Change Management and Project Management Companies (PMCs)

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1. Introduction

A company has to constantly increase the value of their products offered to clients in order to sustain their competitive advantage (Barney, 2008), as well as being profitable in order to exist (Kaka and Brown, 1998). All companies are affected by external environment such as the market, client, etc and the internal environment including the employees, contractors, sub-contractors, suppliers etc. (Kelly and Bowles, 2006).

Research has been conducted in the link between planning effort and business performance where the conclusions ranged from informational (Rogers, Miller & Judge, 1999), to positive (Hill, Jones & Galvin, 2004). Mintzberg (1979) asks question of the usefulness of formal strategic planning systems as a means to improve company performance and argue that luck plays a critical role in determining competitive advantage.

The key research question is to investigate how change management affects the organization.

The purpose of the paper is practical and will be conducted in order to examine the factors affecting the company's survival. In the second chapter of the study which is concerned with the literature review a bibliography research including books and up to day journals, will be carried out in which definitions and theories of change management. In the conclusion, the results that will be produced from the research and bibliography search will be developing. Afterwards, a list of references is indicated, including all books, up to date science papers and websites that were used in this assignment.

2. Literature review

Change is what one has to learn to live with, to structure and to manage, and those that can deal with it will survive (Bainbridge, 1996).

Change

For Lewin (1951) change is characterized as a state of imbalance between driving forces and restraining forces. Change is inherent in every framework and is a relative concept, so everything is subject to change (Wilson, 1992). That change exists is a predictable notion since the flows in recurring cycles that to at least some extent can be charted and therefore anticipated and managed, (Nadler & Nadler, 1998).

Change is disruptive, messy, and complicated and even with the best plans, events rarely occur exactly as they were predicted. (Nadler and Nadler, 1998). Change processes engage structures, acting modes, performance, expectations and perceptions of the involved parties, but is still manageable (Bainbridge, 1996). Usually, problems within the companies are a result of lack of relationship and contact between clients (Wilkinson, 2001). Clients are lacking knowledge as they do not have awareness of the full range of activities, neither do they understand the real limits (Wallace, 2005).

According to Reed and Vakola (2006) a company must be able to make changes in order for an organization to continue exist. Furthermore, Taylor and Cooper (2007) argue that in order for an organisation to be successful, an effective management is required to control the forces of change.

Furthermore, the development in the economy in our days, does not allow any company to relax, but in contrast it requires speed, flexibility to decision making and paying attention to the management of any change. It is true that changes that are not managed effectively have as a result to increase the cost of the company, discourage skilful employees and negatively confronting any new effort for change. All these reasons highlight the significance of making change management.

The main types of changes are client dissatisfaction with service provided, declining quality standards, poor financial returns and large-scale unemployment amongst professionals in construction (Hindle and Rwelamila, 1998). Factors that make difficult change management as Matheson (2002) states are “internal factors, lack of credibility, secrecy, lack of proper skills, lack of resources, lack of strategy, tendency to oversimplify, power and politics and that people are reluctant to change”. A company must have courage and clear mind to change and try new efforts. (Managementtoday, 2011).

The 21st century leaded to many changes in the computer industries as mass production and standardization products have been replaced by flexibility and customization. This can be proved as techno-economic rationale has replaced the energy or material intensive product with information intensive. Also, global development has also changed as new works are created and the global market place is increased. The fast changes of technology, society and economy environment bring new challenges for organizations to develop new structure and management process. n the economic environment, the old hierarchal organization is coping with a new world order with permeable geo-political boundaries. These changes lead organizations to manage in various ways in order to continuous living in the new environment.

Types of Change

According to Wilson (1992) technology is a locomotive of change for companies and Nadler and Nadler (1998) found increased competition as the extensive factors in the new global change environment. Eccles (1994) found six frameworks of change:

- Takeover change: in management players.
- Injection change: in top senior manager.
- Succession change: when the top management layer is succeeded by current members who move up the ladder.
- Renovation change: planned process set by management,
- Partnership change: change decisions shared across company players.
- Catalytic change: an agency intervenes on behalf of stakeholders.

Nadler and Nadler (1998) state that change must occur on many levels such as employees, work, and the formal and informal organization. Furthermore, Nadler and Nadler (1998) identified four types of organizational change:

- Incremental or continuous change: orderly sequence of change expected as time passes, requiring a step by step continuous improvement.
- Discontinuous or radical change: complex, wide-ranging changes brought by fundamental shifts in external environment, requiring radical departures in strategy, leading to renovate the company.
- Anticipatory change: in the absence of threat, and in preparation for anticipated environmental changes.
- Reactive change: responses to threats in the environment.

Nadler, Shaw and Walton (1995) said that the present is becoming a discontinuous change so leaders will need skill and motivation to become constant visionary change agents. Discontinuous change affects leadership capability, organizational architecture, and corporate identity.

3. Analysis

Set of objectives by:

- Developing a vision statement for PMC.
- Locating the mission statement of the PMC gives itself in society,
- Determining the corporate objectives for the PMC
- Developing the tactical objectives that PMC will need in the course of attaining the goals.

Implementation by:

- Allocating of resources for the PMC.
- Establishing a chain of command for PMC.
- Assigning responsibility of specific tasks for the PMC
- Managing the process, monitoring the results, for the PMC

PMC competing in the market

- How should PMC develop customer appeal?
- How should PMC position the firm against rivals?

- How to highlight some products and reduce the attention other more profitable products?
- How to meet specific competitive threats that appear in the PMC market?
- Evaluating the PMC strategic performance and making corrective adjustments

4 Conclusion

The environment requires companies and employees to develop the ability to adapt to change (Conger, Spreitzer and Lawler, 1999). The key to successful organizational change is the leaders. Change can be managed from top-down manner or from contribution at all levels. There is no common change process that is appropriate for every company or situation.

Leaders are responsible the changes within a company. A culture and vision must be developed able to support the planned changes, and deal with unplanned ones.

Leaders must be able to assist, teach, coach, and reward employees as they adopt and move through the change process. Habits, attitudes, and values at all levels of a company must be matching with the vision and goals in the process. Leaders share characteristics that allow them to enable employees in the change process (Conger, Spreitzer & Lawler, 1999) as they can create the force to assume the change process, use vision to lead, have a holistic viewpoint, create a sustained process of organizational learning. For Conger, Spreitzer & Lawler, (1999) leaders must create the process to manage the pass from present to future.

4.1. Suggestions

Techniques for PMC should include:

- allocating resources on a basis consistent with strategic directions and goals and objectives
- deploying the mission and strategy, by articulating, communicating and developing action plans at lower levels that are supportive of those at the enterprise level (*Hoshin Kanri*)
- monitoring results, measuring progress, and making adjustments required to achieve the strategic goals and objectives
- reassessing mission, strategy, strategic goals and objectives, and plans at all levels and, if required, revising any or all of them
- establishing and periodically confirming the organization’s mission and its corporate strategy
- setting goals and objectives
- developing wide plans of action necessary to attain these goals and objectives

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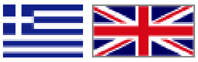

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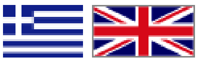

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