**CHANGE MANAGEMENT**

**Executive summary**

Change management in an organization is a very critical concept. It is not an easy job for the manager to bring an overall change in an organization because it involves changing people’s mentality and behavior, and therefore encouraging acceptance of the new changes. In the context of change management, study of Kotter’s theory of change management is studied along with the analysis of force field model, where different social factors are studied. The eight-step change model planning in Kotter’s theory of change management is identified and understood in this report. Different functions of a manager that he or she needs to perform regarding cultural change in an organization are evaluated in this study. The use of leadership tools, management tools and power tools is thoroughly studied. In addition, the step that a manager is required to take is studied here along with different type of frequent mistakes that a manager may make. Also, the case of IBM in cultural change in organization is studied here. The values that we have learnt from the IBM case in understanding change management and the role that these changes in organizational culture play are also evaluated and properly studied in this report.

# Section 1

# Introduction

Change is accelerating and even inevitable. The initiatives of change involves time and cost, but through a planned and disciplined change management, organizations can survive. Change management is termed as the management, which deals with the methods that directs or redefine the use of the resources, budget allotment and other modes of operations, which leads to change in an organization or in a society. Change management can be also termed as the change in accordance with how people change in an organization or in a society. Change management deals with many alternating principles. The principles vary from behavioral to social sciences to even information technology and solutions to business (Cameron & Green 2015). Change management involves thoughtful planning and practical implementation and also consultation with the people or concerns that are affected or going to affect for the change. Change can be both in terms of people and in terms of organizations. The change should be appropriate, realistic, and not vague or without any definite objective. Change implies an objective for which the change is required. Change is the key to numerous problems as it gives direction for what has to be done in order to overcome the faults of an organization or of a community of people. In terms of Change to people, the factors should be considered which entrails for the change. The change must be measurable in order to differentiate the change for which the change been made. Whereas in terms of an organizational change the factors need a change, it should be taken into consideration before the change is made. Change is needed when there is a requirement for the change to take place. The change management is based upon certain changes that are required to improve the performance of the organization. This change in the management is made by certain approaches that are made by teams or individual. In this study, we are discussing about the Kotter’s Theory of Change management. This change in the management is made by certain approaches that are made by teams or individual. The 8-step change models planning under Kotter’s Theory of Change management in the organization are:

·         Creation of vision that provides change

·         Creating the urgency

·         Creation of the guiding coalition

·         Changes required in anchoring

·         Improvements based on consolidation

·         Removing of the obstacles

·         Vision needs to communicate.

This study also deals with the Gerstner’s Case Study on Change Management.

# Section 2

# 1. Discussing the Kotter’s theory of change management.

The change management is based upon certain changes that are required to improve the performance of the organization. These changes in the management are made by certain approaches that are made by teams or individual.

**Kotter’s theory model:-**

The main changes of management are formed by the Kotter’s theory model. This model is formed based on 8 successive factors. This model has started by Kotter in the year of 1995. This 8-step model made by Kotter helps in the progress of the company. This change model theory is introduced for the betterment of firm as well as to improve the ability of the company. Moreover, this assists in increasing the working capacity of the company. Thus, it would help to increase the chances of the success. In order to follow this Kotter 8 steps make to build up planning that is helpful for present and the future aspects. This planning helps in reducing the chances of errors that rises from the change of management. This also assist in the adapting certain changes that are based upon implementation of changes. The company needs to follow the changes that provide the more chance of success.  The success of company depends on the positive impacts of employees. It is very important on the basis of changes in implementation. All the eight steps of Kotter follow different changes for the organization. Moreover, the first three processes includes with the changes that takes place in perfect climatic condition. In the second process includes with the changes that takes place in the company. In the final process includes with consolidating and implementing changes in the company (Maclean & Vannet, 2016).

These 8-step change models planning in the organization are followed as:-

## 1. Creation of vision that provides change:-

A proper vision assists every person to understand the main aim of the company, that are achieved on given set of time. Moreover, this vision might be clearly focused by the management of the firm in order to create the changes. The clear vision of changes would provide create evidences of changing certain factors that helps in the development of the company. While creating the changes of the management there is requirement of ideas of the staff members. These ideas provide vision that would help the fast changing of the management. In order to transfer the vision of the employees provides in adopting new strategy. This new strategy helps the workers to achieve the set goals easily on a set time (Frankland, *et al.* 2013).

## 2. Creating the urgency:-

This is the most important changes that are introduced from the 8-step theory model. The staff members needs to aware of the urgency that helps in changing of the management. Moreover, these changes are introduced by creating a high support from the employee. In order to create the urgency of awareness needs to be based upon honest and open conversation between employees and management. It is very important to convince the staff more making the changes and take rapid action planning. Moreover, this urgency can be accomplished by properly communicating with the workers and management. A proper discussion reduces the possible threats that rise from the change takes place in the management (Chappell *et al.* 2016).

## 3. Creation of the guiding coalition:-

It is very important to create new ideas that need to establish on the team members working in the firm. This new ideas provide change that needs to implemented for the betterment of the organization. In order to make certain changes there is a high requirement of efforts made by the management. This effort provides the constructive approach at the time of building of the employees. The coalition is basically formed by the workers working in different position or levels. These workers used to identify themselves with the other members based on the performance.

## 4. Changes required in anchoring:-

These changes are introduced by the management culture at the time of becoming a part of the organization. These changes in the cultures are introduced with the help of more standards and values. It is very important for the workers to support the changes that are introduced by cultural activity. These changes can be achieved by regular discussions and evaluation of certain techniques.

## 5. Improvements based on consolidation:-

In this process of changing are introduced in the company by quick changing process. Moreover, this requires high improvements that need to focus by the company.  The change process might be driven properly to achieve the success based on the culture of company.

## 6. Creation of short wining:-

The short win process motivates the employees based on the ideas. The short goals help the worker to create a clear planning idea that assist in changing in the management. In the change process there is an involvement of rewards that motivates the employee in the performance of the work. Moreover, this motivation helps in getting the short goals that are achieved by the employees. In order to achieve the goal, the workers are motivated to make the changes that help in improving the production of the firm (Pollack & Pollack, 2015).

## 7. Removing of the obstacles:-

There are various obstacles rises at the time of changing the management. It is very important to examine the upcoming obstacles that rise from the change. These obstacles could be understood properly by collaborating the planning and ideas of the employee. Moreover, a wide range of vision also helps to reduce the rising obstacles.

## 8.  Vision needs to communicate:-

It is the most vital steps to carry out the success in the change model system. The new vision that is introduced by the employees need to be communicate properly among the management. Moreover, this provides high chances of the changes that are required in the change model theory.

In this model, planning it has been recommended that a new vision is required to make the changes that are highly required to make the changes. This theory models are very successful for the development of the organization and this changes are supported by the employee and management (Calegari, Sibley & Turner, 2015).



**Figure: 1 Kotter 8 Step Change Models**

Source (Swanson & Creed, 2014)

# 2. Describing the Force-Field Analysis, followed with examples.

## Force Field Analysis:-

The force field analysis is a framework that is based upon certain factors such as social situation. This force helps in achieving the set goals that are carried out by the management. This forces are divided into two process based on the field analysis. These are blocking and driving movement at the time of achieving the set goals. It is very important to carry out the force field analysis to know the exact change in the management. There are certain changes that need to be operated in the management. The force field analysis is introduced by Lewin to identify the main four forces that helps in the changing of the management. This analysis provides the changes that cause a huge problem while performing business. The problem changes are introduced by the force that could be used against or for the changes. In this model theory, the driving forces helps in creating certain changes that helps in the working of the company (Swanson & Creed, 2014).

## Certain analysis based on the force field model:-

1. In order to identify the main groups that are targeted while creating the force field analysis.

2. In order to identify the main stakeholders for the rising problems that appear while working in the organization.

3. In order to identify the power required to tackle the problems that arise from the management.

4. In order to recognize the opponents or rivals present at the changing of management.

The force field analysis is based on the external and internal components that lie while working in the company (Hayes, 2014).

External force:-

The external force includes on the outside areas of the changes in the organization. These includes with the following things, these are as follows:-

1.  There is a huge demand that lays high quality of the products and includes the service of the consumers.

2. Changing the nature that depends completely on the workforce.

3. In the external forces includes with the social and ethical values, these are highly required to make the changes in the organization.

4. Moreover, there is an huge changes that takes place on the higher cost that includes with the input.

Internal Forces:-

The internal forces includes with the changes that lies within the company (Booth, 2015). These includes with the following things:-

1. It is highly required to make certain changes that are basically concerned with the effective communication.

2. It lies with the changes that includes with the reorganizing efficiency of the company. Moreover, it is required to increase the competitiveness that helps to make the changes in the company.

3. The changes would assist in increasing the company's profit and better performance of the firm.

The force field techniques are introduced to tackle the difficult situation that rises from the changes made in the management. Moreover, this technique provides the more success and thus improves the quality of the formed decision at the time of changing that takes place in the management. The force field analyses are highly required while carrying out the proper business in the company. This tool helps to make the required decision after analyzing the force with or without the caused changes. These changes are made on following the five steps. These are as follows:-

1. The proper discussion needs to be made on the planning of change. At the time of making of the changes there needs a clear vision or set goals that needs to made at the time of the proposed change.

2. The exact identification of forces is required to make the changes (Hughes & Wearing, 2016). In order to identify the forces required to make the changes lies with external and internal drivers. In the internal drivers there lies with the increasing the profit of the company that are formed after making the changes in the management. In the external drivers includes with the demographic changes that is affected while working in the management.

3. There is a high requirement to identify the forces that lies against the changes. These includes with the external and internal factors that consists on the unfavorable changes. In the external factors there lies with existing commitments in the organization. In the internal factors there lies with the existing structure of the company (Goetsch & Davis, 2014).

4. While analyzing the scores on the forces that help to make the changes that is influenced at the time of working in the firm. This score helps in providing the strong and weak factors that rise while making changes in the management.

5. Applying and analyzing the required force field while making the changes. This helps in making the decision that could be sometime used to change (Oakland, 2014). The proper supporting force assists in strengthening the working of the business as well as makes the success of the firm.  At the time of applying the force field, there are certain changes that need to be considered by the organization. The exact force field could be applied to make the changes that are suitable for the betterment of the organization. The force field is applicable to making the exact changes that would require at the time of the management. The forces helps in making the exact outcomes that are required at the time of making of the changes. Moreover, the force field analysis assists the management to make the exact force required to make the changes in the management. In every organization, there is a requirement to make the changes analyzing with the field of forces. There are several problems that arise from the changes and the force field analysis helps in creating the positive and negative impacts (Sallis, 2014).

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**Figure 2 : Force Field Analysis**

Source: (Sallis, 2014)

## Examples of Force Field Analysis:-

The force field analysis is made upon the few examples that help to know the changes on the losing of the weight. The force field analysis helps in bringing the changes for loosing of the weight. The loosing of weight depends on the changes that are brought on the lifestyle of the people. Moreover, there is a huge importance to make the force field analysis to calculate the losing of weight.



**Figure 3 : Force Field Analysis**

Source (Goetsch & Davis, 2014)

#  3. Change management may necessarily include changing an organization’s culture. Description of the functions based on manager in changing an organization’s culture.

There are different types of challenges that are faced by a company. In all of these challenges, the challenge of changing an organization’s culture is one of the hardest. Changing an organization’s culture involve changing people’s behavior and mentality, which is not an easy task. A prevailing organizational culture includes an internally connected set of objectives, role-playing, procedures, communicating practices, assumptions etc. So changing the culture of an organization involves changing those elements as well. The elements that are involved in the culture change of an organization, binds together mutually to prevent any change. To encounter this, new procedures or the help of knowledge management is taken, which are known as single fix changes. However, these single fix changes are not enough because after a while the elements override the change process and it goes back to the old or existing culture (Cameron & Green, 2015).

Bringing a cultural change to an organization is a macro concept, therefore it is required to put every tool of an organization in the act. However, the series or the system in which those tools are put in the act determines the rate of success of this culture change process. In general thinking, the most obvious strategy is to begin the process with the use of leadership tools which will involve developing a vision of how the new culture will be, the importance of the new culture, the advantages that the new culture will provide etc., then comes the part of fixing the new changes with the management tools like defining the role of each member of the organization, defining the control and management system etc. (Hayes, 2014).

The organizational tools that a manager can use to change people’s mentality and attitudes can be divided into three parts:

* The part of inspiration - In this first part, a manager is required to put in the use of organizational tools involving inspiration. Here, different leadership tools like development of a vision, the act of storytelling, the act of persuasion are put into play by the manager which are mutually bound with some management tools like the function of negotiation, making a strategic planning, decision making etc. Therefore, inspiration acts as the key element in the use of leadership tools.
* The part of information - In this part, a manager is required to involve the role of information element. In this section, various types of management tools are put to use by the manager, which includes the use of measurement tools, the process of role definition, elaborating the new operating procedures, introduction of new control systems etc. management tools are interconnected with the leadership tools and power tools as well.
* The part of intimidation - This part of intimidation may be called as the last resort, because in this part a manager needs to use various power tools. Power tools include the use of coercion, threats, and punishment. When all other tools fail to work and does not provide fruitful outcomes, the demand to use power tools increases. The power tools are mutually tied with management tools.

There are different mistakes that are frequently made while introducing changes in the culture of an organization. These mistakes are presented below:

* Sometimes managers make the mistake of overusing the power tools, which include coercion, threats, and punishment. In this context, a manager needs to use more the leadership tools and use less the power tools.
* Managers often fail to place the management tools in their respective place, which will help in establishing a strong base for the behavioral changes. Therefore, manager should start the process by presenting a description of his or her vision to other members and employees and then place those management tools in their appropriate places.
* In some cases, a manager starts the use of power tools before presenting a clear description of his or her vision, which may backfire and may lead to reduction in motivation (Frankland, *et al.* 2013).

A manager is required to make a strong foundation to bring the necessary cultural changes that he or she intends to bring in the organization. The development of the foundation involves several steps:

* Assessment of prevailing culture and performances - In this step, a manager needs to define the significant performances according to their respective importance level. He or she needs to identify his or her own strong points as well as weaknesses that are becoming a hurdle in developing performances.
* Clarification of initial vision - a manager needs to clarify his or her vision to himself or herself respectively.  Then he or she is required to present a clear definition of his or her vision in front of others. He or she needs to discuss the weaknesses and how to overcome those weaknesses with team efforts, with other members of the organization.
* Clarification of values and behavior - in the third step, a manger needs to clarify the values and the behavior that he or she is expecting from other members and employees of the organization due to the introduction of new changes in the culture of the organization (Cummings & Worley, 2014).
* Clarification of strategies - here a manger needs to clarify the strategies that he or she has planned to other members for bringing the cultural changes. The clarification should be done according to the priority level of the strategies. It is required to evaluate the introduction of new product or service line, or a revised strategy for sales, as the manager intends.
* Clarification and tracking of critical measures - in this step, a manger is required to identify the small measures, which will aid the performance improvement processes.
* Building motivation - after all the steps mentioned above, the step to build motivation comes into action. Assessment of prevailing culture, clarification of initial vision, clarification of values and behavior, clarification of strategies, clarification and tracking of critical measures, all these steps are not enough if there is no step of building motivation. A manager must promote encouragement of other members and employees of the organization, he or she must try implementing various processes of motivation, which will further enhance the performance of employees and improve their work quality (Khattak, Latif & Lee, 2013).

All these steps and proper use of tools will smoothen the process of bringing change in the culture of the organization.

#  4. Gerstner’s Case Study on Change Management.

## Summary of the study

Gerstner conducted his famous study on the organizational context of IBM in order to define the potential resources of transformation. He has also underlined the urgency and indispensability of change management for any organization in order to survive in this highly competitive market atmosphere. This case study also suggests emphasizing on the culture and ambience of the organization as an effective driver of sustainable transformation. He demonstrates it as a precursor to accomplish the imperative organizational change. Moreover, the effort encourages in-depth understanding of the importance of change in any institute to subsist and illustrates the monumental role that culture has to play on principle to enhance the possibilities of positive transformation (Khatoon & Farooq, 2014).

## Urgent Need of Change Management

Usually, change management is meant to switch the prevalent methodology of a task at an organization. It may include redistribution of resources, amendments in financial estimates, changing methods in its concern, which is strictly dependent on the current condition of the institution. Change management is an integral segment in the research and development curriculum and management experts face a great deal of compulsion and urgency since business activities nowadays are globalized where the organization is supposed to maintain a certain degree of loyalty to the customers in order to strive. The concept of Change Management originates from the urge to effectively exploit the intellectual agencies associated to the organization in order to adapt to change. The method of altering the activities followed by the implementation of the tasks and technical expertise to reach the desired goal is a usual practice which change management accommodates. Change Management generally incorporates several aspects such as Control change, Adaptation change and effecting change in order to ensure sustainability with high benefits. There are some domestic and external factors, which have an active impact on management agencies and can switch the activities as well as can create hindrance to retard the process. The governing forces with an ability of driving change are change in governmental legislation and policies, Development in new resources, Alteration of cultural and social values, Change in regional and global marketing ethics and exchange policies, Advancement of manufacturing techniques, Reallocation of factory and numerous more. Changes inherently possess the essence of resistance within it that can be generalized as a collective response from the veteran side of the employees. The principal driver of these inherited hindrances can be categorized as Individual sources and Organizational sources (Rao, 2015).

Gerstner drew organizational attention and suggested some totems in order to tackle the intense resistance and those are as follows:

1. Fair implementation of change
2. Increase adaptability and acceptance of  change
3. Communication and Education
4. Encouraging competence
5. Developing dedication and support
6. Cooperation and Manipulation

## Culture as a precursor of Change

Culture is the collective and standardized perception accumulated from the individual mindsets and supposed to be rolled into a single set of common contract. It consists of the company’s central values, its operating principles and regulations, it legends and anecdotes. It fixes the character of the organization by exerting influences on every individual's spirit and moral. In the premises of organizational development, indicators of culture can be characterized as;

1. The fashion of Leadership
2. Communication formats
3. The fashion of decision-making
4. Utilization of information
5. Utilization of electronic devices for exchanging information and other services
6. Categorization of level and facilities
7. The standards of performance and expectations
8. Aftermath of failure
9. Regulations and Attitude
10. Legends, conventions and anecdotes
11. Emblems (motto, logo, relics)

Cultural indicators can be reckoned as the factors, which unveil the collective identity of the company. There lies a unique mindset behind every indicator as a shared platform of values, morals, spirits and perspectives. These indicators dispense key traits of the organizational ambience and eventually lead to a precise assessment of the embedded culture and mindset. Transformation of culture is a core aspect of virtual organizational effort which proposes that transformation entails “subject” switches that are so profound that they need people’s collective standard of being, functioning and relating to retain and implement them. In the conducted case study it has been illustrated that mindset is a causative entity which organizational change leaders hold influence and demonstrated with profound emphasis that cultural transformation is a backbone of personal transformation. The study has also encouraged interrogating and exploring the elementary assumptions, seeking deeper understanding to verify the local reality rather than basally frame itself upon it. The company survives to be aware of their rudimentary assumptions and values about fact so they would not inadvertently fathom inaccurate conclusions. There are numerous now-famous conclusions that were subsequently found to be fake (Khattak, Latif & Lee, 2013).

## Role of Organizational Culture in Change

In the case study, Gerstner underlines that the strength of the company lies in the spirit of being together and this apprehension can be cited as the conclusion of this segment. Leadership agencies can influence the culture of work communities through verifying team goals and values, roles and liability, communications formats, operating regulations, decision-making, identification and compensation. At the level of encounter, leaders can affect culture by modeling and simulating relationship agreement, dispensing and reception of effective response, negotiating designations and responsibilities, verifying interpersonal attitude, managing disputes and deducing mutual accountabilities. Individually, their cultural intrusions can aim on personal attributes, such as being liable for one’s own actions, appreciating commitments, devising emotional intelligence, expressing facts, admitting mistakes and producing time and finance intensive module (Burke, 2017).

# Section 3

# Conclusion

An organization needs to adapt itself to the changing economic environment of a nation. However, the act of bringing such a macro change is not an easy job. A manager is required to use leadership tools, management tools and power tools in a proportionate manner and in right order. He or she must not use one tool more and the other less. Leadership tools should be used first then come the management tools and finally the power tools. There are certain frequent mistakes, which a manager may easily make, so the tools should be used carefully and precisely. The steps mentioned above should be used accordingly by the manager in a right order. For a change, a proper process should be implemented. The change should be such that the change is realistic and it has to be made with expertise. In terms of an organization to adopt the changes, the manager should use the proper tools for change process. The study dealt with the benefits of change using the models of changes by Kotter’s Theory of change. The Change is a planned and managed process. The benefits of the change are known before implementing and provide motivation and assessment for progress in an organization. Change can be implemented without the hampering of the normal day-to-day work process in an organization. The efficiency of an organization is maintained by the implementation of change required. An effective change management process leads to the reduction of the risk associated with change. An effective change management leads to a smooth transition from the old to the new in spite of maintaining its morale, productivity in terms of the organization’s result, and even company image.