

---

## **Managing Strategic Change: A conceptual note**

Muhammad Hamza Khan and Fawad Ur Rehman Khan

---

### **Author(s) Biography**

**Muhammad Hamza Khan** is MS Scholar at College of Business and Administrative Sciences, Govt. College University Faisalabad  
*Email: hmzakhan@gmail.com*

**Fawad Ur Rehman Khan** is MS Scholar at College of Business and Administrative Sciences, Govt. College University Faisalabad

**ABSTRACT:** *Strategic Management is the process of such activities which involves the steps of assessing, choosing and implementing. The underpinning of these activities lies on the principal to increase the performance of the firm/organization. The outcome of these activities is "Strategy". Strategic change faces different problems during the course of change. These problems can be due to the Resistance to change and Strategic Drift. The resistance to change forces the Executives to deal with the Cultural, social and political environment. Similarly the Strategic Drift problem arises with the passage of time. This means that the strategy alignment is disturbed over the time period. This disturbance in alignment is misalignment of organization's strategy with the environment. This drift is not shown within few years. It takes time and drift becomes so remarkable that the performance of the firm starts declining.*

**Keywords:** Strategic Management, Strategic Drift, Strategy, Strategic Change.

---

Strategic management is the process of such activities which involves the steps of assessing, choosing and implementing. The underpinning of these activities lies on the principal to increase the performance of the firm/organization. The outcome of these activities is “Strategy”. The strategy gives the direction of activities like making choices of what to do, which product should be offer, which market should be focused, which type of customers be targeted providing the guideline for all the above activates.

As the term “Strategy” is used to attain long term competitive advantage, so attaining the competitive advantage for the long period is difficult job for the firms. This difficulty is due to the factors present in both sides of views relating the firms. One from its internal side and the 2<sup>nd</sup> will become base for the external factors. The external factors are beyond the control of firm. These factors influence the firm to select the unique strategy. The intensity of influence determines the selection of unique strategy. This intensity does not assist to predict 100% about future of organization. Due to the influence of these factors it is not possible for firms to formulate an optimal strategy. Regardless of the size of the firms/organizations the need for change is always there. This need forces the organizations to adapt change.

### Is Change Unavoidable?

It's the universal principal that everything in this world has to diminish. Nothing will last forever, the sun, the earth, the people, the climate and the organizations. The success of any organization will not sustain till the end. The success formula's will also no more last forever. These will be for the limited time. The nature and sustainability of the success depends upon different factors. These factors can be from the inside of the organization as well from the outside of the organizations. These factors can be divided into two categories one internal factor and the 2<sup>nd</sup> external factors.

The internal factors can be the organization size grown with the passage of time as well as its complexity. This increase in size and complexity because of good of market operations. This increase in size needs change in the culture of the organizations, also change in the structure of the organization. Similarly external factors are beyond the control of the firm those require change. This factor constitutes the Environment. In this environment the change in technology, changes in the customer tastes, the changes in the preferences of the consumers as well as the existence of competition in the market.

If organization successfully adapt these changes then it is possible for them to attain and maintain the competitive advantage otherwise non adaptation of changes lead the firms towards the failure. This adaptation of change depends upon the resources that a firm has. Whether these resources are tangible are intangible help the firm to adapt the change.

Summarizing the above discuss we can say that managing the change is necessary due to following reasons.

- i. To achieve the best out comes/strategic goals.
- ii. Elimination of obstacles/removing impediments.
- iii. Maintaining a harmony between the internal and external environment of the organization.

### Change Management

Yogi Bera (Crouch 2002) stated that “If you don't know where are going, you will wind up somewhere else.”

Mitchell (2002), the change management is a strategic activity aimed to get the best outcome from the change management process. Further the change management is part of consequence of strategy which is most suitable for that particular organization under specific circumstances. This management of change is unique and specific to that organization. As each organization have different type of sources including capabilities to handle the different situations. Organization differs in culture, aims, relationship, aims and objectives.

Fiona Graetz (2000) change leadership plays a pivotal role in the management of change. The top management sets clear corporate challenges that matters to everyone on personal level. (Hamel and Prahalad, 1994). The successful transformation occurs where the executives “Walk to talk”. The only way by which workers show their commitment was showing by doing. Leadership is the essential element for the change management.

Strategies cannot simply be copied from other organizations, whether in the same or different industry. Every organization is unique. Mitchell 2002. Planned approaches to change management as opposed to the bottom up were preferred (Mitchell 2002) coherent change management strategy that applies to all circumstances of change is not possible and there is no definable end to the process. (Walsh 2000).

The social, Political, Cultural and cognitive dimensions of managerial activities which both give rise to the sort of incremental strategic change typical in organizations

as well as can be applied in daily working by the executives. The only deficiency that managers have is not making the sense of link between strategy, culture and managerial process of strategic change. Gerry Johnson (1992).

### Perspectives to Manage the Change

For the long run organization needs to change their behaviour and objectives frequently in order to sustain and maintain the competitive advantage coping with the strengths and weaknesses.

There are two perspectives to manage change.

- i. The Discontinuous Change Perspective.
- ii. The Continuous Change Perspective.

**Discontinuous change perspective:** The discontinuous perspective of strategic change argues that relative period of stability necessary for the proper functioning of an organization. But this stability leads towards creation of inertia. This inertia is the opposition or unwillingness to change. The foundation of this resistance or inertia is followed by the fear of losing the interests of individuals. To bring the organization into the movement/bringing the change the creation of disaster is necessary. Because at this stage small shake are not sufficient to bring the organization into the required speed.

As the world environment is competitive and organizations are always wandering to obtain and sustain the competitive advantage. Organizations try to find innovations. These innovations are due to the revolutionary changes made by the organizations.

So the Strategic change always requires abrupt changes. This change can be of changing the organization culture, process or even changing the structure of the organization. This change convert crisis into opportunity and the leadership is the ultimate way to do this.

**Continuous change perspective:** Slow and steady wins the race. Continuous change perspective follows the long term commitment by the organizations. This view is also termed as Incrementalist perspective. Under continuous change perspective the process of change is gradual, slow and un dramatic but the rate of change has long term purpose and all the employees are committed to incremental change. This commitment to incremental change is followed by the motivation. In the abrupt and discontinues change phase the element of motivation has lower degree. Because under abrupt and crisis situation the employees try to focus on the short term objectives.

But in the continuous change perspective employees are motivated due to sense of security and are ready to learn. People in the organization are ready to update their knowledge.

**The Magnitude and Pace of change:** Organizations are complex in nature as considered systems. Systems are composed by many elements. It is the question what element should be changed, how much should be changed. The state of the organization should be changed or the direct of the organization be changed. Mintzberg and Westley differentiated the different level of changes which can be given as,

	Changes in Organization	Changes in Strategy
More conceptual	Culture	Vision
	Structure	Positions
More Concrete	Systems	Programme
	People	Facilities

Source: Strategy, Process, Content and Context, Bob de Wit.

Thus the magnitude of the change tells us about which element should be changed and how much should be changed. Whether all the elements be changed at the same time or the combination of elements be changed keeping in view the desired change in the organizations state or in the organizations direction.

On the other hand the question is what should be the speed of change. Over what time period the change should be produced. This depends upon the need of change required. If the need of change is discontinuous then the time span required to bring the change is small. As crisis in generated and abruptly the changes are introduced when the resistance is small. Simply unsteady pace of change is required. Whereas the evolutionary and continuous change perspective demands steady tempo of change. Also the timing of change is a critical question. As per continuous change perspective it is difficult to maintain the change for long term. The main question is to cope with the steady change for the long term.

		Scope of change	
		Broad	Narrow
Amplitude of change	High	Revolutionary Change	Focused Radical Change
	Low	Comprehensive Moderate Change	Evolutionary Change

### Conclusion

The above exploratory discussion develops a framework that leads towards the “Managing the Change”. It can be concluded that strategic change has a direct link with the development of strategy and organizational culture. There is a good relationship between the environmental context of the organization and development of strategy. This development of strategy for the long period was perceived with the logical analysis. This logical analysis was connected with planning. But the political and social context behind the development of strategy was not considered upto the required level.

Strategic change faces different problems during the course of change. These problems can be due to the Resistance to change and Strategic Drift. The resistance to change forces the Executives to deal with the Cultural, social and political environment. Similarly the Strategic Drift problem arises with the passage of time. This means that the strategy alignment is disturbed over the time period. This disturbance in alignment is misalignment of organization’s strategy with the environment. This drift is not shown within few years. It takes time and drift becomes so remarkable that the performance of the firm starts declining.

All these hurdles can be removed if the discontinuous perspective is being used in the firms. If the managers are fully aware with factors affecting the strategy of the organization. Further creation of climate for the strategic change is necessary even if the organizations have clear direction for the strategy, this creation of climate can be done by enhancing the level of motivate on of employees. So leadership is the essential element for enhancing the level of motivation.

A lot of debate can be made for finding out the ways to cope with the strategic change. The factors disrupting the strategic change can be studied further in depth to find out their effects on the strategic change from different aspects.

### References

1. Flona Graetz “Strategic change leadership”, MCB University press ISSN-0025-1747.
2. Eric Flamholtz & Yvonne Randle, “Leading strategic change”, Cambridge university press.
3. James M. Bloodgood and J.L Morrow Jr, “Strategic Organizational change: Exploring the roles of Environment Structure, Internal Conscious Awareness and knowledge.” Journal of Management Studies. November.2003.
4. Gerry Jhonson, “Managing Strategic Change, Strategy, Culture and action.” Long range planning, 1992.
5. Arnoud Franken, Chris Edwards & Rob Lambert, “Executing strategic change: understanding the Critical management elements that lead to success.