ORGANIZATIONAL CHANGE: A CASE BASED STUDY

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ABSTRACT

Organizational change itself is typically understood to be a purposeful rather than an unplanned activity. Organizations have to change in order to adapt to environmental demands and to remain competitive. Despite the desirable feature of change to organizations, change agents frequently find that employee resist change. The purpose of this paper is to study how change takes place in an organization and what kind of change takes place for this an extensive literature review was done and methodology was taken by developing cases on Indian companies. Data was collected from the journals, articles, and company websites in order to meet out our objectives.

The cases were analyzed and compared to find that how different companies have adopted organizational change to increase organizational performance. The analysis covers the approach to implement the organizational change. The findings suggest that organizational change framework is helpful to bring positive results to performance. However, the implementation of an organizational change faces several obstacles. Limitation of the study is that the research findings cannot be generalized due to small sample size.

KEYWORDS: Organizational Change, organizational framework, change, organizational performance.

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Introduction

As previous research has widely acknowledged, many organizational change initiatives neither result in their intended aims nor foster sustained change. Although there is no official statistic, researchers such as Beer and Nohria (2000a, 2000b) and Burke and Biggart (1997) estimated that about two thirds of change projects fail, and Burnes (2004) suggested that the failure rate may be even higher. The causes of many organizations' inability to achieve the intended aims of their change efforts are often considered as an implementation failure rather than flaws innate in the change initiative itself (Klein &Sorra, 1996; Kotter, 1995, 1996; Schein, 1987,1999). In particular, an increasing number of researchers have argued that many change efforts fail because change leaders often underestimate the central role individuals play in the change process (Armenakis,Harris, &Mossholder, 1993; George & Jones, 2001; Greenhalgh, Robert, Macfarlane, Bate, &Kyriakidou, 2004; Hall &Hord, 1987;Isabella, 1990; Lau & Woodman, 1995).

No organization has ever been immune from implementing organizational changes. As W. Edwards Deming noted, 'It is not necessary to change. Survival is not mandatory.' In today's dynamic world, organizational leaders must be vigilant about the context in which their organizations are situated, being particularly attentive to changes in the general and task environments. Also, in order to survive and prosper, they must be knowledgeable about how to implement appropriate organizational changes that will be embraced by their employees. Unfortunately, effective organizational changes are rare (Gilmore et al., 1997; Burnes, 2004; By, 2005; Meaney and Pung, 2008).

Concept of change and organizational change

Change

Many organizational events are commonly classified as change, including restructuring, downsizing, mergers and acquisitions, strategic change, and cultural change. Van De Ven and Poole (1995) de-fined change as ―an empirical observation of difference in form, quality, or state over time in an organizational entity‖ (p. 512).

Struckman and Yammarino (2003) defined organizational change as "a managed system, process, and/or behavioral response over time to a trigger event. (p. 10). This definition focuses on change as a process or action. The notion of resistance to change. Is often attributed to Kurt Lewin (1951).

Lewin evolved his concept "based on the "person" as a complex energy field in which all behavior could be conceived of as a change in some state of a field. (Marrow, 1957, p. 30). The status quo represented an equilibrium between the barriers to change and the forces favoring change. He believed that some difference in these forces- a weakening of the barriers or a strengthening of the driving forces was required to produce the unfreezing that began a change. He held that it was more effective to weaken the barriers than to strengthen the drivers (Dent & Goldberg, 1999).

Organizational change

Organizational change itself is typically understood to be a purposeful rather than an unplanned activity (Rusaw,1998). Organizations have to change in order to adapt to environmental demands and to remain competitive. Despite the desirable feature of change to organizations, change agents frequently find that employee resist change. The notion of employee's resistance to change has long sparked researchers interests (e.g., Coch& French, 1948). At a time of uncertainty, information received about organizational change helps to reduce employee anxiety and uncertainty (Miller &Monge, 1985),and enhance their levels of efficacy to deal with the change process (Terry &Jimmieson, 2003).

Widdis (2003), Szamosi and Duxburie (2002), Seely (2000), Bamberger and Meshowlem (2001)have shown that the human resource is very important in the success of organizational change. That found human resources as an oriented organization and other issues or factors of organizational change are known as their function Thus, to their point of view, the organization is based on human resources. Some assumed the structure causes to change.

The success of organizational change is dependent upon various factors, both internal and external when embarking on an organizational change initiative, regardless of industry sector;

organizations tend to hire consultants in order to assist them in successfully promoting the change process (Czarniawaska -Joerges, 1992, p.35)

Methodology

In this paper I will attempt to develop the case on the basis of secondary data for studying organizational change in order to understand how change takes place in an organization. I therefore must address conceptual matters as well as theoretical context.

Objective of study

As the trends toward restructuring, globalization, and strong international competition continue, organizations are increasingly pressured to make rapid changes and accommodations to their workforce. The purpose or objective of this study is

- How change take place in an organization and
- what kind of change takes place

Cases 1:International Business Machines (IBM) Corporation

ABOUT IBM

International Business Machines Corporation (IBM) is an information technology (IT) company. IBM operates in five segments: Global Technology Services (GTS), Global Business Services (GBS), Software, Systems and Technology and Global Financing. GTS primarily provides IT infrastructure services and business process services. GBS provides professional services and application management services. Software consists primarily of middleware and operating systems software. Systems and Technology provides clients with business solutions requiring advanced computing power and storage capabilities.

International Business Machine (IBM) is the world's leading computer and technology firm, and was established in 1911 that offers a variety of products and services in information and communication technology (ICT) industry.

In the beginning, company started its operations by producing commercial scales and tabulators, and steadily expanded its activities in producing hardware products including mainframes, software, servers, and other storage devices.

VISION AND MISSION

Its vision statement is 'solution for a small planet. Its mission statement is 'At IBM, we strive to lead in the invention, development, and manufacture in the industry's most advanced information technologies, including computer system, software, storage systems and microelectronics. We translate these advanced technologies into value for our customer.'

STRATEGY

To succeed in today's environment, businesses need to lead through increased complexity and volatility, drive operational excellence and enable collaboration across enterprise functions, develop higher quality leadership and talent, and manage amidst constant change.

IBM Strategy and Transformation (S&T) integrates IBM's management consulting capabilities to enable client success through executable strategies, and deliver value through technology-enabled transformation. Achieve end-to-end transformation, from strategy to implementation, and gain efficiency in cross-functional collaboration.

Organizational change strategy of IBM s accelerates the implementation of new business models. Help integrate technology with people systems and processes, manage large-scale change initiatives, and guide the transition required for business transformation outsourcing.

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1. PROCESS OF CHANGE

How change take place in IBM

The rise of globalization is shifting the way business works. Emerging technologies combined with industry challenges offer companies new ways to operate. Business leaders need to anticipate how these changes will affect their ways of operating and look to new technological innovations to help them succeed in this new landscape. (Chaudron, 2003) One organization that had to go through organizational change is IBM. IBM is a multinational computer, technology and IT consulting corporation headquartered in Armonk, NewYork.As IBM enter a new decade, it's interesting to reflect upon how the last one began. The conventional wisdom back then was that the robust IT growth of the go-go '90s would continue — and even after the dot-com bust, most believed it would resume. It was thought that buyers of IT would continue to self-integrate — which would mean that our industry would remain highly disaggregated — and that client/server computing would become the predominant enterprise model.

A number of architectural changes are occurring – all of which are expected to evolve into a new enterprise environment with new ways to deploy information technology.

Kind of change:

Technological change occurs: With cloud, mobile, social and big data advances all happening at once and at lightning speed, how will shifts in technology impact the way businesses are run?

According to GinniRometty, the first female CEO of IBM, it will change everything. speaking at an event organized by the nonprofit Council on Foreign Relations, Rometty predicted that data will be the basis of competitive advantage going forward, calling it the "the next natural resource."

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IBM CEO Predicts Technology Will Transform the Future of Business

Technology shifts will change the way businesses deliver value. "What you will see with rapid data and social sharing is the death of the average and the era of you," Rometty said. Rather than meeting the needs of different consumer segments—geographic, age or income segmentation, for example—businesses will be able to truly serve the individual. "If you have a call center, it's no longer about a script," she said. "It's about a dialogue." What Rometty calls "the third wave of technology" may contribute to this individualized approach. In the first era of computing, computers counted. In the second, they could be programmed to perform instructions. In the next era, computers will learn by themselves, she said. "That's the wave that starts now." IBM's prized innovation, supercomputer Watson, is one such example.

The Jeopardy winner can download and analyze hundreds of thousands of data sets, interpret language, and make decisions based on the research it's reviewed. Watson is already being piloted as a medical adviser to doctors—suggesting diagnoses, providing confidence levels and explaining the evidence that backs them up—and working with call centers. Rometty said because supercomputers are better able to stay current on and more quickly recall data, they may help create more efficient and individualized service. "The greatest contribution of this shift," Rometty concluded, "is that it will force every entity to become an authentic organization."A long-term perspective ensures IBM is well positioned to take advantage of major shifts occurring in technology, business andthe global economy.IBM continuously change their business mix toward higher-value, more profitable technologies and market opportunities.

By 2015, 50% of IBM segment profit will come from Software, and 30% of geographic revenue will come from Growth Markets, says IBM Annual Report 2011 in "Business Mix Changes" from the "Generating Higher Value" section.

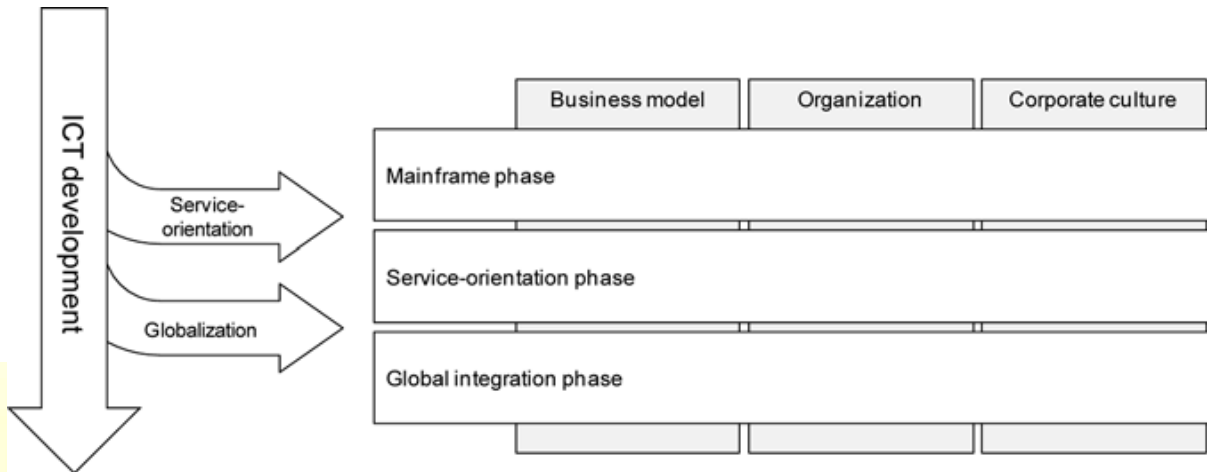## 2. ANALYSIS

Approaches to changes

Fig. Approach used to analyze IBMprovides an overview of the approach adopted.
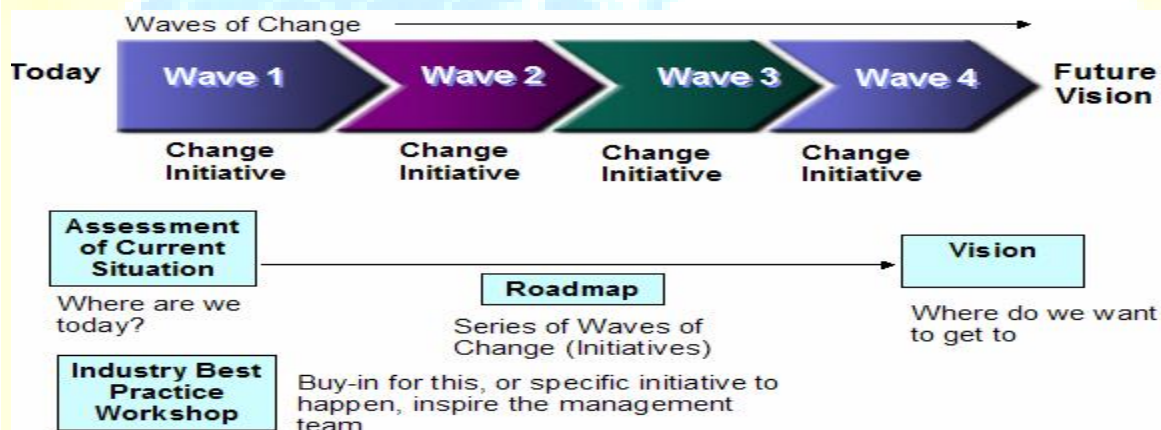

Figure: Activities within a complete organizational change

Case: 2Wipro

ABOUT WIPRO

Wipro Ltd. (NYSE:WIT) is a leading Information Technology, Consulting and Outsourcing company that delivers solutions to enable its clients do business better. Wipro delivers winning business outcomes through its deep industry experience and a 360 degree view of "Business through Technology" - helping clients create successful and adaptive businesses. A company recognized globally for its comprehensive portfolio of services, a practitioner's approach to delivering innovation and an organization wide commitment to sustainability, Wipro has a workforce of 140,000 serving clients across 57 countries.

VISION ANDMISSION

Having already achieved the pinnacles of process and quality credentials (through ISO 9000, SEICMM, PCMM and Six Sigma), Wipro's Vision is focused on attaining leadership in the areas of business, customer and people.

Business Leadership: Among the top 10 Information Technology Services companies globally and the No.1 Information Technology company in India.

Customer Leadership: The No.1 choice of customers through innovative solutions and Six Sigma processes.

People Leadership: Among the top 10 most preferred employers globally by creating an environment of empowerment, intellectual challenge and wealth sharing.

Brand Leadership: Wipro to be among the 5 most admired brand in India.

STRATEGY

Our strategy of driving a significantly higher degree of customer engagement and hyper growth has been paying dividends. In order to sustain this momentum, our leadership team has spent considerable time reviewing market opportunities, and sharply defining the focus areas that would fuel our growth ambition. The exercise reaffirmed our conviction in our chosen strategy. We are committed to better aligning our internal organization with our clients' needs and to make investments in driving predictability and automation in our delivery."

1. PROCESS OF CHANGE

How change take place in Wipro

A new world of opportunities to extract competitive advantage awaits businesses at the intersection of new digital technologies. Businesses could gain from "intelligence augmentation" by processing high-volume data from multiple sources for real-time business insights. They could also provide "immersive experiences" by gleaning consumer preferences through gestures, touch and specialized eyewear. Further along are "smart systems," ubiquitous, "always-on" monitoring enterprises, and next-generation Nano materials and digital substitutes. Enabling these would be enhanced crowd-sourced "open-execution" models to develop the desired technologies.
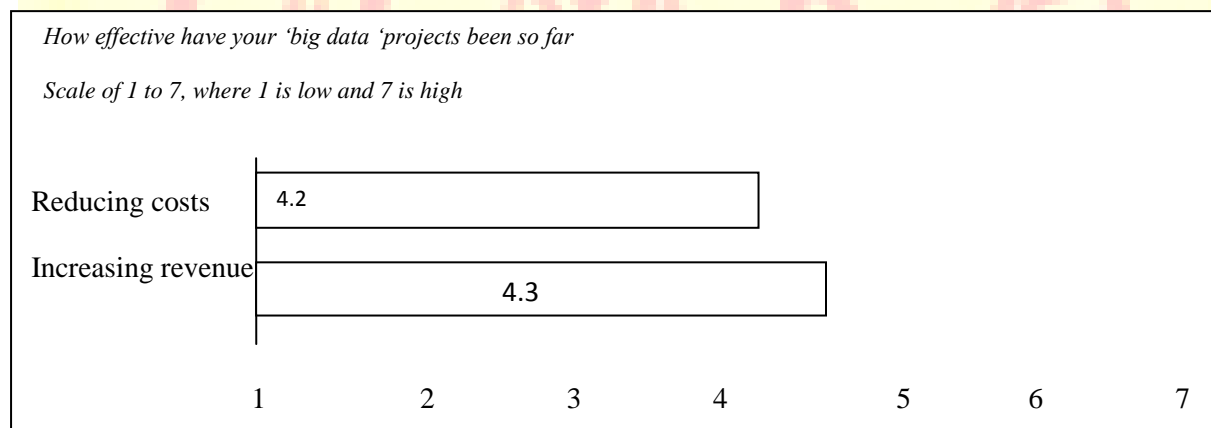
AnuragSrivastava, chief technology officer at Wipro Limited, and Shawndra Hill, Wharton professor of operations and information management, explain how businesses could calibrate and monetize their investments at that digital intersection. Wiprobelieved that change was essential to achieve growth and a competitive advantage. Change and Innovation was one of the values in Wipro's promise statement.In 2003, Wipro was concentrating on changing ideas in themes like home networking, wireless telecommunications and workplace collaboration.

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Kind of change:

Technological change:change was defined at Wipro as **"the** *implementation of a new idea resulting into a marketable product or service."*

According to Wipro sources, an idea would be considered as a good innovation only when the company could get benefits out of it. So, in Wipro, commercial viability of an idea was also given importance along with innovation. Wipro's goal was to create components with intellectual properties that would generate revenues over a period of time rather than one-time revenue from projects. There was technological change take place in Wipro technologies like cloud computing or big-data analytics have demonstrated big gains, but the potential is far greater if they are used in innovative combinations.

AnuragSrivastava, chief technology officer at Wipro Limited he explains these technologies are "sparking a daring new era in the way we interact, communicate, collaborate and conduct business." Srivastava visualizes nothing less than a "Big Bang … when universes collide and absolute magic is created," offering "ground breaking ways to solve problems." Technology infused with innovation, termed "technovation," is the emerging new order, he adds. Digital technologies are also making it possible for people and organizations to sell excess resources, says Shawndra Hill, Wharton professor of operations and information management.

2. ANALYSIS

How effective have your 'big data 'projects been so far

Scale of 1 to 7, where 1 is low and 7 is high

Reducing costs	4.2
Increasing revenue	4.3

1   2   3   4   5   6   7

Source: Efma Marketing Survey 2013

Fig: Effectiveness of big data projects

CONCEPTUAL MODEL
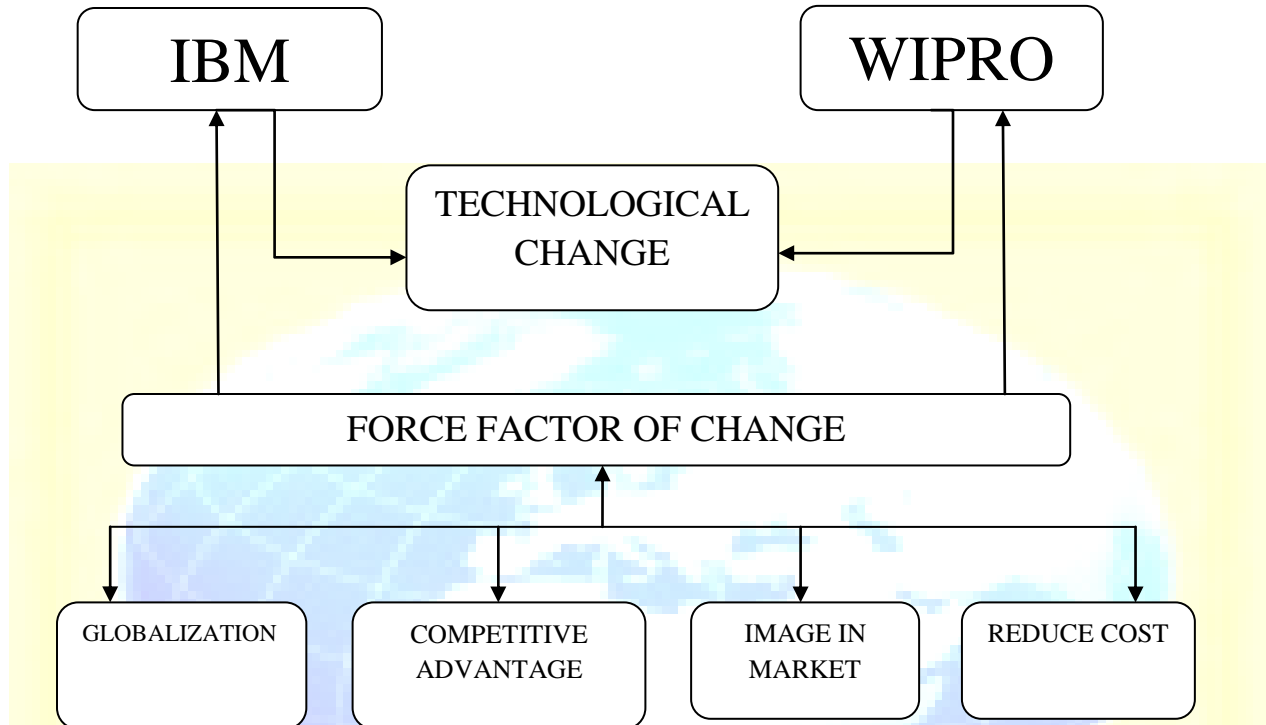
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