

Managing the Change in a Dynamic Environment: A Case Study of Engro Foods LTD

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Change is inevitable fact for every organization. Every organization has to undergo the change. Most of the organizations undergoes the changes in response of the thought that something is not right. In this study we are studying the various changes in the Engro Foods Ltd by interviewing the managerial persons of the organization. An interview questionnaire has been developed, the questions are covering the areas of change management context like need for change, importance of changes in Engro Foods Ltd, change agents, and change resistance in Engro Foods Ltd.

Keywords: change, change management, dialogic changes, diagnostic changes

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INTRODUCTION

Every organization has to undergo the change (Kotter, 1995). Organizational change is a context of management that centered on the stages through which the organizations go and evolve (Paglis & Green, 2002). The principles of organizational changes are applicable to all kinds of changes whether they are of short term or long term; diagnostic changes or dialogic changes; progressive changes or transformational changes (Graetz, Rimmer, Lawrence, & Smith, 2006; Lorenzi & Riley, 2000). When one is aware of the pre-requisites and outcomes of changes at different stages of organizational changes, appropriate strategies can be adopted by him to face the dynamic environment of industry (Paglis & Green, 2002). Most of the organizations undergoes the changes in response of the thought that something is not right (Pahl-Wostl et al., 2007). Awareness towards the problem arises out of the thwarting with the existing system of working or there might be a crisis in the industry or within the organization that triggers the change (Tichy, 1982). For example an organization may fail to complete the order and the reason of this is the incomplete information transfer. The result of this is company is not able to produce the product in time which cause a loss of an important account. This problem will surely triggers the manager's thought that there might be a problem in the communication style of the organization. Scientific management suggests a scientific protocol of testing the ideas then assessing result (Taylor, 2004). But in the small organizations the change practices are totally gut feeling based (Kramer & Magee, 1990). So the major role in the change management is of the communication (Kitchen & Daly, 2002). Bring the solution of the problem on board, discuss it with the employees by empowering them to give their opinion as well in the discussion. Key element is communication in change management process as well as the listening towards the questions and concerns of the employees (Kitchen & Daly, 2002).

Shortening of products and business life cycle is a general trend in today's business environment (Kaihara, 2003). Consequently uncertainty has been raised due to this dynamic nature of business environment (Bordawekar, Gupta, Midkiff, & Serrano, 2005). Nothing remains same in this environment, this fact inspires the strategic management, which seeks to take advantage of on change (Slater & Narver, 1998). To adapt the change the organization should have knowledge about the changing factors in the dynamic environment and it should also know the where to look for accelerating the changes (Benatallah, Sheng, & Dumas, 2003). In 2005 Engro Foods Ltd has been established as a subsidiary of Engro Corporation. The major goal set by the company to increase the market share in 5 years from 2006. At the end of 2010, a major share of market of milk. Engro Foods Ltd entered the market as ultra-high temperature milk providers but in 2010 it brings a major change in its portfolio and launched different range of ice creams, juices and various other dairy products (Kitchen & Daly, 2002). Next frontier for the Engro Foods Ltd was to enter in the global market, for this the organization involved in the strategic alliances with the Al-Safa a fastest growing halal meat brand in Canada targeting 2 Million Muslims as its target market (Foods, 2018)..

LITERATURE REVIEW

Global growth and the Phenomena of "Internationalization" of 21st century brought with it, a rapid environmental change in at organizational level, in terms of technology, working conditions and environments, employee's perception toward employer and other innumerable dimensions. Organizations, to meet these requirements, with these challenges (Hameed, Roques, & Ali Arain, 2013). It is a common fact that changes are not happening now a days sparingly but changes are the common phenomena now a days (Eisenhardt &

Tabrizi, 1995). And extensively proclaimed circumstances of comprehensive, faster changes are occurring in the organizations this leads to the high level of uncertainty (Hoyt & Gerloff, 1999). Uncertainties are high when the impact of a change is at multi levels in an organization thus it is just amplifying the percentage of people and perspective involved in the change (Buono & Kerber, 2010). This leads to the high level of business complexities as well. One can easily argue that a change has had always been the pattern and organization or change agents once become aware of the change and conscious about the change before its happening (Matos Marques Simoes & Esposito, 2014). But this notion about the change has been changing with the development in the change management theories (Stojanovic, Maedche, Motik, & Stojanovic, 2002).

Change management can be defined as the process of renewing an organization on the continuous basis at its structural level, vision, mission, and changes in its capabilities to combat with ever changing customers demand internally as well as externally (Burns & Stalker, 1961).

Organizational Change usually took place at their own or bought by the change agents (Yousef, 2017). The driving factors for the change might be internal as well as external (Kuusela, Keil, & Maula, 2017). These changes looks at the process through which the organization changed as well as the impact of the change on the organizational structure, strategies (Zhao, Seibert, Taylor, Lee, & Lam, 2016). It all depends upon the change management process to modify or review the organizational structure for bringing the change (Child, 1997). It is noteworthy that for bringing a change within the organization the communication of that change is the key factor for the successful implementation of that change program (Gilley, Gilley, & McMillan, 2009).

Companies or organizations are going through the changes because the environment in which they are conducting their businesses. To avoid the falling behind of their rivals, organizations needs to be efficient in each manner and it should be one step ahead of its rival organizations (Levasseur, 2001). Companies or organizations are going through a transformations frequently consequently. When major business strategies are altered or modified it bring the organizational change on the each level of the organization. This is also called reorganizing or restructuring (Guskin, 1996). Change is a contrasting feature of any organization at present (Armenakis & Bedeian, 1999). (Hersey, Blanchard, & Johnson, 2007) suggest that an organization needs to identify the change and its importance when a change is required in the organization, where it will be after the change in the future and how would it manage the change. In this context four basic theories regarding the change process has been identified, each theory is featured with the different scenes and mechanisms.

Porras & Silvers, (1991) wrote the analysis of organizational changes, and this review suggests the important contrast between the changes and their distinctions. Literature of changes suggest that a change can be episodic or discontinuous or intermittent as well as the continuous or evolving or incremental in nature. This contrast among the changes is quite significant in this study.

Kramer & Magee, (1990) suggests that the changes might be episodic or continuous and their contrast wholly depends upon the observer's perception. The analysis at macro level suggests that the occurring of events (change) is of routine work. But a closer view or analysis of events (change) suggests that the change is may be small and episodic. The principles of organizational changes are applicable to all kinds of changes whether they are of short term or long term; diagnostic changes or dialogic changes; progressive changes or transformational changes (Graetz et al., 2006; Lorenzi & Riley, 2000). When one is aware of the pre-requisites and outcomes of changes at different stages of organizational changes, appropriate strategies can be adopted by him to face the dynamic environment of industry (Paglis & Green, 2002).

Most of the organizations undergoes the changes in response of the thought that something is not right (Pahl-Wostl et al., 2007). Awareness towards the problem arises out of the thwarting with the

existing system of working or there might be a crisis in the industry or within the organization that triggers the change (Tichy, 1982).

A paradigm shift however, was viewed after the globalization wave took everything in its control and so the role of change agent also revised and adjusted. Role, of change agent is, currently more competitive and aligned both with the organization's and employee's goals (Hartley, Benington, & Binns, 1997). Change agent play the substantial role by introducing and formulating any change occurs in the workplace setting. Primarily, administrative expert unceasingly increases efficiency by re organizing the organizational functions, skills of the workers, and some other progressions which leads to the overall effectiveness of organization (Cox, 2001).

RESEARCH METHODOLOGY

RESEARCH GAP

Our research gap comes from the Stephen J. Zaccaro and Deanna Bank's research in which they investigated the research gap between theory and practice by using critical discourse analysis (CDA) to explore the leader's vision and adaptable nature to manage change. They have studied the gap between the research and practice on the ability to manage the change (Zaccaro & Banks, 2004). So we are going to study this in the context of Pakistan and studying such dilemma in Engro Foods Ltd.

RESEARCH QUESTION

This study will investigate the following questions.

Weather Managing the Change in a Dynamic Environment in Pakistan is possible or not.

RESEARCH OBJECTIVE

The purpose behind this study is to get insight about the perception, policies and practices of the change management team (change agents) or top executives. Researchers intend to understand and differentiate between theoretical roles of change management and their practical implications in Pakistan.

Change is the very first requirement in today's changing environment and change management practices as well as literature has gained focus for last decade. The role of change agents as well as the effecting persons towards has been changing as the market environment is changing. The prevalent practices regarding extent of participation of change agents, in overall strategy building needs to be addressed. As discussed in the above literature.

METHODOLOGY

The core objective of our study is to explore, understand and explain the changing role of change agents and change management techniques in the dynamic environment for which we have conducted qualitative research of explanatory nature analyzed the results through thematic analysis. The research methodology is qualitative in nature, and procedures, techniques and methodology was adopted from (Spencer & Ritchie, 2002).

Three in depth interviews from personnel of different level in Engro Foods Ltd and one focus group from lower-level managers have been conducted. One interview was taken from the business planning manager of the Engro Foods Ltd at head quarter Lahore and other two interviews were conducted from the logistic manager and engineering coordination officer respectively, at processing plant of Engro Foods Ltd, to get their view point.

The focus group discussion included 6 persons from the lower level managers in the HR and administration department. Our questionnaire was quite particular and our study is focused towards change, its importance for an organization and need for that change. Therefore the interviewees and focus group were selected from different departments. Formal interviews were conducted from the managerial personnel however focus group was conducted in an informal way in order to keep them at ease so that they can explain and express their views, feelings and ground realities. Each interview lasted 15 minutes on average. Interviews were conducted at the workplace during working hours after taking prior appointment. Each interview began with introduction of the interviewee such as his key responsibilities and followed by the open ended questions.

It was ensured that the anonymity of interviewees is not compromised and important notes are carefully taken for the purpose. Interview questions were open ended and addressed the areas through which we can have an insight of the change management practices followed by this organization to serve the purpose of our study. Moreover, each interview is minutely discussed by the team members to include every single detail and avoid biasness by considering the context of interview environment. Recommendations were also taken and included from the interviewees and interviewers.

ANALYSIS

This section of study contain the analysis of the data including two tables from first one shows the Direct quotes of the interviews along with the 2nd order themes and second table shows the theoretical categories along with the descriptive codes of data and 2nd order themes.

Table 1: Direct quotes of respondents with 2nd order themes

2nd Order Theme	1st Order Theme (Descriptive code)
Meaning of change	“When an organization wants to undertake a new project in order to improve its performance on financial basis or on customer’s satisfaction basis, it seizes the opportunities and addresses the important aspects in the industry that it require to change in itself. This is stated as the change. Some changes are like <ul style="list-style-type: none"> • Changes in processes • Changes in jobs • Structural changes • Changes in technology.”
Change is compulsory	“Yes, I totally agree with this statement. An organization can only survive with the help of change in this dynamic environment.” “Yes, I totally agree with this statement. An organization can only survive with the help of change in this dynamic environment.”
Change is implemented step by step	“My company manages or tries to manage the organizational change, since it is one of the major issues for survival of an organization. Very first the urgency level of change is considered then its full awareness is coordinated with the change agents. Required knowledge is gathered from industry and implement the change.
Change would face resistance	“Risk factor over investment in different industries, and customer’s acceptance was important for our products”
Change agents	BOD or a specific team if task is assigned to that team. But final decision is of our CEO.
Proper communication of changes	“Change in the organization is properly communicated with its plus points in order to minimize the resistance”
Consolidate	“Almost, if some lacking were there they have

Improvement	been removed.
Institutionalize new policy, strategy, innovation	“Yes, our organization believed in the change management and at various levels and periods changes have been introduced in my organization.”

Table 1 shows the direct quotes of respondents are mentioned along with the 2nd order themes which shows the link of our data with the existing literature.

Table 2: 1st and 2nd order themes

1st Order Theme Descriptive Code	2ndOrder Theme	Theoretical Categories
Change is structural Change is technological Change is processes Change is environmental	Meaning of change	Behavior
Change is necessary & continuous Initiating Role for Change	Change is compulsory	Change urgency
Proper implementation of change program requires a change management process Change should be implemented in an organization step by step.	Change is implemented step by step (Micro-Situated)	Process
Change may be episodic Proper Planning of change Intentional change Planning and Homework is required	Proper planning is required	Planning
People in an organization will always evaluate the benefits of change.	Change would face resistance	Resistance
Declaration of change agents Role of change agents	Change agents	Agents
Change in an organization must be articulated (if diagnostic) Change and its impact must be discussed with members (if dialogic)	Proper communication of changes	Communication
Successful change programs motivate the next change programs As well as minimizes the resistance	Consolidate Improvement Institutionalize Theory	Motivation

DISCUSSION

Analysis of the above mentioned themes and categories emerged from the in depth discussions with the Managers, Officials and office Staff, in shape of interviews, to see the conjunction or variance of the Change management literature, and practical implementation in the modern day organizations, we can see that the pre-defined broader categories of different aspects of change programs as mentioned in the above table

- Behavior
- Change urgency
- Process
- Planning
- Resistance
- Agents
- Communication



First thing, which also been discussed in our study is that Engro Foods Ltd considers change as an important factor for the success of an organization. Engro Foods Ltd has entered the tetra pack milk industry when the industry was at its boom and this industry was characterized by the perfect competition. In its early years Engro Foods Ltd faces some losses and this leads to compel the top management to bring some changes in the product portfolio and offered some more products of dairy milk industry. Hence Engro Foods Ltd management consider change in organization as a positive thing.

But as stated in the literature of this study the change is necessary for the success or goal achievement or not. This fact is considered by the top management of Engro Foods Ltd. The industry in which Engro Foods Ltd is operating has dynamic nature and continually changing. But these changes in the business environment to which extent are effecting the operations of Engro Foods Ltd, is the answer of change urgency in organizational structure of Engro Foods Ltd.

In Engro Foods Ltd all changes whether of diagnostic nature or dialogic nature, either episodic or continuous change the change management is done in a systematic process. The change management process is done step by step. The examples of changes in Engro Foods Ltd are product portfolio changes, strategic alliances with local and international industrial and non-industrial firms, and social changes like I am the Change. Top management considered the impact of these changes and implemented the changes step by step in order to ensure the success.

The resistance towards the different changes within the Engro Foods Ltd had been minimize by the proper articulation of diagnostic nature changes and by communication of dialogic nature changes. As it has been observed that Engro foods Ltd has undergone a variety of changes, the success of previous change plan ensures the motivation of change agents for changes in the future as well as it minimize the expected resistance towards the upcoming changes.

Engro Foods Ltd management believes in the role of change agents in successful implementation of changes whether within the organization e.g. retirement of CEO or outside the organization e.g. the strategic alliance with AL-Safa in North America or with friesLand corporation. Change agents include top executives, planning managers, and different persons from different departments of the organization.

To summarize the discussion, Engro Foods Ltd has undergone various types of changes at different level. The changes are of diagnostic nature e.g. the change in top management structure, the change in the capital structure of the organization. And some dialogic changes like changes in the product portfolio, changes in the contemporary projects of Engro Foods Ltd under the name of Tarang are also been observed in Engro Foods Ltd. The organization is continually evolving in the industry merely because of the change management process and successful changes in the organization. Hence it can be said that the Engro Foods Ltd is managing the changes in an efficient manner in a dynamic industry of Pakistan.

SIGNIFICANCE OF THE STUDY

This is a case study studying the change management process at Engro Foods Ltd in the dynamic environment of competitive industry in Pakistan. The study is focusing on the change management in Engro Foods Ltd with respective to the changes occur at the Engro Foods Ltd. This study is significant in a sense that it is discussing the nature of changes in the organization and factors like change urgency, resistance towards change, role of change agents and inspiration for future changes.

LIMITATION AND FUTURE RESEARCH DIRECTIONS

This case study have been conducted, in a short time available for the research, and since it's a case study, the results incorporate built in

limitation of specialized results that may be not be generalized on the whole sample of industries. The line however, may be used to extend the research, on a bigger sample, with different research techniques to validate the findings.

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