



## CHANGE MANAGEMENT DRIVERS AND THEIR IMPACTS ON ORGANIZATION

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### ABSTRACT

*This paper is why changing? And its drivers, change is inevitable and constant in nature. This study explored change necessity in the organization because change is unpredictable. Organization needs to aware and acquire knowledge about up-coming changes and driving factors of change. The introduction of change is a critical phase in the organization, for leading that phase organization needs to perform a change in a successful manner. Here this study offered a different type of drivers which impact the change. Today's business world must be aware of drivers of the change management which makes them perform successfully. The purpose of this article is to create awareness to the management about the drivers of change management. This article concludes with recommendations for the further research studies.*

**Keywords:** Awareness, Change, Drivers, Organization

### I. INTRODUCTION

Today's business world is emerging with rapid changes. The way to survive the business is to reshape their activities with the emerging changes. Executives of business organizations should be aware about coming changes. Daytoday rate of change is increasing. The major changes are driven by factors such as technologies.

Customers are not only demanding excellent service, they are also demanding more. If the companies do not supply it competitors will lead the market. Organizations reshape themselves quickly in order to meet the customer needs. Before they are prepared about the change they should plan for change that is before they are prepared about the change they should plan for change that is this paper presents a brief study about why change occurs in an organization and what are the drivers of change that observed in today business organizations.

Initial findings show a need for new approaches to supporting change. The Drivers of Change initiative (DoC) is an attempt to develop a better understanding in organizations economy and use this information to reassess the change performing system.

Its release is aimed at obtaining critical feedback to inform further research, debate and strategy development. The release of a preliminary Overview aims to make an input into the process of developing change in initial stage of organizational implementation. Information about change drivers providing a point-by-point outline of the fuller paper, this Executive summary extracts key themes, assumptions, and their strategic implications. The paper should be seen as a basis for discussion.

### II. FRAMEWORK

The Drivers of Change approaching on the following aspects

□ 'Pro-poor change' is taken to mean sustained economic growth; broader access for poor people to services, markets, assets and safety nets; and the state and service providers becoming more accountable to the public, particularly the poor.

□ Change processes are driven through or make an impact upon a society's structural features, its institutions and the behaviour or interests of agents. The OPM Component Report defines structural features as 'natural and human resources, economic and social structure, and other non-institutional facts'; institutions as 'frameworks of rules structuring the behavior of agents'; and agents as 'individuals and organizations pursuing particular interests'. Indicates that there is no clear causality in these relationships. Agents often offer entry points for change and structures fundamentally define the scope for change, but institutions mediate between structural features and agents. It is, therefore, important to understand how institutions have evolved, how they interact with political agents and structures, and how agents contest the terrain of institutions.

□ Systemic change involves the relationships between these drivers, and as such the notion of 'system' is important. This concept becomes particularly significant in the identification of 'issues' described in section 6 as an essential aspect of achieving pro-poor change in Nigeria. The key point is that systemic change would occur across the drivers – agents, institutions, and structures

One of the new conceptual issues raised specifically by the research in Nigeria concerns aspects of Nigeria's institutional fabric that have come to assume structural-like characteristics. In particular, the dominance of the political elite has become self-perpetuating, rooted in structural realities and institutional patterns like oil wealth, ethnic and other cleavages and traditional systems of patronage. This has emasculated other aspects of the institutional framework related to democracy, free markets, and accountable service delivery. This institutional dynamic has assumed characteristics similar to that of the more typical 'structures', and is almost impenetrably manifested in the weakness of the social contract; the way in which revenue from oil is currently managed; and the lack of development within the non-oil sector.

□ Drivers of change need to be located within the institutional framework that determines relationships and interaction between the state, public and private service providers and civil society. The dominant orthodoxy portrays a social contract between the state as a guardian of the common good or regulator or provider of services, a civil society able to influence public decision-making and hold state and service providers to account, and a service sector functioning either within the rules of state regulation or responsive to consumer demand. In Nigeria, most aspects of this model are absent, weak or reoriented to serve the interests of the narrow political elite. The return to civilian rule in 1999 that held out the promise of a gradual reconstruction of the social contract has yet to be fulfilled. The point of departure for the Drivers of Change initiative has been to understand how the political economy is structured, identifying dysfunctional elements within the relationships between agents and organizations, and exploring what needs to happen to reconstruct or even construct a 'normalized' political economy.

### III. LITERATURE REVIEW



Scott Anthony (2008) provided lucid guidance to the Industries for transforms of change to accelerate with pace. The author conducted a research journey on P&G's and they gleaned certain points which overlapped with lessons. The study conducted in 3 companies and common six drivers were found to motivate transformational change, clear vision & strategy, recognition, customer-centric transformation equation, the importance of demonstrating to skeptics, need to employees, customers, shareholders and stake holders communication.

Linda Ackerman Anderson and Dean Anderson: explored seven drivers of change, four drivers are most familiar to executives, remaining three are familiar to new areas of attention. The study finds the problems raised by the lack of attention on less tangible drivers efforts. It suggested that organizations pay special attention to drivers of transformational change.

StefineDentinger and ErwanDeriyan (2009) the study presented strategies for performing change that has unconditionally considered. The study explored four parts to analyze to lead with change agents. Findings of the study organizational learning are facilities change succession in the organization. Finally, they proposed some key factors the leads the organization's success.

Trader-Leigh (2002): Most of the organizational changes for innovation can anticipate resistance if proposed changes alter the values and vision related to the existing order. Programs that may satisfy one group often that may reduce the satisfaction of other groups, because the survival of one set of values and visions may vary at the expense of the other.

Potter (2001): determined People responds to change in different ways, with the employees often they settling into a comfort zone, in terms of their working practices. If those practices are challenged, then resistance to change may result.

#### **Objectives:**

1. To study the need of change in the organizations.
2. To study the common drivers which initiates change in organizations?

#### **IV. WHY CHANGE**

Change is necessary when the existing condition is not sufficient. Usually, change occurs when organizations face crisis internally or externally or consumer behavioral which modify firm's settings and also require achieving the great goal for big vision (Satler, 2002).

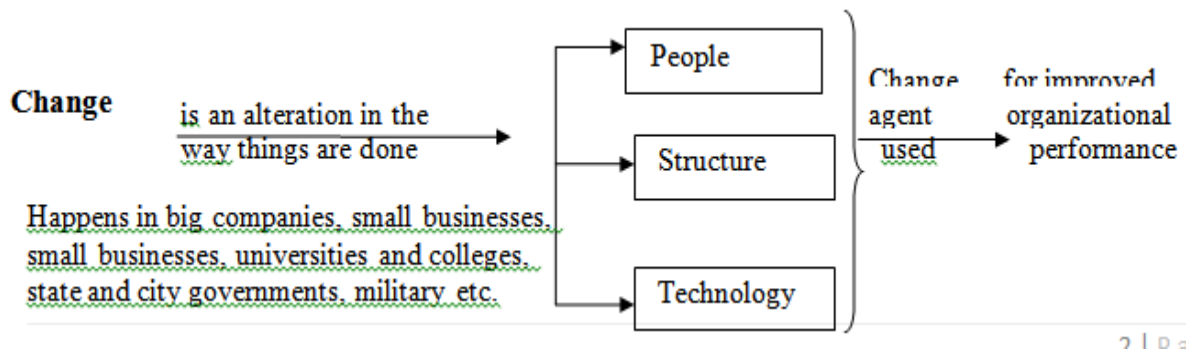
Organizations always try to reduce their unit cost, for that there is a need to change/modify their procedure or process. Change is required when organizations expanding their functions globally for reach their customers global wide.

Anotherfactorthatwouldpushorganizationsdecisiontochangeisanalyzingcompetitiveposition, and creates a way build value for customers that to be different from competitors.

Change is necessary when organizations improve their strengths and opportunities and reduce their weaknesses and threats. Commonreasonforchangeinorganizationsisprivatizationormarketliberalizationandmergers&acquisitions.

The word change referred by Oxford English Dictionary, the word change stands for "making or becoming different; Alteration"; and 'change' has "a general use and indicates any act of making something different". Change is a creation of an imbalance in the existent

pattern / situation. Change is an inevitable. Change creates opportunities and space to allow development and improvement.



Issue-driven institutional change is necessary because it changes the way agents interact; and it is the means to strengthen accountability mechanisms, erode patronage politics, and encourage the diversification of the economy away from its existing dependence on oil. These institutional changes, if sustained, will gradually transform the structural features of the political economy as new political behaviors become entrenched in a reformed political culture, and as new economic relations drive pro-poor growth.

Other factors are the change of Government regulations, the introduction of new strategy or organizations structural changes, etc.

The change could be both reactive and proactive. A proactive change has necessarily to be planned to attempt to prepare for anticipated future challenges. A reactive change may be on automatic response or a planned response to change taking place in the environment.

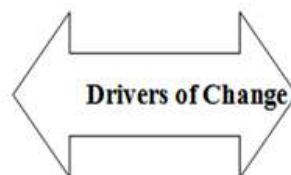
#### IV. DRIVERS OF CHANGE

Change drivers are differentiated in the organization in two aspects

1. Internal drivers for change
2. External drivers for change

##### Internal drivers

- Organizational restructuring
- Resource constraint
- Organizational strategy
- System and process of the organization
- Technology
- Employee turnover



##### External drivers

- Intense competition
- Economic forces
- Technological forces
- Government regulations
- globalization

#### Internal Drivers of Change



- a) Organization restructuring: Organizations need to reshape their structure to facilitate new strategic business units, new product lines to face the global competition.
- b) Resource constraint: organization utilize resource available to limitation of equipment, staffing resources.
- d) Organizational strategy: Organizations modifying strategy towards refocuses/expand their core business due to resource, market, competitors constraint.
- e) Systems and process of the organization: Organization s made up of subsystems & processes. Frequently modified/changed systems and process cause change in the organization.
- f) Technology: Modifications/replacement needs in equipment's, work process & machinery to produce high quality and innovative products.
- g) Employee turnover: Organizations adopt the new training methods/techniques to develop their employee competences to respond to change.

### **External Drivers Change**

- a) Intense competition: High market expectations, new challenges created by competitors are the reasons for intense competition that drive the organization toward change.
- b) Economic forces: The uncertainties about the future trends in the economy are the major cause for organizations. The change in economic policies drives the organization towards change.
- c) Technological forces: Organizations are driven by rapid technological changes. Information technology and communication technology creating global interventions.
- d) Government regulations: Government changed regulations, policy initiatives, and legislative changes can drive change in organizations.
- e) Globalization: Today's business world influencing organizations towards performing their activities globally that involves continuous interventions, changed techniques, modified processes, new methods to improve their profits. That involves continuous interventions, changed techniques, and modified processes, new methods to improve their profits.

This report goes further than simply identifying critical drivers across various time frames: it explores the extent of their impact according to a firm's size, location, and activity.

What is most telling from the analysis is that global accountants and senior executives share similar lines of thought. For instance, both accountants and senior executives emphasized the need for greater use of non-financial and integrated reports and the need for accountants to have a more strategic role. Both believe that accountants are essential for businesses to succeed in an uncertain and volatile environment that is expected to persist throughout the next decade and beyond.

## **IV. DRIVERS AND THEIR IMPACT**

In the immediate future, businesses and the accountancy profession are most concerned, by far, with rises in fuel and energy prices. Nonetheless, in the more distant future, trends related directly to the profession, the economy or politics play a greater role.

Accountants will in future be expected to play a far greater role in everything from strategic decision making to the design of new revenue models while maintaining a balance between financial stewardship and entrepreneurs in a global economy where businesses are operating in a volatile, uncertain and competitive environment.

**Table: Top Three Drivers impact in the Short, Medium And Long Term**

TERMS	EFFECTES	MEAN SCORE
<b>SHORT TERM</b>	<b>ENVIRONMENT:</b> Increased fuel and energy prices	5.36
	<b>SCIENCE AND TECHNOLOGY:</b> Cyber security challenges for business	5.04
	<b>BUSINESS:</b> The potential strengthening of corporate governance regulation and practice globally	4.85
<b>MEDIUM TERM</b>	<b>Employee turnover:</b> Organizations adopt the new training methods/techniques to develop their employee competences to respond to change	5.13
	<b>Systems and process of the organization:</b> Organizations made up of subsystems & processes. Frequently modified/changed systems and process cause change in the organization	5.10
	<b>ACCOUNTANCY:</b> Greater harmonization of global accounting and business standards	5.03
<b>LONG TERM</b>	<b>Organization restructuring:</b> Organizations need to reshape their structure to facilitate new strategic business units, new product lines to face the global competition	4.83
	<b>POLITICS :</b> A change in the focus of global governance institutions	4.68
	<b>ECONOMY:</b> In an electronic world, a radical alteration of the system of using money as the basis of a system of exchange	4.68

**DRIVERS AND HOW THEY RELATE TO EACH OTHER**

This section of the report considers the relationship between the short-term and long-term drivers.

There are two areas where correlations exist between what respondents believe are key short-and long-term drivers of change. Perceptions of the changing societal expectations of accountancy and of accountants themselves correlate with a number of other drivers, as do concerns about increased fuel and energy prices.



Those who responded that the prices of fuel and energy are a significant driver in the immediate future also tended to rate the increase in carbon taxes and environmental mechanisms as a major driver of change in the next decade and beyond.

The other area where a strong relationship has been found between a long-term driver and a series of short-term drivers is the changing societal expectations and the evolving scope and nature of what accountancy is considered to be, together with the role of the accountant. The diagram opposite illustrates the degree of their relationship; the strength of the relationship is indicated by the intensity of the line.

Looking at how individuals who answered a specific question in a certain way then answer another question, patterns can be established that can provide a better understanding of trends and relations in respondents' sets of beliefs, and correlations can be identified.

Pearson's correlation coefficient was used to look for apparent correlations between what respondents believe are key short-term and long-term drivers of change. This helped in determining how issues that respondents believe are likely to have the most effect in the near future relate to what they believe are likely to be particular concerns later on.

## CONCLUSION

This study mainly focuses on change drivers that impact organization in internal and externally. These drivers affect the organization in short-term to long-term based on their variable nature that can create a level of complexity in business. This paper explored different social, economic, political, and technical, resource and environmental factors of change which are emerging drivers of current business organizations. The conclusion of this paper is to creating awareness about change management drivers to build potentially strengthening of corporate business practices and can operate their business functions globally without interruptions.

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