overall shape or direction of the organization.

# Forces/Drivers of Change

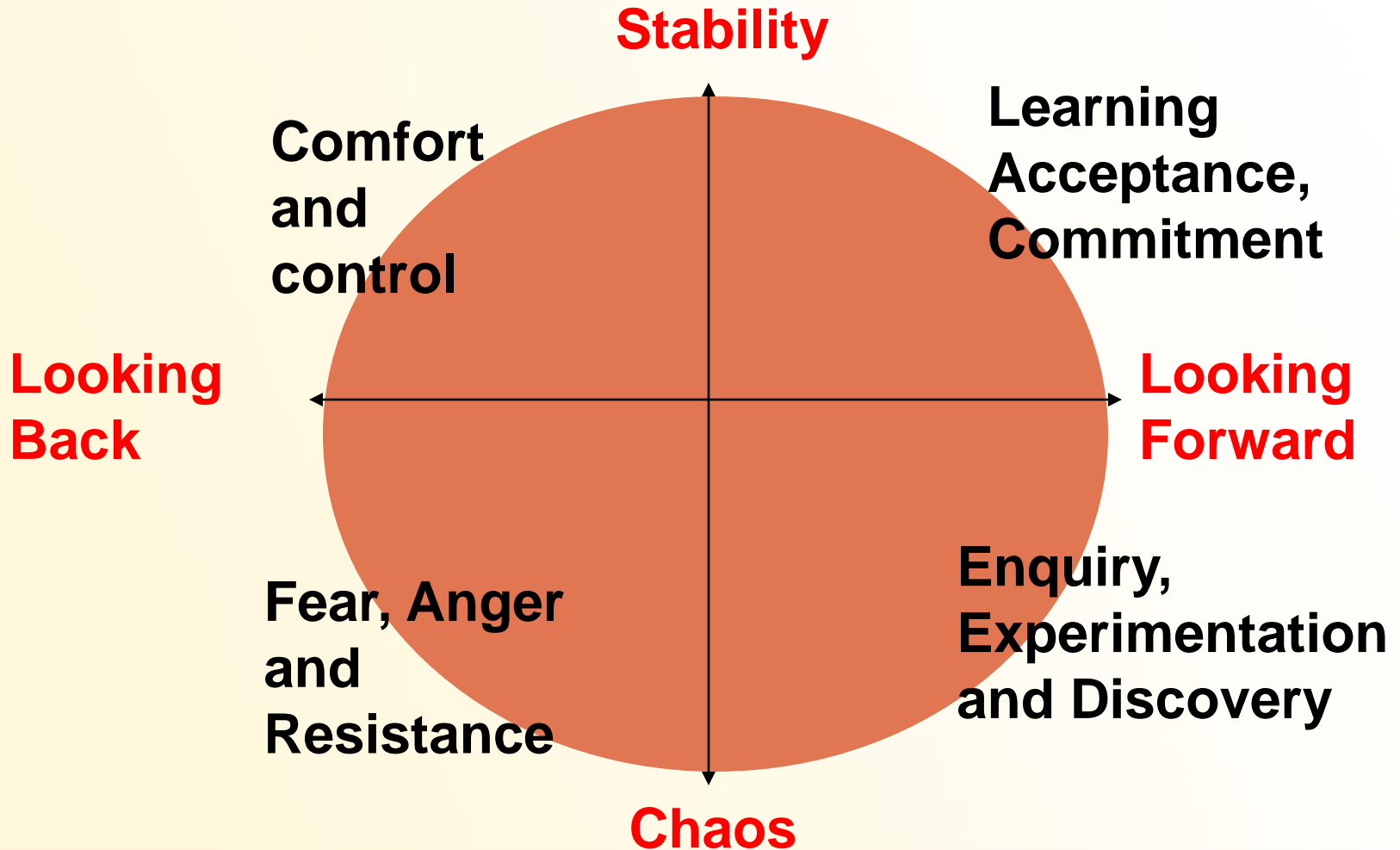
- **External Forces**

- **Market Place**
- **Govt Laws and Regulations**
- **Technology**
- **Labor market**
- **Economic Change**

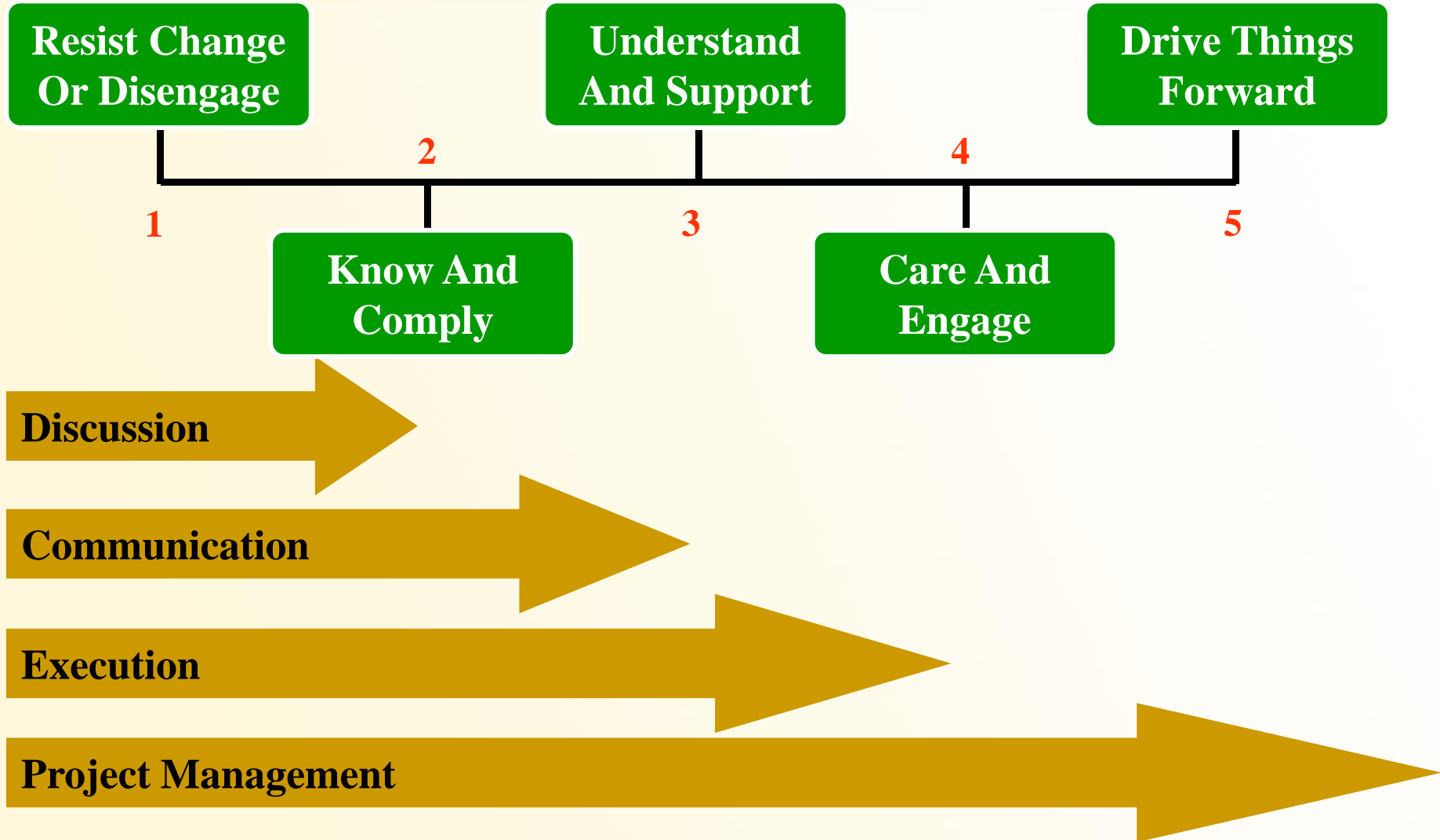
- **Internal Forces**

- **Changes in Organizational Strategies**
- **Workforce change**
- **New Equipment**
- **Employee Attitude**

# A Journey Through Change



# COMMITMENT SCALE



# Why Do Employees Resist Change?

- **Surprise**
  - Unannounced significant changes threaten employees' sense of balance in the workplace.
- **Inertia**
  - Employees have a desire to maintain a safe, secure, and predictable status quo.
- **Misunderstanding and lack of skills**
  - Without introductory or remedial training, change may be perceived negatively.
- **Poor Timing**
  - Other events can conspire to create resentment about a particular change.

# Why Do Employees Resist Change? *(cont'd)*

- **Emotional Side Effects**
  - Forced acceptance of change can create a sense of powerlessness, anger, and passive resistance to change.
- **Lack of Trust**
  - Promises of improvement mean nothing if employees do not trust management.
- **Fear of Failure**
  - Employees are intimidated by change and doubt their abilities to meet new challenges.
- **Personality Conflicts**
  - Managers who are disliked by their managers are poor conduits for change.

# Why Do Employees Resist Change? *(cont'd)*

- **Threat to Job Status/Security**
  - Employees worry that any change may threaten their job or security.
- **Breakup of Work Group**
  - Changes can tear apart established on-the-job social relationships.
- **Competing Commitments**
  - Change can disrupt employees in their pursuit of other goals.



# Overcoming Resistance to Change

- **Strategies for Overcoming Resistance to Change**
  - **Education and communication**
  - **Participation and involvement**
  - **Facilitation and support**
  - **Negotiation and agreement**
  - **Manipulation and co-optation**
  - **Explicit and implicit coercion**

# Making Change Happen

- We use two approaches to Organization Change
  - Organization Development (OD)
    - Formal top-down approach (Management Staff)
  - Grassroots Change (GC)
    - An unofficial and informal bottom-up approach (Middle/Junior Staff)

# Managing Change



**Structure**

Work specialization, Compartmentalization,  
Chain of Command, Span of Control,  
Formalization, Job Redesign

**Technology**

Work Process, Methods and Equipment

**People**

Attitude, Expectations, Perception,  
Targets, Performances and Behavior

# HOLISTIC APPROACH



# STRUCTURAL CHANGE

- A structural change is a change in the way in which the organization is designed and managed. Structural changes involve the hierarchy of authority, goals, structural characteristics, administrative procedures, and management systems. Almost any change in how the organization is managed falls under the category of structural change.
- Successful structural change is accomplished through a top-down approach, which is distinct from technology change (bottom up) and new products (horizontal).
- Structural change is top down because the expertise for administrative improvements originates at the middle and upper levels of the organization. The champions for structural change are middle and top managers.
- The need for change is perceived by higher managers, who then take the initiative to propose and implement it.

# TECHNOLOGY CHANGES

- A technology change is related to the organization's production process—how the organization uses available tools to do its work. Technology changes are designed to make the production of a product or service more efficient.
- How can managers encourage technology change?
- The general rule is that technology change is bottom up. The bottom-up approach means that ideas initiated at lower organization levels and channeled upward for approval. Lower level technical experts act as idea champions—they invent and champion technological changes. Employees at lower levels understand the technology and have the expertise needed to propose changes.
- A rigid, centralized, standardized structure stifles technology innovation. Anything managers do to involve the grass roots of the organization—the people who are experts in their parts of the production process—will increase technology change.

# PRODUCTS CHANGES

- A product change is a change/addition in the organization's product or service output.
- New-product innovations have major implications for an organization, because they often are an outcome of a new strategy and may define a new market.
- The introduction of a new product is difficult, because it not only involves a new technology but also must meet customers' needs. Companies that develop new products usually have the following characteristics:
  - People in marketing must have a good understanding of customer needs
  - Technical specialists must be aware of recent technological developments and make effective use of new technology
  - Members from key departments—research, manufacturing, marketing—must cooperate in the development of new product.

# CULTURE/PEOPLE CHANGES

- A culture/people change refers to a change in employees' values, norms, attitudes, beliefs, and behavior. Changes in culture and people pertain to how employees think; these are changes in mindset rather than technology, structure, or products.
- People change pertains to just a few employees, such as when a handful of middle managers is sent to a training course to improve their leadership skills. Training is the most frequently used tool for changing the organization's mindset.
- A company may offer training programs to large blocks of employees on subjects such as teamwork, listening skills, quality circles, and participative management.



# SYSTEMIC APPROACH

- **System Examination & Organization**
- **Strategic Business Planning & Development**
- **Organization Modeling**
- **Business Process/Operations Algorithms**
- **Technology & Infrastructural Blueprint**
- **Process Deliverables/Strategic/Corporate Scorecards**
- **Continuous Project Management for Compliance**

# 1. System Examination & Organization

- **Corporate Overview: Mission, Values & Vision**
- **Examination of the existing brand attributes and positioning indices.**
- **Products Strategies, development, pricing and management**
- **Process compartmentalization, execution & delivery, technology and personal training**
- **Product impartation/customer service**

## 2. Strategic Business Planning & Development

- **Market Analysis:** service profiles, targets, new markets and service/product development
- **Existing SWOT analysis and areas of innovations**
- **Competitions:** formal and informal
- **Examinations of contemporary issues:** political, economic, social and technological

### 3. Organization Modeling & Processing

- Diagnose existing position & infrastructure
- Develop work breakdown structure
- Analyze staff and their suitability
- Formulate benchmarks & milestones
- Set targets and activities profiles
- Measure targets and analyze non compliance
- Implement and continuously monitor procedures and progress

# 4 Organization Modeling

- Development of overall organizational objectives and reporting lines
- Develop departmental/divisional objectives and duties
- Develop individual duties and performances
- Implementation & regular supervision and monitoring
- Ascertain annual performances
- Continuous follow through for compliance and corrections

## 5 Business Process/Operations Algorithms

- Defining exact process formats and duty flows
- Defining operational policies, procedures and processes
- Formatting the forms and templates for guidance
- Development of competency profiles for duties and responsibilities
- Development of feedback mechanisms
- Design reporting formats

# 6 Technology & Infrastructural Blueprint

- **Software System :** Is this the best system for this organization? Why or why not? Does the system do what it is supposed to do?
- **IT/MIS Strategy and Planning:** How do senior management support existing technology? Does the system fit/match with the organization's goals today, tomorrow and beyond (3-5 years)?
- **How complex will the system be (basic/simple or highly integrated/advanced)?** What module(s) will be used? What are the expected numbers of transactions processed per day/week? What types of transactions (batch, on-line, basic data entry, analysis and reporting) will be processed? Will the system integrate with any other systems? If so what and how? What is the impact on the organization if the new system goes down immediately? What about for one day or one week?
- **Training and Skills:** What level of training /competence (what, when, who provides)? What level of system/application documentation will be developed? Who will prepare documentation (partner, consultant, or vendor)? How long do you expect to rely on consultants? How will the vendor/consultant train the organization?

# Technology & Infrastructural Blueprint (cont'd)

- **Information Security:** Will automated access control (security) be maintained? If so, what types of automated IS/MIS security will be used (application, network, database, operating system)? How and who will control granting system access (application, operating system, database, network)? How will the new system(s) (hardware/software) and data be safeguarded from theft or vandalism?
- **Disaster Recovery:** How will data backup occur? What median will you use and how often will it occur?
- **Ascertainment of the required infrastructure that will engender the following:**
  - Ease of use by all staff, existence of essential features that capture all operations, capacity to provide reports in acceptable formats, existence of security and integrity of information, scalability of the infrastructure to ensure accommodation of new processes and flows, continual technical supports and training
- **Design of the infrastructure with the above qualities that interfaces with other technology**
- **Conduct suppliers and operators selection**



# 7 Process Deliverables/Scorecards

- **Under Organizational Level**
  - Agreed Vision, Mission and Strategic Objectives
  - Proposed functional organization structure
  - Outline of corporate performance measurement
- **Under Process level**
  - Documentation of core and support processes
  - Goals set for each key process
  - Targets setting for process staff
- **Under people Level**
  - Job profiles for key positions indicating appropriate qualification etc
  - Job descriptions for key positions indicating goals and critical performance attributes
  - Staff training for specific and general considerations

# 8 CONTINUOUS PROJECT MANAGEMENT

- This involves continuous execution performance management matrix entrenched in corporate governance, quality and risk management as they apply in total change management: Organization Level, Process Level and Job/People Level
- The continuous project management process will be compartmentalized under
  - Administration
  - Continuous assessment and application of the essential working toolkits
  - Resource Management and training
  - Adherence to anticipated process output
  - Measurements of performance indices and checking for non compliance
  - General logistics

# STRATEGIC CHANGE BENEFITS

## Structural Benefits

- Functional Organic structure
- Effective Communication
- Good resources utilization
- High inter-unit stimulation
- Work and network support

## HR Benefits

- High commitment to F&C
- High job security
- Creative staff
- Elimination of idleness
- Well trained staff
- Good productivity

## Innovative Benefits

- Corporate Culture
- Acceptance of change
- Positive feedback
- Low external pressure
- Tolerance of risks
- Tolerance of conflicts
- Focus on ends
- Open system focus

# System View of Innovation



**Inputs**

**Transformation**

**Outputs**

**Continuous Project Management**

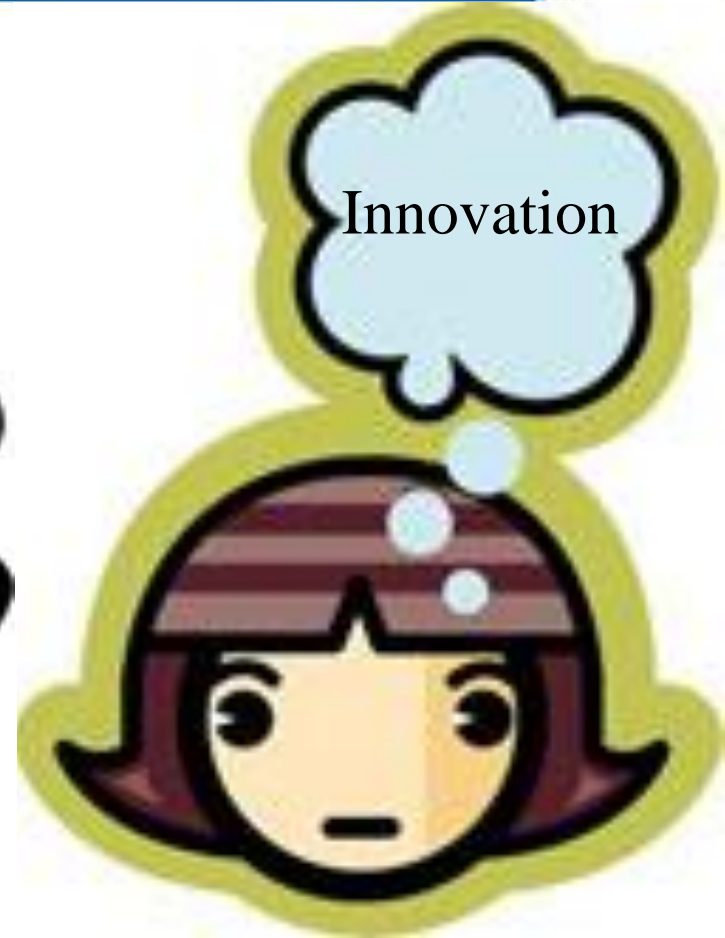
**Creative Individuals,  
Groups and  
Organizations**

**Creative Environment,  
Process and Situation**

**Innovative Products,  
Work Methods, increased  
profitability**



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**[www.fredanigbogu.com](http://www.fredanigbogu.com)**

**[info@fredanigbogu.com](mailto:info@fredanigbogu.com)**