

Chapter 16

Role of Strategic Change Management in Emerging Markets: Ghanaian Perspective

George Kofi Amoako
Central University College, Ghana

Geoffrey Kwasi Adjaisson
Bureau for Research and Development (BfRD), Ghana

Noble Osei-Bonsu
Central University College, Ghana

ABSTRACT

Undoubtedly, the competitive business environment arising from current global economic challenges and the rapid technological advancement among other pertinent issues, pose a serious challenge for businesses especially, those within emerging market enclaves. This situation necessitates proactive measures, innovation as well as strategic approaches to change management in a bid to salvage most of these businesses from collapsing. This research aims at examining the role played by strategic change management in emerging markets from the Ghanaian perspective. In view of this, the study reviewed related literature from electronic books, articles and reports on areas such as emerging markets, strategic management and change management practices. Observations from this research include highlights of the significant challenges faced by businesses in emerging markets due to difficulty in obtaining critical resources and the fast-growing competitive global business environment. It was also discovered that strategic Change management is a very important practice used over the years to enhance the achievement of organisational goals. However, many industries in emerging markets may find it difficult to maximize such measures due to numerous reasons and myths about change. There is therefore the need for the adoption of strategic change practices to enhance the success of businesses and promote competitiveness in the midst of the global economic challenges. In addition, the authors recommend exploration of further research in other interest areas that have relevance for emerging markets.

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INTRODUCTION

One of the critical challenges organizations must contend with in this era of global competition is that of change. It is believed that change should be considered as a rule rather than expectation if organizations intend to survive the turbulence of the competitive market environment. In this regard, most people would share the idea espoused by Paton & McCalman (2000) indicating that effectively managing change is an important competency currently required by an organization. Undoubtedly, the recent global economic downturn coupled with emerging markets' phenomena present serious challenges for business organizations to strategically position themselves in order to survive the competitive environments within which they operate. It has been observed that seven of the important environmental challenges to businesses in recent times include rapid change, rise of the internet, workforce diversity, legislation, evolving work and family roles, globalization, skill shortages and rise of the service sector (Gomez-Meija, Balkin, & Cardy, 2007, p.4). As a result of these developments, businesses across the world are constantly changing their operations and re-strategizing to overcome the stiff competition existing in the business world. In line with this view, Lawler and Worley (2006) have suggested that organizations which have the ability to adopt and adapt to change are likely to gain a unique competitive advantage.

According to Spencer-Matthews (2001), organizational change is the negotiation or renegotiation of shared meaning about what one needs to value, believe in and aim for. It is important to emphasize here that organizational change may be approached from varied perspectives including, strategic management (Dufour & Steane, 2006), economic (Ukpata & Olukotun, 2008), cross-cultural (Fagenson-Eland et al., 2004), psychological (Yiu & Saner, 2006), and environmental (Yeganeh & Glavas, 2008). It must be emphasized however that depending on the different perspectives available, an observation of different types of changes could be made. In addition, research has identified different types of change. For instance, Armstrong (2003) identifies two main types of change: strategic and operational change. According to him, strategic change consists of broad, long-term and issues relating to entire organization such as strategic vision, mission and corporate philosophy, while operational change is linked to new systems, procedures, structures and technology that provide immediate effect on work arrangements within a section of an organization.

Generally, there are four main dimensions of change namely, depth, origin, necessity and speed. Depth or intensity of change may range from incremental changes which deal with certain aspects of the organization and radical or strategic changes which impact the whole organization. With regards to the origin of change, it could be reactive or proactive. Reactive change responds to environmental situations whereas proactive change anticipates issues before they necessitate changes. Necessity also refers to the need for change. It is important to understand that certain changes are fundamental for organizational survival and others may be good but not of real necessity. The last dimension of change is the speed at which changes occur. Obviously, the process for fast changes may differ significantly from that of slow changes.

Taking cognizance of the increasing competition and a much more challenging business environment, the issue of change becomes an unavoidable necessity and not a choice. In view of these challenges, strategic and innovative management of change as well as proactivity have become critical to ensure that organizations especially within these emerging markets are able to survive both internal and external

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