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# Change management and management of mind-set

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### Abstract

The purpose of this paper is to discuss the issues of changing the mind-sets of employees and institutions when organizations go for change management for various reasons. The mind-set factor is often either ignored or given least priority by management during strategic planning. Mind-set management relies more on continuous learning, the capacity to bear risks and reap benefits from opportunities. The article suggests a model using 4es (educate, empower, enable and engage) by management to shift the employees from fixed to growth-oriented mind-set. In case, management is not able to succeed in changing their mind-set, then at least, try to change their approach for improving their productivity. The article also gives a few well known cases of change management in the past.

**Keywords:** Change management, mind-set, positive, negative, educate, empower, enable, engage

### 1. Introduction

Due to emerging technologies, changes in government regulations, customer's preferences and market competition, the businesses are changing at a faster pace for their survival and growth. In fact, the change management *has become the most critical success factors for any business today*. It is said that if an organization has to survive in competition, it has to embrace change sooner or later, otherwise, its' competitors may leave the organization behind. *However, along with a change management, shifting of human mind-set is essential for the successful implementation of the change. This is considered a hard side of any change management. Therefore, this paper provides a few glaring examples of change management cases and it discusses issues of changing the mind-sets of employees and institutions. It provides some interesting insights into the topic, when organizations go for change management for various reasons.*

Change management involves a systematic strategic planning for transformation of an organizational goals, technologies, processes, nature of business, personnel switches and core values. Literature shows that most common examples when change management is necessary to successfully implement changes within organizations, may include: adopting and implementing emerging technologies, change in leadership, change in culture of the organization, mergers & acquisitions etc. Additionally, the types of change management may include: strategic transformation change, structural change, people-centric organizational change and remedial change (Sharma, 2020).

#### 1.1 Cases of Change Management

The following are a few well known cases of change management which took place in the past:

- During early 80s, British Airways was known for its inefficient operations and valuable resources were wasted. The new chairman of the airlines decided to completely restructure the whole business and man power were reduced considerably.
- During early 2010, Domino's Pizza implemented its strategy for business transformation. This transformation resulted in improving the business by increasing sales turnover considerably, it used emerging technology, savvy marketing, creative ordering methods.
- Nokia realized that it had lost good opportunity to lead the smart phone revolution. During 2008, the new CEO implemented change management by disposing of its mobile device division to Microsoft and Nokia focus shifted to network and mapping technologies.
- During 80, bitter rivals Pepsi started an aggressively targeting Coca-Cola. Coca Cola introduced New Coke but it could not succeed and then replaced it with older formula of

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the product. The brand became popular among consumers.

- In 2007, Netflix implemented change management by adopting digital transformation. This change involved allowing people to watch their favourite TV shows and movies directly on their computers with the use of an app. To develop this app, Netflix made huge investment in acquiring computing infrastructure and software. This change strategy increased profits of the company significantly.

Many other companies' management acting proactively in anticipation of changing trends, implemented change management, for example, Shell-2004, Santander-2008, United Arab Emirates' du Telecom-2013, Tata Motors etc. In these cases, employee's mind-set issues were also given some consideration. However, in other cases, it might have been overlooked e.g. Tarsus Distribution, Wistia etc. In a survey by Schaffer and Thompson (1992) reported that 63% of electronics companies failed their change transformation. Among various reasons, lack of employee's involvement in the change programme and their resistance to change were also important reasons for such failure.

## 2. Mind-sets

During the process of change management, one important aspect which is often either ignored or is given least attention by organizations is the shifting mind-set of employees and organization. For example, in a case study, Turner (2017) reports no definitive assistance was extended to the employees, a lack of communication for individual concerns, and employees felt undervalued during change management in case of a university. Therefore, it is argued by industry stalwarts that change of mind-set is generally a key factor for an effective implementation for any change management. This factor acts as a blockage to successful transformation of businesses because of not creating conducive environment and poor internal communication by management. The mind-set of both individual and the institution at the same time need to be changed. Management would need to find out the main causes of behaviour that helps or hinders in shifting the mind-set.

The mind-set is a set of attitudes supporting the strategy of transformation and after words its working environment. They may include improvement, learning cycle, respect, collaboration, and concentrating on delivering value as well as to adapt the change. This

mind-set helps in building high performing teams during a change management, to shift such mind-set needs a lots of education and training both from the top management and by employing outside consultants because there is always resistance to change in employees' mind. Reyker (2021) states that:

*"Today, the best change management focuses directly on transforming the personal mind-set"*.

Similarly, Geraghty (2021) posits that:

*"The success of a change management in an organization is down to how amenable people are to the transformation and make them enthusiastic about its success"*.

We need to understand that employees and institutions mind-set (attitude) were developed as a consequent of past management practices and the prevailing culture of the organization. They developed fixed mind set over a period of time. During change management, the fixed mind-set needs to be transformed into a growth-oriented mind-set. In this regard, Gottfredson and Reina (2020) state that:

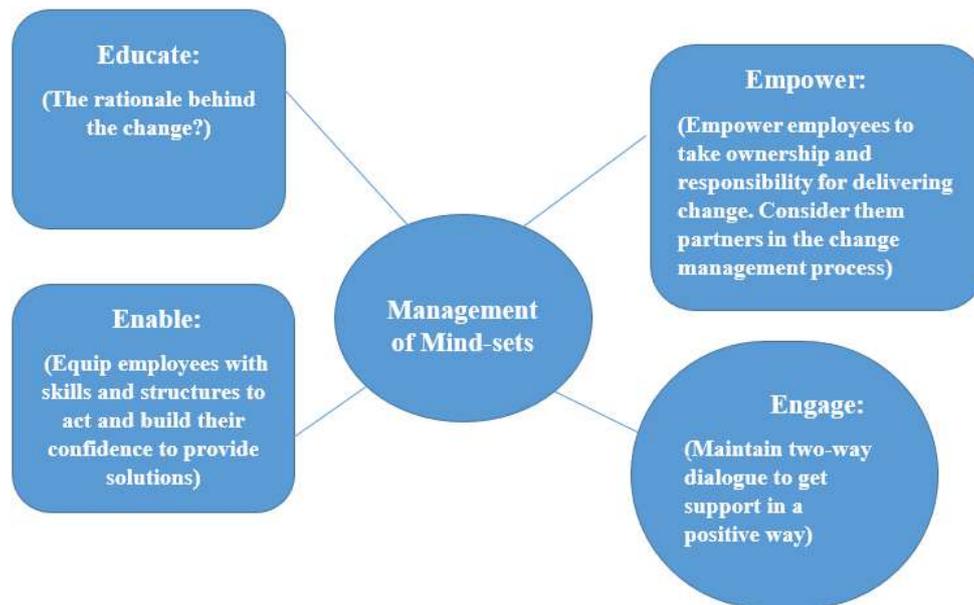
*"a growth mind-set is a belief that people, including oneself, can change their talents, abilities, and intelligence"*.

Furthermore, in several companies' cases, the lever for change – leadership behaviours are often overlooked. Harmon (2020) states that in a change management process, it all starts and ends with leaders.

Changes in organizations are considered scary for most people. Management needs to build momentum by getting everyone's consensus before the actual switch-over during this transformation process. Management should build communication steps in the change management plan for transformation. Process training, implementation guidelines, feedback from employees and continued monitoring are all necessary parts of the change management plan. Then employees may know what is expected of them after the switch over.

### 2.1 4es Model

Before, any transformation is enacted, the employees should be convinced that the change is for the employee's growth and benefits as well as to meet the competitive forces. In short, management may educate, empower, engage and enable (4es) (figure 1) the employees in the change management process. Therefore, behavioural change is needed to achieve the desired goals of any change management.



**Fig 1:** Management of mind-sets: use of 4es

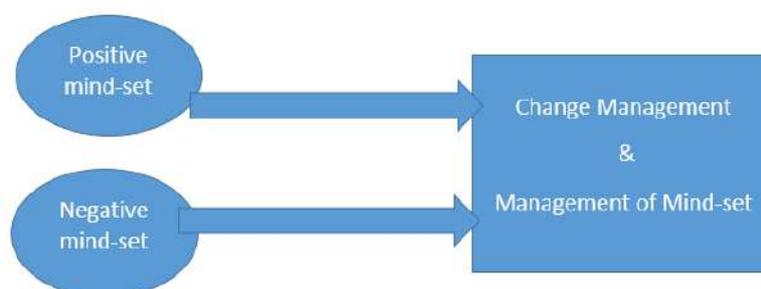
- **Educate:** The rationale behind the change has to be convincingly explained to the affected employees. It may be argued that transparent communication and effective change management leads to greater profits. The most difficult part of change is overcoming people’s natural resistance to switching things up. Communication can mean the difference between success and failure. Educating employees means helping them to learn and understand why change is necessary and how it may benefit to them and the organization.
- **Empower:** Allow employees to take ownership and responsibility for delivering change. Consider them partners in the change management process. This may develop positive mind-sets with them and will see that the change is effectively implemented.
- **Enable:** Equip employees with skills and structures to act and build their confidence to provide solutions. It also means creating conducive environment to gain support. Therefore, management needs to remove barriers to action.
- **Engage:** Maintain two-way dialogue to get support from the employees. It also means to talk to both logical and emotional sides of brain. The organization needs to find ways to get real feedback directly from the teams and employees so that constantly improve the process. A great way to do this is through regular internal feedback by using opinion/suggestion surveys. That way, employees can know that

management is taking into consideration their views, ideas and voices which will improve employee’s engagement in the process.

Furthermore, it needs to be understood that the shift in mind-set should ensure smart, hard-working, and well intentioned employees should continue to behave and work as before. The simple reason is that organizations may not change, it’s the employee change. Additionally, employees who are involved in the change management from the very beginning, stay engaged with the organization even after the change management. Therefore, participation of employees may also be considered important in order to shift their mind-sets and remove uncertainty of job insecurity.

**2.2 Positive and Negative Mind-sets**

Many times, an organization’s change focus may also be to change business metrics and at the best, the employee’s mind-set. They may ignore what created a need for change in the first place. Management may want to change mind-set of its employees to improve performance, however, only a few may succeed in such cases, such methods may lead to resistance from employees. Any new metrics to be introduced only after participation of the employees in setting those metrics, a process of seeking their commitment by management. Figure 2 below depicts the positive and negative mind-sets of employees during change management:



**Fig 2:** Management of mind-set

- **Positive mind-set:** Positivity is more about one's overall perspective on life and the tendency to focus on all that is good in life. A positive mind-set is the tendency to focus on the bright side, expect positive results, and approach challenges with a positive outlook. Ackerman (2020) states that a positive mind-set may include optimism, acceptance, resilience, gratitude, consciousness and integrity towards the changes.
- **Negative mind-set:** When employees feel threatened of their job security and losing powers as a consequence of this change, they develop a negative mind-set. It is posited that negative thoughts are your worst enemy. Negative mind-set may include pessimistic, denial, resistance, opposing, destructive criticism, spreading rumours. For example, during 1986, when in Indian state of Maharashtra, the government took a decision to apply Zero-Based Budgeting (ZBB) in the state budgeting exercise, employees and their unions showed negative mind-set assuming that a ZBB approach means head cutting. They started opposing to the adoption of ZBB in the state.

Kidd (2021) argues that in the process of change management, the organization needs to build a resilient company culture as changes take place at the individual level. This may overcome the denial and resistance of the employees in order to lead a successful implementation.

Therefore, to eliminate or reduce the negative thoughts among employees, continuous persuasion, in house workshops and transparent communication are very essential for the success of change management.

### 3. Conclusions

In a change management, top management should also focus on management of mind-set of both individual and institution. The employee's attitudes, values, beliefs and perspective need to be changed for the success of any change management. Mind-set management relies more on continuous learning, the ability to bear risks and reap benefits from opportunities. Time and patience are required for the success of management and shifting of mind-set. Breeden and Clapper (2020) state that mind-sets are not easily quantifiable and they are often ignored in strategic planning.

Therefore, create situations in which a person will discover the new mind-sets for themselves. Respect their autonomy. Additionally, avoid blame on them and focus on growth. Remember that employees want to see themselves in a positive light and they may resist if they are painted in a negative light. Ignore their past behaviour but increase pressure to shift their future behaviour. Keller and Kaleen (2012) suggest that spending enough time with employees during change management is a powerful method to assist management to uncover and deal with those mind-sets and it may boost employee's engagement and business performance. Last but not the least, if an organization is unable to change employee's mind-sets, then at least try to change their approach for improving their productivity, leading to organization performance.

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