

Background

Change in the real world

In all areas of life, change is **inevitable**. Despite people being naturally conservative and distrustful of what is new, we, as a society, are constantly changing as the population grows and our needs and wishes evolve. In business, the ability to change will determine an organization's long-term survival. But there are two types of change that companies need to be aware of, as the way they deal with them can be very different.

¹ _____. Businesses will always seek better ways of doing things and make changes in working practices or organization. As an organization grows or as market needs change, so the working practices of the organization need to be modified. In businesses with a top-down management style, decisions are made by top managers and implemented by middle managers and their subordinates.

² _____. In bottom-up organizations, like small co-operatives, it may require unanimous approval for change to be introduced. Obtaining agreement can be a long and agonizing process. Many organizations are somewhere in the middle: management knows what it wants to do, but recognizes the wisdom of allowing employees and other **'stakeholders'** to air their views. The theory is that with sufficient consultation and some compromise, opponents can be neutralized and **waverers** won over.

³ _____. However, nothing causes more resentment than to allow for consultation, but to go ahead with the original changes come what may.

So, making an internal decision to change your organization in some way is not always straightforward, but it can, at least, be allowed to take its time and get as many people on board as possible. Unfortunately, the real world does not always allow consultation and the involvement of all the stakeholders. This is the second type of change that

companies have to address. External factors can enforce change on us very quickly. The sudden arrival of a new technology can make processes **obsolete** overnight. A competitor from a lower-cost economy may **undercut** us on price and flood the market with their goods.

⁴ _____. A firm may have no choice than to outsource production to a low-cost country. There is no easy way for it to make such a decision **palatable** to the people who will lose their jobs. It may be possible to **redeploy** some staff to other functions, but the employee whose job can be done for a third of the price elsewhere is inevitably sacrificed. The decision to outsource is often carried out in the strictest secrecy by top management and a trusted group of hand-picked employees. Consultation is not an option. ⁵ _____. He would of course understand that strong measures are sometimes required to save an organization even if they appear cruel or rely on deception.

In recent years, all kinds of business have had to adapt in the face of externally-imposed change. Digital technology has shaken up and changed practically every business you can think of. No longer do high street travel agents have a virtual monopoly of the holiday business. Compact discs killed vinyl records, but now Internet downloads and piracy mean that record companies are in trouble. A few decades ago, middle-class families would invest in a number of books to help the kids with their homework. Now we have Wikipedia! Publishing companies that until now have relied on ink and paper for delivering their work are having to consider how they can make money from digital technology. ⁶ _____. Instead, we need to try and predict where these external factors are going to impact on us and embrace the opportunities they offer. We need to be able to **ride the wave** of change and innovate accordingly, otherwise it will engulf us.

Exercises

1 Work with a partner and answer these questions.

- 1 How has your work changed in the last two to three years?
- 2 Which changes were made by the firm wishing to improve what it does. Which were a result of external factors forcing change on it?

2 Roberta Collins has prepared a lecture on change for a group of managers. Read the text and match these sentences to gaps 1–6 in the text.

- a The firm is left with a stark choice: adapt or perish.
- b There is no point in being bitter about change or thinking back to the golden days of the past.
- c The first kind of change is made by businesses of their own accord.
- d The process will dissuade employees from trying to de-rail or sabotage the change.
- e Everybody is supposed to fall into line without complaint.
- f Change may have to be rapid and carried out in a way that appears Machiavellian.

3 Read the text again and answer the questions.

- 1 According to Roberta, how do most people feel about change?
- 2 What is the difference between 'top-down' and 'bottom-up' styles?
- 3 Why do many businesses go for something in the middle?
- 4 How can the process of consultation be badly handled?
- 5 What kind of events can enforce change on businesses?
- 6 Why do you think firms carry out their plans for outsourcing in secret?
- 7 Why would Machiavelli approve of their secrecy?
- 8 What impact has digital technology had on the music business?

4 Match 1–5 to a–e to form verb phrases that appear in the text.

- | | |
|-------------------|--------|
| 1 go ahead | a out |
| 2 win someone | b for |
| 3 carry something | c with |
| 4 allow | d up |
| 5 shake something | e over |

5 Using the text to help you, decide what the verb phrases in 4 mean.

6 Match the words and phrases in bold in the text to definitions 1–8.

- 1 a person with an interest in a business or organization: _____
- 2 tastes good, is easy to swallow: _____
- 3 certain to happen: _____
- 4 no longer used because something new has replaced it: _____
- 5 someone who needs help to make up his mind: _____
- 6 sell something at a lower price: _____
- 7 go along with something that is already happening: _____
- 8 move somebody into a new position: _____

7 Look back at the text and choose three words that you could use in your day-to-day work.

8 The American railway business is a text-book example of refusing to acknowledge change. Companies were so busy competing with each other for passenger travel that they failed to see the danger posed by air companies. They thought they were in the railroad business rather than the travel business. Can you think of any similar examples?

9 What experience do you have of managing change? How did you go about it? Do you think change is always a good thing? Why / Why not?