

# Leading Change in Organizations

## Part One



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**I**N his celebrated work “Leading Change”, John P. Kotter, Leadership Professor at Harvard Business School, professes that in today's business world, complacency is much more common than we might think and very often invisible to the people involved.

Success, recent or past, easily produces complacency. An organization's many years of prosperity could have ended years ago, and yet the complacency created by that prosperity can continue and live on often because the people involved do not see it.

This usually affects the effectiveness and efficiency of the entire organization, even the most successful ones. Huge, strong and well-established organizations, even though they enjoyed a long-term success, were faced with the same challenges and difficulties and almost went out of business.

When Harvard Business Review Editors interviewed Samuel J. Palmisano, the CEO of the International Business Machine (IBM), he said, “We were so successful for so long that we could never see another point of view. And when the market shifted, we almost went out of business”.

Hence, and when the management of an organization recognizes the danger of complacency, it responds by producing an internal large-scale change and implementing the necessary adjustments. However, according to Harvard University

research on 100 large organizations, over 70 percent of the situations where substantial changes were clearly needed, either they were not fully launched, or the change efforts failed, or changes were achieved but over budget, late, and with great frustration.

In today's business world, organizations are required to implement and cope with changes in order to survive. This competitive global economy continuously presents new demands and challenges that confront the organization's managers.

Organizations may face technological, environmental, or/and internal change. Technological change includes the new produced machines, computers and other similar products.

The environmental change is any change that happens outside the organization. It includes economic, political and social changes and new government rules and regulations.

Internal change is the change that results from decisions made by the organization's management. These are budgeting, policy and method changes, reorganization, hiring new employees, and downsizing.

Any organization that does not respond positively to these changes and cope with the necessary adjustments usually finds itself out of business.

On the other hand, managers, supervisors, and team leaders are faced with another challenge when implementing new adjustments and change; resisting change, even from those who profess to be open minded.

Resisting change is natural reaction and it does not indicate trouble making, especially when the change affects the person's career and lifestyle.

Leslie W. Rue, Professor Emeritus of Management at Georgia State University, and Lloyd L. Byars, Professor of Management at Georgia Institute of Technology stated that how employees perceive a change greatly affects their reaction.

They suggested that there are four basic types of employees' reaction to change. The first, employees will resist change if they cannot foresee how the change will affect them, and/or if they believe that the change may make things worse.

The second, employees will resist change if they see that the change is not compatible with their needs and aspirations. They believe, in this case, that the change will make things worse.

The third, if employees see that the change is going to take place regardless of their objection, their first reaction is to resist it. However, when they see that the change is inevitable, they then gradually accept it and go along with it.

Finally, employees will be highly motivated to accept the change if it is in their interests. Hence, employees must feel that the change will make things better.

Organizations need prepared leaders to maintain productivity during times of change. They need people who know the basics about the process of change and how to avoid some of the common challenges when negotiating the change process.

There are twelve strategies and steps that can help greatly in implementing and leading the organization's needed change. These strategies must be understood and adopted by the management, supervisors, and the operative employees. They will be discussed in the following articles.