

MANAGEMENT - THE NEED FOR CHANGE

"Change is not made without inconvenience, even from worse to better."

(Richard Hooker (1554 – 1600, English Anglican Bishop and Theologian)

It is often suggested that, in the growing global village, a radical programme of change is imperative for any organization to exist for the fundamental reason that nothing remains as it is, therefore, companies must modernize and almost on a continual basis. But, modernisation is not an end in itself. There should be a reason for any change, a clear strategy and set of objectives to achieve, a vision, a picture, of what the change will lead to and what benefits will accrue. Without clear objectives there is no reason to change.

Let us start from the basic premise that everyone, all of us, well most of us perhaps, simply do not like change if it means disruption to our personal life, the work that we do and how we do it, our position within companies and society or if it affects our immediate family. And, the possibility of change will, invariably, lead to concern no matter how clear the communication or instruction because of the uncertainty associated with any new proposals. The subject of change has, apparently, been addressed many times over many centuries by many people not least Caius Petronius Arbiter, an administrator at the time of the Emperor Nero, who is purported to have written c.60 AD,

"We trained hard - but it seemed that every time we were beginning to form up into teams, we would be reorganised. I was to learn later in life that we tend to meet any new situation by reorganising, and a wonderful method it can be for creating the illusion of progress while producing confusion, inefficiency and demoralisation."

(Caius Petronius Arbiter (Roman Administrator). c.60 A.D.)

There is considerable doubt as to whether the statement has any credibility but it is one way of viewing the whole area of change. Nonetheless, change can affect an individual or small or large numbers of people in groups, divisions, companies or countries and will have varying degrees of impact. For example, a change in company policy to invest more in research and development, in new products or services or in new machinery, creating more jobs in the process, is likely to inject a positive attitude into a workforce.

Conversely, a reduction in investment in plant, machinery, products and in training, and most probably leading to redundancies, will lead to negative attitudes which speed up the process of contraction due to lack of confidence. It would be useful, and novel, if companies communicated their corporate strategy to the workforce at the earliest possible opportunity.

But what does change really mean and how can it be managed and implemented with the minimum amount of disruption? The concise oxford dictionary suggests, among other definitions, that change is "an instance of making or becoming different", or, "to pass from one state or phase to another". However, it does not indicate by how much, how far and how often. Alternatively, change can mean reverting to a previous state if that condition, structure or process is seen or proved to be more efficient, reliable or effective. On reflection there appear to be only two basic laws for organizational change and they are; if it is centralized then de-centralize it or vice versa and, if it has a simple vertical hierarchical pyramid to flatten the management structure and occasionally vice versa.

Many organizations now use change to mean contraction, rationalisation and re-organization, programmes that lead to disruption and disharmony. And, if you try to introduce too many changes simultaneously the level of disruption and discontent increases. The connotation is that change means slick presentations in concert with

positive and sometimes even aggressive decision-making, including lots of 'management-speak' and graphs followed, usually, by redundancies.

Others, those steeped in the latest fad or concept of 'change management' prefer to suggest that change is necessary to produce flatter management structures that are, allegedly, able to respond more quickly to the demands of the market and, presumably, their customers. However, expensive advertising videos and stereo sound do not translate into job security. Rather, flexibility in the workplace has come to mean part-time work, part-time contracts, part-time wages and greater insecurity.

The primary consideration when considering any change programme, and that includes mergers and acquisitions, is to assess the impact it will have on the human element. Whilst products or services make profits it is people - managers, employees, customers and suppliers - who make or break organizations. Noticeably it is the commitment of employers to their employees and employees to their employers that form a baseline for stability and progress and more especially during change.

Change, in my view, can be likened to a painting. You can either start with a completely clear canvas, of a size and shape to your choosing, and throw paint over it in a random fashion and hope that it makes sense to someone, or you can use paint to form clear shapes, objects and designs so that there is structure on the canvas or, you take an existing painting and try to change the picture on the canvas by moving the paint around, for example, taking Franz Hals "The Laughing Cavalier" and turning it into a "Mona Lisa". The size and overall shape has not changed, the painting is still within the parameters of the canvas and the surrounding frame and what you have done is change the shape, content, colour and presentation.

But what is the outcome as perceived by those who preferred the former to the latter, what do those who view the painting believe has been achieved, does it have a new, lesser or greater value, is it accepted as art and who has benefited? Art, and beauty, as they say, is in the eye of the beholder and that is why we often see something different to someone else, but who is right?

The difficulty with introducing change to any organization is that it is often perceived as something that has been discussed, determined, agreed and imposed by those at higher levels, who are, more often than not, immune to the change. Secondly, change is something that is usually driven through with the vague promise of financial reward for those who go along with the proposals or who remain after the turbulence has settled. And, thirdly, that all change, by definition, is progress.

Therefore, if you wish to introduce any kind of structural, procedural and organizational change you must consider how you will encourage the people to change. This process will, necessarily, mean the introduction of new promotion schemes and a management structure to climb; it will mean changes to the compensation system so that people not only believe but can see that the introduction of such changes will mean an increase and not a decrease in levels of remuneration; and, it will, necessarily, mean the introduction of new or additional training and re-training programmes to take account of the need to press different buttons, turn different screws or even pull levers in different directions.

Therefore, what senior management must do is convince those lower down the chain, the majority, that they have an input to any proposed change and that what is being proposed will benefit them in the longer term. You have to convince the ordinary workers that they will not lose and the commercial world loosely refers to this need to communicate as leadership. But, let us be frank, the only people who immediately, and enthusiastically, embrace any changes are not necessarily visionaries but more likely to be those who were involved in devising a change

programme and who will benefit, from promotion, increased status, increased salary and/or increased perks once the process has been completed.

The second group who accept, without question, any change, who apparently see the light and immediately begin to chant the mantra or preach the gospel, are those who believe that they see an opportunity for advancement and additional benefits for themselves. Even the Apostles believed they saw the opportunity to be elevated, in fact did not one Apostle's mother ask Jesus whether her sons could sit "one at the right hand and the other on the left" in the heavenly kingdom and was not the reply along the lines that she did not realise what she was asking and that it was a request that could not be agreed or granted?

However, not everyone can or will gain from change processes and so there will, necessarily, be disappointment. That is because change often leads to a period of confusion followed by a period of questioning and disruption followed by gradual acceptance and sometimes with additional changes to 'put right' areas that did not quite work. That is because human beings will always try to make something work and even if a change programme has not been well thought through, by that I mean eventualities identified and solutions provided as part of the process of determining strategy, people will make an effort to iron out glitches.

Nonetheless, I believe that no one likes continuous disruptive change to his or her lifestyle and workstyle. Therefore, change is, perhaps, best introduced through a constant process of consultation and communication to ensure that people are in agreement with and are prepared to accept disruption; and, through programmes of discussion, education and training to achieve implementation. And, change is introduced through a steady and incremental reform rather than chaos. This is the fundamental principle of the Japanese 'Kaizen' approach and it is recognized that they have many successful organizations particularly in the field of manufacturing.

Some companies adopt a proactive approach by appointing change managers, sometimes personnel or human resource department people, with the sole remit of proposing ways of introducing and implementing changes to conditions, working practices, working hours and even levels and programmes of remuneration. Change managers are often brought in from outside the company and they tend to have little or no understanding or appreciation of the people and the culture of the company and that can cause additional resentment.

However, if companies and organizations are to continue to thrive then change cannot be ignored. Therefore, change must be controlled because even during a period of upheaval an organisation must continue to offer the services or manufacture the products it is contracted to provide in order to retain its customers. And, during a period of change or upheaval a company is increasingly vulnerable to competition. Unless organizations constantly looks for ways of improving operations or processes and ways of introducing new technology then it will lose its place in the market and will become, again, vulnerable to take-over. As William Ralph Inge, the Dean of St. Pauls, wrote,

"Every institution not only carries within it the seeds of its own dissolution but prepares the way for its most hated rival."

(William Ralph Inge (1860 – 1954), English prelate and author, The Victorian Age. 1922)

In my view the quotation can be applied to any company or any organisation. However, until commercial companies realise that more can be achieved through investment in research and development and through organic growth rather than through mergers and acquisitions then stability will not return to the workplace. Mergers and acquisitions tend to stifle rather than stimulate competition, do little to provide alternative

sources of products or services to customers', usually lead to a loss of employment for employees because senior managers invariably begin to follow management programmes of delayering and downsizing in order to reduce overheads and, often do not do a great deal for shareholders.

Change, or progress, also appears to depend, according to George Bernard Shaw, "on the unreasonable man", since he, or she, is forever looking for ways to change their surroundings, the workplace, society, or the opinions of others. Unfortunately a world full of unreasonable people, each with their own vision of structure and progress, will lead from discussion through disagreement to dissension and a breakdown in détente. As the American journalist and editor H. L. Mencken wrote,

"A society made up of individuals who were all capable of original thought would probably be unendurable. The pressure of ideas would simply drive it frantic."

(H. L. Mencken (1880 - 1956), American Journalist, Notebooks 'Minority Report')

Regardless, there are change-makers in every commercial, industrial and political field. Many are of the opinion that they thrive on change and many of them seek to establish their own reputation on the successful introduction of one major change, despite the fact that many other changes may have failed. That is because they are hostages to the mistaken belief that all change is progress and to the concept that change will, necessarily make conditions easier for all the stakeholders in any organization. However, they might also be the first to react in a negative manner if change was to suddenly affect their personal life, in any shape or form, or if it suddenly affected their professional career. As Doctor Johnson noted in the 18th century,

"Such is the state of life that none are happy but by the anticipation of change. The change itself is nothing; when we have made it, the next will is to change again."

(Samuel Johnson (1709 – 1784, English lexicographer and essayist)

Conversely, there are others who, either from fear or uncertainty are reluctant to embrace the idea of change and their attitude can stifle progress. That is because human beings are often comfortable with the organization, system and structure they are used to and often will go to great lengths to defend the 'status quo'. Therefore, it is not unreasonable, almost necessary, for there to be a degree of reluctance to embrace change especially when it will lead to a disruption to work patterns, promotion prospects or remuneration levels. People may even object if change impinges on the work patterns and responsibilities of colleagues and can lead to the loss of effort, commitment, motivation and output. It is part of the process of communication, discussion, negotiation and acceptance. And, do not forget that acceptance of change means responsibility for making sure it works,

The fact organizations need to continuously review policy and direction, including products, processes, procedures, services and manpower levels cannot be disputed. Indeed, part of the process of change involves training to enable people to understand and accept new systems, new equipment and new procedures and that is one area that must not be overlooked no matter how small. However, that does not mean that every change brings opportunities, or that opportunities exist because of the introduction of change but that new opportunities may arise from change. There is a need to balance the enthusiasm of the progressive against the lethargy of the regressive. This can only be achieved through communication and education.

Companies and politicians are, increasingly, using management consultants, sometimes business school academics, to tell them who, what, where and how to change their organization and they sometimes employ the same consultants to act as change

managers during a period of transition. If they have to do that too often then clearly the senior managers do not understand the business they are in, do not have a feel for the company or the organization and its employees or, more simply, do not have an appreciation of the direction in which they should be going. In effect, what they are doing is outsourcing accountability for making strategic management decisions; and, if they do that then why on earth are they paid considerable sums of money to assume responsibility for the task?

Consultants, academics, even senior management in many companies, do not always know how their organization functions best or, what motivates their employees and what irritates and annoys them or turns them off. Thus, when senior management embark on any programme of change what they are usually trying to do is stamp their mark on the company.

Consultants, if they are to be of any use for their over-inflated salaries, should be used sparingly and employed with care. They should be provided with a clear brief and deadlines; those who directly employ them must closely monitor their activities; and, their recommendations should be taken with a healthy dose of scepticism before seriously implementing any proposals. And, it must never be forgotten that consultants and academics only provide advice; any decisions on implementing a new strategy or policy is the responsibility of senior managers.

So, before the next change think about the human element, be sure in your mind that the new picture will be as acceptable and presentable as the one you are about to change and identify what benefits will accrue. Think very hard and long about how you are going to retain people with the requisite skills to provide products or services and retain customers through knowledge and communication. Think about how you can improve or increase commitment and motivation, not just financial but promotion prospects, to make things succeed. Think about the costs of implementing change to the organization, how it might affect the culture, that is the company's reputation and the way that business is conducted, and the impact on other stakeholders. And, determine how you can reduce inconvenience, to customers and employees, to a minimum. As Charles Handy suggests,

"Change is not to be advocated for its own sake. But the organization that can adapt to changing situations and requirements is the organization that survives."

(Charles Handy (1932 -), Irish author and philosopher, Understanding Organizations)

So, is change good or bad? That is an extremely difficult question to answer and depends entirely on the circumstances in individual companies and organizations. The answer is that change is probably, a bit like the curate's egg, 'good in parts'. It depends on a number of factors not least being who will it affect, what will be the likely impact of the change, where is the change most likely to be felt and how will it affect people at those specific levels.

Is change always necessary? Again, the answer must be both yes and no and it all depends on individual circumstances and the perceived amount of upheaval and instability. For example, a child going to school for the first time is presented with change, which, in most cases, is not liked. But the stability is in the fact that a parent takes them to and collects them from this new experience, there are other children who find themselves in the same situation, there are new toys to play with and games to learn and eventually the child settles down into the new routine.

Another example, an individual moves from one part of the country to another to take up a new job in a different company. The change and the challenge are not only to

adapt to new circumstances but also new surroundings and a new set of people to get to know. The stability is in the fact that the job might be in the same specialist area, it is possible that there will be people in the new company that he or she knows and the terms and work conditions are likely to be similar. However, for a family to move from one part of the country to another or for a family to move from one country to another presents a much greater set of changing circumstances and challenges. The stability remains in the fact that the family is together and provided there is agreement among the members of the family that the only way is forward and that everyone will work to accept the change and deal with the new challenge then the likelihood of success is increased that much more, but, if there is resentment to the change in circumstances then it will increase the possibility of failure.

There are those who would argue that if something is not broken then you should not tinker with it or try to fix it; conversely, it is also accepted that maintenance of any organization is paramount in order to keep it functioning efficiently and effectively. For example, if an organization is losing customers it is obvious that either the goods or services it offers are no longer attractive, necessary, wanted or competitively priced by customers or they are not being marketed properly by the marketing department or perhaps the salesmen and women are not doing their jobs. In which case there has to be an almost immediate change in design, production and marketing and perhaps even a change in personnel, if it is not too late already.

But even then the situation does not call for a 'knee-jerk' reaction or a 'quick-fix' response, as advised by management consultants, but concentration of internal thought and effort to produce a strategy, goals and a programme of change that must be communicated as clearly, effectively and efficiently as possible. Managers must realize, surely, that change cannot be introduced without a degree of discomfort and that what organizations need is stability in order to function efficiently and effectively. What they must also do is make every effort to find ways of re-deploying resources rather than make people redundant after any change programme, especially if it is being done simply to reduce overheads.

Alternatively, if a company makes a bold decision to move from one area of business to concentrate on another different area of business then the challenge is that much greater; and, the greater the change the greater the chance of it not succeeding simply because every aspect of stability is or could be removed. As Machiavelli suggested:

"It must be remembered that there is nothing more difficult to plan, more doubtful of success, nor more dangerous to manage, than the creation of a new system. For the initiator has the enmity of all who would profit by the preservation of the old institutions and merely lukewarm defenders in those who would gain by the new ones."

(Niccolo Machiavelli (1469 - 1527), Italian political philosopher and musician)

It should never be forgotten that companies and organizations are not just a name or a logo or a product or service, but that they consist of people. Change programmes are thought up and designed by people, usually to reduce overheads, or to introduce a new policy or changes in processes or procedures, or in an effort to make a company or an organization function and operate more effectively and efficiently. Therefore, change, by definition, affects people and relies on managers producing clear strategy guidelines and instructions and communicating those thoughts and ideas, and it relies on employees understanding and accepting proposals or suggestions.

However, if any and all such changes, to the organization, administration, structure, products or services or a company, prove to be disastrous, and it is not only people but the company or the organization that suffers from a loss of culture, product identity and market share, then it is paramount that those who are and were responsible for the drafting,

agreement and implementation of those changes are the ones who must bear the brunt of any criticism and subsequently suffer job losses. That has to be the only way to sharpen the minds of those who would implement change to go the extra yard or even the extra mile to ensure that what they are proposing is in the best interests of the majority and not the minority and that every possible eventuality has been addressed.

Besides, I get the impression that politicians and senior businessmen and women, in their speeches, articles and books, are fond of referring to change or preach the mantra of the need for change when often they have little or no idea what major policies are best for the people of an organization or a country or which direction to take their company in for the next year or two let alone decade and the more they mention change the more cynical a sensible audience is to the proposed change.

There is no simple solution and no simple way of dealing with change but if you, as a director or manager, fail to keep people informed, that is by clear, open, honest and unambiguous communication, then any change is, most probably, doomed to failure. On the other hand, if change is presented in such a way as to reduce disruption or turmoil and provide additional job opportunities and promotion prospects and if employees believe that change will benefit them in the short and the longer-term then it stands a chance of succeeding.

(4080 words including quotations)

KENNETH ARMITAGE

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