Chapter 4

Initiating an Organizational Change Management Process: Achieving Service Quality in Emerging Economies

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ABSTRACT

Change management processes have been major catalysts in introducing innovation and changes to organizations. This chapter illustrates the underlying concepts and principles of change management with specific reference to the service-oriented sectors. The contents are intended for students and professionals to provide an understanding of the practices and intricacies of a change process and to help build a framework for any future change management activity primarily in reference to providing and enhancing service quality in emerging economies. The chapter starts with an Introduction and sets a background about why change management is so important for industry sectors like services and manufacturing in developing economies. The next few paragraphs explain the necessity and factors influencing a change process and the types and nature of the changes. The remaining sections are arranged in a progression with the topics on core challenges in organizations in the context of developing economies, identifying a change process, working with change management, Total Quality Management (TQM), service quality, managerial implications, and conclusion. In addition, two case scenario examples are presented at the start and end of the chapter, respectively, which enables the comprehension of the views presented in the chapter.

INTRODUCTION

World class businesses and organizations have gone extra miles to improve organizational efficiency and transform themselves to maintain a steady lead on innovation. Types of these organizations range from electronic, manufacturing and automobile to service sectors like utility companies and non-profit organizations. One important theme the great organizations have in common is they are constantly hungry for continuous improvement and innovation through an effective change management system.

Some of the persistent challenges that many organizations, mostly in the developing countries, face on a daily basis can be attributed to lack of
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having a process based approach to inject new innovation and change in the area of their core capabilities or ancillary operations. Creating a new process or making an incremental change of an existing one takes enormous amount of creative thinking, re-engineering, leadership spirit and sets of iterative activities involving several levels of expertise. Achieving system maturity is a continuous and on-going effort for the companies and organizations. Often, bottlenecks are built up over the time and add inefficiencies. This can impede an organization’s ability to deliver quality service to its customers. It is highly desirable that organizations try to identify the bottlenecks and eliminate them effectively by establishing principles of change management. The success in accomplishing internal process improvement is crucial for an organization to remain effective and competitive in delivering the best services to its customers. The subject of the content is to highlight key criteria for initiating a change management process to inject new innovation and change to the organizational practices. It further introduces key topics for building an effective change management process in an Indian context, also demonstrating how an established change management approach can benefit the society in a larger context in multi-pronged way. Among the key points here, the chapter stresses on ‘how a modern change management approach could play a significant role in building a well-organized system and contribute to continuous improvement without a radical overhaul primarily in the developing economies’. An organization can use these principles and practices to adopt change and evaluate the organization’s ability to take up the change strategically primarily in an emerging economy like India.

BACKGROUND

The Necessity of Change

Companies and corporations exist to serve people by offering their products or services. On the return they generate revenue or profit for their continuing advancement. In case of a non-profit organization, the goal is to improve society by giving their core expertise in specific areas for the betterment of the communities they serve. For example, the goal of a government funded university (a non-profit in this case) is to impart quality education to its students so that students get ready to serve a community, a corporation or a state after getting their graduation. It is important to realize that the success stories of organizations are intricately related to their ability to adjust or adapt to the changing taste of the customers about their products or services – a major factor that is external to the inner working of an organization. The shifting taste often arises from the surrounding environment in the world that customers belong to. With the ambience changing over the time, customer’s interest in accepting certain product or service may often differ with the time.

Companies need to continuously sense these external factors and calibrate their products and processes accordingly to best suit the customers’ need. For instance, the online retailers globally accept the payment through credit cards like Visa or Master card for their sale of service or merchandise. However, as diverse types of transactions evolved over the internet during the last decade, other credit based payment options like Paypal¹ and BillMeLater² have emerged as alternatives to the credit card method of payment. Many retailers have now started offering these payment options