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Key Factors Predicting the Effectiveness of Organizational Change

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ABSTRACT

Change management is the process of continually renewing an organization's direction, structure and capabilities to serve the ever-changing needs of the external and internal customers. Mastering strategies for managing change is more important today since the rate of change is greater than at any other time in history. Research shows that many change initiatives, even those undertaken by organizations with the best of intentions, are often destined for failure. It is therefore imperative for organizations to develop and implement strategies for successful organizational change.

Many authors have provided guidelines on the principles and practices underlying the effective management of change. A survey of 17 locally incorporated companies in Kuala Lumpur and Selangor, Malaysia, sought to identify the processes that these organizations used to manage change. It was hypothesized that those organizations which were assessed by respondents to have achieved successful change outcomes would have also managed the change process in accordance with general guidelines on effective change management in the change literature. The survey was therefore designed to test various system models and change guidelines that deal with the dynamics of successful change. Specifically, the study examined the relationships between the effectiveness of the change processes and the perceived effectiveness of change.

The guidelines largely recommend an integration of effective visioning, communication and motivational practices, strong leadership, a participative leadership style, appropriate resource allocation and specific structural arrangements to manage the change.

The findings of the study provide strong support for these general principles of effective change management as it was found that a number of factors were important for successful organizational change. Although clarity of vision, communication, structures and resource support were all important, the critical factors appeared to be active and genuine support and commitment of

management towards the change, a participative leadership style and the provision of a variety of rewards with the power to motivate appropriate behaviours. In addition, the findings indicate that successful change was systemic and occurred simultaneously and complementarily in a number of organizational subsystems. It was also found that there were no substantial differences between groups of employees in terms of level in organization, age and years of service with respect to the perception of change processes and outcomes.

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