

## CHANGE MANAGEMENT: CHALLENGES BEFORE YOUNG ENTREPRENEURS

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### Abstract

In today's fast-paced world, every organization can benefit from a better way to manage change. Leading corporations, governmental entities, institutions, entrepreneurs and non-profits are adopting change management as an organizational competency, viewing it as a competitive advantage in our ever-changing business world. Change management increases the success of organizational change and project initiatives by applying a structured framework of methods, tools and processes managing the change from a current state to a future state. Regardless of the scale of change, applying a change management framework increases the probability of staying on schedule and budget, resulting in higher benefit realization and ROI. Change management plays an important role in any organization since the task of managing change is not an easy one. When we say managing change we mean to say that making changes in a planned and systemic fashion. With reference to the IT projects we can say the change in the versions of a project and managing these versions properly. Changes in the organization or a project can be initiated from within the organization or externally. For example a product that is popular among the customers may undergo a change in design based on the triggering factor like a competitive product from some other manufacturer. This is an example of external factor that triggers a change within the organization. How the entrepreneurs respond to these changes is what that is more concerned. Managing these changes come under change management. Reactive and proactive responses to these changes are possible from an entrepreneur.

**Keywords:** Entrepreneurial Competency, Competitive Advantage, Managing the Change.

### Introduction

Change management is an approach to transitioning individuals, teams, and organizations to a desired future state. In a project management context, change management may refer to a project management process wherein changes to the scope of a project are formally introduced and approved. Change management is an IT service management discipline. The objective of change management in this context is to ensure

that standardized methods and procedures are used for efficient and prompt handling of all changes to control IT infrastructure, in order to minimize the number and impact of any related incidents upon service. Changes in the IT infrastructure may arise reactively in response to problems or externally imposed requirements, e.g. legislative changes, or proactively from seeking improved efficiency and effectiveness or to enable or reflect business initiatives, or from programs, projects or service improvement initiatives. Change Management can ensure standardized methods, processes and procedures which are used for all changes, facilitate efficient and prompt handling of all changes, and maintain the proper balance between the need for change and the potential detrimental impact of changes.

### Change Management

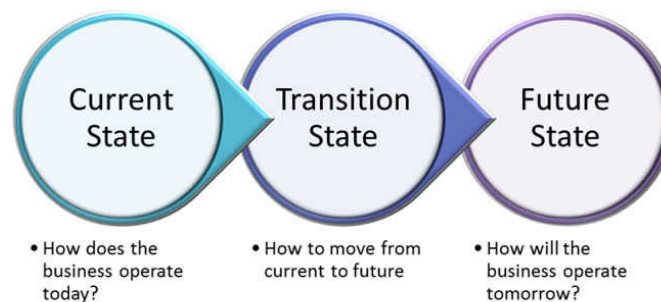
Change management is a systematic approach to dealing with change, both from the perspective of an organization and on the individual level. A somewhat ambiguous term, change management has at least three different aspects, including: adapting to change, controlling change, and effecting change. A proactive approach to dealing with change is at the core of all three aspects. For an organization, change management means defining and implementing procedures and/or technologies to deal with changes in the business environment and to profit from changing opportunities.



Successful adaptation to change is as crucial within an organization as it is in the natural world. Just like plants and animals, organizations and the individuals in them inevitably encounter changing conditions that they are powerless to control. The more effectively you deal with change, the more likely you are to thrive. Adaptation might involve establishing a structured methodology for responding to changes in the business environment (such as a fluctuation in the economy, or a threat from a competitor) or establishing coping mechanisms for responding to changes in the workplace (such as new policies, or technologies).

Change management is done by many independent consultants who claim to be experts in these areas. These consultants manage the changes for their clients. They manage changes or help the client make the changes or take up the task they to make the

changes that must be made. An area of change that needs attention is selected and certain models, methods, techniques and tools are used for making these changes that are necessary for the organization. When there is a process in an organization it is not an easy task to make changes to this process immediately. Sometimes a single organization may have varied business entities and changes in an entity may be reflected in another entity. In such organizations changes are not so easy. There are different types of organizations which have many branches across the world with varied cultures. Implementing a change in such organizations is a task by itself.



The change process can be thought of a process which stops the current process, makes the necessary changes to the current process and then runs the new process. It is easy said than implemented. Stopping a current process in some industry is fatal for that organization. Hence it has to be done in steps which have the minimal effect in the process. These changes cannot take place for a longer time in the organization since that may also be a disaster for the organization. The involvement of the staff concerned is also very important for the change process to be smooth.

The change process could also be considered as a problem solving situation. The change that is taking place could be the result of a problem that has occurred. You should know that a problem is a situation that requires some action to be taken positively to handle that situation. This positive action is known as problem solving. The change process could be problem solving for a particular situation. In this process there is a move from one to state to another so that the problem gets solved. The change process is leaving the current state and moving to the final state through some structured organized process.

Managing the changes in an organization requires a broad set of skills like political skills, analytical skills, people skills, system skills, and business skills. Having good analytical skills will make you a good change agent. You should evaluate the financial and political impacts of the changes that can take place. You should know that following a particular process at that instant would fetch you immediate financial effects and start that process so that the change process is noted by the management. The workflow has to be changed in such a manner to reflect the financial changes that are taking place. Operations and systems in the organization should be reconfigured in such a manner that you get the desired financial impact. Hence change management plays an important role in

an organization. This allows the organization to give a reactive or a proactive response to the changes that happen internally or externally. Knowing the change management and its process would help an organization and its processes to be stable.

#### **Operational Definitions**

“Change management is the application of a structured process and set of tools for leading the people side of change to achieve a desired outcome”.

Terry Paulson, the author of *Paulson on Change*, quotes an uncle's advice: "It's easiest to ride a horse in the direction it is going." In other words, don't struggle against change; learn to use it to your advantage.

“The coordination of a structured period of transition from situation A to situation B in order to achieve lasting change within an organization”

#### **Benefits and Significance of Change Management**

The subject matter holds a tremendous importance for both individual and organisation. Following are some of the benefits from entrepreneur's perspective.

##### ***Understanding Environment (Society, Government, Customers)***

It is important for entrepreneurs to understand, assess and gauge the dynamics in its external environment in order to envisage and establish an appropriate relationship with various actors like government, customers and society. Therefore managers by knowing the subject of change management can better be prepared to understand whatever is going on in the environment.

##### ***Objectives, Strategy Formulation & Implementation (to develop competitive advantage)***

Second is consequent upon knowing the impact of change at extraneous level on its own internal dynamics, and the foremost is objective setting and seeking competitive advantage.

##### ***Employees (trained, high performing work practices, reliable organization)***

The employees are the recipient of change plan. One such perpetual concern of senior managers is to make organisation highly reliable, therefore employees ought to be trained and high performing one in today's hyper competitive world.

##### ***Technology Issues***

Technology is considered the engine of growth in today's world. Perhaps the greatest challenge for contemporary organisations is the acquisition and integration of technology in its strategy, structure and process. As such the concern of top managers is how to avoid organisation being obsolete and how to cope and absorb the impact of changing information and communication technologies which have decisively influencing production and consumption behaviour?

**Globalization**

The management of international economic and political forces what is today known as internationalization and globalization is yet another important factor influencing decision making of organisation. No organisation or nation can stay independent and indifferent to whatever are happenings at international (political) level. For instance the impact of Sep. 11 events have been tremendous on the economies and organisations of developing countries like Pakistan. Similarly supra national institutions are becoming more assertive over nation states not only in political terms but also on social issues like child labour and gender issues. So government and states are considered somewhat less sovereign in imposing their will over their subjects (individual and organisations) against the ever increasing and complex interdependencies amongst states. For example the compulsions and legal provisions of international treaties like WTO and ISO certification regimes have decisively influenced the organisation and economies of the developing world. Hence imperative for managers, CEOs and entrepreneurs from smaller or larger organisations alike, of different sectors of economy, is to understand the complexities of globalization and its impact on organization business.

**The Relationship of Management with Change Management**

The relationship can be understood along the following lines. First, we have to consider that change management is a subject with cross cutting theme, applicable across various traditional functional areas like management, marketing, production, finance and comprehensively with more recent strategic management concepts. For instance, this is related with marketing where the concern might be new product or market development, or can be related with production like the introduction or acquisition of new technology or skills. Viz. the finance budgetary allocations, revision and cost cutting strategies, and for HR the concern is behavioural modification, formation and accumulation of technical and managerial knowledge, skills and values.

**Challenges of Change Management**

Change affects every business at some point. They may range from minor staff restructuring to merging or acquiring another company. While the changes may be necessary for the future of the company, you are likely to face certain barriers and challenges. Anticipating these roadblocks helps entrepreneurs to avoid them before they become major issues in the change implementation. Without step-by-step planning, change in an organization is likely to fall apart or cause more problems than benefits. You need to understand exactly what changes will take place and how those changes will occur. For example, if entrepreneurs transitioning to a new content management system, entrepreneurs will need to know if the new system is compatible with the old system, how you will transition the old information to the new system and if there will be limited access during the transition. Entrepreneurs also need to assign roles to individuals who are

responsible for the change so all duties are covered. The time line for the change is also a key component. Entrepreneurs need to plan for downtime or difficulties in completing regular work tasks while the change occurs.

If entrepreneurs fail to get everyone on board with the corporate changes, entrepreneurs are likely to face barriers during the process. The decision to implement changes should come from the top level of the organization. All management level staff needs to be on board and able to deal with the changes or you may face dissension within the staff. Entrepreneurs may not have everyone on board right from the beginning. Showing managers how the changes will affect the company and the steps for implementing the changes helps get them on board if they initially have reservations. Failing to communicate with all employees invites rumors and fear into the workplace, particularly if you're facing major changes, such as downsizing or a merger. Employees want to know what's going on, whether it is positive or negative news. The feeling of uncertainty when management doesn't communicate disrupts work and makes employees feel as if they aren't a part of the decision. Keep employees updated regularly about the plans and progress toward the change implementation. Involve all employees as much as possible through meetings or brainstorming sessions to help during the planning phase.

In some cases, employees resist change. They become comfortable with the way the business is run. They know the expectations and their role within the company. When a major change disrupts their familiarity, some employees become upset. They don't want to relearn their jobs or change the way they do things. Supporting your employees and providing training for any new responsibilities can help ease the transition.

### **Challenges before Young Entrepreneurs Because of Change Management**

The idea of change management for entrepreneurs may seem a little out of place for some and second nature to others. What is important is that entrepreneurs understand how tunnel vision negatively impacts the chances of success. Change management for entrepreneurs and micro-enterprises is about flexibility and the ability to adjust to changing conditions. Change management should be part of the culture of the company to try new ideas and discard ideas that are not working.

Change starts at the top of any organization. Ownership and a commitment to fix problems will only become part of the culture of the company if business owners and top management are actively engaged in the process. For a micro-enterprise this means the business owner is constantly seeking new opportunities. For small to mid-size businesses this translates into involving staff at all levels and rewarding them for finding solutions or creating new opportunities.

If Entrepreneurs are running into any of the following situations, they should consider implementing change management processes.

- Getting your new venture going
- Unprofitable products or services
- Declining sales
- Unproductive staff
- Problem business units
- Good ideas are not acted upon
- You don't listen to your clients or staff
- Poor customer service and client retention
- Rapid growth disorganization
- Mergers and acquisitions

### **Critical Elements for Managing Change**

Given this model or framework for change management, an entrepreneur can break down the required elements to effectively manage change. They can also initiate their research using books and resources (including training) based on these two perspectives of change management.

For organizational change management, he/she will need to build knowledge and abilities in the following areas:

- Change management team structures
- Change management roles
- Critical barriers to implementing change
- Change management planning and strategies
- Managing employee resistance
- Organizational change management methodologies
- Building executive sponsorship
- Creating communication plans
- Creating training and educational programs
- Incentive and recognition programs

### **Other Change Management Issues/Challenges to Entrepreneurs**

Change comes from effectively leading cultural change in people. Using a change management plan is crucial, but more importantly, that change management plan must also capture a transition plan. Most practitioners concentrate solely on developing a Change Management plan and not on the transition plan within the same document. Here are the differences:

#### ***A change Management Plan***

Focuses on the process of change and the tasks needed to successfully complete the project. It starts with the end in mind and works back.

### ***The Transition Plan***

Focuses on the people and culture change, starting on the current culture and looks at how to transition into the new desired state.

Failure to focus on the cultural change side creates a high degree of failure and adds to the list of change management issues in organizational development.

### **Overcoming the Key Challenges to Change Management in Policing**

In law enforcement, the ability to respond to a variety of changing situations is a key to the safety and security of both the police and the public. However, this ability sometimes falters when focused on law enforcement administration we may at times find individuals who can quickly adapt to changing conditions in the field, yet show little dexterity to changing conditions within the organization.

The challenges related to change management in law enforcement can be numerous, but most tend to manifest in three key areas:

- Identifying change
- Communicating change
- Resisting change

#### ***Identifying Change***

We know that change is constant. However, it is critical to determine the need and type of change necessary, first order, or second order. First order change focuses on strategies in support of the status quo or non-transformational activities. This area gets the most attention as it makes departments feel like they are making progress.

Second order change focuses on the culture and transformational efforts and requires more time, effort, and commitment. The decision on the type of change required is dependent on specific departmental cultural factors and outcomes desired in a specific law enforcement organization.

As most law enforcement departments are autocratic and paramilitary, an assessment of how tolerant the culture will be in embracing change is required. This assessment will provide critical information on areas of resistance, as well as potential champions.

*Please note: giving the change order is not enough to facilitate, implement, or reap the benefits of change.*

#### ***Communicating Change***

A common mistake in managing change is that believing good communication will ensure the change process goes smoothly. While good communication is necessary, it is more important to be able to customize the message to specific segments within the department, as well as key stakeholders. While law enforcement personnel may share some common concerns, the failure to address the specific concerns and expectations of the differing divisions, districts, or bureaus will doom the change process.



In addition, the change process should be framed as a “telling and selling” effort – with leadership engaging in active listening to officers throughout the department, at every rank. Active listening provides officials with instant feedback on the change process, helps to identify gaps in the communication channels, and engages officers in the process.

#### **Resisting Change**

When change is implemented, leaders must understand officers are the driving force in embedding change into the department. Officers have the ability to passively slow down or aggressively speed up change implementation.

When giving orders is the norm, many law enforcement officials often fail to develop their managerial toolkit to include techniques for influencing, inspiring, or engaging officers to selected outcomes. Leaders have to seek out change allies throughout the organization, including labor unions and informal leaders to speed up the implementation and embed change. It is also critical to recognize the resistance to change may come from other law enforcement officials, especially those with long tenures, the root guards of days gone by.

While the law enforcement culture supports that orders and directives are carried out and cascaded to the frontline that should not be read as support or commitment to the stated change by officials. Purposeful employee engagement is required to fuel and sustain the change process.

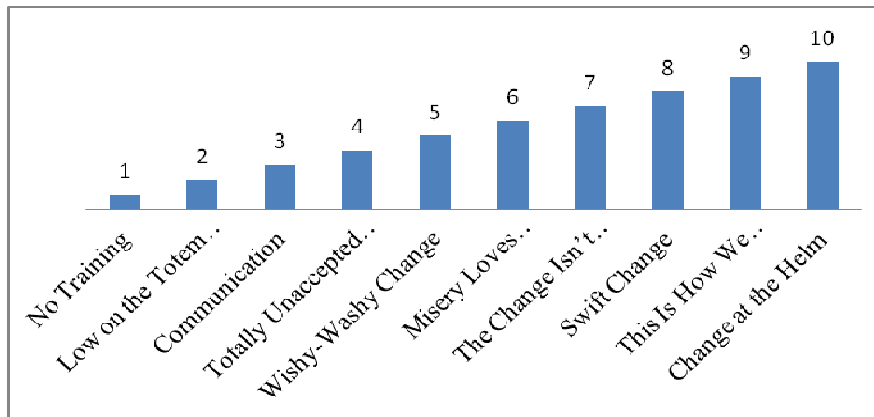
#### **Analysis of Change Management in View of Young Entrepreneurs**

Following tables and diagrams based on the study conducted among 50 respondents.

**Table: Ranks given by Young Entrepreneurs based on the challenges because of Change Management**

Challenges/Issues Associated	Ranks by Young Entrepreneurs
Change at the Helm	10
Communication	3
This Is How We Do It Now	9
Low on the Totem Pole	2
Swift Change	8
No Training	1
The Change Isn't Working	7
Misery Loves Company	6
Wishy-Washy Change	5
Totally Unaccepted Changes	4

*Source: Primary Data*



The above table exhibits out of 100% respondents most of the respondents says that No Training due to Change Management is the major challenge that they are facing at their work place. Likewise, Low on the Totem Pole, Communication, Totally Unaccepted Changes, Wishy Washy Change, Misery Loves Company, The change is not working, Swift change, This is how we do it now and Change at the Helm are the next challenges faced by every young entrepreneurs respectively.

### Conclusion

Change cannot be enforced, nor can it be sold. It has to be communicated, nurtured and developed until those affected believe in it and drive it themselves. Not everyone will, but the majority should, given the right environment, and it's the majority that you want on board to drive the new ways of working and beliefs that will support change.

Effective change management requires entrepreneurs to connect with workers and create a shared understanding about how change will benefit collectively and individually. The use of multiple communication mechanisms, including, email, team meetings, one-on-one meetings, and town hall meetings are essential to reaching various audiences and reinforcing the message. Instead of implementing change by accident, lawsuit, or crisis, law enforcement entrepreneurs need to act deliberately – with confidence and purpose – to ensure the desired outcomes.

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