

# What is meant by internal and external drivers for change



With globalisation it is an important to have clear concept about business management. Business environment is the totality of all such factors which influence the working and decision making of a business organisation.

Business is a commercial enterprises ventured into secure maximum possible profit and to give best services to the public. These are things, events or situations that occur the way a business operations, either in a positive or negative way. This can be called driving forces or environmental factors. They are;

Internal driving forces, which are the things, situations or events that are occurred inside the business and these generally under control of the company. The main internal driving forces are given below;

#### Technological Capacity

The new discoveries make the old one obsolete. The business community has to keep itself abreast with the technological changes. And it is also an important aspect as it shapes the business operations in the long run. Today the scientists are working on such technologies which will change the entire production process. The company is not running without most modern technology, they cannot competent to others

#### Organisational Culture

Organisational behaviour can be defined as the systematic study of the behaviour and attitude of both individual and group within the organisation. Organisations that have a powerful success spirit, and always embrace change and listen to staff and customers are said to be forward looking.

Forward looking organisations, they are risk takers and also they done there business very well. So organisation is the essential part of a company. There is no well organisation culture in a company, which may negatively affect the production of a company, to fight in the competitive business world, business turnover, co-ordination of employees, staff etc...

### Financial Management

Finance is the main factor of a business. Without money, no business. There is direct relationship between money and the business. According this view financial management has a powerful stand in the business organisation. In a company the finance management take decision about fund distribution like purchase of raw materials, introduce new assets, proper fund distribution etc... In these reasons financial management has a powerful stand in the internal driving force.

### Employee Morale

The level of confidence and strength of a person or group is very important of a company. The employee has no morale or they are not committed their job, the company going in down words. The employees are satisfied with their both company and job, which will make a positive energy

For increasing employee morale the Corus Company introduce more programs and also they provide mental confidence to the employees.

### Poor Delivery

Poor customer service or delivery is a universal problem that impacts on the bottom line and profit margins in all types of industries, business and services throughout the world. The time plays an important role in the business. Customers need goods and services at their own time; otherwise they select another comfortable company or services.

For example; The Corus Strip products UK (CSP) The Corus Company, there were delays to delivering steel to customers on time. So that leads to loss of business.

### Competition

Globalisation has sharpened the competition. Introduce new ideas, technologies, innovations, techniques etc... are the main parts of business competition. To face the competition every organisation suffer more things like expense, organisation problems, external problems etc..

For example Corus steel company cannot competitive to other companies because production of steel in UK could be more expensive than from than other countries. In these reason the Corus Company faced many problems in the business world.

### High wastage

The wastage makes a big trouble to the companies, and also they don't know how to overcome this problem. Every organisation looking for less wastage and more product. For example, the Corus Company falling to make products right first time meant that they had to be reworked or scrapped.

## II External Driving Forces

External driving forces are those kinds of things, situations or events that occurred from outside of the company or organisation. And now we can discuss about, what are the external driving forces of a company.

### Economy

There is an intimate relationship between the business firm and the economic environment. The performance of business depends up on the economic environment. At any type of financial fluctuations like inflation or deflation badly affect the business.

### Political Influence

The political forces are directly bearing on the functioning of the business. Political influences like ideology of parties, Govt. policies, Govt decisions, political stability, tax policy, etc... are positively or negatively affected the business environment.

### New Competitors

Competition makes challenge the business world. New competitors make more troubles for other companies, because they introduce new technology, ideas, innovations and customer satisfied goods and services with reasonable price. But old companies cannot competitive with them as well because there machines, technologies and all other things are old, and they can't replace it. For example, low cost producers in Eastern Europe were taking business and its could lead to reduce demand with higher costs.

## Technology

It is also an important aspect as it shapes the business operations in the long run business. Technology includes inventions, discoveries and new and better techniques of converting the resources in to final product. Technology helps in performing the operations in much better and cheaper way. The customer expects higher specifications, so it can maintain only new technologies.

## Customer Satisfaction

Customer satisfaction is a business term, is a measure of how products and services supplied by a company meet or surpass customer expectation. It is seen as a key performance indicator within business and is part of the four perspectives of a Balanced Scorecard.

In business, customers are the king. For customer satisfaction every company introduce new products, attractive packing, adopting new technology, attractive schemes, offers etc... Day to day every customers looking for a new technology and high quality products, so the company update there thinking, technology, otherwise they cannot competent with others. In these reasons customer satisfaction has a powerful external driving force of a company.

Both internal and external factors are driving the running business. But it under controlled by business organisation. A well organised management can be easily controlled these internal and external driving forces. In the case of Corus Company, in 2005 they introduce new cultural programme

<https://assignbuster.com/what-is-meant-by-internal-and-external-drivers-for-change/>

called "the journey" The main courses of this programme is to overcome the poor driving behaviour. For overcoming the both external and internal poor behaviour they introduce so many programmes like push up employees skills, self awareness, promotion and development programmes etc... After the programme the company get a new face in the business field.

There are external and internal driving forces to promote sustainable development of Corus Company. The different driving forces have different strength levels. The external driving forces provide external condition to CPS UK development. The internal driving forces

are permanent fountainhead to promote Corus sustainable development. All the driving

forces are indispensable to promote Corus Companies sustainable development.

## 2. What barriers to change existed at Corus?

Resistance to change is the action taken by individuals and groups when they perceive that a change that is occurring as a threat to them. Key words here are 'perceive' and 'threat'. The threat need not be real or large for resistance to occur. In its usual description it refers to change within organizations, although it also is found elsewhere in other forms. Resistance is the equivalent of objections in sales and disagreement in general discussions. Resistance may take many forms, including active or passive, overt or covert, individual or organized, aggressive or timid. Resistance is an

inevitable response to any major change. Individuals naturally rush to defend the status quo if they feel their security or statuses are threatened.

Folger & Skarlicki (1999) claim that “organizational change can generate scepticism and resistance in employees, making it sometimes difficult or impossible to implement organizational improvements”. In order to understand the concept of employee resistance, it is critical to define what is meant by the term resistance.

Change is a common occurrence within organisations, and resistance to change is just as common. There are several types of resistance to change. Understanding these different types of resistance, the company can reduce resistance and encourage compliance with change.

There are basically two groups associated with a resistance to change of an organisation.

(I) Individual level of sources

(II) Organisational level of sources

(I) Individual level of sources

Individual sources of resistance to change reside in basic human characteristics such as perceptions, personalities, and needs. In the case of Corus Company they faced many problems in resistance to change, especially in internal sources. The following summarizes reasons why individuals may resist change in Corus Company.



### I. 1 fear to unknown

Some changes require that employees possess a new set of skill and hence without training. So employees will not welcome the changes of a company. In the case of Corus Company, they make some more changes for their improvement of a company, but employee resistance the changes. Because they fear about their job, current position, other benefits etc...

In the Corus Company, the fear of unknown badly affects the new changes of the company

### I. 2 Lack of skills

This is another problem of resistance to change of a company. If company introduce new changes that may directly affect the employees of a company At that time they update them self without any training. The employees of Corus company they had fear about their skills, current teams, and position etc...

### I. 3 Habit

Resistance due to habit occurs when the employees are comfortable in their daily habits and do not want to alter them due to change, because they are already skilled and experienced person in their own works. Sudden changes or alternatives cannot accept to the employees. So it may another course of resistance to change. Employees of Corus Company, they did not change their habits and attitude, so they resist the changes of the company

### I. 4 Ageing work force

<https://assignbuster.com/what-is-meant-by-internal-and-external-drivers-for-change/>

Corus Company has a powerful work force. Lot of skilled and experienced employees are the power of a company. When the company introduced new innovations, technologies, ideas that may affect the workforce of employees. Older employees has very big personal skill and experience, that cannot be transferable. So it may another reason for resistance to change of Corus Company.

### I. 5 Economic factors

Employee may fear that the change will lead to technological unemployment, because new technology is associated with education of labour intake so they resist the change. When workers resist changing, which will leads to high standards which in turn may reduce the opportunities for bonus or incentive pays. The new changes make disturbance in their work. These all things show the economic factors in resistance to change.

### II Organisational Sources

Organisational changes are activities of transformation or modification of something. The main purpose of these types of activities is improvement of business result. Organisational changes are not simply the journey from one point to another point. Many barriers will need to be passed in this process. One of the biggest barriers is resistance that is sub component on every organisational change. Managers should have known that there are always people that will resist of a change process. Efficiency and effectiveness of a change process are in direct relation with resistance and successfully dealing with that resistance.

So these are the main organisational sources for resistance to change;

## II. 1 Threat to job status or security

Job reductions had been a major problem in the steel industry since the 1970s. At the same time the Corus company's some previous changes had lead to cut jobs. So this is the course for resistance to change of a company. Other people didn't see a threat to their job because the business had previously survived difficult times. This is difficult to Corus.

## II. 2 Unexplained changes to the time line

If the time line o the change process that is spelt out of the beginning of the change process is continually shifted without explanation, employees will lose confidence in the change process and they will not share management vision.

## II. 3 Lack of trust

In an environment where there is a lack to believe, that there will be sinister motive for the change. Furthermore managers who do not trust their employees will not allow employees participation in the change process even when it is necessary. So lack of trust is another important factor of resistance to change.

So these are the main resistance to change in the Corus Company. From the above reasons employees of the Corus Company did not accept the changes. Directly or indirectly barriers make many problems in the company and also it affects whole company's activity. The company also had a long term

service experience with experienced employees, but they had lower productivity. For increasing productivity the company add changes and gaining more rewards rather than newer employee. Corus felt that this was an area that needed major changes, so company were suitably rewarded to the employee for higher output.

3. Analyse the approaches Corus used to overcome these barriers.

Changes are an inevitable factor in any organisation. The effective and challenged leaders and management can manage changes, adopting new technology, new innovations etc... Yet as inevitable as change may be, it is just as inevitable that there will also be individuals within this organisations who reject any major changes or innovations to their workplace.

The barrier shows the efficiency of a company or organisation. Barriers make many problems in the company, but if a company manages theses problems, they can run a business very successfully. Some strategies which can be used to overcome this resistance to change.

For example, CSP U. K. The Corus Company faced many problems like cultural issue, social issue, economical factors, habit of employees, fear of unknown, limited forces changes etc... But the Corus Company overcome the barriers very well, and we can see how Corus Company overcomes the barriers.

There are five tactics have been suggested for use by change agents in dealing with resistance to change in the Corus company U. K

Communication

<https://assignbuster.com/what-is-meant-by-internal-and-external-drivers-for-change/>

There are two branches of communication, which are communication internally, within the organisation between employees and management and externally between the organisation and suppliers and customers.

Organisations that fail to communicate with their customers and suppliers, changes that are in effect can face disastrous consequences. For increasing communication skills the Corus Company introduce new programme 'The Journey'. According to this programme the employees increase their direct and indirect communication, for example they provide weekly newsletters and workshops etc...

### Participation

Where the initiators do not have all the information they need to design the change and where others have considerable power to resist. When employees are involved in the change effort they are more likely to buy into change rather than resist it. This approach is likely to lower resistance and those who merely acquiesce to change. For example, from the start it was important to the Corus Company to share with employees what might happen to the business if it did not change. Corus give more important to their employees, also getting everyone to take ownership of the new values by physically signing up to the programme. After that the employee more involved in decision making, works etc... and also their experience are recognised. So with the good participation the company can overcome the barriers.

### Building emotional commitment

Today talent management is the key imperative, making employee commitment more important than other. The commitment makes a positive energy inside and outside the business organisation. Research on middle managers has shown that when managers or employees have emotional commitment to change, they favour the status quo and resist it. For building emotional commitment the Corus Company U. K provide many more programs. Corus provide ownership to their employee. It may more involve in decision making and their contributions. With the help of emotional commitment programme the Corus Company overcome the barriers of change.

#### Implementing changes fairly

The management seen that the change as positively. But the employees take those changes as negatively. So if a company introduce new changes of their company at the same time they think how to overcome the barriers. For example, in 2005 the Corus Company make a programme for overcome the barriers of change, and also increase employee morale. Around 150 workshops were held to spread the messages. Fortnightly newspaper clarified these values and repeated the key messages through articles on various activities, such as employees taking part in the redesigning of a control room to improve layout and safety. Billboards, intranet, video programmes and most of all, direct one-to-one conversations all reinforced the messages. And also 1500 senior managers were invited to the millennium Stadium in Cardiff. This programme is impressive venue raised expectations. However, they were served cold tea and give a presentation

on a ripped projector screen. So these activities show the implementing changes of Corus Company.

### Selecting people

Research suggests that the ability to easily accept and adapt to change is related to personality. Some people simply have more positive attitudes towards themselves, are willing to take risks and are flexible in their behaviour. Another study found that selecting people based on a resistance to change scale worked well in winnowing out those who tended to react emotionally to change or to be rigid.

For example, the Corus group arranged many programmes for increasing the working mentality of the employees. The journey also raised important questions about how the company managed key issues, such as alcohol or drug misuse. To keep this thing the company makes, all working sites are alcohol free. Understandably, before the change programme, anyone offending in this way was likely to face disciplinary action and this is still the case in most working environments. As a result, over fifty employees that previously would have lost their jobs were retained in work.

These points said that, how the Corus company overcame the barriers to change. In general, the first key technique to overcome the resistance to change is that to work closely with employees. Employees are the main part of a business, so the management make creative and helpful ideas for their employees otherwise the company lost their co-ordination power, employee morale, unity between employees and management. For increasing the self

confidence of the employee, the company provide verity programs. In these types of programs Corus company overcome the barriers to change.

4. Evaluate the effectiveness of the change programme so far.

The changes can make challenges in the world. In the same way without challenges there is no change. Significant organizational change occurs, for example, when an organization changes its overall strategy for success, adds or removes a major section or practice, and/or wants to change the very nature by which it operates. It also occurs when an organization evolves through various life cycles, just like people must successfully evolve through life cycles. For organizations to develop, they often must undergo significant change at various points in their development.

Leaders and managers continually make efforts to accomplish successful and significant change — it's inherent in their jobs. Some are very good at this effort, while others continually struggle and fail. That's often the difference between people who thrive in their roles and those that get shuffled around from job to job, ultimately settling into a role where they're frustrated and ineffective. There are many schools with educational programs about organizations, business, leadership and management. Unfortunately, there still are not enough schools with programs about how to analyze organizations, identify critically important priorities to address and then undertake successful and significant change to address those priorities.

Now we are going to evaluate the effectiveness of the change in the Corus Company. Corus Company was formed in 1999 when the former British steel plc merged with the Dutch company. Now the Corus Company is subsidiary <https://assignbuster.com/what-is-meant-by-internal-and-external-drivers-for-change/>



of Indian owned Tata Group. In 1999 Corus has three operating divisions and 40, 000 employees in world wide. Corus aims to be a leader in the steel industry by providing better products, higher quality customer service and better value for money than its rivals.

In 2005 CSP UK introduced a cultural plan for change called ' The Journey'. The journey change programme at Corus Strip Products contributes to sustainability for the business. By facing up to its internal weakness, CSP has improved efficiency, increased output, lowered costs and reduced waste in an increasingly competitive steel market. This has enabled the business not just to survive but also to grow - even during the economic recession of 2008 and 2009. Thanks to the Journey programme, CSP UK expects to reduce costs for the 2009/10 financial year by around £250 million. To make sure that actions delivered results, Corus established clear targets and standards.

After the journey Corus Company achieve their target. The key performance indicators are given below;

- : Increased their production capacity from 4. 5% to 5 million tonnes
- : They reduce 20% of cost of production
- : 5000 employees have signed up to the values and beliefs of the business
- : Another outcome is reduction in absenteeism
- : The measurable improvements in levels of quality and services for customers

-: New outcome changes have increased new safety terms

-: Emissions of carbon dioxide has reduced by 10%, so CSP UK exceeds Govt. Standards

-: As the results of measurable improvements company make challenges in the local community

For achieving company values and targets, all individuals, departments are engaged very well. This journey helps to enable further improvement of Corus Company.

Individuals, teams and departments all support the improvement culture and are more engaged and committed to achieving company values and targets. This culture shift is of critical value as it will enable further improvement. Corus has implemented top-level security with controlled access for the 5000+ vehicles which enter the Corus site each day. This provides a new enhanced 'entry experience' for employees, contractors and suppliers and demonstrates that Corus Strip Products is now seen as an organisation that is proud of itself.

As a men, institution, organisation or a company as if everybody looking for a change. Because we need changes. If they fail to do so they may be left behind by the competition.

change management at CPS (Corus Strip Products) UK involved bringing the issues out into the open, confronting barriers to change, winning the commitment, provide moral support to the employees, provide better and effective plan for change an also keep the internal and external relationship <https://assignbuster.com/what-is-meant-by-internal-and-external-drivers-for-change/>

to the customers. The journey has helped CSP UK to get a new face in the business field. After the programme employees get more morale power from the top level management, as the result they more attached with their work. The result of the change management programme shows that, the Corus is a sustainable company and it can continue to make profits in spite of the recession.

In these things said that the effectiveness of the change programme in the Corus company UK. When the Corus Company introduced new changes in their company, at that time the employee did not accept the changes in their own individual, group and social reasons. But the company overcome the resistance of change very well. This is show that the change may challenge peoples. It may even be seen as a threat. Which company make it as a challenge; they must be adopting the changes in their organisation.

Word count- 3888