Sustaining Organizational Change

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Sustaining Organizational Change in a Small Business

This paper is an analysis of sustaining change in an organization. The information gathered was from an interview (appendix A) with the Nick Morella of D & N Refrigeration and Air Conditioning of Akron, OH. The major change that the company had recently gone through was a mandate from the EPA to phase out R22 refrigerant and equipment manufacture using R22 by Jan. 1, 2010.

Identifying the Resistance

In the evaluation of the small business there was no resistance encountered during the process of change. The management of the company welcomed the change so that the business was in step with the rules and regulations of the industry. The persons affected most were the service technicians that had to be retrained on installation and maintenance of the newly manufactured equipment and trained on the use of the new tools and refrigerants that was needed for the change. Everyone in the company was able to see the added value to the company by being able to service the newest equipment therefore there was no anticipation to any resistance to the change. There were no strategies developed to overcome resistance that could be analyzed for effectiveness. If this change might have occurred earlier in the history of the company there might have been resistance to the change due to cost but the company was mature enough to have the reserves to make the change.

Sustaining Strategies

The change was a mandate from the EPA. There had been these kinds of mandates before and the past changes had been made with no apparent problems. This change however included some new training for certification and use of new tools for the newly designed equipment. Also the service personnel had to be trained on the new equipment that would be installed. The strategy of change was presented in an economical aspect of the company. If the company did not change to accommodate the new mandates then it would lose out on the sales and servicing of the new equipment. The company would also lose established customers to the competition over time. The benefits of the change through increased sales for equipment and extra charges for servicing that equipment would mean increased revenue for the company. The service technicians were in agreement that the new certification and training made them more marketable as technicians. The advantage to the company was it maintained its competitiveness in the industry. Post-implementation strategies were unnecessary because of the buy in from the whole company. Everyone understood that if the change did not occur the results would be economically devastating with the possibility of closing. The change may have been a mandate with no alternatives but the company culture accepted the change in full agreement. The benefits pointed out by the management were for a positive change in the business with better income. Later on as promised the company was able to pay the employees more from the increase in revenue. Monetary compensation can be useful tool institutionalizing the change. The change was considered a success by everyone in the company. In reflection the size of the company, earlier successful changes, and the organizational culture together made this a successful and welcomed change.

Effectiveness of the Change

In evaluating the overall effectiveness of the change process it would have a high rating. The change occurred with no resistance. A monetary benefit was seen by the employees from the change which helped to sustain it and the company was incurring increased revenue. The decision by the management was shared with all the employees along with the assessed benefits from implementing the change. The acceptance or buy in from the company culture was unanimous. Part of the benefits of a small company is there are less people to convince to the idea of a change. In the smaller company the idea of change is not always compatible with the company culture. Some small companies are run like a family business with a family type of culture and others can have a company culture at the other end of the spectrum. Assessment in the beginning is a necessary to make decisions later on or determine points of resistance. Not every organization is the same and will react in its own unique way to change.

Appendix A

Dennis Adams Nov. 22, 2013

Interview with Nick Morella, founder and sole proprietor of D&N Refrigeration and Air Conditioning of Akron Ohio

1. What is your organization’s mission statement?

“I started D & N with the mission of providing reasonably priced quality service of refrigeration and air conditioning systems to commercial businesses.””

1. What is your business structure?

“In the beginning it was just myself and after 20 years the organization has four service techs with helpers, a service manager, a parts manager, secretary, bookkeeper, a salesman and myself, 14 in total.”

1. How would you describe your organizational culture?

“Because we are a small company we try to maintain a family type of culture. This works well for us and always has. I don’t see any change in the future.”””

1. What was the biggest organizational change you have had in the past few years?

“The biggest change we have had here lately was with the phase out of R22 by the EPA. Under the terms of the Montreal Protocol the manufacture of R22 refrigerant and R22 equipment would be phased out in 2010 to reduce the consumption of HCFCs by 75% causing the industry to switch to better alternatives.”

1. Who were the leaders in the change?

“When I decided that it was time to start preparing for the change we had a company meeting informing everyone what was expected of us by the EPA beginning Jan 1, 2010. We decided that the leaders of change would be the service manager for those in the service department, the salesmen to start preparing the customers, and I would take care of the changes within the office.”

1. How did they accomplish the change?

“The leaders did an assessment of how their department would change and what resources were necessary to make the change. Later we came together to discuss what expenses were involved in making the change and how we would finance it. We agreed on a schedule of the necessary projects to make the change.”

1. What other changes came about in the parts of the organization such as human, structural, cultural and political as a result of the changes?

“Everyone in the company understood that we had no choice in the matter and that the change was mandatory for the whole industry. The culture stayed the same. The biggest result of the change was in the structure. Now our technicians had more equipment to carry with them and to learn how to use the new equipment with the new refrigerants plus the extra bookkeeping of more products and services.”

1. What was the timeline to implement the change and what preparations were you able to perform?

“The Montreal Protocol was signed in 1987 with this phase having a Jan1, 2010 deadline. In reality we had 23 years to prepare but di not start the process until fall of 2009.”

1. Did any problems arise from the change?

“There were no major problems involved with the changeover. We had gone thru the same process in 2004 when the Montreal Protocol started with it first phase of HFCFs reductions by the EPA”.

1. How did the employees adapt to the change?

“The biggest change was with the technicians that had to utilize the new service equipment and repair systems using the new alternatives. The new alternatives were working with pressures almost double than of the industry standard for over fifty years. The second biggest change was for the salesmen introducing an increase of almost 35% in cost of new equipment. Due to the higher pressures the equipment had to be designed stronger and with more safety features.”

1. Were there any concerns with the finances before, during, and after the change?

‘The initial cost for new equipment and the training of the service techs and helpers were 90% of the cost of changing over.”

1. What were the benefits and liabilities resulting from the change?

“The biggest benefit of the change was that the company was in compliance with all EPA regulations and while making increased profits. It is important to provide a service and know that you are following the rules of the industry. This prevents many problems in the future when done correctly. We want to provide knowledgeable and skilled service techs at all times working within the law.