Studies in Economics and Business Relations
https://spda.sabapub.com

2022 Volume 3, Issue 2: 17 – 27
DOI : 10.48185/sebr.v3i2.404

Management of Change and its Impact on Productivity: A Case in Point

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Received: 01.12.2021 • Accepted: 19.11.2022 • Published: 27.12.2022 • Final Version: 31.12.2022

Abstract: Today change has turned out to be an essential element of everyone's lives and for business existence as well. Most of the organizations with the necessity of change in their day-to-day operations have different ideas on change. The main focus of the paper is to understand the effect of change and its management in the achievement of business goals. Moreover, the study aims to throw light on the prime concepts & various applications of change management with the help of the various change models on employee's productivity. The effort to bring about change may face retaliations so businesses should incorporate means to curtail the resistance level and promote an even shift of change. Top level management have huge role to play in executing the change and they serve as a role model to successfully handle the change. With respect to implement an unbeaten change initiative, management and businesses must make sure that any prior plan for change must be associated with the company's objectives as witnessed by many literatures in this current study certifying the relationship between change, change management and the accomplishment of corporate objectives. This present paper has been designed to analyze and to assess the effect of change management on worker's productivity and the adverse effect of resistance to change by examining the case study of Nokia. It also explores the range of models that the management could pertain to minimize resistance towards change. In the present case study of Nokia McKinsey's 7s framework model fits well.

Keywords: Management of Change, change initiatives, organizational change, leadership, employee productivity, resistance to change.

1. Introduction

In diverse facets of a company, change management is extensively wide-ranging and different in various forms of business. Management of change is the path, instruments and methods used by individuals to handle change in order to obtain the necessary company results. It focuses on how to

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help staff, adopt and make use of changes in their day-to-day job. One of the prevalent concerns experienced by organisations in today's company world is the on-going use of manual facilities and machines in the execution of their responsibilities, this dependence on human action often generates circumstances that are hard to manage, delay the job process, bad production on the part of staff, misleading decision-making, failure to fulfil organisational objectives. This reduces the production of employees.

With the advent of technology and rising competition, it became inevitable for the organisation to avoid change management but the for emosthindrance that arises in the path of executing change is employee’s resistance to it. Before implementing change, top management should consider the impact of change on worker’s productivity. Organizational administration can thrive in a vibrant setting as their pace of understanding and change encounters the dynamics of the setting. Change is a major element, as it is the shift of a business from the present position to the required future competitive position.

“Management viewed obstacles to organizational change as being an issue of employee resistance, rendering the change ineffective.” (Bringselius, 2014).

Resistance additionally performs a necessary function in the company that has an influence on higher stability. There are some outdoor and inside pressures that proceed to promote change.

Problems of the study

With the introduction of globalization and growing competition, the company climate has become very vibrant in nature. Organizational management is confronted with issues with the implementation of change as intra-organizational bickering develops among the workers, causing dissatisfaction. This forces the management to enforce organizational change in such a way that it can be sustained in vigorous conditions. But employees have become more used to resisting change. One significant barrier on the route to change is cost limitations or restricted resources, as the implementation of change requires enormous costs. Sometimes it's not the employees, but the leadership that resists change. It is the responsibility of management to persuade staff to embrace change by offering them with training and boosting their morale. But if leadership implements change vigorously, it leads to a reduction in their level of motivation, which contributes to inefficiency and inefficiency in their performance and eventually to a reduction in their productivity.

Research Gap

On the basis of the literature reviewed, it has been noted that there is an absence of comprehensive study of change management on the productivity of employees by means of case study method exclusively with the assistance of models.

Objectives of the study

1) To study the conceptual framework for change management and its effect on productivity.

2) To examine the impact of change management on workers' productivity using case study method.

3) To investigate the McKinsey 7s framework model that would assist management to make a good shift in their organization with regard to the Nokia's case study.

2. Literature review

Change includes distinct aspects and can be triggered by a variety of variables. Change is inescapable and it lies at every phase of existence, and in various forms of business the management of change is extensively wide-ranging and diverse (Turner, 2017).

The implementation of change can moreover donate to the pessimism or rotate negative circumstances into optimistic with pleasing contribution for the business as a total (Stensaker et al., 2012).

For executives desiring to facilitate their business through a foremost route that will influence employees, is essential for administration to be observable in the workplace setting and evaluate the attitudes, philosophy, and principles of their populace (Whyte, 1991).

The space between the malfunction of executive's plans and their victory may, therefore, be a task of the gap amid worker resistance towards and reception of these plans. (Sagie & Koslowsky, 2000).

Software innovation has resulted in additional opposition in the business practice. It makes it important to minimize the adverse effects of personnel responses in the system, layout and software change implementation (Craine, 2007).

The capability to adjust swiftly, profitably and persistently is a significant problem for companies in today's fast-paced setting (Lorenzi & Riley, 2003).

Participation not only enhanced openness to adjust, yet also leads to excellence progress, work gratification and assurance among personnel, as well as job performance and output (Fenton-O‟Creevy, 1998).

While change is introduced for rational reasons, such as adjusting to unpredictable environmental factors and severe competition, associates of the organization still react pessimistically to adjust and oppose change (Boohene & Williams, 2012).

Change processes systems are a global keystone in entities and have been used to relieve staffs adjust devoid of sacrificing significant everyday jobs (George & Jones, 2001).

Change Management

Change management is a process that directs how to plan, equip and assist people to effectively implement change as to increase organizational achievements and results. The concept of change is not termed to be a direct process that takes place from beginning to an end in a simple way. The change model must integrate abilities, policies and arrangements as significant key drivers of change element initiatives.

"Carter (2008) List of seven stages where these conductors can create employees trust in preparing for changes are:

• Set up for success- This stage asks what we need to change, Begin considering the end by setting out correctly what necessities to happen.

• Create urgency- Change must occur in as to push the organisation ahead. This stage demonstrates the main indications of resistance from change, the participation of the respondents and the achievement of their thoughts.

• Shape future- Introducing the vision of progress conveyed, employees perceive how they will add to the new organisation.

• Implement- The real shift is taking place, the abilities required to deal with the change are conveyed and placed in effect.

• Support shift- Recognize and resolve persistent resistances, consider using the stakeholder analysis to give influence.

• Sustain momentum- Praise the achievement that has so far been experienced, address any knocks on the path favourably and practice them as lessons-learning stages.

• Stabilize environment- Continue to be imparting beneficial change, motivations and benefits and to promote fresh possibilities for career development".

Organizational change happens when a business moves from its current state to ideal future state. Overseeing structural change is the technique of arranging and put on change in organizations in a manner that minimizes staff opposition and costs to the organization while maximizing the efficiency of change efforts. Some of the prevalent drivers of change include adapting to changing financial circumstances, adapting to changing marketplace landscapes, complying with public laws and rules, meeting customer requirements, taking benefit of fresh techniques and addressing employee suggestions for enhancement.

Employee's Resistance to Organizational Change

Resistance happens as organisations ranging from recognized to the unrecognized. Some huge scale corporate change projects have bombed because of workers opposition which ultimately leads to decrease in their productivity. In the early phases of any change in company, whether big or small, individuals are starting to expect what the advantages of progress will be for the association overall. Then they start to wonder how this change will have an effect on their employment group and what advantages they could get from this progress. It's a vital phase. If leaders won't respond to their inquiries, their efficiency will start to spiral downwards and the absence of data will induce them to see change in their own manner, thereby making obstacles to change.

Reasons Of Resistance to Change

The following are common grounds for opposition to change inside organizations.

- Absence of interaction- Absence of interaction is a significant cause for obstruction in organizations since staff are not appropriately informed as to why change is being implemented in the organization, how it will operate, what methods it will utilize. Because of absence of contact, staff will begin to notice that the shift will alter their status quo.
- Understanding & skill deterioration- Workers oppose change if they don’t have adequate understanding or skills to implement the change. They are unaware of the technical problem of the change or have no understanding of the degree and difficulty of the change owing to which the ventures do not produce the desired outcomes.
- Uninformed of change goals- When staff is unsure of the goals of change or when the executives neglect to describe the goals of progress, they begin to oppose.
- Managerial structure- Workers are resisting change owing to unsupported administrative structure and bad leadership issues. The board is unable to identify the hierarchy level of the organisation for the application of change. Poor leadership is the main reason for the failure of the venture.
- Inadequate resources- Organizations that do not have accessible assets choose to keep their norms, as change require means such as funds and individuals with suitable abilities and time. Insufficient resources may result to the abandonment of the required modifications.

Overcoming Employee’s Resistance to Change

1) Change Capacity Building- It is the tendency of a company to adjust not only on a single occasion, but as a natural way of actions in answer to inner and outer shifts. Enthusiasm to change is the capacity to make a particular shift. It is distinct from the ability for change.

2) Communication- The main issue with ineffective change is insufficient communication. Communication with staff must be done at every stage of change in order to decrease resistance. To make the transition hassle-free, it is essential to keep staff aware of the advancement of change.

3) Participation of Employees- Participation implies allowing staff to make their contribution at the time of managerial change. Contribution signifies that executives and staff are prepared to contribute with one another in the decision-making process. Along with enhancing responsiveness towards change, it also enhanced qualitative aspects, work satisfaction, commitment among staff, job performance and output.

4) Leaders And Managers Competence - Leaders generate an atmosphere that enables staff to alter their organization in some manner that leads to not only improved work performance but also contributes to overall comprehension along with satisfaction (Al-Hakimi et al., 2022). Leaders build a future vision and then enlarge a rational approach on the ways to achieve change &to make it an actuality. Managers, alternatively, have the task of tracking assignments with the aim of running complicated tasks smoothly. They need to focus on the details of the execution, arrange the necessary funds and maintain employees' attention in the correct direction.

5) Perceived Corporate Change& Training- Training refers to the scientific elements of change & assists to guarantee that staff have obtained the abilities needed to bear new duties and to communicate new standards, principles and processes. Training improves the trust of staff in coping with problems, changes and helps them to efficiently perform various duties or adapt to a latest setting. Training also contributes to effective change attempts.

3. Significance of the study

The aim of the study is to explore the models of change management effectively, used in business organizations where significant organizational change with no input from the impacted worker could have an adverse impact on the work and behaviour of staff as they refuse to accept change (as in the case of Nokia). The method utilized in organizational change management can offer a leadership manual to vigorously connect employees during all phases of system application upgrades to foster favorable attitudes towards change and a feeling of worth and purpose intended for the worker to continue to help the organization succeed in the company.

This study focused on how leadership can adopt different models to bring about effective change in their organization and to show that staff feel appreciated enough to be integrated in a change affecting their employment. The model or method used in the organization incorporates employees into the change that eventually affects them, thus decreasing emotions of inefficiency.

4. A case study of NOKIA

Nokia Corporation is a multinational Finnish telecommunication, data technology Company, which has a headquarter in Espoo, Finland. Its foremost items are mobile, telephone and convenient IT equipment. It likewise gives web facilities, including games, applications, music, messaging and media. They're committed to linking people at Nokia. From 1998 to 2012, Nokia was the globe’s biggest provider of mobile phones. However, as a consequence of the increasing use of smart phones by other dealers, mainly Apple's IPhone, Nokia experienced a decreasing market share.

In 2004, Nokia was the globe’s largest manufacturer of cell phones. They were mighty, wealthy, and unstoppable. And here they were residing in this magnificent crystal castle in their appalling supremacy positions. A comic thing occurred in the same year. A two of Nokia employees produced a presentation to Nokia's senior management. They said “we have an interesting idea. We have come up with a new kind of phone. Unlike Nokia’s existing phones it has a big bright colour and touch screen features. It also connects to the internet and it doesn’t have a keyboard like Nokia’s current phones.”

The management of Nokia glanced at this project and replied “that’s interesting but this would be hugely disruptive to all of our big marketing and product development plans. Everyone in the organisation would object if we disrupted those plans. And this is risky, it might not even work. So, we are going to put this on a back burner and we will continue with are big marketing and product development plans.” Something occurred in 2007, from nowhere a company that was never on the smartphone market, Apple created its first iPhone, a cell phone that was having the same characteristics that Nokia's administration had preferred not to pursue. The differences in configuration between the Nokia N95 and the iPhone were perhaps so obvious; i.e. absence of 3G assistance, bad camera quality, no touch features, tiny screen, complex interface, sluggish and dull Symbian Operating System, no customer-friendly app personalization, and hard to utilize related to fresh touchscreen phones. When Apple introduced its iPhone series in 2007, Nokia launched its first all-touch cell phone in 2008 as the Symbian OS ' 5800 Xpress Music. Though it traded about 8 million devices, it failed to strive with the feature of the iPhone as a touch-experience is disappointing. Nokia was at its apex in 2007; however the industry was 15 per cent market share owing to low-end fundamental phone designs. In 2008, Nokia's deals reduced by 3.1 per cent as the first Android form were introduced. As a result of resistive leadership decisions, almost 25,000 Nokia staff has lost their employment, resulting in staff instability in the organization. Around 2010 and 2012, consumers joined the realm of the X-and N-Series touch screen smartphones. So we see that resistance to change has given them a good deal of difficulty. In order to overcome this resistance in September 2010, Nokia designated Stephen Elop as CEO and President of the company. Former head of Microsoft's company divisions; he worked in Juniper Networks as CEO and COO of Macromedia as well, which Adobe obtained during his term of office. Elop has a powerful software experience and a recognized track record in managing change. In February 2011, following collaboration by Microsoft, the Nokia Lumia 920 series was regarded one of the biggest-selling phones on Amazon.com owing to high quality build-up, excellent camera quality and a high-notch suite of built-in applications. Nokia has also appointed its Executive Board as its new management Team.

5. Model used in the study

Various models of change management are available given by distinguished researchers or authors. But McKinsey's 7s Framework Model is the one that suits well in the research in the current case study of Nokia. McKinsey's 7S structure issued for the analysis and to measure the productivity of organizations. It examines the seven key components that build associations flourishing: strategy, structure, systems, shared values, style, staff and skills. It tends to be linked with any organizational concern that requires being resolved.

6. Comprehending the Model of Mckinsey 7s framework

The 7S Model indicates seven variables which are considered as "hard" and "soft" components. Hard components are readily recognized and affected by leadership, while soft components are hazier, more intangible and are affected by company culture. The hard elements are as follows:

• Strategy- The approach is a plan put in place by an organisation to stay competitive in its sector and market. The perfect approach is to develop a long-term strategy that fits with the other components of the model and communicates apparently the organization’s priorities and objectives.

• Structure-The structure of the organisation is composed of its corporate hierarchy, chain of orders and divisional makeup, which describes how activities operate and interlink. In effect, it specifics the setup of leadership and the duties of employees.

• Systems- Company structures refer to the day-to-day operations, workflows and choices that make up the standard operations of the organization.

The soft components are as follows:

• Shared values- In action, shared values relate to the real accepted behaviour at the job. Shared values are widely acknowledged norms and standards that impact the behaviour of all staff and management in a company.

• Skills- Skills include the worker’s talents and abilities as well as the organization's management, which can decide the varieties of successes and the work the company can do. The moment may come when a company must assess its available capabilities and choose to make changes to achieve the goals set out in its plan.

• Style- Style speaks of the instance and strategy taken by management in the leadership of the business and how this affects efficiency, productivity and corporate culture.

• Staff- Staff relates to the employees of the business, how big the workforce is where their motivations lie, and also how they are educated and ready to carry out the duties set before them.

The structure is used as a strategic planning instrument by organisations to demonstrate how seemingly different elements of a business are, in reality, interconnected and mutually dependent in order to attain general success. This framework may also be used to investigate the probable impacts of future organizational modifications or to correlate departments and procedures during mergers or acquisitions. Components of the McKinsey Model 7s framework may also be used for individual teams or programs.

McKinsey Model of the 7s Framework fits well in the above case study of Nokia. Two of the hard components such as strategy & structure, while different soft elements, such as skills, style and staff are used to achieve overall success and to accomplish targeted objectives.

7. Conclusion

In a domain subjugated by digital revolution, leaders should comprehend that working with the old conviction will not aid their companies' to countenance employee behaviour changes or new forms of aggressive and diverse competition. The 'right to say' of the employee plays a crucial role for carrying out a few change execution. The foremost element is interaction prior to, during and post change. To convene with the need of the employees training and development is an additional item.

Building change capacity is an instrument through which the resistance to change can be conquered. A focused intercession at micro and macro levels is vital for building organizational change capacity. The execution of managerial change is activated through managers& leaders of the organization.

This paper pointed out the McKinsey's 7s framework model as an important device used to deal with the employee resistance to change and to upgrade employees productivity. In general the paper notifies a significant literature review to elicit a productive organizational change.

8. Suggestions

1) Before implementing the change, it is mandatory for the top management to have the confidence of the employees for whom the change is introduced.

2) Training must be given before and after introducing the change to cope with the demands of the employees.

3) Leadership plays a vital role in persuading staff of their organization to make them think that change is for their own good.

9. Limitations of the study

1) This study throws light on the outcome of change management on the productivity of workforce without taking into account other variables like leadership, acceptance to change, communication, routine justice, employee development, economic performance, etc.

2) This is a theoretical paper based on secondary information without the use of any suitable statistical tools.

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