

Managing organizational change while acquiring differently- structured organizatio...

[Business](#), [Management](#)



The article aims at highlighting some of the major issues that might potentially crop up when a highly decentralized organization acquires a centralized company. It considers two electronic component suppliers operating in Australia. Rapid Supply Electronics Components Ltd. (RSEC) has a decentralized structure and has acquired ElectronicBitsFast (EBF) with an objective of acquiring its integrated approach to managing sales, logistics and customer service and the brand values and customer service principles. Further, the article describes the decisions made by the Board and their corresponding impact on employee motivation, engagement, stress levels, absenteeism, job satisfaction, etc. It also highlights some key issues in communication between different departments as well as departments and the Board members across the company. The impact of these differences on company performance and customer satisfaction has also been discussed.

Methodology

The article makes no mention of the way the data was collected and analyzed. However, it can be stated that both quantitative and qualitative data has been collected through primary as well as secondary means (Bryman, 2006, p. 97-113). While the qualitative aspects cover traits like employee engagement, motivation, stress levels, satisfaction levels, communication issues, the quantitative aspects deal with elements like the number of employees willing to relocate, employee turnover ratio, etc. It can be assumed that the information sources employed while compiling this article would have involved a study of RSEC's vision, mission and objectives, their annual reports, human resource management policies, change management plan on one hand, and interviewing key stakeholders,

organizing surveys and focus groups involving business systems manager, personnel from department of human resource management, RSEC Board members, etc. Additionally, both permanent and agency staff, as well as employees from different departments like sales, logistics, operations and customer services might have separately been surveyed for obtaining specific information on the impact of the change management process.

Argument

The primary argument that the article aims to set forth is the importance of processes like communication, employee engagement, customer satisfaction, etc. during the course of implementing a change (Appelbaum, St-Pierre & Glavas, 1998, p. 289-301). Further, it states that if stakeholders' views and opinions are not proactively considered, it might affect their inspiration that could ultimately influence the successful implementation of change management. These stakeholders could belong to any functional and/or hierarchical position. The opinions of investors and shareholders are important, but it is ultimately the employees whose participation, feedback, level of trust in authorities and involvement would make a major difference in change implementation (Long & Spurlock, 2008, p. 30-36). The article indicates that the change management team ignored these factors due to considerable pressure on the project team to complete the restructuring as quickly as possible from the Board. Their intention was to demonstrate the acquisition of EBF as a good investment to the shareholders who expect returns on their investments. However, it can be argued that this led to elevated levels of stress, reduced job satisfaction, increase in preventable mistakes and an augmented pressure. The article also argues that there

existed a communication gap between different departments within RSEC as well as the Board and department of human resource management, and that between the employees and change management team. This complicated the issue, and in conjunction with other events, eventually led to the employees feeling less valued.

Implications

Change management is a complex process and requires the leadership team to possess some distinct qualities including supporting leadership development, good selling and negotiating skills, ability to influence others, strategic decision-making, extraordinary communication skills, etc. (Crawford & Nahmias, 2010, p. 405-412). They are required to keep all the stakeholders engaged and motivated. It is necessary to value shareholders' expectations, but not at the expense of employees' trust and commitment (Reilly, 1998, p. 7-22). They have to take care of organization's past and present situations and accordingly formulate policies and procedures for the future, in line with organizational vision and strategic objectives. They are required to ensure that employees' personal objectives are coherent with organizational strategies (Paton & McCalman, 2008). Further, they need to ensure that customers' satisfaction is the utmost priority even during the course of change management process. All these activities play a pivotal role in the success or failure of the change implementation processes.

They are required to work towards balancing shareholders' expectations, employees' desires and providing value to their customers (Moran & Brightman, 2000, p. 66-74). They are required to proactively monitor the

progress of the project and implement any necessary adjustment or revision in strategy based on existing or potential condition that the organization might encounter. For this purpose, they have to model and extrapolate the past scenario and organizational performance and accordingly forecast the future strategies. It is in the best interests of the process that the change management team must themselves get involved at each level of the process, and get a hands on experience of the impact their decisions are having on different departmental, functional and hierarchical groups. Additionally, they must ensure they resolve any employee situation as soon as possible. They must be opportunistic and cash on any prospective chance that might aid in achieving organizational goals. They must understand the organizational processes in and out, and work towards a continuous professional and personal development of their employees (Caldwell, 2003, p. 131-142). This boosts their confidence in the organization and augments their engagement to the organization.

Conclusions

It can be concluded that there existed a huge communication gap at all levels of RSEC. The employees have lost their trust in the organization and they no longer felt valued. Given the recent relocations and redundancies, they had a sense of insecurity and did not feel engaged or inspired towards working for the betterment of the organization. There were communication issues across different levels. Relevant information was not being provided to the Board members. A combined effect was an increased discontent, stress levels, low retention, excessive turnover, increment in stoppable mishaps, etc. RSEC employees felt that they have been made redundant in

their own organization, since the centralized working procedures from EBF were being implemented as part of the change management. Some of them even though that the acquisition was an unnecessary step and that the old practices were significantly more result-oriented. Conclusively, RSEC's change plan and the project team did not sufficiently take care of all its stakeholders and were seemingly biased towards fulfilling shareholders' interests.

Strengths

The article describes the key aspects that RSEC's change management project team considered, as well as those that were required to be considered but weren't. It also provides a description of what would have got wrong for RSEC. Despite the formation of a dedicated change management plan, a team to implement it, years of operational experience, etc. they were not able to keep their communication processes smooth and permanent employees engaged. The highlight of this article is that it provides the impact each of its practices and procedures had on the overall business operations and organizational performance. Additionally, it also discusses the steps that the department of human resource management at RSEC took to address the emerging issues and their corresponding impact on the key stakeholders.

Weaknesses

Despite describing some of the very important aspects of the process of change management, the article lacks at some points. Firstly, the data collection and analysis methods have not been mentioned. Secondly, the

reliability of the sources from which data has been collected is not provided. Additionally, the article would have made a lot more sense if some of the change management models viz. Kotter's eight-step process for leading change, Kurt Lewin's Force-Field Analysis and the three-step-approach to a planned change, Prosci's ADKAR model, etc. would have been used to evaluate the effectiveness of the change management (Hornstein, 2015, p. 291-298). Not much information has been provided about the probable causes of communication gap, steps taken to reduce employee turnover or get them engaged, the criteria used while selecting the change management committee.