

## Strategic change management: The challenges faced by organizations

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**Abstract**—Talking about strategic change and managing this change will require us to pay attention to the place that why we need strategic change at first place? Is it because the company sense that they fell behind the competitors or felt of new and more innovative products force them to make the change? Who will sense this need and who will manage and implement this change along the way? CEOs or board of directors ? That's being said in this paper we tried to discuss these issues, elaborate them and also talk about another facts that may makes strategic changes easier and faster to adopt among the organization, such as organizational structures which are now way more complicated than before.

**Keywords**(strategic management, strategic change, change leader ship)

### I. INTRODUCTION

There are different kinds of changes that companies will face during their life time. Sometimes there are internal problems occurring that needs to be solved, or advancement in technology and going to new era may be another reason for such changes. But when we talk about strategic changes, we have something with much greater impact in mind. These changes will affect top to the bottom of the company at most of the time.

Strategic change is defined as “changes in the content of a firm's strategy as defined by its scope, resource deployments, competitive advantages, and synergy” [Hofer and Schendel 1978]. In simple form strategic change is away of changing the objectives and vision of the company in order to obtain greater success. There is no certain magic formula to do the job and of course it is not always leading to success. Many companies fail to implement the plan correctly and completely, whereas the others fail to convey this change among employees and organization. It doesn't matter how great your theory is or how useful you change may be for the organization, as long as you cannot make it understand by people it's worthless.

There are some issues that managers who are responsible for strategic change should keep in mind. First of all they have to consider the culture and behaviors of employees. It obvious that changing something that people used to it for a long time is not easy to change. Another point is that when talking about

a strategic change there must be good consideration about context compatibility between the change and organization. The usual mistake in this case is to pull successful solutions from other situation to try in current one, which will not work.

The last issue is to consider that change is about changing people. Organization will change by changing the attitude of managers and employees of the way them do their business.

### II. STRATEGIC CHANGE, WHY AND WHAT TO CHANGE:

There are different type of changes which can be applied to different organization with respect to the situation and problem that they are facing at the time. It's also important to manage the speed of the change, being late in implementing the change may make the change less efficient as it could have been. The speed of change can be continues over time or can be done all at once. Transformation consists of changing organization culture. To go deeper, its fundamental change within organization which cannot be managed with the existing way of organization performance. Realignment is the other face of the coin, it doesn't require a huge change in peoples perspectives.

### III. TRANSFORMATIONAL CHANGE

The important factor here is that you have to take this change very seriously. From individual change to organizational change, it's important to change behavior and the way people think about their work, which for some people it may take time to adopt. What I want to mention here is that people who working in your company, first should want to change and they should be ready to change. That's the way you can make it happen. The most unfortunate point here is that if some of your workers can not adopt with the procedure, the manager have to find replacements.

Changing individual require good amount of investment and support. A manager may want to revolutionize his company, but may not be possible due the expenses of the task. Specially in time of crises, it's somehow very hard to be able to manage time and money.

### IV. CHANGE FACTORS

There are different factors that should be considered before making the change, Issues such as time, scope and soon. It is critical for company managers to understand and

feel these factors. This is essential in order to know the need of change in the organization effectively.

**Time:** understanding the right time for change, or more important, understand the time that company need a change. In critical time (the time of crises) the organizations have to act faster than the time of longer strategic developments that may occur from time to time.

**Scope:** In this section managers have to consider the degree of change that they want to apply within their company. It's also important to clarify that it is the organizational change or it only consider a small part in the company. **Capability:** this mostly considers three sections of individuals, managerial and organizational capabilities. **Capacity:** resources available for the change which consist of cash, time and number of people involved. These are the facts that should be considered before changes to be made. Of course after that managers have to go to the next phase, which is designing the solution for their problem.

Change path which will consider the kind of change is necessary for the organization, extent and speed of change are two important factors that shall be kept in mind. Change start point will refer to where and when the change should be developed. Change style is the style of implementation chosen by manager. There is no fix formula for that. It could be top down approach or the opposite. Technical, political and cultural interventions are the mechanism to be deployed. During conducting a change spread of responsibilities in a way to achieve the goal in most effective possible should be considered as a very important fact. The team, the leader and even consulting should be clear before the change.

## V. DESIGN CHOICES

What matters in the design phase is the impact of all the features together. Changing intervention is to be considered seriously. Ultimate changes will cause deployment of levers covering organization subsystems. It's difficult to change one of this subsystems alone as all of them somehow have a kind of dependency. Transformational change for instance, needs changing in shared beliefs in an organization, will not be succeeded if the leader wants to change only a structure or system without paying attention with the influence that it may have caused on other related structures. Interventions shall be designed to eliminate barriers to change existing structure and also to create the new structures and routines, education, training and so on. The greater the changes are, the more such things will be needed.

Realignments might still need a change in the nature of the work and the result that the organization achieves. Levels of productivity and sale can be considered in this section. To encourage employee's organization can develop some reward methods, and or it can put in place interventions that are to do with changing individual roles and responsibilities to alter the way people work. Such things should be supported by training and considering the degree of change when evaluating. If managers talk of innovation and teamwork, but on the other hand, continue to focus on blaming people for mistakes and cutting costs this behavior will cause problems during the change.

## VI. CHANGE PROCESS AND EFFECTS ON INDIVIDUALS

There are several stages for individuals during each change. Sometime they will doubt their own abilities to adopt and manage the changes in the system, which will result to less self confidence and poor performance. In the situation of the change, individuals usually losing something they used to deal with and going forward with uncertainty to the new system.

It's obvious point that the speed of adopting to new system will vary from each individual to another, and training and helping employees is mandatory and essential by the managers.

Communication, training and education and use other methods what so ever which may be helpful for employees to adopt faster and easier. Manager should try to come with a way to help employees to let go of their past obligations, understand the new system and believe that it will help them and help the organization to achieve their goal faster and accept the new roles and responsibilities. All of them are important but the most crucial point is that make them believe that it is good, helpful and necessary.

Middle level managers will face a lot of issues and troubles during the change process. I've heard so many times that middle level managers are the ones who opposing changes the most, at the same time they are responsible for connecting the senior manager and employees. They have to help their staff in transition steps while it's a challenge for them to adapt to the change as well. Not only they have to change personally, they also have to make their team through the change as well as implement the changes in their section. In the mean time the business should running as smoothly as possible. One of the things that middle level managers can do to overcome the situation is the make groups and share ideas with their colleagues and their teams on how to solve and pass the problems that may cause by the change until everything goes on track. Good training and support by the organization for middle level managers (training in change management perhaps) will help them along the way to overcome the situation.

In today organizations there will be more changes for different fact such as technological revelation and other major achievements in industries and science, and it's natural for each and every company to want themselves to adapt to the situation in the best way they can, so more changes than before. one of the points that you may require when you want to hire the new manager, is that how well they can manage a change, and get along with it. There is no fix formula to how manage a change, specially the big ones, but there are some points that will help. Analysis skills, judgment skills and interpersonal skills can be considered as useful abilities

## VII. STRATEGIC PLANNING, CHALLENGES ALONG THE WAY

Strategic planning is planning for the long-term period. It is vary between organizations but the plan usually made for up to 5 years. Because of that long term goal, there are some challenges to be faced. First of all you have to come up with something new which changes vital things in current position

as they are not sufficient anymore. Another action would be convincing stakeholders to be supportive during implementation of the plan, and decreasing cycle time in the planning process.

In today's world, organizations cannot afford to face these challenges. To overcome these issues, they have to create breakthrough strategies as soon as possible and it will help them to continuously meet customer requirements. In doing so, they must manage to allocate all available internal and external resources around the plan.

#### VIII. STRATEGIC CHANGE LEADERSHIP

Increasing in globalization, deregulation, and fast of technological innovation, the main task of management today is the leadership of firm change. Being eager to examine the role of leadership in managing the challenge huge change and if it is possible to point factors that are vital to leading change in the most proper way. Good strategic change leadership involves instrumental roles, big interpersonal skills. Case analysis shows that good change leaders find out the importance dimensions of change leadership. Being able to balance the roles depends mainly on whether a leader has certain qualities needed for good change leadership. Strong skills support these key change leadership qualities and attributes.

#### IX. CONCLUSION

Strategic change brings so many challenges. These are include time required to develop, implementation of the plan as well as assign people to come with strategies. There are different methods that can assist organizations in solving these challenges. These methods need great support and

involvement of senior management to be successful. Besides that, there is a need of design team to define the basics of the change. To sum up strategic changes sometimes comes to be very vital for the organizations, but beside the change implementation of the change is very important with respect to time and people in the organization.

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