

Agile Corporate Boards to Drive Change In Organisation

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ABSTRACT: *To sustain, succeed and grow in a Volatile, Uncertain, Complexity and Ambiguity (VUCA) World, organisational change is a necessity for companies. Constant change adoption in an organisation has become a major challenge for corporate boards in India. A change management process involves a planned and consistent efforts at various levels. Board of Directors should initiate and formulate the change and should be instrumental in setting the mood for change. They shall create momentum of change through advocacy, visioning, empowerment and voicing. Failing to create a sense of urgency and win over hearts and minds will reduce impact of change programmes. Well planned change management programmes will ensure successful adoption and usage of change within the business. Proper communication of organisational change will allow employees and other stakeholders to understand the need for change and will help to get their support and commitment. Agility is the ability to act quickly with a management effort in the accurate response to change.*

Keywords: *Change, Initiative, Business, Boards, World*

1. INTRODUCTION

The World is witnessing persistent turbulence and disruption. Corporate Boards in India are facing unprecedented pressures to adapt to new changing rules of operation, competition, customer expectations and environmental situation. These pressures force corporate boards to rethink their business models and change management strategies. Board of Directors are elected representatives of the shareholders, they have to carefully monitor the actions, decisions, activities and strategic proposals with an aim to adapt to changing business landscapes. As the Boards are very well aware that progress is impossible without adopting to Change, board should render their ideas on strategic issues based on their professional competencies.

Agility is the ability to learn new aspects of the business quickly and act based on that learning. Agility is also the ability to anticipate future changes, market trends and competition and respond quickly. Board Members must score high on agility. Organizational changes on strategy, culture, technology will have a critical impact on every stakeholders. A change management process provides a step-by-step guideline for implementing successful change in an organization while minimizing disruption. Without effective organizational change management, company transitions can be risky and expensive. An improper change

management initiative will lower employee morale, skill development and lead the organisation for fail. In today's business environment, agility is necessary for organizations to be able to effectively adapt to their constantly changing VUCA world. Another way to engage stakeholders beyond simply communicating is to formally invite them into the change process. A successful change management initiatives will help to:

- Establish tasks, goals, and milestones to guide the change process
- Manage the change process lifecycle
- Monitor the efficiency and effectiveness of change agents and team members
- Oversee day-to-day tasks throughout the change process
- Create reports to communicate the progress and timeline of the change process with top management
- Educate team members and change leaders on expectations, objectives and requirements throughout the process
- Conduct post-implementation reviews.

NEED FOR THE STUDY

The integrity, prosperity and survival of the organisation mainly depends upon the effective governance of the board of directors. It is evident from past that over 50% of the change management efforts have been failing because of the lack of proper support and poor communication from Board to the stakeholders. Board of Directors play a pivotal role in implementing the change management process. Organisations are spending huge amount of time and money to make the change initiatives effective, however they are missing out an opportunity to engage the employees throughout the change transition process. Agility has emerged as a key attribute of corporate boards, as business conditions are getting more and more impacted by VUCA world. Hence the present study made an attempt to analyse the agility of the corporate boards drive towards organisational change. The study also analyses the directors' perceptions about change implementation.

STATEMENT OF THE PROBLEM

Organisational change takes place in multiple dimensions. It is a real challenge for the corporate boards to manage and govern multiple organisational changes. A board has to spend a lot of time and effort to prepare for the strategy and gather information on various strategic opportunities. Corporate boards play a vital role in evaluating and offering professional advice on proposals for any change initiatives. Change initiatives once approved, the board of directors have a bigger role to govern the change management process from the decision making phase to the implementation phase. Culture and value system play a major role on how an organization reacts to change.

OBJECTIVES OF THE STUDY

The main objectives of the study are:

1. To analyse the factors to be considered by the Board before initiating Organisational Change Management process.
2. To identify the role of Board of Directors for managing change in the Organisation

3. To analyse the perception of Board of Directors about change implementation in their Organisation.

LIMITATIONS

1. The sample size is 72 and the study has been restricted to directors in serving in the private and public limited companies in Chennai city only.
2. The study is based on the individual director's perceptions and thoughts.

2. METHODOLOGY

The study is empirical in nature. The aim is to analyse the perception of Board of Directors, hence Purposive Sampling technique was adopted. Primary data was gathered through a structured questionnaire. Questionnaire was distributed through google forms to 100 directors serving in private and public limited organisations in Chennai city. Out of 100 respondents, 72 respondents were duly filled the questionnaire. Secondary data was gathered from journals, books and websites.

LITERATURE REVIEW

Yaqun Yi, Meng Gu and Zelong Wei^[4] (2017) in their article made an attempt to identify how firms make effective strategic change when competitive advantage deteriorates fast in a dynamic environment. The study investigated how bottom up learning affected the speed and magnitude of strategic change. Based on the data collected from 213 firms in China, an empirical test of hypotheses was conducted through a stepwise multivariate regression approach. The study revealed that resource flexibility weakens the positive relationship between bottom up learning. Speed of strategic change strengthened the impact of bottom up learning on the magnitude of strategic change. The suggestion has provided strong guidance for firms on how to make better use of strategic flexibility in order to benefit from bottom-up learning.

David Rosenbaum, Elizabeth More, Peter Steane^[2] (2017) in their paper made an attempt to identify the development of planned organisational change models Lewin's three-step model and to highlight key linkages between them. This Paper High lighted opportunities for organisational change management researchers to challenge their thinking with regard to the ongoing search for model refinement. The study suggested a planned organisational change rather than dismissing as an historical approach by refocussing on the three step model.

Claudia Peus, Dieter Frey, Marit Gerhardt, Peter Fischer, Eva Traut-Mattausch^[1] (2009) in their article focussed on psychological theories and empirical evidence to highlight why and under what conditions changes lead to resistance and what likely consequences of resistance are. The article also discussed the variables which have been identified as success factors for organizational change initiatives. The study presented empirical evidence highlighting the fact that the way the organizational change initiatives are managed and led is hugely important for their success. The study concluded that organizations as well as individual change agents can increase the success rate of organizational change initiatives.

Rune Todnem^[3](2005) in her article made an attempt to highlight the need for a new and pragmatic framework for change management. The researcher analysed some of the main theories and approaches to organisational change management as an important first step towards constructing a new framework for managing change. The study concluded that change is an ever-present element that affects all organisations.

TABLE NO. 1
 CHANGE MANAGEMENT READINESS ASSESSMENT

Response	Frequency	%
Strongly Agree	54	75
Agree	18	25
No Opinion	---	--
Disagree	---	--
Strongly Disagree	---	--
Total	72	100

Source: Primary Data

Change management readiness assessments are generally encouraged by the corporate boards as a key step in the change management process. Readiness assessment helps in planning for change management. It also helps to examine the scope, type and the overall size of the change. The above table clearly portrays that all the respondents agreed to the fact that all organisations before initiating any change will undertake a change readiness assessment.

TABLE NO. 2
 CHANGE MANAGEMENT IMPACT ASSESSMENT

Response	Frequency	%
Strongly Agree	63	87.5
Agree	09	12.5
No Opinion	---	--
Disagree	---	--
Strongly Disagree	---	--
Total	72	100

Source: Primary Data

Change management impact assessment is the starting point for developing the change plan. The above table clearly depicts that all the respondents agreed that their corporate boards have analysed the change impact assessment before initiating any change plan in their organisation. A well planned change management helps to reduce the risk exposure when new changes are instituted in the organization's operations and technologies.

TABLE NO. 3

CHANGE MANAGEMENT INITIATIVES IMPLEMENTED

Level of Change	YES		NO		TOTAL	
	Count	%	Count	%	Count	%
Small	60	83.33	12	16.67	72	100
Medium	45	62.5	27	37.5	72	100
Large	18	25	54	75	72	100

Source: Primary Data

Change is inevitable. Change Management initiatives are part and parcel of organisational activities. Managing organisational change in a planned and phased manner leads to success. The above table clearly depicts the level of change management initiatives implemented in their organisations. A majority of 83.33% of the respondents agreed that small level change initiatives were successfully implemented in their organisations. 62.5% of the respondents agreed that medium level changes were successfully implemented in their organisation. 25% of the respondents agreed that only a large level change initiative has been successfully initiated in their organisation.

TABLE NO. 4
 BOARDS SUPPORT IN MANAGING CHANGE

	YES		NO		TOTAL	
	Count	%	Count	%	Count	%
Management team on board is ready to support the change	72	100%	--	--	72	100%
Board members roll up their sleeves and get fully involved in the change process	72	100%	--	--	72	100%
Barriers that derail the change been identified with a plan to remove them	72	100%	--	--	72	100%
Corporate Board team has a positive vision of the future	72	100%	--	--	72	100%
Corporate Board team are actively involved with the changes.	72	100%	--	--	72	100%

Source: Primary Data

It is clear from the above table that all the respondents agreed that Board of directors are extending their support in bringing and managing the change in their organisation. It is evident that Board has a positive vision for the future and ready with a plan to face the change resistance.

TABLE NO. 5
 REASONS FOR CHANGE MANAGEMENT IMPLEMENTATION FAILURES

Reasons	Mean Scores	Rank
Ignoring Resistance to Change	2.7	1
Ignoring the People Side of Change	3.1	2
Lack of Communication	3.6	3
Lack of Employees Support	4.2	4
Lack of Resources	4.7	5

Source: Primary Data

The above table portrays the reasons for change implementation failures. The mean rank clearly portrays that ignoring resistance towards change is considered as the main reason for implementation failures resistance to change with a mean rank of 2.7, which is followed by ignoring the people side of change whose mean rank is 3.1. Lack of communication with a mean rank of 3.6, Lack of employees support with mean rank of 4.2 and lack of resources with a mean rank of 4.7 have also been considered as change management implementation failures.

3. SUGGESTIONS AND CONCLUSION

Board of Directors shall build a good working relationship with the executives in order to govern change initiatives effectively in the organisation. The Board has to inform all the available information to all the stakeholders to make realistic assessments and plans. The Board has to display a positive attitude towards the change management process. Success metrics are imperative while implementing a change in the organisation. The Board shall appoint a separate Change Advisory Board to lead the change management initiatives within the structured framework and stipulated time period. The Change advisory Board shall support the emergency changes in board's decision. Change Advisory Board shall also document all relevant processes and activities. The critical success factor for organisational change is the buy-in and support of change by the employees. In an organisational change management process, the board has to take steps to minimise the potential disruption for a successful change implementation. A free flow of open communication during the change management process will help the stakeholders to understand the need and importance of change and in turn it will help for a smooth transition.

Change Management processes must be well-defined, straightforward and must ensure that Board members and leaders in change management roles are having the same focus for achieving the goal. Board of Directors shall have a greater knowledge and rich experience in implementing strategic, cultural and technological changes in their organisations. Based on the size of the organisation, the planned change may take place at a full speed or at a slow pace rate. Board of directors should have a good experience to govern the changes that occur at different speeds. The directors shall also take into considerations the different forces for change such as political and economic stability, volatility of the markets and the geographies of the markets in which they operate. The board has to ensure that the work processes, training programmes, job descriptions, performance systems which support the framework

are aligned to the change management objective and complement to each other. Boards of directors have the responsibility to prepare the organization for the future by installing effective governance structures and processes to ensure adaptability over time.

4. REFERENCES

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