

UDC 005.591

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Organizational development patterns and regularities during implementation of change management strategies

The article stresses the importance of change efforts in contemporary organizations and therefore the need for change has been explicitly expressed and stated. The definitions of change and change management are provided with the aim to identify their essence and role. The article is also about knowing change patterns and regularities during implementation of various strategies of change by managers in modern organizations. Change patterns are laws and regularities that characterize the flow and state of any change being made in an organization. Additionally, several change management strategies are described and their impact degree is identified.

Keywords: change management, organizational changes, organizational development patterns and regularities, change management strategies.

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Өзгерістерді басқару стратегияларын жүзеге асыру барысындағы ұйымдық дамудың заңдылықтары

Бұл мақалада автор «өзгеріс» және «өзгерістерді басқару» терминдерге түсініктеме берумен қатар олардың кәсіпорындардағы рөлі мен мақсатын айқындады. Кәсіпорын басқарушылары мекемедегі болатын ұйымдық дамудың заңдылықтарын түсініп, олардың өзгеріс стратегияларын жүзеге асырудағы маңызын білу қажет. Осы заңдылықтар кәсіпорынға тән құбылыстар мен дамудың ерекшеліктерін анықтай отырып, өзгерістерді сәтті басқаруға мүмкіндік туғызады. Сонымен қатар осы мақалада басқарудағы өзгеріс стратегиялары мен олардың қолданыс шарттары сипатталған.

Түйін сөздер: өзгерістерді басқару, ұйымдық өзгеріс, ұйымдық дамудың заңдылықтары, басқарудығы өзгеріс стратегиялары.

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Закономерности организационного развития при реализации стратегий управления изменениями

В статье даны определения терминам «изменение» и «управление изменениями» с целью выявления их сущности и роли в организационном развитии. Ключевую роль в понимании и проведении успешных организационных изменений играет знание управленцами законов и закономерностей развития при осуществлении изменений. Они (законы и закономерности) просто и доступно объясняют суть организационных явлений для руководителей и являются ключевыми звеньями в понимании и реализации стратегий изменений на предприятиях. Также в статье представлены несколько стратегий по управлению изменениями и описаны условия их применения.

Ключевые слова: управление изменениями, организационные изменения, закономерности организационного развития, стратегии управления изменениями.

Kazakhstan companies are undergoing rapid changes as many other companies around the world. Fundamental changes taking place in the society have an effect on all aspects of it and arise the need as well as the problem of adapting of country enterprises to constantly changing market

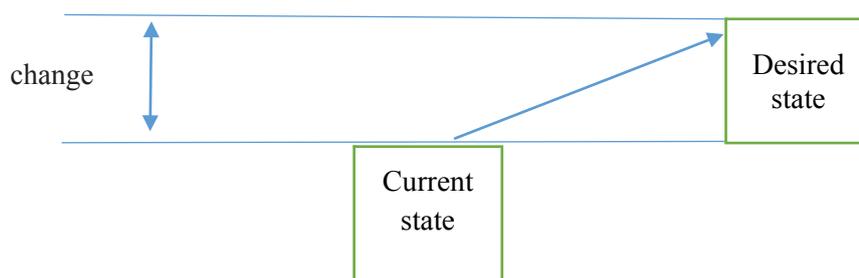
conditions. Contemporary companies either change or they cease their existence on the market. This way an acute need for companies to find and apply more advanced and relevant change concepts and new patterns of business conduct appear.

There are several definitions for the term

«change». One of the definitions state that change is a corrective action that a company performs in order to carry out its business further. The other definition states that change is a difference between what has been done in the past and what is going on in the present. In other words, change is an empirical observation of differences in a form, quality or condition of any organizational element over the time. The organizational element may be the work of a particular employee, the working group, organizational strategy, program,

product, or organization as a whole [1]. Thus, change management is a complex of measures aimed at achieving a qualitatively new relation(s) between the objects of management to be implemented in order to adapt the organization to changes in the external environment [2].

Practically, change is a movement that transforms the situation in a company from a current state to a desired state. Graphically this idea is presented in Picture 1.



Picture 1 – Change as a movement

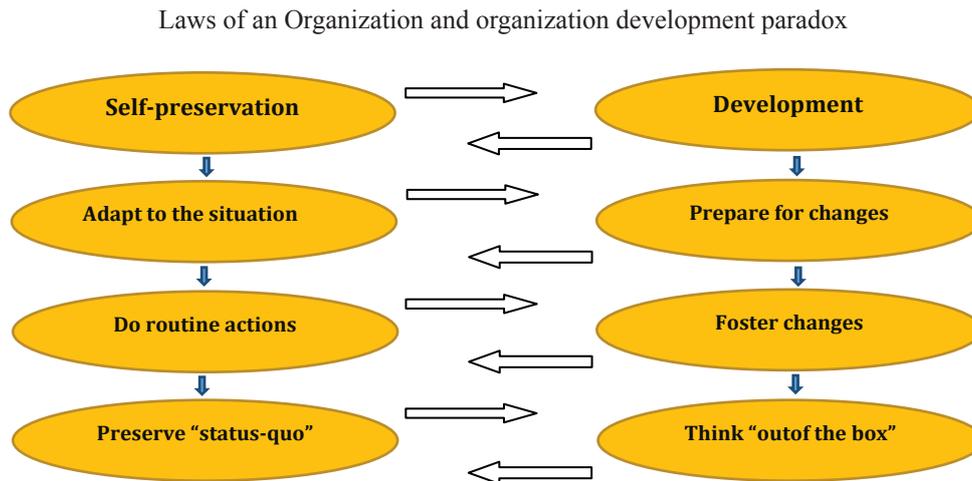
This way, what is the underlying idea behind any change? There is no universal answer for that but managing change in this sense means a systematic approach and actions of a manager and his or her personnel towards achieving the ultimate goal of an organization.

The most difficult thing is to live in an era of change and one of the challenging tasks for managers is leading change and taking the responsibility for the results of change. The concept of «organizational change» has become widely used in the 70 -80s of the last century. Now we often meet with the practical application of this term. The experience of companies around the world shows that managers can not choose – to change or not change because change is an integral part of organizations' life. Consequently, the latter should actively develop the ability to manage changes in order to compete in an outer market and achieve the desired state [3].

The ability of managing changes comes with understanding of how these changes happen in an organizational setting. Further, two fundamental laws taken from the organizational theory and six patterns and regularities of change are described. The laws and patterns of changes are provided in order to explain the essence of change phenomena so that the managers develop the understanding and necessary skills in implementation of changes in the workplace.

As it is known, two fundamental laws of organizations are constantly in a contradiction with one another: the law of self-preservation and the law of development. Under the influence of external and internal factors, these contradictions are manifested in the development of an organization in the form of changes supported by self-preservation. As a result, any organization appears to us as a dynamic system, developing, that is changing under certain laws. Knowledge of the laws of development and changes patterns can help managers make effective management decisions and carry out sustainable programs and projects of change. Moreover, studying these laws and change patterns may help managers plan and prognose changes and their consequences in today's dynamic organizations in the long run.

The perennial problem of the leaders of the so-called phenomenon of organization development paradox. This is when on one side managers need to perform daily management decisions (economic, administrative and social, and on the other hand think about the future of the company, do strategic planning and implement organizational changes at the same time. Thus, the aims and actions of management may often be in conflict with respect to each other in the process of governance. Picture 2 shows the paradox of an organization development during change.



Picture 2 – Organization development paradox

The theory and practice of management offers patterns that managers should take into account when implementing changes. Overall, the following basic patterns of change and regularities are described further:

1. Change is not inherently linear. It is often impossible to identify its beginning or end. Linearity of change implies that it has a single focus and is not influenced by external circumstances. In contrast to its linear character, nonlinear changes mean that changes are situational, and are influenced by the external environment and ambience. Therefore, it may seem that changes occur randomly and last for a long time.

2. Most effective changes in an organization consists of many smaller changes. Changes consist of a series of small steps in achieving the objectives of an organization. To achieve one of the key objectives (for example increasing productivity by 50% by a certain date), a company must attach to this process a considerable amount of resources, including human, financial and technical activities which separately are small steps, and the cumulative effect of which may lead to significant changes.

3. The process of changing flows from the top down and the bottom up. The process should start from the top to oversee and bottom – to encourage the participation of employees and gaining support from them. This way change management is a collective responsibility of all who work in an organization.

4. The team is a basis of changes in the behavior of people in an organization. Properly lined up and oriented team is one of the main elements of

the change management process, as changes in the organization are of paramount importance to every employee.

5. Managers should be aware of the fact that it is impossible to plan everything in advance, and therefore there is a need to learn along with everyone else. This should happen during the unfolding evolutionary and constantly improving change process.

6. Changes need to be constantly analyzed and monitored and results must be evaluated. The key to successful and continuous process of transition to new working conditions is the use of evaluation systems. Implementation of changes will be effective only when each new activity is monitored and when adequate assessment to this change is made [4].

It is useful for managers and leaders to explore the manifestation of these change patterns in order to plan and predict changes and their implications for their companies. This way for the change strategy to be effective it is necessary to consider the development of all these change patterns and regularities.

The strategy of change is the policy of managing the organization, it is a general plan of action during changes aimed at achieving long-term and short-term goals.

There is no one universal strategy of changes, however business literature offers a diversity of change management strategies that can be categorized into five groups. Depending on the chosen strategy, different approaches and methods by which the change can be realized.

1. Directive strategy

In applying the directive strategy a manager is making strategic changes in an organization, involving little other employees and no stepping back from the original plan is maintained. The goal of the strategy of changes is to make alterations in a short period of time. However, the application of this type of strategy reduces the efficiency and the use of some other resources. Additionally, this type of strategy requires a high authority of the head of change, developed leadership skills, focus on the problem of having all the necessary information and opportunities to overcome and abilities to suppress resistance to change. Using this strategy is advisable in crisis situations and during the threat of bankruptcy, when an organization, figuratively speaking is «cornered» and its leaders have severely limited the room for maneuver and select alternative courses of action.

2. The strategy based on negotiations

Using a strategy based on negotiations, a manager, spearheading change, shows willingness to negotiate with the other groups on all issues and makes necessary concessions. During the implementation of the strategy of negotiation, the manager must know that it takes a bit more time to come to an agreement with other stakeholders. Moreover, it is difficult to predict the results, since it is challenging to fully determine what will be needed to make concessions.

3. Analytical strategies

Managers implement analytical strategies with a help of technical experts (change agents, internal and external consultants or experts) in order to study the problems posed. Typically, the approach is realized under the strict supervision of the manager. The result is to obtain an effective solution from a technical standpoint. It is worthy to know that during implementation of this strategy the problems of employees are not specifically taken into account.

4. The strategies of gradual changes

The strategies of gradual changes involve the use of a series of current sustainable actions that allow the organization to maintain its balance and activity in a normal state. These strategies usually have an effect on some elements and parts of the organization at a particular point and in a given time. Also, these strategies are used when the organization is in «a good shape» and is in need of minor changes, or «a bad form», but the time is enough to make necessary changes. At the same time, the strategies of gradual changes have two modes: the strategy of

gradual changes in the mode of cooperation and the strategy of gradual changes in the mode of coercion. The strategy of gradual changes in the cooperation mode is used when there is a main group people in an organization that supports change. The strategy of gradual changes in the mode of coercion is used when the main group does not support or accept the changes.

5. Transformation strategies

Transformation strategies are used when organizations need fundamental changes that lead to the transformation of the entire system of the organization. These strategies are also used in two modes: the strategy of transformation in the mode of cooperation and the strategy of transformation in the mode of coercion. The transformation strategy in cooperation mode is used when it is obvious that employees take part in the programs of change and support radical changes. The strategy of transformation in the mode of coercion should be used when employees are not willing to participate in programs of change and do not support radical changes, but they (changes) are necessary for the survival of the organization [5, 6].

The application of the change strategy depends on many factors, for example managers must take into account the size and the age of the company and look at its financial, human, material indicators and readiness for change. Table 1 presents a brief description of the strategies and the degree of its impact on changes in an organization.

Variety of strategies on the one hand allows managers in case of effective use successfully implement changes, and on the other hand should provoke in them a careful and thoughtful consideration while using them. This is because the decision to use one or another (any) strategy may not only dramatically affect the results of the changes, but also influence the operations and performance of the company as a whole.

Many experts in the field of change management in organizations note that persuasion has an enormous power of reforms aimed at changing people's beliefs. However, some managers are sensitive to violations of the organization's culture, while other managers make relevant economic changes and only economic indicators are important to them. It is therefore necessary to have a surround view, from different points of view, and only then it is possible to collect the results into a single coherent picture. The following types of levers could be appropriate

for a systematic presentation of the organization's processes for managers. First, the economic levers – reducing costs and increasing revenues. Second, institutional leverage that presents the change in structure, processes, goals, affecting the efficiency of the organization. Third, culture levers lead to a change in a system of beliefs and values of the organization.

Managers should also be armed with strategies for change and consider several principles while managing change:

First, there is a need to agree on change methods and processes with usual activities and routine management processes in the organization. There might be a competition for scarce resources, therefore a balance in power and distribution of resources are required.

Second, management should determine which

specific activities, to what extent and in what form it should take part in directly. The main criterion of management participation in these circumstances – the complexity of the actions and their importance to the organization. In large organizations, senior managers can not themselves participate in all changes, but some of them should lead the person or find a suitable way, real or symbolic, providing management support and manifestations.

Third, it is necessary to reconcile the various processes of restructuring the organization.

Fourth, change management includes various aspects – technological, structural, methodological, human, psychological, political, financial and etc, consequently a systematic approach to change management helps to solve complex problems and multilateral organizations.

Table 1 – A brief description of the strategy and the degree of its impact on changes in an organization

N	Strategy type	Strategy brief description	Change degree
1	Directive strategy	The goal of the directive strategy of changes is to make alterations in a short period of time. It is advisable to use this strategy in crisis situations and during the threat of bankruptcy, when an organization, figuratively speaking is «cornered» and its leaders have severely limited the room for maneuver and select alternative courses of action.	Deep
2	The strategy based on negotiations	The aim of this strategy is to come to mutual agreement with the various stakeholders that have a relation to changes in a company. One of the most challenging tasks during the implementation of this strategy is to know for the manager that negotiations may result in serious concessions that might have an adverse effect to changes happening in an organization.	Soft to deep
3	Analytical strategies	Managers implement analytical strategies with a help of technical experts (change agents, internal and external consultants or experts) in order to study the problems posed. Typically, the approach is realized under the strict supervision of the manager. The result is to obtain an effective solution from a technical standpoint. It is worthy to know that during implementation of this strategy the problems of employees are not specifically taken into account.	Soft to average
4	The strategies of gradual changes	The strategies of gradual changes involve the use of a series of current sustainable actions that allow the organization to maintain its balance and activity in a normal state. These strategies have two modes: the strategy of gradual changes in the mode of cooperation and the strategy of gradual changes in the mode of coercion.	Soft Soft to deep
5	Transformation strategies	These strategies are used when organizations need fundamental changes that lead to the transformation of the entire system of the organization. These strategies are also used in two modes: the strategy of transformation in the mode of cooperation and the strategy of transformation in the mode of coercion.	Deep
<i>Note.</i> Compiled by the author based on sources [5,6]			

Fifth, change management involves decisions on the use of different approaches and methods of intervention to help properly begin the work, deal with resistance, seek support and implement the necessary changes.

Thus, the difficulty of change for leadership lies in the fact that, together with changes in the system of organizational character, there is a need to change the organizational culture, which is a very complex process, as thinking, values and principles of the company's employees are not easy to change. Often, resistance to change is so strong that does not allow to successfully implement a strategy for change.

The article stresses the importance of change efforts in contemporary organizations and therefore

the need for change has been explicitly expressed in the beginning of this paper. With the aim to identify the essence of change and change management terms, their definitions are provided. Moreover, the overall ultimate goal of many changes occurring in companies are described and this is done by presenting a picture of the current state and desired state of a company. Further, it is pointed out that organizations can move to a desired state if managers possess knowledge of the organizational development laws, patterns and regularities of change. This knowledge and expertise along with properly performed and thought change strategies can move the company to a new level of development and thus make the company competitive and economically self-sustaining in the long term.

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