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Research Article

MANAGING COMPETITIVENESS WITH SUSTAINABILITY IN HUMAN RESOURCE MANAGEMENT

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ABSTRACT

“Progress is impossible without change, and those who cannot change their minds cannot change anything.”- George Bernard Shaw

Ours is a changing world and it will continue to change. Today, organizations face rapid change like never before. But this change can be a threat to business or an opportunity or promise. Globalization has increased the markets and opportunities for more growth and revenue. Thus, the ability to manage change, while continuing to meet the needs of customers, is a very important skill required by today's leaders and managers. There is an American Saying, “You can run but you cannot hide. Similarly, you can choose a change or chase it. You can either be agent or a victim of change, the change is yours.”

This paper type is a conceptual paper, exploratory research methodology is used, and secondary data has been collected for the purpose of the study. This paper focuses on employees' emotional phases of change, reasons for failure and how we can cope up with change, impact of change on the employee's attitude. The way people are managed is crucial to success and can be a source of sustainable competitive advantage. Change can be good and it triggers positive emotions such as excitement, enthusiasm and creativity. Change can also, however, be threatening and create negative emotions such as anger, fear, anxiety, cynicism, resentment, and withdrawal. Effective change management is basically about effectively managing people in organizations to understand, participate and create change. Changes are Inevitable. Any new way of doing things generate fear and resistance to change by employees. When computers came for the first time in a big way, people working in banks and certain companies resisted the introduction of computers as this would endanger their very existence in the companies.

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INTRODUCTION

In the modern world, it is most important to utilize all kinds of resources economically and efficiently & effectively to get the best. Change is a structured approach of shifting/transitioning individuals, teams, and organizations from a current state to a desired future state. It is an organizational process aimed at helping employees to accept and embrace changes in their current business environment.

Change can be difficult for organizations. The fear of the unknown, fear of loss, fear of failure, disruption of relationships, certain personalities and internal politics are the main reasons for rejecting change. In order to manage change the company needs to offer communication, support and participation. Kotler defines change management as the utilization of basic structures and tools to control any organizational change effort. Change management's goals are to minimize the change impacts on workers and avoid distractions. As a visible track on transformation projects,

organizational change management aligns groups' expectations, communicates, integrates teams and manages people training. Companies have to operate globally for survival and growth. Some employees are positive to the intended change more implicitly than explicitly. They cognize the need for change, may not fully accept the way it is implemented, but adapt to change. Many employees resist change it requires them to think, feel and act differently from the regular ways.

Change in Today's Globalized World

Attaining personal change will be more effective as well if we apply the similar approach where appropriate. Change direction involves considerate programming and sensitive execution, and most of all, discussion with, and participation of, the individuals affected through the changes. If you oblige modification on individuals usually difficulties take place. Modification must be matter-of-fact, attainable and assessable.

Changing Environments

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Change is an alteration in the way things are done, the change agents are used for improved organizational performance. Planning, implementing and managing change in a fast-changing environment is increasingly the situation in which most organizations now work. Dynamic environments such as these require dynamic processes, people, systems and culture, especially for managing change successfully, notably effectively optimizing organizational response to market opportunities and threats. Two forces act that constrain organization, managers and bring the need for change: External forces and internal forces.

External Forces create the need for change to come from various sources. It include market places, government laws and regulations, Technology, Fluctuation in Labour Market, Economic changes etc.

Internal forces stimulate the need for change. The internal forces include internal operations of the organizations, impact of the external changes, strategy, workforce, compensation & benefits, Employee attitudes etc.

Change is ubiquitous, inevitable, everywhere there are signs of change, too much change in most of the cases.

Coping With Changes

It is a difficult process for organization until it is characterized by:

- Focus: It refers to how good the companies are producing.
- Speed: It refers to the promptness with which the organizations respond to internal and external demands and contingencies at all levels.
- Boundarylessness: It refers to the ideas and activities across units and levels to achieve integration.
- Goal Elasticity: It refers to stretching the goals/objectives of an organization to enable it to be more competitive enough to achieve its long term goals.

The only constant in today's workplace is change, and often it happens quickly, before employees and management can mentally prepare. Keeping your organization running effectively means helping employees cope with those changes. In today's business climate companies are forced to implement sweeping changes in an effort to grow and survive.

Employees fear losing their jobs, or get transferred to unfamiliar positions. Little control over workplace events triggers increased tension, uncertainty, anger, and other forms of job stress. Effectively managing the workplace within means not fearing or resisting change and challenges, but empowering management and employees with the necessary skills to effectively manage life changes.

Effects of Change on Employee Behavior

Change invokes emotions-positive and negative ones.

The positive are accepted, while the negative are unwanted and dismissed as resistance.

- But you need to be aware of emotional undercurrents and address them. (Emotions are contagious and you don't want negative emotions to spread.)

- People's feelings pass through 7 stages that are analog to those of grieving:



Source: Beer, M., & Nohria, N. (2000). Cracking the code of change. Harvard Business Review, 78(2), 133-141.

- **1st:** There are rumors about change to come. People are apprehensive and might agitate against it.
- **2nd:** Shocking news: Change is coming, it's official.
- **3rd:** When the change is introduced, there's often resistance. People try to preserve the old ways and think if they only hold out long enough the change will get reverted.
- **4th:** Nope, the change is here to stay. They know it rationally. No more rebellion, but no happy feelings either.
- **5th:** It finally sinks in, that the changes are *really* here to stay. Now they feel it in their guts. And it hurts to let go.
- **6th:** Letting go enables people to explore the new way - "Sure, it's different, but it needn't be worse."
- **7th:** "Wow, this is fun! I can do this!"

In some occasions you pass through the stages in seconds, sometimes it takes years and sometimes you get stuck in a stage (often the 5th) and never regain a positive outlook and feeling of control.

Managing change is seen as a matter of moving from one state to another, specifically, from the problem state to the solved state. Goals are set and achieved at various levels and in various areas or functions. Careful planning is accompanied by efforts to obtain buy-in, support and commitment. The net effect is a transition from one state to another in a planned, orderly fashion. There are emotional phases of change on employee's attitude, some employee's are reluctant to change and some take change positively. Phases of change are explained below.

Emotional Phases of Change

Organizational change has an element of loss inherent in the process, and it is a loss that is often deeply felt by employees. The four emotional states experienced throughout the change process may be expressed by employees in behaviors that are obstacles to the process of change. By understanding the emotions employees often encounter during change, you will be better prepared to facilitate the change process.

- Stage 1 Denial
- Stage 2 Resistance
- Stage 3 Exploration
- Stage 4 Commitment

The first emotional state experienced during change is denial. For example, employees encountering a change initiative might be saying to themselves, "I cannot believe this is happening to us." Unresolved fears about the change initiative need to be addressed during this phase. Fear and mistrust need to be replaced by acceptance. To be an effective change

Denial

In this stage the change is approaching without the true impact being realised. A bereaved person often believes that their loved one will 'just walk through the door at any moment.' People moving house often leave packing to the very last moment. Retirement often comes as a surprise even though it can be seen from many years away and in the workplace employees will comment 'it won't happen – they talked about it for years'. This stage surprisingly also affects very positive longed for changes so a long sought after promotion brings with it unexpected difficulties and responsibilities; marriage to a greatly loved partner has unexpected downsides. At this stage communication is key. Reiterating what the actual change is, the effects it may have, and providing as much reassurance and support as possible to individuals at this stage.

Anger

When the full impact of the change takes effect the predominant feelings are of anger and injustice - anger at fate, at the lost opportunity or of the old state; 'why me?' There is a feeling of loss of control and blame is laid on a partner, on an employer or even God. This anger can spill over into otherwise unaffected areas of life and onto friends and acquaintances who can be taken aback by sudden outbursts. If this anger is 'bottled up' it can have far-reaching consequences and lead to unexplained behavioural and physical symptoms. At this stage it can be useful to explain that these feelings are natural and a healthy and appropriate strategy needs to be developed.

Rationalisation

People need to be able to make sense of the world, particularly when a change in life is thrust upon them for whatever reason. Once the initial denial and anger is past the individual seeks a reason for what has happened and tries to make the events fit with their own particular view of themselves and their world. To an outsider the rationalisation may not make full sense but so long as it makes sense to the individual concerned it allows passage to the next and most important step, that of acceptance of the new state. Without this rationalisation the individual can revert back to the initial stage of denial and start the whole process again. Commonly people revert back to the anger stage a number of times and this can be a signal that although rationalisation is taking place, barriers are still to be overcome. Once the barriers are overcome the 'dividing line' is crossed and they start looking forward.

Acceptance

The transition to this stage can come quite suddenly. It's characterised by a shift in thinking towards an as yet uncertain future. The individual is prone to leaps of the imagination, this is a good time to try and identify new ways of working/ behaving as a consequence of the change.

Growth

Now that the changed state has been accepted, the new rules understood, the new relationships established, realistic plans can be laid. The 'visions' and 'ideas' from the acceptance stage being either laid on one side or planned for in a hard-headed fashion. Now the future is accepted and positives will be acknowledged.

These stages cannot be avoided but they can be suppressed. Suppression leads to anxiety and anxiety leads to stress and its associated symptoms.

Make Change Happen To Remain Competitive

To make change happen, different techniques can be used to actively lead change in organisations:

HRM professionals are understanding the importance of human resources (soft version) as well as the importance of policies and strategies (hard version) in managing change. The following figure summarise some insights based on the interviews with HR practitioners to explore how HRM create and facilitate change in business:



Fig Different Techniques used to lead change in organizations:

Source:

http://www.academia.edu/4251863/Human_Resource_Management_As_a_Source_of_Sustained_Competitive_Advantage_of_the_Firms

Different Techniques used to lead change in organizations

- **Have a clear vision** - Determining a clear vision on what should be changed and why is essential in managing change according to HR professionals point of views. This vision should be communicated and transformed to all organisation stakeholders to share their thoughts and ideas about change.
- **Create Leaders** - HR managers also indicated that creating organisational leaders who are able to embrace change is a key for effective change management. HR can lead to help others understand why change is needed and what the main benefits of applying change are.
- **Provide Training and Development Programmes** - Most of HR professionals shared in this research put a special emphasis on the importance of the training programmes that help employees to have the required skills to make change happen as well as helping managers to handle resistance and provide support in every stage in managing change.
- **Performance Management** - There was a clear evidence that measuring performance is very essential for HR managers to recognise the contribution level toward

change. Knowing people performance, skills and abilities reflect positively on managing organisational change.

- **Talent Management** - HR professionals indicated the importance of talent management in making change happen. They argued that managing organisational mind-set could be a source of competitive advantage. They mentioned the importance of the HRM policies and practices that create an opportunity to recognise talented people and reward their efforts.
- **Engage People** - HR Professionals argued that involve people in all level at all stages of change in crucial to create a shared understanding and organisational culture to support applying change. This requires a sort of analysis to the culture needs to take place to support change management.
- **Manage Emotions and Wellbeing** - Change management includes managing the fear, excitement, frustration and different emotions that can be experienced before, within and after applying change. HRM mentioned managing emotions and wellbeing for employees as a main technique to facilitate change. They referred to the role of HR in balancing emotions and supporting employees to understand change and help them managing their responses.

Impact of Change

Change Management is never a choice between technological, organizational or people oriented solutions, but involve:

- Combinations for the best fit
- Strategies to produce the best result
- Knowledge of the circumstances surrounding a situation.
- awareness of the potential impact of variables

Reasons for Failure

Research indicates that two-thirds of all organizational changes fail. This represents a

- Tremendous cost to companies in money, resources, and time.
- Several of the most common reasons for failed change programs include a lack of commitment from the top, change overload, lack of incentives tied to the change initiative and a lack of training.
- Trying to do too much at once is often an obstacle because trying to accomplish too many activities can create confusion.

Future Success

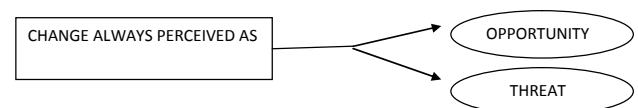
As HRM is the backbone of any business, enabling firms to enhance their core competencies through interaction and pooling of information between individuals within an organization. It can be concluded that the key dimensions of the present business environment mainly concentrates on proper access of knowledge, skills and technology up gradation. In the current climate of rapid technological change, it is becoming necessary for employees to be in a continuous learning mode for the betterment of the firm which can happen through adopting changes in organization and environment, as adopting change can be of competitive advantage.

CONCLUSION

“You can run but you cannot hide. Similarly, you can choose a change or chase it. You can either be agent or a victim of change, the change is yours.”

Organizational change is necessary for businesses to remain competitive in today’s market. To successfully implement change initiatives, change agents must understand that the role of employees is highly important, and employees’ reactions to change are influenced by a number of factors, including employees’ emotions and cognitions, communication, and participation in decision making. In every organization, management knows about the external environment and the vision of the organization. This knowledge is the basis for developing appropriate strategies. Although challenging, this is the easier part. Nevertheless, management will only be able to successfully implement a new strategic direction, if they manage to gain the commitment of everyone within the organization. By adopting Changes in the organization, its impact will be both positive and negative on employee behavior. The organization’s can manage these waves by communicating officially and explaining the intricacies required for change. Negotiating these changes and challenges effectively on the outside and inside will require all of us to be effective managers of our -self. Change depends on individuals, and individual action is critical to the concept of managing change.

Conversion to a new management change system it take time. Business strategies, structures, personal beliefs cannot be altered in a day’s time. Organization, managers can assist the transition by dealing with psychological factors of learning, anxiety and confidence. They can use several methods for implanting change. And hence implementing all the tips which are discussed above can help organizations remain competitive for a sustainable business growth.



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