

MANAGEMENT OF CHANGE

- Everything in this world is subject to change. Technology change rapidly.
- Successful organizations have to adapt and change continually in order to stay ahead of others in the competitive race.
- Organizational change may be defined as 'the adoption of a new idea or behavior by an organization'. It is a way of modifying an existing organization.
- The purpose of undertaking such modifications is to increase organizational effectiveness, that is, the extent to which an organization achieves its objectives.

Why Change:

- Organizations desire change in order to remain competitive, in order to remain in harmony with the ever-changing environment.
- Organizations also want to achieve internal stability because of the predictability and certainty it provides. As such organizations sit on the horns of a dilemma with reference to change.
- Organizations handle the stability-change dilemma depending on the amount and type of innovation required.

- The organic organization is always oriented towards change rather than stability.
- Mechanic organizations are oriented towards technological stability.
- Organizations thus, resolve the stability - change dilemma by structuring in an organic way when the organization needs new ideas and frequent changes, and by structuring in a mechanic way whenever possible, to obtain efficiency.

Types of Change

a. Evolutionary change

- i. Some changes are evolutionary in nature
- ii. Do not greatly violate the traditions and status quo expectations
- iii. They are usually piecemeal, takes place one by one. Because, they are adjustments within the status quo, they seldom promote great enthusiasm, arouse deep resistance, or have dramatic results. Since they do not constitute significant departures from the past practices, they are unlikely to provoke resistance
- iv. Limitation : They are very slow and organization may fall behind the requirements

b. Revolutionary change

- i. Changes sometimes may be cataclysmic
- ii. The revolutionary changes result in overturning the status quo arrangements, cause violations, rejections or suppression of old expectations
- iii. The revolutionary churning generally pose strong resistance and sometimes only an exercise of power can order the implementation of such changes.
- iv. Revolutionary changes are rarely introduced except where situation becomes highly intolerable, having no other

c. Planned change :

A new and scientific way of viewing change is “the planned alteration in the existing organizational system”. Planned organizational changes, is the intentional attempt by an organization to influence the status quo itself. Planned changes are made by the organization with the purpose of achieving something that otherwise might be unattainable, or accomplishable with great difficulty. Through planned changes organizations reach new frontiers and progress more rapidly toward a given set of goals and objectives.

Features of planned change

1. It is deliberate, systematic and intentionally undertaken.
2. It takes place in all organizations at varying speeds and degrees of importance.
3. It takes place in all parts of an organization.
4. It challenges the status quo and sets the organization on a new path.
5. It can have positive as well as negative impacts. When viewed positively, employees accept and undertake change enthusiastically. If employee look at it in an unfavorable way, they tend to oppose it vehemently.

6. Planned change may focus on organization's technology, products, markets, processes, people etc.

7. Planned changes are difficult to bring about, costly and time consuming.

d. Reactive change

Reactive change is defined as the change made in response to unexpected situations. Reactive change occurs when these forces to change make it necessary for a change to be implemented.

For instance, the introduction of a new employee-benefit scheme is proactive as the management strongly believes that it enhances satisfaction and motivation to employees.

The change (introduction of scheme) would be reactive if the benefit plan was introduced because of demands made by employees.

Thus, proactive change is the change initiated by an organization because it is identified as desirable (i.e., it is not forced on the organization). On the other hand, reactive change is the change implemented in an organization because it made necessary by outside forces.

According to Peter Senge, instead of adapting to environmental changes, organisations have to anticipate and learn from change. Reacting to environmental changes with routine, standard responses, often produces only short-run solutions, (adaptive, single-loop learning). Instead, the focus must be on continuous experimentation and feedback; anticipating changes and discovering new ways of

Learning organizations go beyond merely adapting to change; instead, they strive to anticipate and learn from change.

Characteristics of a learning organisation:

- People tend to put aside their old ways of doing, thinking (mental model)
- Learn to be open with others (personal mastery)
- Understand how their company really works (systems thinking)
- For a plan everyone can agree on (shared vision), and
- Then work together to achieve that vision (Team learning)

The Process of Planned Change

According to Kurt Lewin, any planned change effort should be viewed as a three phase process: unfreezing, changing and refreezing.

This is shown diagrammatically as follows:

1. Unfreezing

Unfreezing means that old ideas and attitudes are set aside to give place to new ideas. It refers to making people aware that the present behavior is inappropriate, irrelevant, inadequate and hence unsuitable for changing demands of the present situation.

2. Changing Unlike unfreezing changing is not uprooting of the old ideas, rather the old ideas are gradually replaced by the new ideas and practices.

Elements of change phase

1. **Compliance** : Compliance occurs when the individuals are forced to change either by rewards or punishments.
2. **Internalization** : Occurs when individuals are forced to encounter a situation and calls for new behavior.
3. **Identification** : It occurs when individuals recognize one among various models provided in the environment that is most suitable to their personality.

4. Refreezing:

Refreezing is on the job practice. The old ideas are totally discarded and new ideas are fully accepted. It is reinforced attitudes, skills and knowledge. During this phase individuals internalize the new beliefs and experiments with the new method of behavior and sees that it effectively blends with his other behavioral attitudes.

Forces for change

1. Internal forces (emanating from within an organisation)
2. External forces (Coming from outside an organisation)

Internal forces:

- Increased size
- Performance gaps
- Employee needs and values
- Change in the chief executive

External forces

- Technology
- Market situation
- Social and political change
- The domino effect

Domino effect is one in which one change touches off a sequence of related and supporting changes.

Types of planned change

The options fall into four categories :

Structure, Technology, Task and people

Structural change : Any change in the manner in which the organisation is designed and managed. The structure focused change efforts may include :

- a. Changing the number of organizational levels
- b. Altering the span of management
- c. Changing from one base of departmentation to another base
- d. Altering the line and staff, and functional authority relationships
- e. Bringing in more rules and procedures to increase standardization etc.

Redesigning tasks

Here change efforts focus on increasing the scope or diversity and depth of the job. By job scope, we mean the number of operations performed by the job holder and the frequency of the operation of the job cycle.

Changing technology : A technology change is concerned with organizations production process how the organisation does its work. Technology-focussed changes consists of –

1. Changing problem-solving and decision-making procedures.
2. Introduction of computers to facilitate managerial planning and control

3. Converting from unit production to mass production technology
4. Introduction of sophisticated management information systems.

Culture / People change

People change emphasizes increasing organizational effectiveness by changing attitudes, skills, perceptions, expectations and values of organisation members.

Competitive wages, performance based bonuses, creating promotional avenues, offering training programmes are all steps intended to bring about positive changes in the attitudes of employees.

Resistance to change

Resistance to change may be individual or organizational.

Economic reasons

- a. Fear of economic loss
- b. Obsolescence of skills

Personal reasons

- a. Fear of the unknown
- b. Status quo
- c. Self-interest and ego-defensiveness

Social reasons

- a. Social displacement
- b. Peer pressure

Organizational Issues

- a. Threat to power and influence
- b. Organisation structure
- c. Resource Constraints
- d. Sunk costs

Overcoming resistance to change

- Education and communication
- Participation and involvement
- Facilitation and support
- Negotiation and agreement
- Manipulation and cooperation
- Coercion
- Group dynamics

Organisation Development

The term organizational development was coined by Richard Beckhard in the mid 1950s.

Organizational development is an acronym of two words i.e., **organization and development**.

Organization: A social unit of people that is structured and managed to meet a need or to pursue collective goals. **Development:** The systematic use of scientific and technical knowledge to meet specific objectives or requirements.

Organization development (OD) is a deliberately planned effort to increase an organization's relevance and viability.

Organizational development is the framework for change, and often times a manager helps to lead this change.

Meaning of Organization Development

Organization development is known as both a field of applied behavioral science focused on understanding and managing organizational change and as a field of scientific study and inquiry.

OD is a systemic learning and development strategy intended to change the basics of beliefs, attitudes, and relevance of values and structure of the current organization to better absorb disruptive technologies, market opportunities, and ensuing challenges and chaos.

Cummings and Huse define OD “A system wide application of behavioral science knowledge to the planned development and reinforcement of organizational strategies, structure, and processes for improving an organization’s effectiveness”

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Objectives of Organisation Development

According to W. French, following are the objectives:

- Deepen the sense of organizational purpose and align individuals with that purpose –
- Strengthen interpersonal trust, communication, cooperation and support –
- Encourage problem solving rather than problem-avoiding approach to organizational problems –
- Develop a satisfying work experience capable of building enthusiasm –
- Supplement formal authority with authority based on personal knowledge and skill –

- Increase personal responsibility for planning and implementing –
- Encourage personal willingness to change

Features of Organisation Development

1. Long-range effort
2. Broad based
3. Dynamic process
4. Planned and proactive
5. Systems view
6. Research-based
7. Goal setting and planning
8. Educative strategy
9. Interventions
10. Change Agent

Organisation Development values

1. Respect for people
2. Trust and support
3. Power equalization
4. Confrontation
5. Participation

A normal OD process can be phased in following manner:

1. Problem Identification
2. Data Collection
3. Diagnosis
4. Planning and Implementation
5. Evaluation and Feedback

OD Interventions

An intervention, in OD terms, is a systematic attempt to correct an organizational deficiency uncovered through diagnosis.

- "Interventions" are principal learning processes in the "action" stage of organization development.
- Interventions are structured activities used individually or in combination by the members of a client system to improve their social or task performance.

Important OD Interventions

1. Sensitivity of T-Group Training

It is a technique for learning about one's self and others by observing and participating in a group situation.

Features of T-Group Training : (T stands for Training) - T-group is a small group of 10 to 12 persons - A leader acts as a catalyst and provides a free and open environment for discussion - There is no specified agenda. - Members express ideas freely and openly. - The focus is on behavior rather than on duties. - The aim is to achieve behavior effectiveness in

Advantages of T-group Training

- Helps participants to learn
- They develop insights into how they react to others and how others react to them
- They learn to behave more effectively in a group situation

Dis advantages of T-group Training

- This may create friction among the group members
- Members who are criticized or ridiculed may react negatively
- Instead of promoting friendliness and cooperation, may actually create frustration and resentment among the members

2. Team Building

Features of a team

- Committed to goals they helped define.
- Support one another willingly.
- Trust and support other members.
- Offer suggestions and give feedback to other members.
- May disagree but work to resolve differences reach consensus.
- In short, teams create the potential for an organisation to generate greater outputs with no increase in inputs.

Advantages / Benefits of Team Building

- Improves the organization's problem solving ability and decision making skills.
- Results in effective interpersonal relationships.
- Helps in understanding inter-group communication and removing the barriers.
- Provides an effective way for the group to examine interpersonal issues.
- Provides a useful platform for the employees to involve in their OD programme.
- Increases the probability of occurrence of collaborative behavior.

Dis-advantages of Team Building

- Team building focuses only on work groups
- It fails to consider the other organizational variables such as technology and structure.
- Becomes a complicated exercise especially when new groups are formed
- Confusion arises in the roles and relationships among the group members when new members join.
- New members may often pay more attention to the tasks of the team rather than to the relationship among the other team members.

3. Survey Feedback

Survey feedback is a method of basing change efforts on the systematic collection and measurement of subordinates' attitudes through anonymous questionnaires.

Survey feedback consists of

- Collecting information from members of an organisation or work group.
- Organizing the data into an understandable and useful form.
- Feeding it back to the employees who generated the data.

4. Process consultation

Process consultation is a set of activities that help others perceive, understand and react constructively to current behavioral events around them.

Steps in process consultation :

Initial contact

Define the relationship

Select the method of work

Collection of data and diagnosis

Intervention (such as agenda setting, feedback, coaching, and structural suggestions)

Reducing involvement and termination

Evaluation

Process consultation is designed to change attitudes, values, interpersonal skills, group norms and cohesiveness and other process variables.

Evidence shows that it is often effective in facilitating the changes. As against this, there is also evidence stating that there is no correlation between the outcome variables such as task performance, and satisfaction of the employees and the process consultation.



CHANGE



What is Organizational Change?

Organizational change is the process by which organizations move from their present state to some desired future state to increase their effectiveness.



Organizational Change(cont.)

- Involves Planned and Unplanned
- Transformation in an Organization
- It is the movement from current stage to some future and preferred stage
- It is a continuous process

Nature of change

- History and Politics:

This will have a significant bearing on its acceptance of change. Questions raised while planning for change are:

- Where do the origin of the company lie?
- What Image does the company like to promote?
- Have they had good or bad previous experience of change?
- What will be the effect of the change on the 'balance of power'?
- Parties impacted by the change?

Nature of change(cont.)

- Management and Organization:

Change will impact the roles of management and the structure and operation of the organization.

- senior management ensures encouraging opportunities for progress through innovation and recognition
- Role of line management shifts from 'autocrat' to 'facilitator'.
- Boundaries between jobs, division and department become blurred.
- Requirement for specialists decreases and the demand for multi-skilling increases.
- Encourage for project and group work
- Improving processes reduces the total availability of jobs.

Nature of change(cont.)

- People

- For smallest change, do not underestimate the reaction of those impact.
- With every change, comes an expectation of a reward for acceptance.
- Think through carefully the impact of the change on every job it affects.

Level of Change

1. Level of
change

- **INDIVIDUAL-LEVEL CHANGE**

2. Level of
change

- **GROUP-LEVEL CHANGE**

3. Level of
change

- **ORGANIZATIONAL-LEVEL CHANGE**

Importance of change

- Change is inevitable.
- Life itself is almost synonymous with the concept of change.
- All organisms must adapt to the demands of their environments and their own stage of growth.
- Similarly, humans grow up, leaving behind the characteristics of earlier stages of development and adopting new behaviour to age, and expectations. An organisation is not much different.
- An organisation cannot and should not remain constant over time. Even if the management does not want to change, external pressure forces it to change.

Types of change

- Evolutionary change
- Revolutionary change
- ✓ Evolutionary change involves the attempt to increase the effectiveness of the way an organisation currently operates ,revolutionary change involves the attempt to find new ways to be effective.
- ✓ Revolutionary change is likely to result in a dramatic shift that involves a whole new way of doing things, new goals , and a new structure.

Total Quality Management(TQM)

- Total quality management is a technique developed by Edward Demming to improve the efficiency of flexible work teams.
- The board goal of TQM is continuous improvement.
- TQM is a rational techniques which is driven by hard statistical data on the need for change. TQM seeks to introduce change through four key

components :-

- | | |
|---------------|----------------|
| i. Systems | iii. People |
| ii. Processes | iv. management |

- 2. Re- Engineering :-
- "Re-engineering involves rethinking and redesign of business processes to increase organisational effectiveness."



Total Quality Management(cont.)

- Organisation that take up re-engineering deliberately ignore the exiting arrangement of tasks roles and work activities.
- For the sake of more clarity, it is useful to state what re-engineering is not. Re- engineering is not automation.

Restructuring or reorganisation, or delaying although these may be consequences of a re-engineering exercise. It is useful to consider why organisations might contemplate re-engineering ,given its radical nature.

Forces for change in organisations

- Causes for change:

- External causes-

- ☐ Globalisation
- ☐ Workforce diversity
- ☐ Technological change
- ☐ Managing ethical behaviour
- ☐ Government policies
- ☐ Competition
- ☐ Scarcity of resources

Forces for change in organisations (cont.)

➤ Internal causes-

- ☐ Organisational silence
- ☐ Failing effectiveness
- ☐ Crisis
- ☐ Changing employee expectations
- ☐ Change in the work climate

What is Resistance to change

- Resistance to change is the act of opposing or struggling with modifications or transformations that alter the status quo in the workplace.



Organizational Level Forces

- Organizational Structure
- Organizational Culture
- Organizational Strategy
- Over-Determination

Group-Level Forces

- Group Norms
- Group Think

CHANGE

Sub-Unit-Level Forces

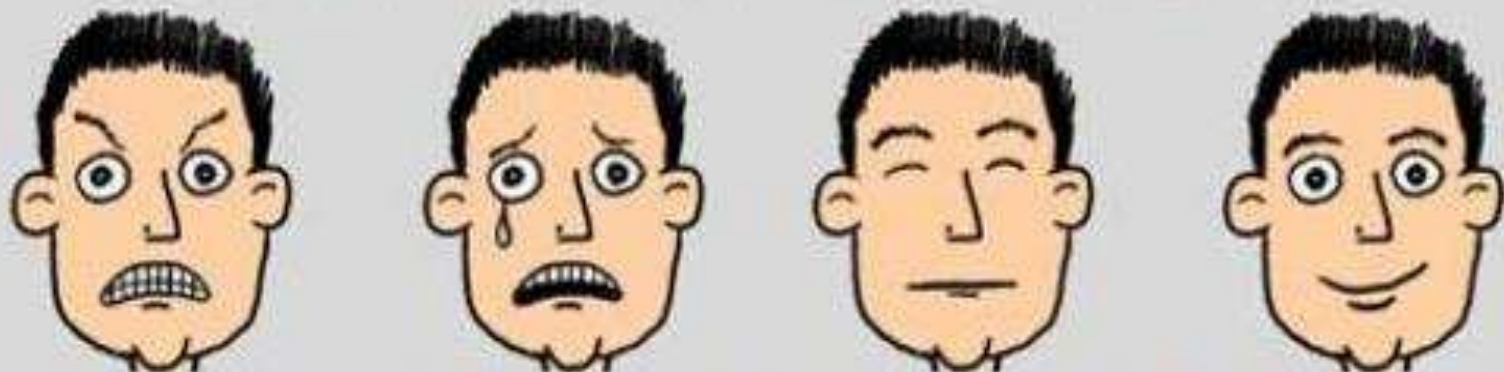
- Difference in Orientation
- Power and Conflict

Individual-Level Forces

- Cognitive Biases
- Uncertainty
- Fear of Loss
- Selective Perception
- Habits
- Logical Reasons

What is Resistance to change?

CHANGE MANAGEMENT



EXPLAINED IN ONE MINUTE

Organization

A consciously coordinated social unit, composed of two or more people, that functions on a relatively continuous basis to achieve a common goal or set of goals.

Organizational process

➤ Planning

A process that includes defining goals, establishing strategy, and developing plans to coordinate activities.

➤ Organizing

Determining what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom, and where decisions are to be made.

Organizational process(cont.)

➤ Leading

A function that includes motivating employees, directing others, selecting the most effective communication channels, and resolving conflicts.

➤ Controlling

Monitoring activities to ensure they are being accomplished as planned and correcting any significant deviations.

Organizational Development

Organizational Development (OD)

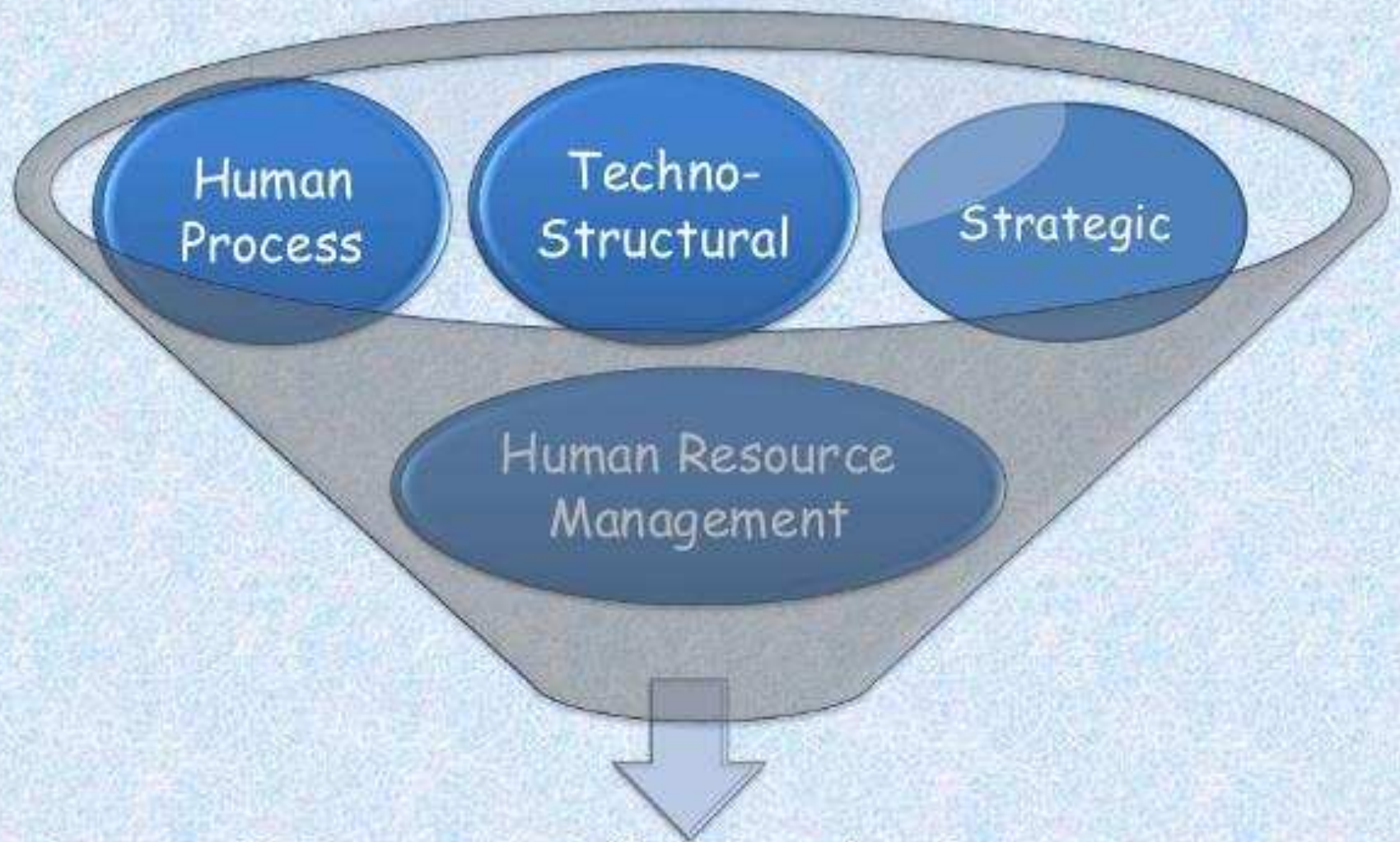
A collection of planned interventions, built on humanistic-democratic values, that seeks to improve organizational effectiveness and employee well-being.

OD Values:

1. Respect for people
2. Trust and support
3. Power equalization
4. Confrontation
5. Participation

OD Techniques

- Characteristics of OD Techniques
 - Based on valid information collected by employees.
 - Under guidance of change agent, employees get opportunities to make their choices regarding solution to the problems.
 - Aimed at gaining personal commitment to their choices.



Types of Techniques

Human Process Technique

- Improve interpersonal skills of employees
- To analyze employees own and others behavior in order to solve interpersonal and intergroup problems



Human Process Technique(cont.)

Sensitivity
and
T-Test

Team
Building

Human Process Technique(cont)

- Sensitivity and T-test

- Increase the awareness of employee's own behavior how other perceive them
- Behavior of others
- Understating group process
- In India it was first conducted by Rolf Lynton in 1957

Human process technique(cont.)

- Team building

- Is the process of detecting and improving the effectiveness of work group
- Increase the effectiveness of teams will improve the org overall effectiveness

Techno-structural Techniques

- It rely on efforts to change the structure method and job design of the organization.
- They focus more directly on productivity improvement and efficiency

➤ Quality of Work life Problems

Techno-structural Techniques(cont.)

- Quality of Work life Problems

- They have been designed to create situational that enhance employees motivation,satification and commitment to contribute to high level of organization performance

Human Resource Management

- They aim at hiring, training and performance appraisal can mould employee commitment, motivation and productivity.

Strategic Techniques

- Analyzing current strategy and organization design
- Choosing desired strategy and organization design
- Designing a strategic change plan
- Implementing a strategy change plan



Effectiveness of OD Programming

There are numerous factors to be considered before any action is taken to resolve a specific problem. there are several reasons to this-

- It is difficult to measure the number, nature and magnitude of confounding variables.
- Preintervention measure of behavior are not taken
- Those doing the evaluations of OD programmers have a vested interest in proving success.

