

Chapter 20

Contemporary Change Management and Leadership in Local and International Businesses

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ABSTRACT

Organizational change is to transfer the organization from its current position to the desired future state. This process involves the differentiation of the activities, processes, structure, and targets of the organization. It is significant for an organization to decide where it is supposed to be in the future and to comprehend how to get to that new status-quo. Increasing globalization, fast technological changes, necessity of a well-trained labor force, changing social and demographic structures have intensified the competition and organizational change has become inevitable. The elements of an effective change process are openness to change, willingness of the personnel, flexibility, adjustment capacity of the business, optimism, and effective planning of change. The change process affects the organizations at structural, managerial, and individual basis as a result of the success of the change process.

INTRODUCTION

Organizational change is a process that is mostly difficult to manage, and which could be negative and destructive with regards to its affects. However, it is indispensable for businesses to change their structures and processes in a dynamic business environment with respect to market and economic conditions and also local and international customer needs, expectations and demands in order to adapt to the environmental change. In the new millennium, the obligations to be achieved by a business have diversified considerably. Thus, organizational change is an important tool to respond to the altering conditions. Organizational change is a process enabling the local businesses and international businesses to gain flexibility, competitive power and agility which are essential for organizational success. These are the

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also the key issues of becoming a prominent enterprise in the business environment in both national and international terms. However, the organizational change issue might be hazardous and could lead to stress, unemployment distress, anger, displeasure, conflict, resistance to change, job dissatisfaction, poor performance, absenteeism and high rate of labor turn over when directed unsuccessfully (Safar et al.: 2006; Doppelt, 2017).

21st century is the age of globalization. Globalization refers to the increasing convergence of national economics and declining worldwide commercial and investment barriers. In this sense, the agents dominating the global business arena emerge as multinational businesses (MNBs) which transcend borders to make investments. MNBs possess tremendous financial, human, knowledge, know-how, technological and managerial resources. Therefore, it is just natural for them to regard the global business arena as their field of interest. However, when they do business on the international scale, they must understand and adopt to the international market place very well. This could be defined as thinking globally and locally but acting appropriately. Therefore, any firm doing international business or wishing to do international business must comprehend situations in the local and international markets thoroughly. This includes having a profound comprehension of cultural, economic, financial, commercial, technological, legal and political parameters as well as defining and differentiating firms-specific strategies, policies, goods and services according to the environment in which a firm is operating. Therefore, it is not possible to act with only one product in a national or international market. It is not possible to perform the strategies and tactics of a business with only standardized goods, services and planning. Furthermore, if a company aims at sustainable successes and development, it has to change continuously. This involves the change in its structure, processes, human resources, improving knowledge, experience and technology, differentiating goods and services in accordance with the expectations, wants and demands of consumers as well as the differentiating parameters in business environments. Yet, defining the need, process and execution of organizational change requires the guidance of an agent who stands out as a leader. A leader is the one who initiates the change process and motivates the personnel to take action and finish their duties successfully. A leader is the one who can influence the other to make the best of their effort. This requires different motivations in local and international conditions. Therefore, the aim of this study is to define the importance of the thriving change process, how to turn it into a successful one and define the role of the leader in this process with respect to local and international businesses.

AN OVERVIEW OF THE ORGANIZATIONAL CHANGE PROCESS

The organizational change process is a complex one. Organizational change is to transfer an organization from its current situation to a desired future situation in order to accomplish efficiency and effectiveness. Organizational change stems from the renovations within the environment that an organization tries to survive and prosper in. No business is established with a predefined time frame. Every business is intended to survive forever. Nonetheless, no business can stand still forever and survive too. So, the issue of change is both a need and a necessity for any business, no matter whether it operates on local or international scale. Moreover, as to remain up-to-date, competitive and innovative every business is to change its structure, processes, organizational communication system, cultural variables, statuses, positions, duties, liabilities, strategies, tactics, plans and policies. This would not only make a company an efficient and effective one with respect to accomplishing its goals and targets, but also a profitable

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