Business Strategy, Change Management and Organizational Progress

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ABSTRACT

This paper is basically focused on Business strategy, Organization Development. I am trying to give the light on how development of organization helps to an organization to improve its working style. For this I used Strategy, process of OD, and why there is a need for OD. I used Lewins model to make it easy to understand the change management. In Lewin's model there are forces driving change and forces restraining it. There are 3 types of strategy at different level of business, (1) Corporate level (2) Business level (3) Operational level strategy. In this paper all these terms are elaborated in brief.

Keywords: Strategy, Organizational Development, Driving Force, Lewins Model, Corporate Strategy, Business Level, Operational Level Strategy.

I. INTRODUCTION

"Strategy is the direction and scope of an organization over the long-term: which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfill stakeholder expectations".
In other words:
Where is the business trying to get to in the long-term (direction)
Which markets should a business compete in and what kind of activities is involved in such markets? (markets; scope)
How can the business perform better than the competition in those markets? (Advantage)?
What resources (skills, assets, finance, relationships, technical competence, and facilities) are required in order to be able to compete? (Resources)?
What external, environmental factors affect the businesses' ability to compete? (Environment)?
What are the values and expectations of those who have power in and around the business? (stakeholders)

II. STRATEGY AT DIFFERENT LEVELS OF A BUSINESS

Strategies exist at several levels in any organization - ranging from the overall business (or group of businesses) through to individuals working in it.

(1) **Corporate Strategy** is concerned with the overall purpose and scope of the business to meet stakeholder expectations. This is a crucial level since it is heavily influenced by investors in the business and acts to guide strategic decision-making throughout the business. Corporate strategy is often stated explicitly in a "mission statement".
(2) **Business Unit Strategy** is concerned more with how a business competes successfully in a particular market. It concerns strategic decisions about choice of products, meeting needs of customers, gaining advantage over competitors, exploiting or creating new opportunities etc.
(3) **Operational Strategy** is concerned with how each part of the business is organized to deliver the corporate and business-unit level strategic direction. Operational strategy therefore focuses on issues of resources, processes, people etc.

III. STRATEGIC ANALYSIS

This is all about the analyzing the strength of businesses' position and understanding the important external factors that may influence that position. The process of Strategic Analysis can be assisted by a number of tools, including: PERT analysis, five force analysis, SWOT analysis, and Segmentation analysis.etc.

Strategic Choice

This process involves understanding the nature of stakeholder expectations (the "ground rules"), identifying strategic options, and then evaluating and selecting strategic options.

Strategy Implementation

Often the hardest part. When a strategy has been analyzed and selected, the task is then to translate it into organizational action.

IV. BUSINESS STRATEGY

Business strategy describes how a particular business intends to succeed in its chosen market place against its competitors. It therefore represents the best attempt that the management can make at defining and securing the future of that business. A business strategy should provide clear answers to the questions:

What is the scope of the business (or offering) to which this strategy applies?
What are the current and future needs of customers and potential customers of this business?
What are the distinctive capabilities or unique competence that will give us competitive advantage in meeting these needs now and in the future?
What in broad terms needs to be done to secure the future of our business?

These questions should have been addressed during the process of strategy formulation. I just concerned with some of the practical issues that arise when thinking and analysis leads into action and commitment. We are concerned also with what makes the difference between good and indifferent business strategies. We suggest that a good business strategy will meet six tests of quality:

It will be correctly scoped.
It will be appropriately documented.
It will address real customer needs.
It will exploit genuine competencies.
It will contribute to competitive advantage.
It will lay the ground for implementation.

V. CONTENT OF A BUSINESS STRATEGY DOCUMENT

Statement of Strategic Intent For The Business

This should describe in general terms the business as it expects to become in the future. It should outline in practical and tangible terms how this future is different from the present. Clearly, the strategic intent for the business has to relate to the Strategic intent for the enterprise as a whole and be coherent with any other corporate strategies.

Principal Findings of Strategic Assessment

Typically, the strategic assessment will have involved detailed analyses of both the external business environment and the capabilities of the enterprise. Only the most important or most surprising results need to be recorded. However, this section should provide a reasoned assessment of current status and future prospects of the business if present strategies were to be continued. This then makes the case for change in business terms.

Strategic Choices Which Have Been Made And Supporting Rationale

This section has to summarize the options that have been identified and the choices made. The reasons for preferring one direction to another have to be spelt out and must be persuasive. The rationale for strategic choice should be based on a rigorous analysis of the basis of competitive advantage and how that will relate to the demonstrable capabilities of the enterprise. It is also desirable to show how the choice matches the strategic intent of the enterprise as a whole.

Statement of Goals and Objectives

The overall goal is to realize the strategic intent of the business. More measurable supporting goals are also very valuable. Objectives should not all be financial. It is important that some objectives set measures that relate to the fundamental nature of the business and to meeting customer and stakeholder needs.

Outline of Strategic Initiatives

This section will outline the principal actions to be undertaken to make the strategy happen.

VI. ORGANIZATION DEVELOPMENT

Organization development (OD) is a new term which means a conceptual, organization-wide effort to increase an organization's effectiveness and viability. Warren Bennis has referred to OD as a response to change, a complex

educational strategy intended to change the beliefs, attitudes, values, and structure of an organization so that it can better adapt to new technologies, markets, challenges, and the dizzying rate of change itself. OD is neither "anything done to better an organization" nor is it "the training function of the organization"; it is a particular kind of change process designed to bring about a particular kind of end result. OD can involve interventions in the organization's "processes," using behavioral science knowledge organizational reflection, system improvement, planning and self-analysis.

A long-term effort, led and supported by top management, to improve an organization's visioning, empowerment, learning, and problem-solving processes, through an ongoing, collaborative management of organization's culture – with special emphasis on the culture of intact work teams and other team configurations utilizing the consultant – facilitator role and the theory and technology of applied behavioral science, including action research.

VII. PRIMARY DISTINGUISHING CHARACTERISTICS OF OD

Focuses on culture and processes
Encourages collaboration between organizational leaders and members in managing culture and processes
Teams of all kinds are particularly important for task accomplishments
Focuses primarily on the human and social side of the organization.
Participation and involvement in problem solving and decision making by all levels of organization
Focus on systemic change; views organizations as complex social systems
OD practitioners are facilitators, collaborators, and co-learners with the client system - focus on imparting of problem-solving skills and knowledge of continuous learning through self-analytical methods to client to enable it to solve its problems on its own.
Development view seeking betterment of both individuals and organization.

VIII. WHY DO OD?

Human resources -- our people -- may be a large fraction of our costs of doing business. They certainly can make the difference between organizational success and failure. We better know how to manage them.

Changing Nature of the Workplace. Our workers today want feedback on their performance, a sense of accomplishment, feelings of value and worth, and commitment to social responsibility. They need to be more efficient, to improve their time management. And, of course, if we are to continue doing more work with less people, we need to make our processes more efficient.

Global markets. Our environments are changing, and our organizations must also change to survive and prosper. We need to be more responsible to and develop closer partnerships with our customers. We must change to survive, and we argue that we should attack the problems, not the symptoms, in a systematic, planned, humane manner.

Accelerated rate of change. Taking an open-systems approach, we can easily identify the competitions on an international scale for people, capital, physical resources, and information.

IX.WHEN IS AN ORGANIZATION READY FOR OD?
There is a formula, attributed to David Gleicher, which we can use to decide if an organization is ready for change:
Dissatisfaction x Vision x First Steps > Resistance to Change
This means that three components must all be present to overcome the resistance to change in an organization: Dissatisfaction with the present situation, a vision of what is possible in the future, and achievable first steps towards reaching this vision. If any of the three is zero or near zero, the product will also be zero or near zero and the resistance to change will dominate.

X. OD IS A PROCESS

Action Research is a process which serves as a model for most OD interventions. French and Bell describe Action Research as a "process of systematically collecting research data about an ongoing system relative to some objective, goal, or need of that system; feeding these data back into the system; taking actions by altering selected variables within the system based both on the data and on hypotheses; and evaluating the results of actions by collecting more data." The steps in Action Research are :

Entry: This phase consists of marketing, i.e. finding needs for change within an organization. It is also the time to quickly grasp the nature of the organization, identify the appropriate decision maker, and build a trusting relationship.
Start-up and contracting : In this step, we identify critical success factors and the real issues, link into the organization's culture and processes, and clarify roles for the consultant(s) and employees. This is also the time to deal with resistance within the organization. A formal or informal contract will define the change process.

Assessment and Diagnosis : Here we collect data in order to find the opportunities and problems in the organization (refer to DxVxF>R above.) For suggestions about what to look for, see the previous article in this series, on needs assessment this is also the time for the consultant to make a diagnosis, in order to recommend appropriate interventions.

Feedback: This two-way process serves to tell those we found out, based on an analysis of the data. Everyone who contributed information should have an opportunity to learn about the findings of the assessment process (provided there is no apparent breach of anyone's confidentiality.) This provides an opportunity for the organization's people to become involved in the change process, to learn about how different parts of the organization affect each other, and to participate in selecting appropriate change interventions.

Action Planning: In this step we will refine recommendations from the assessment and feedback, consider alternative actions and focus our intervention(s) on activities that have the most leverage to effect positive change in the organization. An implementation plan will be developed that is based on the assessment data, is logically organized, results- oriented, measurable and rewarded. We must plan for a participative decision-making process for the intervention.

Intervention : Now, and only now, do we actually carry out the change process. It is important to follow the action plan, yet remain flexible enough to modify the process as the organization changes and as new information emerges.

Evaluation : Successful OD must have made meaningful changes in the performance and efficiency of the people and their organization. We need to have an evaluation procedure to verify this success, identify needs for new or continuing OD activities, and improve the OD process itself to help make future interventions more successful.

Adoption : After steps have been made to change the organization and plans have been formulated, we follow-up by implementing processes to insure that this remains an ongoing activity within the organization, that commitments for action have been obtained, and that they will be carried out.

Separation : We must recognize when it is more productive for the client and consultant to undertake other activities, and when continued consultation is counterproductive. We also should plan for future contacts, to monitor the success of this change and possibly to plan for future change activities.

XI. CHANGE MANAGEMENT

Change Management is a structured approach to shifting / transitioning individuals, team, and organization from a current state to a desired future state. It is an organizational process aimed at helping employees to accept and embrace changes in their current business environment. In project management, change management refers to a project management process where changes to a project are formally introduced and approved.

Kotter defines change management as the utilization of basic structures and tools to control any organizational change effort. Change management's goals are to minimize the change impacts on workers and avoid distractions.

Linda Ackerman Anderson, co-author of Beyond Change Management, described how in the late 1980s and early 1990s top leaders were growing dissatisfied with the failures of creating and implementing changes in a top-down fashion. They created the role of the change leader to take responsibility for the people side of the change. February of 1994 is the unofficial beginning of the Change Management Industry, with the publication of the first "State of the Change Management Industry" report in the Consulting News.

XII. EXAMPLE OF ORGANIZATIONAL CHANGE

Mission changes
Strategic changes
Operational changes (including Structural changes)
Technological changes
Changing the attitudes and behaviors of personnel

Organizational Change Management should begin with a systematic diagnosis of the current situation in order to determine both the need for change and the capability to change. The objectives, content, and process of change should all be specified as part of a Change Management plan.

Change Management processes may include creative marketing to enable communication between change audiences, but also deep social understanding about leadership's styles and group dynamics. As a visible track on transformation projects, Organizational Change Management aligns groups' expectations, communicates, integrates teams and manages people training. It makes use of performance metrics, such as financial results, operational efficiency, leadership commitment, communication effectiveness, and the perceived need for change to design appropriate strategies, in order to avoid change failures or solve troubled change projects.

Successful change management is more likely to occur if the following are included:

Benefits management and realization to define measurable stakeholder aims, create a business case for their achievement (which should be continuously updated), and monitor assumptions, risks, dependencies, costs, return on investment, disbenefits and cultural issues affecting the progress of the associated work.

Effective Communications that informs various stakeholders of the reasons for the change (why?), the benefits of successful implementation (what is in it for us, and you) as well as the details of the change (when? where? who is involved? how much will it cost? etc.).

Devise an effective education, training and/or skills upgrading scheme for the organization.
Counter resistance from the employees of companies and align them to overall strategic direction of the organization.
Provide personal counseling (if required) to alleviate any change related fears.
Monitoring of the implementation and fine-tuning as required.

XIII. RESPONSIBILITY FOR MANAGING CHANGE

The employee does not have a responsibility to manage change - the employee's responsibility is no other than to do their best, which is different for every person and depends on a wide variety of factors (health, maturity, stability, experience, personality, motivation, etc). Responsibility for managing change is with management and executives of the organization - they must manage the change in a way that employees can cope with it. The manager has a responsibility to **facilitate** and **enable** change, and all that is implied within that statement, especially to understand the situation from an objective standpoint (to 'step back', and be non-judgmental), and then to help people understand reasons, aims, and ways of responding positively according to employees' own situations and capabilities. Increasingly the manager's role is to interpret, communicate and enable - not to instruct and impose, which nobody really responds to well.

XIV. CHANGE MUST INVOLVE THE PEOPLE - CHANGE MUST NOT BE IMPOSED UPON THE PEOPLE

Be wary of expressions like 'mindset change', and 'changing people's mindsets' or 'changing attitudes', because this language often indicates a tendency towards imposed or enforced change (theory x), and it implies strongly that the organization believes that its people currently have the 'wrong' mindset, which is never, ever, the case. If people are not approaching their tasks or the organization effectively, then the organization has the wrong mindset, not the people. Change such as new structures, policies, targets, acquisitions, disposals, re-locations, etc., all create new systems and environments, which need to be explained to people as early as possible, so that people's involvement in validating and refining the changes themselves can be obtained.

Whenever an organization imposes new things on people there will be difficulties. Participation, involvement and open, early, full communication are the important factors.

Workshops are very useful processes to develop collective understanding, approaches, policies, methods, systems, ideas, etc. See the section on workshops on the website.

Staff surveys are a helpful way to repair damage and mistrust among staff - provided you allow people to complete them anonymously, and provided you publish and act on the findings.

Management training, empathy and facilitative capability are priority areas - managers are crucial to the change process - they must enable and facilitate, not merely convey and implement policy from above, which does not work.

We cannot impose change - people and teams need to be empowered to find their own solutions and responses, with facilitation and support from managers, and tolerance and compassion from the leaders and executives. Management and leadership style and behavior are more important than clever process and policy. Employees need to be able to trust the organization.

The leader must agree and work with these ideas, or change is likely to be very painful, and the best people will be lost in the process.

XV. CHANGE MANAGEMENT PRINCIPLES

At all times involve and agree support from people within system (system = environment, processes, culture, relationships, behaviors, etc., whether personal or organizational).

Understand where you/the organization is at the moment.

Understand where you want to be, when, why, and what the measures will be for having got there.

Plan development towards above No.3 in appropriate achievable measurable stages.

Communicate, involve, enable and facilitate involvement from people, as early and openly and as fully as is possible.

XVI. JOHN P KOTTER'S 'EIGHT STEPS TO SUCCESSFUL CHANGE'

American John P Kotter (b 1947) is a Harvard Business School professor and leading thinker and author on organizational change management. Kotter's highly regarded books 'Leading Change' (1995) and the follow-up 'The Heart of Change' (2002) describe a helpful model for understanding and managing change. Each stage acknowledges a key principle identified by Kotter relating to people's response and approach to change, in which people **see**, **feel** and then change.

Kotter's eight step change model can be summarized as:

Increase Urgency - inspire people to move, make objectives real and relevant.

Build the Guiding Team - get the right people in place with the right emotional commitment, and the right mix of skills and levels.

Get the Vision Right - get the team to establish a simple vision and strategy, focus on emotional and creative aspects necessary to drive service and efficiency.

Communicate for Buy-In - Involve as many people as possible, communicate the essentials, simply, and to appeal and respond to people's needs. De-clutter communications - make technology work for you rather than against.

Empower Action - Remove obstacles, enable constructive feedback and lots of support from leaders - reward and recognize progress and achievements.

Create Short-Term Wins - Set aims that are easy to achieve - in bite-size chunks. Manageable numbers of initiatives. Finish current stages before starting new ones.

Don't Let Up - Foster and encourage determination and persistence - ongoing change - encourage ongoing progress reporting - highlight achieved and future milestones.

Make Change Stick - Reinforce the value of successful change via recruitment, promotion, and new change leaders. Weave change into culture.

Change management is an important aspect of management that tries to ensure that a business responds to the environment in which it operates. There are four key features of change management:

Change is the result of dissatisfaction with present strategies

It is essential to develop a vision for a better alternative

Management have to develop strategies to implement change

There will be resistance to change

In Lewin's model there are forces driving change and forces restraining it. Where there is equilibrium between the two sets of forces there will be no change. In order for change to occur the driving force must exceed the restraining force

Lewin's analysis can be used to:

Investigate the balance of power involved in an issue

Identify the key stakeholders on the issue

Identify opponents and allies

Identify how to influence the target groups

Forces for change include:

Laying the Ground for Implementation

The business strategy must identify, in broad terms, the principal initiatives that will be necessary to implement the strategies. It must identify the changes in the business processes, culture, and organization that may be needed. It must argue the case for change. It should set tight but achievable targets for the time-scales in which change can be achieved.

CONCLUSION

The purpose of business strategy is to exploit the capabilities of the enterprise to gain and sustain competitive advantage in serving the needs of customers in a chosen marketplace. An effective business strategy will provide good answers to questions on business scope, customers' needs, how the enterprise will exploit its advantages, and on how competitive advantage will be achieved. It will also describe the main actions necessary to implement the strategy and the reasons why the changes are necessary.

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