

Managing organizational change research paper examples

[Business](#), [Strategy](#)



Part 3: Diagnosing the Change

According to Beer & Spector (1993), the changes made in organizations are targeted to bring improvements in organization's performance and efficiency. There are various methods have been developed over a period of time to evaluate the effectiveness of changes made in the organizations (Beer & Spector, 1993). These models evaluate present conditions of the organization and diagnose the problems along with designing suitable changes. It is very essential to select right diagnostic model to evaluate the organization's performance and changes. Organization should select right change model, depending upon the problems it is facing and areas need improvements.

McKinsey 7S Framework:

The change model selected to analyze GM and Ford organization's problems and changes, is McKinsey 7S Framework (1921-84). The model was developed by a team of consultants working at McKinsey. The model was used in around seventy big organizations before finalization. The model is very effective in analyzing multiple factors that impact performance of organizations. The model describes seven main elements that are accountable for bringing valuable changes in any organizations. General Motor and Ford after facing various challenges at different levels gone for significant organizational changes. Both organizations implemented changes in multiple disciplines which ultimately impacted overall financial performance of both organizations. The McKinsey 7S models consists seven major elements that influence performance of organizations in great manner.

All seven elements, covered under the model were considered while implementing changes in General Motor and Ford. Therefore, this model is one of the most suitable models to evaluate organizational changes implemented in General Motor and Ford. The seven elements covered in model and implemented in General Motor and Ford are:

Staff: this element refers to development of new skills and talent in the employees that required for performing their job in effective manner.

Employees should receive proper motivation, rewards and recognition for their excellent performance. General Motor and Ford, both organizations were facing major challenges due to old age and unskilled workers. Under the changes huge numbers of employees were forced to opt for early retirement. The old workforce was replaced with young, energetic and skilled workforce. The old people of both organizations were not very efficient; they were not aware with latest processes and technologies. Their age was hindrance on the path of learning.

Systems: systems refers to business processes, organizational capabilities, core competencies, knowledge and information base of the organization, and expertise in areas like legal, marketing, finance and sales. General Motor and Ford, both organizations changed old processes to latest processes and advance technologies to improve and make them more productive and competent. Implementation of advance technology improved efficiency and productivity of human resources along with improvement of processes.

Processes and technology plays a vital role in building competitive advantages, which were very essential for both organizations to improve their financial performance.

Strategy: it reflects the approach by which organization realizes its objectives, goals and reacts to organizational weaknesses as well as external threats. Organization's strategy also emphasize upon converting opportunities into business. Organizational strategy includes areas like: production, distribution, marketing, customer services, analysis of business needs, and formulation and management of partnerships. General Motor's business strategy was mainly focused on developing healthy and sustainable organizational culture. General Motor emphasized upon forming skilled and experienced human resources to develop competitive advantages. Ford's strategy was emphasized up on developing cost effective, stylish, fuel efficient and technologically efficient products.

Structure: organization structure refers to hierarchy in which process, decisions and information flows. Organization is required to changes communication style, leadership style and processes to bring changes in organization structure. Changes in organization structure refer to various types of organizational structures like network, matrix, centralization, decentralization or process. General motor was using centralize and very close organizational structure. The company changed its structure to decentralized structure. Whitacre emphasized upon removing communication barriers and bridging the gap between senior executives and employees. The organization developed employee friendly and liberal culture (Litwin & Stringer, 1968). Ford Motor reduced the size of business like General Motor by closing multiple brands and units but did not made changes in organizational structure.

Skills: employees required to have specific skills to perform their job in

efficient manner. It is very essential to evaluate the skills and knowledge level of employees to develop desired level of talent within the organization. Organization also needs to develop learning environment to build new talent in employees. General Motor and Ford, both organizations analyzed that their workforce is too old to learn new methods and skills. Therefore, both organizations replaced their aging employees with new employees. The new working staff has all job related skills and knowledge. New human resources are more knowledgeable in terms of advance technologies, latest trends and processes.

Shared Values: organizational mission and vision reflects what want to achieve in long run. General Motor made changes in their objective to strengthen organizational goals. Organization formed more structured and quantitative objectives. Ford emphasized its objectives to bring fuel efficient, cost effective, stylish and technologically efficient products.

SWOT Analysis

General Motor -

Ford -

The change strategy implemented by General Motor and Ford is appropriate as per their business requirements. General motor was dealing with major problems because of bad organizational culture that had bureaucratic style of management. Therefore, there was requirement to bring changes in organizational culture. The changes implemented by General Motor were capable of bringing desired results which were reflected in next year balance sheet. The strategy adopted by Ford was also bring sustainable changes in

terms developing various new innovative, stylish and fuel efficient vehicles. The changes implemented by company improved financial position of the organization.

Both organizations closed down various units, sold multiple brands and lay off employees. This decision negatively impacted the mindset of workers associated with organizations. Therefore both organizations required to be more caring for their employees. The rigid behavior of employees could be major resistance to implement changes in organizations. There is need to develop very healthy, learning oriented and liberal culture to motivate employees. Such culture encourages employees not only to learn new skills and knowledge but also to share their thoughts and feelings; employees feel important part of organization and work towards achievement of common goals.

References

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