Challenge of Change: The Manager’s Balancing Act

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At the onset, I must admit that that my objective is not to go on to a review of the pros and cons of recent business strategies, some of which happen to be forced options adopted during the recent past due to the unprecedented and unmapped scenarios created by the Covid -19 pandemic. As a person who has been actively engaged in the rubber and tyre industry for the past 53 years, I would rather like to share some of my thoughts and interpretations on what I have witnessed in the industry. As typical of my generation of professionals. I cannot refrain from drawing inspiration from traditional wisdom and, some of the trend setting management thoughts of the past few decades.

Change and impermanency is the common denominator of all phenomena and processes in nature, which include human activities as well. Heraclitus, the 5th Century BC, Greek philosopher has said that no man can step in to the same river twice which means that the world constantly changes and that no two situations are exactly the same. Just as water flows in a river, one cannot touch the exact same water twice when one steps into a river. This view has been affirmed by the Lord Buddha around the same period.

In fact, the challenge of change, can be considered as the key driver in all the human endeavors across history, and the main motivating factor of business strategies that have evolved through the four industrial revolutions spanning form the mid-18th century to the present day of mass digitalization. The four principles of change management at any level be it personal, family, work place, company or a country are

- Understand the change
- Plan the change
- Implement the change
- Communicate the change

As a young executive at the Bata Shoe Company of Ceylon Ltd, I remember how the global Bata organization, started planning in the late 70s, to face the challenges of the new millennium. The catch word” globalization” was not much in the limelight in those days However, such long term planning has become a luxury of the past, due to the rapidly changing technologies, and the turbulent economic conditions, and politico-social instability. Planning horizons have shrunk drastically over the recent years.

Corporate change has always been associated with leadership, and Jack Welch, the master of transformational leadership has once quoted that “good business leaders create a vision, articulate the vision, passionately own the vision and relentlessly drive it to completion”.

Notwithstanding the tremendous utility value of these approaches, I have witnessed the beginning, growth, decline and final exit of some great business empires in Sri Lanka, which could not survive up to the third generation. Similarly, there are exemplary business organizations, the roots of which can be traced back in history to a single person who started with a few rupees, and later developed in to corporate giants that are thriving through the third generation. It is therefore apparent that there are no hard and fast norms or standard ground rules but an emerging factor is the importance of the people at all levels, despite the benefits of automation and digitalization. Success and failure episodes are abundant, throughout the world and corporate grave yards are cluttered with casualties.

Change and business strategy are always closely interlinked without clear boundaries. The “Art of War”, which is attributed to the ancient Chinese military strategist Sun Tzu (around 5th century BC), remains the most influential strategy text in East Asian warfare and has influenced both Eastern and Western military thinking, business tactics, legal strategy, lifestyles and beyond.

The Covid-19 outbreak which started around two years ago and developed in to a devastating pandemic has brought about years of change in the way companies in all sectors and regions do business. The entire world scenario which we currently witness is reminiscent of the opening paragraph of “A Tale of Two Cities”, an

1859 historical novel of Charles Dickens, which has the period of the French Revolution as its backdrop

"It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us, we were all going direct to Heaven, we were all going direct the other way – in short, the period was so far like the present period, that some of its noisiest authorities insisted on its being received, for good or for evil, in the superlative degree of comparison only."

The Coronavirus has rapidly made "business as usual" a phrase from the distant past. There is no "usual" in this uncertain time. But organizations who outmaneuver uncertainty create a resilience they can count on, no matter the changes that come. We've all changed the way we operate during the COVID-19 crisis. Some changes were forced on us; others represent the height of innovation in a crisis. There's been a reset of the workforce and work itself, a reset of the employer/employee relationship and a reset of the business ecosystem. For most, the business impact of the pandemic has been negative; and for some, positive.

The pandemic may have wiped our strategy slate clean (or at least it feels that way), but we have also garnered invaluable experience. Now it's time to bring together our executive teams and use those lessons to reconfigure the business and operating models for a new reality. It appears that in addition to the conventional **3Rs** (reduce, reuse, recycle**),** with respect to resource consumption and sustainability, a set of new **3Rs**, namely respond, recover and renew has emerged during the Covid-19 crisis. As we shift from response to recovery, the key for senior leaders is to make strategic decisions that will lead them to a renewed future state, however paralyzing the uncertain outlook may seem. We can burrow a leaf from the strategy and tactics by the Covid-19 virus itself in learning how to adapt for survival by adopting new paradigms, namely producing more virulent strains such as the Delta, and the latest Omikron varieties.

In the absence of a 100% effective vaccine or cure for COVID-19, any rebound in business activity could easily be followed by another round of response, recover, renew, so the imperative is to absorb lessons learned quickly and build sustainable changes into business and operating models.

But first, we need to determine exactly where and how the crisis has stretched and broken your existing models, and where the risks and opportunities lie as a result. When talking about risks and opportunities, I cannot help going back to the basics of ISO 9001:2015 Quality Management System (QMS) requirements which expects a company to evaluate the external and internal issues (Clause 4.1), expectations of interested parties (4.2), determining the risks and opportunities (6.1) and planning for change (6.2).In some of the companies, I happen to audit, the priority given to these is at a minimum or no priority given at all apart from stagnant records which do not show any objective evidence of monitoring and review.

However, one important factor we have to consider is, that everyone, irrespective whether it is an individual, family unit, organization, or a country, are on various stages of their unique learning curves, and the strategic horizons have drastically become shorter. Business and strategy planning is no longer an elite task shrouded with mystery and confined to the corporate managers only in their air conditioned rooms, but a task to be accomplished in consultation with those who are finally going to implement the strategies and plans. While the Japanese Genba (the actual place), approach is more than fifty years old, it is mostly confined to operational levels, which is rather unfortunate. This crisis has created an opportunity to reset some of our goals and ambitions; it's time to ask: "As we recover from this crisis, do we want to be different, and if so, how?"

One can see that many companies are in the recovery mode at the moment, and trying to do damage control based on profit motive which is understandable. The entire social. cultural and ethical models and paradigms have changed drastically, and the entrepreneurs need to realize that they are no longer operating in the pre Covid era. Drastic changes have occurred in the entire supply and value chains, with changing customer preferences.

The daunting challenge for the modern manager is how best to cope up with the challenge of change. Considering the heavy performance expectations placed on them, by the corporate management, which are understandably skewed, towards profit generation. the manager is often impeded in gaining a holistic view of the circumstances. This situation is further complicated by the social, family and peer demands. It is also a growing trend that the boundaries between the various disciplines are overlapping and the manager need to develop the skill of identifying the inter-relationships between the functional areas and the activities. A manager in modern times has to be "jack of all trades" if he is to cope up with change successfully.

Furthermore, unlike in the old days of "life- long" employment, the job mobility is high, which has resulted in a diminished sense of loyalty to the place of work, and the erosion of the ethical values essential for life, such as honesty, integrity and commitment. More often than not people seem to operate in their comfort zones and are too complacent to face the challenge of change.

The following quote attributed to many including Eleanor Roosevelt, a former First Lady of United States, is appropriate to be sited here:

There are people who make things happen, there are people who watch things happen, and there are people who wonder what happened.

On the other side of the coin, there is the growing trend of over reliance on information systems digitalization at the expense of eroding the basic human values, which form the bed rock foundation of any society. The short and medium term gain in monetary terms can be substantial but at the cost of long-term sustainability, which ultimately boils down to understanding human values and interrelationships. Change should not be for the sake of change, but for the purpose of personal, organizational and social value addition. Despite remarkable and enviable breakthroughs technology and the information. the modern day manager has to understand the vital importance of the "balancing act" of finding the correct blend of technology and the traditional wisdom.

It was Mahatma Gandhi who once quoted:

I do not want my house to be walled in on all sides and my windows to be stuffed. I want the cultures of all lands to be blown about my house as freely as possible. But I refuse to be blown off my feet by any.

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