Management of Change

Dr. D.A.Harendrasinghe Gunaratne Ph.D; D.Sc;

**Chartered Quantity Surveyo & Engineer; Mediator, Arbitrator & Contract Administrator
GC&G;MIESL; MIIE(SL)IEng;** MRICS; AAIQS; AIQSSL; Fellow APQSESL; MCIArb; Reg.Arb.
NACSL; Mem.ICCSL; Mem.CCISL; Mem.AACE; Mem.SAVE; Mem.SLAQ; Mem.SLGS

Human needs and the Response of the Industrial Society

"Man is the only animal who embraced change. He changed the human Journey from the cave to the moon, outer space, the universe."
                                           – PIM International UAE

A collection of industries constitute an industrial society just like different people constitute a human society. Each of the industries will have their objective such as the following:

• The electricity power authority will want to provide reliable and quality electricity at an economic cost to different categories of consumers.
• The transport authority will want to provide an efficient and comfortable transport service at an economic cost to the public.
• The food industry will want to provide quality food at an affordable price to consumers.

Within an industrial sector such as power, the different boards will have different objectives depending on the emphasis on services. Thus the objective of a power distribution authority may not be identical to that of a power generation authority.

The objective of a wholesaler may be different to that of a retailer

It is important to note that whatever difference there would be in their industrial objectives, all industries and therefore the industrial society have one common objective, that whatever goods and / or service they produce should satisfy a need of society, without which it will not have a demand and therefore a market value.

Hence the object of the industrial society is to provide the goods and services needed by society through the application of the processes of production and management. There must be collation between human needs and the response to it by the industrial society.

The behaviour of the industrial society is conditioned by the market forces that exert pressure on it. The market forces in turn are conditioned by consumer behavior. Advertising, which is an important aspect of marketing, could influence consumer behavior. The survival of an organization depends on how much of a market share is owned by it. The desire to dominate the market leads to competition. Competition is to do / produce something new. This requires change in the organization.

The Cause for Change

The concept of organization without reference to its human resources is futile. The human resources are the heart of an organization, bringing life into it. Since the organization is predominantly a human concept, the human resource imparts all its organismal characteristics to the organization. The manner in which human behaviour constitutes or determines the manner in which the organization behaves. In other words, by looking at the manner in which its human resource behaves, one could predict how the organization would behave. Like human beings, the organization too will show organismal characteristics.

Organizations, like an organism, must adapt themselves to their environment if they are to survive and grow. The pressure for change comes from internal and external forces. The former is identified as those within the control of the management while the latter are not subjected to the control of the management.

Internal forces:

These forces can be traced to the processes or to the people in the organization and to the organizational environment. These forces could be controlled by the management. Process forces include break-down in decision making, communications and interpersonal relations. The people's forces are due to low morale, high absenteeism, waste, indiscipline, high accident rate and end up with fewer turnovers.

The organizational environment factors are:

*   Demand for worker involvement.
*   Alienation due to advancing technology and organization size.
*   Growth of unions.
*   Changing management and employer attitudes, values and skills.

External forces:

These are due to activities taking place outside the organization which have an impact on the organization. This external environment is made up of:

Technological Factors:

1. Knowledge explosion, a more educated work force
2. Advancement in production processes
3. Advancement in sophistication of products
4. Communication explosion

Social factors:

1. Changing values towards work
2. Changing values towards social responsibility of organizations
3. Government legislation
4. Growing population

Economic factors:

1. Internationalization of markets
2. Rapid change in consumer tastes and product preferences
3. Growth of conglomerate businesses
4. Increasing cost of scarce resources
5. Increased competition

Organizational Entropy

Quite often, due to the intertia of its human resources, organizations tend to set up self-imposed blinds which limit the area and range of their vision. Executives are therefore unable to see the ever-changing situation of the organization. They will also fail to realize the capacity of individuals and groups and consequently, they are underestimated and under-utilized.

The outcome of this is dependency, defensiveness and narrowness of perspective. This unrealized potential (or energy) of the organization is called organizational entropy. A possible outcome is rebelliousness and lack of system strength to do the work of the organization.

Organizational Life Cycle

Like any other living things, organizations have life cycles. A typical life cycle of an organization consists of the following areas:
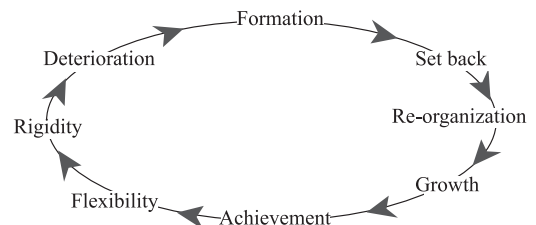
The inability to change makes an organization rigid which will not lead to development. An indifferent and non-responsive attitude to the forces in the internal and external environment will result in the deterioration of the organization.

Resistance to Change

People resist change because it is easier to do what they do than to learn something new. People fight change for highly personal reasons. The process of implementation of change will enable managers to find out the limitations of the people, namely, whether it is for personal reasons or in the best interests of the organization. Usually a person is normally in between these two extreme conditions. Those who are closer to the former end will intensely resist change and will seldom wish to know the reasons for change, while the others will show an increasing desire to cooperate. The change is faster with high levels of education, communication and greater human aspirations about what people should have as an expected part of our life.

Culture and Change

Culture is a body of learned behaviour, a collection of beliefs, habits, practices and traditions shared by a group of people and successively learned by new members who enter the society.

A culture could be found in an organization. The older the organization, the more certain it is to have developed a culture. A change is bound to affect these well-established relationships and conventions. Obviously this will be resisted by members of the society.

Since the culture is a long established reality, no change should attempt to create shock waves. Caution and careful consideration should be forerunners to the implementation of change

The Case for Change

The survival of every organization depends on its development. Development is always associated with change. Thus in the context of development, change is most unchangeable. Change is painful and needful. Change is a positive and a necessary sign of growth and progress.

Desirable change should be evolutionary, rather than revolutionary. Management of change certainly does not imply random and unplanned responses to a changing environment.

It must now be clear that the management of change and implementing appropriate changes is definitely essential for development. This is only possible if the management style of the organization is flexible.

Moresk Cleaners Ltd -v- Hicks [1966]

An architect was engaged to design an extension to a laundry. He invited a contractor to design and build the reinforced concrete structure. After erection, the structure became defective because of the negligent design. The architect maintained that he was entitled to delegate certain specialist design tasks and that he was acting as the employer's agent in asking the contractor to design the structure. It was held that if a building owner entrusts the design of a building to an architect, he is entitled to look to that architect to see that the building is properly designed. If the architect was not able to design the work himself he could:

1. *tell the client that the work was not in his field;*
2. *ask the client to employ a specialist;*
3. *retain responsibility but pay the specialist out of his own pocket – then if the advice proves faulty the person giving him the advice will owe the same duty to him as he owes to the client.*