

Change: Something that Executives and Employees Must Be Ready to Face

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Abstract: Change happens all the time—whether it is at the individual, group, organizational, or social level—and this in turn triggers further change, such as in the nature of labor, technology, economic shock, competition, social trends, and global politics. If something changes in an organization, its employees will also need to change their behavior. An organizational change may be internal or external in nature and may include structural change, cost reduction, process change, and/or cultural change. When change occurs, people respond differently by either accepting or resisting it. Management must therefore try to maintain a balance in order to make employees feel secure while working in the organization.

Key words: *Change, Organizational Change, Responses to Change*

INTRODUCTION

People are generally familiar with change and often prove themselves able to adapt quickly [1]. So why would people have to endure an unchanging environment in a workplace? This question has posed problems for executives since the beginning of the Industrial Revolution. What is more, the evolution of electronic devices is accelerating, increasing the pressure for services from around the world to adapt quickly, because the economy is moving fast [2]. Although executives try to persuade employees to accept the need for change, employees do not always believe their bosses, because an organization's stability is a key factor that reflects long-term success [3].

The organization will survive and grow optimally when it is stable but also highly adaptable. However, when an organization is unstable and makes no effort to change, it is at a precarious point, and it may collapse soon [4]. In contrast, if an organization is very stable but unable to adapt to changes in its environment, it will ultimately slowly disintegrate [5]. Robbins [6] stated that the forces that cause organizational change include the nature of labor, technology, economic shock,

competition, social trends, and global politics, with details of these being shown in Table 1.

ORGANIZATIONAL CHANGE

Any change that occurs in an organization may cause employees to change their behavior. Changes may be planned or unplanned [7]. Meechart [8] listed the organizational change types shown in Table 2. In addition, organizational changes may be positive or negative, creative or catastrophic, strong or weak, slow or fast, or caused by external or internal stimuli. However, change will always affect those involved.

Organizations often respond to technological challenges, competition, markets, and demand for better work. Change is therefore inevitable in order to overcome obstacles and increase operational results. There are four types of change, given as follows [9].

1. Structural Change

An organization is like a collection of pieces that work together. During a structural change, executives and consultants try to adjust these components to improve overall performance. Examples of structural change include mergers and acquisitions and agency reduction.

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Table 1. The power that leads to organizational change

Power	Examples
Nature of labor	Greater number of cultures Greater number of professions New low-skilled workers
Technology	The availability of fast, cheap and portable computer systems Listening to music online Human genetic transcription
Economic shock	The rise and fall of the dotcom bubble The collapse of large organizations A sharp rise in house prices or a recession
Competition	Competitors without borders The integration of business partners
Social trends	Internet conversations The retirement of those born just after World War 2 Interest in living in cities
Global politics	Violence in Middle Eastern countries Opening up trade with China The war on terror following the 9/11 attacks

Source: Adapted from [6].

2. Cost Cutting

Reducing unnecessary steps and streamlining methods can reduce operating costs. Activities and procedures that have received little attention during times of good organizational performance may ultimately attract the focus of management to reduce the organization's costs.

3. Process Change

This is aimed at changing operational procedures, such as reforming systems, management guidelines, and decision-making processes. It often aims to make processes faster, more productive, and more reliable at lower costs.

4. Cultural Change

This focuses on people in the organization in terms of operational guidelines, the relationship between management and staff, and changes in management guidelines, and it attempts to shift an organization from an internal perspective to an external one.

The effect of change can be envisioned by likening the organization to a balloon that has a finger pressing on it (representing pressure from the outside). The shape of the balloon changes depending on the position of the finger and the force exerted. While this external pressure is localized, most, if not all, of the balloon (i.e., the entire organization) is affected by increased surface tension. If this tension becomes too great, the balloon will simply burst.

The above example illustrates how the organization as a whole tends to be affected by change in some way. The air molecules in the balloon can be compared to the employees of a company. The finger pressing against the balloon causes a change. Although it does not directly touch the air molecules (employees), it may indirectly affect them by changing their positions within the balloon (the organization) or expelling them completely should the balloon burst (the organization fails).

Repeatedly pressing on the same spot may weaken the balloon until it breaks, much like how organizational changes may cause pressure and create conflict, leading to the organization collapsing. For example, a key employee may feel uncomfortable with a change and decide to resign his or her post.

Of course, a balloon is flexible, but an organization is not a balloon. Likewise, people are not molecules, nor can they move as easily as the molecules in a balloon. What keeps the molecules in balance is much the same in an organization, however. It means maintaining balance in the social structure and having balanced relationship between opposite parties. Balance can occur when people develop stable relationships and learn how to connect with each other and work together. Balance manifests if employees know how to adjust to change. If employees are unable to adapt properly, an organization can never be in a balanced state. When walking all the way, confusion causes division.

Table 2. Types of organizational change

Organizational change	Planned changes	Unplanned changes
Internal change	Change in productivity or service Change in management system	Staff changes Changes in operating results
External change	Changes in technology Advancement of information and communication systems	Control from government agencies Competition from other organizations

Source: [8].

This imbalance creates challenges for executives, who must demonstrate skill in addressing this issue. The role of management is to continuously guide organizational changes that will make the organization more suited to the changing environment while maintaining balance in the organization [10]. This proactive role involves looking forward, initiating change, and controlling the fate of the organization. Another role of management is to establish and maintain balance in the organization by considering the people who may dislike change. This role of management is a reactive one, where there is a response to events in order to ensure that a good emotional state results from the change.

Many organizations make minor changes that may affect just a small group of people. For example, when new production innovations are introduced or new members are added to a team, it may not affect all aspects of the work, but it will affect some. In such situations, it is necessary to maintain balance when integrating new workers or introducing innovations.

In contrast, some factors can affect the very essence of an organization, such as the economy, competition, rapid technological change, mergers and acquisitions, organizational restructuring, terrorism, and natural disasters like oil and gas leaks. Such crises can have both positive and negative effects, and it is up to management to guide and support employees in overcoming problems and restoring the balance [11].

RESPONSES TO CHANGE

Working for change is complicated, and it requires adjustment beyond the changes in the air molecules in the balloon example [12]. Change affects the attitudes of employees, who can respond differently

to change. However, there is no definite link between change and feedback, because each person interprets change according to their own beliefs [13]. The way a person feels about a change can predict how they will respond to that change, however, as shown in Figure 1. The first variable is the personal history of each individual (i.e., family, work, education), as well as social experience. People bring these experiences into the workplace in the form of pre-existing attitudes. The second variable is the work environment, which reflects the fact that people are part of a group and their attitudes will therefore be influenced by the attitudes and norms of the group.

When people perceive that someone cares about their story, they will behave differently than before. This change will be temporary, though. People often interpret change personally, but they also exhibit behavior based on a group response, which is known as the actual response. As shown in Figure 1, sometimes the reaction is unreasonable, such as leaving a meeting in protest. Obviously only a handful of people would walk out initially, but other dissatisfied employees may then join them to show their own dissatisfaction and insist on acting as a group. Fundamentally, the group responds with a feeling of unity, where whatever happens to anyone, happens to all of them.

Whenever change occurs, group members are always inclined to decide what they think is best. Therefore, the pressure affecting the group must be accurately conveyed to maintain balance whenever outside factors affect the organization. This phenomenon is called maintaining equilibrium, and it is when people protect themselves from distraction in order to stay in a balanced state. Group members want to maintain a similar environment.

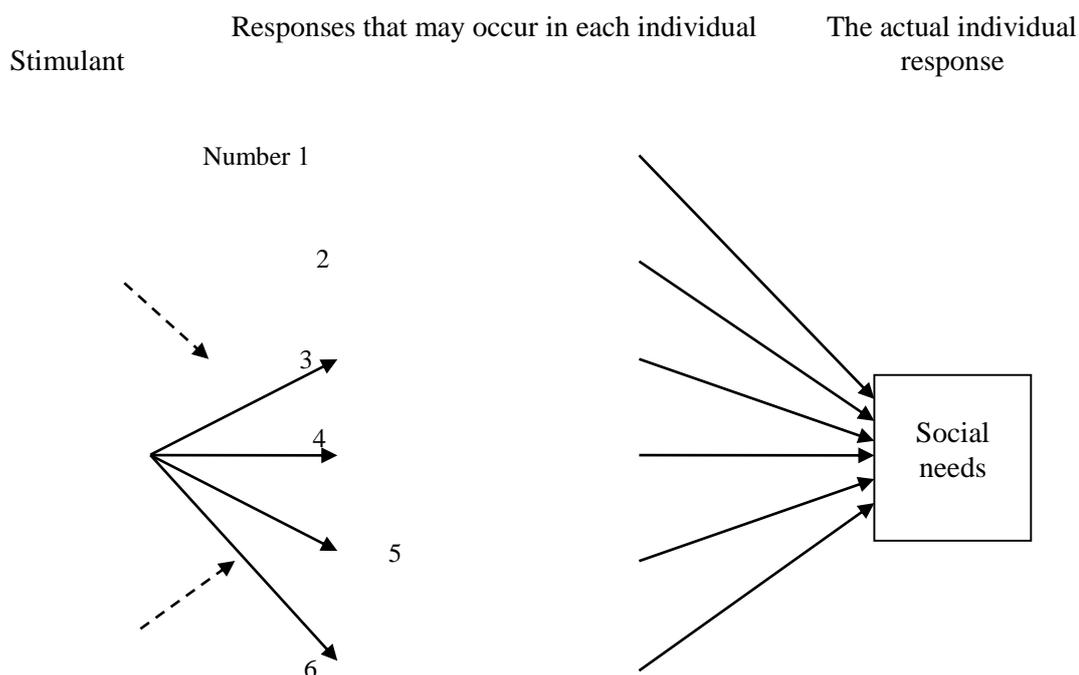


Figure 1. Responses to change
Source: [12].

CONCLUSION

Change occurs everywhere, and the pace of change seems to be increasing. The working environment is filled with changes that affect society and require adjustment from employees. When a change occurs, it affects the mood of employees. Changes can bring costs and benefits, and employees tend to resist change if economic and mental costs do not translate into benefits. Resistance to change stems from a perception of unfairness.

Leaders seeking change must use effective tools and have the vision and charm to entice followers and encourage them to learn. Management must also apply the theory of change creation to establish and maintain balance in the organization, thus helping to reduce resistance to change and securing the support of employees. Time will then help the change to succeed.

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