Answer on Question #47055, Management, Other

Describe the approaches and methods of evaluating change. Illustrate few examples of evaluation of organizational change.

Explanation:

Nowadays, in order to survive, the organization must change. New discoveries and inventions are quickly replacing the standard ways of working. Organization, spending most of their time and resources to maintain the status quo, are unlikely to thrive in today's volatile environment. The successful organization is constantly in motion. Organization is a living organism that is constantly moving in the direction of growth or decline. All organizations aim to develop, which means that their goal is to move only in the positive direction, in the direction of growth.

Organization is a social integrity, which is aimed at the realization of certain goals, specially built as a structured and coordinated system for some activities, and related to the environment. The presence of systemic structure, specific goals and communication with the environment are common characteristics for any organization.

Organization created by people and their relationships with each other. Organization exists when people interact to perform certain actions necessary to achieve the goals. Current trends in the management emphasize the importance of human resources, and most of the new approach is based on giving employees more opportunities to encourage them to learn and put their forces in a common cause, because they all work together to achieve a common goal.

Most organizations today tends to be more horizontal coordination of their actions, often using an approach in which several employees with different responsibilities professional work as a team on a common project. As the organization meet with the need to respond quickly to changes in the environment, the boundaries between departments, as well as between the organizations themselves are becoming more flexible and more blurred. There is no one modern organization that can exist without interaction with customers, suppliers, competitors and other elements of the environment. Today, some companies are working even with their competitors, exchanging information and technologies, getting from this mutual benefit.

Currently, the market is a system of free enterprise. Conditions of existence in this system are harsh and cruel. This system replaces the economic sphere from those firms that do not adapt to changing market conditions. Company's sensitive to external changes, sometimes stronger than it seems to us. Economic forces act through different sources and resources. Beat them in different places, but the wounds from these impacts appear deep and heavy.

In such circumstances, the manager should follow the slightest movement that is happening in the market, otherwise, it will soon face the discontent of the company owners. However, by this time all the necessary conversion may be futile. Change and transformation in the company can initiate number and qualifications of the workforce, suppliers, providing the organization of resources, the introduction of automated processes, and changes in the markets of resources. There is no need to list all the possible options that promote organizational change. However, significant opportunities for them and they should be aware of.

There is also a positive factor for economic forces change. This factor is a competition that encourages innovative behavior of firms.

All changes that occur can be divided into two key groups, each of which has two features. The first group focuses on the localization changes. Thus, we are trying to manage any external changes or internal. This also applies to the second characteristic, which is for the reason or purpose associated with the change. Here again two possibilities exist. The change may be intentional, willful or desired, what is planned. Conversely, it may be a random or unplanned flowing from the nature of things, and hence dynamic. There is carried out a simple distinction between intentional and unintentional changes. The combination of two characteristics creates four possible class changes.

Change management: key characteristics.

Substrate / causes		Characteristics of source / localization	
		Inside	Outside
	Planned	Quadrant A	Quadrant B
	Dynamic	Quadrant C	Quadrant D

There are different overall types of organizational change, including planned versus unplanned, organization-wide versus change primarily to one part of the organization, incremental (slow, gradual change) versus transformational (radical, fundamental). Knowing which types of change we are doing allows all participants to retain scope and perspective during the many complexities and frequent frustrations during change.

There are numerous well-organized approaches (or models) from which to manage a change effort. For example, many organizations undertake strategic planning. The implementation of strategic planning, when done in a systematic, cyclical and explicit approach, is strategic management. Strategic management is also one model for ensuring the success of a change effort.

One of the most pressing problems faced by the organization during organizational change is the problem of evaluating the effectiveness of these changes. If we recall the "natural laws of change", then the very first principle just refers to the efficiency of organizational change. The idea is that any changes in the company have meaning only when they lead to improved performance of the company. This raises the question about the possibility of assessing all aspects of the company, as changes cover the entire organization and affect all aspects of the business. In our opinion, the most successful tool for evaluating the effectiveness of organizational change can be balanced scorecard (Balanced Scorecard), proposed in the early 1990s. Robert Kaplan and David Norton.

The main disadvantage of the indicators used in the practice of business management is their monetary value that did not reveal a number of important aspects of the work. In this regard, the American scientists R.Kaplan and D.Norton in 1990 investigated the effect of measurement systems operating performance of 12 large companies. These companies want to extend their measuring systems by including non-monetary indicators of character that would increase the informative features. The results of research led to the formation of the concept of Balanced Scorecard.

The idea of the Balanced Scorecard (BSC), responds to the desires of management to find a balanced set of monetary and nonmonetary indicators for own internal management purposes. The new system is aimed primarily at linking performance in monetary terms with operational gauges such aspects of the enterprise as customer satisfaction, in-house business processes, innovative activity, measures to improve financial results.

Thus, it is designed to provide answers to four important issues for the company:

- What should a successful company in the “eyes” of its shareholders (financial perspective)?

- What image should have a company for the consumers, to succeed in its mission (the prospects for customer satisfaction)?

- In the organization of any internal business processes a company should succeed to meet the expectations of shareholders and customers (prospects of the business organization or intra-aspect)?

- How does the company must act in order to realize its mission (the prospects for innovation, learning and growth)?

The answers to these questions depend on setting goals that are "derived" from the company's strategy, and then "translated" in the performance management system. The discussions are considered not only target setting, but also measurable goals indicators, the task for the planning period and the necessary measures for their implementation.

"Balance" in the concept of BSC is multidimensional, encompassing the link between monetary and non-monetary values of measurement, strategic and operational levels of government, past and future results, as well as internal and external aspects of the business.

As part of a balanced system must distinguish between indicators that measure the results achieved, and indicators that reflect the processes that contribute to the achievement of these results. Both categories of indicators should be linked to each other, so as to achieve the first (for example, a certain level of performance) need to implement the second (for example, to achieve a certain capacity utilization of machinery and equipment). In practice, managers attention usually focuses on the performance of the first category.

Balanced Scorecard covers strategically important topics. The current so-called diagnostic comparison of actual and target figures are subject to other information systems. But in practice, the boundaries are blurred.