

Leading a turnaround organization essay sample

[Business](#), [Organization](#)



Introduction

The downward spiral that an organization enters into starts very subtly. It only takes a string of mistakes and incorrect decisions and before they knew it, the organization is on its way to bankruptcy or a seemingly endless list of losses. Perhaps only a division of the organization is failing and the others are doing well. If this happens, the whole organization is still affected since the morale of other divisions within the organization may be pulled down by the lackluster performance of one division in the organization.

The Process of Failure or Recovery

Sheppard and Chowdhury (2005) proposed a four-stage model seeking to explain the process in which an organization plunges to its death. The first stage is decline. This is the result of the failure of the organization to align its strategies with the challenges being posed by its environment. As a result of the decline, management tends to react by initiating several changes. The problem, however, is that these solutions tend to be quick fixes instead of long-term solutions. Managers also find out soon that they do not have enough resources to jumpstart the organization back to its winning form.

The third stage in the process is transition. In a sense, this stage is a testing point for the responses and reaction initiated by management. The transition stage is also when the company consolidates itself to either move forward or decline further. The last stage is the outcome. If the transition works, the company is well on its way to recovery; if not, it sinks further, thereby, losing the morale of workers and management alike (Sheppard & Chowdhury, 2005).

Three core concepts have an impact on the whole process: performance, strategy, and implementation. If an organization were to get back on its feet and continue running towards the achievement of its goals, these concepts should be integrated into the thinking of the management. Neglecting them would be tantamount to letting external forces control the organization.

Helping a Company Recover

The process described by Sheppard and Chowdhury provides a good understanding of what it takes to help an organization or a company recover from its failing position. It takes will and concrete action in order to deflect the company in its current position and help it get back on track.

Suppose that a division in a given company has an outdated product line and is losing out on its competitors. To make matters worse, communication within the organization is not very good and every division is competing for funding from the corporation. Being a new person in the division and in the organization does not help either, especially if there are people in the organization who believe in the outmoded concept of seniority in the organization. Well, new or not, the burden of solving the morass in which the division is in falls on the shoulder of the manager. The following section outlines a strategy that can be used in helping the division get back on track.

Gather the Division for a Consultation. As a manager, it is important to consolidate the division and ensure that key people are aware of what is going on. Such a consultation will not be permitted to degenerate into a finger-pointing and blaming session. Rather, the manager will only lay down

all the cards on the table and lead a brainstorming session on the best way to deal with the situation. This way, the people in the division will own the solutions put forward and work together as a team. Through this kind of consultation, the manager can elicit different perspectives apart from his own and manage the strategies more effectively (Khandwalla, 2004)

Implement the Changes Agreed Upon. In a setting where there is intense competition among divisions in the organization, the manager should have the will to push through with the changes agreed upon by the major stakeholders in the division such as the senior management, as well as the employees. In turning around an outdated product line, the changes need not be implemented all at once. It could be a step at a time until it gathers momentum and roll out completely. There should be a clear timeline, however, which everyone knows about so as to set clear expectations.

Check Progress and Improvise Accordingly. There are a lot of unexpected events in the implementation phase. However, the manager should be careful enough but willing to take calculated risks that can help the division get back on track. The participation of the employees as well as the management is equally important in this stage to make sure that the actions taken are well supported.

Conclusion

Deflecting the downward momentum of a failing organization takes time and energy to be stopped. Even when it is stopped, it does not mean that the division or the organization can achieve the height of its performance before

the fall. Given time, however, and innovative approaches and strategies, the organization can rebound and regain what it lost. The leadership and the rank and file members of the organization do have an important role in ensuring that the act of getting back on track becomes successful.

Reference

Khandwalla, P. N. (2004). Competencies for Senior Manager Roles. *Vikalpa*, 29 (4), 11-24.

Sheppard, J. P. & Chowdhury, S. D. (2005). Riding the Wrong Wave: Organizational Failure as a Failed Turnaround. *Long Range Planning*, 38 (2005), 239-260.