

Managing People towards Organizational Change Processes

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Abstract

Nowadays, change management has been one of the most discussed and addressed topics in organizational studies. However, little attention seems to be given to the fact that people management can play a key role in people engagement during organizational change processes, instead of only generate conformity and obedience to the top management's established guidelines.

In this context, the aim of this article is to analyze which people management practices a company should adopt during a transition process in order to support change adaptation across the firm, enabling the achievement of business strategies. First, will be presented the theoretical background about: organizational change and people management in change processes. After that, the methodology used in this investigation and the research results will be presented.

Introduction

Organizational change processes has been a widely studied topic by academic theorists and by companies that operates in a increasingly complex and changing markets [eg 1, 2, 3]. Despite that, organizational change processes have not produced the expected results [4] mostly by improper business valuation problems (34.3%), missed market expectations (32.8%) and cultural issues (19.4%) [5]. In this context, organizational change processes in companies have represented a major organizational transformation phenomena, and has a strong impact on corporate culture.

Within this perspective, it is observed that the integration of organizational cultures, the convergence of work's forms and other social aspects are often overlooked in these changes [6], which can result in harmful reactions to the process, such as stress, conflict, insecurity, frustration and lossfeelings, mistrust, with probable negative influence on the professional and organizational performance [7].

In this context, organizational change, according to Silva and Vergara [8], can not be understood only as a change of strategies, processes or technology, but as a change in relations between the individual and his team, the individual and organization, the individual and society, the organization and society and between the individual and himself.

Research Problem, Objectives and Plan

The purpose of this article is to weave an analysis about what would be the people management practices that a company should adopt in organizational change processes in order to contribute to creating an enabling environment that can support the necessity of constant adaptation of the organization face of environmental change, enabling the

achievement of sustainable competitive advantages. In order to achieve the goal set up and raise future work, organizational change and people management concepts are discussed. Following, the methodology and the case study of the Energy S.A. Corporate University, a Brazilian energy company, are presented. Finally, the final considerations are listed.

Literature review

Organizational Change and People Management

Whereas employees are very important in a business context, the processes of change in the organization should consider people management as a strategic step to achieve the expected success. However, most cases neglects the human aspect and many ended up failing because of inefficient change management and poorly planned.

According to Vasconcelos, Caldas and Wood [3], mergers and internal restructuring are among the most important and dramatic forms of organizational change and that, however, the strategic and organizational mechanisms that contribute to the success of a process of post-merger integration or restructuring are not well understood, turning them into a traumatic process that can destroy organizational values.

In mergers and restructuring processes, the dominant company with greater purchasing power often puts itself into a position of superiority in an attempt to dominate the culture of another company. The risks of this action is to harm the performance of the change results goals [9]. However, the cultural shock between organizations and sectors involved and both adaptive capacity should be considered in this process.

As mentioned by Crubellate and Machado-da-Silva [10], organizational culture, their values, beliefs and power dependencies, can be considered as acceptance factors to change in some cases, and resistance factors in others. Sousa and Sousa [9] mention that the organizational culture is presente in a unintentionally form in individuals actions.

The change requires the creation of a new system, thus requiring leadership protagonism [11]. For the author, the changes only start correctly when the organization has leaders who understand the change, otherwise the change becomes a major challenge.

For successful transformations, the president or general manager needs to walk together to create a shared commitment to excellent performance through renewal [11]. For the author, this group creates a powerful coalition in the effort of renovation and should have all the organizational levels involved.

The vision needs to be easy to be reported and visible to suppliers, employees and shareholders, helping to clear the direction in which the organization wants to move [11]. According to the author, without this sensitive vision, the transformation effort can dissolve and turn into a confusing list and incompatible projects that can take the organization in the wrong direction or nowhere. Therefore, according to the author, it is important to involve a considered number of people and have effective communication to achieve success in the transformation process. For the author, the second important factor is to leave a sufficient length of time to ensure that the management group really understood the purpose of the new company goals.

One of the critical factors in mergers and restructuring processes is the cultural disparity between the organizations involved since each organization has values, beliefs and different ways of doing procedures and map their processes [12]. According to the author, the closest interaction between these different worlds or even imposed cultural overlap is difficult to be accepted among the transitional process. However, for the author, it is possible to predict the cultural shock as a critical point that requires care and a structured action plan, because without research on organizational culture, companies will not be able to make interventions to justify their decisions.

Methodology

Research Design and Data Collection

In order to respond to the problem elaborated in this research, the case study methodology is used, considering that such a method would be more appropriate to study a situation where the phenomena are large and difficult to unravel, there is little knowledge within the context studied, and it is still in the theory stage of maturation [eg 13, 14].

In this sense, the case study methodology is an empirical verification investigating certain contemporary phenomenon within its real context, especially when the boundaries between phenomenon and context are not clearly defined [14]. For the author, from the application of the case study method, you can choose to use multiple cases or even the study of a single case. For the purposes of this study, a single case study was applied in order to be the method that has greater adherence to the problematic proposal, as well as the time and resources available.

For the purposes of this research, the case of the Energy S.A. Corporate University (CU), which is a Brazilian energy company with global operations.

The object of this study unit has 3 managements, linked directly to the general manager of CU, one staff worker also connected directly to the general manager, responsible for supporting the management of CU, 4 internal consultants, and 62 employees.

The data collection of this research was structured as follows: document analysis derived from primary and secondary sources; meetings (semi-structured); direct and participant observation; the maintenance of a observation notebook in order to define the categorization of information obtained through data collection. The survey was conducted during the first quarter of 2013, and had a total duration of 45 days not consecutive, ranging from data collection to the preparation of a final report that was delivered to managers of the studied unit and served as a final delivery of this research.

Data analysis and Results

The case of the Energia S.A. Corporate University

The following text was the result of extensive documentary research, especially of management reports, participant observation and meetings with selected employees of the business unit.

The Corporate University (CU) was established in 2005 and shows steady growth in the volume of training and qualification as the variety of its customers coming from various segments of the company.

In its recent development process, two phases can be identified. The first, from 2006 to 2009, was marked by the challenge of structuring itself to face the development demands of the company. With a fragmented organization in training programs and under intense questioning by the partner areas, which want speed and quality, the CU could start consolidating a training portfolio in various fields of knowledge related to management. Still under the organization of two coordinators: Personnel Management and Economic and Financial Management, the structure of this portfolio was seated under the “program” logic. At that time, the construction of educational solutions was directed by the partner areas and the consolidation of this portfolio was given by participation in the Educational and Technical Committees.

In other words, since its foundation, the CU consisted of different programs, each related to one or more specific areas of knowledge, with its own way of working. There was no integration between the various programs, as well as there was no integration between the

various members of the CU. There was not a systematic process of exchanging information between managers about what was happening in the other managers, despite some cross-cutting issues that were dealt with in different courses of different programs.

In 2009, the training demand, that in 2005 was 7,500, claims rose to almost 16,000 per year, although the structure and the team remained the same.

Beginning in the second half of 2009, a process called Human Resource Development Planning (HRDP) was implemented. Its purpose was to map out the training demands, by program and courses in order to obtain more accurate data about the training demands. With the implementation of this process, the company's training demand, expected for 2010, rose to 35,000 demands, and once again the CU structure and the number of employees remained the same.

Decline in employee satisfaction

From the analysis of the collected data, it can be seen that the lack of integration between people and processes, the lack of an individual development plan (IDP) structured, existing barriers to knowledge sharing and experiences exchanging, combined with a bureaucratic personnel management style, made the employee satisfaction index (ESI) in 2009 come to one of the lowest levels since the beginning of its measurement (60%). This index consists of nine factors that should be evaluated, and the worst rating were related to factors as training and staff development, recognition and rewards, and leadership.

In this context, a new CU's general manager was appointed in the second half of 2009. In order to better know their team, she decided to hold specific meetings with each manager. After holding meetings, and based on the manager's ESI, among other data, one can see that the new general manager was also not satisfied with the CU's scenario. In addition, it was known that training demand should increase and she would need to rely on each of the team's employees. Thus, the first action of the new manager was to establish a meeting schedule with the whole team, which had as its ultimate goal a collective construction of a strategic plan for CU, which should be the basis for changes in the structure and work organization as described below.

The Corporate University restructure

To conduct the meetings, the general manager has appointed a group, which was also responsible for consolidating the debated ideas and propositions of the group at the end of each meeting. In late 2009, the CU's strategic plan was done, initiating a series of changes. The dynamics adopted by the manager to conduct meetings, as described above, allowed all employees to participate in the construction of the strategic plan, which meant that many feel considered in the construction of their own organizational reality process, creating greater satisfaction and optimism about the expected changes even because they knew what was going to change and when this would happen.

In 2010, there was an intense collective construction effort of strategic planning, mission, vision and creation of indicators that would allow organizational improvements including the implementation of better educational solutions. To strengthen partnerships, the CU facing an internal restructuring, separating two of its three managements. One would treat new educational solutions (extemporaneous demands, training, congress, new courses and post graduate courses) and the other would be responsible for running solutions, focusing on HRDP.

The third management continued working by knowledge area, coordinating the courses on safety management issues, environment, health and energy efficiency (SEHE). Finally, a group of employees was designated to implement and coordinate a management and

innovation laboratory, in order to prospect best practices and innovations that could be applied to improve courses (teaching-learning methodologies, new educational technologies, etc.).

In this new context, all employees became responsible for participating in the entire process, from development (design, specification and procurement, when necessary), through implementation, to the evaluation of projects under their responsibility, in order to understand the logic structure of each course, generating employees with a systemic view of the process. To promote the integration of processes and the different teams, a cluster structure was implemented which served as a backdrop for the work operation, which was formed from the amalgamation of one or more areas of expertise. The formed clusters were: Planning, Management, Organization and Control; Financial; Stakeholders Relationship; People Management; Marketing; Logistics; Legal Compliance; and SEHE.

In addition, in order to promote a constant debate between teams, and to facilitate transparent communication of changes, it was created several spaces for integration, information exchange, debate and interaction among employees: Critical Analysis Meeting, Clusters Meeting, among others. It was observed that all these forums allowed greater dialogue between members of teams and their managers, allowing greater involvement of people who would be most impacted by the change process.

After the changes, implemented between 2010 and 2012, the results observed were as follows: the ESI reached the highest level since the beginning of its assessment, reaching 74% of satisfied staff, and the factors that contributed most to this increase were leadership, training and development, and recognition and reward.

In this sense, it was observed that the integration of teams and processes, by promoting dialogue and collective construction, enabled open communication of changes, involvement of all the staff and increased employee satisfaction in working in the Corporate University.

Conclusion

The present study aimed to identify the people management practices that can facilitate the organizational transition process, with a more participative, integrative and strategic vision. The proposal was to make an analysis on the relationship between people management practices adopted by an organization and the impact on employee satisfaction undergoing transition processes.

By document analysis, employee satisfaction index (ESI) analysis, direct and participant observation, it was identified some characteristics that make up a human resources management model that, through their practices, facilitate the creation of a more effective communication channels, which allow people participation in building a new business process context.

Within the constant changes taking place in companies, individuals generally need organizational processes that allow the construction of a common meaning, a link between the employees and the company, which could facilitate the implementation of internal changes and allowing a moment of individual reflection.

Furthermore, it is observed that most management-related issues, such as staff turnover and change resistance, are often linked to the lack of employee engagement in organizational activities.

Thus, changes, actions and initiatives that allow the construction of a more participative and inclusive company, in which people management processes stimulate the establishment of a motivating and creative environment, should be a constant in organizations so that every individual can walk in the same direction, aligned with company strategy and understanding their role in the organizational context.

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