

Understanding the necessity of change in the organization

Comprendre la nécessité du changement dans l'organisation

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Résumé :

Dans l'environnement concurrentiel d'aujourd'hui, les organisations sont obligées de changer en fonction des pressions de l'environnement extérieur et aussi de son noyau. Un processus peut être observé dans chaque type de changement dans l'organisation. Cet article propose un cadre théorique et de la littérature concernant un changement d'organisation, Il commence par une vue d'ensemble du changement social global au sein du monde économique pour atteindre une organisation. Ainsi toute organisation, en tant qu'entité sociale et économique, est concernée par le changement, plus précisément par un changement organisationnel, L'article présente les idées révélées par une revue de la littérature sur la nature du changement organisationnel, et fournit une compréhension approfondie de celui-ci, ainsi que la détermination des principales composantes, qui expliquent le changement sous différents angles. En se concentrant sur l'explication des modèles théoriques qui soutiennent le changement organisationnel, le présent papier met la lumière sur les piliers fondamentaux du changement organisationnel et sur le moment et la manière dont les organisations devraient s'engager dans des changements organisationnels.

Mots clés : changement organisationnel ; contingence, adaptation ; le processus d'évolution; restructuration organisationnelle.

Abstract :

In today's competition environment, organizations are forced to change according to the pressures of the outside environment and also from its core. A process can be observed in each type of change in the organization. This paper proposes a theoretical framework and literature regarding a change in organization. It starts with an overview of global social change within the economic world to reach an organization. Thus all organizations, as a social and economic entity, are concerned by the change, and more precisely by an organizational change. The paper presents the insights revealed by a review of the literature about the nature of organizational change, and provides a deep understanding of it, and also pinning down the main components, which explain from different angles the change. Focussing on explaining the theoretical models that support the organizational change, the present article brings attention to the fundamental pillars of the organizational change and when and how organizations should embark in organizational changes.

Keywords: organizational changing; Contingency, adaptation; evolutionary process; organizational restructuring.

1. Introduction : From global and social change to the change in organization

Globalization is not new thing; nations have long been engaged through a global system of trade, travel, and tourism. But what is new about globalization is the extent to which it permeates a daily life for people all over the world and the pace with which globalization is developing. New technologies allow for extraordinarily fast transactions tremendous distances and transferring goods, cultural symbols, and communication systems in ways that were unimaginable not that long ago. Globalization is thus ushering social changes – some good, some not – that will continue to evolve in the years ahead (Anderson & Taylor, 2011:230). Indeed, one of the significant developments of modern times is the creation of a global economy, affecting work in the organization. This reality acknowledges that all dimensions of the economy now cross national borders, including investment, production, management, markets, labor, information, and terminology. Consequently multinational corporations have become increasingly powerful, spreading their influence around the globe. It is the internationalization of the economy in everyday life (Anderson & Taylor, 2011:386).

Such a reality is part of the broad process of economic restructuring, which refers to the contemporary transformation in the basic structure of work that is permanently altering the organization as a workplace. The process includes the changing composition of the workplace, deindustrialization, and use of enhanced technology. The labor force is becoming more diverse. These changes in the social organization of work and the economy are creating a more diverse labor market, but much of the growth in the economy is projected to be in service industries, where, for the better jobs, education and training are required. People without these skills will not be well positioned for success. Technological changes are bringing major changes in work, including how it is organized, who does it, and how much it pays. Computer technology has made possible workplace transactions that would have seemed like science fiction just a few years ago. Electronic information can be transferred around the world in less than a second. Employees can provide work for corporation located abroad. Increasing reliance on the rapid transmission of electronic data has produced electronic sweatshops, a term referring to the back offices found in many industries, such as airlines, insurance firms, and mail-order houses where workers at computer terminal process thousands of transactions in a day (Grint 1998: 267-95). Technological innovation in the workplace is mixed blessing: automation eliminates many repetitive and tiresome tasks, and it makes rapid communication and access to information possible (Anderson & Taylor, 2011). In short, change is dynamising the economic and the social.

As a result, competition, globalization, and continuous change in markets and technologies are the principal reasons for the transformation of organizational structures and human resources management. Besides a revolution in capital market has given shareholders a more powerful voice and has made possible for them to claim a larger share of the corporation's resources. As a consequence of these forces, organizations all around the world are finding themselves in the

middle of a revolution in the way of organizing and managing people that will continue well ahead into this current century (Gorz 2004; Rifkin 1995).

As the world becomes more complex and increasingly interrelated, changes seemingly far away affect us. Thus change is a constant, a thread woven into fabric of the personal and professional lives. Change occurs within and beyond events, in the physical environment, in the way organizations are structured and conduct their business, in philosophical and economical problems and solutions, and organizational norms and values. Organizations must be cognizant of their holistic nature and of the ways their members affect one another. The incredible amount of change has forced individuals and organizations to see “the big picture” and to be aware of how events affect them and vice versa.

The dynamic of changing among organizations are different, some are faster than others. The less technologically advanced organizations are deeply affected by these changes they are actually submitted to them. Even the small companies and the new ones have to cope with such reality of the changes. For decades, Algerian organizations were suffering to find a fitting model. From crisis to crisis the Algerian companies seem disoriented. Socialism has deeply shaped the reality of work in both sectors: public and private. However, the private sector is deemed more responsive to the reality of changing. But it remains linked with the public sector, and it is difficult to go through it without damages. Leaders from both sectors have to look to introduce changing and prepare their members to change unless they risk assuming the negatives impacts. An organization that maintains the *status quo* may find that it has a great deal of stability and familiarity, but also that the status quo generates staleness, boredom, and atrophy.

Consequently, Algerian business leaders are facing the complex task of leading their organizations (private and/or public) in their changing into the future. A tendency aimed at stressing opposite values. Decentralization, involvement and personnel development are believed to be better means to capture the essential value of all organizational coordination and productivity. Cultural change has produced a workforce that virtually demands being involved into the life of the organization. This new organization form is horizontal rather than vertical in its basic shape. It results from the elimination of layers of management and delegation of more responsibility onto the employees. In this sense, the whole quality management movement has been largely responsible of this new shape of organizations. Hence, the challenge of formulating, implementing and sustaining a fundamental change in organization is no a random process (Quintero w.d.). The following paragraphs explain the theoretical background and the key concepts underlying the theoretical framework.

In order to acquire the new capabilities, an organizational change must realign policies and practices with new competitive realities. The implementation of new strategies requires fundamental changes in organizational behavior. Leaner organizations are not necessarily more effective. On the other hand, it is known that organizations, as social entities, are goal-oriented. Organizations are structured and opened systems with identifiable boundaries. And assembling a number of people, a problem managers may face is how to ensure that this diverse group of people engaged in activities that contribute to the achievement of organizational goals (Quintero w.d.).

Organizations and work will change. They will change because everything around is changing. They will change because they have to. Work¹ has changed before in very dynamic ways. The world changed forever with the advent of the industrial revolution. What began with a move away from an agrarian economy ultimately led to Henry Ford's assembly line. And what ever was known about productivity and work systems was challenged and ultimately improved by the need for mass production (Gorz, 2004). The development in the area of organizational change has several phases. The complexity of the organizational change process implies holistic and integrated concepts, which can be more developed (Quentiro, w.d.).

Furthermore, organizations face a dilemma in terms of organizational change. On the one hand, organizations desire change in order for them to remain competitive, to adopt more effective and efficient means of operation, and to remain in harmony with their environments. On the other hand, organizations often resist change because of their desire for relative stability and predictability (Ehab-Hassan & Khodeir 2019). But the successful organizations have an inherent drive toward stability and increasing rigidity. These stability and rigidity may prevent an organization from learning about its environment and adapting to changing conditions. But before embarking in the theoretical frame of changing, we suggest to tackle the main definition of change and the organizational change (Zafar & Naveed 2014).

2. Literature review

2.1. The change :

The change is generally a response to some significant threat or opportunity arising of the organization. Changes within an organization take place both in response to business and economic events and to processes of managerial perception, choice and actions. Managers in this sense see events taking place that, to them, signal the need for change (Pettigrew cited by Alkaya & Hepaktan, 2003). In this sense it is important that an organization continually monitors what happening around it; that is, it develops a sense of awareness which stems from realizing the need to set in motion changes that will keep it in, or ahead of, the game. Change is an integral part of every company's business strategy. Companies must adapt to change or risk falling behind. There are several types of change. The factors of change are numerous. They include economic globalization, market development, demographic transition, sustainable development requirements, acceleration of innovation, omnipresence of computers, ICT development, the need to share and develop partnerships, and outsourcing of tasks (Belaidi 2014). Regardless of the intensity of change and its target, the ability to manage change and its impacts is still a complex process.

The ability to evolve and change quickly and frequently without paralyzing operations has become an essential quality for every organization wanting to successfully implement a change. Change management is just as important to a company as management of clients, capital flows or resources. Change management competencies are becoming increasingly strategic for companies. Because change disrupts the normal flow of things, it is difficult to grasp and get under control (Zafar & Naveed 2014). Change management requires a deep understanding of

¹ There was a time when the majority of the population worked on agriculture. Others may had a craft that they learned as apprentices from their masters.

change and the different possibilities to deal with it. In following sections give us a clear and deep insight to the change in organization, and display the main model dealing with organizational change.

2.2. Change in organization :

Organizational change bring about planned change with organizations and teams. For change can be both planned and unplanned and can occur in every dimension of the universe. Planned change takes conscious and diligent effort on the part of the manager. Kanter (1983) originated the concept of the change master. A person or organization adept at the art of anticipating the need for and of leading productive change. As a way to reinforce the judicial manager's role in the change process, this term will be used to refer to managers who are interested in effecting change in their organizations or work teams.

Change will not occur unless the need for change is critical. Because individual and organizations usually resist change, they typically do not embrace change unless they must. Change will not occur just because "it's a good idea." It will only occur when the organization is sufficiently ready to change. Therefore, a change master must focus on the absolute need of the organization to change, rather than simply on the benefits of the anticipated change. Effective change masters understand this, and they then assist others in recognizing that the organization has no choice but to change. The organization cannot afford to maintain the status quo; change is simply that critical.

According to Kanter (1992: 279), organizational changes are the crystallisation of new possibilities (new policies, new behaviors, new patterns, new methodologies, new products or new market ideas) based on the reconceptualized patterns in the institution. The architecture of change involves the design and construction of new patterns, or the reconceptualization of old ones, to make new, and hopefully more productive actions possible. It is evident that for the organization to survive, let alone thrive, change needs to be considered by management at all levels. It is necessary to consider what the causes of change are and what actually needs changing. The main causes of change that give rise to change programmes being initiated can be classified as external causes of change and internal cause of change (Alkaya & Hepaktan, 2003).

- The first categorization can be described as a result of changes in the level of technology used, market place changes, customer expectations, competitor activities, quality and standards, government legislation of political values, as well as changes in the economy. Depending on their current situation and aspirations, different companies will react to these external stimuli in different ways.
- The second type, which regard internal context, relates to management philosophy, structure and the system of power control.

Most approaches to organizational change attempt to modify or change portion of the organization. Even attempts to change the culture may only modify components of the organization – changing value, norms, beliefs, and expectations, it is true that some of these

changes can be quite radical and may result in more efficient and effective organizations (Quintero w.d.).

Change should be based on organizational learning. The organizational learning perspective seeks to create an organization that is capable of continually monitoring the environment and adapting to varying conditions. The organizational learning framework proposes that organizations are made up of people who think and learn; nonetheless, the organizational learning framework goes a step further. Organizational memory and learning are more than just the aggregate of individual memory and learning. Organizations have a memory of what works and what does not work as well as rich history. This memory is stored in variety of forms including documents, policies, procedures, reports, products, services, databases, and most important, in the minds of employees of the organization –as human capital. The fact that people carry around a great deal of know-how in their minds, often in the form of tacit knowledge. Most managers underestimate knowledge. This fact sometimes becomes evident when organizations undergo downsizing and let go employees with tacit knowledge relevant to the organizational learning authorities have written extensively about what constitutes organizational learning organization (Quintero, w. d.).

2.3. Theoretical background of organizational change :

Change can bring forth new challenges, new markets, and new technology, however, may also imply a source of instability, uncertainty, and unpredictability. Finding the proper point on these continua where the desirable and undesirable consequences of change are at balance is a critical challenge for managers. In the study of the new product and process innovations, it is important to distinguish between incremental (minor) innovations or changes to existing conditions and the other end radical (major) innovations or changes. Choosing the right point is not an easy task, and there is no one single right answer for all organizations. Such factors as the nature of the organization's surroundings, the people in the organizations, and the existing culture have differential impact on how much change an organization needs and how an organization manages change. The process of changing an organization may be complex one and involved many people, large amounts of organizational resources, and a great deal of time. Nonetheless, in many respects, organizational change is much like the process associated with any generic decision-making process ().

The stream of research relating to understanding change in the organization whether is public or private sector contains various models and framework. The two most prevalent approaches are the teleological (purposeful/planned) and the evolutionary (contingency/adaptative).

2.4. Theoretical approaches

2.4.1. Lewin model:

Lewin's earliest model of change can be classified as a theoretical approach, or as it is commonly known, a planned change approach involving three phases: unfreeze, change and refreeze. (a) *Unfreezing*. Unfreezing is accomplished by introducing information that shows discrepancies between behaviors desired by group members and those behaviors they currently

exhibit. (b) *Moving – change*. It involves developing new behaviors and attitudes through changes in group structures and processes. (c) Refreezing. It is accomplished through the use of supporting mechanisms that reinforce the new state, such as systems, structures, and policies.

The change engagement is based on the need for an organization to discard old behaviour, structures, processes and culture before successfully adopting new approaches. Clearly that Lewin (1947) provided a linear model for a change process. In this model, Lewin observed that any system is always in a state of change but that the system will tend toward some kind of quasi-stationary equilibrium. A balance of forces pushing in different directions the equilibrium (Quintero, w. d.).

The Lewin's model assumes that organizations are purposeful and adaptive. The process of change is therefore rational and linear and managers are seen as instrumental to the process. Internal organizational features and decisions (rather than the external environment) are the impetus for change, which is dependent on detailed plans phases or steps. Key variables in the change process are planning assessment, incentives and rewards, stakeholder analysis and engagement, leadership, scanning, strategy, restructuring and reengineering. At the center of the process is the 'change agent', the leader who uses rational scientific management tools to set expectations, model, communicate, engage and reward staff. There is an emphasis on culture values, attitudes and organizational norms, and individual factors that inhibit change.

Before embarking on an organizational change initiative, it is wise to carefully plan strategies and anticipate potential problems. According to Lewin, behavior within an organization was a result of the dynamic balance of two opposing forces. Change would only occur when the balance shifted between these forces. Driving forces are those forces which positively affect and enhance the desired change. They may be persons, trends, resources or information. Opposing them are the restraining forces, which represent the obstacles to desired change. As these two sets of forces exist within an organization, they create a certain equilibrium, that is, if the weights of the driving and restraining forces are relatively equal, then the organization will remain static. As changes occur and affect the weight of either one of the forces, a new balance will occur, and the organization will return to "quasi-stationary equilibrium." Individual participating their vocation in the context of a political organization may intuitively employ these concepts in defining and redefining what change is possible. Managers operate in such a context (Odor 2018).

The level of behavior of the system is the result of forces such as those striving to maintain the status quo and those pushing for change. When both sets of forces are similar, current levels of behavior are maintained. In order to change the equilibrium, one can either increase those forces pushing for change or decrease those forces maintaining the current state, or apply some combination of both. Lewin suggested that weakening those forces that are maintaining the status quo produces less tension and effective change strategy. Lewin conceived change as a modification of those forces keeping a system's behavior stable. Lewin's model provides us a framework for understanding the phases of the change process.

2.4.2. Beckhard and Harris's Model:

Beckhard and Harris (1987) focused on the organizational level of analysis. According to these authors, any major organizational change invokes three distinct conditions: first is the present state. Where is the stage of organization at the current stage? The second is described as the transition state. These are the conditions and activities that the organization must go through in order to move from the present state to the state. It is the period during which the actual changes take place. Third, the future state: Where does the organization want to be? This implies developing strategies and action plans as a way to realize the change. Beckhard and Harris's framework was founded to be widely referenced, adapted and further enhanced by other authors. The stages identified are as follows:

- i. *Defining the need for change.* This implies the definition of the degree of choice about whether to change; whether top management has a choice; whether to change at all, or just a choice regarding how to change. The need for change should be focused on a crucial aspect such as mission, identity, culture, and way of work or key relationships with shareholders. Although one focus of change may deal, the others will inevitably follow.
- ii. *Defining the desired future state or vision.* The vision should be developed keeping in mind the organization's core mission. Furthermore, a temporal future state between the vision and the present state should be specified.
- iii. *Assessing the present state, taking into account the desired future state.* This assessment permits the determination of what needs to change and what does not. Change problems are grouped in constellations or clusters of problems and relevant subsystems are determined. Each subsystem is then assessed for its capability and readiness for change.
- iv. *Transition management (getting from here to there).* This stage includes determining both the major tasks and activities for the transition period and the structures and management mechanisms necessary to accomplish those tasks. Strategies and action plan are also developed for getting the commitment of whatever critical mass is necessary to achieve the goal. Moreover, a strategy for communicating the change needs to be designed along with dedicated resources like experts and consultants assigned to assist in managing the change. Finally, transition management also demands processes of feedback and replanning, or learning while doing.
- v. *Aligning the organization.* The assumption in this state is that roles and relationships, human resource policies and practices, information systems, financial management and controls need to be aligned with each other and with the change effort.

The models of Lewin (1947) and Beckhard and Harris (1987) explained change at the group and organizational level of analysis. The added value of these models is that they provide leaders with a framework for developing and implementing change; leaders have to establish a need for change (unfreezing), they need to manage the transition (moving), and they need to institutionalize the change in order to make it stable (refreezing). According to Schein (1988), no

change will occur unless the system is unfrozen, and no change will last unless the system is refrozen. Once these models are analyzed in depth, we can see that they do not take into account the differences in reacting to change at the individual level. In this sense, individuals who have problems with change are therefore likely to be deemed as problematic. Another weakness is that those models are too general in nature, and therefore do not offer some guideline for managers to implement the change. Models that explain change at the individual level highlight important aspect of how to deal with resistance to change. The two groups of models seem to agree that a change process includes three phases.

A weakness of the explained models is that they see change as a linear process. They do not figure out what the next stage in the change process is. Another aspect is that they focus on change as an outcome, rather than seeing it as a continuous process. The following section reviews some aspects of the circular models of change.

2.5. Organizational change as an evolutionary process

2.5.1. Contingency/adaptative approaches

Models classified under the evolutionary (contingency/adaptative) approach to understanding change are considered for their insight. These models emphasise that change should not be perceived as a series of linear events but as a continuous and open-ended process of adaptation to changing circumstances. The emergent approach sees change as unpredictable of variables within an organization – context, political processes and consultation. This approach stresses the need for an extensive and in-depth understanding of strategy, structure, systems, people, style and culture and how these can function either as sources of inertia that can block change or alternatively as levers to encourage an effective change process'. This approach posits that successful change is less dependent on detailed plans, phases or steps (as reviewed earlier in Lewin's approach to change) than on reaching an understanding of the complexity of the issues concerned and identifying the range of available options.

Evolutionary approach is used as an overarching to explain how organizations and environments change over time. Managers can benefit from organizations evolving with a new perspective on their organizations and the environment in which they operate. In this vein, Aldrich (1999) proposes four generic processes, which are necessary and sufficient for evolution to take place:

- variation from current routines and competencies or organizational forms must occur. This can result from intentional attempts to generate alternatives and to seek solutions to problems, including for example, planned experiments and probes into the future, or from blind variations generated by surprises, mistakes and idle curiosity.
- these variations must be subject to selective differential elimination. This could arrive from market forces, competitive pressures or within-organization selection forces. These forces could often conflict with each other and thus lead to problems, such as a mismatch between market forces and internal selection criteria.
- the positively selected variations must be retained, preserved, duplicated or otherwise reproduced, otherwise there are no organizational continuity or memory. Valuable variations are lost if there are no retention mechanism operating.

- All entities are subject to the malthusian struggle for scarce resources. These four processes operate simultaneously within all social units (industries, organizations, and organizational competencies) and across all levels of analysis (groups, organizations, populations and communities).

Aldrich argues that to understand the historical evolution of organizations one must rely on examining their emergence. Hence we do not miss the process by which organizations aged, evolved through periods when competitors were eliminated and developed the distinctive differences that made them more hardy than their peers.

Before an organization can succeed a foundation must emerge from the action of many different organizations, institutions and governmental bodies. This foundation is followed by lag before the commercial opportunities are exploited. Viewing organizations through the lens of evolutionary theory helps both scholars and managers. For the scholar, the theory is a general process that encompasses many other theoretical perspectives and raises interesting questions and propositions. For the manager, it helps tie the past to present: current practices and structures that were previously adaptive may no longer survive in today's environment. Alternatively, practices and forms that offered no survival advantage in the past, but nevertheless persisted because they were not previously selected out, may lead to future shifts in organizational fitness.

This evolutionary process shows no sign of abating in today's fast paced environment; if anything, it should become even relevant to managers and researchers. In the competitive struggle for the attention of students of organizations, the Darwinian concept outlined in *Organizations Evolving* is a variation that deserves to be selected and retained.

From a theoretical point of view, there is first of all a clear need for general theory development in the field. Secondly, there is a need for concepts and frameworks that integrate separate fields of study, and finally, there is a need for systematic empirical research. The goal of this article is to contribute to fill in these gaps in the currently available knowledge.

2.5.2. Causal evolutionary approach model

In the same vein, Burke & Litwin (1992) developed a causal evolutionary approach model applicable to large-scale change, examining organizational performance and change. The emphasis is on transformational factors that deal with areas requiring new employee behaviours in response to the external environment pressures. The transformational factors in the causal evolutionary approach model include leadership, culture, mission and strategy. These variables include management practices, structure, systems (policies and procedures) task requirements, and staff skills and abilities.

This model provides insight into the importance of content factors (such as strategic orientation, organizational structure and organization-environment fit) that define an organization's overall character, mission and direction, all of which are proposed to impact on an organization's long-term change success.

In sum, the evolutionary approaches understand organizational change as a process that develops through the relationship of a multitude of variables within an organization, context, political processes and consultation. Causal dimension of change are identified as 'shared values', which are placed in the middle of the model emphasising that these values are central to the development of all the other critical elements of structure, strategy, systems, style, staff, and skills. This model of change portrays organizational culture as an integrating and cohesive mechanism affecting the multiple variables associated with the organisational change process.

3. The restructuring of organizations:

The new idea about how organization should be managed have led to widespread and profound changes in the structure of companies, changes that have immediate effects on the employment relationship. Corporate restructuring generally refers to substantial change in a company's financial structure, organizational form, or both; financial restructuring includes changes in ownership, management buyouts, and divestitures. Organizational restructuring includes decentralization of authority, development of teams, and downsizing of employment. Although separate in principle, the two components are more frequently related than not. At times, the financial component can drive organizational changes; at other times, the organizational components drives financial changes. Hence, companies restructure for many reasons: cutting costs, improving competitive advantage, shaping strategic focus on key accounts, core product and new technology, and to better leverage talent, etc. (see Grint 1998).

"The more you change, the more you stay the same" Source of cost influences and strategic misalignment are often rooted in the culture and habits of both leaders and followers. Their line of attack may carry the seeds of the same weaknesses they seek to correct. Social systems are complex and self-correcting, like thermostats set on one temperature. The culture (and often inadvertently its individual members) resist change rather effectively. Sometimes the most important changes are the ones least contemplated, such as seeking a new manager, a new chairman, even a new board of directions.

The goal of cutting costs is often driven by an immediate, even urgent need for change, particularly in public companies concerned with their earnings Per Share, share price, and vulnerability to takeover. Unfortunately, this immediate problem may be the outcome of long-term in the industry that have changed the rules of the game, leaving a once-viable business model floundering. Typically, once-successful organizations do not scrap their business model at the first sign of trouble., nor should they. However, it is not uncommon to see organizations rely too heavily on old tactics that, rather than correcting on a viscous downward cycle. By the time the truth is accepted – that the old solutions no longer work – the change required may be more than can be absorbed.

For instance Algerian organizations, whether in public or private's sectors, are quick to cut costs, especially by reducing their workforces. However, the most successful changes require more than mere cost reduction. It is better for such companies to combine strategic refocus with organizational realignment in roles, processes and structure, thereby rationalizing a targeted reduction in force.

Organizations are often not well informed about their talent. The talent they need most during restructure is often invisible to senior leaders. These people are found in the middle levels, they are found in outside fields that may not be considered; they show a different profile of style and talent than what the senior leaders are used to appreciating; and they come from different angles and experiences than those that shaped the last generation.

4. Organizational redesign:

The new approach to management, combined with the process from competition and shareholders, have led companies toward new ways of self-organization. Organizational redesign can be seen as an encompassing effort to build a more productive mechanism. The path of organizational restructuring include downsizing and work redesign in addition to fresh principles of organizational design. In a combined form, the aforementioned changes have attracted such labels as the horizontal corporation to describe the associated function in management structures.

Even if the organizational form is beginning to find its way into organization structure forms, it will probably not completely replace the vertical, functional structure, at least in the foreseeable future within Algerian context. The resulting firm will probably be a hybrid in which managers manage process and team work.

It is important to realize that there is a movement in the design of organizations that could revolutionize not only the way that structures are shaped, but also the manner of thinking and working therein. This means that transition from vertical to horizontal organization, or a mix thereof, is becoming evident. It is being recognized that it is fundamental to build a strategic organization capacity in terms of technology, teamwork systems and learning organizations. Such strategic arrangement will allow organizations to get a sustainable competitive advantage. At the core of the new systems are changes in employees' performance. The most typical innovation is the introduction of work teams. In many instances, a management employee leads these teams, but that person's role has changed from supervisor to coach or facilitator. In other instances the teams are self-directed. In both cases, at the core of the idea of team is the requirement that employees take responsibility for a set of tasks, and answer for team's productivity, that workers be broadly skilled, and that an element of job rotation be present.

Organizations that implement the changes in work organization typically transform other aspects of their human resource systems as well. The two most consistent changes are increased use of performance-based compensation and higher levels of training and development. To the extent that employees assume greater responsibility and exercise additional discretion, they need increasing preparation. Companies also vary their approaches toward unions. In some settings, the new work systems are implemented in cooperation unions.

The pressure of new ideas on organization management have led to comprehensive and profound changes in the structure of companies, changes that have had immediate effects on the employment relationship. Corporate restructuring generally refers to substantial form. Financial restructuring includes decentralization of authority, development of teams, and downsizing of employment.

5. New organizational change models:

The new approaches to management, combined with the pressures from competition have led companies toward new ways of organization. Organizational change can be seen as an encompassing effort to build a more productive mechanism. The paths of organizational restructuring, for instance, including downsizing, and fresh principles of organizational design, changes that in combination have attracted such labels as the horizontal corporation to describe the associated function in management structures (Quintero, w. d.).

Organizational change efforts have historically followed four models:

- [1] In leader-driven change, the heroic figure, because of insight, charisma, and leadership skills, convinces a reluctant group of people to do something that they might otherwise not want to do.
- [1] In process-driven change, consulting firms drive the change process with leaders serving as cheerleaders.
- [1] In team-driven change, cross-disciplinary teams lead the change process, operating in a parallel organization with leaders again serving as cheerleaders. These models have largely given way in contemporary organizations to change-management paradigm in which process- and team driven change models are integrated as experts lead the change process with employee input and leaders serve as champions.
- [1] In Change-management process and assumption. In the change-management paradigm, a sponsor group of senior leaders initiates the process, champions the effort, and provides funding. A steering committee of people representing a cross-section of the organization from all levels is possible for day-to-day management of the change process. Cross-functional, multilevel design groups develop the specifics of the change process. Many experts prefer the cross-functional, multilevel change-management paradigm to make organizational change possible by increasing employee support and commitment. These anticipated benefits are based on several assumptions. First, diverse team membership with key decision-makers provides a vehicle for overcoming organizational red tape and is the most efficient governance structure for the change process. Second populating the teams with the organization's "best and brightest" assure high quality solutions. Third, cooperative team behaviors learned by team members will be transmitted throughout the organization. And finally, consensus decision-making by the teams assures both high-quality solutions and buy-in of key organization members.

But the reality is somewhat different. In fact, the change-management paradigm allows the few to decide for the many, isolates leaders from organization members, separates the design process from the implementation process, adopts the parallel organization without adopting participatory management practices, makes process improvements primary and cultural shifts secondary, and generates incongruence between espoused participatory values and actual limited employee involvement in the process of change. The change management paradigm often fails to achieve the desired outcomes, instead producing employee cynicism, resistance and disengagement with the change process (Quintero, w. d.).

6. Three forces of change:

In term of the research in the literature on organizational change there is a disagreement on whether change should be implemented top-down or bottom-up. Top-down change is seen as the integrated perspective that only top management can provide and that promises rapid change. This means that it has the advantage of a clear direction towards an end state. However, top-down change could lead to resistance and lack of commitment from middle managers and employees who might feel that top management is not really concerned and does not really understand the problem and the need for change (see Grint, 1998).

On the other hand, the bottom-up approach to change seems to address many of the shortcomings of top-down change through the involvement of employees in the change process. However, there are some weaknesses to this approach. First, it might lack both the direction and the links to corporate strategy. Second, it can lead to costly duplication of efforts, often leads to little transference of learning and can be slow in getting results (Beer, 1997).

A combination of top-down and bottom-up change holds the promise of obtaining their respective benefits while minimizing their disadvantages (Mohrman, 1989). And when there is consensus above and pressure below, things happen (Pascal, 1990). And a fundamental change requires not only top-down and bottom-up performance improvement, but also a third force for change, horizontal process redesign. Horizontal process redesign can bring a new understanding of organizational change (Dichter 1993).

6.1. Top-down setting direction: Stepped approach Kotter model:

For Kotter (1996), the primary function of leadership is to produce change. Leadership produces change by setting a direction, aligning people, and motivating and inspiring. There are three activities that characterize top-down direction:

- i. *Initiating change*: It is related to diagnosing the current situation and sharing the information with the organization in order to establish a felt need for change and to create a vision capable of guiding the organization into the future.
- ii. *Managing the transition*. It has to do with communicating the vision through both words, actions and symbols, mobilizing commitment to the vision by a critical mass in the organization, making a plan for the transition which includes learning while doing and, finally, to handle resistance to change.
- iii. *Sustaining momentum*. It has to do with institutionalizing the change process and evaluating the change effort. This normally leads back to initiating another change.

According to Kotter (1996), change occurs in multiple steps or phases that takes considerable time to implement and that missing or mistakes in a step or phase can cause delays or failure in the change process. The eight steps in the process kotter proposed are: (a) establish a sense of urgency, (b) form a powerful guiding coalition, (c) create a vision, (d) communicate. Kotter's model highlights that change processes involve elements of organizational structure and culture. Models of change based on Kotter's (1996). Stepped approach have several benefits to understanding organizational change they provide strategies for analysing and categorising change process, and they recognise the role of collaboration and staff development

as key concepts in the understanding of change. There are also several criticisms; planned approaches are overly rational and linear process, whereas organizations are often irrational and spontaneously react to events as the environment changes. Studies of change have also shown how change tends to be continuous and open-ended. Another weakness is that planned approaches seldom account for the context of change – the substance, the need and the politics of change. Planned approaches are based on the assumptions operate under constant conditions and that change happens in a pre-planned manner with all stakeholders willing and interested in implementation. Burnes (2004) argued that under the condition of the current fast changing environment this assumption is not realistic. In addition, the planned approach does not cope with direct change in the case of a crisis that requires major and rapid change response by an organization. Schein and Burn (1996, 1985) highlight that planned change models seem unable to explain radical or transformational change because of an emphasis on incremental and small-scale change and are therefore not applicable to situations of rapid and/or radical transformational change. In summary, it is identified that the planned approaches understand change to be affected by cultural values, attitudes and organizational norms, and individual factors that inhibit change. However, when considering organizations that operate in a turbulent and changing environment the assumption that change happens in a pre-planned manner with all stakeholders willing and engaged is not useful to understanding how contemporary organizations behave.

6.2. Top-down direction setting models:

There is several models , the following section presntes the more relevant models in our view.

6.2.1. Nadler and Tshuman’s Model:

The model focuses on the management reorientation, defined by the author as strategic and anticipatory organizational changes. They identified the following ten activities or principles which they group into four clusters (Quintero, J.S. (w. D.).

Cluster one: Initiating Change:

- i. *The “Diagnosis” Principle.* In order to determine what have to be changed, managers factors associated with achieving an effective response, and the strengths and weaknesses of the organization.
- ii. *The “Vision” Principle.* An effective reorientation includes a vision or, in other words, a fully developed description of the desired future. The vision normally address values as well as performance. Futhermore, visions are directional, symbolic, educational, and energizin.
- iii. *The “Energy” Principle.* Since organizations contain tremendous forces for stability, a sense of urgency, or need for change, must be created in order to get change initiated and executed. Since urgency and energy are emotional issues, major change requires that organizational members experince real pain. This pain can be created by involving employees in the process of data collection, discovery and comparaisn of their organization against accepted benchmarks.

Cluster two: The Content Of Change

- vi. The “*centrality*” principle. For change to engage the entire organization, it must be clearly and obviously linked to the core strategic issues of the firm. The connection should be so clear and have so much validity that the relationship of the change to the company’s health and survival is obvious.
- vii. The “*three-theme*” Principle. While a strategic change may involve a large number of specific activities, it is necessary to group them under a limited number of themes, normally no more than three. These themes help communicate and conceptualize the changes and make them more understandable for employees. Successful reorientations are characterized by a consistence of themes over time.

Cluster three: Leading Change

- viii. The “*Magic leader*” principle. An important component of a successful reorientation is an individual leader who serves as the focal point of change. The magic leader creates and engaging and inspirational vision, creates a sense of urgency and is the guardian of the themes of the change. In addition, the leader is both directive and uncompromising in furthering his or her objectives for change while at the same time welcoming participation.
- ix. The “*beyond-the-magic-leader*” Principle. While leadership is necessary, it cannot by itself sustain a large-scale change. The executive team needs to share and own the vision and become champions of the change. In addition, senior management needs to be involved and leadership expanded throughout the organization.

Cluster four: Achieving Change

- x. the “*Planning and Opportunism*” Principle. Successful reorientation involve a mix of intence planning and unplanned oppotunities action. Since planned organizational change involves a good deal of learning, this learning needs to shape the necessary. Frequent revision of the plans within certain boundarie. It is called bounded opportunism.
- xi. The “*May Bullets*” Principle. The infrastructure must be adjusted to be consistent with and supportive of the change. Aspects of the organization that might need to be changed are performance measures and standards, rewards and incentives, planning processes, budgeting and resource allocation methods, and information systems.

The “*investment and Returns*” Principle. This principle is double. First, large-scale organizational change requires significant investment of time, effort, and money. The scarcest resource appears to be senior management’s time. Second, the more complex the organization, the longer the time required for change. The reason for this is that each level of the organization needs to go through its own process of comprehending the change and coming to terms with it, requiring a selling and reselling of the change throughout many levels of the organization.

6.2.2. The 7Smodel: *the excellence model:*

The 7S model were developed by McKinsey consultatnts Pascale and Athis (1981), and further revised by Peter and Waterman (1982) as an analytical framework. The 7S model is based on an ‘*open systems*’ framework that refers to the relationship between the environment and

internal transformation, and tends to characterise change as highly dependent on the internal environment (cited by Apelt 2014). The excellence model, as it was called by Peters and Waterman, was used as a framework to discern factors significant in influencing the understanding of organizational change. It theorises that an ideal organizational change is strong, unifying and exclusive. It views culture as pervasive, widely shared by all members of the organization and deeply felt, not just adhered to at a superficial level, therefore capable of determining behaviour that is consistent across and entrenched in organizational subsystems. The aim is to build a culture that values productivity, performance and bottom-line outcome measure, a culture of excellence. Such a culture is said to generate organization-wide consensus through strong forms of social control or more subtle means of fostering 'voluntary' conformity through shared values. The model showed that thinking about strategy implementation was more complex than just the relationship between strategy and structure and that in order to be successful the fit between the organization and its internal environment needed to be considered. The element 'shared values' was placed in the middle of the model, emphasising that these values are central to the development of all the other critical elements. The other elements; the company's structure, strategy, systems, style, staff and skills, all stem from why the organization was originally created and what it stands for. The original vision of the organization was formed from the values of the founders. As the values change, so do all the other elements. To be effective, an organization must have a high degree of internal alignment among all seven elements. In this way the model of change portrays organizational culture as an integrating, cohesive mechanism and focuses on its potential links with organizational effectiveness. The model advises the creation of a new cohesive culture around managerially defined values. Such designs are carried out by designing the organization's culture, a process often called 'managing change'.

The excellence model is notably developed in private sector organizations and is currently used in both the private and public sector settings. It applies a qualitative diagnostic focus, with numerical data allowing comparisons between organizations or groups, as well as providing some indication of the extent to which participants agree or disagree.

Sinclair (1901) criticises the excellence model of managing change by controlling culture as undesirable because of the manipulative overtones. This may be a reflection of its origin, which was in large private sector corporations with specific Japanese and American. Further, critics claim that studies evidencing a culture-profit link are based on short-term studies of a small number of companies, without adequate comparative groups.

7. Conclusion

This chapter developed an integrated theoretical framework. The framework can be used by students in their empirical research. Whether from theoretical or empirical standpoints, if the research can provide us one, there is no perfect model. In our viewpoint, it is more dependent on organization to choose which model can fit their goals. It is also important to underline that the Algerian public organizations are struggling with the old bad habits inherited from the socialism epoch. Its model, which is described in a stern bureaucratic way, is hindering all the initiatives of change. Such a reality cannot be regarded in isolation, hence it is important not to underestimate the social and culture component. To sum up, the change in whatever

organization must continue to be the major management objective and responsibility. The ability to take advantage of opportunities and act is a determining factor in an organization success and longevity. Lasting change, only takes place when all members of the organization sincerely buy into it. Change is an event that disrupts the normal flow of the organization or an individual. All models cited above highlight a number of key factors that must be applied rigorously throughout the change process; besides they have shown how important it is for managers to have the necessary skills and competencies to ensure an effective transition. To adapt to change is to avoid being enslaved by repetition. Change allows a person to become, to be open to novelty, adventure, risk. Leaders are indispensable to change management and success, but they must regard all components of the organization.

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