

CHAPTER I

INTRODUCTION AND GOAL

1.1 INTRODUCTION

According to Gerber, Nel and van Dyk (1998:35) organizations are social structures or systems, which can be viewed as a number of interrelated, interdependent parts, each of which contributes to total organizational functioning and to achievement of common goals. Organizations are open systems in constant interaction with their environments. During this interaction process an organization takes in resources, information and energy, which it transforms into products and services, made available to the environment in the form of outputs (Luthans, 1998:529).

Schein (1980:15) views an organization as “the planned coordination of the activities of a number of people for the achievement of some common explicit purpose or goal, through division of labour and function, and through a hierarchy of authority and responsibility.” Human resources management links up with this definition. Human resources management (HRM) is the process through which an optimal fit is achieved among employees and their jobs, the organization, and the environment, so that employees reach their desired level of satisfaction and performance and the organization meets its goals (Hall and Goodale, 1986:6). The human resource function must become a strategic business partner to survive today’s sweeping workplace changes (Brown, 1997:4).

Organizations are never completely static; they are dynamic, in continuous interaction with external forces. Changing consumer lifestyles and needs, technology, legislation, internationalism, and workforce expectations all impact on organizations, causing them to change. The degree of change may vary from one organization to another, might be imposed upon the organization, or the change might be initiated internally. Because change occurs so rapidly, there is a need for new ways to manage it (Hellriegel, Jackson, Slocum, and Staude, 2001:382). The systems approach is a very important variable in organization change and effectiveness.

1.2 REASON FOR THE STUDY

Change is a way of life in world-class organizations today, but organizations should also maintain a stable identity and operations in order to accomplish their primary goals (Harvey and Brown, 1996:31).

According to Greenberg and Baron (2000:586) organizational change is the planned or unplanned transformation in an organization's structure, technology or people. Planned organizational change activities are intentional and goal oriented (Robbins, 1998:629). The goals of planned change are to improve the ability of the organization to adapt to changes in its environment and to change employee behaviour. When customer needs change, competitors introduce new products or services, or when new legislation or other environmental changes take place, the organization needs to adapt. Human resources at all levels of the organization are the main barrier to change, but are also the key to facilitate, implement and manage change effectively (Zimmerman, 1995:15-16).

Schermerhorn, Hunt, and Osborn (1997:267) describe corporate culture as the system of shared actions, values and beliefs that develops within an organization and guides behaviour of its members. Harvey and Brown (1996:410) agree that increased productivity, boosted employee camaraderie, increased employee's sense of ownership and satisfaction, and increased profits are evidence of effective corporate cultures. Each organization evolves a unique culture that has to change continuously to meet changing conditions and maintain organizational effectiveness. Corporate strategy alone cannot produce cutting-edge results; the fit between an organization's strategy, management style and culture can be a major strength in driving the implementation of successful change (Harvey and Brown, 1996:410). It is important to have an integrated approach to any change programme, which involves combining structural, technical, and behavioural change approaches that will take the characteristics of the corporate culture (and subcultures) into account.

Motivating employees is an art, especially in a changing organization (Ndala, 1996:27). Organizational change often causes employees to resign and look for employment elsewhere (Robinson and Galpin, 1996:90). Organizations suffer from the decrease of human capital, and 're-recruitment' strategies have to be employed to ensure stability even during times of change and transition. Organizations embarking on change should first identify key people and assess if and how their loss would affect the organization. Organizations should also measure up to the needs motivating employees to stay and

should formulate strategies and plans to ensure employees' needs are well taken care of (Robinson and Galpin, 1996:90). In the quest to survive and prosper, many organizations stampede over their people. Huysamen (1996:34-39) remarks that shortsighted bottom line chases might cause human resources to be replaced with "human remains". "We need to stop what we are doing to our organizations at present and start rehumanising them, first of all"(Huysamen, 1996:34-39). Most organizations do not manage their people in ways that bring out the best in them (Hiam, 1999:11). Managers are individuals who achieve goals through other people. Robbins (1998:2-3) explains the four management functions common in many organizations, viz. planning which includes defining goals and objectives and developing strategy and plans, organizing tasks and activities, the reporting structure, and where decisions are made, leadership which includes motivating subordinates, and monitoring or control of activities to ensure they're being accomplished as planned.

To further emphasize the psychological basis of human resource management as a management strategy Gerber et al. (1998:11) advance three general functions of human resource management, viz. human resource utilization, motivation of the human resource factor, and protection of the human resource factor. Human resource utilization refers to human resource provision which includes human resource planning, recruitment, selection, placement and orientation, transfers, promotions, performance reviews, training and development. Work design and organizational culture, remuneration and benefits, counselling, development, participation, and equal rights are embedded in the process of motivation. The protection function includes working conditions of the physical environment and safety issues, welfare services, and retirement provision and planning.

Because the human resources (HR) of any organization are instrumental in effective change implementation and management, the HR consultant should be a strategic partner in the business, especially during times of change.

The reason for this study stems from the problem that largescale change and transformation of an organization's structure, technology or people is difficult, and the challenge to change work processes, relationships, and behaviours is not always met. A single focus on work processes, or a single focus on restructuring the organization would be ineffective if behavioural change strategies and action plans are not pursued. Various limiting conditions including the organizational culture, the leadership climate, the formal organization, and

resistance to change need to be managed with an integrated change approach. Specific emphasis needs to be placed on motivating people as the main facilitators of change.

1.3 AIM OF THE STUDY

The purpose of this investigation has been to determine if an integrated approach to organization transformation is followed. Organization transformation is planned change that is aligned with the mission and vision of the organization. It utilizes action research principles of problem-solving, but is primarily concerned with paradigm shifting and large - scale multi-dimensional and multi-disciplined change. Therefore, an integrated, holistic approach to transformational change involves combining structural, technical, and behavioural change approaches to achieve the desired change. The investigation will focus on the factors that have an impact on the effectiveness or ineffectiveness of the change process, the impact of change on the organization, employees, and the corporate culture. Specific work-related needs during transformation will be determined. The specific role of HR during this change will be determined, and recommendations will be made accordingly.

To achieve the objectives of this study the following aspects will be covered:

- The need for change, including structural, technical, and behavioural focus areas
- Work-related needs, locus of control and transformation issues
- The actual and desired organization cultures and the change of the organization culture
- The effectiveness of the integrated change process

1.4 CONCLUSION

Change is a way of life in organizations today. The challenge is to improve an organization's ability to cope with change and its problem-solving and renewal processes through effective management of organization culture. In this investigation the individual needs, motivation and other factors that have an impact on the effectiveness or ineffectiveness to the change process will be identified.