**L9: Factors of Success**

Today organisations struggle to respond to pressures for change coming from competition, new technology, human resource, finance, raw materials, knowledge, innovation and so on. The need for managers to manage change grows every day. The ability to cope with rapid changes is the greatest challenge faced by managers. The ability of an organisation to survive is dependent on its capability to continuously change and adapt to new situations.

Therefore mastering the skill to manage changes in organisations is becoming more crucial for managers and human resource personnel than ever. Unfortunately there is *no one best way to achieve successful organisational change*. The approach to a successful change is left to the ability to survey and identify a number of factors and to seize opportunities that arise and be able to overcome any threat.

Some of the factors that can help to bring about successful changes in organisations are:

1. Able to survey and identify changes in the temporal, internal and external environments.
2. Able to understand and identify the characteristics of change situations.
3. Be flexible in any plan developed especially the vision, mission or purpose.
4. Able to capitalise the diversity of workforce to improve organisational performance and achievement especially in time of change.
5. Able to apply the process of empowerment to attain the successful implementation of the organisation’s strategy and achievement of its objectives.
6. Able to generate creativity and innovations within the organisation.

Factors of success

1. The multiple paths to change

There is no one best way to achieve successful organisational change, the likely approach to a successful change is:

1. To make a continuous surveillance of the internal, external and temporal environments;
2. To understand the characteristics of change situations and be familiar with the different characteristics of change itself; and
3. To make any plans developed flexible from the point of vision, mission or purpose as time unfolds.

2. Diversity in the workforce and its challenge

Diversity in the workforce is an important factor to be noted by the managers. The various groups of employees with different cultural background, race and ethnicity, skill and knowledge can give rise to tension. The managers must be able to make good use of this situation to promote new ways of organising work in order to give equal treatment and opportunity.

People are organisation’s most precious resource and as such managers cannot ignore them and their diversity. Understanding and accepting diversity in the human resource is giving recognition to people’s uniqueness and their capacity to work collectively for the benefit of the organisation and for themselves. This is particularly true during times of change.

3. Changing patterns of employment

More people prefer to work part-time or become self-employed. E.g. more people in manual occupations, and managerial and professional workers have become self-employed. In EU, 93% of small businesses made up the entire enterprises.

Another changing trend is that the employers and employees are turning to more flexible ways of working. There is a major increase of the use of temporary and fixed-term appointments, part-time works, ‘zero-hours’ and annualized hours contracts. In addition employers are turning to external sources to meet temporary needs or specialist requirements, by using agency staff, contractors and freelance workers. There is also an increasing focus on equal opportunities policies for flexible working arrangements.

4. Flexible working

Flexible working may be define in terms of a loosely pattern of employment that do not conform to the standard full –time working week of 40 hours or so carried out over typically five-day periods away from the home. This covers working patterns such as annualized hours, compressed hours, staggered hours and term-time working.

Advantages of flexible working:

a) From employers’ point: ‘it offers flexibility in managing workforce requirements as

the demand for products and services varies over the year and day to day.

b) From employees’ point: ‘non-standard working offers flexibility of working to fit in

with family and other commitments. Women in particular well the opportunities

offered by flexible working to fit work into other aspects of their lives especially

family lives taking care of children and elderly dependants.

About 35%-40% of men and women employees prefer to work at home. On the other hand, only 22% of employers (out of 2500 companies) favoured homeworking of employees.

One of the downsides of flexible working is that it does not always attract good pay rates and opportunities for career advancements are variable even if pay is good. Still workers who are committed to the organisations work long hours. There is a possibility of increase in low-pay jobs.

5. Empowerment and control

It is the act of delegating power and authority to a subordinate so that the goals of the manager can be accomplished. The manager literally gives the subordinate the power to act and accomplish his or her goals.

Empowerment also means autonomy (independence) and it rests on a relationship of trust between superior and subordinate.

Who is ultimately responsible?

Responsibility devolves upon (passes to) the subordinate but can never be abdicated by the manager.

Empowerment is only an aim to facilitate organisational change. It makes the change to be more successful by getting the employees involve in all stages of the organisational change design and implementation.

For managers to empower his subordinates with the power and authority to carry out the tasks to accomplish the goals independently must be done with a sense of maturity and understanding that is based on trust and not exploitation. The manager must ensure that the subordinates have the necessary skills and the confidence.

6. Creativity and Innovation

Creativity is basically coming out with new ideas. For an idea to be truly creative it must be appropriate and useful. Innovation is the process by which creative ideas are developed into something tangible like a new product or practice or a service.

Creativity new ideas new product or service (an innovation)

This creative process must be harnessed to the change process so as to achieve increased organisational performance. For this to happen two things must be there:

1. The people involved must be able to contribute to the creative design and

implementation of change.

2. There must in existence a creative organisation for creative thinking styles to flourish

and find support for the ways in which they work best.

7. An entrepreneurial economy

There is a close relationship between the economy and small businesses. Small businesses create 75% of the new jobs in USA and make up more than 99.7% of all employers. They are the major contributors to the American economy. (Kautz, J., 2005, Small Business Notes –entrepreneurship beyond 2000;http://www.smallbusinessnotes.com/aboutsb.html)).

Entrepreneurship does not confine to the commercial business but the social organisations as well.

However it is expected that if the industries and business or social communities and organisations fail to respond to:

1. the expectation of the educated workforce;
2. couples who are interested in balancing work and home; and
3. individual and groups who want a totally different focus to their work,

then many people will be encouraged to set up their own businesses. This is evidenced by the report from an article in Management Today (see Gracie, 1998) that women founded almost one-third of all new businesses in the UK in 1997. In farming areas, farmers and their families have been to the fore in diversifying, whether it is offering holiday accommodation, making additional products on the farm or taking over the retailing of their products themselves.

Other surveys reported that the numbers of self-employed are greatest in the media and entertainment industries, hotel, catering and leisure and in the financial services sector as well as individuals or small groups setting up businesses or practices in the caring services, architecture, design and small-scale production.

The desire for people to set up their own businesses and organisations, for whatever purpose, has implications, for government, financial institutions and education and training organisations. Some or all of these organisations might have to adapt and change to support an entrepreneurial culture.

Small businesses will have to learn to become successful businesses and they need government to support them. They have to become knowledge-based, flexible and responsive organisations in a competitive economy. They depend heavily on information and supply chains characterised by cooperative relations with other organisations either through JV, SA and partnerships and going into virtual networking. Furthermore their workers will become valuable assets to the organisations.

The changing psychological contract

It has become evident that with all of the changes in organisational functioning there has been a change in the psychological contract between employers and employees. It is a way to explain people’s response to the changing context of careers. In the sense that as organisations go through changes, the expectations of the employees also change. Employees too have come up with different expectations in their workplace and may regard employment contracts to be of short-term duration. Royalty is not an expectation of the employees; they will go where better opportunities exist in their quest of careers and development.

Organisations expect to improve on their competencies to cope with changes in work design and work process.

The changing workplace in the future is expected to be based on knowledge and innovation. It is not possible for organisations to bring about/facilitate innovation without the knowledge. Knowledge is an intrinsic quality embedded in the people and it is given voluntarily not by command. The capabilities for coordination and delegation are not enough for innovation to flourish. The future is not just based on knowledge but the generation and transfer of knowledge. For this to take place requires social interaction and exchange between organisational members. The logical outcome of this is that ***collaboration*** is the key to innovation. Miles et al (2000) suggested three conditions for collaboration to happen:

1. People need *time* to discuss ideas, reflect, listen and engage in a host of activities that might produce fresh ideas.
2. They need to develop strong bonds of *trust* between each other – a willingness to expose one’s views without the fear of being exploited and to probe more deeply for new insights and perspectives.
3. People need a sense of *territory*, that is a ‘stake’ (marking one’s place) in the outcomes of the collaborative process. These visible stakes might be stock ownership, stock options, visible awards, collegial recognition and so on.

Miles et al also expect that organisations will go beyond their functional, divisional, matrix and networking models to alliances, spin-offs and federations – virtual structures with large degree of self-management and self-directing teams. Others assume that the style of leadership will be participative, caring of followers and recognising the role of everyone in the efforts to make any organisation successful. For any change to take place requires the coordinated contributions of many talented people working together and the willingness and commitment of followers.

**Review Assignment 9**

1. Alfron is now in a state of shock when he realised that there is no one best way for him to bring about organisational change to a successful conclusion. You are to advise Alfron on how it can be possible for him to bring about a successful organisational change.
2. Alfron also like you to explain to him about empowerment and how to capitalise upon it to facilitate organisational change.
3. Alfron has become rather interested about the challenging concept of “diversity in the workforce” and how it can link to creativity and innovation.

4. What do you think the future holds for your organisation or one that interests you? How

can you plan for this?