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Change Management

CHANGE
MANAGEMENT

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CHAPTER

1

INTRODUCTION TO CHANGE MANAGEMENT

1.1 INTRODUCTION TO CHANGE

In our introduction chapter, we had stated that the world we live in, continues to change at a rapid rate. Every day, some discoveries or boundary pushing invention in the scientific fields are happening. Globalisation is a prominant affair and everyone talks about it. International dimensions have become a vital part of managing a business enterprise in the Internet-worked global economies and markets of today. When once a manager takes over his job in a large organisation as an owner of a small business, he will be affected by international business developments and deal in some way with people, products or services whose origin is not from home country. This needs a new way of doing things for meeting competition and survival. Changes are inevitable. Any new way of doing things generates some resistance by the people affected. The new work support technologies can generate fear and resistance to change by employees. When computers came for the first time in a big way, people working in banks and certain companies resisted the introduction of computers as this would endanger their very existence in the companies.

Certain companies faced biggest challenges with their sales guys – changing their habits, getting them to use for planning. Sales guys would even go to the extent of saying 'I don't have time to enter the information. Some were afraid of using windows, forget about Customer Relationship Management (CRM)'.

Sales guys want to know what is in it for them: It is not enough to tell them that they have to do it. But a panoramic view has to be given to them of what their customers need and why the firm should continue with them, if the sales guys are not adhering to the changes needed and how the competitors would overtake them etc.

Change is an alteration in:

- People
- Structure $\Longrightarrow$ Known as 'Change Agents'
- Technology
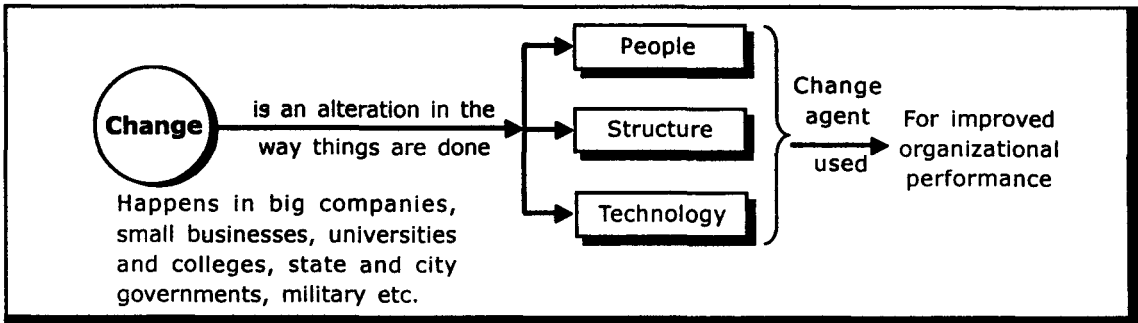
Fig. 1.1 Meaning of change

Change is always a part of manager's job and it is happening more in the recent years.

Managers can stimulate innovation and increase their organization's adaptability.
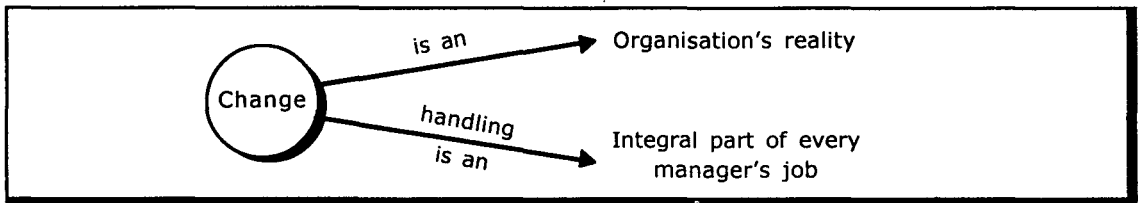
Fig. 1.2 Another way of looking at 'Change'
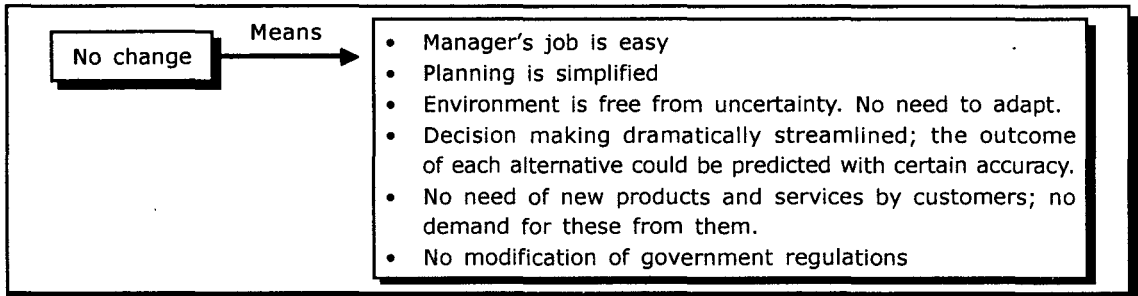
Fig. 1.3 No Change Results

1.2 NEED FOR CHANGES

Two forces act that constrain managers and brings about the need for change.

- External forces
- Internal forces

External forces create the need for change to come from various sources. External forces include:

- Market place
- Government laws and regulations

- Technology
- Economic changes

- Fluctuation in Labour markets.

Internal forces can stimulate the need for change. The internal forces tend to originate primarily from the:

- internal operations of the organisation
- from the impact of external changes

These may include:

- Modifying the strategy (Turn around strategy)
- Organisation's work force (Composition changes like age, education, sex, etc.)
- Compensation and benefit system
- Introduction of new equipment
- Redesign of jobs and new interaction patterns within their work group.
- Employee attitudes etc.

1.3 CHANGE DEPICTED AS CLOCK-FACE METAPHOR

Change can be studied as shown in the clock-face Metaphor, below.

Significant changes only in the last 9 minutes

Imagine a clock face and 60 minutes on it Imagine each minute on clock as 50 years (1minute= 50years) The clock now represents, 60×50 years =3000 years.

Any area of life on the above clock face can be placed and get roughly the same measurements.

- 51-60 minutes (Last 9 minutes ago) significant media changes have taken place. The printing press came into use in western culture.
- About 3minutes ago, (57-60 minutes on the clock) the telegraph, photograph, locomotive arrived. (150 years back)
- About two minutes ago, telephone, rotary press, motion pictures, automobile and radio arrived. (100 years back)
- About one minute ago, the talking picture, one and half minutes ago computers. (50-75 years back)
- Televisions appeared in last one minute. (50 years back)
- Communications satellites in the last 18 seconds.
- The laser beam-perhaps the most patent medium of communication of all appeared only a fraction of a second ago

Fig. 1.3 Clock - Face Metaphor

At '0' minute on the clock (3000 years ago i.e. 1000 B.C), there were no scientific / technology development. Agriculture was the only predominant activity of man. It is only in the last 9 minutes, significant changes have taken place in science and technology.

Medicinal field changes :

The whole history of medicine is the history of placebo effect.

The standard reply to any comment about change is that change is not new; it is easy to exaggerate its meaning.

Change is not new; what is new is the degree of change

Our clock-face metaphor was intended to suggest, about three minutes ago, there developed a qualitative difference in the character of change.

- No significant changes until about one minute ago
- About a minute ago, antibiotics arrived.
- About ten seconds ago, open heart surgery.
- During the past ten seconds, there probably have been more changes in medicine than is represented by all the rest of the time
- People call this as 'Knowledge Explosion'. It is happening in every field of knowledge susceptible to scientific inquiry

(Source: Postman and Weigngartner, 1969, PP10-11)

Change is ubiquitous; invevitable; Everywhere there are signs of change; Too much change in some cases.

The common denominator in today's headlines of news is change

1.4 FORCES FOR CHANGE
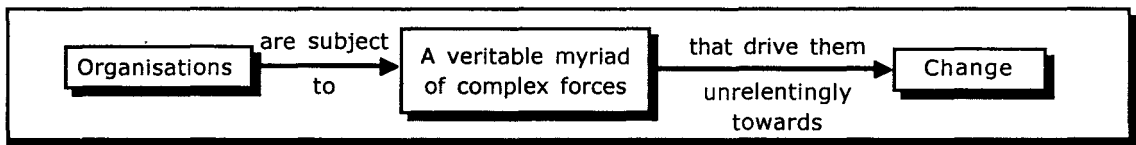
Fig. 1.4 Organisations are Subjected to Change

The forces that push organizations to change are many. Only several key categories to change forces can be studied which are coming from the following such as:

- People
- Technology
- Information processing
- Communication
- Competition
- Social trends

i. People

The population of the world is increasing rapidly at an alarming rate. More and more people are forced to share the limited space on this planet. Hence the life style

changes, attitude changes are inevitable. Those who were born in the middle of the twentieth century are significantly different from prior generations with respect to their education and value systems. The life style, purchasing habits are changing the way goods and services are produced and distributed. The problems of managing employees from this generation have resulted in new employment practices, compensation packages, organization structures, organization cultures and management styles.

People affect the change in business is their role in the supply and demand in the labour market.

ii. Technology

Technical advances in the form of new scientific knowledge and technological developments are causing significant changes in the business area. The technology change and its accelerated rate of change are illustrated below.
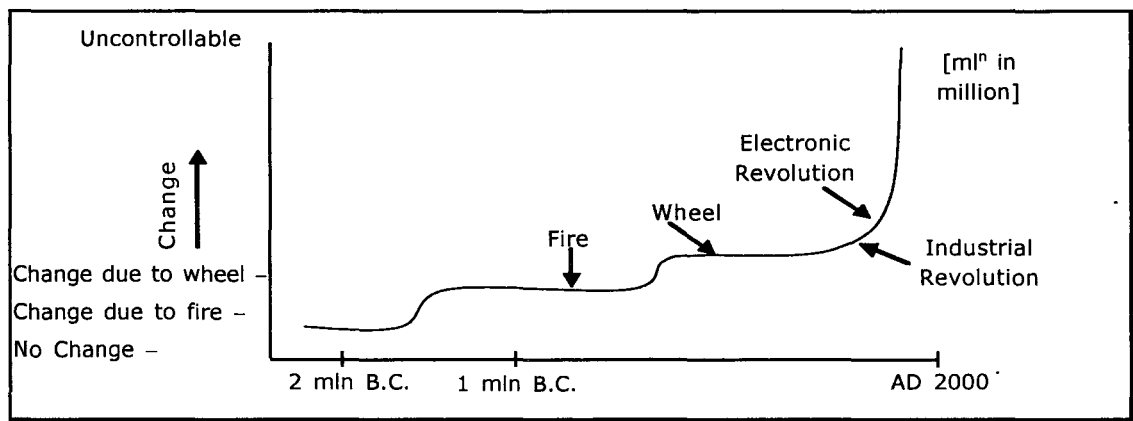
Fig. 1.5 Role of Technological change (Source: P465 Dunhan 19-84)

In the first 2 million B.C. of earths existence, there was no change found in technology. During the next one million B.C., Man found out fire for his existence. Certain changes took place. Later on, he found out wheel. Changes took place. Major Changes, in technology started coming only in the last 3000 years as stated in Fig. 1.3. Gun powder was invented. Some more changes happened due to this. The industrial revolution and the electronic revolution took place only in the 20th century.

iii Information processing

In the past decade, advances in computer and software have changed the way developed world conducts business. Laptop computer, Spread sheets, Power point

presentation techniques, Electronic commerce, Electronic Business, Enterprise Resource Planning, Electronic Data interchange, Electronic Fund Transfer, Improved communication methods, New telephony, Networks, Internet, other techniques like job descriptions, work rules, procedures, policies etc. to control organizational and individual performance etc have brought about lots of changes. These same controls tend to nurture a built in resistance to change.

Communication, competition and social trends are other categories to change forces.

1.5 UNDERSTANDING OF CHANGE

Change is to make or become different. However, the other things about change are as given below:
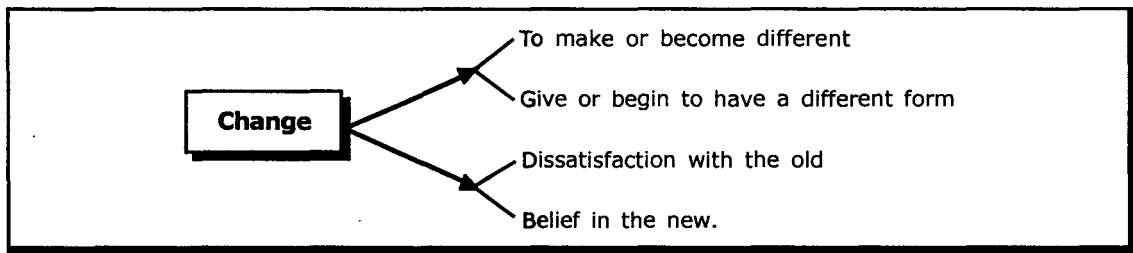
Fig. 1.6 Change is Bipolar

Example
During the 2nd world war, Japan suffered a lot. The post war recovery of Japan to its present state is a significant change. It was influenced to a great extent by American openness, generosity and leadership. Japan went ahead of US in several fields and Americans started learning from the Japanese how to retain competitiveness in the global markets. People predict that China and India will be growing fast in the 21st century.

1.6 THE CONCEPT OF CHANGE (understanding the change process)

Change is conceived as under:
- continuous and intrinsic
- extrinsic and discontinuous

Change can be:

- As patterned and predictable
- As complex and unpredictable

1.7 CHANGE BY ITS NATURE. Change tends to be bipolar. It is:

- continuous and discontinuous
- stability and instability
- predictable and unpredictable
- controllable and uncontrollable
- intrinsic and extrinsic to the organization
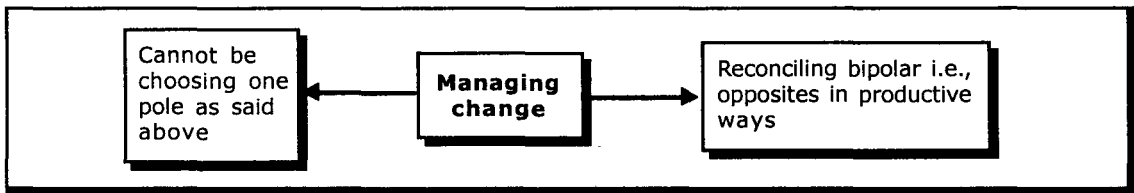
Fig. 1.7 Change is to be Managed by considering it as Bipolar.
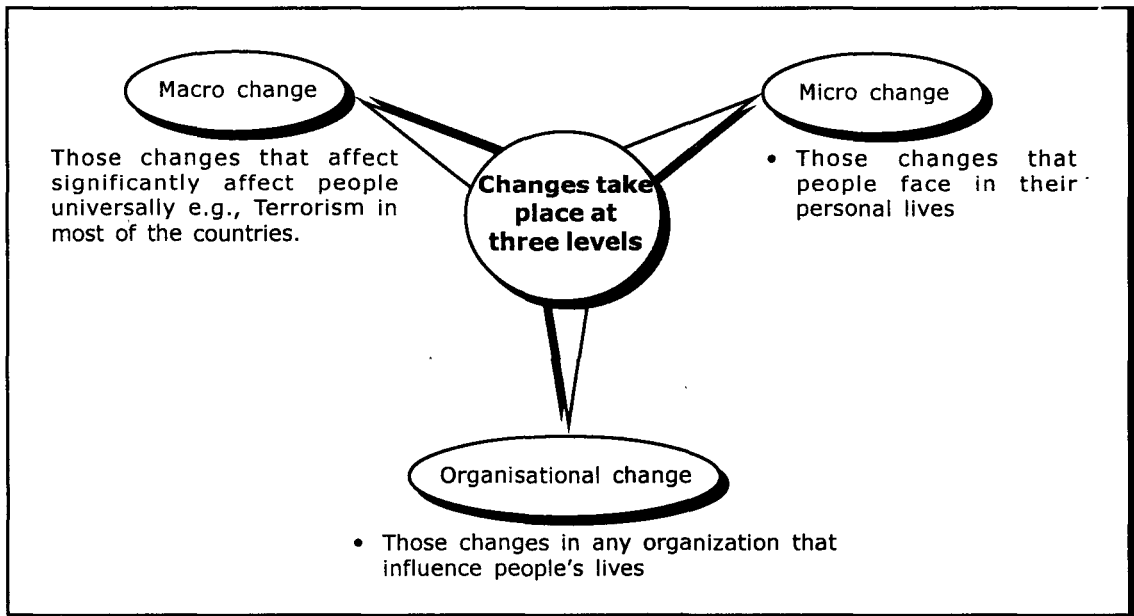
Fig. 1.8 Changes take place at Three Levels
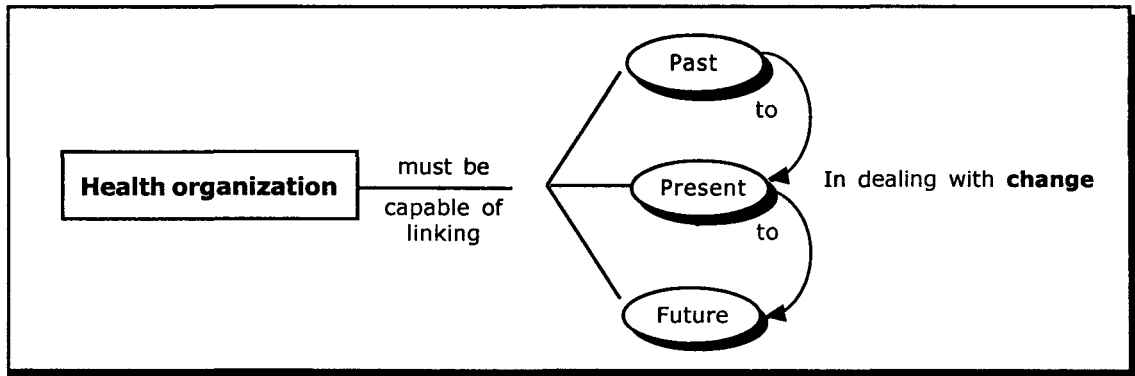
Fig. 1.9 Health Organisation (as an example)

Change without continuity or stability leads to:

- Ambiguity
- Conflict
- Inability

to cope with the situation and consequently risk of degenerative pathology in both individuals and organization. So strike a balance between the duality which is needed in organisational development.

The continuity in change is maintained in terms of:

- Sequencing – Build the future from the present to attune the organisation for transition

- Layering – Enabling of the organization to acquire new skills, processes, activities; build on its current strengths while shedding obsolete skills. It is an evolutionary process over a past-present-future time frame.

Coping with change: It is a difficult process for organisation until it is characterized by:

- Change consciousness among employees at all levels (understanding of the need or necessity for change; involves a re-tooling of strategy, process, technology and people)

- Focus – (refers to how good the companies are in producing, what they are best for)

- Speed – (refers to the promptness with which organizations respond to internal and external demands and contingencies at all levels)

- Boundarylessness (refers to the permeability of ideas and activities across units and levels to achieve integration)

- Goal elasticity (refers to stretching the goals/objectives of an organization to enable it to be competitive enough to achieve its long term goals)

1.8 TWO SETS OF FORCES OF CHANGE

An organization will be under two sets of forces considering the two types of environments

- Internal environment
- External environment

A. Internal Forces of Change

(i) System dynamics: Organisation is made up of sub systems; similar to that of the super personalities in the human brain which goes on interacting with each other creating changes in human behaviour

(ii) Inadequacy of Administrative process: As the time progresses, the revision of goals and objectives in an organization takes place, resulting in the changes in existing rules, procedures, regulations with the demands of reality. Realisation of their inadequacy is a force that induces change.

(iii) Individual or Group expectations: Man acts like a social animal whose needs, desires keep on changing. This brings differing expectations among individuals and groups. To suit the organizational context, they work in their own ways. Positive factors: one's ambition, need to achieve, career growth, capabilities etc.

The negative aspects are: one's fears, insecurities, frustrations etc.

(iv) Structure-focused change: A change that alters any of the basic components of an organizations structure or overall design (to reduce costs, increased profitability) e.g., Downsizing, decentralization, job redesign etc. Global competition has made many companies to act mean and lean.

(v) Technological change: A change that impacts the actual process of transforming input to output is known as Technological change. E.g., equipment change, work process, information processing, work sequence; CAD/CAM, Robotics etc. POS, Internet.
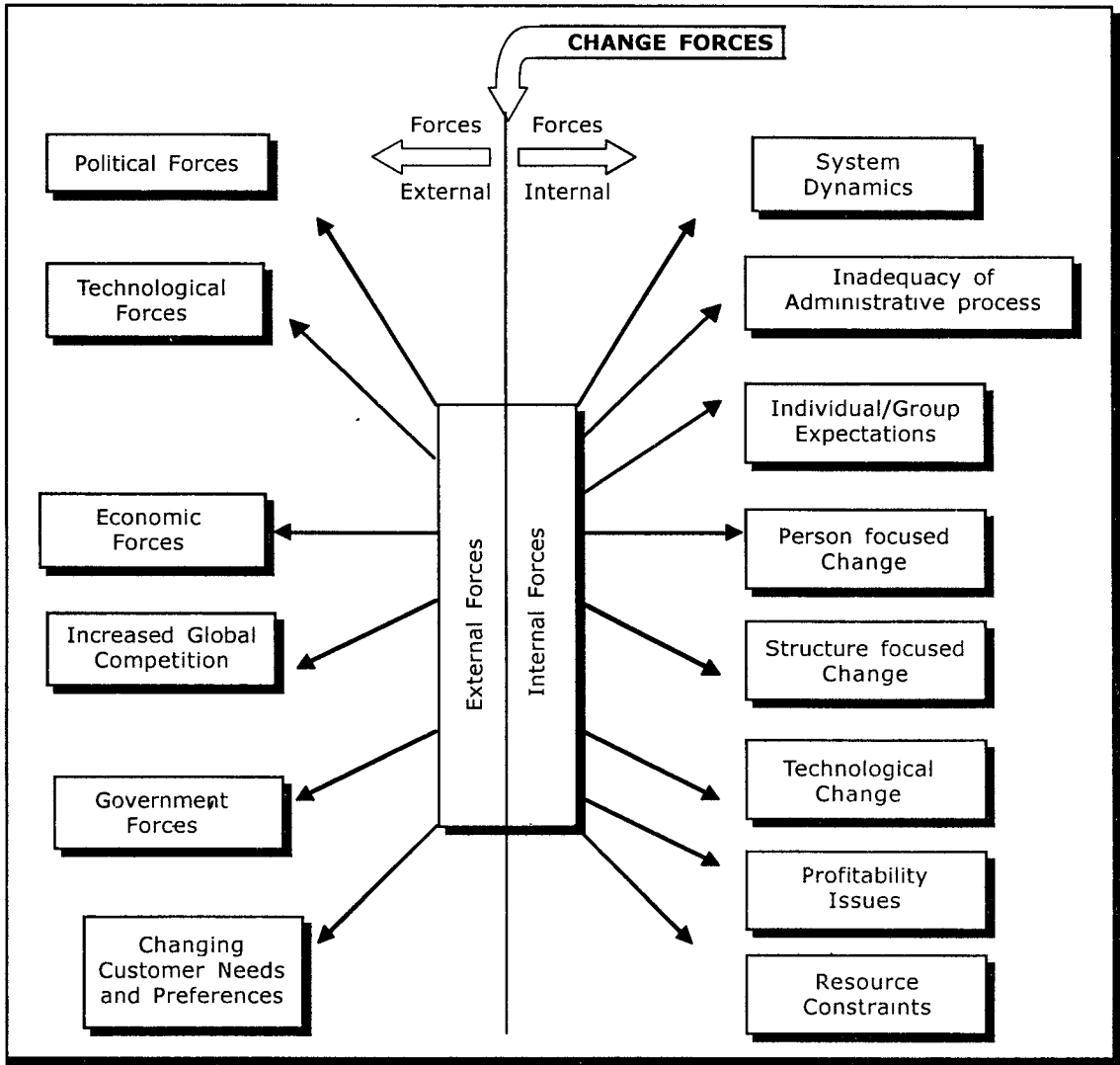
Fig. 1.10 Two Sets of Change Forces

(vi) Person focused change: A change that is concerned with human resource planning and with enhancing employee competence and performance. Redefining organizational strategy and goals; structural change in terms of expansion, contraction or resizing, technological input-All these have implications for human resource management. The focused changes are as under:

• Replacement: When employee's further training does not help.

- Replacement: Where an employee's current skills are best suited.

- Employee training and development

- Laying down new recruitment and selection policies in tune with changing technologies

(vii) Profitability issues: By restructuring (downsize, resize), and re-engineering to improve revenue, market share and productivity.

(viii) Resource constraints: Resources are:

- Money
- Machinery
- Material
- Information
- Personnel
- Technology

Depletion, inadequacy or non-availability of the above will lead to a powerful change force in the organization.

Thus a variety of forces within the organization as mentioned above will cause change relating to system dynamics

B. External Forces of Change

The forces of change due to external environment are the following six forces:

(i) Political Forces: The changes happened in Germany (Unification of the East with the West), so also in the other nations of east European countries to democracy and market economy, and also in USSR, the Gulf war, crisis in Yugoslavia and the recent happenings in China are good examples of political upheavals and necessitated change in other nations which are well knitted with them. Further, the economy in South East Asia is also improving. All these forces bringing changes are affecting many nations.

(ii) Economic Forces: The uncertainty about future trends in the economy is a major cause of change. Many of the countries are undergoing changes in declining productivity, inflation, deflation, interest rates, capital investment, petrol prices, lower consumer confidence, recessions etc. These have a marked impact on different economies and on organizations.

(iii) Technological Forces: Dramatic technological shifts are taking place in all the nations globally. Technological advancements (Specially in IT field i.e., Computer and Communications; Information systems, Communication field, Internet technologies) are found everywhere and have revolutionized the work place. New quality products are rolling out; Improved services are provided, costs are

dramatically reduced e.g. PCs, TVs, Laptop prices have gone down, communication costs slashed.

Advances in technology have contributed to the development of the economies. Bio-chemical, Bio-medical technologies are replacing several technologies in the future, specially in medicine, agriculture and industry.

(iv) Government Forces: Governmental interventions in the form of regulations also lead to change. The changes are: deregulation, foreign exchange, antitrust laws, antidumping duties, suspension agreements, protectionism.

(v) Increased global competition: Companies have to operate globally for survival and growth. Automobile industries are competing globally to retain a competitive edge. Companies have also **gone virtual** by **establishing strategic alliances**. No single company can survive on their own, unless it ties up with other companies. Relationship enterprises are to be built like IBM, Siemens, Toyota, Toshiba etc. Airlines have built up such alliances. **Dynamic multi-venturing** is a new mantra. Many a times, even arch-rivals have also come together to work on a common product goal.

(vi) Changing customer needs and preferences: Organisations are innovating and bringing new products continuously to meet the customer needs and preferences which are changing quite often. E.g. Products of Maruti, Centro, Sony, Sansui, Samsung.

1.9 TYPES OF CHANGE

The various types of change (a process of moving from the present to future) are as under:-
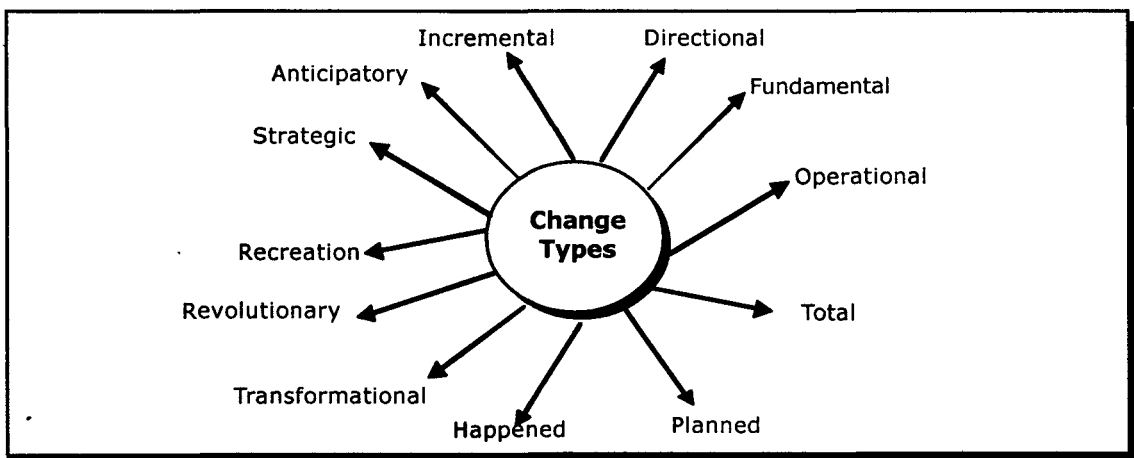
Fig. 1.11 Types of Change

The above words are simple and the reader can imagine the types of changes happening as on today. However, the same has been briefly explained in the following pages.

(i) Directional: Occurs under conditions of:

- Severe competition
- Unsuccessful business strategy
- Regulatory shifts on Government Policy and Control

Directional change is critical when the organisation is developing a new strategy or executing its current strategy. R & D activities, competitive analysis, information management, adequate management control systems support directional change.

(ii) Fundamental change: This is a redefinition of current purpose or mission of the organisation. It may be necessitated by:

- drastic changes in the business environment
- failure of the current corporate leadership
- lower turnover
- employee morale problems

(iii) Operational change: This is needed when an organisation:

- needs to improve quality, quantity, timeliness, unit operation cost of operations in developing products/services .
- focuses on how to improve existing operations to perform better keeping the organisation's goals the same.

Operation change activities include:

- Bringing new technology
- Work processes re-engineering
- Quality management
- Better distribution and delivery of product,
- Enhancing interdepartmental coordination

(iv) Total change is to develop new vision, achieving turn-around. It is nothing but a drastic surgery of the existing system.

(v) Incremental change: These are changes directed at the micro-level and focus on units/subunits/components within an organisation. Changes are done gradually and are adaptive in nature. Small changes will help set in the larger change process and lead the system slowly in the appropriate direction. If incremental

change fails, it will cause less damage to the total system as compared to unsuccessful large scale change.

Change includes:

- Introducing new technology
- Introducing new products, services
- Building teams
- Improving employees communication skills, technical expertise
- Change the incentive
- Improve employee system welfare measures
- Restructuring the organisation

(vi) Planned change: It is basically an operational change on a planned basis as a response to internal and external demands e.g. Down-sizing . It needs system/ subsystem level support (in techno-social) to survive.

(vii) Happened change: This occurs due to external cause and is unpredictable. There is no control and it takes place naturally. If happens, it brings in a future state that is unknown.

E.g. currency devaluation.

(viii)Transformational change: This involves the entire or a greater part of the organisation. This may be a change:

- in shape (size and complexity)
- structure (systems ownerships)
- nature (basic assumptions, culture, technology)

E.g., shifts in a products' life cycle,

Union management conflict, product to technology driven shift, manufacturing process change by automation, robotics etc, shift in organisation's norms and culture (cultural revolution.)

It takes time to occur, only when people realise that they are uncomfortable in the present state and needs a change over.

(ix) Revolutionary change: These are abrupt changes in the organisation's strategy and design.

(x) Recreation: Breaking the old structure-building a new one to become not just better, but different (metamorphosis). It involves the re-tooling of an organisation's core competencies covering designs, structure, functions and people skills.

(xi) Strategic change is a change of all or most of the organisations complements e.g., changing the organisation managements style.

(xii)Anticipatory change: Changes carried out in expectation of an event or a series of events. Organisations may tune-in or reorient themselves to future demands . It would involve any of the following:

- making incremental changes in anticipation of external events

- moving from 'here' to 'there' in anticipation of changing environment

- changing from the existing state to a designed future state and managing the transition process.

(xiii) Reactive change: Responsive to an event or series of events. Most companies are engaged in reactive, often incremental, change. It is also a reactive change, but it involves the organisation in its entirety, and occurs when the organisations are under severe crisis.

1.10 MANAGING CHANGE

It is always needed to align an organisation, or at least getting executive management and management as a whole truly working together, requires change in the organisation. Many leaders, consultants and HR executives have been preaching 'Change' for decades. The concept of re-engineering and the Internet revolution both of which have left lasting marks on organisations. These were the notable examples of those calls by the people who preached, change. However, that call to change sometimes falls on deaf ears, as managers and employees feel they can muddle through another organisational change proposed or executed either by new management or outsiders.

Lasting change depends on individuals, and individual action is critical to the concept of managing for the short term. The good news for organisations is that when asked to rank the degree to which they feel they have the ability to bring about the change in the organisations, most executives and managers feel some what empowered. See the figure below:
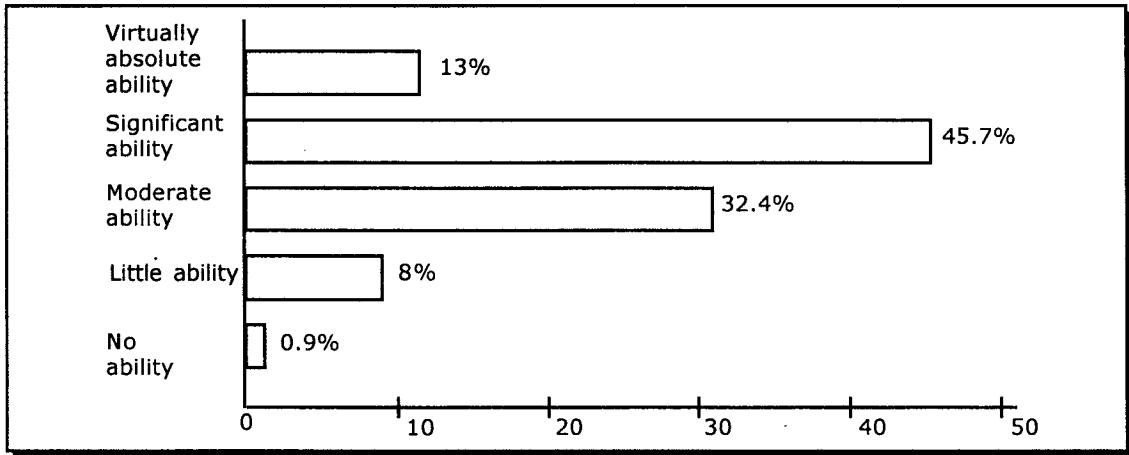
(Source: Net Future Institute, 2002)

Feeling that one has the power to effect change in an organisation and actually effecting that change are two different things. It is the difference between thinking you can rock a boat and actually rocking the boat.

Managers feel they have less ability to effect change in their organisations than do executives.

To bring change

- 22% of Managers survived say ———————Little or no ability
- 16.5% and above Senior executives say ———————Virtually absolute ability
- 3% below Mangers say ———————Virtually absolute ability

If the managers are to feel better able to manage for the short term, they must understand not only what the company's goals are, but also truly recognise that the company has empowered them to implement change to achieve those goals.

Changing Crisis by Crisis:

Changing to culture happens one manager at a time, one crisis at a time. "For middle and senior managers, the route to succeed is more aligned with how they can manage in crisis rather than process" says Gray. It is more about getting stuff done and continually improving. It is ok to manage by crisis as long as you are good at it". Crisis methodology is preferred than the process methodology as per Gray.

"In the olden days, you were getting a reward for completing a task. Today, you get five or six things done and move on. You never take a breather. More people have to be involved in decisions. Operate in the mode of getting stuff done today. It is in

our culture, you have to find people who can work in this 'live for the moment, plan for the future'. If you don't survive the short run, you won't survive the long run' says the change management expert Gray."

If short term shifts are perceived throughout the organisation, in the context of a larger goal instead of as knee-jerk reactions, they are less likely to be perceived as negative. Managing for the short term requires independent decisions with the increasingly short tenure of chief executives, managers who have been with the company for a long time may see moves as short term in the context of their own experience with the company. On the contrary, a top executive who may be newer to the company might see the same move as a logical step in a longer-term strategy.

Achieving goals through short term means that managers have no time to clear every decision with supervisors; the day-to-day decisions are too numerous and come too quickly for that. So how a company avoids simply allowing managers to focus on short-term results without taking the larger goals into account? For individuals to accept and practice the concept that incremental forward motion should occur regardless of whether it benefits the individual himself, it must be part of a company's strategy. Companies must go beyond simply paying lip service to the concept of team work.

Managers must understand their individual roles are in achieving the larger corporate goals. Their short term also gives support in the long term-direction.

Which of the leadership qualities most important for managers?	
• Ability to recognise and adapt to change	54.9%
• Staying focused	12.6%
• Ability to look ahead	10.5%
• Understanding technology	7.9%
• Deciding what not to do	4.1%
• Speed in decision making	3.3%
• Ability to manage up	2.3% to 0.8%
• Industry experience	
• Operating fast	
• Ability to manage down	
	(Source:- Net Future Institute 2002)

Implementing Change

Individual managers and parts of organisations are managing the change in some cases, though they may not feel good about it. A certain amount of attitude adjustment

may be needed in others. Either way, anyone who attempts to change the negative mind–set associate with managing change for the short term may face a certain amount of internal skepticism. It will come as no surprise to anyone who has ever tried to implement change that managers and executives feel the biggest impediments to change come from inside the organisation, not outside.
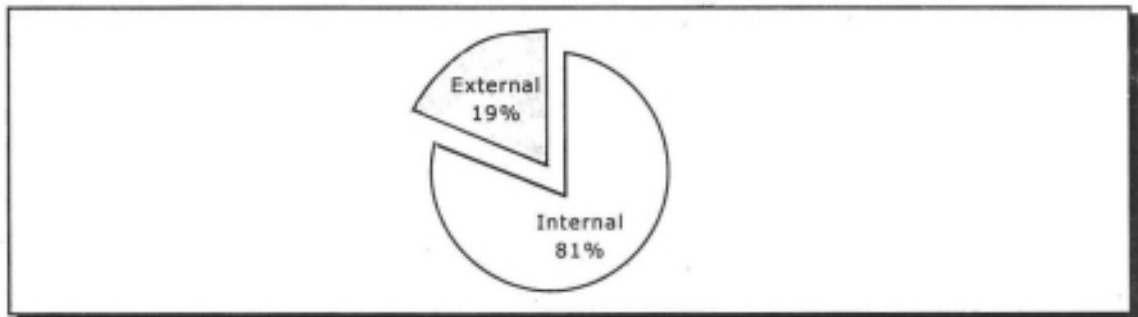
Fig. 1.12 The Biggest Obstacles to Change are Internal

Incremental forward progress benefit is, it helps to provide regular doses of success that can help managers feel better about what they do day to day. Managers also have to remember not to focus only on the road ahead, but also look in the rear view mirror occasionally – not just to be whether the other cars are coming up behind them, but to look at how far they have come, tally up just what the others have accomplished.

By enabling managers to match their customer – derived knowledge with the company's overall strategy, and helping them understand their day-to-day role in achieving it, organisations can achieve the sort of incremental successes that can drive a company forward toward its goals.

QUESTIONS

1. Define change.
2. Give the meaning of change.
3. Give an introduction to 'Change'.
4. How does a change help an organisation?
5. Mention the necessities to have change in an organisation.
6. Give the reasons why a change takes place?
7. If there is no change, what results are found in the organisation?
8. What is the need for change?

9.   What do you mean by internal forces of change?

10. What do you mean external forces of change?

11. Which are the sources for internal and external forces of change?

12. Explain the changes depicted on a clock face metaphor.

13. Mention some of the key categories of forces that push organisations to change.

14. Explain how organisatins are subjected to change?

15. Explain how people form an important force in the organisation for change?

16. Explain how technology forms an important force in the organisation for change?

17. Explain how information processing forms an important force in the organisation for change.

18. What do you understand by change?

19. Discuss on the role of technology change.

20. How do you say that the change by nature tends to be bipolar?

21. How do you understand the change process?

22. Explain the concept of change.

23. Explain how the change takes place at three levels. Which are the levels?

24. Explain how the continuity in change is maintained?

25. Which are the factors in coping with change?

26. Explain the two types of environmental forces of change.

27. Explain the change forces involved in the internal environment change.

28. Explain the change forces involved in the external environment.

29. List down the types of changes. Explain each one of them briefly.

30. Explain how the change is managed effectively in an organisation?

31. Why do the people resist change? Substantiate with proper reasons.

* * * * *

CHANGE MANAGEMENT

2.1 WHAT IS CHANGE MANAGEMENT?

Change Management is managing the process of implementing major changes in information technology, business processes, organisational structures and job assignments to reduce the risks and costs of change and optimise its benefits.
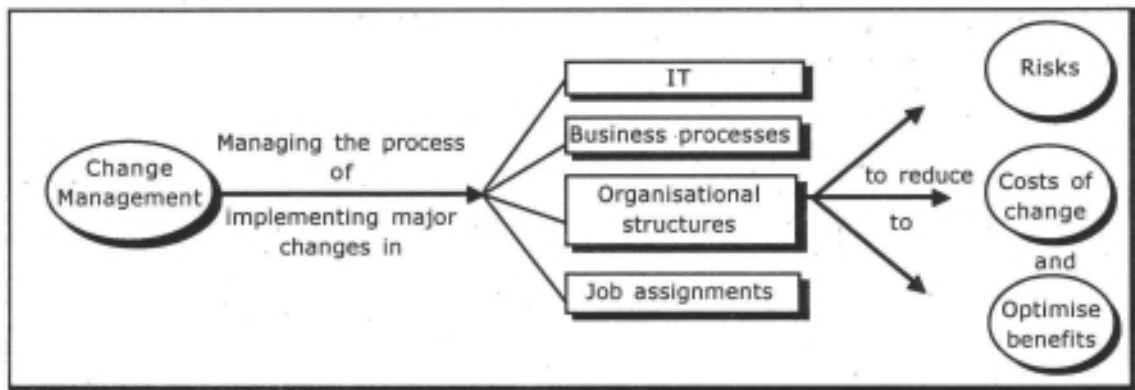
Fig. 2.1 Definition of Change Management

2.2 AIM OF CHANGE MANAGEMENT

Change Management is aimed at anyone who begins to understand:

- Why change happens?
- How change happens?
- What needs to be done to make change a more welcoming concept?

These offer insights into different frameworks and ways of approaching change at an individual, team and organisation level.

2.3 THE KEY DIMENSIONS OF CHANGE MANAGEMENT

		Technology	Process	People
Impact on Business High → Low	**Strategic**	• Enterprise architecture • Supplier partnership • Systems integrators • Outsourcing	• Ownership • Design • Enterprise wide processes • Internet enterprise Processes	• Change leaders • Loose/Tight controls • Executive sponsorship and support • Aligning conditions on satisfaction
	Operational	• Technology selection • Technology support • Installation requirements	• Change control • Implementation • Management Support Processes	• Recruitment • Retention • Training • Knowledge Transfer

Low ────────────────────────────────► High

Level of Difficulty / Time to Resolve

Fig. 2.2 The Key Dimensions of Change Management

The above illustration shows some of the key dimensions of change management, and the level of difficulty, time to resolve and the business impact involved. The people, process and technology factors involved in the implementation of business/IT strategies and applications, or other changes caused by introducing new information technologies into a company.

System integrators are consulting firms or other outside contractors who may be paid to assume the responsibility for developing and implementing a new e-business application, including designing and leading its change management activities.

2.4 PEOPLE ARE A MAJOR FOCUS OF ORGANISATIONAL CHANGE MANAGEMENT.

This includes activities such as developing innovative ways to:-
*   measure
*   motivate
*   reward performance

It is the people who will ultimately cause the change to be a success or a failure. The implications of change on individuals are important without which we can never really hope to manage large scale change effectively.

Most of today's work is done by forming teams. This needs team collaboration and team working for it to succeed.

Another important thing needed in change management is the crucial role of leadership.
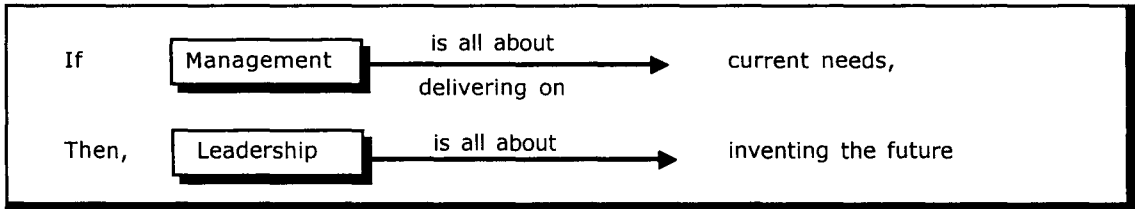
Fig. 2.3 Management Vs. Leadership

2.5 CHANGE MANAGEMENT INVOLVEMENT

Change Management involves:
• Individual, team and organisational change
• The leadership of change
The implementation includes:
• The applications
• Restructuring
• Mergers and acquisitions
• Cultural change
• IT based process change.

Fig. 2.4 Change Management Involvement

2.6 LEADERSHIP OF CHANGES IN THE 21ST CENTURY

Leadership to organise changes is not simple; It is to be taken as a balancing act as per Paul Evans, an expert in this field. There is an absolute need for leaders to accept the challenge of navigating between opposites.
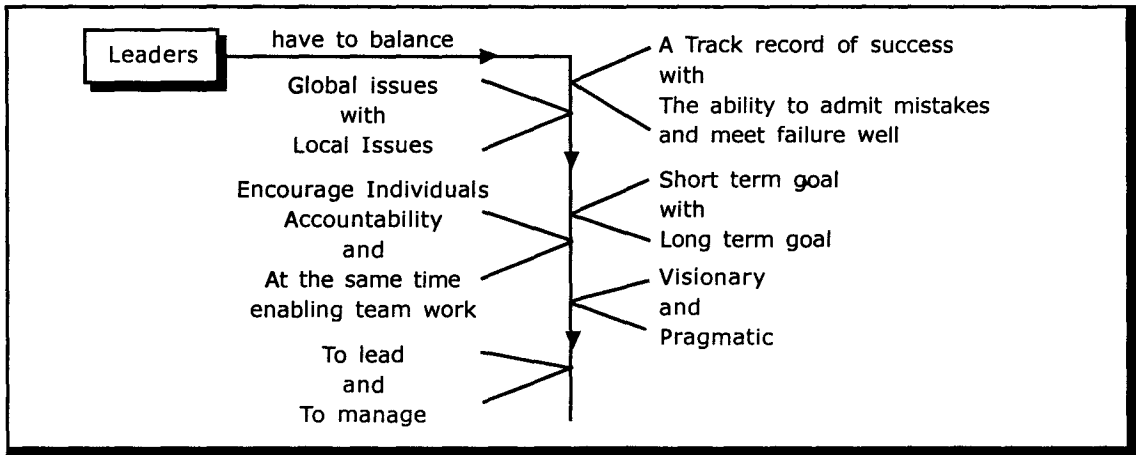
Fig. 2.5 Leaders have to Balance Between Opposites

Paul Evans is emphasising the need for leaders to pay attention to both Management and Leadership.

2.7 PARADOXES OF LEADERSHIP

These are found as under:

(i) To be able	to build a close relationship with one's staff to Lead	to Keep the staff at a suitable distance to hold oneself in the background
(ii) To	be tolerant	Know how you want things to function
	be a visionary be dynamic be sure of yourself	Keep one's feet on the ground be reflective be humble
(iii) To keep	the goals of one's department in mind	at the same time be loyal to the whole firm.
(iv) To try to	win consensus	be able to cut through
(v) To	freely express your view; do a good job of planning your time; trust one's staff	be Diplomatic be flexible with your schedule Keep an eye on what is happening

Source: By Evans (2000)

Fig. 2.6 Paradoxes of Leadership

Three dimensions of leadership

Leaders of change need to balance their efforts across all three dimensions of an organisational change
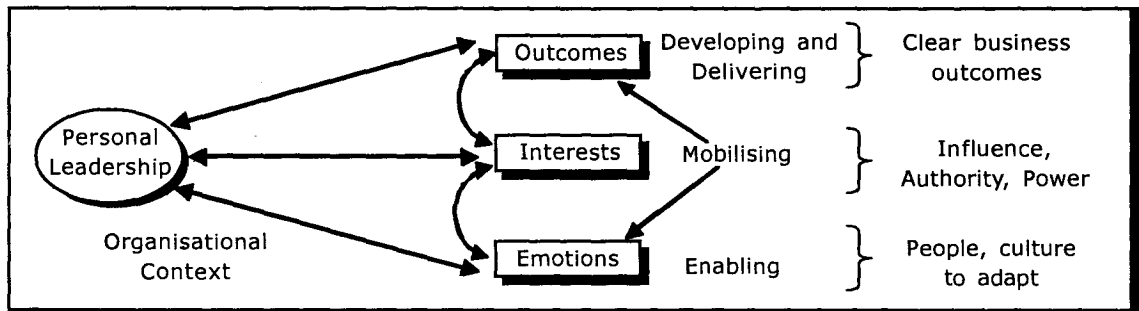
Fig. 2.7 Dimensions of Personal Leadership

QUESTIONS

1. Define Change Management.
2. Give the Meaning of Change Management.
3. Mention the aims of Change Management.
4. List down the key dimenstion of Change Management. Explain each one of them.
5. Mention the paradoxes of Leadership.
6. 'Leaders have to balance between the opposites'. Comment.
7. Explain why people are a major focus of organisational Change management.
8. What are the elements of Change Management?
9. Discuss on the three dimensions of leadership.

* * * * *

INDIVIDUAL CHANGE

3.1 FOUR USEFUL PERSPECTIVES ON CHANGE

These are:

- Individual change
- Team change
- Organisational change
- Leading change

Four useful key approaches to understand individual change are (as per the subtitles given in the box)

How individuals go through changes using various models?

i.e., **Learning and the process change** – In what ways can models of learning help us understand individual change?

- **Behavioural approach to Change** – How can we change people's behaviour?
- **Cognitive approach to change** – How change can be made attractive to people and how people can achieve the results they want?
- **Psychodynamic approach to change**
- Study of change affecting people
- **Humanistic psychology approaches**

    How can people maximize the benefit of change?

The other subjects to be studied in addition to the four useful key approaches are:-

- **Personality and change** – How do we differ in our responses to change?
- **Managing Change in Self and Others** – What changes need to happen? What is the best way to effect change?

Fig. 3.1 Four Useful Key Approaches to Understand Individual Change

(I) Four approaches to individual change

Each of the following four approaches leads to a set of guidelines for managers :

- Behavioural   : Get your reward strategies right
- Cognitive   : Link goals to motivation
- Psychodynamic : Treat people as individuals and understand their emotional states as well as your own:

- Humanistic : Be authentic and believe that people want to grow and develop


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┌─────────────────┐              ┌─────────────────┐
│   Behavioural   │              │    Cognitive    │
│    changing     │              │    achieving    │
│   behaviours    │              │     results     │
└─────────────────┘              └─────────────────┘

┌─────────────────┐              ┌─────────────────┐
│  Psycho-dynamic │              │                 │
│ The inner world of            │    Humanistic   │
│     change      │              │    psychology   │
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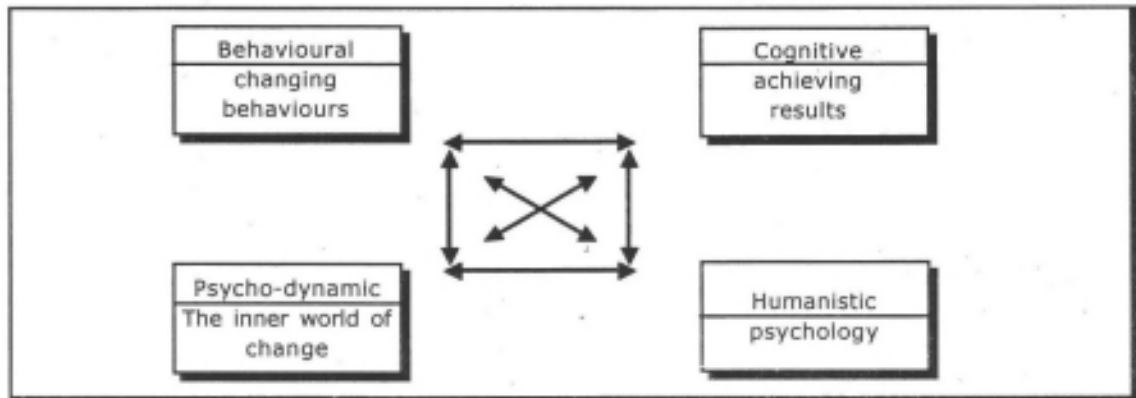
Fi g. 3.2 Four Approaches to Individual Change

3.2 LEARNING AND THE PROCESS OF CHANGE
by **Buchanan** and **Huczgnski** (1985)

The above experts defined learning as the process of acquiring knowledge through experience which leads to a change in behaviour. Learning is not just acquisition of knowledge, but the application of it through doing something different in the world.

How to understand this? A useful way to understand what happens when we go through change is to take a look at what happens when we first learn something new.
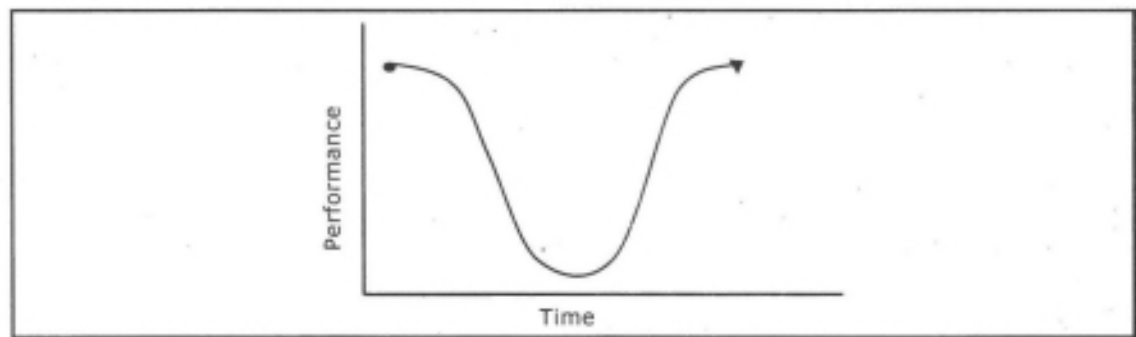
Fig. 3.3 The Learning Dip

Conscious and unconscious competence and incompetence

This can be viewed from a Gestalt perspective. Gestalt is an expert psychologist who worked on this subject for years and with his vast knowledge and experience, he came into certain derivations which are as under:

The Gestalt psychologist suggested that people have a world view that entails something being in the foreground and other things being in the background of their consciousness. All the colours in the garden are of equal note, until someone mentions white and we immediately start to notice the snowdrops of the white narcissi and the white pansies flowers. They have come to our foreground.
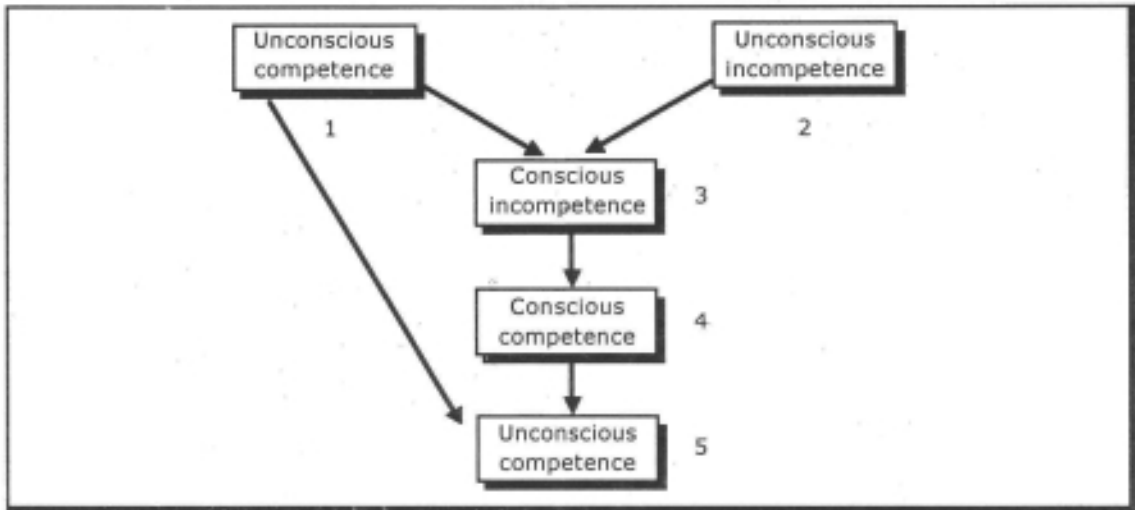
Fig. 3.4 Unconscious Competence

Take for example:

There is another cycle where it starts from (2) Unconcious incompetence. By committing a mistake (since this is where you do not know what you do not know) and reflecting upon it or when some one who is kind enough and brave enough tells you from self reflection or from other's feedback. Your unconcious incompetence becomes concious, you are able to begin the cycle of learning from (3)

(1) You have used a simple old model Maruti car 800 for a number of years. You have achieved unconscious competence. After some time, you are buying another new imported car where the driving elements, are positioned differently.

(2) No doubt, you drive the new car with unconscious incompetence.

(3) Above will make you for some time conscious incompetence because of unfamiliar car with different positioned driving elements and with competence got from driving a familiar car.

(4) When once you become conscious of your incompetence, through some trial and error and some practice and experience, you reach a stage of conscious competence due to your focus and attention. All these tasks have been in the forefront of your world and consciousness.

(5) After a period of time again you will reach unconscious competence in new area (in new car) as they recede the background

Kolb's Learning Cycle

Learning is the process of acquiring knowledge through experience which leads to a change in behaviour. Kolb, an expert psychologist studied this as a cycle through which the individual has a concrete experience.

The individual, when he actually does something (1) reflects upon his specific experience (2) makes some sense of the experience by drawing some general conclusions (3) and plans to do things differently in the future. Kolb's argument is that true learning could not take place without someone going through all the above stages of the cycle.

Kolb's research also depicted that different individuals have different preferences or styles in the way they learn. Some of us are quite active in our approach to learning. We want to experience what it is that we need to learn.
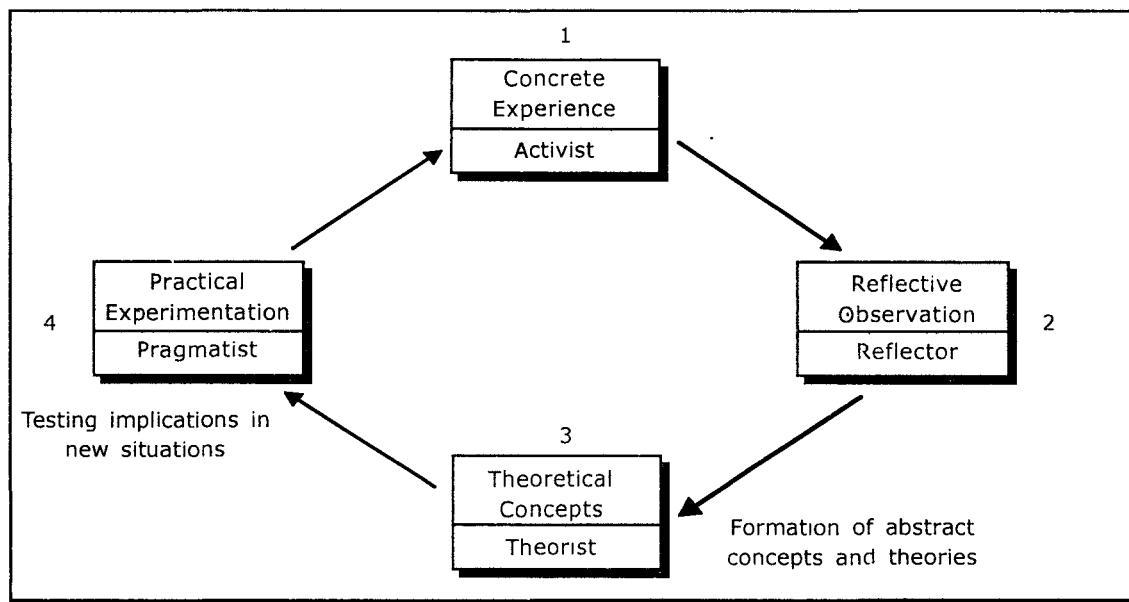
Fig. 3.5 Kolb's Learning Cycle

The Kolb cycle was initially developed to represent the process of individual learning. He describes how this can be adapted for organisational learning. Building upon the notion that individuals have diverse learning styles and will therefore have unique capabilities that lend themselves more closely to specific phases, he recommends the

development of teams that incorporate the specific skills required at each phase. His argument is that organisational learning be differentiated from individual learning by the nature of collective experience. Experiences of other expert in the above field are also given below.

- Argyrls and Schon in 1996 said that for action and inquiry to be truly 'organisational', it must be within previously agreed boundaries and parameters of policy that turn a group of individuals into an organisation.

- Vander Heijden and Eden in 1994 extended this theory by distinguishing individuals and organisational learning by an alignment of thinking. They suggested that learning from uncoordinated will remain an individual affair. Kolb's model emphasises the proactive approach required for organisational learning – the need to concisely create experiences from which to learn – but stress that an alignment of thinking will direct the creation of experience and encourage joint reflection and testing of theory, developing common understanding and consensus as to the required response to the problem. Senge's argument echoes the same (1990) who presents shared vision and mental models as prerequisites for organisational learning.

From the above, we can conclude that learning takes place as a result of experience. The key differentiators between Individual and Organisational Learning are:-

- The collective nature of experience and the joint testing of potential response to that experience to develop a shared view of what constitutes appropriate action.

- Organisational learning does not occur when individual members of the organisation learn; there is a major emphasis on the sharing of information and establishing a shared interpretation.

- Change is blocked unless all the major decision makers learn together and are committed to the actions necessary for change.

- Learning only happens if the results of experience are different to expectation and it is facilitated by a shared language and enhanced capability for meaningful conversation.

- Meaningful conversation takes place when there is a willingness to challenge assumptions that trigger change in behaviour. It is the environment that is most conducive to generative learning.

3.3 THE BEHAVIOURAL APPROACH TO CHANGE

The behavioural approach is about changing the behaviours of others through reward and punishment. This leads to study of behavioural attitude and punishment. This also leads to behavioural analysis and use of reward strategies.

This focus on how one individual can change another individual's behaviour using reward and punishment, to achieve intended results.

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If   ┌─────────────────┐     Analyse          Will lead to an          Contributing
     │ Intended results │ ───────────────────→ understanding of   <    to success
     │   Not Coming     │    individual's          what is
     └─────────────────┘      behaviour                            Contributing to
                                                                   non-achievement
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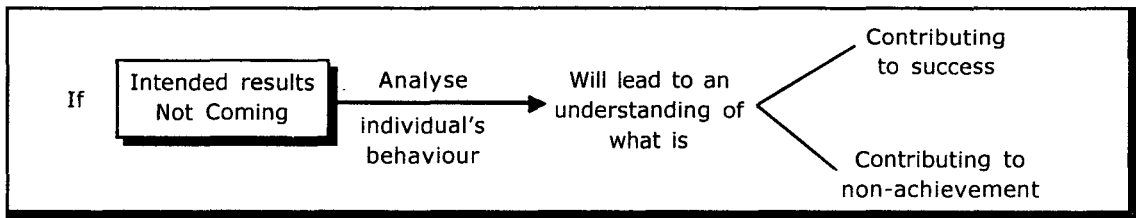
Fig. 3.6 Understanding Sucess and Non-acievement

In order to elicit the preferred behaviour, the individual is to be encouraged to behave in the former way and discouraged to behave vice versa. This approach has advantages and disadvantages.

E.g.,

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An organisation undergoes a    Moves          From being an inwardly focused
planned    programme    of  ──────────────⟩   bureaucratic organisation to a flatter
cultural change                                and more responsive customer
                                               oriented organisation
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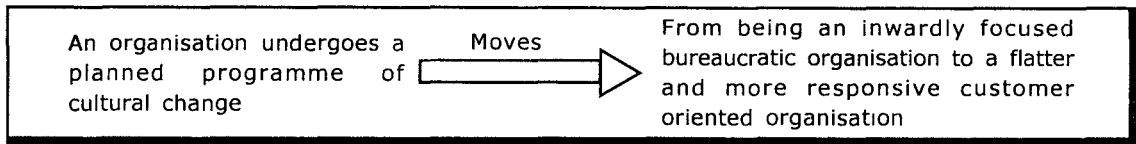
In a hotel, as an example, customer facing (reception office) and back office staff all need to change the way they behave towards customers and towards each other to achieve this change.

A behavioural approach to change will focus on changing the behaviour of staff and managers.

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            is
┌─────────┐ ───→  ┌────────────────────┐
│Objective│       │Behavioural Change   │
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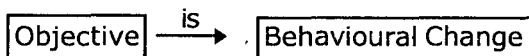
There will be no interest taken in how individuals specifically experience that change

No attention needed to improving processes, improving relationships or increasing involvement in goal setting.

Classifical Conditioning

When food is offered to dogs, they begin to salivate. Over time, the dogs had learnt, as soon as the doors are opened and even before offering the food, they began to salivate.

If neutral stimulus (door opening) and unconditioned stimulus (food) are associated, neutral stimulus (now a conditioned stimulus) leads to unconditioned response (now a conditioned response)   Pavlov (in (1928)
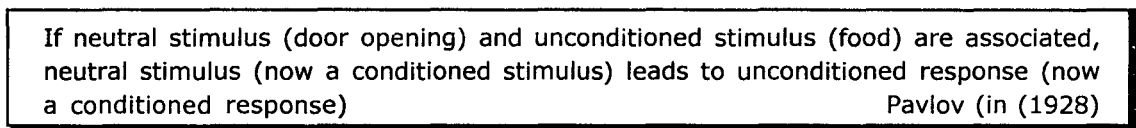
Even the rats learnt that an accidental operation of a lever led to their being food provided. The reward of the food then led to the rats repeating the behaviour. Four possible situations arise under the notion of rewards and punishments.

Actions	Positive	Negative
Addition	**Positive Reinforcement** Pleasurable and increases probability of repeat behaviour.	**Punishment** Unpleasant (Say Electric Shock) leading to decrease in repeat behaviour.
Substraction	**Extinction** Avoidance of an unpleasant stimulus increases the likelihood of repeat behaviour.	**Negative Reinforcement** Removal of a pleasant stimulus decreases the likelihood of repeat behaviour.

Fig. 3.7 Rewards and Punishment

Project of Planned behavioural change

A number of steps is needed:

Step 1: First, identify the behaviour that impact performance (Identification)

Step 2: The measurement of the behaviour. How are these behaviours currently in use?

Step 3: A functional analysis of the behaviour that is, the identification of the component parts that make up each behaviour.

Step 4: The generation of strategy intervention. What rewards and punishments should be linked to the behaviour that impact performance.

Step 5: An evaluation of the effectiveness of the intervention strategy.

Reinforcement strategies

When you are working at step 4 generation reward strategies, the following possibilities are to be thought over:
- Financial Reinforcement
- Non-Financial Reinforcement
- Social Reinforcement

Financial Reinforcement is most effective mechanism in organizations used today (e.g. sales oriented cultures) like bonus payments, prizes, tangible rewards in common; should be clearly, closely, visibly linked to the behaviours and performance that the

organization requires. (A reward to an outbound call centre employee based on specific number of appointments on behalf of the sales force). An organization wide performance bonus, unrelated to an individuals contribution to that performance would be an example of a poorly linked reinforcement.

Non Financial Reinforcement involves the form of feedback given to an individual about performance on specific tasks.

More specific the feed back is (Feed back can be positive or negative)	The more impactful the reinforcement can be

Performance depends on organizational culture and the managerial style of the boss. From the feedback, specific effective behaviours are encouraged and specific ineffective behaviours are discouraged and alternatives generated

Social reinforcement takes the form of interpersonal actions i.e., communications of either positive or negative nature.

Social reinforcement examples are:

For positive reinforcement for particular behaviours and out comes	For ineffective performance
• Praise • Compliments • General recognition	• Naming and Shaming

Social reinforcement is useful for performance issues, when an organizational culture change is underway. Group approval or disapproval can be a determining factor in defining, what behaviours are acceptable or unacceptable within the culture.

Motivation and Behaviour

Till 1960, the pure behaviourist view of the world was prevalent in industry led to difficulties with motivating people to exhibit the right behaviours. This led to researchers to investigate what management styles worked and did not work.

Douglas Mc Gregor in 1960 in his book 'The Human Side of Enterprise' described his theory X and theory Y which looked at underlying management assumptions about an organizations work force.

Theory X	Built on the assumption	Workers are not inherently motivated to work, seeing it as a necessary evil and therefore needing close supervision.

Theory Y $\xrightarrow[\text{that}]{\text{Stated}}$	Human beings generally have a need and desire to work, and given the right environment are more than working to contribute to the organization's success.
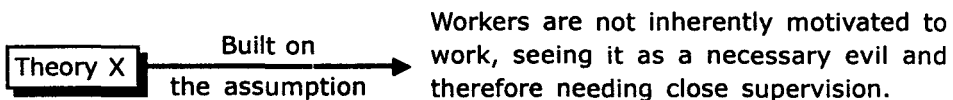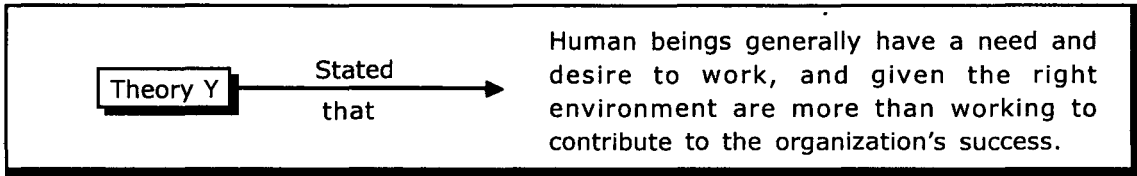
According to him, many organisations provided the former but not the latter.

Even the hygiene factors provided did not motivate the workers but that their withdrawal would demotivate further the work force.

Theory 'X' assumptions	Theory 'Y' assumptions
People dislike work	People regard work as natural and normal
They need controlling and direction	They respond to more than just control or coercion, for example recognition and encouragement
They require security	
They are motivated by threats of punishment	
They avoid taking responsibility	They commit to the organisations objectives in line with the rewards offered
They lack ambition	They seek some inner fulfillment from work
They do not use their imagination	Given the right environment,
	People willingly accept responsibility and accountability
	People can be creative and innovative

Source: Mc Gregor (1960)

Fig. 3.8 Theory 'X' and Theory 'Y' Assumptions

Hertzberg's Motivating Factors

Hygiene Factors	Motivators
Pay	Achievement
Company policy	Recognition
Quality of supervision/management	Responsibility
Working relations	Advancement
Working conditions	Learning
Status	The type and nature of the work
Security	

Source: Hertzberg (1968)

Fig. 3.9 Hertzberg's Motivating Factors

If you are approaching change from a behaviourist perspective, you are more likely to be acting on the assumption of MC Gregor's Theory X – the only way to motivate and align workers to the change effort is through a combination of rewards and punishments by spending time and effort ensuring that the right reward strategy and performance management system was in place. These are to be clearly to the individuals behaviours. Hertzberg's ideas suggest that there is something to play than reward and punishment when it comes to motivating people; not to say that the provision of Hertzberg's motivators cannot be used in some sort of reward for correct behaviour.

Mc Gregor's research analysis

Those managers who exhibited Theory Y beliefs were more successful in eliciting good performance from their people. Frederick Hertzberg also investigated on the subject:

What motivated workers to give their best performance? He, an American clinical psychologist, suggested that workers have two sets of drivers or motivators:

- A desire to avoid pain or deprivation (hygiene factors)
- A desire to learn and develop (motivators)

3.4 THE COGNITIVE APPROACH TO CHANGE

The cognitive approach is about achieving results through positive reframing. Also, created techniques of goal setting and to achieve results.
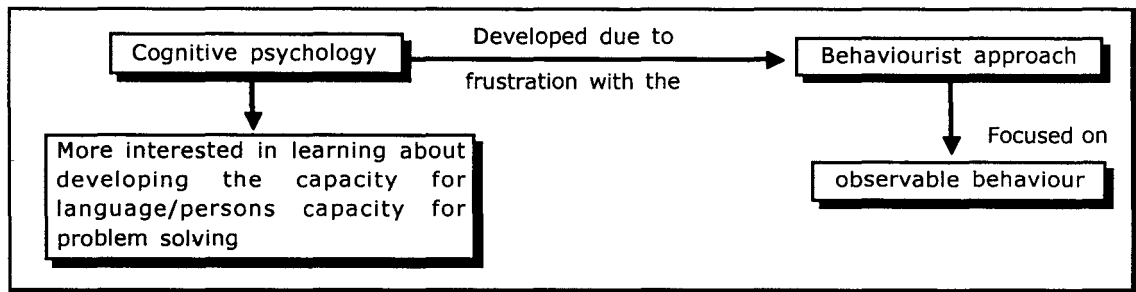
Fig. 3.10 Cognitive Psychology

Cognitive psychologists were interested in things that happen within a person's brain. These are the internal processes which behavioural psychology did not foucs.

Cognitive theory is founded on the premise that our emotions and our problems are a result of the way what we think.
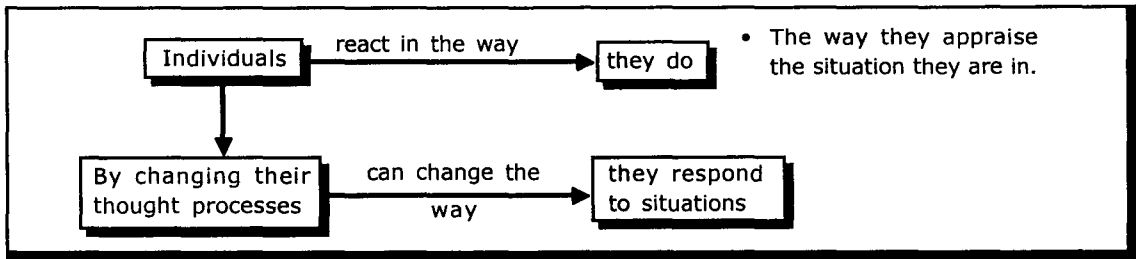
Fig. 3.11 Cognitive Approach

The cognitive approach builds on the behaviourist approach by putting behaviour into the context of beliefs and focusing more firmly on outcomes.

Many cognitive techniques are used in the field of management today, particularly in the coaching arena. This approach involves:

- focusing on building a positive mental attitude, some stretching goals
- backed up by a detailed look at what limiting beliefs produce behaviour that becomes self defeating

Cognitive approach drawback

- Lack of recognition of the inner emotional world of the individual
- Positive and negative impact that this can have when attempting to manage change

Some obstacles to change need to be worked through and cannot be made 'OK' by reframing or positive talk.

To achieve results:
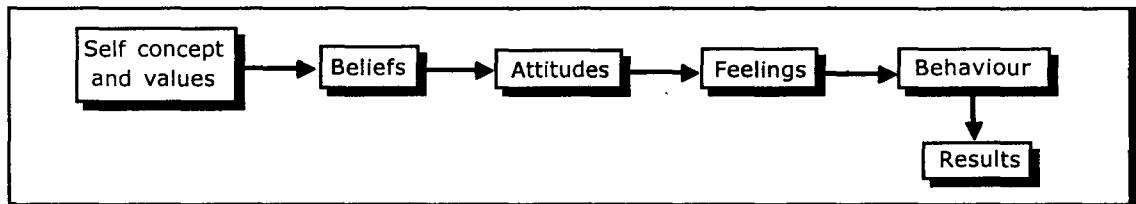
Fig. 3.12 Acieving Results (Stages)

Manager works as a change agent
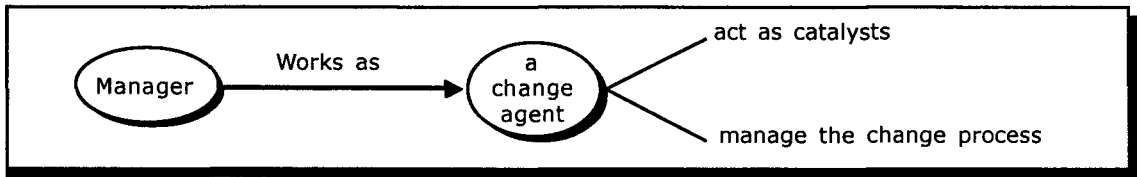
Fig. 3.13 Managers as Change Agents

The 'Calm waters' Metaphor dominated the thinking of academician and practicing managers.

The change process by Kurt Lewin (three-step description of the change) process is as under:
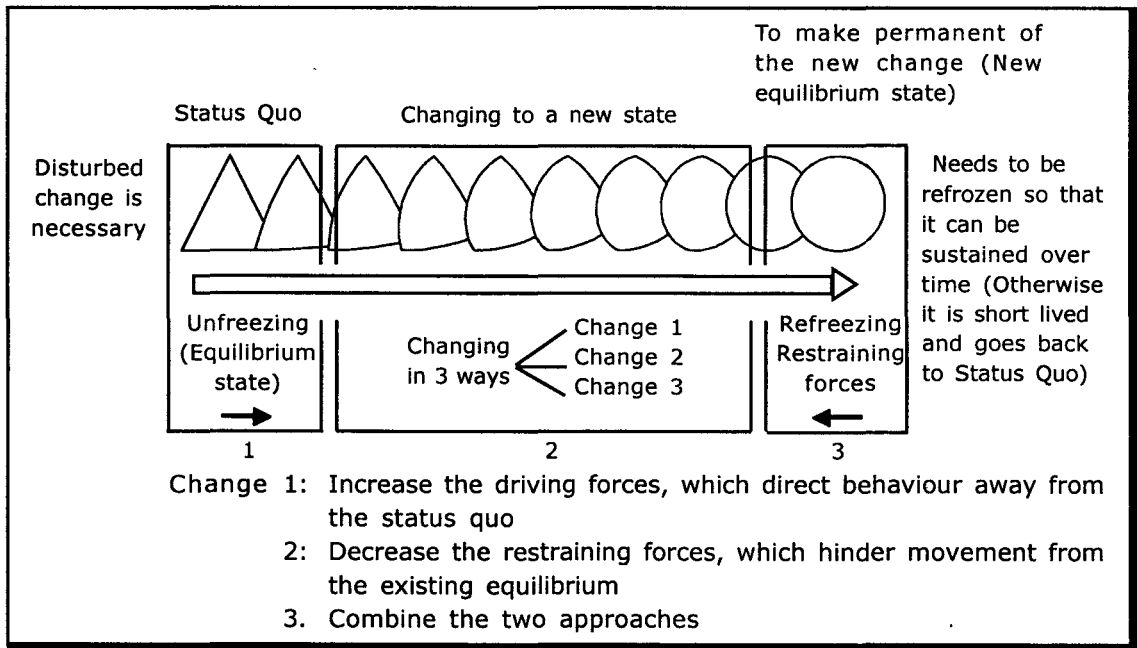
Fig. 3.14 Change process by Kurt Lewin

The calm waters' metaphor has become obsolete as a way to describe the kind of seas that managers in today's organization have to navigate.

The stability and predictability of the 'calm water' metaphor does not exist. Disruptions in the status quo are 'nt occasional and temporary, followed by return to calm waters. Many of today's managers never go out of the rapids and face constant change, bordering on chaos.

The "White Water Rapids" Metaphor

It is consistent with Mintzberg's observations, that the managers' job is one of constant interruptions. It is also consistent with the dynamics that are characteristic of going from an industrial society to a world dominated by information and ideas.

Managing change is something like continuously maneuvering in uninterrupted rapids, e.g., to succeed in the college, you have to be incredibly flexible and able to respond quickly to every changing condition. Students who were structured or slow to respond would not survive.

Organisation today can treat change as the occasional disturbance in an otherwise calm and disturbed world. Those who follow this are running a great risk.

Too much is changing too fast for an organization or its managers.

Every manager faces a world of constant and chaotic change. The number of managers who don't is dwindling rapidly.

White Water rapids are: Computer Software business, Women's High fashion clothing

Counter parts of other industries: Auto manufacturing, oil exploration, banking, publishing, air transformation which historically based a stable and predictable environment in 1960's. Now it is not true.

3.5 THE PSYCHODYNAMIC APPROACH

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┌─────────────────────────────────────────────────────────────────┐
│                                      When facing change in the external │
│  ┌──────────────┐   is based        world, an individual can experience a │
│  │ Psychodynamic │ ───────────►     variety of internal psychological states │
│  │ approach      │   on the idea    │
│  └──────────────┘                   │
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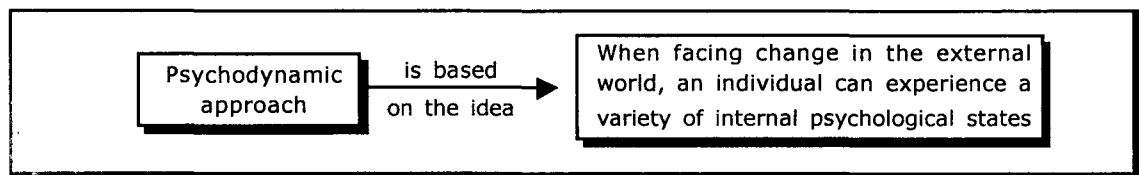
The psychodynamic approach is about understanding and relating to the inner world of change. This is especially significant when people are going through highly affecting changes.

This approach is useful for managers who want to understand the reactions of their subordinates during a change process and to deal with them suitably. Models help the managers to gain an understanding of why people read the way they do by identifying what is going on in the inner world of their staff when they encounter change.

Elizabeth Kubler Ross in 1969 published a paper giving an idea that humans go through a psychological process during change. Kubler – Ross dealt the subject in the area of terminally ill – patients. Research later on showed that individuals going through changes within organisations can have similar experience or through perhaps less dramatic and less traumatic.

(I) The Kubler Ross Model

She published her work on 'Death and Dying' in 1969 studying terminally ill patients and the different psychological states that they went through in coming to terms with their condition. This research was considered to have major implications for people experiencing other types of stages. Kubler Ross realised that patients when given the necessary conditions would typically go through 5 stages like denial, anger, bargaining, depression and final acceptance.
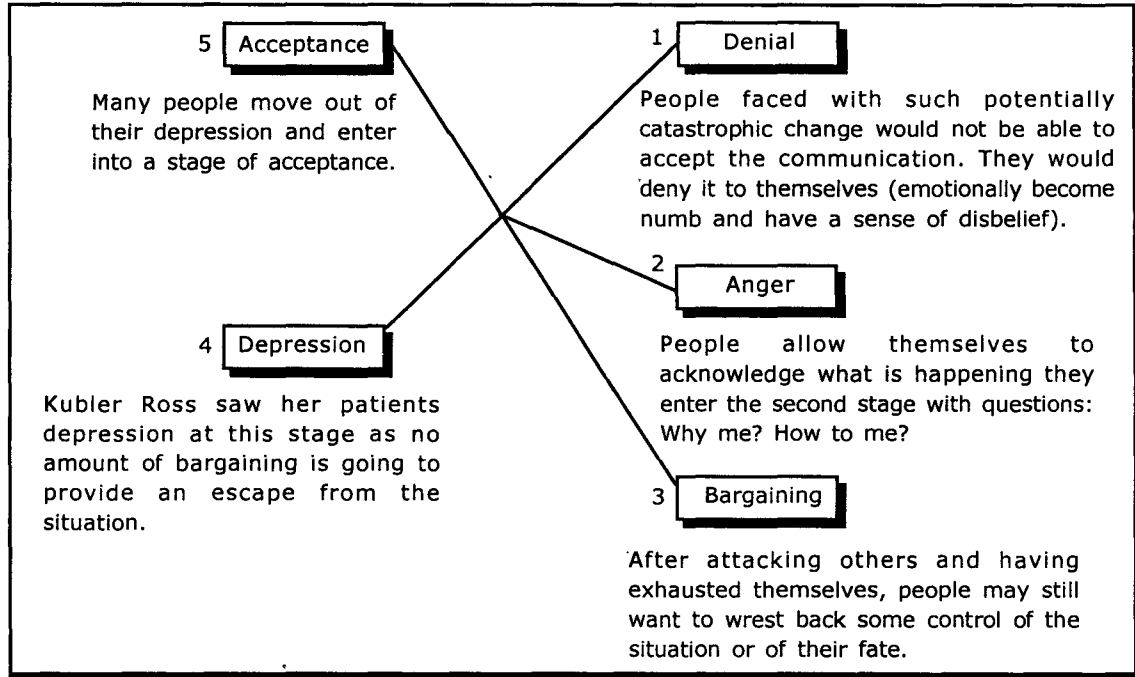
Fig. 3.15 The Kubler Ross Model
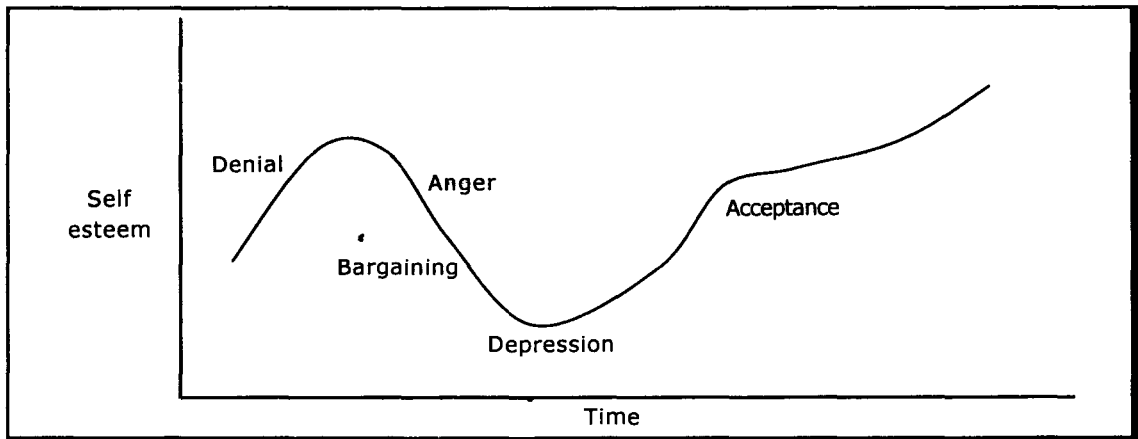
Fig. 3.16 The Process of Change and Adjustments
[**Source:** Kubler Ross (1969)]

(ii)   Adams, Hayes and Hopson (1970) have added 2 more stages on either side of the above figure the last stage would be integration.

- Relief
- Experimentation
- Integration
- Shock and / or surprise
- Discovery
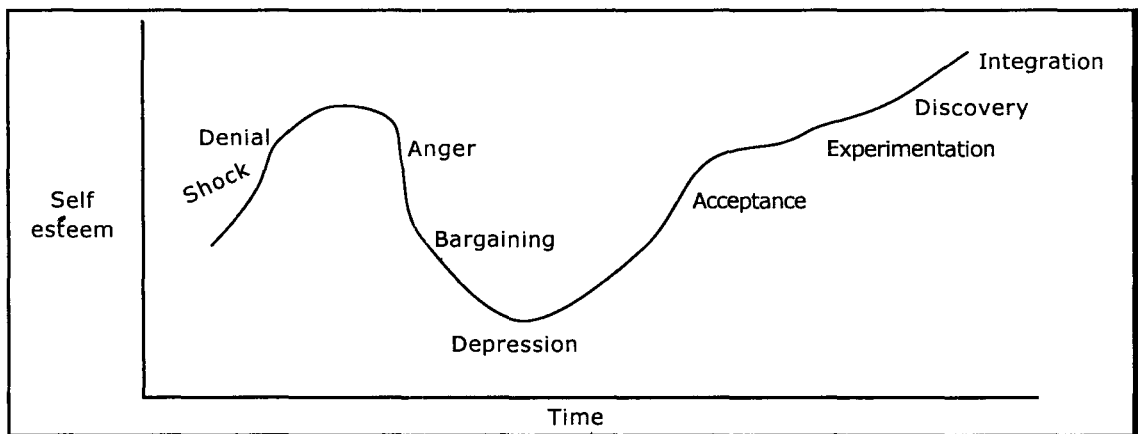
Fig. 3.17 Adams, Hayes and Hopkins (1976) change curve.

(III) Virginia Satir Model

Virginia Satir (therapist) developed her model in 1991. He observed individuals and families experience a wide range of changes. Her model describes a number of stages; highlights key events that disturb or move an individual's experience along the foreign element and the transforming idea.

This model that can be seen to change or be an insight or walking up on one morning and sensing that a cloud had been lifted. From that point on, there is a qualitative difference in the person undergoing the change. He can see the light at end of the tunnel, or have a sense that there is future direction.

Fig. 3.18 Satir's Model

1. Initial Status: (system is in relative equilibrium & relative harmony)	Maintaining the Status Quo (Day to day event continues same)	(The same earlier, same today, same tomo-rrow also)
2. Foreign Element (Something new enters the system)	A Factor not present earlier introduced. It has an effect	
3. Chaos (Internal) He may be in a state of disbelief – denial or emotional numbness	Individual's own perceived world might be turned upside down or inside out. Here elements of anger and disorganisation permeating the individual's world. Feelings of dread, panic and despair are followed by periods of apathy and a sense of pointlessness.	(Not knowing what to think or what to feel or how to act)
4. Transforming Idea (An Immense amount of work still needs to be done. The individual has generated this transforming idea)	An individual is coming to terms with the reality of the situation and experiencing acknowledgement and acceptance.	(seen the light or atleast a glimmer of hope)
5. Integration and practice	You begin to accept the idea of a new role and try it on for size' – Restructuring takes place at your place of work	The individual can begin the journey of integration

(IV) Gerald Weinberg in 1997, has given his thought on the Satir model and maps on to it the critical points that can undermine or support the change process. If the change is not well planned or if the receivers of change process consciously or unconsciously decide to resist, the change effort will falter.
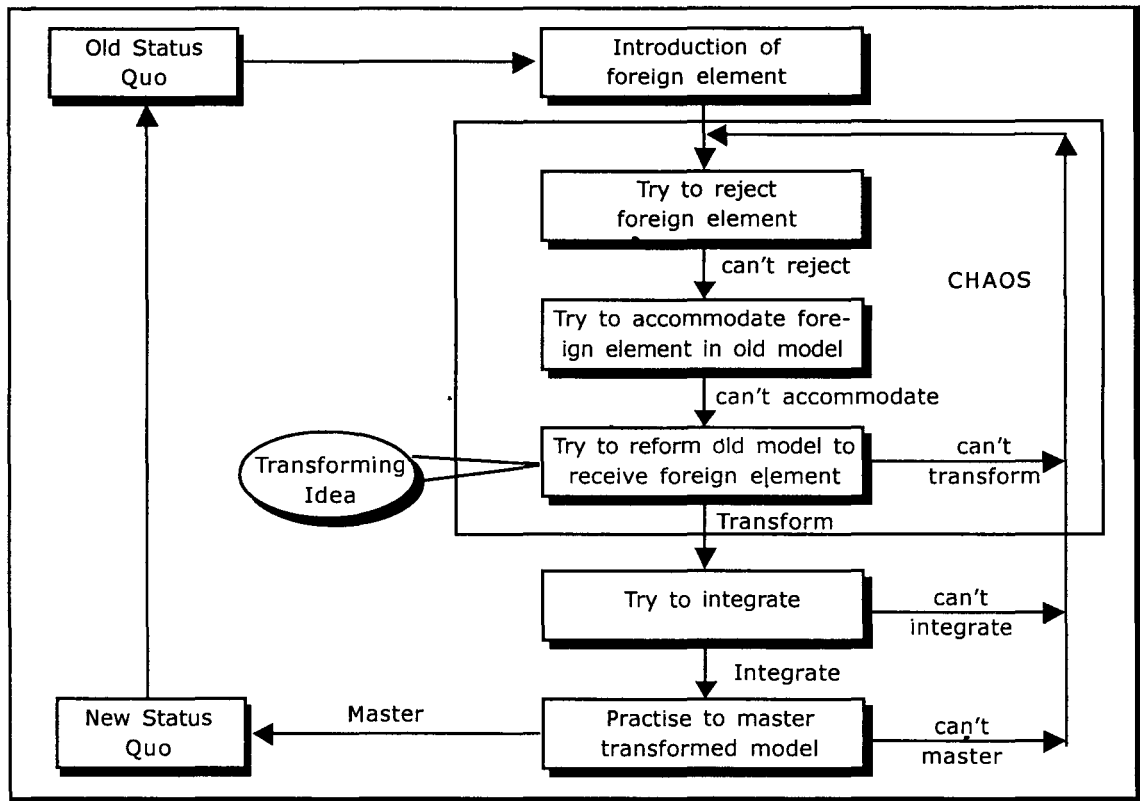
Fig. 3.19 Change Process (source: - Weinberg 1997)

3.6 THE HUMANISTIC PSYCHOLOGY APPROACH

The humanistic psychology approach is about believing in development and growth, and maximising potential. The emphasis is on healthy development, healthy authentic relationships and healthy organisations.

This approach to change combines some of the insights from the three approaches already indicated while at the same time developing its own. It differs from the behavioural and cognitive approaches. It is concerned with topics having little place in existing theories and systems such as:-

- Love
- Self actualisation
- Responsibility

- Creativity   • Higher values   • Meaning
- Self   • Being   • Trancedental experience
- Growth   • Becoming   • Peak experience
- Coverage   • Related concepts   .

Humanistic psychology has a number of key areas of focus:-

- The importance of:
    - Subjective awareness as experienced by the individual
    - Taking responsibility for one's situation (there will be an element of choice in how you think, feel and act)

- The significance of the person as a whole entity (holistic approach). As humans, we are not fast as what we think or feel; we are not just on our behaviours. We exist within a social and cultural context.

CARL ROGERS AND THE PATH TO PERSONAL GROWTH

The stages through which people travel on their journey towards 'becoming a person' has been written by him based on his observations in the field of psychotherapy. He was interested in how people learn, exercise power, behave in the organisation. Rogers as a researcher in his 'client – centered approach' to growth and development provides clues as to how we as change agents might bring about growth and development with individuals and organisations. The three conditions highlighted in 1967 by him are:-

Empathic understanding

- One understands the feelings and thought which seem so horrible to others or so weak or so sentimental, or too bizzarre
- The other sees them as one sees them, accept them.
- The other is free to explore all the hidden roots of his inner and often buried experience.

Personal growth and development

Genuineness and congruence

- Aware of your own feelings to be real / authentic
- The more genuine and congruent the chain agent is in the relationship, the greater the possibility of change in the personality of the client.

Unconditional positive regard

- Genuine willingness to allow the client's process to continue; an acceptance of whatever feeling the client is experiencing (be it anger, fear, hatred)
- It is saying that underneath all this the person is all right.

Fig. 3.20 Personal Growth and Development

There are several key concepts emerging from Roger's work which are important when managing change within organisation at an individual level.

Creation of a facilitating environment	With the correct stance of the change agent, client will be able to surface and work through any negative feelings. ·	Movement from rigidity to more fluidity in the clients approach to thinking and feeling	Move towards a greater degree of self respon-sibility for their situation
• Through authenticity, positive regard and emphatic understanding, enabling growth and development to occur.		• Allows more creativity and risk taking	• More options from which to choose.

Fig. 3.21 Key Concepts emerging from Roger's work

Gestalt Approach to Individual and Organisational change

It has the primary aim of showing clients that they interrupt themselves in achieving what they want. Gestalt is

- Experiential
- Not just based on talking
- There is an emphasis on doing, acting and feeling.

Gestaltists use a cycle of experience to map how individuals and groups enact their desires, but more often than not how they block themselves from completing the cycle.

Fritz perls was the main originator for Gestalt therapy. He beleived that a person's difficulties today arise because of the way he or she is acting today, here and now.
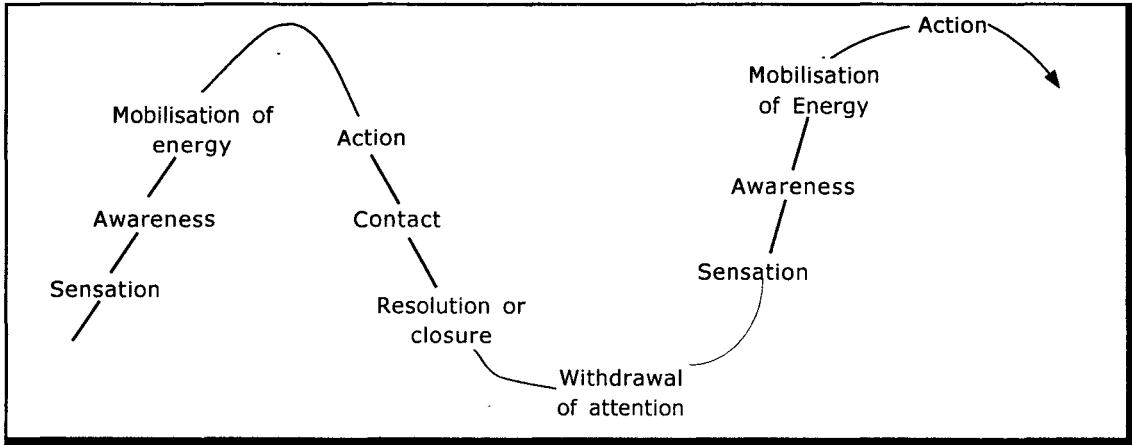
Fig. 3.22 The Gestalt Cycle.

Firtz perls say:-

*   Get out of your mind and come to your senses.
*   What one is experiencing in the here and now.
*   Experiencing has as its basis what one is sensing
*   Sensing determines the nature of awareness
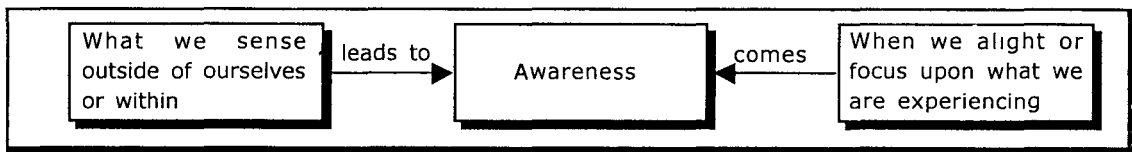
Fig. 3.23 Awareness

What we sense	What we validate	What we feel	What we value	What we interact
• Sights	• Thinking	• Happiness	• Inclinations	• Participation
• Sounds	• Planning	• Sadness	• Judgements	patterns
• Textiles	• Remembering	• Fearfulness	• Conclusions	• Communication
• Tastes	• Imagining etc	• Wonder	• Prejudices etc.	styles
• Smells		• Anger		• Energy levels,
• Kinestatic		• Pride		norms.
stimulations etc		• Empathy		
		• Intelligence		
		• Compassion		
		• Anxiety		

Nevin shows how the Gestalt cycle maps on to stages to managerial decision making such as: Awareness, Energy/action, Contact, Resolution/closure, Withdrawal.

For Example

Awareness comprises of:-

- Data Generation
- Sharing information
- Environment scanning
- Seeking information
- Reviewing past performance

Humanistic psychology approach opens up some interesting possibilities and challenges for the manager. Without being fully present emotionally in the situation the manager cannot be fully effective and will not be lable to maximise his or anyone's learning.

Individuals do not always experience the changes in a consistent and uniform way. While working with individuals and teams through change that it is useful to identify and openly discuss people's personality types. This information helps people to understand their responses to change; helps people to see why other people are different from them and to be aware how that may lead to either harmony or conflict.

Tool for Identifying personality Type is **Myers Briggs Type Indicator** (MBTI). This is a personality inventory developed by Katherine Briggs and her daughter Isbal Myers.

MBTI identifies eight different personality preferences that we all use at different times:

MBTI Type by Quadrant		**Thoughtful**	
		Realist	Innovator
Most concerned with		Practicalities	Thoughts, ideas concepts
How they learn?		Pragmatically and by reading and observing	Conceptually by reading, writing and making connected
Where they focus their change efforts?		Deciding what should be kept and what needs changing?	Generating new ideas and theories
Motto		If it is not broken don't fix it.	Let us think ahead.
		Action oriented	
Most concerned with		Actions	New ways of doing things
How they learn?		Actively and by experimentation	Creatively and with others
Where they focus their change efforts?		Making things better	Putting new ideas into practice
Motto		Let's just do it	Let's change it.

Fig. 3.24 Myers Brigg Type Indicator Types

Personality type has a significant effect on individual's ability to intimate or adapt to change. The individual's history, the organisation's history, the type of change and the consequence of the change are also key factors in an individual's response to change. Schein identified two competing anxieties in individuals change.

- Survival anxiety
- Learning anxiety

Survival anxiety has to be greater than learning anxiety if a change is to happen. He advocated the need for managers to reduce people's learning anxiety rather than increasing their survival anxiety.

QUESTIONS

1. Mention the four useful perspectives on change.
2. Mention the four useful key approaches to understand individual changes.
3. Discuss on the learning on the process of change.
4. What do you understand by the learning dip?
5. Discuss on the subject of conscious competence and unconscious competence and incompetence.
6. How do you view the unconscious competence from a Gestalt perspective?
7. What do you mean by "Learning" and a "Learning Cycle"?
8. Explain Kolb's learning cycle.
9. Explain the key differentiators between Individual and Organisation Learning.
10. Discuss the subject "Behavioural approach to change".
11. What is meant by classification conditioning?
12. Write down the steps involved in the planned behavioural change project.
13. What is meant by reinforcement strategies in Individual change management? What are the different reinforcements you can think of? Explain each one of them.
14. Explain Mc Gregor's Theory X and Y Theory Model.
15. Explain Hertzberg's Motivating Factors.
16. Explain how cognitive psychology is developed?
17. Discuss the cognitive approach to change; what are its drawbacks?
18. Explain the Kurt Lewin's change process.
19. Mention the three states of change indicated by Kurt Lewin in change process. Explain each one of them.
20. Discuss the White Water Rapids Metaphor.

21. Explain the psycho-dynamic approach to change.
22. List down the various stages of the Kubler Ross Model and explain each one of them.
23. Which are the additional stages added by Adams Hayes and Hopson to the Kubler Ross Model and why?
24. Explain the Virginia Satir Model indicating the various stages.
25. Explain the change process depicted by Gerald Weinberg.
26. Explain the humanistic psychology approach citing any one of the models associated with it.
27. What did Carl Rogers indicated in the path to personal growth?
28. Explain the key concepts emerging from Carl Rogers work.
29. Explain the Gestalt approach to individual and organisational change with a sketch.
30. Give details on the Gestalt's cycle.
31. Which are the activities that lead to awareness?
32. Write a short note on 'Awareness'.
33. Explain the tool for identifying personality type indicated by Myers Brigg.
34. Which are the two competing anxieties in individual change? Which is the most prominent, if a change is to happen?

* * * * *

PERSONAL CHANGE

4.1 INTRODUCTION TO PERSONAL CHARACTERISTICS OF LEADERSHIP

Cammoek identifies six personal characteristics of leadership. These are:

- Passion
- Courage
- Faith
- Concern of others
- Sense of **self**
- Integrity

Under sense of self, leaders are enabled to be secure and confident. They feel secure in their position and develop presence.

'Self' which we are thinking are listed below:

- Self confidence
- **Self analysis**
- Self development
- Self discipline
- Self regulation
- **Self efficacy**
- **Self esteem**
- Self interest
- **Self awareness**

Integrity is the most important attribute of change leader. Integrity means consistency in thought, word and deed. Change leaders have to be people who are consistent in their thoughts, words and behaviour; practise what you preach is the motto. They must live with the values that they want their organisations to embrace. While qualities of character and integrity cannot be taught, they can be acquired by discipline of self analysis and self development. One needs to work on oneself to develop these qualities.

4.2 SELF AWARENESS

Self awareness is knowing one's internal states, preferences, resources and intuitions:

- Emotional awareness:- Recognising one's emotions and their effects
- Accurate self-assessment:- Knowing one's strengths and limits.
- Self-confidence:- A strong sense of one's self worth and capabilities

Goleman defined a comprehensive set of emotional competencies for leaders. He grouped these competencies into four categories
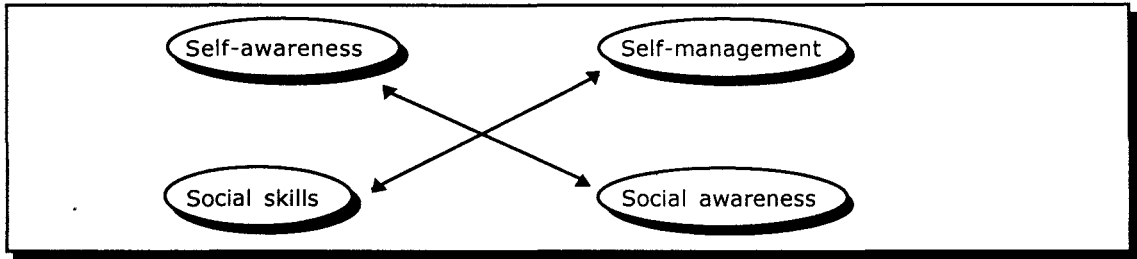
Fig. 4.1 Self-awareness as one of the Important Categories of Emotional Competencies for Leaders

Self awareness as per Goleman is at the heart of emotional intelligence. To back this up, Goleman's research shows that if self-awareness is not present in a leader, the chance of that person being competent in the other three categories is much reduced.

The leader of change has to be courageous and self aware. He has to choose:

- The right action at the right time. • To keep a steady eye on the ball.

However, the leader cannot make change happen alone. A team needs to be in place, with well-thought-out roles; and committed people who are in for the duration, not just for the kick-off.

For years, we have been told that the world of organisations is one that is ruled by the rational mind. Recent studies such as Daniel Goleman's (1998) on emotional intelligence and management competence, suggest that what makes for more effective managers is their degree of emotional self awareness and ability to engage with others on an emotional level.

If we want to know the meaning of awareness alone, it is data generation, seeking information, sharing information, requiring past performance, environment scanning.

4.3 SELF ANALYSIS

Introduction

In order to have a long survival, the company should have the ability to fit with the changing business environment and be at the cutting edge of competition.
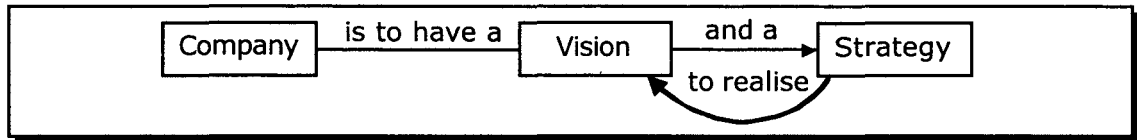
To plan strategically, a company needs to undertake a comprehensive analysis of:-

- What it presently is?
- What it should be?
- How it must change in the context of the business environment in which it operates?

  The organisation should have to:

- Develop a futuristic perspective (with a vision leading to a specific mission)
- Conduct a competitive analysis of the industry and its strategic segments
- Examine its core competencies in the context of competitors, market segments, technology advancements, time and resources.
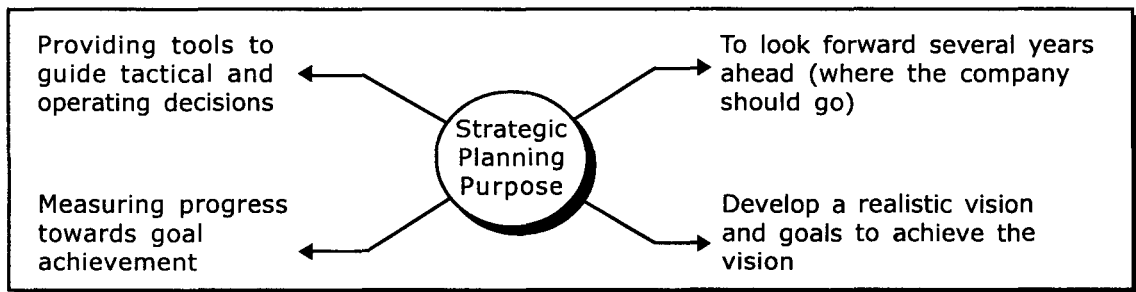
Fig. 4.2 Strategic Planning Purpose

To plan strategically, a company has to examine the business and industry environment in which it operates. At the same time, it has to obtain the competitive field of vision.

(I) Competitive Analysis

(II) Competitive Intelligence

(III) Self analysis

(IV) Future scenarios

(I) Competitive analysis

The competitive field of vision is the strategic map permitting an organisation to:

- plot all the players in the arena (including suppliers, vendors, distributors, retailers etc)
- predict the moves of the other players. (anticipating changes that are likely to occur; see how they impact on its core businesses)

The competitive analysis focuses on:

-    Each competitors unique position in respect to:

     •   its maturity in the context of the industry

     •   its past experience

     •   its product/company image

     •   the market segment in which it operates

     •   the extent of its market share

     •   the market forces and barriers (entry and exit) determining competition

-    Gathering information about competitors (current, new and emerging)

In order to decipher the competitive map, a company has to gather the necessary intelligence.

II) Competitive Intelligence (CI)

It is the search for clues and signs that enable comprehension of what one's competitors plan to do or are actually doing:

The intelligence may be gathered with respect to:

•   Strategic decisions that competitors make

•   Their success and failures (and the reasons)

•   Warning signals (likely changes in governmental regulations, technological shifts etc)

•   Any significant changes in the business scenario (changes at the top management level of the competing enterprises, changes in government that may call for policy changes at the industry level)

CI Assists in:

•   Determining the needs of current and potential customers.

•   Identifying opportunities before they become evident.

•   Enabling an organisation to implement its strategy ahead of its customers.

Gathering competitive intelligence can succeed if CI is considered an organisational competency

III) Self Analysis

Self analysis has already been explaind under strategic planning purpose. A company should work on self analysis to determine on the basis of what its core capabilities are?

Such as IT technology, R &D, innovativeness, good customer/supplier relations etc. Capabilities are broader in many perspectives.

Competencies are generally technological and production skills, that enable companies to adapt quickly to changing markets. These are specific. e.g., Honda's expertise in 'dealer management and product realisation'. Such companies adapt quickly to changing market or specific skills to suit customer needs. The core competencies emerge from:-

• An interaction of a few key players in the company

• A series of experimental successes in the market place

Based on the core competencies the company can diversify quickly. Honda's competency in the design of engines made the company diversify into various products such as:

-   Cars   -   Lawn movers   -   Boat engines etc

-   Snow blowers   -   Lawn tools

Similarly other companies like Sony, Canon etc also worked in a similar way.

The capabilities/competencies in the company can be examined considering the following seven aspects:

With regard to capabilities, customers may regard a company because of:
- its product
- excellence in customer service
- innovativeness
- other capability features and rate it under competitive advantage

How relevant in a context of:
- Business environment
- Anticipated future change. What extent modification or development could be done to suit the present or future business scenarios?

Whether company has been subjected to strong economic, social and market changes? Leading to inertia and low flexibility? Whether competencies acquired in the past tend to be consistent?

Are they unique to the company only? Not found in other companies? With their own experience acquired over time and difficult to be copied by others

In an organisation, the core competencies are vital. To what extent these are available with others? The competitive advantage existing can it be bettered than others? In what way?

How fundamental to be applicable in different market segments, in future business environments and for a variety of products and services?

How consistent or stable are they? The past need can be relevant to the present or future?

Company Image · Uniqueness · Relevance · Commonality · Persistence · Application · Endurance

Fig. 4.3 Capabilities/Competencies in the Company

IV) Future Scenarios:

On the basis of competitive intelligence and self analysis, an organization may identify its scenarios to help assist in its strategic planning. A **scenario** can be defined as speculative, detailed, well thought out narratives of future business environment based on short term, medium term, long term (of 5 years, 10 years, 15 years) future circumstances. The idea is to map out a wide range of possible futures. This helps to manage organizational change by foresight. The companies which are following the above are Shell Oil, AT&T, Xerox, Motorola etc. Scenarios may be developed or built around a framework with the following factors

- Time frame
- Scope
- Environmental Fluctuation

A characteristic of the future is unknownability. (The performance/success of the companies is subject to environmental forces. These could change suddenly or in fundamental ways. Major uncertainities like highly primitive competition or sudden discontinuation would find future scenario preparation as an useful tool in strategic planning.)
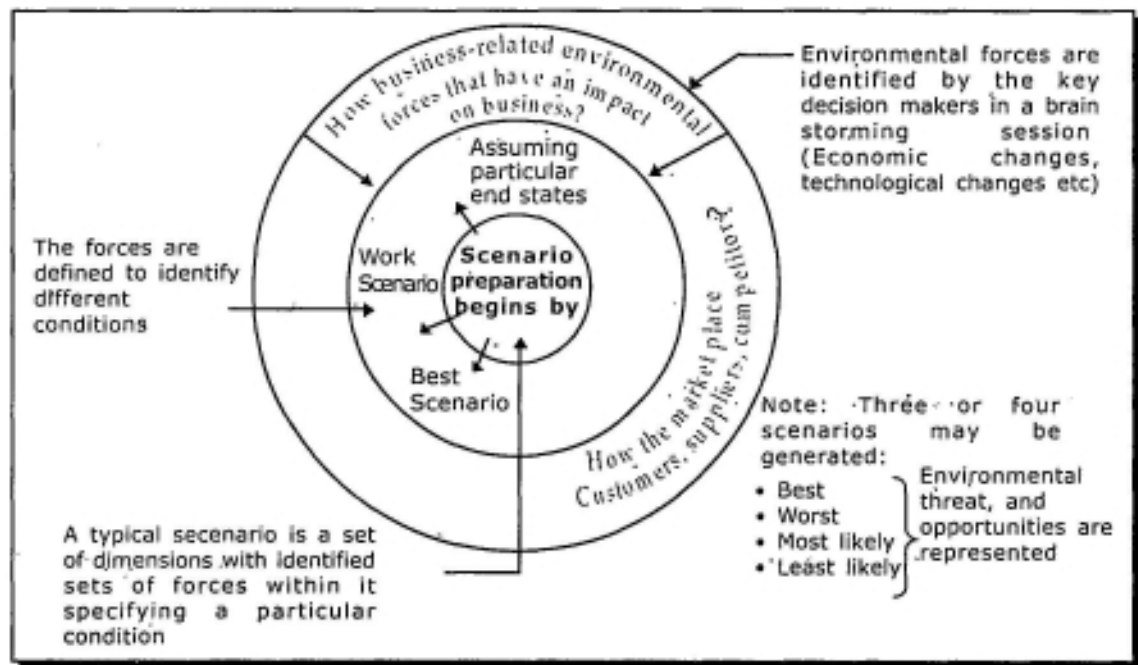
Preparation of scenario is a team effort utilizing the experience of individual managers, their industry experience/knowledge, their intuition and imaginative projections into the future.

Advantages of Scenario preparation includes

- A more fundamental way of analyzing a future business environment than traditional methods (scanning, trend analysis)
- Assists in mapping a broad range of business environments (provides insight into the opportunities, as well as the threats and key uncertainties that fail in the organization and its current strategy)
- Assists in planning change tactics (if a business scenario suddenly changes)
- Helps develop a futuristic perspective in managers, challenging their conventional approach or current mental models
- Helps develop team work, awareness of other's perceptions and ideas
- Assists in training managers for corporate leadership

Computer based system dynamic models can be used for alternative policies and complex issues in testing their assumptions.

4.4 SELF EFFICACY

The dictionary meaning of **efficacy** is virtue or energy. **Self efficacy** is the ability of the individual to produce the result intended. It refers to the confidence individual has in his or her ability to achieve challenging goals. This also can be taken as a belief that one has the capability to deal with any type of difficult task.

A man with a high level of self efficacy $\Longrightarrow$	(I) Easily learn new theories quickly (II) Less Learning anxiety exists
A man with a low level of self efficacy $\Longrightarrow$	(I) Takes more time to learn new things (II) More Learning anxiety exists
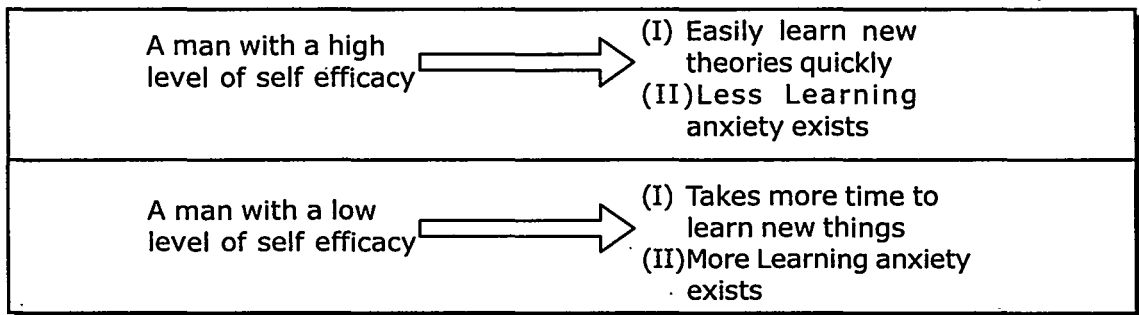
Fig. 4.5 Self Efficacy

A critical role for change managers as well as leaders is to devise ways of enhancing the self efficacy in their organisations.

Learns new things quickly

Individuals/groups have clear understanding of the goals to be attained, requisite capabilities and the steps to be taken for them.

This signifies that actors are determined to do what is required to achieve the goals. Their actions are fueled by intense personal commitment.
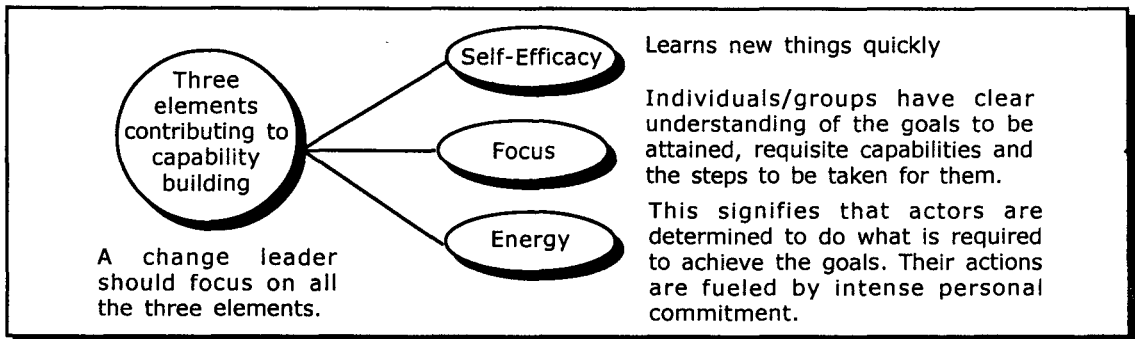
Fig. 4.6 Elements Contributing to Capacity Building

Aimless pursuit of learning has little value.

Most managers and organisations do not pay attention to the above three capability building critical tasks.

The importance of leadership in change management cannot be over-emphasized. Change programmers often fail because of lack of commitment and support from the top management. Credible and visible leadership is needed in all the phases.

Leadership Roles needed in Change Management
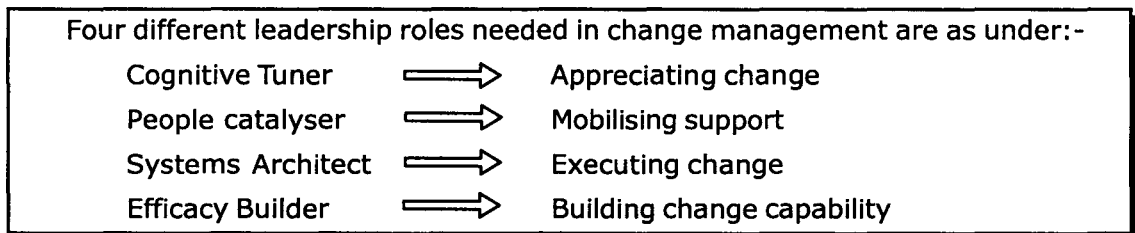
Fig. 4.7 Different Leadership Roles in Change Management

(I) Cognitive Tuner:
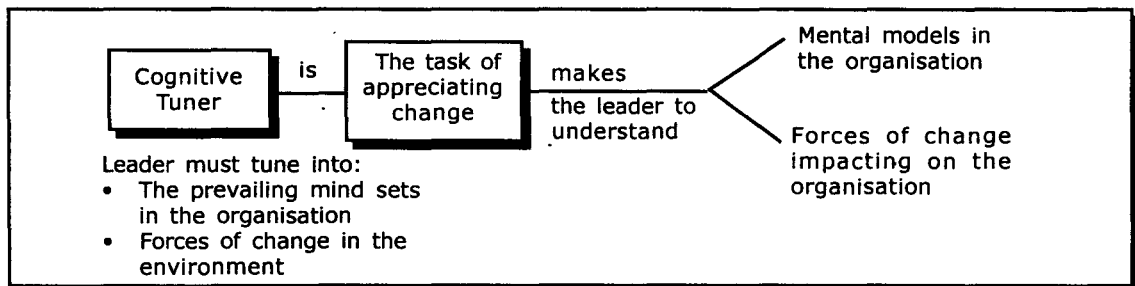
Fig. 4.8 Cognitive Tuner

Cognitive tuning means, it is a process undertaken with largely a process of reflection, analysis and thinking, occurring through the medium of dialogue and conversations. It is paying attention to mental models both inside and outside the organisation. It is not merely about understanding the need for change. The very act of it, initiates change in an organisation.
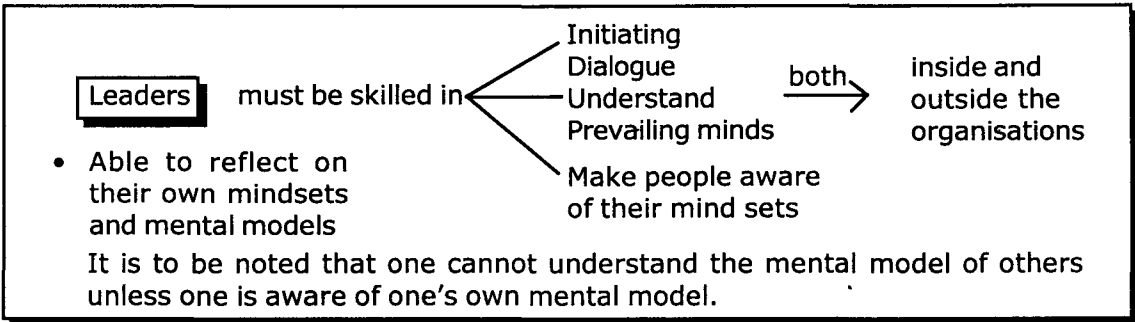
Fig. 4.9 Needed Leader Skills

(II) People catalyser

He has to mobile the support of people
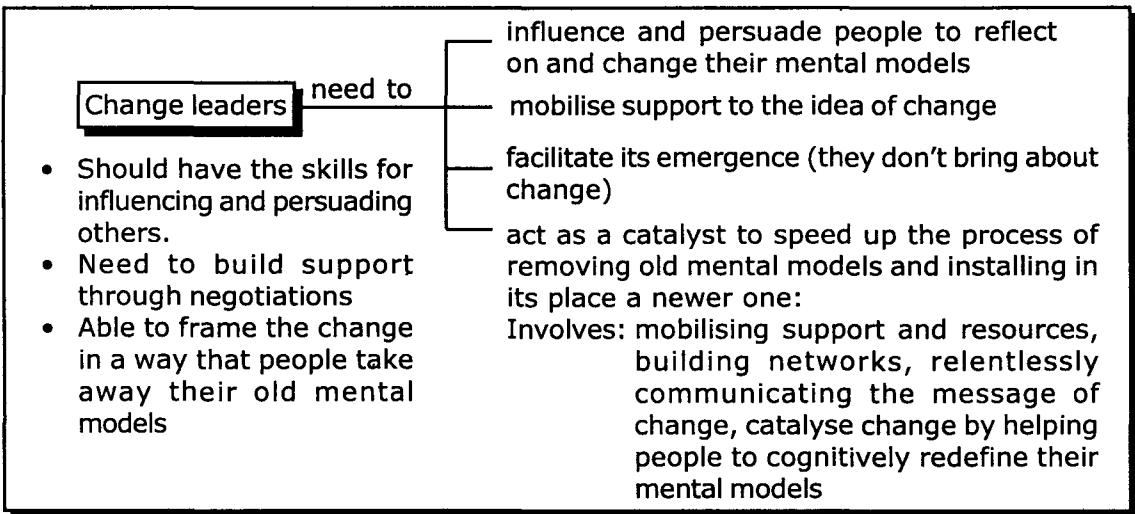
Fig. 4.10 Needs of Change Leaders

(III) System Architect

System Architect is the one who execute changes and processes in an organisation by establishing effective coordination mechanisms. He builds cross functional teams.

The momentum of change is to be sustained by ensuring that people are highly focused and energized during the change process.

Why these change efforts fail sometimes is because, leaders do not think of change in systemic terms such as:

- Their crucial role in designing, building and sustaining a social architecture that can facilitate others to change.

- Underestimate the importance of establishing new routines for replacing old mindsets or mental models.

    System architect's role is vital in ensuring the success of change efforts in an organisation.

(IV) Efficacy Builder

This is building change capability. Managers can create this by considering how capability can be built by setting challenging goals, creating ownership, structuring activities for reflection and action, instituting learning processes, fostering a positive behavioural context in which people learn to believe in their own abilities to achieve their aspirations.
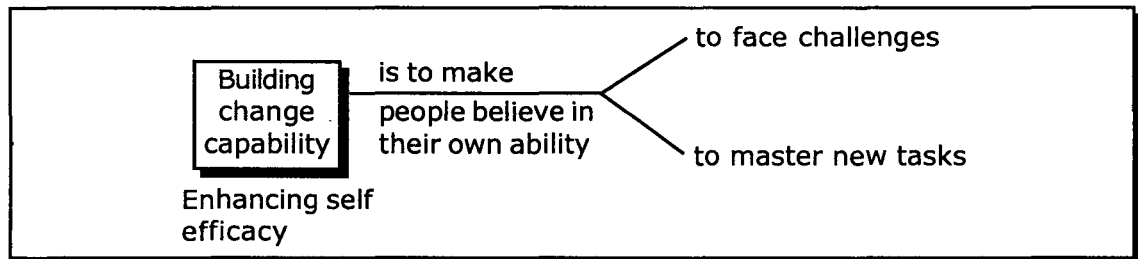
Fig. 4.11 Building Change Capability

Change leader plays a pivotal vole in this element of work.

- Creating and sustaining a positive climate that enhances people's self efficacy in an organisation.

- . Enhancing the aspirations of people in the organisation to face challenging tasks.

- Paying attention to create positive role models for others.

- Designing incentives that induce people to set high goals for themselves.

- Ensure that there are support mechanisms to help people to achieve their stretch goals.

- Promoting learning as a desirable goal in the organisation.

- Structure opportunities for people to set challenging goals and achieve them.
- Create a feeling of optimism and hope in the organisation to face the challenges of changes courageously and to overcome them.
- Developing people's confidence by demonstrating faith in their capabilities.

Effective leaders build capability by making people believe in their own abilities to achieve changing goals.
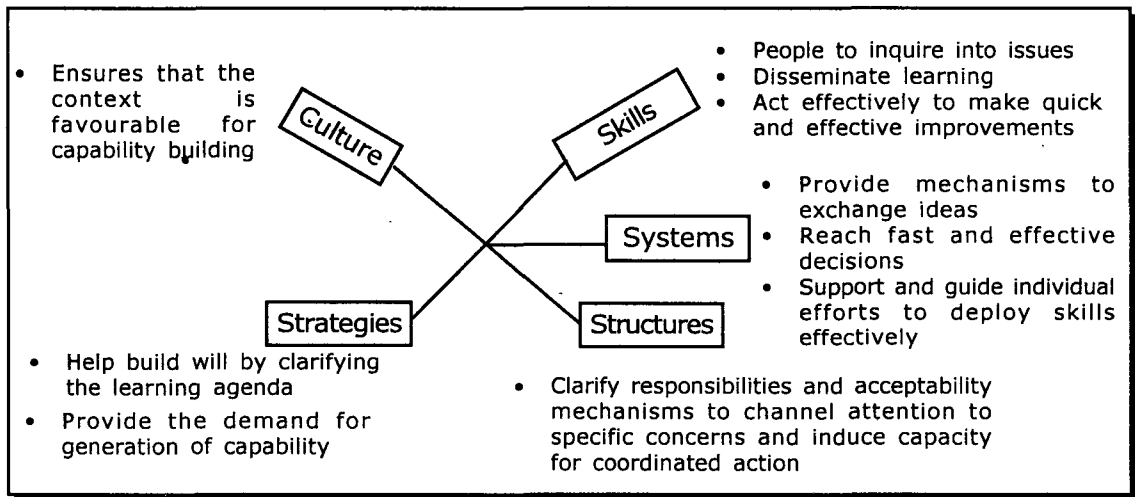
Fig. 4.12 Abilities to Achieve Changing Goals

If the change is not executed competently to produce results, the change effort would result in a failure which is irrespective of:-·

- How well a change is appreciated and planned ?
- How well it is supported by the organisation ?

Certain critical tasks to be done by the change leaders are:-

a) Creating cross functional links in the organisation.

b) Aligning policies/procedures and removing structural impediments to changes.

c) Creating new routines for continuous improvements and innovations.

d) Attending to human aspects of executing change

The above tasks are explained below in brief:

a) Creating cross functional links requires attention to mindsets apart from putting in place structure and mechanisms for collaborative working and development of cooperation/consensus building skills. Mindsets require attention to priorities and signals that leaders convey through their words and deeds.

b) This includes ensuring that:
   - Structure and policies reflect current priorities
   - Appropriate controls and incentives are in place

c) The leadership should ensure that attention flows to generating and generalizing ideas with impact.

   When the purpose is clear, effective processes are in place, then people are able to add value.

d) This needs deconstructing complex change so that priorities and objectives are clear, creating hope and optimism and enhancing preparedness to manage the unexpected.

   As an efficacy builder, managers need to make:
   - Organisational members have faith in their ability to learn.
   - Overcome obstacles
   - Engage in change.

Six strategies for capability building

There strategies are:-

(I) Help managers visualise their intentions (Formulate vivid and clear pictures of what they want to achieve).

(II) Prepare managers for obstacles (Understand the potential costs and benefits of a project before they commit).

(III) Encourage managers to confront their ambivalence (Confront their emotions when they feel unsure and reflect on their commitment to the project).

(IV) Develop a climate of choice.

(V) Build a self regulating system (Manager who initiates a project also responsible for deactivating it).

(VI) Create a desire for the sea (Providing managers with difficult and stretching tasks).

4.5 SELF ESTEEM AND SELF WORTH

In Maslow's hierarchy of needs, self esteem needs are as shown below (fourth from the base and second from the apex)
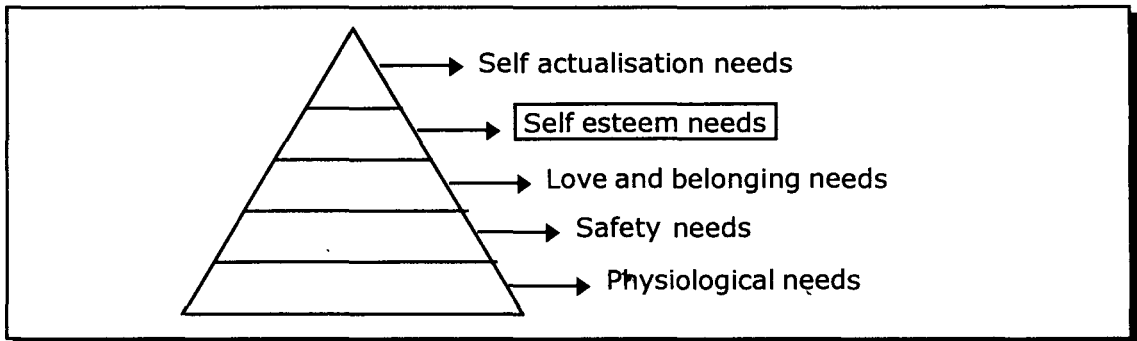
Fig. 4.13 Self Esteem Needs

Self esteem needs are the most important personal needs of the individual and are met in two ways through:

* The satisfaction individuals get when they achieve competence or mastery in doing something
* Receiving recognition for their achievement

Self esteem is the esteem or good opinion of one's self as per dictionary. While working on corporate turnarounds, whether related to merger or acquisition or alliances, it is not enough if the organisation makes only fundamental changes in the organisational structure or operations.

The major works involved are:-

* To protect the company's identity.
* To meet the **self esteem** needs of its people.

The two goals of making changes and safeguarding identity can easily come into conflict. To pursue the above, it needs very special attention on the part of the management as both require a difficult and sometimes precarious balancing act.

e.g., Nissan, the Japanese autogiant suffered a set back and entered into a strategic alliance with Renault in the ratio of 37:63 equity stake. Ghosn, an executive of Renault was put on the job, to relieve Nissan from a do-or-die situation. Ghosn's roadmap for change was underlined by the above mentioned guiding philosophy to safeguard Nissan's identity and the self respect of its people (Self Esteem).

The role of efficacy builder involves:

- Structuring opportunities for people
- To learn and grow together

How to become an effective efficacy builder?

Promote Resilience

Effective Efficacy Builders

Demonstrate Faith in people

- Show faith in other's abilities.
- Set demanding goals for them.
- Communicating positive expectations from them in their ability to achieve these goals.
- Support them in the achievement of goals.

Establish processes for storing and sharing organisational knowledge

Select and develop individuals for leadership positions

Effective change managers are 'outsiders-insiders'.

- Select and groom future leaders in the organisation, who understands the company's capabilities and culture; bring in new perspectives; break out existing models.
- Create 'outsiders-insiders' by selecting promising insiders and structuring opportunities for their professional growth.

Fig. 4.14 Effective Efficacy Builder

4.6 THE IMPERATIVE OF CHANGE

Any organization that ignores change does so at its own peril. The peril may happen immediately or later. Organisations must adopt strategies for survival and prosperity to manage multiple future scenarios which reflect their ability to manage.

Peter Drucker says 'Increasingly a winning strategy will require information about events and conditions outside the institution only with this information can a business prepare for new changes and challenges arising from sudden shifts in the world economy and in the nature and content of knowledge itself'.

Six major external changes that organisations are currently addressing or will have to come to terms with in the new millennium are:-

- A larger global market place made smaller by enhanced technologies and competition from abroad.

- A world wide recognition of the environment as an influencing variable and government attempts to draw back from environmental calamity (Legal, cultural, socio-economic implications in realizing the resource use and allocation) e.g., Global solutions to ozone depletion, toxic waste dumping, raw material depletion etc.

- Health consciousness as a permanent trend amongst all groups throughout the world.

- Changes in life style trends are affecting the way in which people view work, make purchases, spend leisure time and society.

- The changing work place creates a need for non traditional employees. (Many organizations have downsized too far and created management and labour skill shortages)

- The knowledge asset of the company, its people, is becoming increasingly crucial to its competitive well being.

> Important: Recognition of the change that occurs continuously has numerous causes; Needs to be addressed all the time

4.7 THE IMPACT OF CHANGE

Change Management is never a choice between technological, organisational or people oriented solutions, but involve:

- Combinations for the best fit
- Integrated strategies to produce the best results

Successful exploitation of a change situation requires:

- Knowledge of the circumstances surrounding a situation
- Understanding of the interactions
- Awareness of the potential impact of associated variables

Examples

Changes in an historical context:

Genghis Khan (1162 to 1227) was an inspirational leader of the Mongol tribes. He succeeded in conquering most of China, Asia, Iran and Russia. He managed to unify a disparate people. He revolutionized from the perspective of the conquered, the 'art' of war. He had highly mobile troops, operating with a signified degree of autonomy, directed by a leader aware of the need to adopt flexible and progressive tactics and strategies. He swept the regimented, staid and ponderous opposition aside, a practical lesson in identifying and exploiting a competitive advantage.

The Industrial Revolution which developed in Europe between 1750 and 1880 accelerated the rate of change to an extent never previously thought possible. Other economics followed. Rate of change has never declined. Many would claim it has now accelerated out of control.

Spear and Sword	replaced by	Gun
Scribe	"	Printing press
Manpower		Steam engine of James Watt
	"	
Horse and Cart	"	Combustion engine
Pigeons	"	Postal services
Typewriter	"	Word processor
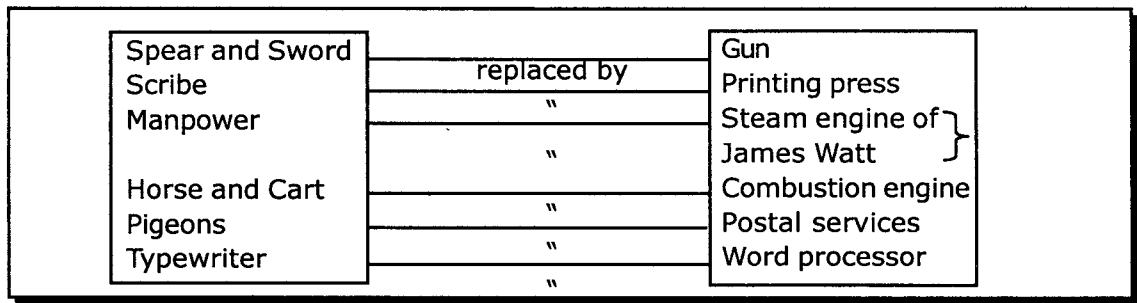
Fig. 4.15 Industrial Revolution Developed

4.8 THREE CATEGORIES OF CHANGE

Structure	⟹	Complexity, formalisation centralization, job redesign
Technology	⟹	Work processes, methods and equipment
People	⟹	Attitudes, expectations, perceptions, and behaviour
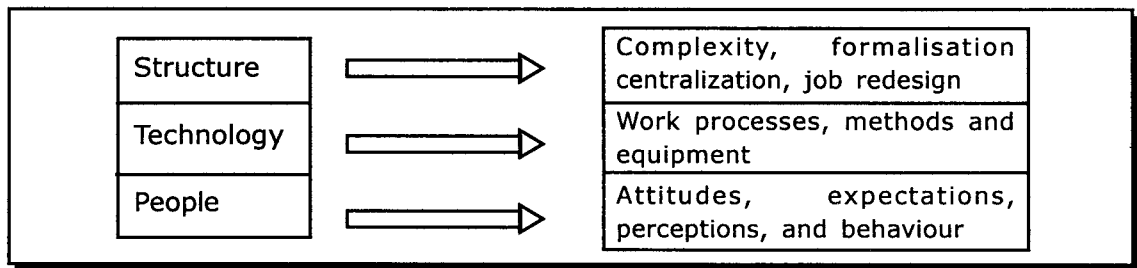
Fig. 4.16 Categories of Change

4.9 RESISTANCE TO CHANGE

As change agents, Managers should be motivated to initiate changes. Managers are committed to improve their organization's effectiveness.

Organisations — to lessen resistance of the people → to build up inertia that motivates people to resist changing their Status Quo, even though the change might be beneficial.
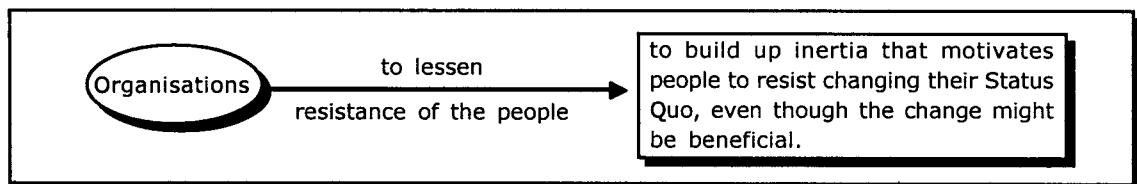
Fig. 4.17 Improving of Organisation's Effectiveness

Why do people resist change?

This is for three reasons:

- Uncertainty (Substitute ambiguity and uncertainty for the known)
- Concern over personal loss (Fear of losing something already posessed)
- The belief that the change is not in the organization's best interest (Incompatible with the goals)

4.10 TECHNIQUES FOR REDUCING RESISTANCE

Management can take action when it sees resistance to change as dysfunctional.

How the resistance to change can be managed?

1. **Education and communication:** Communicate with employees to help them see the logic of a change. Source of resistance steps from misinformation or poor communication
2. **Participation:** Individuals who participate find it difficult to resist a change decision.
3. **Facilitation and Support:** Change agents can offer a range of supportive efforts to reduce resistance to subside their fear and anxiety like employee counselling and therapy, new skills training, short paid leave of absence (might facilitate adjustment)
4. **Negotiation:** Exchange something of value for a reduction in the resistance. If the resistance is centred in a few powerful individuals, a specific reward package can be negotiated to meet their individual needs. It is a tactic necessary when it comes from powerful source such as union.
5. **Manipulation and cooptation:** Manipulation is to covert attempts to influence (Twisting and distorting facts to make them appear more attractive). Cooptation is a form of both manipulation and participation (To buy off the leaders of a resistance group by giving them a key role in the change decision)

   Coercion: Direct threats or forces on the resistors. Coercion includes threat by managers to close a plant, transfers, loss of promotions, negative performance evaluations, poor letter of recommendation etc.

Fig. 4.18 Managing the Resistance to Change

A. Changing structure:

i. By altering the components of the structure

Organisation Structure is defined in terms of structural components

Degree of complexity
Formalisation
Centralization

Managers can alter any one of the three or more of these structural components.
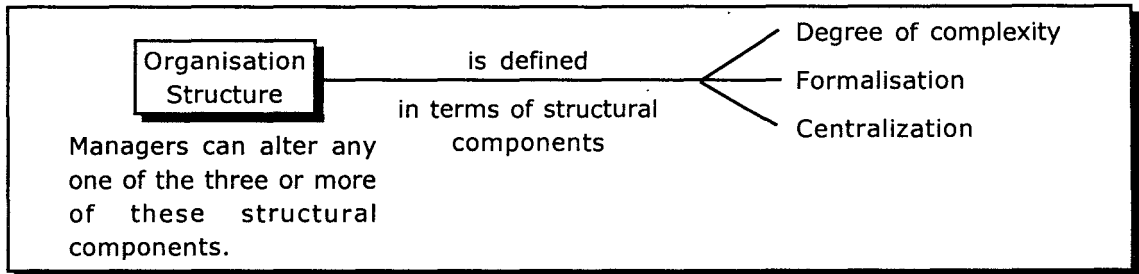
Fig. 4.19 Organisation Structure

ii. To introduce major changes in the actual structural design (Functional to a product structure of the creation of a matrix design)

B. Changing Technology

This is used to convert inputs into outputs.

- Earlier, to implement changes, to increase production efficiency based on the time and motion studies, methods study etc.
- Presently, major technological changes involve the introduction of new equipment, tools and methods; automation or computerisation.
- Competitive factors or new innovations within industry needed management to introduce:
  - New equipment
  - Tools
  - Operating Methods

C. Changing people

The term Organization Development (OD) refers to all types of changes, eventually focuses on techniques or programs to change people and the nature of quality of interpersonal work relationships.

4.11 CONFLICT RESOLUTION APPROACHES

Managers can draw upon five conflict resolution options:-

- Avoidance (is just withdrawing from or suppressing the conflict – The best solution),

- Accommodation (To maintain harmonious relationship by placing another's needs and concerns above your own)
- Forcing (Attempt to satisfy your own needs at the expense of the other party)
- Compromise (A solution to conflict in which each party gives up something of value)
- Collaboration (Resolving conflict by seeking a solution advantageous to all parties)

Each has particular strengths and weaknesses and no one's option is ideal for every situation. You should consider each one a 'tool' in your conflict management 'tool chest'

Collaborative approach is the ultimate win-win solution. All parties to the conflict seek to satisfy their interest. It is typically characterized by open and honest discussion among the parties, active listening to understanding differences, and careful deliberation over a full range of alternatives to find a solution that is advantageous to all.

When is collaboration the best conflict option?

- When time pressures are minimal
- When all parties seriously want a win-win solution
- When the issue is too important to be compromised
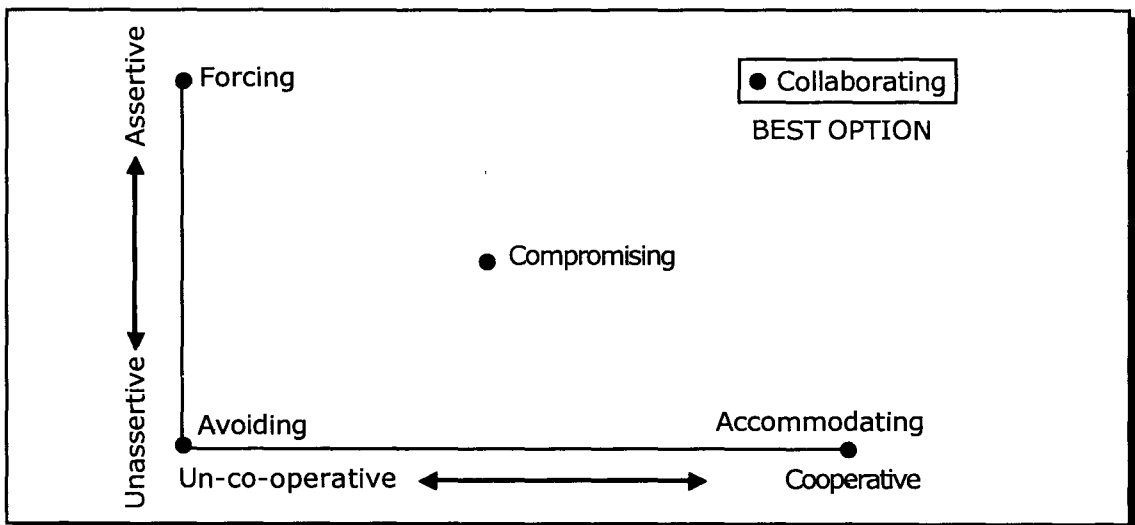
Fig. 4.20 Collaboration as the Best Conflict Option

Organisational and individual sources of Resistance

These have been shown below as indicated by experts like Moorhead and Griffin in 1989.

The sequence of events that is needed to bring about change in an organization is **the change sequence**. Feed back is provided to determine if the change has occurred or if further change is needed

4.12 SOURCES OF RESISTANCE TO CHANGE
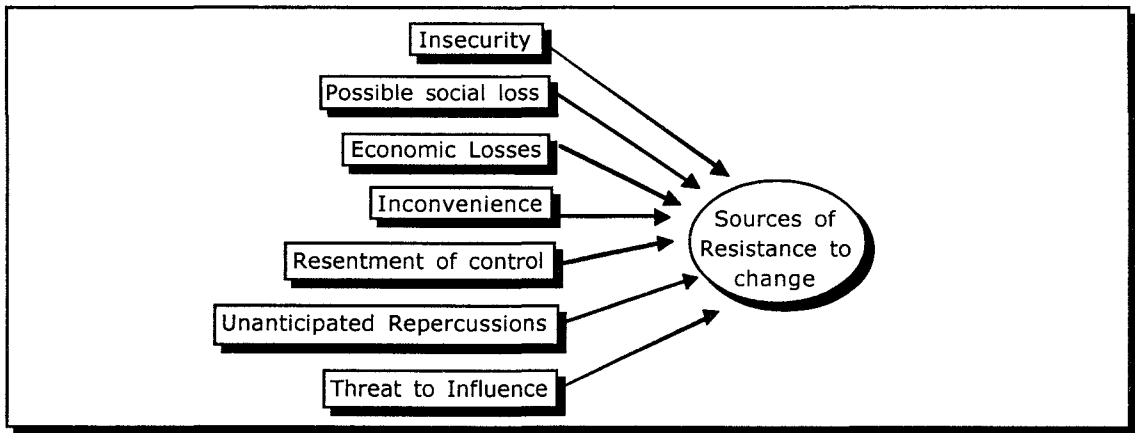
Fig. 4.21 Sources of Resistance to Change

4.13 APPROACHES FOR REDUCING RESISTANCE TO CHANGE
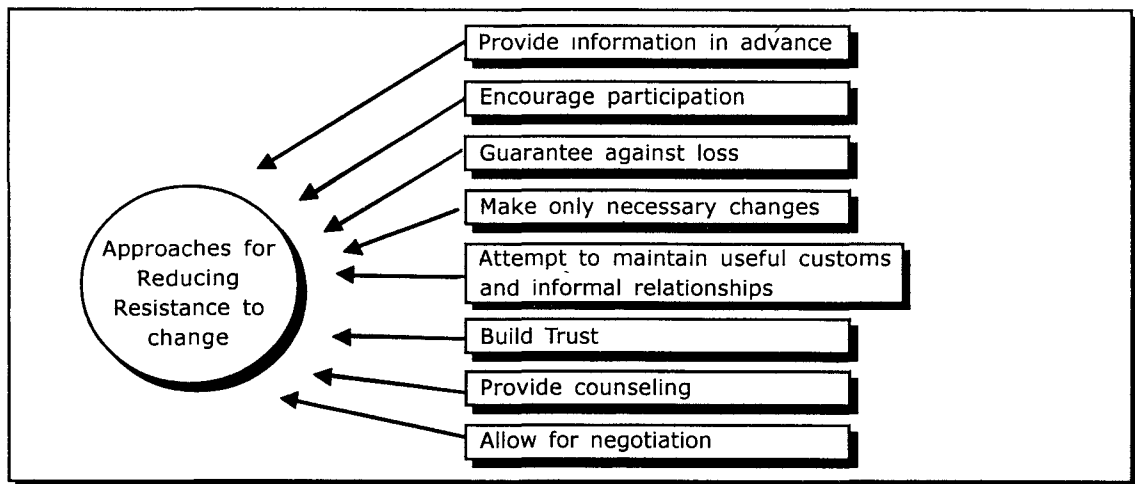
Fig. 4.22 Approaches for Reducing Resistance to Change

Individual Sources of Resistance to Change

Individual Sources	Examples
(i) **Habit**	We are not happy when our personal routines are disrupted by others. Most workers will resist efforts to change work habits that have not been developed over the years.
(ii) **Security** (e.g., Altered tasks or reporting relationships)	Many enjoy the comfort zone of repetition and familiarity (Even while eating at the same place, similar food, shop vegetables from the same place etc). Easier and comfortable to do the same job in the same place. If a worker who has established skills to do the job in a particular way is asked to change the skills, he is afraid of to do so due to security fears.
(iii) **Economic factors**	By changed work or method, the worker will have a fear that he may feel that change could result in the loss of that job or basic pay.
(iv) **Fear of the unknown**	People build up a relative unhealthy fear of anything unknown. (Workers may fear that changes they might be exposed may bring certain unwanted changes in the job which may be unpleasant to them.) Instead, they prefer the comfortable rut of their daily work.
(v) **Lack of Awareness**	Isolated group not heeding notices. People often fail to perceive certain elements of change that are going on around them. A worker may not even realize that a work change has been implemented. The individual is actually obstructing change without being aware of it.
(vi) **Social Factors**	An individual may feel that a change may damage his or her image group status, role prescription etc.

Change can be constructive, if it causes management to rethink the problem, re-evaluate alternatives, confer with involved personnel, and search for better solution. However, continued resistance can definitely have adverse implications and must be effectively handled. As shown in Fig. 4.23 the six methods for managing resistance to change, according to John Kotter and Leonard Schlesinger (1979), are: (1) education and communication; (2) participation and involvement; (3) facilitation and support; (4) negotiation and agreement; (5) manipulation and co-optation; and (6) explicit and implicit coercion.

Education and Communication

We all know education is an important thing needed by an individual for his growth. Communication is another important aspect for an individual for communicating to other individuals and groups the reasons and the logic of a proposed change. It is probably most needed when there is an apparent lack of information on the subject or when there has been some inappropriate or inaccurate information involved. Although this technique may consume a lot of time and money, it can also persuade people to, not only accept the change, but to assist in implementing it.

Participation and Involvement

Participation and involvement entails asking organizational members to help design the needed change. This method is commonly used when the initiators of the changed idea do not have sufficient information to proceed or when others have the power to resist effectively. Although this practice can be costly and time consuming, it is a way gaining commitment to the change from the people with the information and/or power to make it work.

Facilitation and Support

Facilitation and support are needed for those who resist changes. The provision of training programs and emotional understanding for those adversely affected by the change would help to avoid misunderstandings. This practice is commonly practiced when people are resisting the proposed change because of adjustment problems. Again, this process may be costly and time consuming – and may yet fail. However, there is no other better way than this to deal with adjustment problems.

APPROACH	INVOLVES	COMMONLY USED WHEN	ADVANTAGES	DISADVANTAGES
1. Education + communication	Explaining the need for and logic of change to individuals, groups, and even entire organizations.	There is a lack of information or inaccurate information and analysis	Once persuaded, people will often help implement the change	Can be very time consuming if many people are involved.
2. Participation + involvement	Asking members of organization to help design the change	The initiators do not have all the information they need to design the change, and others have considerable power to resist	People who participate will be committed to implementing change, and any relevant, information they have will be integrated into the change plan	Can be very time consuming if participators design an inappropriate change
3. Facilitation + support	Offering retraining programs, time-off, emotional support and understanding to people affected by the change	People are resisting because of adjustment problems	No other approach works as well with adjustment problems	Can be time-consuming, expensive, and still fail
4. Negotiation + agreement	Negotiating with potential resisters; even soliciting written letters of	Some person or group with considerable power to resist will clearly lose out in an understanding	Sometimes it is a relatively easy way to avoid major resistance change	Can be too expensive if it alerts others to negotiate for compliance
5. Manipulation + co-optation	Giving key persons a desirable role in designing or implementing change process	Other tactics will not work, or are too expensive	It can be a relatively quick and inexpensive solution to resistance problems	Can lead to future problems if people feel manipulated
6. Explicit + implicit coercion	Threatening job loss or transfer, lack of promotion, etc.	Speed is essential, and the change initiators possess considerable power	It is speedy and can overcome any kind of resistance	Can be risky if it leaves people angry with the initiators.

Fig. 4.23 Methods for Dealing with Resistance to Change (Source: Kotter and Schlesinger, 1979)

Negotiation and Agreement

Negotiation and agreement require negotiating with potential change resistors and negotiation is often used when a person and/or group with considerable power stands to lose from the change. Such a tacit arrangement can set a bad precedent, requiring management to negotiate every change it wishes to make in the future. Nevertheless, this can often be a rather painless way to overcome resistance.

Manipulation and Co-optation

Manipulation and co-optation means assigning key individuals desirable roles in designing or implementing a new change. If people feel manipulated by the process, the results can be very detrimental to the changed effort and to the overall worker morale. Still, this can be a relatively fast and inexpensive solution to a resistance problem.

Explicit and Implicit Coercion

Explicit and Implicit coercion involve threatening employees with job loss, transfer, demotion, and so on. Typically, it is used only when implementation speed is essential and/or when the change initiator has considerable power. This can be a risky endeavour because it can create dedicated enemies. The critical advantage of this method is its potential to overcome any kind of resistance with relative speed.

4.14 ORGANISATIONAL SOURCES OF RESISTANCE

EXAMPLES

(i)	Over determination	Employment system, Job description, Evaluation and Reward system. (The structure of an organization produces resistance to change because it was originally designed to maintain stability.)
(ii)	Narrow focus of change	Structure changed with no concern giving to other issues, jobs, people. Attempts to implement change take on too narrow focus within organizations. One must understand that change in data handling in accounts department may result in a significant impact on almost every subdivision in the company.
(iii)	Group inertia	If a company change requires a modification to an individual's behaviour or job design, the group may obstruct that change effort by refusing to make other

	changes necessary to accommodate the change in individual's job.
(iv) Threatened Expertise	People move out of area of expertise.
(v) Threatened power	Perceived as a redistribution of the existing decision making authority of the organization will be resisted by those who fear the potential loss of power. Power shifts like - Trend towards downsizing - Delegation of authority to lower levels in the organization are opposed by those who were using such powers to personal advantage.
(vi) Resource allocation	Most organizations deal with a relatively fixed amount of available resources. Any change that appears to give more resources to some of the sub-units than in the past will be resisted by those who are comfortable with current allocations and fear that any change may decrease that share of that allocation. Fear also due to favouritism.

4.15 PLANNED ORGANISATIONAL CHANGE

Organisational change may be planned well in advance, or it may come as a quick reaction to an unexpected event in the business environment. Planned change is designed and implemented in an orderly and logical manner in anticipation of future events. Unplanned change is a fragmented reaction to environmental events as they occur. Because of the hurried and reactive manner in which unplanned change takes place, it has the potential of being both poorly conceived and badly implemented. In other words, planned change is the preferred avenue for dealing with change.

Lewin's change model A well known psychologist, Kurt Lewin (1952), developed a three stage process to be followed when introducing planned change. As shown in Figures 4.24 and 4.25. Lewin's three stages in the change process are: (1) unfreezing, (2) changing, and (3) refreezing.

Unfreezing

According to Lewin, the first step in the change process is unfreezing, or preparing the situation for change by creating a felt-need for it. In order to do this, the manager must establish good relationships with all the people who will be involved with the change. It is important to make sure that everyone understands that present behaviour

is simply not effective. This action will minimize expressed resistance to the change process.

Changing

During the changing phase, the actual change is implemented. In the process, it is critical for management to carefully identify the new, more effective behaviours to be followed as well as the associated changes in tasks, people, culture, technology, and structure. The changing process follows good problem diagnoses and careful consideration of appropriate alternatives.

Refreezing

Refreezing is the final stage of the change process by which the change is stabilized by rewarding appropriate new behaviours. Management's task is to create an acceptance and continuity for the new behaviour. It is also necessary that management provide the required resources support for the change. Performance-contingent rewards and positive reinforcement can be used to refreeze the new behaviour so that it is not easily forgotten or abandoned.

Field Force Theory
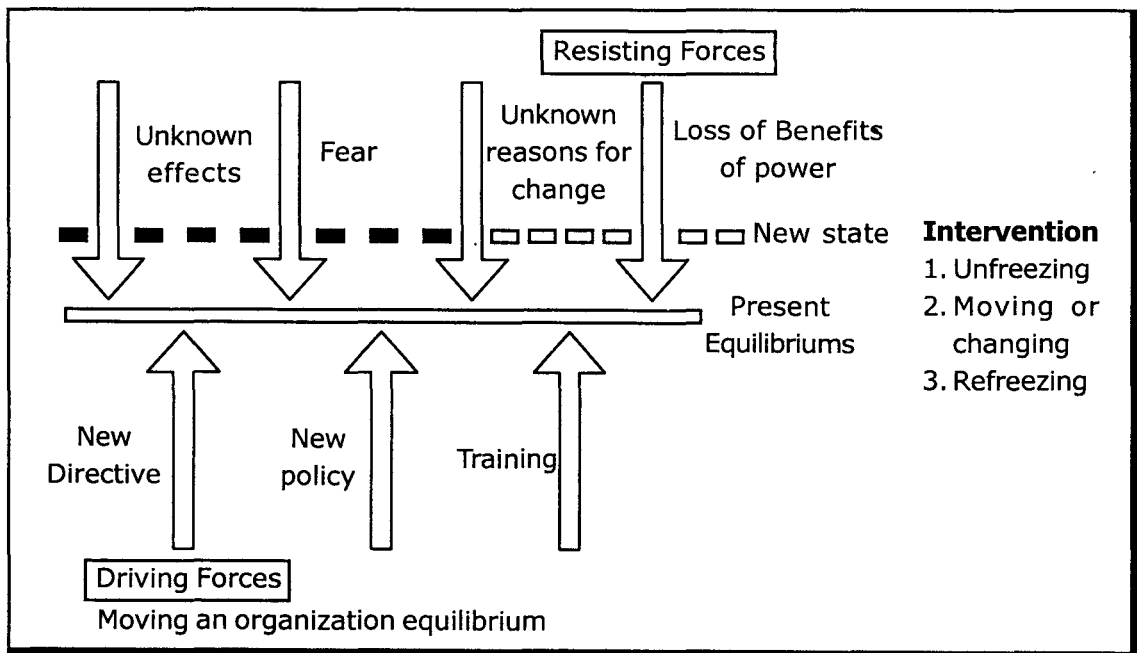
Fig. 4.24 Foce Field Theory

Developing a Tradition of change

People who are used to change tend to accept it without the frustration and demoralization that result when the need for reorganization is allowed to reach the stage at which change must be revolutionary.	On the other hand, a company that is continually undertaking major reorganisation may damage morale, and its employees may spend much of their time wondering what will happen to them because of organizational stages.
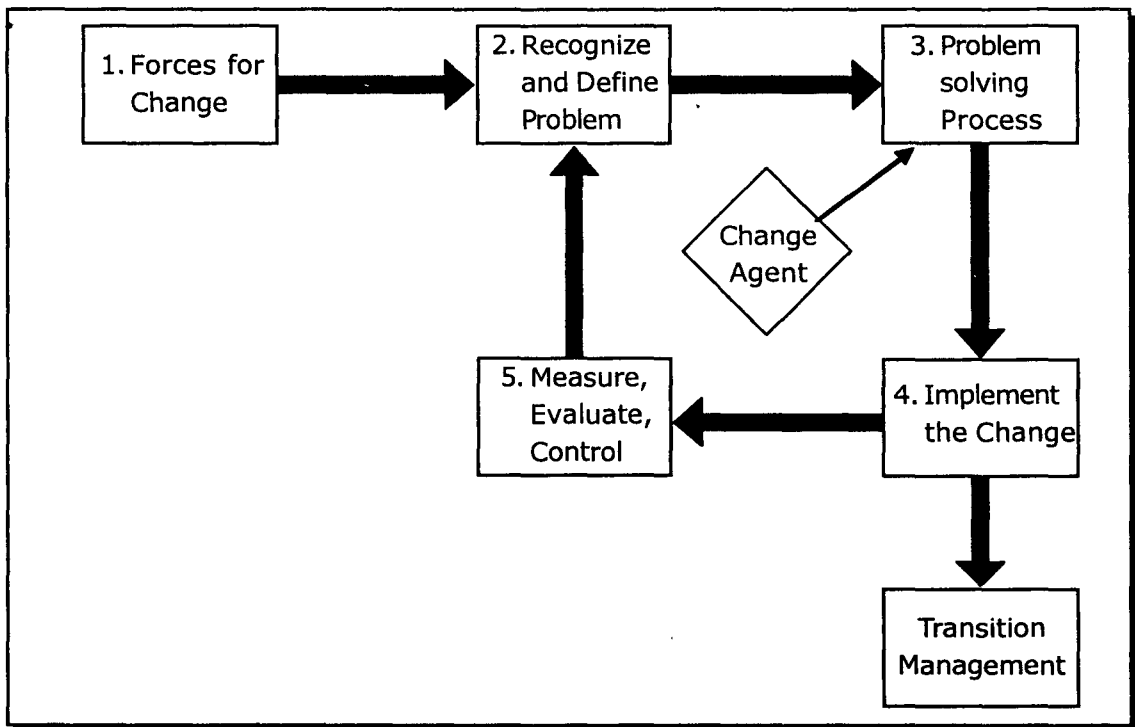
Fig. 4.25 An Expanded Model of the Organisation Change Process
(Source: Moorhead and Griffin, p. 718)

The change sequence (By social psychologist Kurt Lewin)

Recognising the need for change

Identifying the change method

Unfreezing the old status quo

Moving to a new condition

Refreezing to create a new status quo

FEED BACK

Internal Environment

External Environment

The change sequence
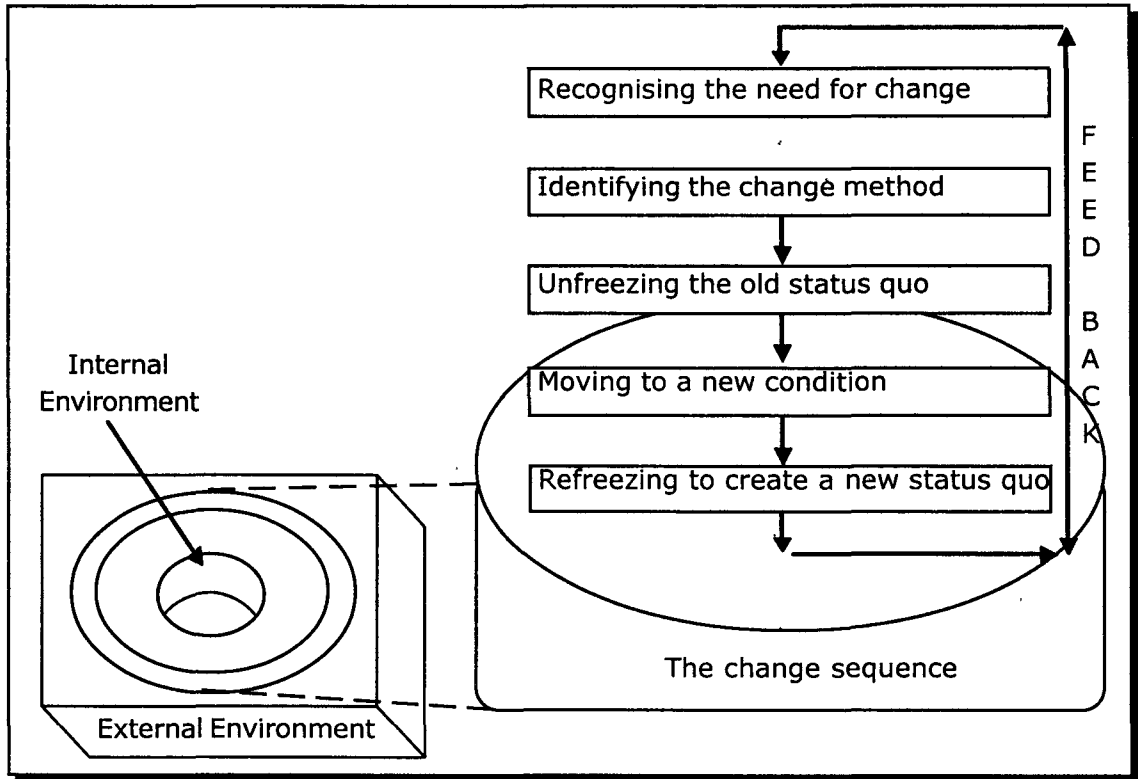
Fig. 4.26 The Change Sequence

Expanded Change Process Model

Although Lewin's model is simple and straight to the point, it often fails to encompass some of the critical dimensions of the change situation. A change process model that expands on the Lewin model and views the process from a top management perspective, was developed by Moorhead and Griffin (1989) and is shown in Fig. 4.25.

In the first phase of the expanded change process model, top management scans the environment and perceives that certain trends dictate a needed change. The change problem then goes through the organisation's normal problem-solving and decision-making processes discussed earlier. Alternative change actions are generated and evaluated, and an appropriate one is selected.

Often, early in the process, the organization seeks the assistance of a change agent-a person or a group that will manage the change process. The change agent may be a member of the organization or an external consultant. According to Micheal Beer (1980), the power of the change agent to implement change comes from five sources:

1. High status ascribed by members of the client organization, based on their perception that the change agent is similar to them in behaviour, language, values, and dress.

2. Trust in the change agent based on his or her consistent handling of information and maintaining a proper role in the organization.

3. Expertise in the practice of organizational change.

4. Established credibility based on experiences with previous clients or previous projects with the client organizations.

5. Dissatisfied constituencies within the client organization who perceive the change agent to be the best opportunity to change the organization to suit their needs.

The change agent generally has the responsibility for implementing the change process, which normally follows Lewin's three-stage model.

THE MANAGER'S TASK:

Create a felt need for change

**Phase I
Unfreezing**

THIS IS DONE BY

- establishing a good relationship with the people involved.
- helping others realize that present behaviours are not effective.
- minimising expressed resistance to change.

THE MANAGER'S TASK:

Implement changes

**Phase II
Changing**

THIS IS DONE BY

- identifying new, more effective ways of behaving.
- choosing appropriate changes in tasks, people, culture, technology, and/or structure.
- taking action to put these changes into place.

THE MANAGERS' TASK:

stabilize change

**Phase III
Refreezing**

THIS IS DONE BY

- creating acceptance and continuity for the new behaviours.
- providing any necessary resource support using performance contingent rewards and
- positive reinforcement.

Fig. 4.27 An Application of Lewin's Three Stage Model

4.16 FORCES FOR CHANGE (An exercise for the reader)

Purpose

The purpose of this exercise is to help the reader gain a better understanding of the forces of change. This exercise may be completed by a single reader, but greater insight may be gained by completing the exercise as part of a group.

Time Required–45 Minutes

Step 1: Individual activity (completed prior to exercise)

Step 2: Small-group activity (completed prior to exercise)

Step 3: Discussion–45 minutes

Procedure

Step 1: Study the Forces for Change Outline, which follows:

THE FORCES FOR CHANGE OUTLINE

Present Situation

Driving Forces   **Restraining Forces**
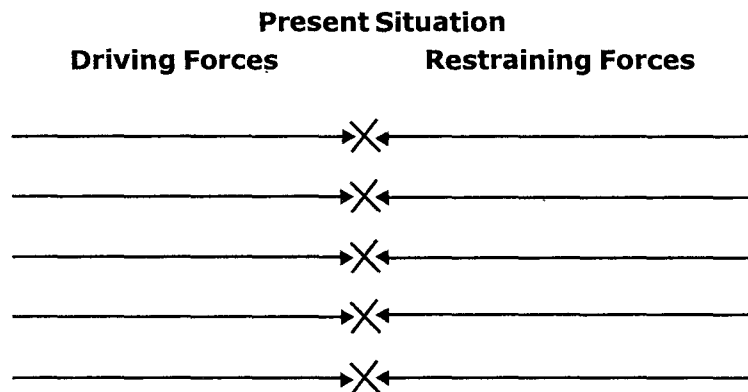
One of the frameworks for analyzing change requires identifying two different kinds of forces. First, are the Driving Forces, or those forces that are instrumental in causing the change. Second, are the Restraining Forces, or those forces that tend to maintain the status quo. Thus, change is generally seen as a slow process in which the Driving Forces overcome the Restraining Forces. At any point in time, the situation may seem to be somewhat stable with the two types of forces opposing each other in an unsteady balance, as shown above:

Efforts to manage the change process come down to the following actions:

1.   Promoting the change by facilitating the Driving Forces.

2.   Promoting the change by weakening or eliminating the restraining Forces.

3.   Resisting the change by weakening or eliminating the Driving Forces.

4.   Resisting the change by facilitating the Restraining Forces.

5.   Redirecting the change by manipulating the forces.

Step 2: Each small group should analyze one of the following business changes, by completing the Change Analysis Sheet.

1.   Increased use of robotics.

2.   Concern for the quality of work.

3.   More women in the workplace.

4.   Shortage of skilled labour.

5.   Loss of the work ethics.

6.   Poor workmanship in the workplace.

7.   Continued competition from the Japanese and the four Tigers of Asia.

Step 3: A representative from each group will present the group's findings for discussion.

THE CHANGE ANALSIS (PART ONE)

Assigned   change   for   Analysis:

_____

Driving   Forces:

_____

_____

Restraining   Forces:

_____

_____

THE CHANGE ANALYSIS SHEET (PART TWO)

1.   Promote   change   by   facilitating   the   Driving   Forces:

_____

_____

_____

2. Promote change by weakening or eliminating Restraining Forces:

    _____

    _____

    _____

3. Resist the change by weakening or eliminating the Driving Forces:

    _____

    _____   _____

    _____

4. Resist the change by facilitating the Restraining Forces:

    _____

    _____

    _____

5. Redirect the change by manipulating the Forces:

    _____

    _____

    _____

Building effective change intiatives.

4.17 BUILDING EFFECTIVE CHANGE INITIATIVES

Self efficacy, focus and energy are the main elements of building change capability. Managers work on change build capability:-

- By setting challenging goals
- Creating ownership
- Structuring activities to facilitate reflection and action
- Initiating processes to accelerate learning and unlearning
- Fostering a behavioural context that is positive and learning oriented.

The basic leadership task in building capabilities is to develop people's confidence by demonstrating faith in their capabilities. They make people believe in their own abilities to achieve challenging goals.
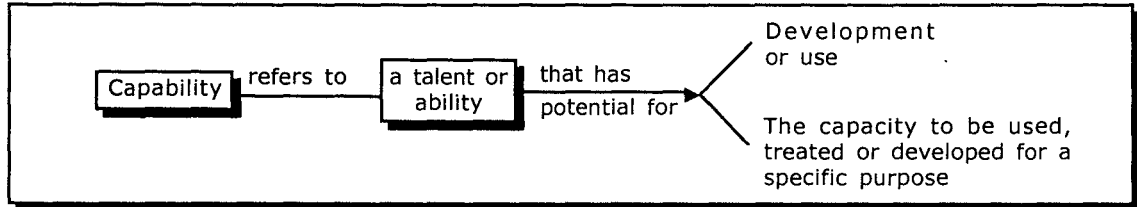
Fig 4.28 Capability

Employees who have developed change capability are:

- able to psychologically cope with change more effectively
- less resistant to change
- able to generate new ideas
- able to execute changes more effectively.

Hence employees change capability building, enhances an organisation's future prospect, for survival, growth and transformation. It is an integral aspect of change management.

Capability building involves the following four propositions:

(I) Capacity is built by individuals and groups.

Organisations don't learn; people do. Not all people are learning oriented; only 10% of the people are active learners who are:

- perennially curious
- tuned into the external work
- picking up what is going on around them.

60% are tend to be random and passive learners remaining 30% are blocked learners – No facility for them to learn.

The random or passive learners had an inviting context to get involved and contribute.

There were opportunities for individuals to come together, reflect and act in order to build capability.

(II) Individuals and groups build capability when they successfully execute challenging projects.

(III) Building capability involves paying simultaneous attention to both action and reflection. Reflection or learning from experience is crucial for building capability.

(IV) Leaders and organisations can help individuals and groups build capability by providing a context that aids action and reflection.

The process of building capability requires three elements (giving importance to individual attributes):

- Self-efficacy
- Focus
- Energy

(I) Self–efficacy

```
┌──────────────┐   is    ┌──────────────┐
│ Self–efficacy│ ──────▶ │ Sense of     │
└──────────────┘         │ confidence   │
                         └──────────────┘
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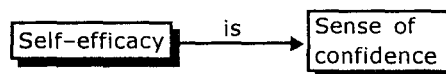
A strong sense of efficacy enhances human accomplishment and personal well being in many ways.

People who doubt their capabilities shy away from difficult tasks which they view as personal threats.

In managing change, self–efficacy is a major determinant for success.

Four Factors that lower the self-efficacy

These are as under:

Nature of jobs
(characterised by lack of role clarity, absence of meaningful goals/tasks, low discretion, high rule structure)

Organisation factors
(Bureaucratic climate, poor communication, centralised control of organisational resources)

Perceived absence of rewards
(passed on competence performance and innovative behaviour)

Poor quality of relationship with superiors
(absence of feelings of autonomy, emphasis on failures, lack of consideration)

Fig 4.29 Factors that Lower the Self-efficacy

(II) Focus and Energy

The other two aspects for building change capability at an individual level are:

- Focus
- Energy
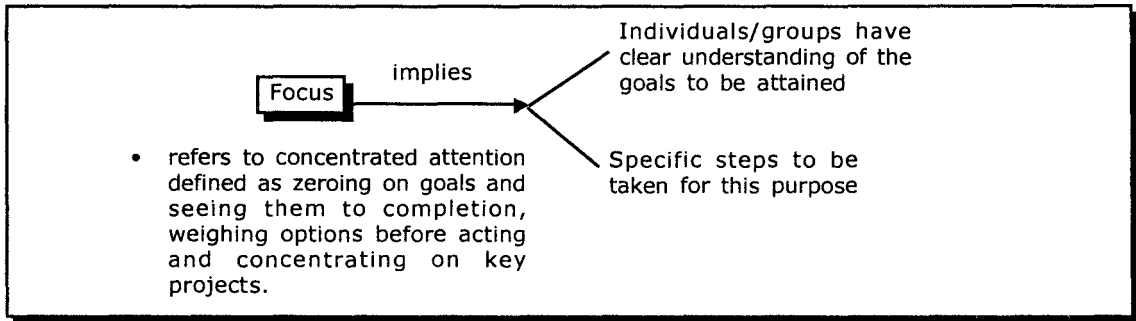
Fig 4.29 Focus
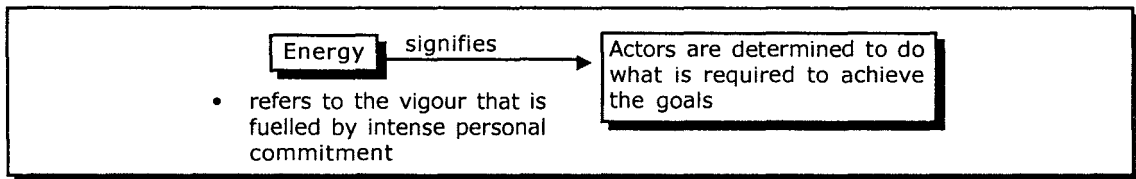
Fig 4.30 Energy

Energy is what pushes the managers take up additional new rules when tackling heavy work loads and meeting tight deadlines.

Focus and energy are both positive qualities needed to bring about effective changes in organisation. One is not sufficient by itself and combining both is essential. Managers individually or by groups successfully execute challenging projects and during the implementation, they pay simultaneous attention to both reflection and action.

The capability building process involves:

- Setting challenging goals (there also has to be owning of the work by organisational members and their willingness to engage with the problems in achieving these goals)

- Structuring of activities should be able to foster reflection and learning (initiatives to promote leaning and facilitate unlearning)

- Positive behavioural context should exist in the nature of a facilitative organisational architecture.

4.18 LEARNING AND UNLEARNING

Learning requires unlearning. Unlearning is associated with strong negative emotion. Unless an organisation is able to unlearn by giving up old habits, attitudes, assumptions, behaviours and mindset, it cannot embark upon change, particularly discontinuous change.

Unlearning is a difficult process that has received little attention in organisational change. Giving up or allowing to go out of habits, assumptions, attitudes, behaviour induces anxiety, stress and fear. People may react to their loss by becoming inflexible and entrenched in their attitudes and behaviour. Facilitating Unlearning needs sensitive and thoughtful management of emotions associated with a sense of loss.

Three transition stages as recommended by Todd Jick are given below:

* Ending phase and let it go (involves letting go of the previous situations)
* Neutral Zone (completing endings and building energy for beginnings)
* New beginnings (New possibilities or alignment with a vision).

The above phases take time and cannot be accelerated.

The different stages can be viewed as risk taking.

QUESTIONS

1. Define Self awareness. Explain how it helps in personal change?
2. Self awareness is one of the components of a comprehensive set of emotional competencies for leaders. Explain.
3. What do you mean by awareness? What does it involve?
4. Define self analysis? Why it is needed in personal change?
5. Strategic planning in a company has to examine the business and industry environment and to obtain the competitive field of vision. How does self analysis forms one of the components of this? Discuss.
6. Give the meaning of efficacy and self efficacy.
7. Explain how self efficacy forms one of the three elements contributing to capacity building.
8. Which are the different leadership roles needed in change management? Explain each one of them briefly.
9. Write shorts notes on any two of the following:-
    a) Cognitive Tuner   b) People catalyser
    c) Efficacy Builder   d) Systems Architect

10. Explain the various strategies involved in capability building.
11. What do you mean by self esteem and self worth?
12. Explain the self esteem needs as found on Maslow's hierarchy of needs.
13. What is the role of an efficacy builder? Explain how one can become an effective efficacy builder?
14. What are the different categories of change, mention them. Explain each one of them.
15. Discuss the imperative of change.
16. Discuss the impact of change.
17. Discuss the changes in an historical context.
18. Why do people resist change? Give reasons.
19. Explain how the resistance to change can be managed?
20. Which are the techniques for reducing resistance?
21. Managers draw upon conflict resolution approaches. Which are they?
22. Explain the organisational and individual sources of resistance.
23. Which are the sources of resistance to change?
24. Which are the approaches for reducing resistance to change?
25. Explain the individual sources of resistance to change.
26. Explain the organisational sources of resistance of change.
27. What do you mean by planned organisational change?
28. Explain the three stages of Lewin's Change Model.
29. What are the drawbacks of Lewin's change model?
30. The power of the change agent to implement change comes from various sources. Which are they?
31. Explain an expanded model of the organisation change process.
32. How does one build effective change initiatives?
33. Explain the four propositions needed in capability building.
34. The process of building capability requires elements at the individual level. Which are these and explain each one of them briefly?
35. Which are the factors that lower the self-efficacy?
36. Explain the terms focus and energy used in building change capability.
37. What are the elements involved in the capability building process?
38. Explain learning and unlearning processes involved in chain management.

* * * * *

DEALING WITH INDIVIDUALS AND GROUPS

5.1 DEALING WITH INDIVIDUALS

Dealing with Individuals is as shown below:

I. Managing Change
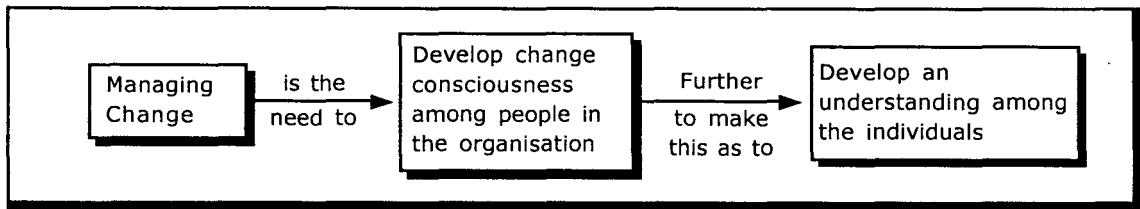
Fig. 5.1 Managing Change

- Change is intrinsic to an organization and entails deviation from an organization's present form

To bring about organizational change through people is based on:

- What we understand about the nature of change?
- The nature of human responses to change

The techniques and tools for managing the human and social aspects of change are less developed than the pace of change occurring in modern times. This deficiency can be overcome with:

- Enhanced motivation
- Commitment on the part of employees in handling the challenges of change

II. Develop change –consciousness among people in the organization

Any organization in order to develop change-consciousness has to:

(i) Create a culture where employees seek change are afraid to think and act differently to make change happen.

(ii) Build a positive imagery for its employees of the envisaged changes to reflect a better future.

(iii) Support the change process with adequate resources, processes and facilities.

III. Develop an understanding among individuals.

The organizational leadership while initiating change has to examine:

- Change and employee attitudes
- Why individuals resist change?
- Reasons for change resistance.

    - Personal loss (Job security, salary and income, pride and satisfaction, job nature, friendship and associations, freedom to do the job the way one has been doing it).
    - Negative attitudes
    - Lack of involvement
    - Personal criticism
    - Loss of status and authority
    - Inappropriate timing
    - Cognitive rigidity
    - Challenging authority

- Reasons why people accept changes
- Assessing employee attitudes to change
- Dealing with individual resistance to change
- Individual –focused approaches to managing change and employee attitudes

5.2 CHANGE AND EMPLOYEE ATTITUDES

Attitudinal continuum involves :
(i)   Aggressive resistance
(ii) Passive resistance
(iii) Neutral
(iv) Passive acceptance
(v)   Active involvement

(i) Aggressive resistance : May be exhibited in terms of:

- complaints about and criticism of the change program
- non-cooperation in change implementation or withdrawal
- counter control activites
- planned sabotage

(ii) Passive resistance : Could be in the form of fake sympathy to the desired cause like:-

- spreading of rumours
- reluctance to co-operate
- delaying change implementation etc.

Dealing with this type of sabotage is difficult- you can call it as an unseen enemy.

(iii) Those who are related to the intended change may tilt either way positive or negative side depending upon what is advantageous to them.

(iv) Some employees are positive to the intended change (passive acceptance) more implicitly than explicitly. They cognize the need for change, may not fully accept the way it is implemented, or else, they may work for it behind the scene. They are cautious and intend to watch/wait for some time.

(v) Active involvement is often seen in the words and actions of those who are highly positive about the intended change.

5.3 Individuals resist change

It often requires them to think, feel and act differently from the accustomed regular ways. It could contract the mental maps they have in their mind regarding their work based on their experience and habits. Changing the mental map causes discomfort or pain. If the mental map and the change activity difference are minimal, the discomfort is less. Otherwise, vice versa. One's disposition also influences how one responds to change.

Individuals are characterised by different degrees of :

- Rigidity
- Emotionality
- Fear of failure
- Flexibility
- Suspicion
- Avoidance behaviors

Those predisposed to resist change

- feel secure in being rule dependant and following the precedent or established procedures.
- tend to be highly emotional, overexcited about change or become panicky and fearful. Over excitement may lead to emotional responses. The consequent negative outcome will result in an individual to behave defensive.
- are overly suspicious; see all kinds of motives in others' behaviour.
- are conscious of their failures rather than their successes and avoid anything that is from different from the familiar and habitual.

- Individual responses to change are also influenced by their orientation to time.

| Some perceive change | through their | earlier /past expenence |

Rear-view mirror perception

accordingly accept/resistance change

| Others look at change | focus on | the future |

Only marginally influenced by the past

An organisation — to bring about intended change has to — learn to → capitalise on the positive traits of human behaviour (trust, dedication, loyalty etc,.)

minimise the impact of → negative characteristics such as: suspicion, insecurity and anxiety

Fig. 5.2 Organisation in Change Activities

Negative attitudes

People who resist change are usually those with negative attitudes towards their organization/superiors due to lack of trust, that might have resulted from either/better experience.

Lack of involvement

Certain people who, are not involved in the change process and their ideas have not been sought for, resist change.

Personal criticism

Change may be considered a personal affront, questioning one's capabilities and performance and can be seen as a challenge to one's authority.

Loss of status and authority

Status and authority may be lost due to change to lower levels in the hierarchy (may be loss of one's authority and power)

Inappropriate timing

When business is not good, change is introduced at that time. Everyone is fully engaged with more work to tide over the bad time. This may not be everyone's liking at that time.

Cognitive rigidity

Many people feel that old methods and old practices that have evolved over time may be the best. Some others see the need for change or also not convinced about the arguments in favour of change. e.g., the unions of bank employees and associations of bank officers resisted for years the introduction of computers in banks in India. Their resistance was met with large monetary benefits to a limited introduction of computers in 1983.

Challenging authority : Some employees challenge authority to resist change.

5.4 REASONS WHY PEOPLE ACCEPT CHANGE

The gains from change which people find in terms of values are:-

- Security (about job)
- Monetary /other benefits (salary increase, more perks, improved working conditions, opportunities for developing more personal contacts)
- Status and authority (a new job title/office, special assignments)
- Personal satisfaction (arising out of an interesting job, more responsibility and authority)
- Job nature (challenging job, easier job)
- Opportunities to contribute to determine the change process.

Dealing with individual resistance to change : Resistance to change is natural with individuals. They are to be motivated to accept change.

Resistance can be considered as a function of one's attitude. To motivate a person to accept change as well as to overscome his resistance the three dimensions given below are to be considered.

Attitude is a system comprising of cognitive, affective and conative dimensions.
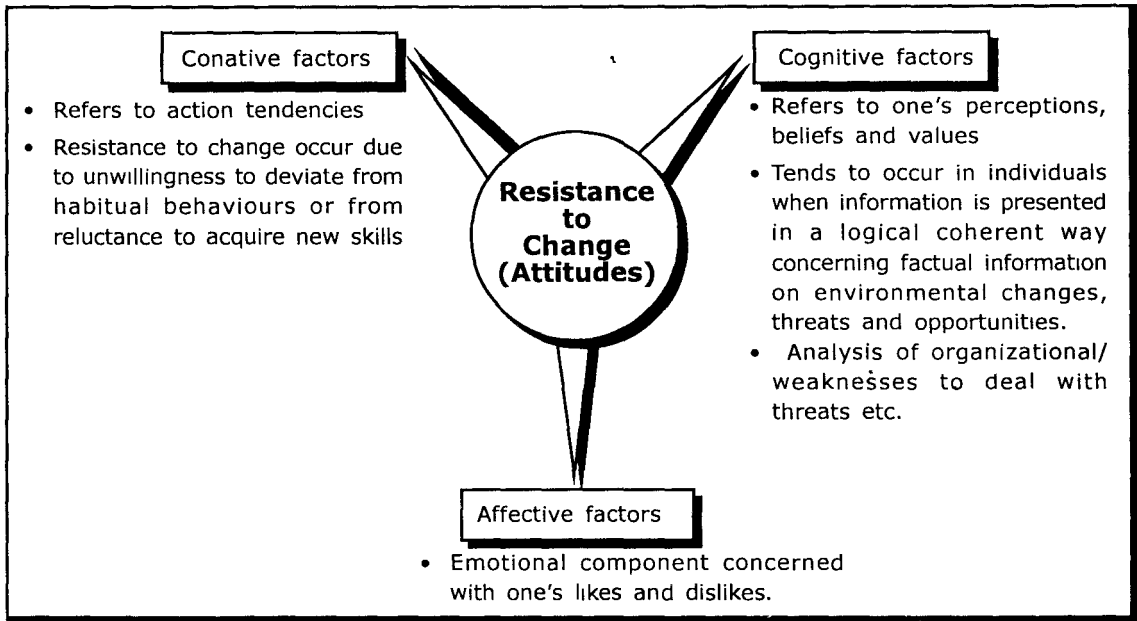
Fig. 5.3 Factors for Resistance to Change

5.5 INDIVIDUAL FOCUSED APPROACHES TO CHANGE MANAGEMENT

Though structures, systems and processes are needed, they are not enough to bring in change. These are, at best, either enablers or even may be the blockers. It is the individuals who work on the above who can make change happen and achieve the highest levels of performance.
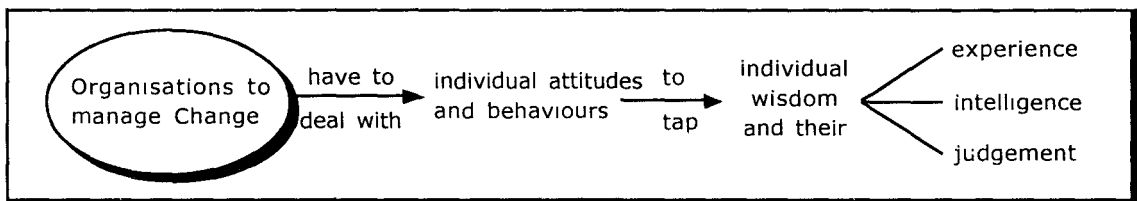
Fig. 5.4 Organisations to Manage Change

Organisations should also link the creative and intellectual energies of individuals/ teams/work groups with the change initiative and organizational architecture.

(I) The Affective Dimension

Change affects human emotions. Individuals fear and seek change. If an organisation has to implement change, it has to:

- anticipate individual's feelings about the intended change.
- deal with their emotions in positive and constructive ways.

Dealings would be:

- Creating feelings of psychological safety about the change, and about the desired state and the change process.
- Focusing on the benefits of change at the individual level
- Demonstrating some of the benefits of change early in the change process avoidance learning
- Addressing

How the organisation induces positive emotions in employees is the question? The answers are:

- Employee empowerment
- Employees as partners
- Compensation systems (includes different types of rewards) and dealing with negative emotions

The way to deal with negative emotions are:
- Empathy (putting oneself in the shoes of others and understanding their emotions and feelings)
- Mentoring (Tutoring or counseling of an employee may be by his superior)
- Manipulation (implicit attempt to influence others by the selective release or withholding information/incentives and the conscious structuring of events)
- Shock therapy (Explicit coercion) putting people in a crisis or difficult situation
- Employee counseling

(II) The conative dimension

Conation → means → Change can be facilitated in one's action tendencies
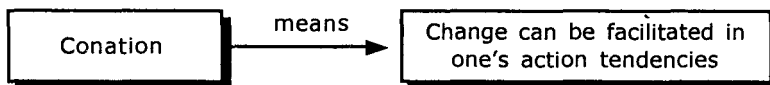
It is done by:

- Clarifying contractual obligations
- Emphasis on action learning implementation change
- Cross-training (combination of information providing and skills practice)
- Employee elasticity: stretching the potential

- Create the right supportive climate for optimising employee performance
  - organizational design
  - learning environment
  - information sharing

(III) The Cognative Dimension

Change mechanisms include:

- Explaining the nature and direction of change
- Communication
- Creating a common value orientation
- Employee training
- Participative management (employee participation)

| Group | is defined as | made up of people who are members of the same organisation | and | occupy closely related positions in the organi- sation |
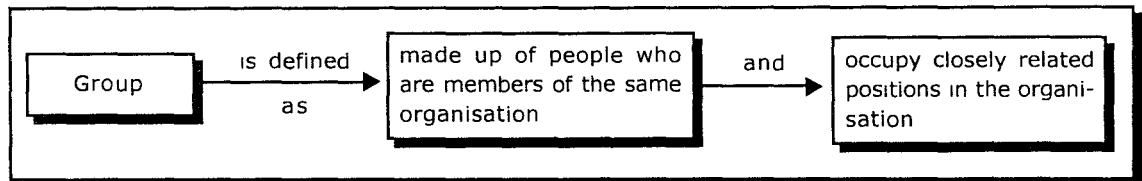
Fig. 5.5 Group Meaning

5.6 DEALING WITH GROUPS TO MANAGE CHANGE

Let us make a comparison of the dealing with individual as compared to dealing with group to manage change effectively.

Individual	Group
• Organisation members have to deal with the cognitions, emotions and behaviours of each individual.	• Group approaches to organi- sational change focus on groups as instruments of change planning and implementation and as facilitators of organizational and individual commitment to goals.
• The dealing with individual attitudes is necessary; but may not be sufficient to bring about the desired support for change.	• Group's attitude reinforces an employee's attitude sometimes.

• Individuals exchange ideas with others inside/outside the organisations to seek meaning, clarification and support regarding events and circumstances facing the organisation	• The primary target of managing change would be: - the group itself - relationship among its members
• An individual tries to seek support his cognition in the beliefs, intentions and attitudes expressed by his/ her peer group, the role-set members and other similar minded people in the organisation.	• Forms of Group based changes are: - sensitivity training - team building - self managed teams

Group members often emerge with a restructuring of their values about people and their operations in group settings.

(1) Sensitivity Training

It was first used in Bethel, Maine in 1947.

The technique is based on the use of peer groups for individual and organizational change.
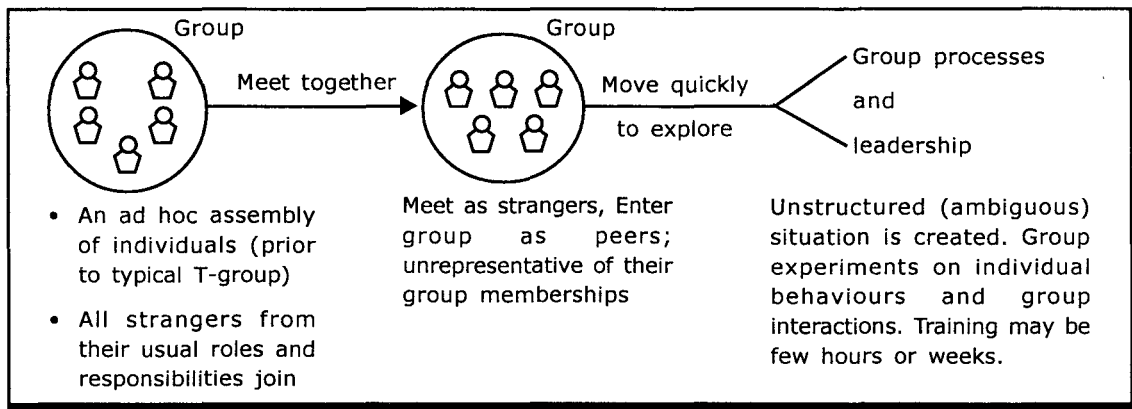
Fig. 5.6 Sensitivity Training

The trainer plays a passive role in the training process. Environment is helpful for anybody to talk freely on the subject. They can express views freely and not to be punished. Opportunities are provided to understand the behaviour of the individuals and that of others.

Stage 1 (Beginning)	Stage 2 (Mid period)	Stage 3 (End)
• Self contained series of events ⟹ Self discovery ⟹ Goal is to gain an insight into the groups development (periods of strangeness and uncertainty found) • Begins without an agenda, a structure, any division of labour or rules of procedure. • People in each group are strangers to each other; brought to work on a common goal of learning more about themselves, the impact they have on others, to learn how groups can become effective instruments for meeting the needs of others.		Goal is to gain an insight into the groups development Members of the group attain increased sensitivity to their own behaviour, the action of others, and to the nature of group development

The intervention-through-sensitivity training is helpful

- understand one's own behaviour
- understanding how one's behaviour affects other's behaviour
- understanding why people behave the way they do
- encouraging one to try out new ways of interacting with people and receiving feed back
- understanding group processes
- developing increased tolerance for other people's behaviour

(2) Team Building

Team effort is important in an organisation for the following purposes:

- To meet with the increasing environmental pressures on business
- To bring about changes in an organisation

Team Effort ⟶ forms ⟶ 90% of any organisation activity

What is a team?

Team is a ⟶ group of individuals ⟶ who tend to work independently to ⟶ organizational objective and their own individual objectives
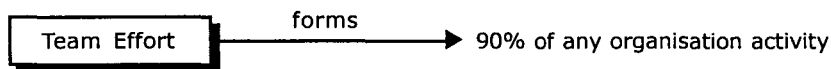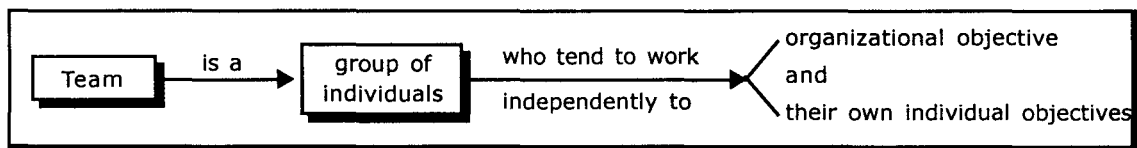
Fig. 5.7 Team Definition

Team is characterized by:

- Working together for a reason
- Interdependency (skills, abilities of individuals are mutually supportive)
- Commitment to and belief in working together
- Accountability (for performance)

An effective team member should:

- Understand and is committed to group goals, and values his team membership
- Be friendly, concerned and interested in others
- Listen to others, and contributions of others.
- Recognize and respect individual differences
- Include others in the decision making processes
- Acknowledge interpersonal conflicts and deal with them properly.

How to build a team?

Various stages have to be faced to build a team. In each stage, two basic orientations are to be built into the thinking and behaviours of the members:

- Orientation to goals and talks
- Orientation to people and relationships.

Certain group processes characterise each stage:
Stage1: Building awareness and forming the group (members are made to study: a wave of the change initiative, change process, desired goals, tasks to be performed individually by members, the connectedness of tasks to the achievement of the goal, the identification of the individuals at every point) Need for the change, how to bring about the change, by whom, in each of the change process to be properly identified.
Stage 2 : Confrontation with issues, problems and conflicts (one of facing reality)
Stage 3 : maximizing cooperation (after individuals are clear about their roles and the interconnections)
Stage 4 : Focused on change implementation / goal achievement / (generation of ideas, problem solving and decision making)

Fig. 5.8 Stages of Group Processes

5.7 SELF MANAGED WORK TEAMS (SMT)

What are SMTs?


```
                              a group of                    A complete
  ┌──────┐      are           employees     responsible for  set of task
  │ SMTs │  ──────────▶     organized into  ──────────────▶  functions
  └──────┘                    a team
 • Make decisions on a wide
   range of issues that govern
   the tasks (planning for     • Employees have high
   resources, division of roles   degree of autonomy and
   and responsibilities, quality   control    over    their
   issues,         managing     immediate behaviour.
   interpersonal conflicts,
   team morales etc)
```

Fig. 5.9 Self Managed Work Teams

SMT's are characterised by :

- Goal setting (through team effort)
- Multiskilled work force
- Shared leadership (for team meetings)   .
- Participative discussions
- Interpersonal trust
- Individual and mutual accountability
- Result focused (for performance)
- Problem solving

SMT teams are ideal in the organisation in implementing change at the unit/ departmental level.

There are also other types of SMT teams like :

- **Cross functional teams** (consisting of individuals from different functional areas working on the design and development of a product)

- **Team-based compensation** (Individuals are rewarded for team work). This is to generate more synergy while managing change, compensation could be team based. The success of this team-based compensation system depends upon its comparative status within the industry and it is to be bench-marked against competitive firms. It is implemented by only a few companies.

Team-based compensation could be the best way of introducing more synergy to teamwork in implementing change.

5.8 TEAM CHANGE

Introduction

What constitutes a team? And what constitutes a group? is the question. The two terms are used indistinguishably. Groups and teams are different, with different characteristics and different reasons for existing.

I Group

Scheen and Bennis in 1965 suggest that a group is:

- Any number of people who interact with each other
- Physiologically aware of each other
- Perceive themselves to be a group

A group is a collection of individuals who draw a boundary around themselves. Alternatively we from the outside might draw a boundary around them and define them as a group.

II Team

Morgan et al (1986) suggest that a team is:

- A distinguishable set of two or more individuals who interact interdependently and adaptively to achieve specified, shared and valued objectives.

As per **Sundstrom, de Meule and Futrell,** a team is:

- A small group of individuals who share responsibility for outcomes for their organisations

Cohen and Bailey defines a team as:

- A collection of individuals who are interdependent in their tasks.
- Share responsibility for outcome
- See themselves and who are seen by others as an intact social entity embedded in one or more larger social systems (e.g., business unit or the corporation)
- Manage their relationships across organizational boundaries

A team with its common purpose in generally tighter and clearer about what it is and what its **raison d'être** is:

Teams are important in:

Organisational life for accomplishing larger or complex tasks.

Team work is important for management teams when they work on risky issues that require them to share views and align.

Difference between Groups and Teams

	Groups	Team or work group
(I) Size	Indeterminate	Restricted
(II) Interests/objectives	Common interests	Common over-arching objectives
(III) Constitution	Sense of being part of some-thing or seen as being part of something	Interaction between members to accomplish individual or group goals
(IV) Interdependency	As much as individuals might wish to be	Between members to accomplish individual and group goals
(V) Responsibility	No responsibilities other than a sense of belonging to the group	Shared
(VI) Accountability	No accountabilities other than contractual ones	Individual
(VII) Working	Not necessarily have any work to do or goods to accomplish	Work together physically or virtually
(VIII)Decisions	On consensus	By the team leader based on the discussions with team members
(IX) Leader	No	Yes

Rollin and Christine Glaser in 1992 have identified five elements that contribute for the teams to become more effective by addressing the following elements:

- Team mission, planning and goal setting
- Team roles
- Team operating relationships
- Team interpersonal relationships
- Interteam relations

A table of comparison to show team effectiveness and non-effectiveness are as shown below

Teams develop over time. Team development process involves different leadership challenges at each stage.

There are functional teams in the organization e.g., Marketing team, Finance management team, strategic management team etc. As an example, Finance controller who is on the potential list gets, together with others at his level to form a collection of individuals who contribute in the overall strategic direction of the organization.

It is a grouping which might be bounded but does not have any ongoing goals or objectives that require members to work together.

Majority of management teams deal with both uncertain and certain tasks. They need to be flexible, about the levels of team working required.

There are many different types of organizational team, each with significant benefits and downsides.

The types are:
- Work team
- Virtual team
- Self managed team
- Networked team
- Parallel team
- Management team
- Project team
- Change team
- Matrix team

These teams differ in the following:
- Continuity
- Location
- Life span
- Purpose
- Led by
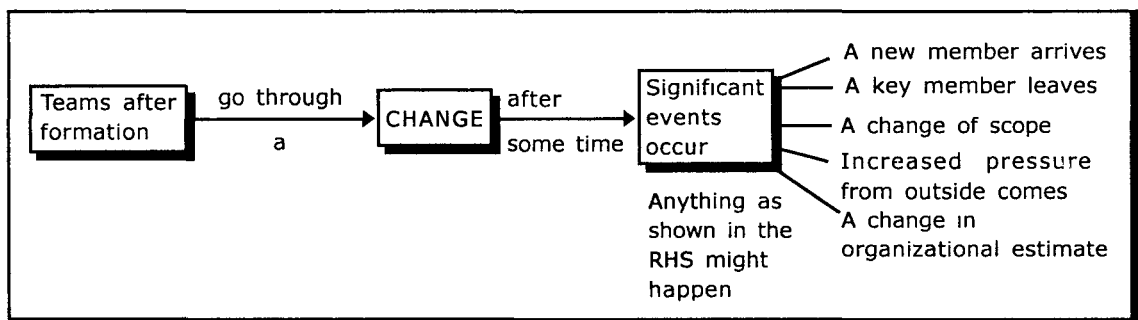- Authority
- Organisational Links
- Focus

How to know whether the teams are effective or ineffective?

Team	Mission, planning and goal setting	Roles	Operating processes	Inter personal relationships	Inter-team relations
More Effective, adaptive, change oriented	Clarity of goals and clear direction lead to greater task accomplishment and increased motivation	Clear roles and responsi-bilities increase individual accountability and allow others to work at their tasks.	Problem solving and decision making are smoother and faster. Processes enable task accomplished with out undue conflict	Open data flow and high levels of team working leading to task accomplishment in a supportive environment	Working across boundaries ensures that organizational goals are more likely to be achieved
Less Effective, adaptive, change oriented	Lack of purpose and unclear goals result in dissipation of energy and effort	Unclear roles and responsibilities lead to increased conflict and reduced accountability	Unclear operating processes increase time and effort needed to progress task achievement	Dysfunctional team working causes tensions, stress and insufficient focus on task accomplishment	Teams working in isolation or against other teams reduce the likelihood of organ-izational goal achievement

Exercise for you

Use the above five elements and determine the current team effectiveness in your organization. Decide on needs to change and how do you go about it ?

How does a team change looks like?

Teams after formation → go through a → CHANGE → after some time → Significant events occur

- A new member arrives
- A key member leaves
- A change of scope
- Increased pressure from outside comes
- A change in organizational estimate

Anything as shown in the RHS might happen

The key attributes in the stages of team development as worked out by different experts are shown below:

Model Authors	Models involve
• Tuckman (1965)	Forming, Storming, Norming, Performing
• Schutz (1982)	In or Out, Top or Bottom, Near or Far
• Modlin and Faris (1956)	Structuralisin, Unrest, change, integration
• Whittaker (1970)	Preaffiliation, power and control, Intimacy, Differentiation
• Hill and Gruner (1973)	Orientation, Exploration, Production
• Bion (1961)	Dependecy, Fight or Flight, Pairing, cosiness
• Scott peck (1990)	Pseudo community, chaos, emptiness, community

The details of the above terms are as under:

(I) Forming: This involves the team asking a set of fundamental questions like:

What is our primary purpose? How do we structure ourselves as a team to achieve our purpose? What roles do we each have? Who is the leader? How will we work together? How will we relate together? What are the boundaries of the team?

Attempt at establishing primary purpose, structure, roles, leader, task and process relationships and boundaries of the team..

(II) Storming is a description of the dynamic that occurs when a team of individuals come together to work on a common task, and have passed through the face of familiarity and not voicing their individual concerns. The questions are like:

I don't think we should be aiming for that; this structure has'nt taken out of this; How can we achieve our goals without the support from others in the organization? etc.

The important points to note here are: It is a natural (healthy) important part of the process. Storming is testing out the assumptions that has been made when the team was originally formed the storming phase after successfully traversed will achieve clarity around all of the fundamental questions of phase I

Storming is arising and dealing of conflicts surrounding key questions from forming stage

(III)Norming: Occurs when the team finally settles down into working towards achievement of its task and after the fundamental questions are over. Norming is settling down of dynamic and stepping into team norms and agreed ways of working.

(IV)Performing: Team is now ready and enabled to focus primarily on its task, while attending to individual and team maintenance needs. It is the final stage. The team can quite fruitfully get on with the task on hand and attend to individual and team needs at the same time.

Teams develop over time. Tuckman's forming, storming, norming and performing model is useful for understanding this process. The team development process involves different leadership challenges at each stage. The work of Bion in 1961 and Scott peck in 1990 is useful to eliminate the phases that groups go through and highlight the challenges for leaders.

Bion's work highlights four possible pit falls that need to be worked with which are dependency; fight or flight; pairing; cohesion:

(I) Dependency: At the time of formation of the team, what the people look first for is some one to tell them what to do. It is a natural phenomenon that many people will want to get on with the task and many people believes someone else knows what the task is and how it should be done? The Primary task is solely to provide for the satisfaction of the needs and wishes of its members. The leader is expected to look after, protect and sustain the members of the group, to make them feel good, and not to face them with the demands of the group's real purpose.

(II) Fight or Flight: There is a danger or 'enemy' which should either be attacked or fled from members look to the leader to devise some appropriate action e.g., instead of considering how best to organize its work, a team may spend most of the time worrying about rumours of organizational change. This provides a sense of togetherness, whilst also serving to avoid facing the difficulties of the work itself. Alternatively, such a group may spend its time protesting angrily, without actually planning any specific action to deal with the perceived threat.

(III)Creativity or pairing: Based on the collective and unconscious belief, whatever the actual problems and needs of the group, a future event will solve them. The group behaves as if pairing and coupling between two members within the group, or perhaps between the leaders of the group and some external person, will bring about salvation the group is, in fact, not interested in working practically towards this future, but only sustaining a vague sense of disappointment and failure, which is quickly superseded by a hope that the next meeting will be better.

(IV)Cohesion and coziness: Turquet (1974) added a fourth assumption labelled oneness. The team seems to believe it has come together almost for a higher purpose, or with a higher force, so the members can lose themselves in a sense of complete unity.
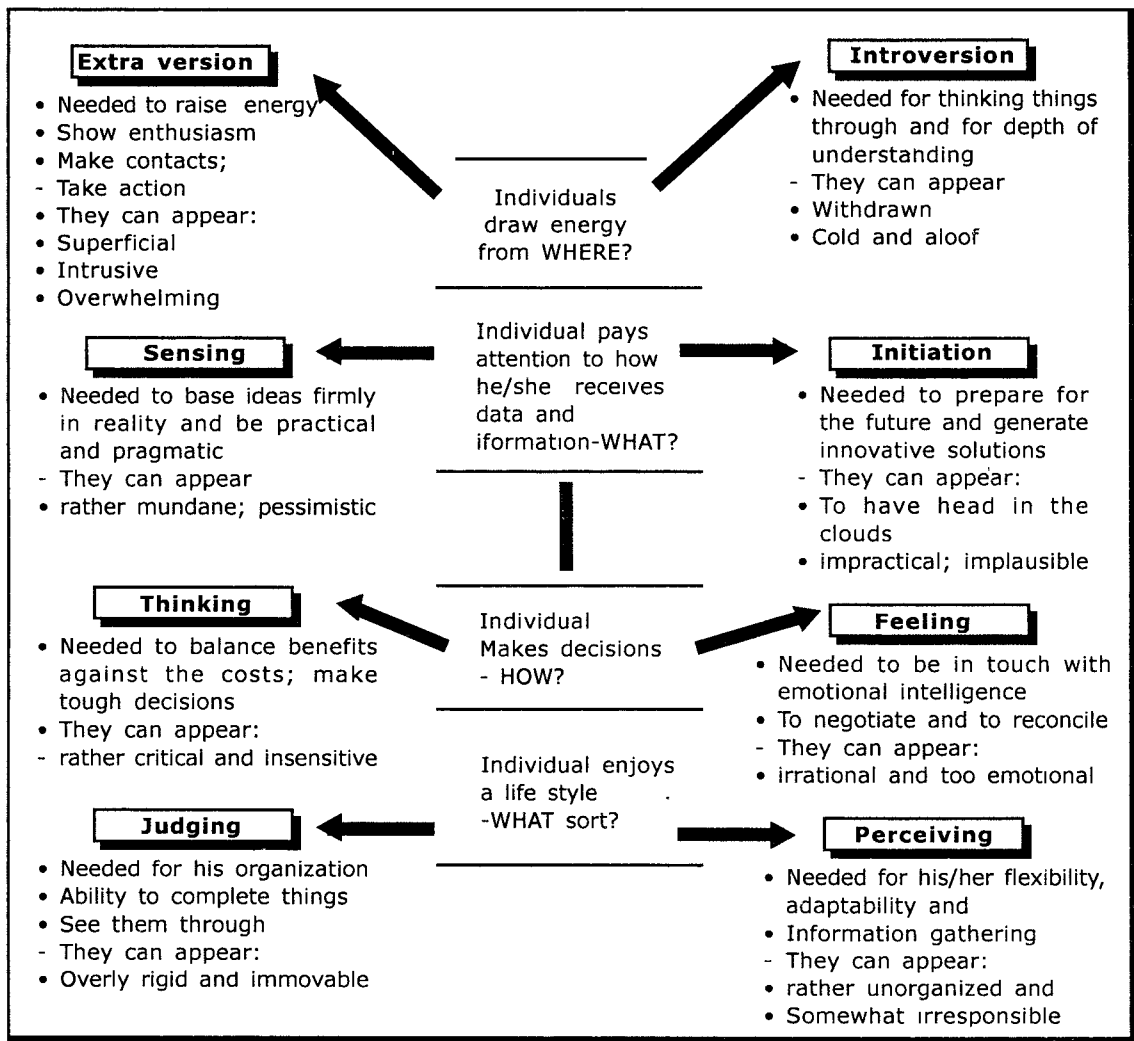
Fig. 5.10 Complementarity and Conflict in teams

Some simple reminders of the advantages and disadvantages of the preferences for teams making decisions about managing change within organizations are as shown in the above figure.

How Individuals affect Team Dynamics?

The Myer Briggs profile

This allows mutual understanding of team member's preferences for initiating or adapting to change. Myers Briggs type indicator is used to see how individual personalities might influence and be influenced by the team. Meredith Belbins team types offer a

way of analyzing a team's fitness for purpose and encouraging team members to do something about any significant gaps. Here what types of individuals are best is considered to make up an effective team?

When undergoing team change individual team members will typically react in any one of the following ways:

- Some will want to ascertain the difference between:

    - What should be preserved?

    - What could be changed?

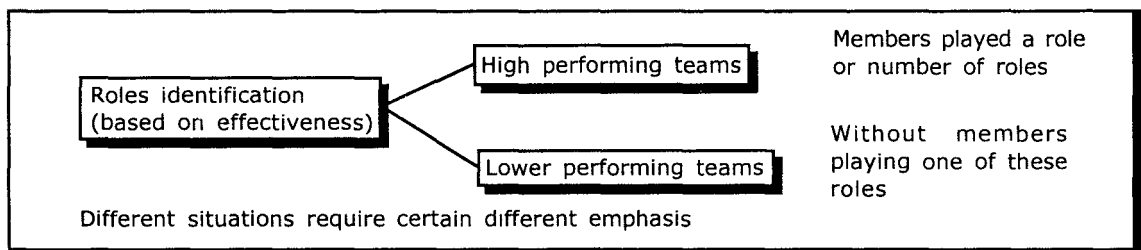   There will be things they want to keep.

- Some will think long and hard about the changes that will emerge internally from their visions of the future. They will be intent on thinking about the changes differently.

- Some will be keen to move things by getting things to run more effectively and efficiently. They will be most interested in doing things now.

- Some will be particularly inventive and want to try something different or novel.

    They will be all for changing things.

The composition of a team

It is an important factor in determining how it can be successful. Belbin says that well-rounded teams are the best. Deficiencies in a certain type can cause problems. Leaders need to be aware of the types of team available during a change process and how to manage them most effectively.

Belbin's Team Types

For effective functioning of the team, certain people characteristics need to be present were identified by his research.

Roles identification (based on effectiveness) → High performing teams → Members played a role or number of roles / Lower performing teams → Without members playing one of these roles. Different situations require certain different emphasis

The Completer-Finisher
Keeps working to meet deadlines, very detail conscious and disciplined in his approach to task completion

The Team worker
Focuses on the team wellbeing by being able to read the signals of the team dynamics and arbitrate, mediate and facilitate the team through difficult emotional terrain

The Resource-Investigator
Has the ability to go out and ensure the resources are obtained through his networking and interpersonal skills and positive attitude.

The Chairman: coordinates the working of the team towards its objectiveness, using his communication and people skills

The Shaper focuses on task achievement; attempts to bring shape and structure to the team's direction using enthusiastic and proactive attitude.

The plant generates the idea for the team using imagination and intelligence, working at a high level rather than with the detail

The company-worker
• Pragmatic; able to translate ideas into tangible actions
• Aims for stability and agreed courses of action.

The monitor-evaluator: Has the ability to see how things are going. Takes in information, collates, interprets and evaluates data and progress.
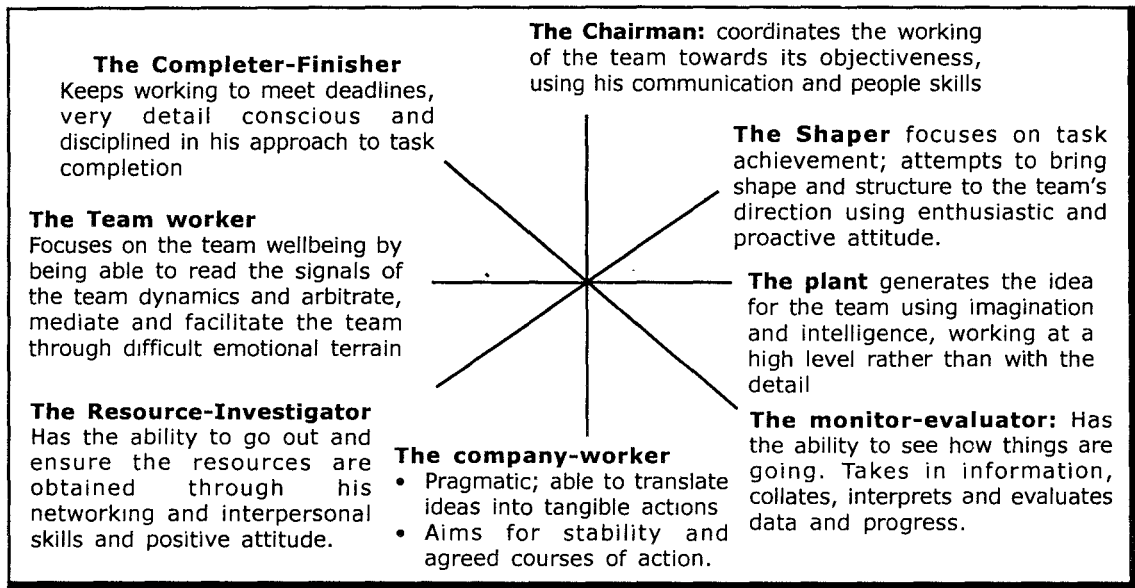
Fig. 5.11 Belbins Team Types

Summary of the checklist questions you will be asking before, during and after the change process are as under:

• Where are the teams affected by the change process?

• What types of teams are they?

• How might they respond to change?

• What do they need to be supported through the change process?

• How can we best use them throughout the change process?

• What additional types of team do we need for designing and implementing the changes?

• As all teams go through the transition, what resources shall we offer to ensure that they achieve their objectives of managing business as usual and the changes?

• How do we ensure that teams that are dispersing, forming, integrating or realigning stay on task?

• What organizational process do we have for ensuring teams are clear about their:
    - mission, planning and goal setting;
    - roles and responsibilities;
    - operating processes;
    - interpersonal relationships;
    - inter-team relations?

Restructuring from an Individual Change

David Noer in his book 'Healing the Wounds: overcoming the trauma of layoffs and revitalizing downsized operations' in 1993, has predominantly stressed redundancy and how it affects those made redundant and those who survive.

Noer's research is useful for illuminating the short, medium and long term impact of change. He suggests how a manager can intervene on a number of levels to help smoothen and perhaps quicken the change process.

Noer sees interventions at four different levels when dealing with redundancy in an organizational context. Most managers only progress to level one where as Noer suggests that managers need to work with their people at all four levels.
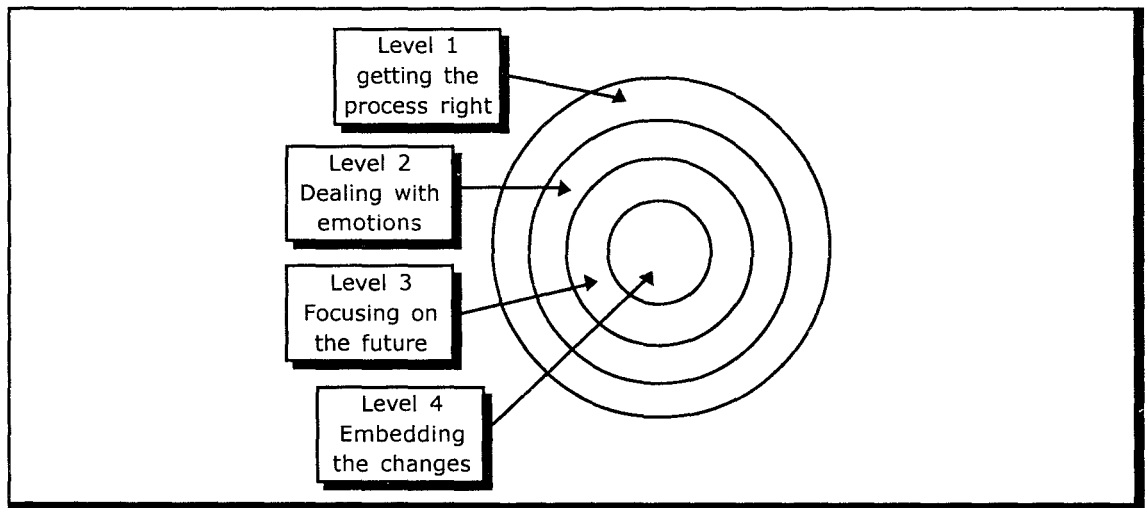

Fig. 5.12 Noer's Four Level Redundancy Intervention Model [Source: Noer (1993)]

Level one interventions are all about getting the process right. In any change process, there needs to be a good level of efficient and effective management. This includes a communication strategy and a process that is in line with organizational values. Once the decision is made to effect redundancies, it needs to be done clearly and with one compassion. This requires open communication-over communicating is better than under communicating –emotional honesty and authenticity. It is hard to get this one absolutely right in this level.

Level two: Once you have attended making the task process right, the next level is getting the emotional process right. This involves with the disclosed and undisclosed feelings. A lot of people are not very good at this. For many, allowing the release of

emotions and negative thoughts about the situation feel like they are opening hornet's nest. Managers need some support and a considerable amount of self awareness if they are to handle this well. Managers can process this process in many ways either one-to-one meetings or team meeting. Level two is about allowing time for expression of feelings about situation plus implications for future and the next steps for moving on.

Level three is focusing on the future. This change curve indicates that a period of inner focus is followed by a period of outward focus. Noers research shows that after the two levels, the organizations now needs to focus on those surviving the redundancy. This is aimed at recapturing their sense of self control, empowerment and self esteem. Similarly, those who have been made redundant need to go through a process of regaining their selfworth and focusing on their strengths, those remaining need to do the same. Plenty of organizational imperatives found for this to happen. The organization would not have gone through the changes that it has, without a clear need to do so. It remains those left to address that need — be it cost-efficiency, productivity, culture change or merger. The more that individuals and teams can be involved in shaping the organization's future, the greater will be the engagement and commitment, and the greater the chances of success.

Level four interventions occur at the whole-system level. One option is the Laisse-faire or reactive one to pretend that nothing much has changed. In terms of Satirs model, as per Weinberg, the organization can fail to really address or redress the situation.

- reject foreign elements
- accommodate foreign elements in its old model
- it could try to transform the old model to receive foreign elements, but fail.

Noer suggests the ways of embedding any changes made into the new way of working by:

- Creating structural systems and processes that treat and/or prevent survivor syndrome symptoms.
- Redefining the psychological contract-being clear about what the new deal is between employer and employee   ·
- Enacting and embodying the new culture and its values if that is one of the stated objectives.
- Ensuring all HR practices and management style are aligned with the espoused culture.

Key lessons

- To address change on both the task and people level

- To pay attention not only to what individuals and groups are going through now, but also the tasks necessary to move the organization along, to use these tasks to engage people as they come out of the more negative aspects of the change curve.

- To take the opportunity of the turbulence of the situation to embed into the organisation those structures, systems and processes that will be necessary to sustain the changes in the longer term.

QUESTIONS

1. Give the meaning of a team.
2. Give the meaning of a group.
3. Define Team and Group
4. Distinguish Team with Group.
5. What are the different types of team? How do they differ?
6. Team develop over time. Team development process involves different team leadership challenges. Substantiate.
7. How do you say that the team is effective or not? What are the aspects to be considered?
8. How does a team change looks like?
9. What are the considerations of various experts of change management regarding team development?
10. Explain the following terms in regard to change management
    Forming   Storming
    Norming   Fight or Flight
    Performing   Creativity or Pairing
    Cohesion   Coziness
11. Explain the complementarity and conflict in teams
12. How do individuals affect team dynamics? Explain the Myer Briggs profile.
13. Explain the Belbins team types.
14. Explain restructuring from an individual change. Give the details of Noers four level redundancy intervention model.

15. How is change managed? Explain

16. Explain how change-conciousness is developed among the people in the organisation.

17. What are the things to be examined while initiating change during the organisational leadership?

18. Explain the change and employee attitudes you find in an organisation.

19. Why do individuals resist change?

20. What are the things to be done when an organisation is to bring about intended changes?

21. Give reasons to know why people accept change.

22. Explain individual focused approaches to Change Management.

23. What are the different factors and dimensions you find during resistance to change?

24. Explain how the group works to manage change effectively.

25. Compare the dealing with individual to dealing with the group in managing the change effectively.

26. What is meant by sensitivity training in chain management?

27. What is team and what is meant by team building? Explain how to build a team to meet the changes happening in the organisation.

28. Explain the formation of self managed work teams in managing change.

* * * * *

ORGANISATION CULTURE

6.1 INTRODUCTION

Schein in 1990 says culture is the pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration and that have worked well enough to be considered valid and therefore to be taught to new members as the correct way to perceive, think and feel in relation to those problems. It is not just about induction programmes, it is everywhere in organisational life. It is vitally important to the organisation because of its impact on performance.

6.2 HOW TO CHANGE CULTURE?

If we want to know about how to change culture, we have to understand how it was created.

Schein in 1999 suggests the evolvement of culture was in six different ways. Some of these can be influenced by leaders and some cannot:

- A general evolution in which the organisation naturally adapts to its environment.
- A specific evolution of team or sub-groups within the organisation to their different environments.
- A guided evolution resulting from cultural 'insights' on the part of the leaders.
- A guided evolution through encouraging teams to learn from each other, and empowering selected hybrids from sub-cultures that are better adapted to current realities.
- A planned and managed culture change through creation of parallel systems of steering committees and project oriented task forces.
- A practical or total culture destruction through new leadership that eliminates the carriers of the former culture (turnarounds, bankruptcies etc).

Schein underscores the fact that organisations will not successfully change culture if they begin with that specific idea in mind.

6.3 DEFINITION OF ORGANISATIONAL CULTURE

Organisational culture is the set of fundamental assumptions about what products the organisation should produce, how and where it should produce them and for whom they should be produced.
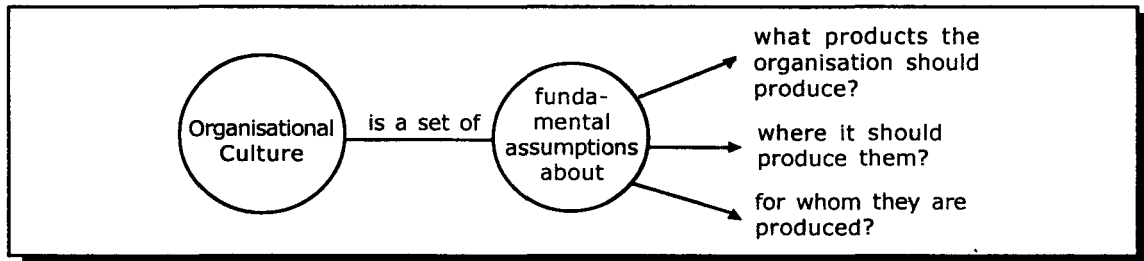

Fig. 6.2 Organisation Culture

6.4 TYPES OF CULTURE

Organisation culture is the system of shared values, beliefs and habits within an organisation that interacts with the formal structure to produce behavioural norms, influence employees degree of job satisfaction and the level and quality of their performance. The assessment of how good or poor the organisation culture may differ for each employee work groups, manager's and supervisor's leadership style, organisation characteristics and administrative processes which affect organisations. Dominant culture and many sub-cultures exist in most large organisation. Dominant culture are those that express the shared views of the majority of organisation members. Sub-cultures are cultures characteristic of various units of an organisation. Most attempts to change organisations have been directed towards creating a more open and participative culture. Involving more people in the decision making improves productivity and morale.

Classification of cultures.

Large organizations have two types of cultures:

- Dominant culture – It is the corporate culture that expresses the shared view of the majority of organizations members.

- Sub-cultures – These are corporate cultures characteristic of various units in an organization.

Rosabeth Moss Kanter (1985) offers the following reasons as to why employees may resist change.
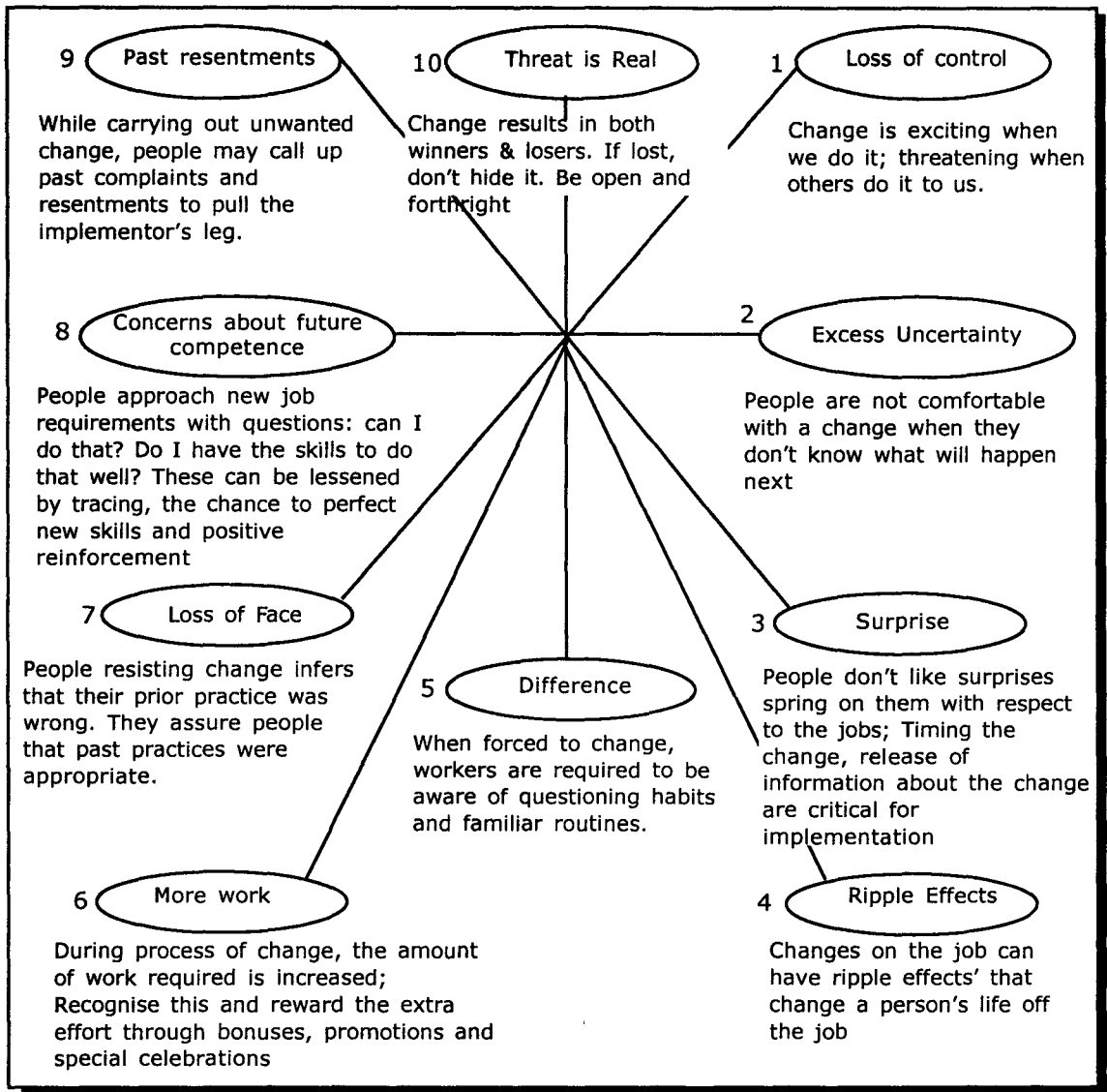
9 Past resentments

While carrying out unwanted change, people may call up past complaints and resentments to pull the implementor's leg.

10 Threat is Real

Change results in both winners & losers. If lost, don't hide it. Be open and forthright

1 Loss of control

Change is exciting when we do it; threatening when others do it to us.

8 Concerns about future competence

People approach new job requirements with questions: can I do that? Do I have the skills to do that well? These can be lessened by tracing, the chance to perfect new skills and positive reinforcement

2 Excess Uncertainty

People are not comfortable with a change when they don't know what will happen next

7 Loss of Face

People resisting change infers that their prior practice was wrong. They assure people that past practices were appropriate.

5 Difference

When forced to change, workers are required to be aware of questioning habits and familiar routines.

3 Surprise

People don't like surprises spring on them with respect to the jobs; Timing the change, release of information about the change are critical for implementation

6 More work

During process of change, the amount of work required is increased; Recognise this and reward the extra effort through bonuses, promotions and special celebrations

4 Ripple Effects

Changes on the job can have ripple effects' that change a person's life off the job

Fig. 6.3 Reasons as to Why Employees Resist Change

Work Group

Commitment
Hindrance
Morale
Friendliness

The character of the immediate work group will affect one's perception of the nature of corporate culture.

Manager/Supervisor Leadership style

Aloofness
Output emphasis
Consideration
Thrust

The leadership style of the immediate supervisor will have a considerable effect on the culture of the group, and vice versa

Factors that impact organization culture

Organisational characteristics

Size
Complexity
Formula
Autonomy

The type of culture that develops can also be affected by organisational characteristics and can vary on such attributes such as size and complexity

Administrative processes

Reward system
Communication system
Conflict/cooperation
Risk tolerance

Firms that can develop direct links between performance and rewards tends to create cultures conducive to achievement.

Internal environment

External environment

Fig. 6.4 Factors that Influence Corporate Culture

Fig. 6.5 Types of organisation culture

Strong corporate culture is the dominant corporate culture that is widely and ardently adhered to by members of the organisation. Many Japanese firms appear to have strong corporate culture, so also many leading Indian firms have strong corporate cultures. IBM also has a strong corporate culture; its employees accept the IBM mission, approach and structure.

6.5 ORGANISATIONAL CHANGE

All organisations have bedrock, unassailable, unquestioned (by the members) assumptions that define their goals and products. These cultural assumptions as said in para 6.3 are taken totally for granted and are rarely publicly announced, or spoken about.

Organisational culture is a powerful unifying force that restrains political conflict and promotes common understanding, agreement on procedures and common practices. If all of us share the same basic cultural assumptions, then agreement on other matters is more likely.

Organisational culture is a powerful restraint on change, specially on technological change and most organisations avoid making changes in basic assumptions. Any technological change that threatens commonly held cultural assumptions usually meets a great deal of resistance. There are times when the only sensible thing to do is to employ a new technology that directly opposes an existing organisational culture. When such a thing happens, the technology is often stalled while the culture slowly adjusts.

Questions related to change are as under:

- How does the process of organisational change happen?
- Must change be initiated and driven through by one strong individual? Or can it be planned collectively by a powerful group of people?
- By sheer momentum, the change will it happen?
- Are there pay offs of understanding the whole system, determining how to change it and predicting where resistance will occur?
- May be change cannot be planned at all?

Something unpredictable could spark a change, which then spreads in a natural way.

6.6 STRATEGIC CHANGE PROCESS

The following are the four generic change scenarios. We shall look at the particular management challenges involved in initiating and implementing each type of change:-

These scenarios are:

- Structural change
- Mergers and acquisitions
- Cultural change
- IT-based process change

Let us briefly review the strategic change process, identifying the element, that makes a strategic change process successful.

The whole process begins with an internal or external trigger for change. These triggers for change make us take a long hard look at the market of industry we are in, examine our customer and stakeholder relationships and scrutinise our organisational capability. Hence, we review:

- Where we want to be?
- How we want to get there?
- What we need to do to get there?

We will develop our new vision, mission and values. We have to adjust one or all of the following:

- The organisational structure
- The commercial approach

- The organisational culture
- The relevant process

All the four types of changes are identified above.

The starting point should always be business issues that the organisation faces. Nobody begins with ideas that the existing culture is somehow totally bad. Leaders always should think that an organisation's culture is a source of strength. Some of the cultural habits may be dysfunctional but it is more viable to build on the existing cultural strengths rather than to focus on changing those elements that may be considered weaknesses. The focus on culture in the context of managing change regarding guidelines for achieving successful cultural change is given below:

- Always link to organisational vision, mission and objectives.

- Create a sense of urgency and continually reinforce the need to change (Introduction of foreign element into the organisational system; kick start the culture change).

- Attend to stakeholder issues (Put yourself into the stakeholder's shoes).

- Remember that 'the how' is as important as 'the what'.

- Build on the old, and step into the new (Do things from a variety of perspectives).

- Generate enabling mechanisms such as the reward systems, and planning and performance management systems that support the objectives and preferred behaviour of the new culture.

- Managers need to act as role models (Model the new values and support individuals and teams through a period of upheaval).

- Create a community of focused and flexible leaders during period of change.

- Insist on collective ownership of the changes.

In order to achieve the above in general, the following major activities have to be done:-

- Align the organisation
- Rebranding the organisation (To create a sense of urgency and momentum when a major cultural change is required)
- Creating on employer brand education, prosperity, higher standard of living etc. and achieve rapid economic development through liberalisation, privatisation, globalisation, free and open competitiveness etc. to convert into a developed economy from a developing economy.
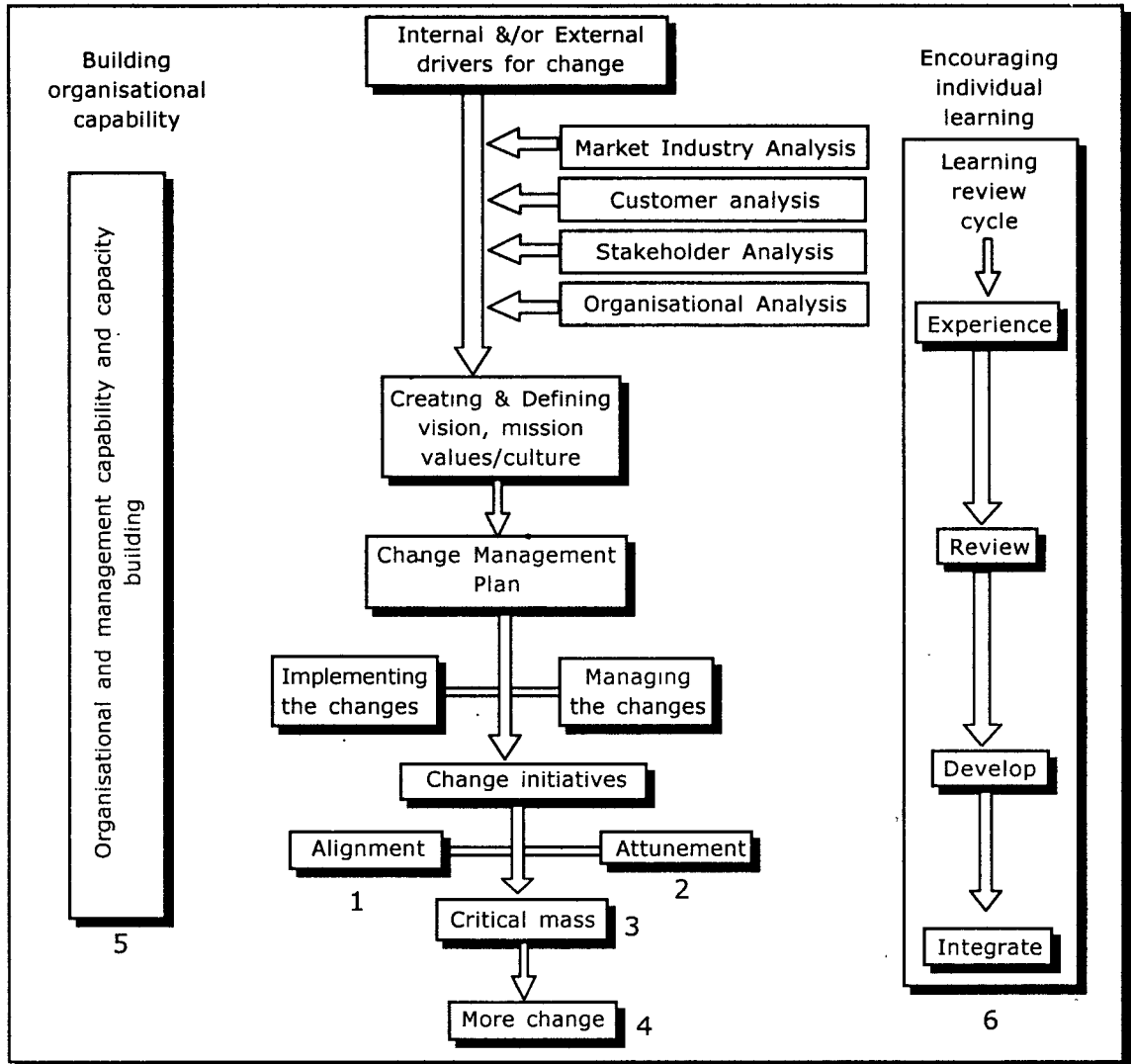
Fig. 6.7 The Strategic Change Process (1 to 6 are essential characteristics of successful strategic change initiatives)

Alignment: It is an important feature of a successful change initiative. All the components of the change plan are to be an integrated whole. They have an internal integrity; also linked into the whole organisational system and beyond.

Attunement: Mirroring the preferred organisational culture and ensuring that all aspects. of the change are carried out in line with organisational values and with sufficient attention to the human side of change.

Critical mass: Aim is to develop momentum and build sustainability. This occurs when a sufficiently critical mass of people are aligned and in tune with senior management.

Other things are: more changes, organisational and management capability and capacity building, encouraging/individual learning through learning review cycle (involves experience, review, develop and integrate) as shown in Fig 6.7.

6.7 CHANGING AN ORGANIZATION CULTURE

Our nation and world are experiencing constant changes in basic institutions and values. In recent years, for example we have observed substantial changes in:

- Use style
- Attitudes toward work and leisure
- Role of women
- Level of public confidence in social institutions
- Organisation of family life
- Attitudes toward authority.

All types of organizations are affected by such changes. One area of particular concern is the changing attitudes toward social institutions – Government, education, business, medicine and others. The public has become more cynical, more insistent that institutions should operate in the best interests of society as a whole.

Organisation culture is a system of shared meaning within an organization that determines, in large degree, how employees act. Culture implies several things. Culture is a perception. Individuals perceive the organization culture based on what they see or hear within the organization. Even though individuals have different backgrounds or work at different levels in the organization, they need to describe the organisation's culture in similar terms. That is the shared aspect of the culture. Cultures can be analysed by assessing how an organization rates on ten characteristics as under:-

- Member identity
- Group
- People focus
- Unit integration
- Control

- Risk tolerance
- Reward criteria
- Conflict tolerance
- Means-end orientation
- Open systems focus (in the external environment)

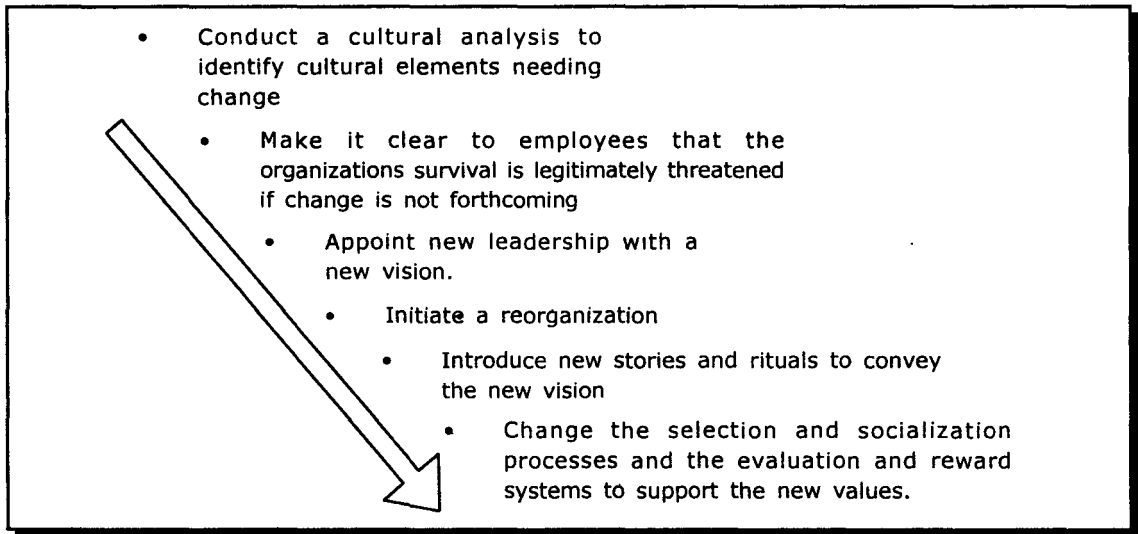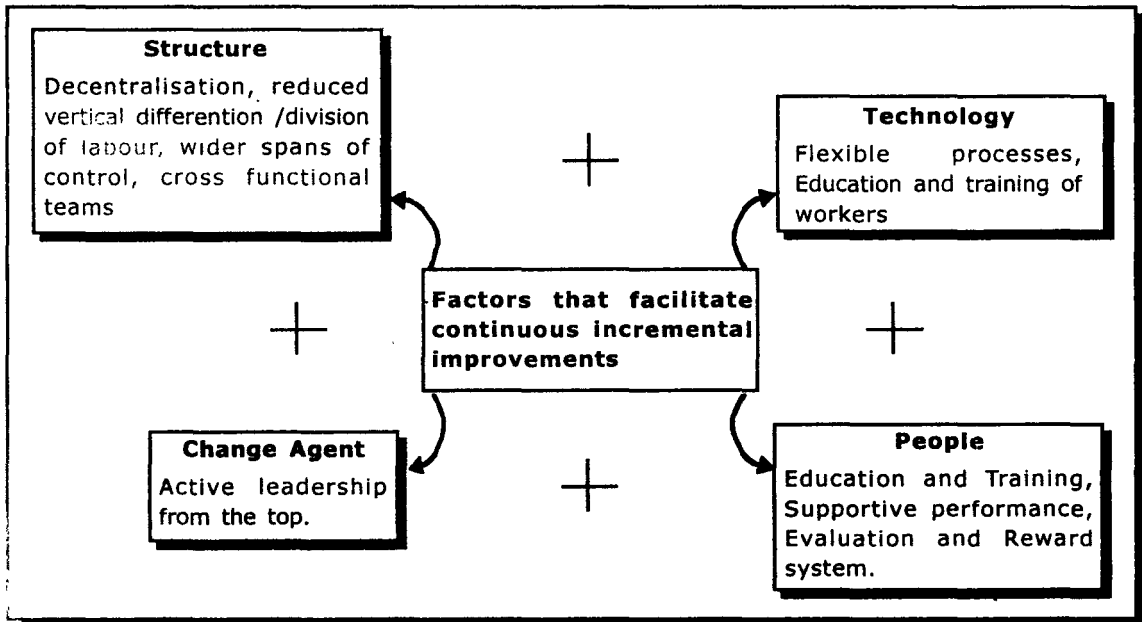The road to cultural change is indicated in the following steps:

- Conduct a cultural analysis to identify cultural elements needing change

- Make it clear to employees that the organizations survival is legitimately threatened if change is not forthcoming

- Appoint new leadership with a new vision.

- Initiate a reorganization

- Introduce new stories and rituals to convey the new vision

- Change the selection and socialization processes and the evaluation and reward systems to support the new values.

Fig. 6.8 The Road to Cultural Change

Structure

Decentralisation, reduced vertical differention /division of labour, wider spans of control, cross functional teams

Technology

Flexible processes, Education and training of workers

Factors that facilitate continuous incremental improvements

Change Agent

Active leadership from the top.

People

Education and Training, Supportive performance, Evaluation and Reward system.

Fig. 6.9 Factors that Facilitate Continuous Incremental Improvements

6.8 DEVELOPMENT OF CULTURE WITHIN ORGANIZATIONS

Companies that are constantly regarded as the most successful, share one common characteristic. This is:

They never get so big and so accomplished that they can rest on their laurels for long; they realize it takes a relentless, dynamic quality for an organization to adjust to new challenges in a rapidly changing world.

The company's strategy and the resulting policies cannot remain fixed and rigid in a changing technical, political, and cultural climate. The environments surrounding the companies where the latter have to operate are constantly changing. So, the internal organization itself is continuously seeking to adapt to that changing world.

Hence following changes are found:

- Adaptation takes place
- The values of key managers change
- Attitudes about certain aspects of business
  - Government regulation
  - Risk taking
  - Entering new markets
  - Creating new products.

The above ongoing changes affect company decisions, politics and the capability of individuals to fill important jobs.

When the internal organization has to change, it requires people within the organization to alter both their social structure and their personal values. Managers who understand the development and the evolution of so called corporate cultures operate with a distinct advantage in such circumstances, because they at least have the tools to understand the magnitude of the desired organizational change and can develop a program of changing their organization against the backdrop.

Within the culture of their internal organization, managers should anaylse and distinguish between:

a) how they want people to behave?

b) what company objectives, policies and procedures prescribe?

c) the actual values and behavioural patterns that workers to follow?

d) the informal (unprescribed) relationships?

To bring out a real change, Managers must focus on c) and d) though there is a lot of overlap between the above factors.

6.9 ROLES AND CUSTOMS

To understand a culture, a good way to start is to objectively observe its Customs and Roles.

6.10 CUSTOMS DEVELOPMENT

Only a small fraction of human behaviour is consciously chosen. It is not possible to analyse every movement or remark above acting. In those cases, the pros and cons of every step are not weighed. People rely heavily on customs and habits in tailoring their behaviour which takes place in both personal and business parts of ourselves.

Once established, a customary way of doing business becomes natural – and often far too intractable. Efforts to change such a system will be met with resistance, because those who have learned the old system can merely follow norms on a mental 'automatic pilot' and get what they want – a far more desirable situation for them than any other systems that requires rethinking of each step.

6.11 EXPECTED ROLES

Work customs are especially important when several people work together. Each person learns to rely on the others to perform certain roles in routine, customary ways. This is especially true in professional work, where there are preconceived ideas beyond the work place as to the skills of the people like a jet pilot, architect, insurance underwriter.

Established roles strongly influence the behaviour that is expected of anyone filling those roles and are common throughout the society.

When persons assume a given role, their duties and authority and sometimes even their gestures, and clothing are well defined.

Cultural dimensions that affect managing are:

- Personal Values
- Attitudes and beliefs
- Rewards and punishment
- Informal information flows

6.12 HOW TO CHANGE AN ORGANIZATION OPERATION AND CULTURE?
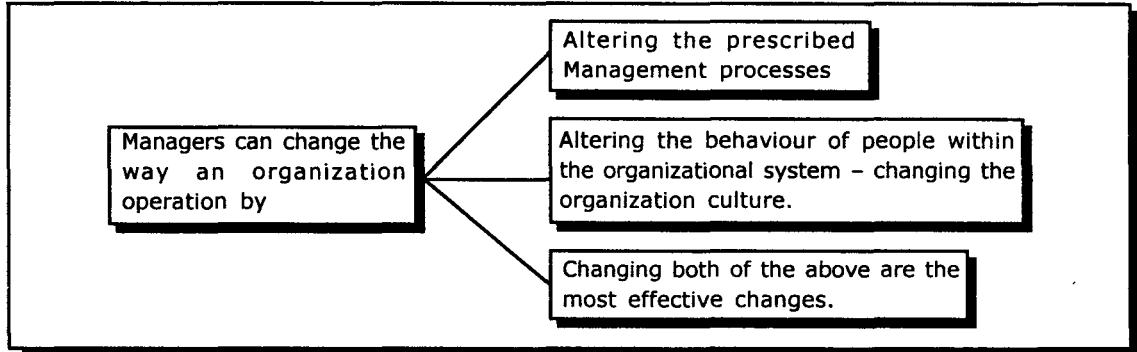
Fig. 6.10 Changing an Organisation Operation

6.13 CHANGING STRATEGY AND CULTURE
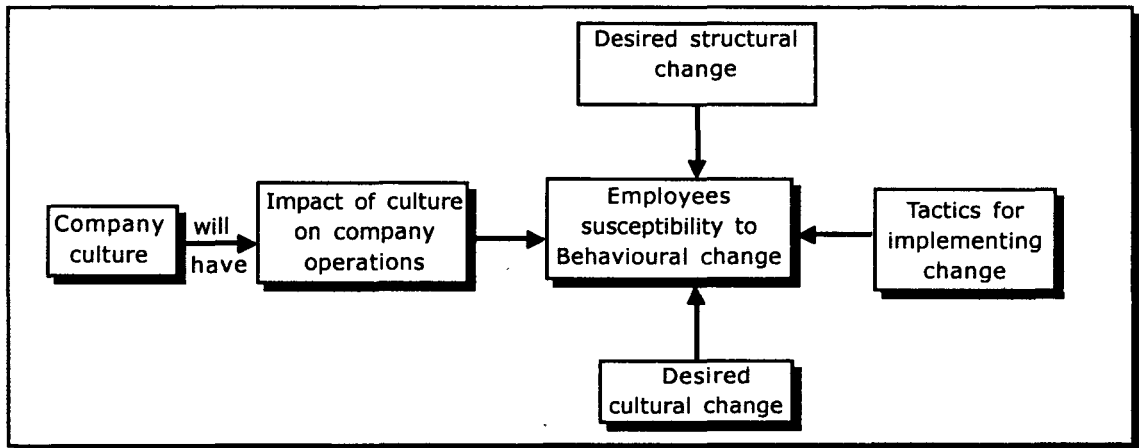
Fig. 6.11 Considerations in Modifying Unstructured Behaviour in a Company

A prescribed way of doing things is needed, whenever change takes place

(i) **New processes:** Engineering improvements needed

(ii) **Cultural change**

(iii) **Structural changes** alone are inadequate (This does not guarantee the desired change.)

6.14 TACTICS FOR IMPLEMENTING CHANGE

Many alternatives exist for bringing out a change within an organization. Change can be implemented quickly or slowly
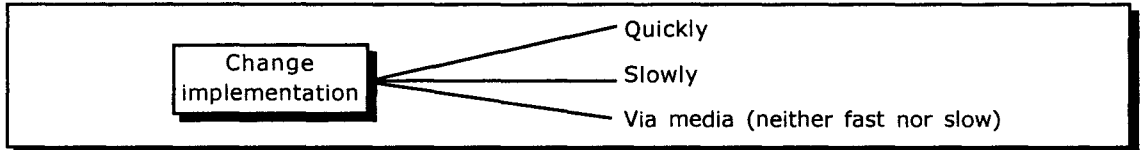
Fig. 6.12 Tactics of Change Implementation

Rapid action is sometimes required as in the case of a crisis precipitated by an unanticipated hostile takeover attempts or in the case of a massive external threat.

Some changes can be implemented at a more moderate pace, and these situations provide the best opportunity for time consuming efforts needed to modify a culture while simultaneously changing strategic direction.

The decision of whether to pursue the organizational change slowly or rapidly depends on the following circumstances:
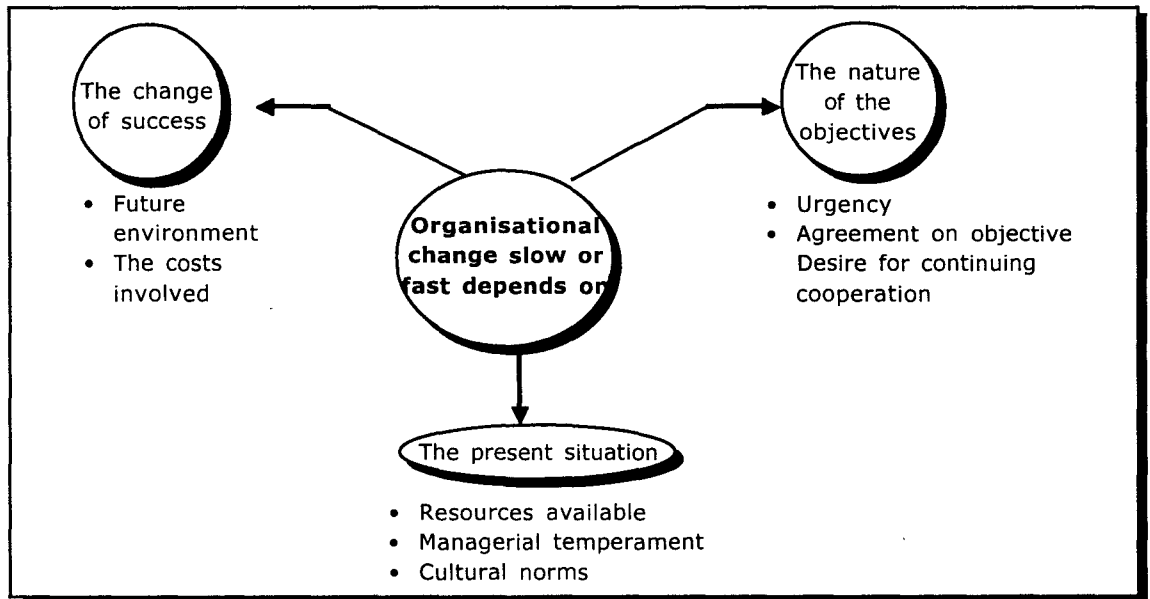
Fig. 6.13 Decision to make the Organisational Change Fast or Slow

6.15 TIMING OF A CHANGE

The above factors have to be weighed; managers must decide when and how fast to seek a change.

Alternatives are:
- Pushing through a plan despite active opposition and obstacles
- Seeking gradual changes rather than revolutionary ones.
- Making a quick showing – This may be a viable option when there is a skepticism about an idea, but not necessarily active opposition to it; Alternatively, erase skepticism in a prompt and favourable way to create a unified effort toward a desired goal.
- Initiating change by boring from within. People within the organization come up with the necessary changes themselves and then implement them; Managers do not get actively involved.
- Letting things get worse before they get better.
- Strike when the iron is hot. This option is best in a propitious situation that offers an opportunity of limited duration.

6.16 BUILDING A NEW STABILITY

Conversion to a new management system and a new culture takes time. Business strategies, social structures, personal beliefs cannot be altered in a day's time. Managers can assist the transition by dealing with the psychological factors of learning, anxiety and confidence (involved in a change of system)
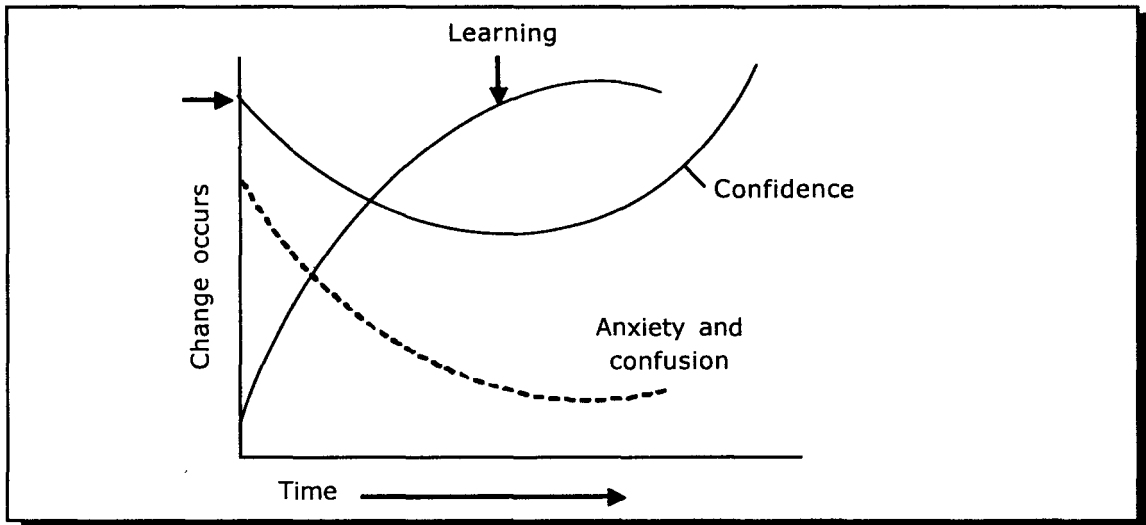
Fig. 6.14 How Response to Change Shifts Over Time

Figure 6.14 indicates how response to change shifts over time

All organizations evolve cultures that pass along information on norms and values concerned with the way we do things around here. Such cultural traditions form the underpinning of any organization and is to be considered a major contributor to organizational change. Managers can use several alternative methods for implanting change. The overriding them is that along with structural and strategic changes, there must be cultural change efforts to bring about new directions, in that strong informal part of the organization.

If change is to be internalized by employees, it must be accepted by them-not merely ordered from above.

The blend of elements that suit a specific change process are:

- The magnitude of the change desired
- The urgency
- The resources available
- Their fit into a new thrust
- Tolerance for risk and for frequent change

Some overriding objective or mission is needed as many diverse considerations are involved as above: This is to clarify consistent with those priorities and values.

6.17 LAISSEZ – FAIRE APPROACH

Here a leader who generally gave the group complete freedom to make decisions and complete the work in whatever way it saw fit.

The figure shown a summary of the four main leader behaviour dimensions

Managerial Grid

- **Concern for people:** Measured leader's concern for subordinates on a scale of 1 to 9 (Low to high)
- Concern for production: Measured leader's concern for getting job done on a scale of 1 to 9 (low to high)

Behavioural Theories of Leadership

University of Iowa

- **Democratic style:** Involves subordinates, delegation of authority encouraging participation
- **Autocratic style:** Dictating work methods, centralising decision making, and limiting participation
- **Laissez – Faire style:** Giving group freedom to make decisions and complete work

University of Michigan

- **Employee oriented:** Emphasised interpersonal relationships and taking care of employees' needs
- **Production oriented:** Emphasised technical or task aspects of job

Ohio State

- **Consideration:** Being considerate of followers' ideas and feelings
- **Initiating structure:** Structuring work and work relationships to meet job goals.

Fig. 6.15 Behavioural Theories of Leadership

The Laissez – Fair approach comes in the University of Iowa studies where the leader generally gave the group complete freedom. Lewin and his associates researched which style was the most effective. Their results seemed to indicate that the democratic styles contributed to both good quantity and good quality of work. Later studies of the autocratic and democratic styles showed mixed results. e.g., the democratic style produced higher performance levels than the autocratic style but at other times it produced lower or equal performance levels. More consistent results were found, when a measure of subordinate satisfaction was used. Group members' satisfaction levels were generally higher under a democratic leader than under an autocratic one.

Should the focus be on : Achieving higher performance?

Achieving higher members' satisfaction?

The dilemma was there for the leaders.

6.18 A MODEL OF THE ORGANISATIONAL DEVELOPMENT PROCESS
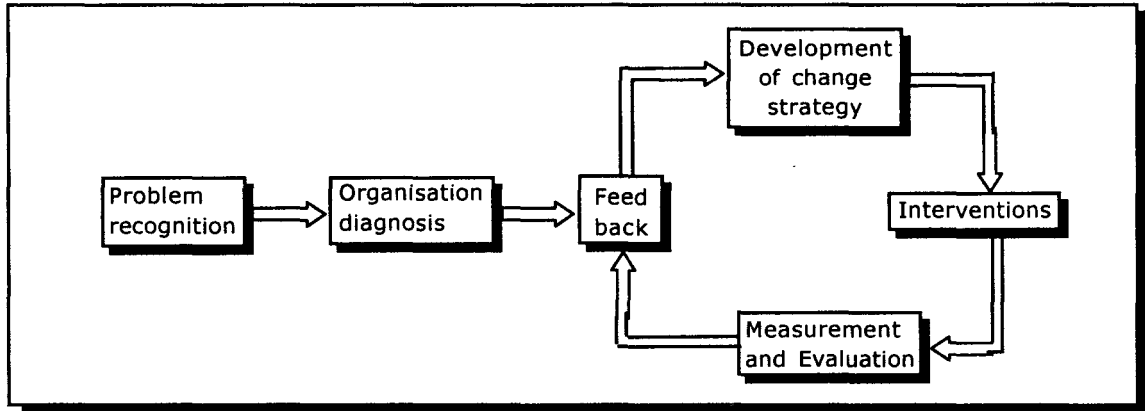
Fig. 6.16 Organisation Development Process

The specific interventions may include:

- A change in the organisation structure
- A more effective procedure for handling customer complaints
- The establishment of a team charged with the responsibility of implementing a cost reduction program.

The group agrees to meet again in 3 months to measure and evaluate the effectiveness of the OD efforts.
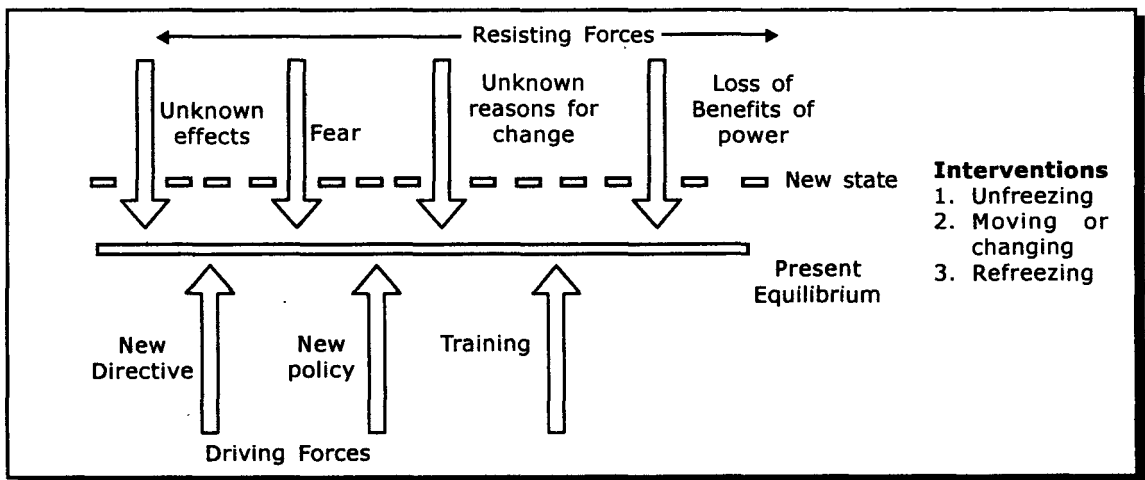
6.19 FIELD FORCE THEORY

Fig. 6.17 Moving an Organising Equilibrium

6.20 DEVELOPING A TRADITION OF CHANGE

People who are used to change tend to accept it without the frustration and demoralization that result when the need for reorganisation is allowed to reach the stage at which change must be revolutionary.	On the other hand, a company that is continually undertaking major reorganization may damage morale, and its employees may spend much of their time wondering what will happen to them because of organisational stages.

QUESTIONS

1. What is Culture?

2. Give the meaning of culture.

3. Explain how culture is changed?

4. Define organisation culture.

5. What are the different types of culture?

6. Explain the strategic change process.

7. What are the issues related to organisational change?

8. Explain how organisational culture could be changed?

9. Mention the steps involved in the road to cultural change. Explain each one of them.

10. Explain each of the factors involved to facilitate continuous incremental improvements involved in the organisational change.

11. Explain how internal organisation is continuously seeking to adapt to the changing world.

12. Explain the customs development and expected roles as needed in organisational change.

13. Explain how an organisation operation can be changed?

14. Which are the considerations in modifying unstructured behaviour in a company?

15. Explain the circumstances under which the decision of whether to pursue the organisational change slowly or rapidly depends?

16. What are the alternatives involved in the timing of a change?

17. Explain with a sketch how response to change shifts over time behaviour?

18. Write a note on Laise Faire approach in the leadership style of behaviour.

19. Write down the model of the organisation development process.

20. Explain Field Force Theory with a sketch.

21. How do you classify culture in large organisations?

22. How Rosabeth Moss Kanter explain the reasons for employees resisting change?

* * * * *

MODELS OF ORGANISATIONAL CHANGE

7.1 INTRODUCTION

Business and non-business organisations confront the world that is challenging in several ways. Managers face three major challenges:

- Increased competition for an organisation's resources. Business organisations increased competition in their markets and for their inputs. Non-business organisations face competition for their funds

- The above organisations have to compete in the world which is constantly changing.
    - globalisation
    - technological changes
    - unanticipated events (uncertain and unpredictable)

- It is increasingly difficult to predict what will happen in an organisation's environment.

The future impact of a new technology may be hard to predict; In a globalised market place, competition may arise from anywhere; New legislation that impacts business may emerge; Internal uncertainties are also found within the organisation – Prediction of how people would react to change; People exit from companies for better pay, career, life style or working conditions; Individual jockeying for power. Thus a managers job has become both challenging and difficult.

No firm can escape change! Change management is a new discipline that focuses on why and how organisations change.

A major finding in change management research is that most organisations do not manage change well.

7.2 ORGANISATIONS GATHER DATA WITH THE HELP OF MODELS OF ORGANISATIONAL CHANGE

These models are as under:

(1) Lewin's Change Model - Already explained earlier in para --

(2) Planning Model

This model is in bringing about planned change in organisations developed by Lippit, Watson and Westley (1958). This was modified by Kolb and Frohman in 1970. The model is based on the principle that information must be freely and openly shared between the organisations and the change agent. This must be able to be translated into action.

Seven step process are found here:
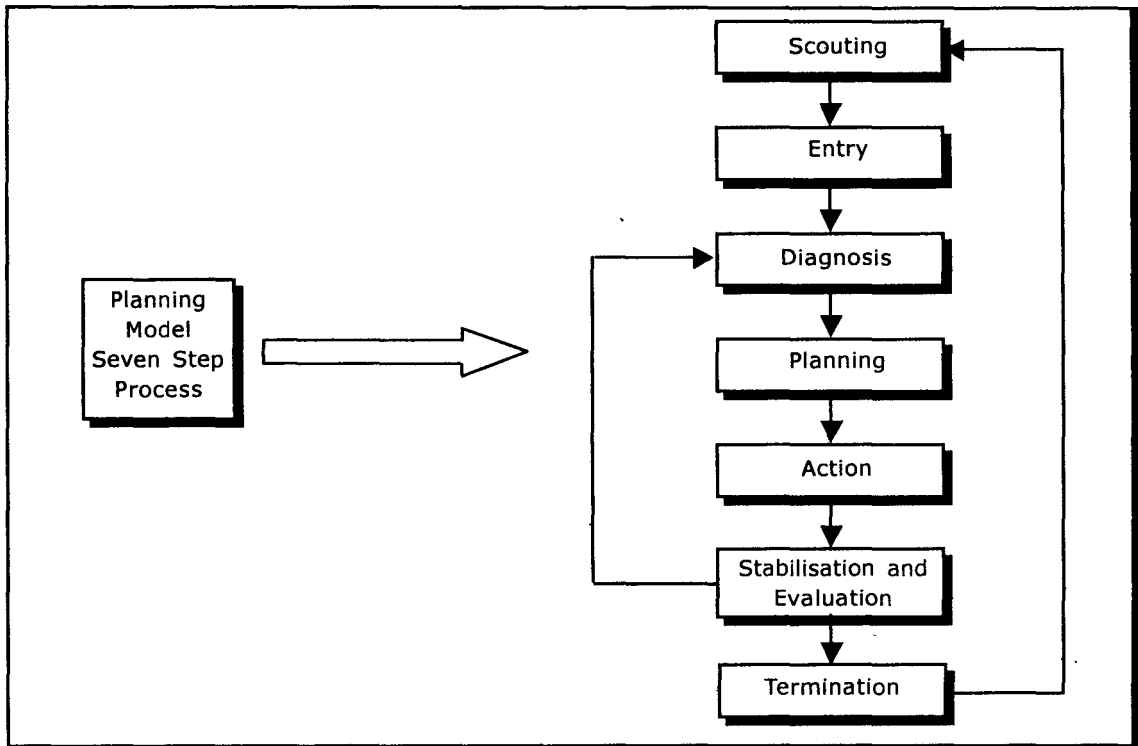
Fig. 7.1 Planning Model (Seven Step Process)

Scouting: The change agent and the organisation jointly explore the need and areas requiring change.

Entry: The development of mutual contact and mutual expectations.

Diagnosis: The stage where specific improvement goals are identified.

Planning: The stage where actual and possible reasons for resistance to change are identified to planning for specific improvement of goals.

Action: The implementation of the steps identified in the planning stage.

Stabilisation and Evaluation: A phase where evaluation is undertaken to determine the extent of success of the planned change and the need for further action or termination.

Termination: A phase where a decision is made to leave the system or to end and begin another.

The change agent and manager can modify the above sequential phase. The strategies and approaches can be modified depending on the diagnosis and re-diognosis of the problem as indicated by the feed back arrows.

3.   Action Research Model:

Cummings and Huse, 1989 developed this model with eight main steps which focuses on the planned change activity as a cyclical process. Initial research about the organisation is undertaken which provides the requisite information to guide further action. The results of the action are assessed to provide information to guide further action. The cycle repeats as an ongoing process.

The Eight Steps are:
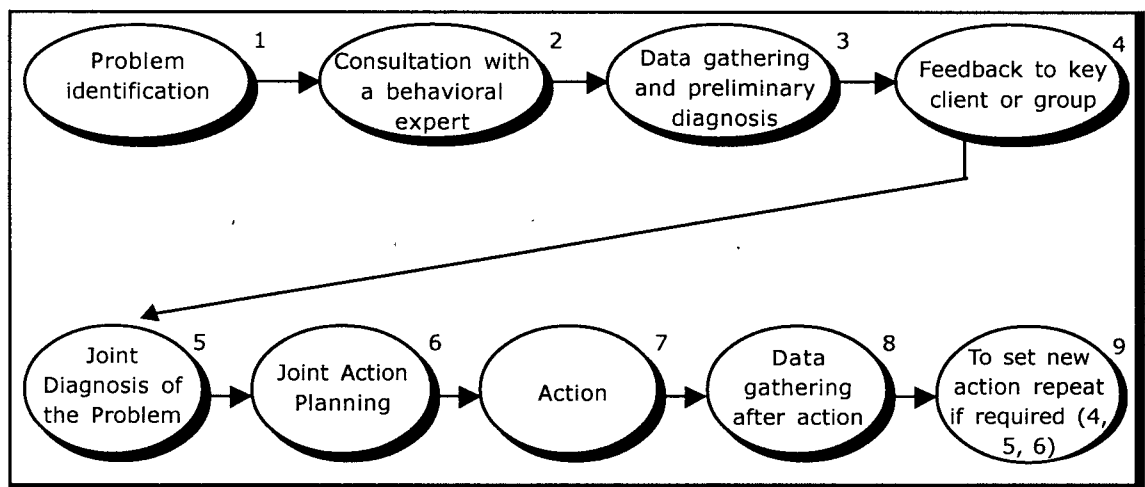
Fig. 7.2 Action Research Model

This model is cyclical in nature; New data is again gathered after the action has been taken to measure and determine the effects of the action. The feedback is obtained. The situation is rediagonised and new action taken. The model is helpful for specific organisations:

*   to implement planned change
*   to develop general knowledge (to apply in future scenarios)

(I)   **Problem identification:** Here, key executive identifies the existence of one or more problems to alleviate with OD practitioner

(II)   **Consultation with a behavioural expert:** Problem sensed; realises that the problem can be solved with an organizational development expert.

(III)   **Data Gathering and Preliminary diagnosis:** The consultant and the members of the organisation gather data with the help of:
- interviews
- process observations
- questionnaires
- analysis of organisational performance data.

(IV)   **Feedback to key client group:** The client gets the data; strengths and weaknesses of the area studied and determined. The consultant provides the client all relevant and useful data.

(V)   **Joint diagnosis of the problem:** The entire group discusses the feedback; additional research is summarized and submitted to the groups for validation, further diagnosis, identification of the problem.

(VI)   **Joint Action Planning:** The consultant and the management team jointly agree on problem solving methods; Analysed, alternative actions found out; the best action selected. The specific action depends on the organisation's enviornment and other factors:
- cultural
- technological
- work environment
- problem(s) to be resolved
- time
- costs

This depends on the desired Organisation Development (OD) intervention on the above.

(VII)   **Action:** Involves actual change from one organisational state to another; it may include:
- installing new methods and procedures
- recognising structures and work designs
- reinforcing new behaviour

(VIII) Data gathering after action: Model is cyclic in nature; New data is again gathered after the action; Get the feedback; Situation is re-diagnosed and new action taken.

4. Integrative Model of Planned Change

The basis of this integrative model of planned change is on the following thinking:

(I)   An organisation exists in different states at different times

(II)   Phased movement can occur from one state to another

(III) An understanding of both of the temporal states and of the change processes needed to move from one state to another.

Bullock and Batten in 1985 developed this model. The four stages involved in the sequence are:

- Exploration Phase
- Planning Phase
- Action Phase
- Integration Phase

(I) Exploration Process – Stage 1
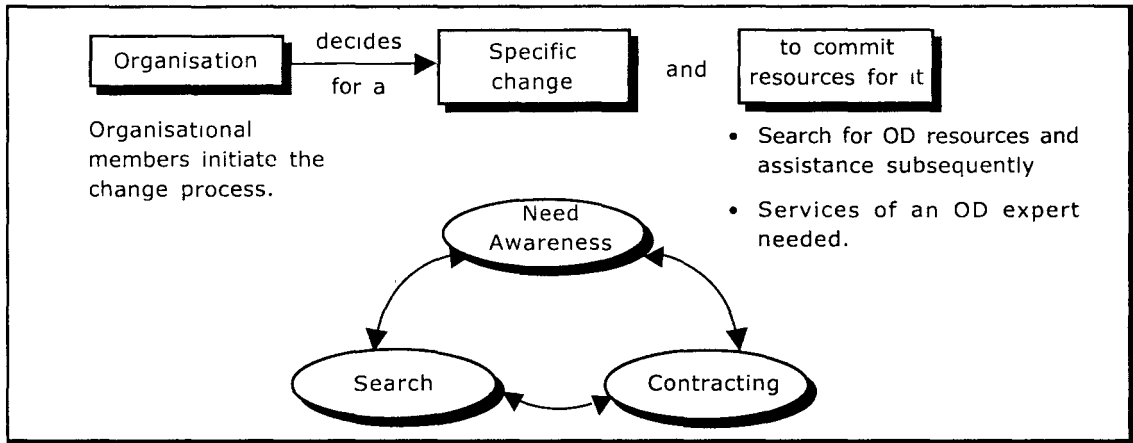
Fig. 7.3 (a) Exploration Process - Bullock and Batten Model

(II) Planning Phase – Stage 2
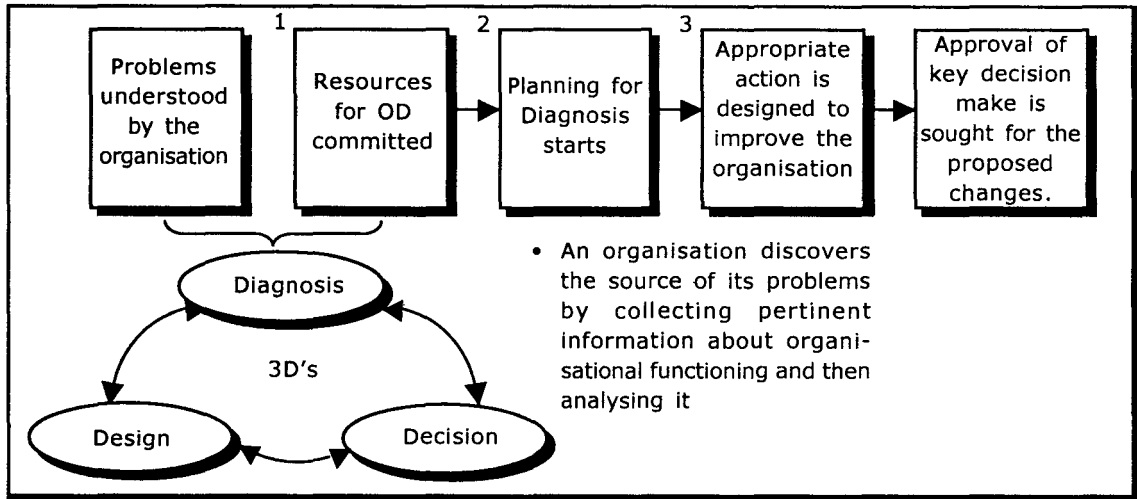
Fig. 7.3 (b) Planning Phase - Bullock and Batten Model

Diagnosis is jointly undertaken by organisation members and OD practitioners; goals are set for the change effort; appropriate action is designed to improve the organisation; approval of key decision makers is sought for the proposed changes.

(III) Action Phase – Stage 3
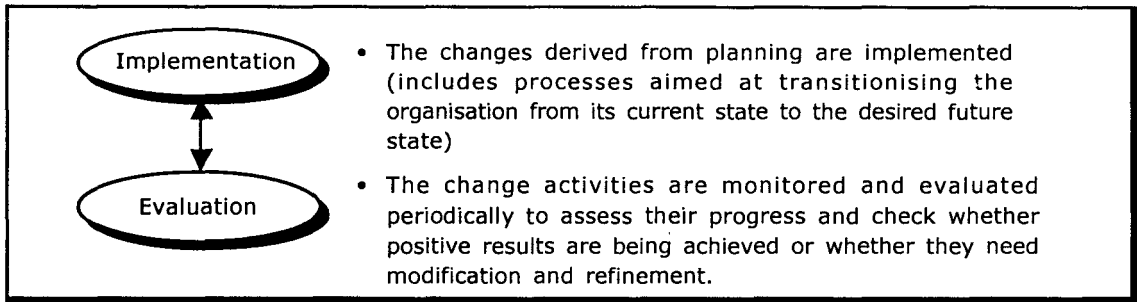
Fig. 7.3 (b) Action Phase - Bullock and Batten Model

(IV) Integration Phase – Stage 4

This involves making the changes part of regular organisational functioning after having successfully implemented and stabilized them. The diffusion and renewal activities would follow as the new behaviour is reinforced through feedback, incentives and rewards. Finally, the contract with the OD professional is gradually terminated.
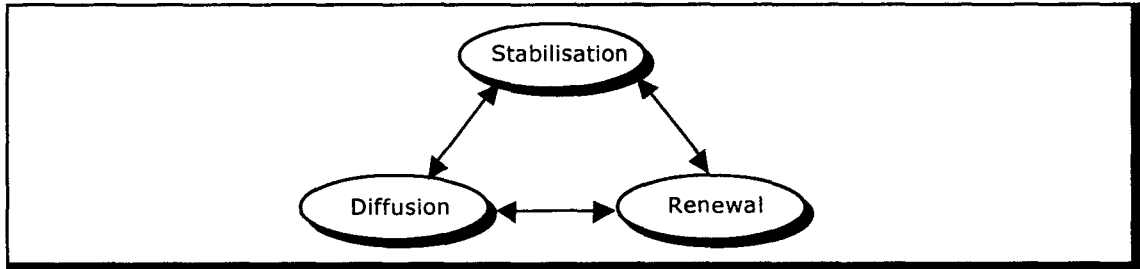
Fig. 7.3 (d) Integration Phase - Bullock and Batten Model

7.3 CHANGE MANAGEMENT DEALING WITH INDIVIDUAL

How a human responds to change?
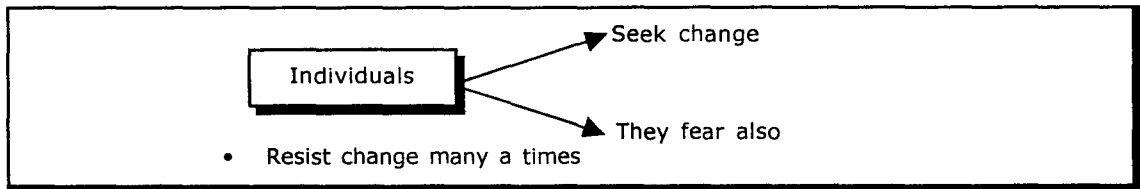
Fig. 7.4 Human Responds to change

If there is no change and work is continued, it leads to:

- Stagnation
- Boredom
- Frustration

Change without continuity or stability leads to:

- Ambiguity
- Conflict
- Inability to cope with the situation

Change always perceived as → Opportunity
or
Threat

C
H
A
N
G
E
(For Indivi-duals)

→ Means Learning new skills, new routines; acquiring new relationships; abandoning the familiar; accustomed; proven way of doing things.

→ As a discontinuity, to be avoided or coped with.

→ As a threat when done to people; opportunity when is done by people

→ Intensely personal (Individual must think, feel, do something different)

→ Gives rise to emotions (Intensely negative to appreciably positive)

→ Strategy to make people accept change, seems to lie in making them choose it. To make individual choose change, what factors make him prone to it and when prompts him to resist it (study to be done)

→ Any change is as good as the willingness of the one affected by it

Fig. 7.5 Change for Individuals

Individual may not resist change. What they resist is being changed.

In change management, strategy, systems, technology, resources are necessary. More than anything, people who act on them that brings about changes in an organisation

People ——→ Most important
Strategy
System
Technology
Resources
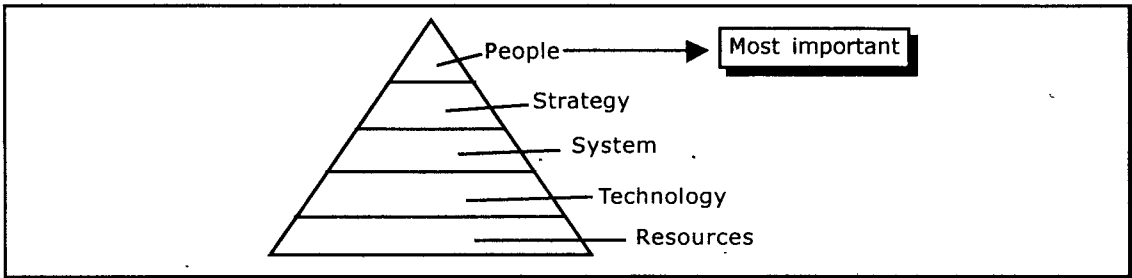
Fig. 7.6 Constituents of Change Management
(Specially People are most important and is shown at the apex of the pyramid)

7.4 HOW TO MANAGE CHANGE EFFECTIVELY?
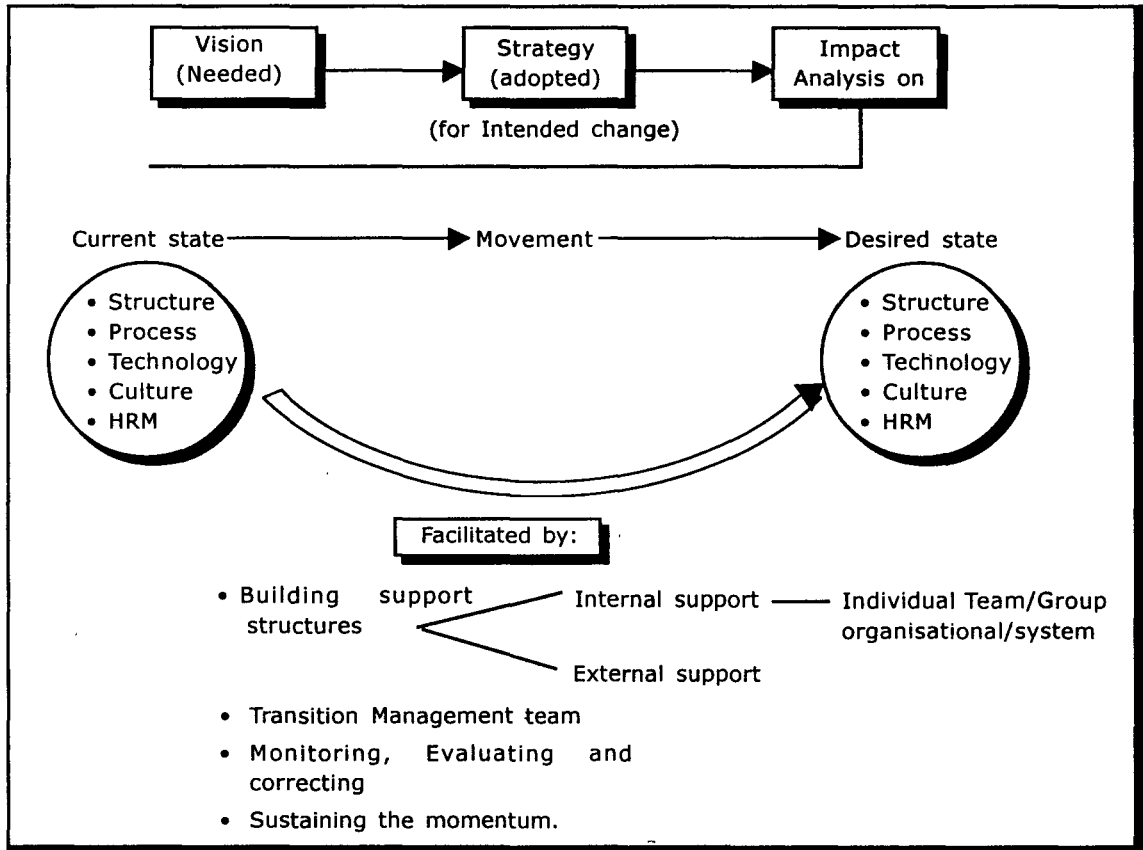
Fig. 7.7 Managing the Change Effectively

Managing change requires managing employee feelings to generate positive excitement for the intended change or change process.

Action Research

Action research represents another view of the organisational change process that is based on a research model. The researcher, normally the change agent, conducts an in-depth analysis, asking questions, interviewing, and evaluating records. Based on this diagnosis of the organisational situation, the change agent implements change using Lewin's three-state model.

Transition Management

Transition management can be defined as the process of systematically planning, organizing, and implementing change. Once the transition from the old state to the desired state begins, the organisation is in neither state, but in a vague state of transition. Transition management ensures that business goes on as usual under the old state, while the new state is being simultaneously implemented. Thus the two states tend to work side by side until the new state is a proven success, at which time the old state can be discontinued. Transition management is the responsibility of the normal management team, although an interim management structure may be created to ensure continuity and control during the transition period.

Effective change management occurs when the organization from its current state to a desired future state without excessive cost for the organization or its people. People resist change for a variety of reasons including inertia, poor timing, surprise, peer pressure, self interest, misunderstanding and different information (and aliments) of the change. Motivating people to change requires a general process of unfreezing, moving and refreezing with the caveat that appropriate and not appropriate behaviours be 'frozen'. More specific techniques to motivate people to change include education and communication, participation and involvement, facilitation and support, negotiation and rewards, manipulation and cooptation and coercion. Each approach has its, strengths, weaknesses and appropriate uses and multiple approaches can be used. More generally it is important to harmonise the multiple changes that are occurring throughout the organization.

A change may cause some loss to the person or organization affected by it. Attachments to old and familiar habits, places and people need to be given up. In major and unexpected changes, employees, groups, and even divisions often experience daze, shock, recoil and turmoil. Some of the massy sources of resistance to change include:

- Insecurity
- Economic losses
- Resentment of control
- Possible social loss
- Inconvenience
- Unanticipated repercussions
- Threats to influence

QUESTIONS

1. Which are the major challenges faced by Managers?
2. What type of changes occur in the organisations to compete in the world?
3. Which are the models of organisational change where organisations gather data?
4. Explain Lewin's change model of refreeze, move, freeze
5. Explain planning model as worked out by Lippit, Watson and Westley. Which are the Process steps found in this model? Explain each one of them.
6. Explain Action Research Cyclic model as developed by Cummings and Huse.
7. Explain the Integrative Model of planned change. What is the thinking and stages involved in this Model?
8. Explain Change Management considering dealing with an individual .
9. Explain how a human responds to change?
10. Explain how the change can be managed effectively?
11. Explain the terms: Action Research; Transition Management.

ORGANISATION DEVELOPMENT

8.1 DEFINITION OF ORGANISATION DEVELOPMENT

Organisation development can be defined as organisation-wide planned change for improvement through the use of behavioural science techniques. More specifically. Richard Beckhard (1969) defined organisation development as "an effort of (1) planned, (2) organisation wide, and (3) managed from the top, to (4) increase organisational effectiveness and health through (5) planned interventions in the organisation's 'processes' using behavioural science knowledge". In particular, organisation development (OD) is designed to help the organisation deal with the forces of change in environment, while improving its internal decision-making and problem-solving capabilities. In this manner, organisation development encompasses both outcome and process goals.

1. The outcome goals of organisation development focus on the accomplishment of tasks and the performances of individuals, work groups, and the overall organisation.

2. The process goals of organisation development concentrate on the manner in which people work together and attempt to improve relationships, communication, and decision making.
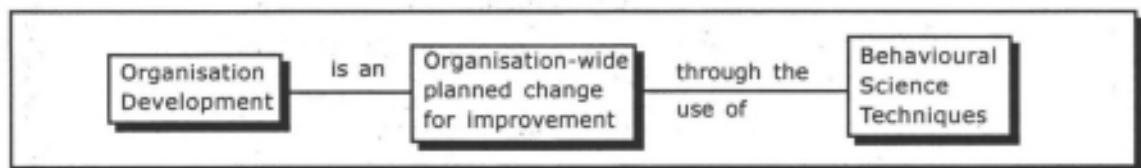
Fig. 8.1 Organisation Development

Organisation development is unique as a planned approach to change in that it concentrates on humanistic values and behavioural science principles. With respect to core values, organisation development is dedicated to the improvement of organizations by: (1) giving people access to choices with respect to work matters that affect them; (2) sharing power with the workers and involving them in participative decision-making; and (3) putting them in a state in which they are capable of continued self-renewal and development (Schermerhorn, 1989, p 531).

8.2 ORGANISATION DEVELOPMENT ASSUMPTIONS

Organisation development is applicable to individuals, work groups, or giant organisations. However, the proper application of organisation development principles depends on a clear understanding of certain managerial assumptions (Huse and Cummings, 1985):

Individuals

(i) Individuals want personal growth and development, which can be attained in a supportive and challenging work situation.

(ii) Individuals are capable of making greater contributions to their organisations than they are typically allowed. Individuals have the capacity to assume responsibility for their own actions for making positive contributions through, their work.

Work Groups

(i) Work groups are capable of satisfying important needs and promoting feeling of satisfaction and competence on the part of members.

(ii) Work groups can have both positive and negative impacts on organisational objectives. Work groups tend to be more effective when members work in collaboration and with free and open communication.

(iii) The formal leaders of work groups need to realize that they cannot perform all the required leadership duties. Leadership is shared in effective work groups.

Organisations

(i) The organisation's overall culture will affect the expression of individual attitude and feelings as well as the contributions that individuals and work groups make to the organisation.
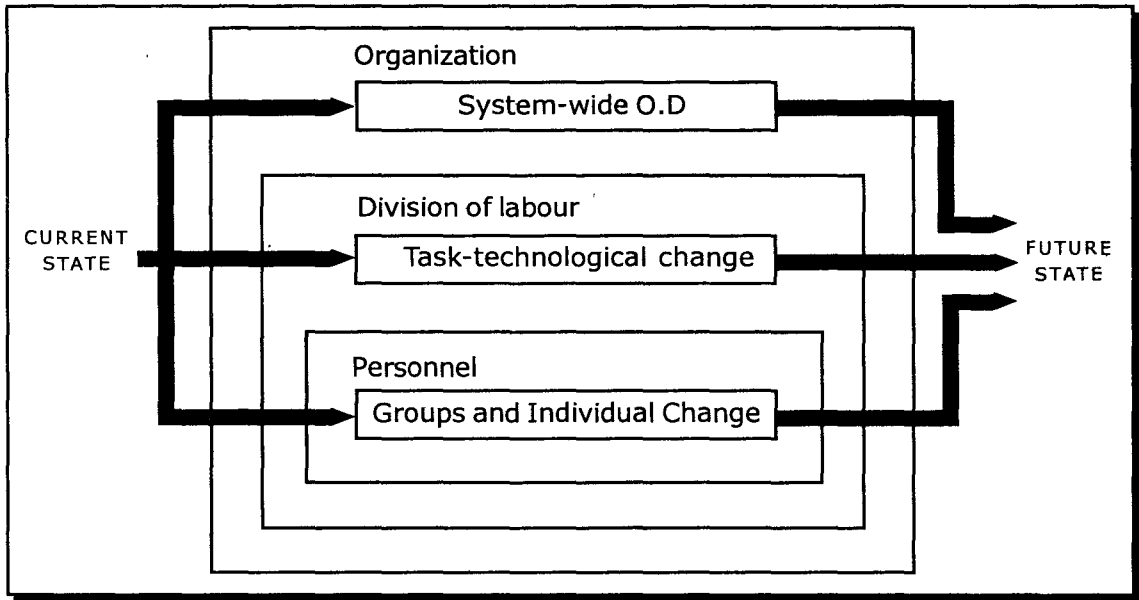
Fig. 8.2 Methods of Organisation Development
(Source: Moorhead and Griffin, 1989, p 732)

(ii) Resolving differences among work groups and departments in a manner by which one loses and another wins is unhealthy in the long run for the total organisation.

(iii) It is possible to design and manage organisations in a manner that meets the needs of individuals and work groups, increasing their contributions to organisational performance.

8.3 ORGANISATION DEVELOPMENT TECHNIQUES

As shown in Fig. 8.2 three popular forms of organisation development techniques have been evolved: (1) system-wide organisation development: (2) task-technological change; and (3) groups and individual change.

A. System-wide Organisation Development

System approaches to organisation development can be viewed as being in four separated categories: (1) reorganisation or structural change: (2) goal-setting programs: (3) quality of work life programs: and (4) collateral organisations.

(i) Reorganisation or Structure Change

The most comprehensive organisation development intervention usually involves a major reorganisation or structural change to the overall organisation. Often, this entails a complete realignment of reporting relationships and authority. Such changes impact decision making, communications, information systems, and performance evolution systems. The organisation may redesign jobs, change the overall operations process, implement a matrix structure, or undergo dramatic downsizing. In any respect, system-wide structural changes are complex and most difficult to implement.

(ii) Goal-setting Program

Management by Objectives (MBO) is a technique for employing individual goal-setting to the task planning, motivating, and controlling the whole organisation. MBO requires the manager and subordinate to arrive at mutually-acceptable goals that will be used as performance goals for the subordinate for the next evaluation period. Since individual goals are derived from overall organisational goals, MBO is an effective strategy to assure that all employees are contributing to superordinate goals.

A version of the MBO process which is especially applicable to the task of initiating system-wide change is collaborative management by objectives (CMBO). This technique calls for the manager and subordinates to establish that a group member is responsible for a portion of the overall objective. Furthermore, the participative process clarifies problems, solutions, roles, and duties. It also opens communication and creates an atmosphere of trust and togetherness.

(iii) Quality of Work Life Programs

Still another form of system-wide change is the implementation of quality of work life (QWL) programs. Quality of work life can be defined as the extent to which members of an organisation are able to satisfy personal needs through organisational processes. Thus, QWL programs concentrate on creating a working environment that is conducive to the satisfaction of worker needs. There have evolved a wide variety of QWL programs, and Richard Walton (1973) has organized them into eight categories:

1. Adequate and Fair Compensation
2. Safe and Healthy Work Environment
3. Growth and Security
4. Constitutionalism
5. Social Relevance
6. Total Life Space

7.   Social Integration

8.   Development of Human Capabilities

According to Walton, these programs should be integrated and coordinated as suggested in Fig 8.3. If properly integrated and to employee satisfaction this will give excellent results. However, there are some pitfalls to be avoided. First, QWL programs must be implemented with the co-operation of management and labour. Second, action plans must be carried to completion. Lastly, care must be taken to concentrate the focus on the joint objectives of improving the quality of the work life while improving organisational effectiveness.
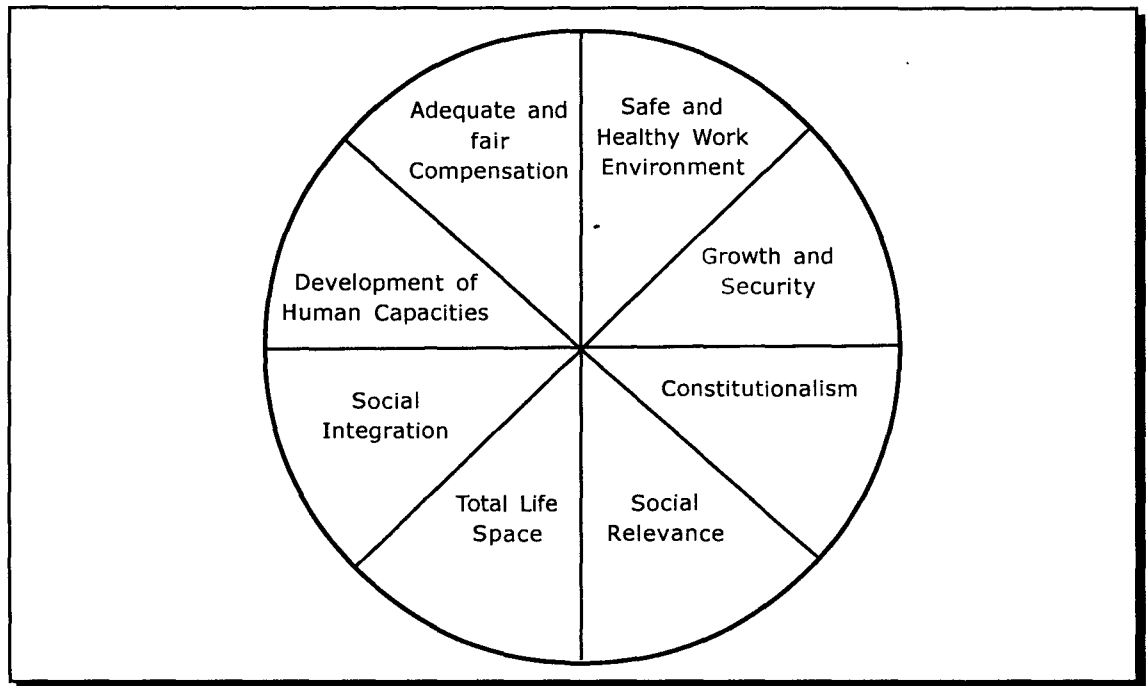
Fig. 8.3 Walton's Categorisation of Quality of Work life Program
(Source. Walton, 1973)

8.4 COLATERAL ORGANISATIONS

A colateral organisation is one that is created to exist alongside and colateral to the formal organisation. The colateral organisation is established by the formal organisation for the purpose of solving problems that the formal organization cannot handle effectively. Problems of unexpected change are difficult for the formal organization because of the constraints of organisational structures, rules, and regulations. The

colateral organisation employs an all channel communications network that permits it to cut across formal organisational boundaries.

Figure 8.4 compares the characteristics of the formal organization and the collateral organization. As an overall, a colateral organization might best be viewed as a non-hierarchical. problem-solving unit attached to the larger-formal organization.

CHARACTERISTIC	FORMAL ORGANISATION (BUREAUCRATIC ORGANISAITION AUTHORITY/PRODUCTION MODE)	COLLATERAL ORGANISATION (PARALLEL ORGANISATION, KNOWLEDGE/PROBLEM MODE)
Primary purpose	Maximize output	Analyze or invent knowledge to solve problems
Task uncertainty	Routine operations, low Uncertainty	Problem solving, high uncertainty
Levels of authority	Many	Few
Source of influence and power	Position in hierarchy	Ability to identity and solve problems
Use of rules	High	Low
Leadership	Function of level	Drawn from any level
Links to others in the Organisation	Few	Many
Division of labour	High	Low
Job assignments	Fixed	Rotational, Flexible
Depiction (in charts)	Functionally specialized	Diagonal slices, Mixed functions
Rewards	Pay and benefits	Learning, recognition, visibility, New contacts, bonus possibility

Fig. 8.4 Formal and Collateral Organisations
(Source: Rubinstein and Woodman, 1984, p 4)

B. Task-Technological Change

Task-technological change is change affected through direct task redesign or indirect task redesign through sociotechnic intervention.

Task Redesign

There are a number of different approaches to task redesign. The integrative task redesign process by Griffin (1982) consists of nine sequential steps:

Step 1: Recognition of the need for change

Step 2: Selection of task redesign as a potential intervention

Step 3: Diagnosis of the work system and context

    (a) Diagnosis of existing jobs

    (b) Diagnosis of existing work force

    (c) Diagnosis of technology

    (d) Diagnosis of organization design

    (e) Diagnosis of leader behaviours

    (f) Diagnosis of group and social processes

Step 4: Cost benefit analysis of proposed changes

Step 5: Go/No-go decision

Step 6: Formulation of the strategy for redesign

Step 7: Implementation of the task changes

Step 8: Implementation of any supplementary changes

Step 9: Evaluation of the task redesign effort

Griffin's process follows the traditional model except that he added steps 3,4,6 and 8, which deserve additional comment.

Diagnosis Diagnosis covers the total work environment within which the tasks must operate. Job redesign must be analyzed within the context of existing jobs and the types of jobs that exist in the work force. It would be a mistake to consider changes in job design without considering appropriate structural changes. Diagnosis must consider leadership styles and possible leadership behavioural problems. A given job redesign may have a potentially negative impact on important existing social structures.

Cost/benefit analysis No major job change should be implemented without an in-depth examination of the full range of costs and benefits associated with task redesign. The analysis must be done thoroughly because some of the costs and benefits are quantiflable and some are not. The possible costs/benefits of a task redesign intervention are outlined as follows. There are three major quantiflable and direct costs; (1) the purchase of the new technology (2) downtime, and (3) increased

wages. The two critical indirect, non-quantiflable costs are: (1) short-term role ambiguity, conflict, and/or overload following the change: and (2) the alienation of some employees who are against the change: Finally, there are four potential/ unexpected costs: (1) unplanned snags and delays: (2) unplanned supplementary changes: (3) unplanned changes in organizational design: and (4) unplanned morale problems with supervisors.

The single most important direct, quantiflable benefit of task redesign is to enhance performance by way of the improvements in the work process. The four most important indirect, non-quantiflable benefits of redesign are: (1) improved employee satisfaction: (2) improvement employee motivation: (3) improved quality of work life; and (4) improved group performance norms. Finally, the two key potential/unexpected benefits are: (1) enhanced performance by way of improvements in employee effort: and (2) improved employee commitment.

Formulation of a strategy for redesign A successful task redesign intervention requires careful planning in order to formulate a strategy that will result in the improvements desired by management without hidden costs and unexpected problems, that could create negative situations that are worse than the ones the intervention is trying to correct.

Implementation of supplementary changes Most major task redesigns will eventually require planned and / or unplanned adjustments elsewhere in the organization. The Griffin model creates this step in the process to ensure that management gives appropriate attention to this critical supplementary effort, For example, once the tasks are redefined, the performance appraisal systems and the reward structures will also have to be modified.

C. Group and Individual Change

There are many ways to change individuals and groups as part of an organization development intervention. The four most commonly-used people orient change techniques are: (1) training, (2) management development programs, (3) team building, and (4) survey-feedback.

(i) Training

Training is typically used to improve or to broaden employee job skills. Training programs can be used to teach people to run new machines, repair new equipment, program a new computer, or to apply statistical techniques to quality control. Personal development courses can help people develop a variety of skills, such as mathematical, writing, and speaking skills. Employee assistance programs help employees deal with stress and other personal problems.

(ii) Management Development Programs

Management training programs are designed to train managers or potential managers on some aspects of management. Many companies consider management development to be a continuous career-long process that teaches managers new processes and gives them refresher courses in old processes.

Kenneth Wexley and Timothy Baldwin (1986) have developed four principles to guide the process of management development:

1. Management development is a multifaceted, complex, and long-term process for which there is no quick or simple solution.

2. Organisations should pay close attention to the systematic identification of their unique developmental needs and evaluate their programs accordingly.

3. Management development objectives must be compatible with organisational objectives.

4. The utility and value of management development remain more an article of faith rather than a proven fact.

(iii) Team Building

When group interaction is necessary to job performance, team building can be used to foster team spirit, co-operation, and commitment to group success. Richard Beckhard (1972) found that team building efforts typically have one or more of the following goals:

(1) To set team goals and / or priorities.

(2) To analyze or allocate the work performed.

(3) To examine the way the group is working — that is, to examine processes such as norms, decision making and communications.

(4) To examine relationships among the people doing the work

According to Moorhead and Griffin's model of the team-building process, team building proceeds in much the same manner as other change processes: identification of the problem, data gathering, diagnosis, planning, implementing, and evaluation. Its distingulshing feature is group participation at each step in the process.

(iv) Survey-feedback

Survey-feedback techniques facilitate change through data collection, analysis, summaries, and sharing with those who participated in the data search. Often, a survey is used to determine employee beliefs, attitudes, and preferences regarding

work-related matters. Such data can help management diagnose and solve a variety of organizational problems. The use of survey-feedback techniques during an organization development is not the same as the traditional use of attitude surveys. For the organization development process, the data is returned to the employee groups at all levels and is used as the basis for problem identification and resolution by all employees involved in the problem.

8.5 OTHER TECHNIQUES OF OD

Organisational and Development techniques are listed as many:-

- Sensitivity training
- Team building
- Intergroup development

- Survey Feed back
- Process consultation

Organisation development Techniques are those that change people and the quality of interpersonal work relationships.

Sensitivity training is a method of changing behaviour through unstructured group interaction.

Survey feedback is a technique for assessing the

- attitudes of organizational members
- identifying discrepancies in these attitudes and perceptions
- resolving the differences by using survey information in feed back groups.

Process consultation

It is a help given by an outside consultant to a manager in perceiving, understanding and acting on process events.

Team building is an interaction among members of work teams to learn how each member thinks and works.

Intergroup Development

It is changing the attitudes, stereotypes, and perceptions that work groups have of each other.
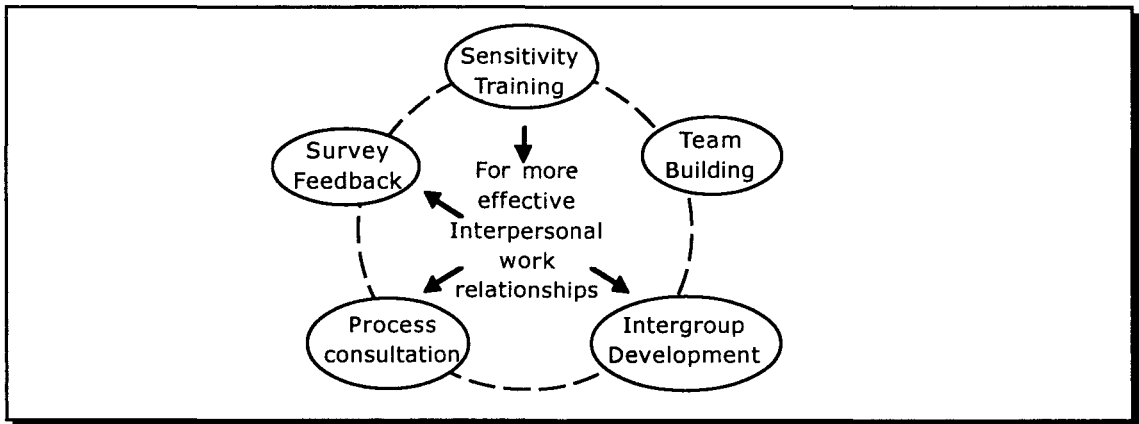
Fig. 8.5 Other Techniques of Organisation Development

8.6 MANAGING EFFECTIVE ORGANIZATION DEVELOPMENT

The difficulty of managing change has already been discussed. So it should come as no surprise to find that managing effective organization development interventions is also a difficult and complex undertaking. A change intervention can be considered effectively managed when:

1.   The organization is successfully moved from an undesired current state to a desired and planned future state.

2.   The functioning of the planned organization in its future state meets earlier expectations.

3.   The transition from one state to another is achieved without unreasonable cost to the organization and its members (Moorhead and Griffin, 1989,p752).

8.7 KEYS TO SUCCESSFUL ORGANIZATIONAL DEVELOPMENT

According to Moorhead and Griffin (1989,pp754-755), there are five key aspects that are critical to successful organizational development intervention management.

(i)   Take a Holistic view

Organizational members need to adopt a holistic view of both the organization and the organization development project. A holistic approach considers the interrelationships inherent in the subunits of the organization and helps management anticipate the effects of the intervention on the organization's social system and its culture.

(ii) Secure Top Management Support

The organization development cannot succeed without the complete support of the top management. In fact, the impetus for the intervention must come from the top in order to ensure long-term financial and motivational support for the process.

(iii) Encourage Participation

People are most committed to those goals for which they participate in developing. Complete member participation from start to finish will: (1) increase member understanding of the problem; (2) increase member understanding of the solution: and (3) increase member commitment to the intervention process.

(iv) Foster Open Communication

Member participation in the intervention process is not possible without free and open communication among affected members. Open communications will minimize the critical transition problems of resistance, information research, and establishing new control systems.

(v) Reward Contributors

This last point, although generally well understood, is often overlooked in the arduous task of organization change. It is imperative that those members, who quickly grasped the essence of the change and made major contributions to its accomplishment, be appropriately rewarded. Failure to do so will probably condemn the next change intervention to failure.

A CREATED CASE STUDY

As Maruti Udyog Ltd. (MUL) a leading auto producer of wide range of cars in India continue to take more and more sales away from other world renowned manufacturers like Santro, Getz, Fiat, GM, BMW etc, the Indian leading auto maker has realised that a major change within the company is essential, if it is to successfully meet the renowned competitors including the competition from local firm Tata. Further, MUL was also expecting an easier passage to Srilanka under an expanded Free Trade Agreement FTA (up to 1300 CC) to export to Srilanka at near zero duty by favouring its reputed models like Zen, Alto, Wagon R, Swift and M 800.

Tata apart from its multi business activities in India and abroad sometime back took up the ambitious project to create an Indian car. Their biggest success story of Indian industry was by introducing its baby, the Indica in the car industry and

from the success of this, they announced again to make a car that would cost less than a lakh of rupees. Tata also strengthened its product line up by buying Korean Daewoo's truck division expanding its presence in the pan – America market. Further, it is close to acquiring a capability that it lacked in its arsenal – product design. The home grown automaker is close to buying a Japanese design firm.

Anticipating such changes and heavy competition with Tata, and the inflow of foreign cars, MUL proposed to have its new relations with Union of Automobile Workers Association, India to move fast and compete with the other world renowned manufacturers of cars quickly.

MUL and Union of Automobile Workers Association (UAWA) have to agree to mutually support a human resources centre dedicated to the task of maximising their human resources in the development of cars at MUL. Creating a new spirit of co-operation. the human resource centre has to plan to meets its change.

Challenge through the following programs as done earlier by General Motors in the USA to meet similar competitions were taken up by MUL and UAWA in India.

a) **Health and safety program** – A day program of both classroom and hands on works aimed to eliminate job related injuries and deaths was arranged.

b) **Quality of work life program** – A program was designed to 'democratise' the work place by encouraging all responsible employees to participate in the decision making process.

c) **Attendance procedure program** – A program was designed to reduce absenteeism through a process of awarding Prizes for good attendance

d) **Tuition assistance plan** – A plan providing for the lower unqualified staff to go to school to improve their skill and knowledge was arranged. Certain amount of money paid to help them.

e) **Paid - education leave** – A plan to pay union leaders who take leave to study the problems facing the car industry

f) **Pre - retirement program** – A program to aid workers deal with the problems of retirement planning

g) **Joint skill development and training** – A plan that charges committees at the plant level with the task of developing comprehensive training programmes at the plant level based on the actual needs of the work force. The funding level is to be contributed by MUL and the personal support is to be given to individual programs by both MUL and its union making that the overall plan is to work from both sides predicting a new era of mutual co-operation

h) Any other programs to improve manpower and product strength suggested by its employees and the union

Questions

a) For the above task to be undertaken by MUL what are the forces of resistance to change you expect in their work situation?

b) How has MUL to deal with such changes?

c) Could you propose appropriate change models?

A MINI CASE STUDY

Imagine you are writing a book on change and change management and wanted to maximise the learning to all of your readers better than this book, you are reading. You would need to:

- Encourage experimentation
- Ensure there were ample ways of engendering reflection through questioning
- Ensure the various models were well researched
- Illustrate your ideas and thoughts. Very clearly with appropriate case studies and show the relevance what you are saying by giving useful tools, techniques and applications.

In all the four activities above, which are the correct terms used as found in Kolb's learning cycle. Name them. Explain each one of them in your own words.

A MINI CASE STUDY

A highly sophisticated latest camera arrives to one of the studios of a film unit in India from a foreign country. How do you go about learning about it?

Without any catalogue or camera service instruction booklet – which were delayed in sending due to some reason

Options are:

- Do you start trying it out with your own experience?
- Do you request somebody from any other studio to show you how to use it?
- Do you learn about the background to it and the similarities with other cameras?
- Do you not bother experimenting until you find a clear purpose for it.

In all the above activities there are different terms used for the user as per Kolb's learning cycle. Name them. Explain each one them.

8.8 THE INTERVENTION STRATEGY

Earlier we have examined both the nature of change and the means of coping with its inherent complexity. What is required at present is some means of handling in a structured manner, the analysis and implementation of a change situation.

Thus an intervention strategy may be regarded as the procedural methodology for successfully intervening in the working process of the original system. The ultimate result should be a stable new environment, which incorporates the desired changes.

The introduction and examination of a practical systems intervention model, is termed as Intervention Strategy Model (ISM). ISM is a hybrid model which is firmly based on the traditional investigative techniques associated with the schools of operational and systems management.

Open Business School developed the elements and underlying premises associated with the systems Intervention strategy (SIS)

University of Glasgow Business School (Paton and Southern, 1990) incorporated within the ISM developed the Total Project Management Model (TPMM). All the three models have been extensively tried and tested on countless practising managers and their associated organisations.

ISM forms the basis of the Managing Change module as does TPMM in the operations management module. Both models have been employed on a number of successful consultancy projects.

The investigative methodology associated with the operational and systems management schools was implicitly introduced.

1	Objective Classification
2	Data capture and performance indicators
3	Systems diagnostics
4	Systems analysis
5	Determination of solution options
6	Solution evaluation
7	Solution implementation
8	Appraisal and monitoring

Phase I

- Defines the objectives
- General problem environment
- Sets the investigative framework

Phase II

- Determine the most appropriate analytical and/or research procedures to employ.
- The investigator analyses the data collected during Phase I to produce a range of potential solutions.
- Solutions evaluated against the performance criteria associated with the investigation's objectives.
- Optional solution is identified.

Phase III

- **The plan for introducing and monitoring the solution is devised.**

Intervention Strategy Models, ISM all share this basic three phase approach.

The Intervention Strategy Model in a detailed way is shown in the sketch below (Fig 8.6).

The actual terminology used to describe component parts of the model and the emphasis placed on various elements within each phase may differ, but the underlying framework remains unchanged The intervention strategies are much more than basic decision making frameworks. They stress the importance of systems analysis, participative group work, iterative mechanisms, organisational issues and much more.

The ISM methodology emphasises the linkages between the second and third phases.

In particular, the need to consider implementation issues within the design and evaluation phase to ensure acceptance of the change at a later date is stressed. The user is also advised to incorporate the softer issues associated with the project and where appropriate, employ organisational development practices. 'System' word has been deliberately omitted from the title, as the model can be applied to both specific systems-related change and more general problem solving situations. The user of ISM need not be familiar with systems analysis and design.

Change, be it technological, personal, organisational or operational must at some point impinge upon a 'system.' A system's view of the process, operation, relationship and/or culture experiencing change is an essential feature of ISM.

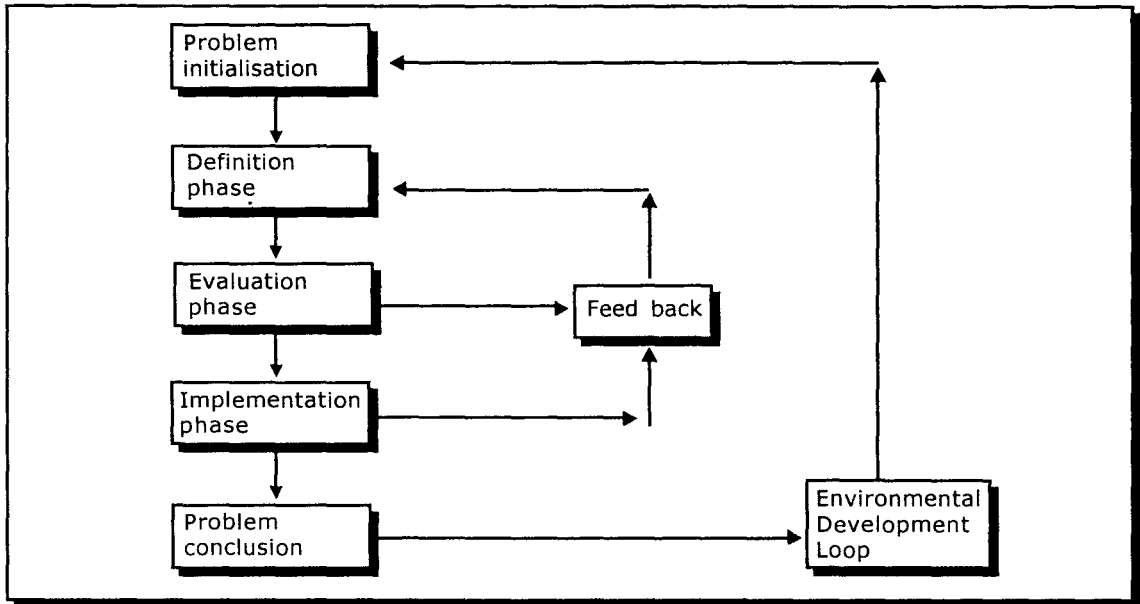The basic phases of an Intervention strategy Model (ISM) are as shown below:-

Fig. 8.6 Basic phases of an Intervention Strategy Model (ISM)

Iterations are an essential feature of an effective change or problem management strategy. For this, it is often advisable to conduct a 'quick and dirty' analysis' of the change prior to a formal and detailed investigation. This reduces the need for numerous time – consuming iterations once the intervention has formally commenced.

PROBLEM INITIALISATION
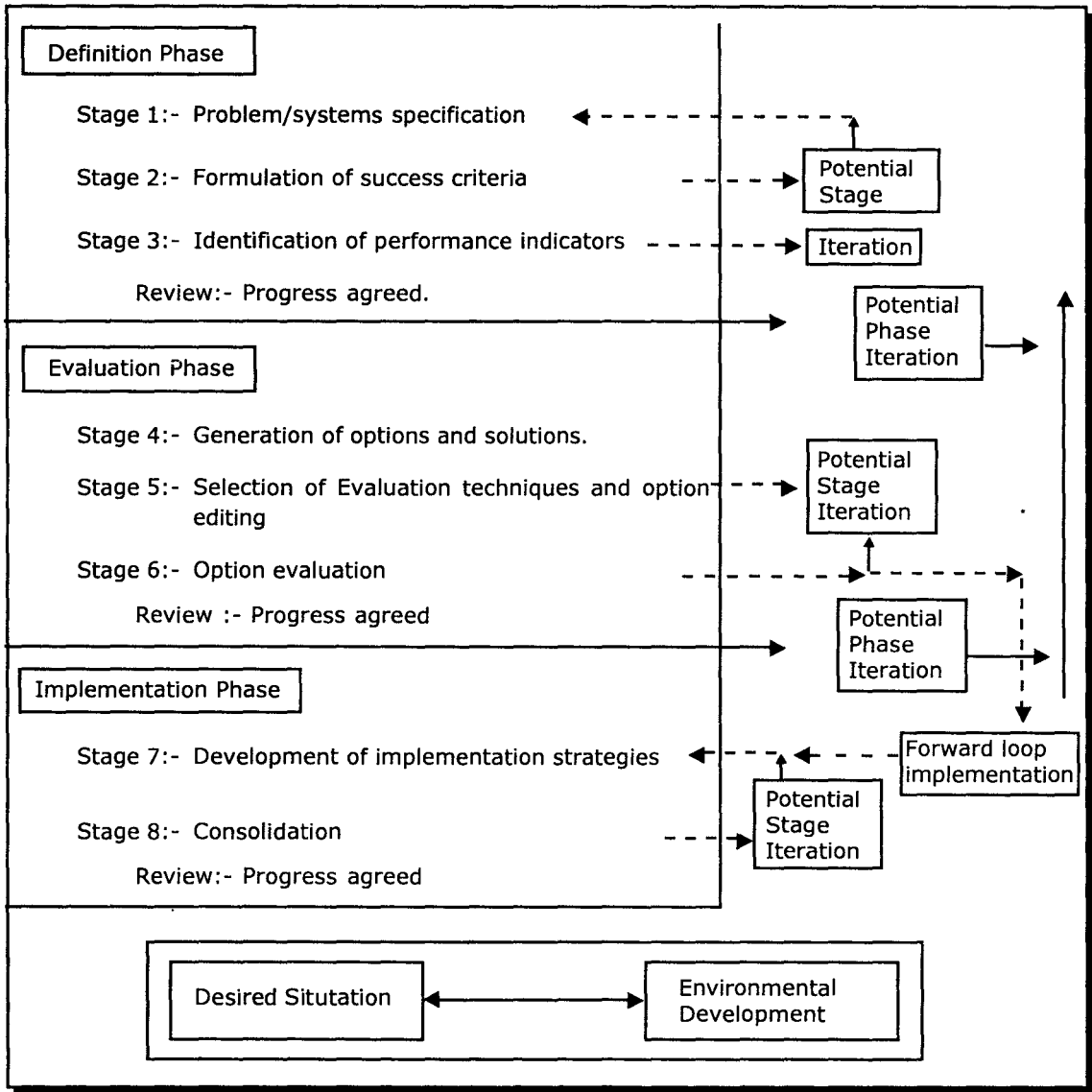
Fig. 8.7 The Intervention Strategy Model

Leading change

Successful change requires managers to actively lead it. The essential activities of leading change are as shown below:

```
┌─────────────────────────────────────────────────────────────┐
│          ┌─────────────────────────────────┐                 │
│          │  Establishing a sense of urgency │                 │
│          └─────────────────────────────────┘                 │
│                          │                                    │
│          ┌─────────────────────────────────┐                 │
│          │  Creating the guiding coalition  │                 │
│          └─────────────────────────────────┘                 │
│                          │                                    │
│          ┌─────────────────────────────────┐                 │
│          │  Developing a vision and strategy│                 │
│          └─────────────────────────────────┘                 │
│                          │                                    │
│          ┌─────────────────────────────────┐                 │
│          │  Communicating the change vision │                 │
│          └─────────────────────────────────┘                 │
│                          │                                    │
│          ┌─────────────────────────────────┐                 │
│          │  Empowering broad-based action   │                 │
│          └─────────────────────────────────┘                 │
│                          │                                    │
│          ┌─────────────────────────────────┐                 │
│          │  Generating short-term wins      │                 │
│          └─────────────────────────────────┘                 │
│                          │                                    │
│          ┌─────────────────────────────────┐                 │
│          │  Consolidating gains and producing│                │
│          │  more change                     │                 │
│          └─────────────────────────────────┘                 │
│                          │                                    │
│          ┌─────────────────────────────────┐                 │
│          │  Anchoring new approaches in the │                 │
│          │  culture                         │                 │
│          └─────────────────────────────────┘                 │
└─────────────────────────────────────────────────────────────┘
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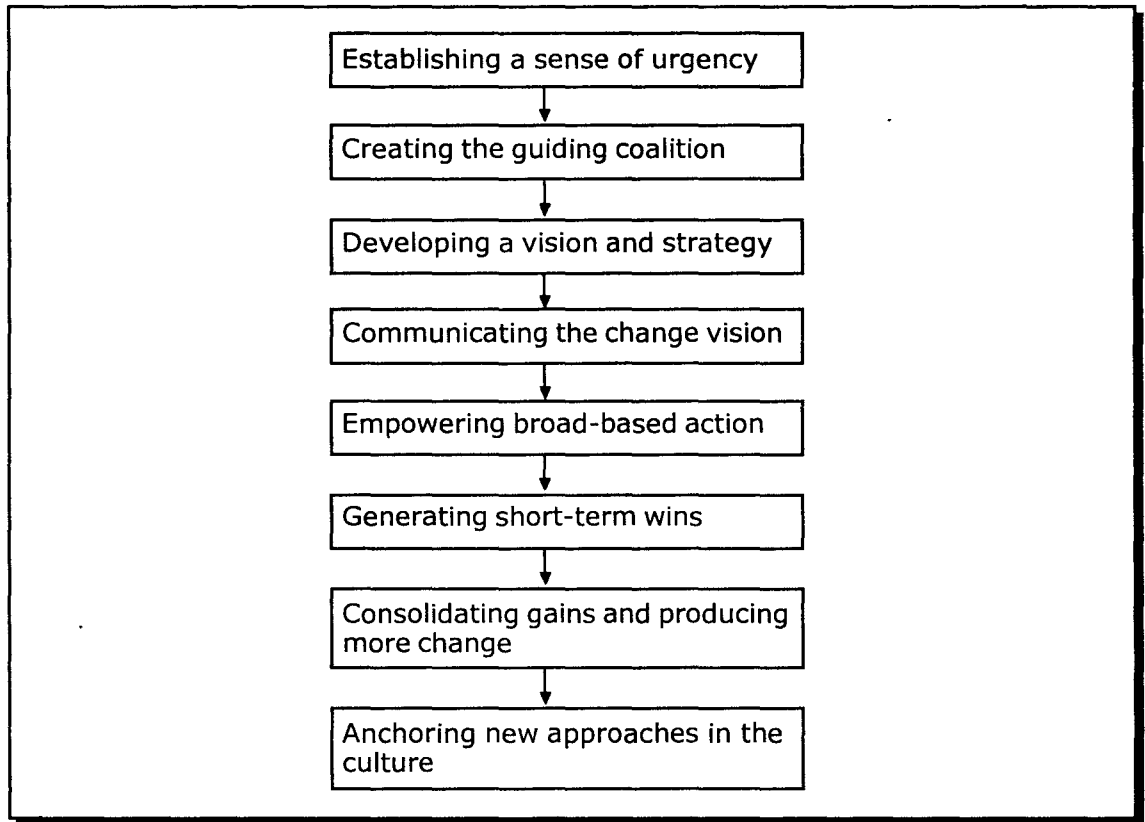
Fig. 8.8 Leading Change
[Source: J. Kotter, leading change [Boston: Harvard Business School press, 1996]]

Figure 8.9 below shows some of the common reasons for complacency. To stop complacency and create urgency, the manager can talk candidly about weaknesses compared to competitors, making a point of backing up statements with data. Other tactics include:

- Setting stretch goals
- Putting employees in direct contact with unhappy customers and stake holders.
- Distributing some worrisome information to all employees instead of merely engaging in management 'happy talk'
- Eliminating excessive perks
- Highlighting to everyone the future opportunities that exist
- Give full and early communication of intentions, possibilities and overall directions of change

- Discuss implications of change with individuals and teams. Pay attention to people's needs & concerens; practice patience.

- Listen, emphaisze, support. Don't suppress conflict or different views and emotions. Help individuals. Weather the storm. Recognize how it can trigger off past experieces in individuals. Remember-people aren't necessarily attacking you personally.

- Help others complete. Acknowledge the ending of an era. Allow others to take responsiblily. Encourage create goals. Coach.

  Encourage risk taking. Foster communication. Create development opportunities. Discuss meaning and learning-Reflect on experience. Celebrate successes.

  Prepare to move on.

Mergers & Acquisitions - A survival kit

Corporate India is witnessing a lot of M&A activity. While this is great news for organizations, employees need to be careful and deal with the change effectively. Here are some tips:

- M&A can mean a job loss or relocation. Also, the job profile may change and your current skills may become redundant in the new company. Reporting to a new boss and dealing with a different work culture are also part of the package.

- Speak to your boss - Ask your boss what is most important now. An acquisition can quickly shift priorities. Don't wait for direction.

- Speak of HR - Ask your HR manager for details about the organisation's plan to merge the people assets. You could even ask them about the functions/job profiles that are likely to go in the new structure.

- Get the big picture - Does the company have a history of mergers? How has it handled merged staffs in the past? You might find this information on the company's website.

- Stay current in your field - Be aware of changing trends. Taking a course in an up coming area or a speciality will give you an edge over the competition.

These strategies will help you keep your job, your status and sanity and, might perhaps even take you to a higher position in the new company.

(Times of India, Bangalore)

Too much happy talk
from senior management

The absence of a major
and visible crisis

Human nature, with it,
capacity for denial
especially if people are
already busy or stressed

Too many visible
resources

Complacency

Low overall
performance
standards

A kill the messenger –
of-bad-news, low
candor, low
confrontation culture

Organisational structures
that focus employees on
narrow functional goals

A lack of sufficient
performance feedback
from external sources

Internal measurement
systems that focus on the
wrong performance indexes

Fig. 8.9 Complacency

8.9 INNOVATION

Innovation is introducing something new as per dictionary. In a proactive mode, organsations tend to be innovative,

- focus on future markets, and technologies
- look at future customers
- be constantly vigilant to capitalise on fleeting opportunities
- be prepared to make obsolete their own products

Even if it were to receive a set-back, the organisation seeks to identify signs of progress and evidences innovative thinking.

In a proactive mode, the organisational leadership is willing and able to take risks and is organized for constant change (on products, processes, technologies, and markets and on knowledge itself).

The proactive mode is characterised by:

- Generating new ideas/seeking new applications for current ideas
- Experimentation

8.10 THE CULTURE OF INNOVATION AND CREATION

Proactive organisations regard innovation as the best way to leap-frog competition. They look beyond the present and create a future vision. The needs of the customers are recognised by them in much advance even customers do and help create demand for new products.

Innovation takes many forms:

- It could lie in realizing the hidden potential of technological advancements in the industry before others do.

- Innovation can also take place in a mature industry by redefining (or creating new) the rules of the game e.g., Swatch (traditional prestige of a Swatch watch plus heavily automated process innovations), all in trendy and highly affordable designs.

- Expanding their business by redefining their industry boundary and target markets.

Proactive organisations continue to be innovative e.g., polaroid in the instant camera market.

Some organisations had not pursued Innovation as ultimately, driven by urgency due to compelling business reasons for change. In such cases, change becomes not a hobby, a luxury, or something nice to do, but a business necessity.

8.11 LAISSEZ – FAIRE APPROACH

In Laissez-Faire approach, a leader who generally gave the group complete freedom to make decisions and complete the work in whatever way it saw fit.

The figure 8.10 theories of leadership shows a summary of the four main behavioural theories of leadership.

Managerial Grid	University of Iowa
• **Concern for people:** Measured leader's concern for subordinates on a scale of 1 to 9 (low to high) • **Concern for production:** Measured leader's concern for getting job done on a scale of 1 to 9 (low to high)	• **Democratic style:** Involves subordinates, delegation of authority encouraging participation • **Autocratic style** Dictating work methods, centralizing decision making, and limiting participation • **Laissez-Faire Style:** Giving group freedom to make decisions and complete work
University of Michigan	Ohio state
• **Employee oriented:** Emphasized interpersonal relationships and taking care of employee needs • **Production oriented:** Emphasised technical or task aspects of job.	• **Consideration:** Being considerate of follower ideas and feelings • **Initiating structure:** Structuring worse and work relationships to meet job goals.

(center circle: Behavioural Theories of leadership)

Fig. 8.10 Behavioural Theories of Leadership

Innovation and creativity

How organizations can encourage both of the above?

Creativity	is defined as the	generation of new ideas
Innovation	is defined as the	transaction of these ideas into new companies, products, services, processes, and methods of production
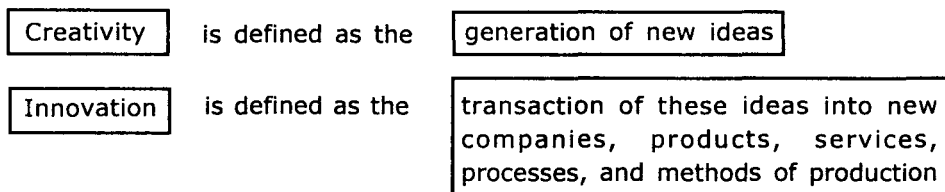
·   Creativity and innovation are seen as being the key to survival in an even more competitive and global economy. Like individuals, organizations vary in their level of creativity and their ability to translate creativity into usable innovations.

Steps in creative process

- •   Idea generation
- •   Problem solving or idea development

- Implementation
- An equally important process is establishing an organizational climate that encourages creativity and innovation.

Kanter's rules for stiffling innovation suggest practices to avoid, as well as tips for fostering creativity.

Kanter lists practices that tend to stiffle innovation and also suggests tips for fostering innovation.

The laissez faire approach comes in the University of Iowa studies where the leader generally gave the group complete freedom. Lewin and his associates researched which style was the most effective. Their results seemed to indicate that the democratic style contributed to both good quantity and good quality of work. Later, studies of the autocratic and democratic styles showed mixed results. e.g., The democratic style produced higher performance levels than the autocratic style, but at other times it produced lower or equal performance levels. More consistent results were found, when a nature of subordinate satisfaction was used. Group member's satisfaction levels were generally higher under a democratic leader than under an autocratic one.

Should the focus be on: Achieving higher performance?

Achieving higher member's satisfaction?

The dilemma was there for the leaders.

The specific interventions many include:

- The change in the organization structure
- A more effective procedure for handling customer complaints
- The establishment of a team charged with the responsibility of implementing a cost reduction program.

The group agreed to meet again in 3 months to measure and evaluate the effectiveness of the OD efforts.

8.12 A MODEL OF THE ORGANIZATIONAL DEVELOPMENT PROCESS
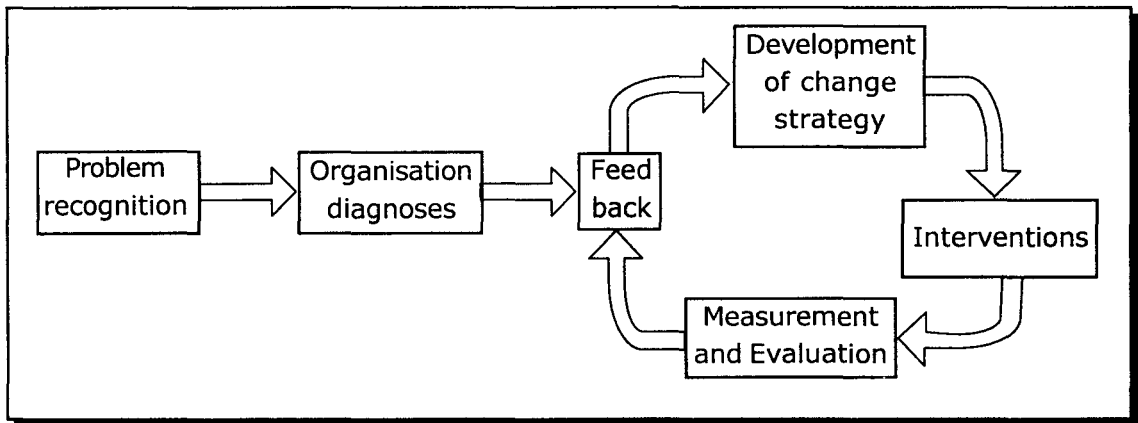
Fig. 8.11 A Model of the Organisational Development Process

A mini case study

At a local Medical Practice Centre, there are five specialist doctors and one general practitioner who runs the centre and takes little lead. The specialists come at different timings suited to them and the general practitioner will be there throughout. The various specialist doctors meet monthly for one hour to discuss finances and review medical updates. They do not really know each other well, other than to say 'hello' to each other or do not work together on patient care. There is no real team leader, although the general practitioner takes the lead when the group discusses administration. Imagine you are one of the specialists and intend to initiate some changes in the team approaches in the non-traditional medical approaches.

Questions

a)   Use one of the models of team development and explain how you could lead the team towards a new way of working together?

b)   What obstacles to progress do you predict? How do you propose to deal with them?

A mini case study: Cultural Issues – How to tackle to build a new culture
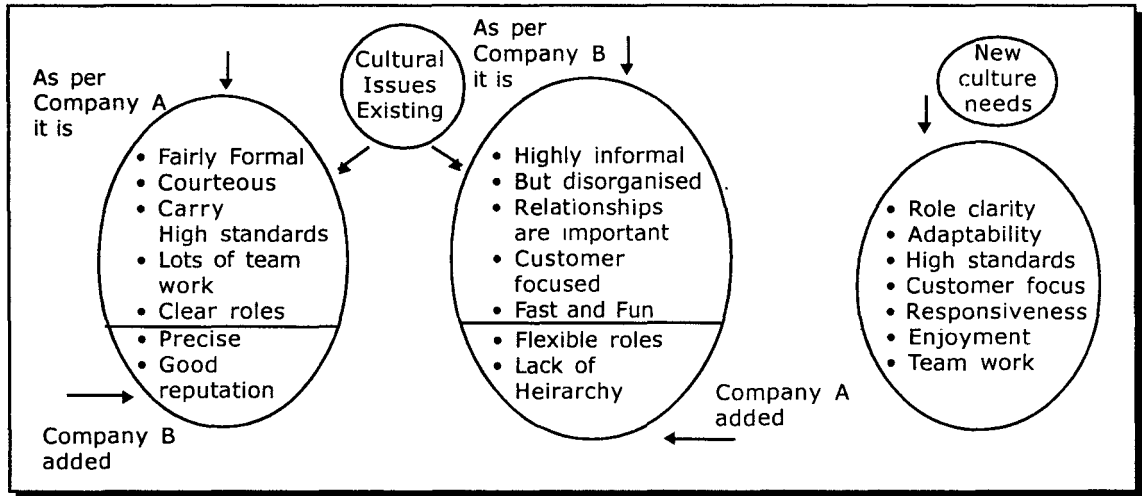
You find two companies A and B having different cultures as shown above . If these two companies are to be merged, each one of the companies can add certain things to the existing culture of each company as shown above. The needed culture according to this has been identified.

a) How do you tackle the cultural issues when you want merger or acquisition of the above two companies?

b) What might be the difficult areas?

c) What action plan do you suggest for merger or acquisition to be successful?

QUESTIONS

1. Define Organisation Development.

2. Give the meaning of Organisation Development.

3. Organisation development encompasses both outcome and process goals. Explain this statement.

4. Explain how organisation development is unique as a planned approach to change?

5. How organisation development principles depend on a clear understanding of certain managerial assumptions applicable to a) an individual b) Work groups c) Organisations?

6. What are the methods of organisation development moving from the current state to future state as suggested by Moorhead and Griffin? Explain each one of them.

7. Explain the terms:
   a) Goal setting program
   b) System-wide Organisation Development
   c) Quality of work life programs
8. Explains Walton's categorisation of quality of work life program.
9. What do you mean by colateral organisation? Compare and contrast Formal Organisation with colateral organisation characteristics.
10. Explain the terms 'Task technological change' and 'Task design' in regard to organisational development.
11. Which are the steps involved in the integrative task redesign process as suggested by Griffin?
12. Explain the necessity of having cost – benefit analysis associated with the task redesign.
13. Explain the formulation of a strategy for redesign.
14. Which are the ways to change individuals and groups as part of an organisation development intervention? Explain them.
15. Explain 'Team building' and 'Survey Feedback' in regard to organisation development.
16. What are the principles stated by Kenneth Wexly and Tumotty Baldwin to guide to process of management development?
17. Discuss the goals regarding team building efforts as observed by Richard Beckhard.
18. Discuss how to manage effectively the organisation developments and also the keys to successful organisation development as per Moorhead and Griffin?
19. Discuss various organisation and development techniques and explain each one of them briefly to have more effective interpersonal work relationships.
20. Explain any two terms briefly
    • Sensitivity Training   • Survey Feedback
    • Team Building   • Process Consultation
    • Inter group development
21. Would you say that most of the forces for change come from inside or outside the organization? Explain.
22. Discuss the impact, if any, of John Naisbitt,s "Megatrends" on your work situation.
23. Which of the sources for organizational resistance to change are most likely to exist in your work situation?
24. How would you deal with individual resistance to change?
25. How can you apply Lewin's three-stage change processes to a change that is needed in your workplace?
26. Discuss the differences of organizational change and organization development.
27. Analyze the keys to successful organization development intervention.

28. What is the importance of the change agent in the change or organization development process?

29. What do you mean by Intervention Strategy? Explain.

30. Explain the System Intervention Model.

31. Explain the Intervention Strategy Model.

32. What do you mean by Innovation and Creativity? What are the steps of Creative Process?

33. Differentiate the terms Innovation and Creativity.

34. Explain the word 'complacency' as observed in Change Management.

35. Explain the word 'Laissez Faire approach' as seen in Change Management.

36. Explain a model of the organisation development process.

* * * * *

CONCLUSION

The world we are living continues to change at a very rapid rate. Everyday, there is an important discovery, or boundary pushing invention or several innovations in the scientific fields. The rate of change and discovery outpaces our individual ability to keep up with it. Mergers and Acquisitions (M & As) are taking place in a highly challenging way all over the world.

Management and change have become synonymous in the present day world. It is impossible to undertake a journey, for in many respects that is what change is, without first addressing the purpose of the trip, the route you wish to travel and with whom. Further, managing change is a herculean task for many. It is about handling the complexities of travel. It is about evaluating, planning and implementing operational, tactical and strategic 'journeys'- always ensuring that the journey is worthwhile and the destination is relevant.

Ignoring change in an organization does so at its own peril and brings down its down fall. To survive and prosper, organizations must adopt strategies that realistically respect their ability to manage multiple future scenarios. Peter Drucker says "Increasingly a winning strategy will require information about events and conditions outside the institution ……..Only with this information can a business …… prepare for new changes and challenges arising from sudden shifts in the world economy and the nature and content of knowledge itself." The medium sized modern organization has to come in terms with a number of issues which will create a need for internal change. The major external change that organizations are currently addressing or will have to come to terms in the modern era would be :

- A larger global market becoming smaller by enlarged technologies and competition from abroad

- Environment recognition from all the countries globally influence countries to take various steps and every government accepts to draw back from this environmental calamity e.g., KYOTO environmental pact etc

- Health consciousness observed at all age groups throughout the world

- Changes in life style trends observed in peoples work, purchases, leisure time and society

- The Changing work place creates a need for non-traditional employees.

- The knowledge asset of the company, its people becoming increasing crucial to its competitive well-being.

The impact of change is found in several areas like:

- Technology world
- Customer expectations, tastes, choices, relationships
- Result of competition
- Result of government legislation
- Result of alterations in the economy locally, abroad
- Communication media
- Advent of information science, information technology, information systems
- Society's value systems
- Supply chain and distribution chain

Finally, getting managers to recognize that change is a constant feature in modern organizations and one which they have to deal with, goes a long way towards addressing some of the factors which lead to resistance to change.

This book has been organized in 8 chapters and with a vast number of illustrations.

Change Management

1. Introduction to Change Management
2. Change Management
3. Individual Change
4. Personal Change
5. Dealing with individuals and groups
6. Organisation Culture
7. Models of Organisational Change
8. Organisation Development

Change Dimensions : In the first chapter examine different types and approaches.

Different type of change initiatives observed in organizations are:-

- Structural change

- Cost cutting change
- Process change
- Cultural change

Two different approaches that can be taken to pursue the above changes as per Harvard Business school professors Michael Beer and Nitin Nostria are:

Theory 'E' change (An economic approach)

Theory 'O' change (An organizational capabilities approach)

Cultural change: Here people such as program focus on the side of the organization approach in business, relationship between management and employees etc...

Structural change: Here programs treat the organizational as a set of functional parts. The machine model. Top management assisted by consultants try to reconfigure those parts to achieve greater overall performance.

Eg., Mergers, acquisitions, consolidations, divestiture of operating units.

Types of Change

Process change: Here programs focus on changing how things get done by numerous ways. It may be anything e.g., Reengeneering a process, warranty/Guaranty claims, decision marry etc.

Cost cutting change: Here programs focus on the removal of non-essential activities or by any other methods to narrow down the cost out of operations. Scrutiny is high; Activities and operations of lesser importance are avoided, when times are tough.

Fig. 1 Managing Change and Transition (Harvard Business Essentials) 2003
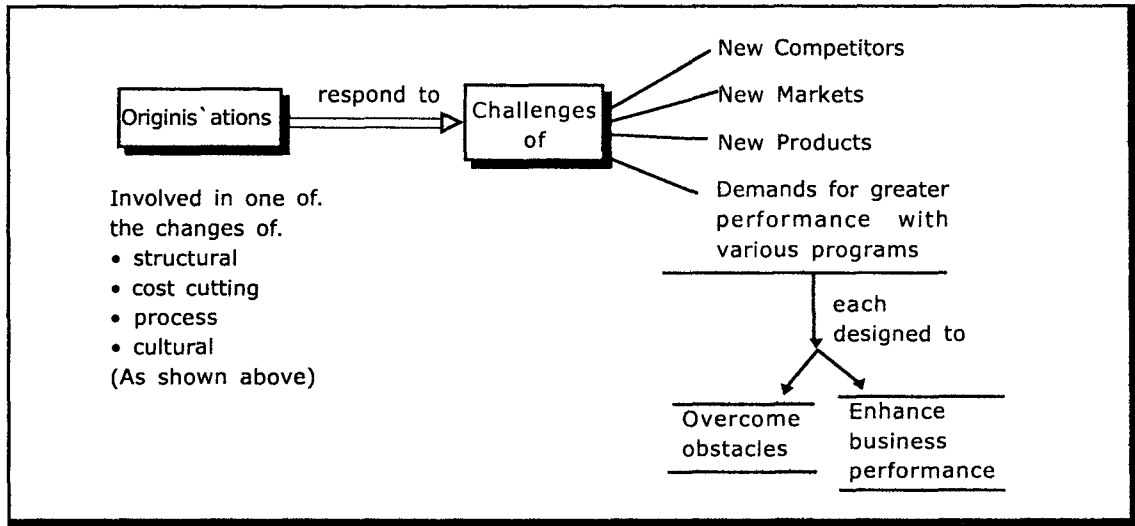
Fig. 2 Organisations Challenges

Theory 'E' change:

Here, it is to dramatically and rapidly increase shareholder value, as measured by:

- Improved cash flow ⎫ Relies heavily on cost cutting, downsizing
- Share price ⎭ and asset values to meet obejectives

Theory 'O' change:

Here, it is to develop an organizational culture that

- Supports learning ⎫ Characterized by high levels of employee participation and flatter organizational
- High performance employee base ⎭ structure; build bonds between the enterprise and its employees.

Theory E and Theory O solutions are also mixed in some companies to suit their needs as observed by Beer and Nohria.
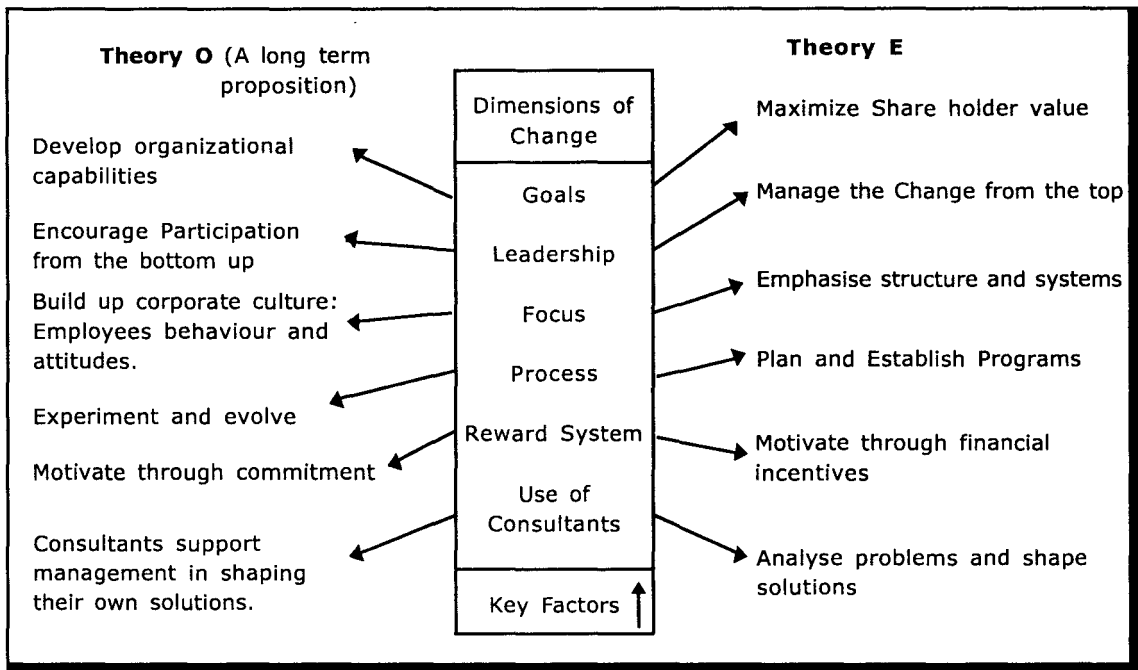
Fig. 3 Theory 'O' Change and Theory 'E' change comparison
[Source: Michael Beer and Niten Nohria 'cracking the code of change' Harvard Business Review 78. no 3 (May – June 2000) page 137]

ORGANIZATIONAL CHANGE

An organizational change takes place under three conditions:

- The organization should have effective and respected leaders
- People in the organization are personally motivated to change
- Organisation not to have an hierarchical structure; people are used to collaborate work

People and structure of the organization are prepared for and capable of change

If a change initiative takes place in a company, it is not likely to succeed unless the organisation is not change ready. Three characteristics of change readiness are :

(1) Leaders in an organization should be effective to carry out the change. Leaders should have certain qualities; the most important one is that they are well respected by the subordinates.

(2) People in the organization if they are dissatisfied with the status quo, they should be motivated to make the effort and to accept the risks in moving

forward to the new status. Good managers always can get people motivated to change even in the absence of crisis.

(3) Existing Hierarchy should not be an impediment to a strictly economically driven change program. Managers need to:-

- reduce the hierarchy
- work around it by making people to attend to collaborative work assignments.

(4) Others take up

- unit by unit change – readiness assessment
- developing more participative approaches in all aspects / and areas handled.
- listen to the peoples voice by giving them full freedom
- fear should be driven out.

John Kotter has identified barriers to empowerment

John P-Kotter in his book 'Leading change' (Borton, MA: Harvard Business School Press, 1996) has identified five barriers to empowerment that the rest of us are likely to overlook:
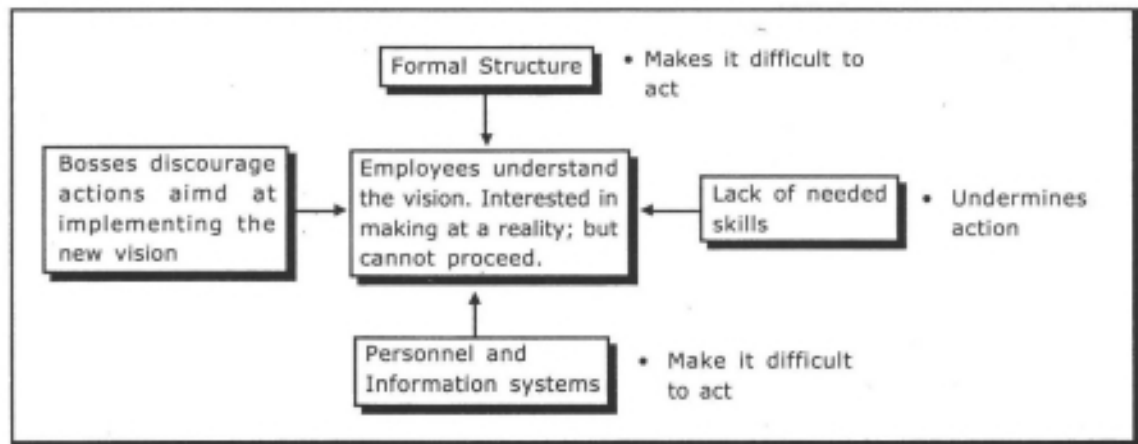
Fig. 4 Barriers to Empowerment

This above is similar to competitive forces model. Figure 4 depicts:

How to empower employees for successful organizational change?

Empower the people who works under you in the following way

- encouragement in innovative thinking
- Demonstrate respect for employees-regularly
- Delegate
- Extend trust (If you are unhappy about the result, investigate the cause and rework)
- Be flexible and demonstrate your flexibility to others
- Release control of a project to others at the first opportunity
- Encourage risk taking and don't be harsh on failures.
- Provide decision making authority

What the management should do while intervening in the change process ?

- Minimum shock
- Give full and early communication of intentions, possibilities and overall directions of change
- Discuss implications of change with individuals and teams. Pay attention to peoples needs & concerns. Practice patience.
- Listen, emphasize, support. Don't suppress conflict of different views and emotions Help individuals. Weather the storm. Recognize how the managers can trigger off past experiences in individuals. Remember people aren't necessarily attacking you personally.
- Help others complete acknowledge the ending of an era. Allow others to take responsibility. Encourage, create goals, coach.
- Encourage risk taking, foster communication, create development opportunities.
- Discuss meaning & learning. Reflect on experience. Celebrate successes.
- Prepare to move on.
- Mergers & Acquisitions-A survival kit

Corporate India is witnessing a lot of Merger and Acquisitions activity. While this is a great news for organizations, employees need to be careful and deal with the change effectively. Here are some tips:

- M&A can mean a job loss or relocation. Also, the job profile may change and your current skills may become redundant in the new company. Reporting to a new boss and dealing with a different work culture are also part of the package.

- Speak to your boss - Ask your boss what is most important now. An acquisition can quickly shift priorities. Don't wait for direction.

- Speak to HR s-Ask your HR manager for details about the organisation's plan to merge the people assets. You could even ask them about the functions/ job profiles that are likely to go in the new structure.

- Get the big picture - Does the company have a history of mergers? How has it handled merged staffs in the past? You might find this information on the company's website.

- Stay current in your field - Be aware of changing trends. Taking a course in an up and coming area or a speciality will give you an edge over the competition.

These strategies will help you keep your job, your status and sanity and, might perhaps even take you to a higher position in the new company.

[Taken from the Times of India, Bangalore]

SEVEN STEPS TO CHANGE (A SYSTEMATIC APPROACH)

The seven steps to create change are discussed below in figure 5
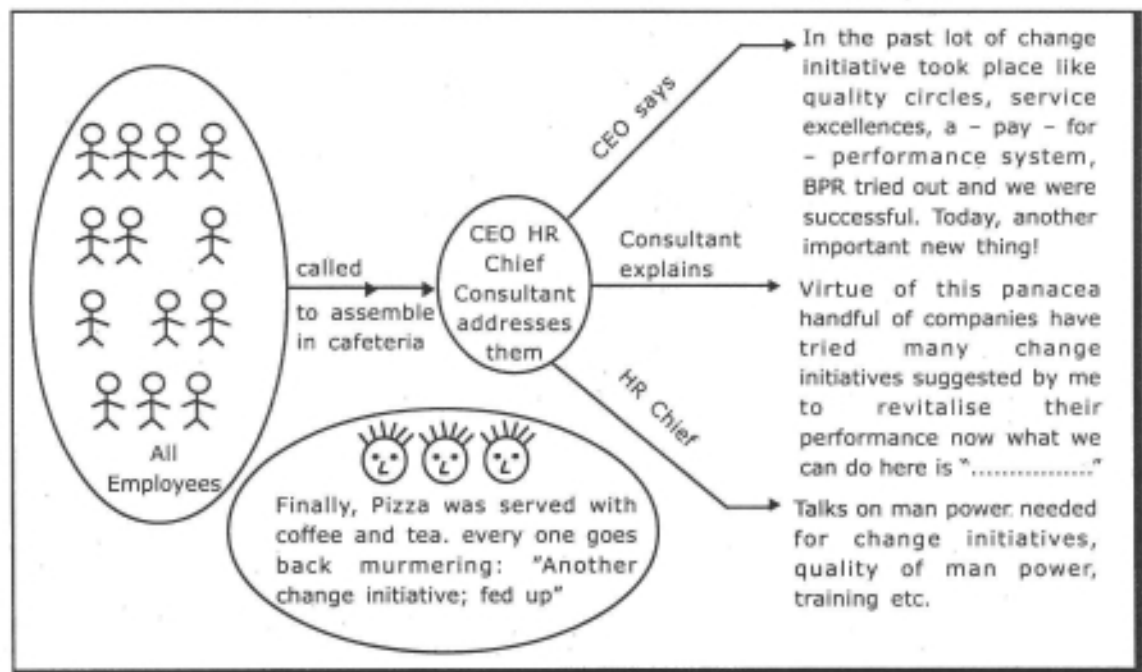
Fig. 5 Seven steps to Create Change Initiative

Fig. 5 shows an example of how employees get frustrated if the change initiative is not properly dealt for the management. Why the people are murmering? If you are also there, you were also thinking:

Why this new change initiative important?

What is this involved for me?

How do these people know what our problems are?

Why should they not discuss with us? What do they want from us?

Do they think the change could have been done yesterday?

Yes, everyone will agree that organisations need to do better if the change initiative happens to be with the right attitude from the right angle and with proper thought-out actions or steps, nobody will resist that. They will go hand in hand with the management.

Michael Beer along with Russell Eisenstat and Bert Spector identified seven steps that senior managers at business units and plant levels could use to create real change. These steps produce a self-reinforcing circle of:
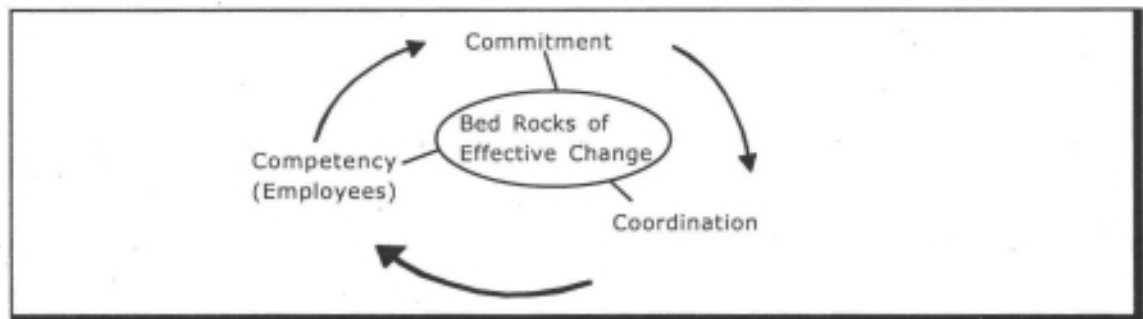
Fig. 6 Bed Rocks of Effective Change

Seven Steps are:

```
7. Monitor and adjust
   strategies in response
   to problems in the
   change process.                    1. Mobilise energy and
                                         commitment through joint
6. Institutionalise                      identification of business
   success through:                      problems and solutions.
-  Formal Policies,
-  Systems,              Seven steps
-  Structures.           for creating    2. Develop a shared vision of
                           change            how to organize and to
                                             manage for competitiveness
5. Start change at the
   periphery;   let   it              3. Identify the leadership
   spread to other units;
   do not push it from the   4. Focus on results, not on
   top.                         activities
```

Fig. 7 Seven steps for creating change (Source: Harvard Business Essentials)
You can use these steps to guide your own change efforts.

The common mistakes the management do in initiating changes are :

- Making HR to lead (Incharge of change)
- Banking on a technical solution.
- Making changes fast (All immediate)
- Imposing a canned solution
- Driving change from the topmost man.

IMPLEMENTATION

Put your plan in motion

Implementation generally comes in the last after:

- Change is found necessary
- Change vision is OK
- Convinced that it is the right time to move forward (this is implementation)

Implementation is the toughest. There is no tidy, step-by-step march to the envisioned future. You observe:

- Mistakes are made
- Key people might leave; next man has to manage, finds difficulty at every step or transferred.
- External factors upset schedule.
- Resistance by subordinates will increase in the case of any eventuality.
- Groups forget to communicate with each other.
- Groupism even within groups.
- Schedule gets destorted.
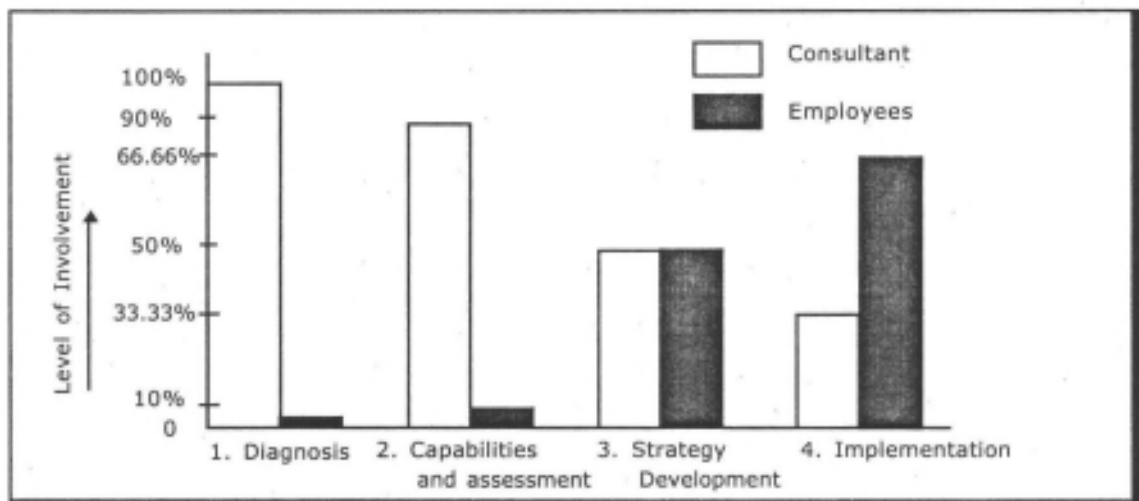
Fig. 8 Role of Consultants and Employees in Change Programs

If the change is a matter more of dealing with external (Example in the case of purchase, sale etc under restructuring) consultants have a major role.

If the change is more of internal matter (Say company personnel, leadership etc), employees have a major role.

SOCIAL AND HUMAN FACTORS

Reactions to change

The social and human factors areas explained below
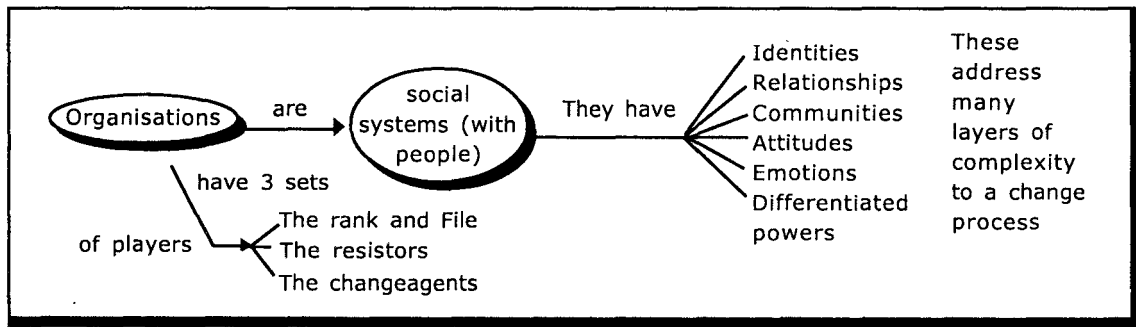
Fig. 9 Social and Human Factors Areas

The 3 sets of players have unique characteristics and require a different style of management.

1. **The rank and file:** People who exhibit a spectrum of reactions to change. These are the conservers, pragmatists and originators to describe how different people respond to change preference continuum, this helps you to be more effective in managing the people side of a change initiative.

2. **Change resisters:** Either they drag their feet from the scene or actively attempt to undermine your efforts; Here identify potential resisters, effects from them (creating pain or loss created in the organisation). Try to neutralise their resistance or make them active participants.

The major implementation problems are:
- schedule cannot be maintained (Time overrun)
- problems not identified earlier and now they have come across
- coordination of activities by committees, task forces etc
- strategic decisions not thought over properly
- skills and abilities of employees involved are insufficieint
- training and instruction to employees insufficient
- external environment uncontrollable factors
- insufficient support for change
- unclear goals

Implementation is the toughest and is an unpredictable challenge. Hence you have to get the support and involvement from key plan after preparing solid plan with an assured support for:

- Consistent behaviours
- Develop enabling structures
- Celebrating milestone success
- Communicating relentlessly

The implementation activities are as under:
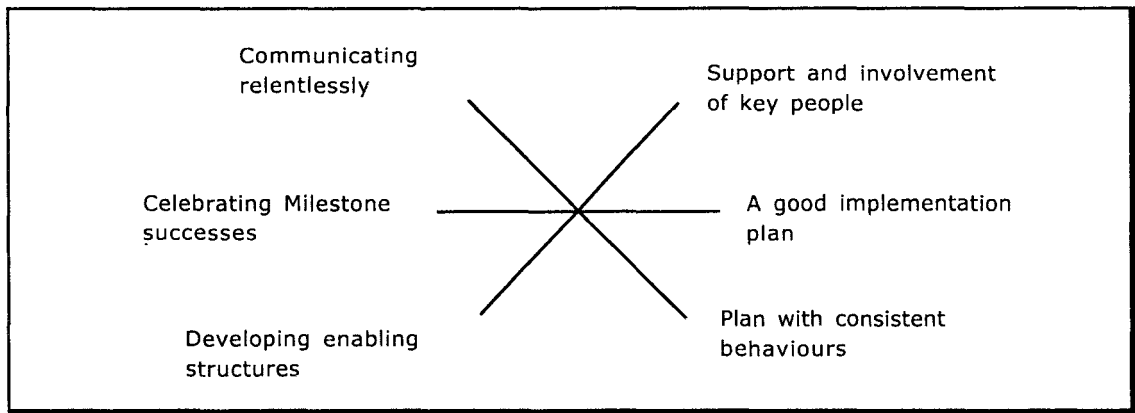
Fig. 10 Six essential activities for implementation

Two types of consultants may be needed:

- **Expert consultants** help to shape the context of change strategy? structure? systems?

- **Process consultants** recommend processes for making changes happen and help implementing then – they also coach the leadership and the change team.

- **Change agents** They see the need for change and articulate it effectively to others; act as critical catalysits for change initiative and hence to be placed in key positions.

How to choose a change agent?

- Find out listening attitutde people and who lead with the power of their ideas. They may not be employees with formal authority to lead

- Danger is with the people who 'think otherwise' change agents are not satisfied with things as they are - a fact that may not endear them to management

- Look for people who have come from outside the circle of traditional competitors and may not be infected with the same mindset as everyone else.

- Look for people with unusual training and experience (who see the world with a different magnifying glass)

How people reat to change and how managers can effectively deal with negative reactions?

(I)

A dramatic change calls for people with	— Shock
	— Defensive retreat
	— Acknowledgement
	— Acceptance and adaptation

- One has to be very patient
- Help people through these changes

(II)

Individuals overcom emotional problems associated with change by

- By overcoming the powerlessness they fell by developing a sense of personal control over other areas of their lives

- Gaining greater objectivity of their situations by making an inventory of personal losses and gains

- Re-anchoring themselves

(III)

Managers help people using a number of methods

- Listening

- Keeping people as connected as possible to their work groups and routines

- Eventually moving them from a focus on personal emotions to a focus on productive activities

Fig. 11. How people react to change and How managers Deal with Negative Reactions.

THE NATURE OF CHANGE

The nature of change has already been explained in para 1.7. Further details are as given below:

A manager when faced with a change situation should analyse the nature of the change and its likely magnitude and potential impact. By successfully determining the nature of the change at an early stage of the change cycle, most appropriate means of managing the situation can be decided. In order to decide the change management methodology at the final selection, one has to fully define the change environment required prior to the former. Many factors and considerations are needed for arriving at the appropriate solution methodology. The need is as under:

- Providing a means of evaluating the nature of impending change situation to facilitate the marshalling of management expertise in readiness for the transition process.

- Examine six key factors as under associated with successful change classification.
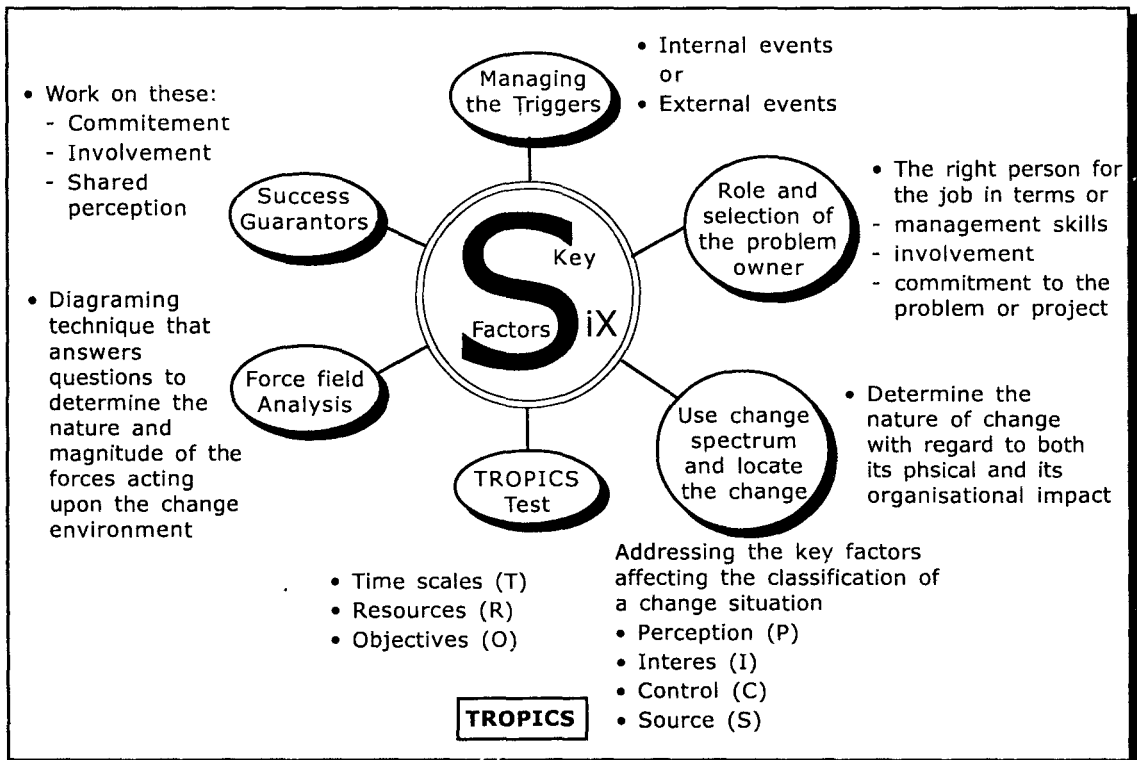
Fig. 12 Six key factors associated with successful change classification

Time scale as A with other factors B	All other factors A	
	Source B	Control B
• Emergency situation • A time of crisis • Organisational development approaches are called for • Time scale indicates a need for immediate solution • A hard hitting determining solution is needed to overcome the short-term difficulties • Longer period of education and cultural change is to follow to gain acceptance of the new state.	• May represent an external technical change to a system possibly as a result of manufacturer's technical update. • A system approach to implement the change needed. • Limited education programme for operatives and maintenance may be required.	• May represent an internally driven change that requires external permission to proceed. • A system based methodology may provide the answers to internal system changes. • Unlikely to convince the parent organisation of the need to change. E.g:- A satellite plant may wish to change over to product design instead of an assembly plant.

TROPICS are well suited for the managers to have an efficient and effective means of entering the change situation. Inputs need not be based on hard factual evidence; instead an educated assessment of the change's likely impact and general characteristics are needed and one should get a feel for the change as early as possible. Out of the TROPICS, various factors Time and Resources are the vital ones. The key factors are time and money.

If	Time scales are -Tight Resources are -Limited	and	Other factors of TROPICS point to the complexity of the situation	Then	Select A more mechanistic solution methodology
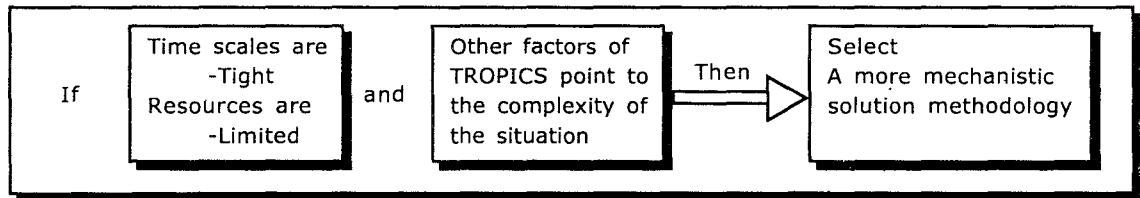
Fig 13 Time and Money are key factors in TROPICS

Companies who use the model of TROPICS Test by managers are:

- Philips
- National semiconductor
- IBM
- . British Airways Authority
- JVC
- Scottish Homes

(I) Role and Selection of the problem owner

One who initiates
straight forward route
(on their own)

If one has to become a problem owner

Lead to more positive evaluation

- Identify change situations developing on the horizon
- Become the change owner atleast initially

who will monitor the environment

Two types found

One who is delegated
Traditional one by
Delegation

Note:- The problem owner may not be the actual manager appointed to handle the change process

Difficult to be positive and proactive

- Need for change idetified elsewhere
- Senior management appoints the problem owner

It is like 'Left holding the baby'

Fig 14:- Role and selection of the problem owner

The problem owners often identify themselves since they have initiated the change process, irrespective of the position within the hierarchy. In an ideal word, the initiator, owns the process. One volunteer is worth a hundred conscripts! Such ownership may lead to a more positive evaluation of its nature in relation to the degree of 'threat' associated with its arrival. Early identification and ownership increases the possibility of a change being seen in an opportunistic manner and considered less threatening.

The other route is to have a delegator. Management appoints the problem owner. Here ownership does not belong to the individual or group, chanrged with the management of the change. They simply become 'change minders' rather than 'change agents'. Such situation are likely to produce positive opportunistic evaluations of the nature of the change, as it is difficult to be proactive and positive when you have been 'left holding the baby'.

Problem ownership affects our perception of a change situation. Problem ownership with positive feelings of ownership results in a more opportunistic evaluation where as delegated ownership, which has been managed poorly, will highlight the threats and disrupt the existing problems. The problem owner is selected due to their proven management skills, but there is no guarantee that they posess the ownership of the problem at hand and they are therefore motivated towards achieving the change objectives.

A positive problem ownership is a vital factor associated with successful management.
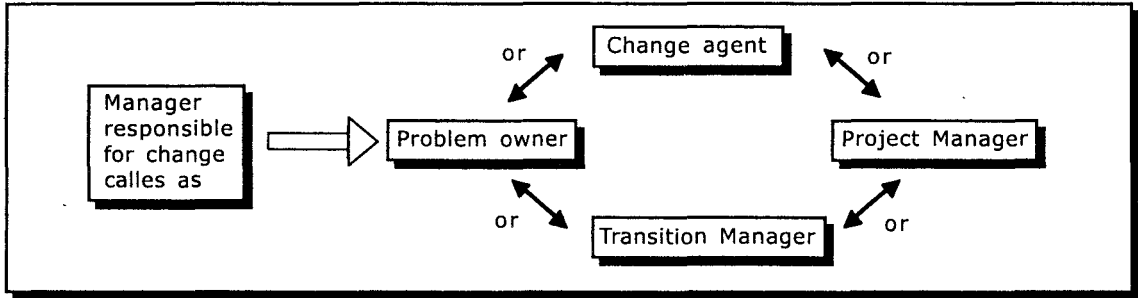
Fig 15:- Othe Names of Problem owner

(II) Leading change on the change spectrum

If the change is purely technical say a machine or componenet upgrade, the expectation would be that existing systems based knowledge is appleid in a mechanistic .manner to implement the change.

Change that requires the problem owner to apply:

a)   Their existing knowledge base in a systematic manner to problems requiring technical solutions with minimal outputs $\Longrightarrow$ Martagement of change in a static and isolated environment is needed.

The management process is simplifièd since the impact is limited to a clearly identifiable and the semi autonomous component of a technical system. The technical problems call for the application of knowledge of a highly structured and mechanistic nature do not create major managerial difficulties. Solution methodologies are based on the managerial decision making analysis:
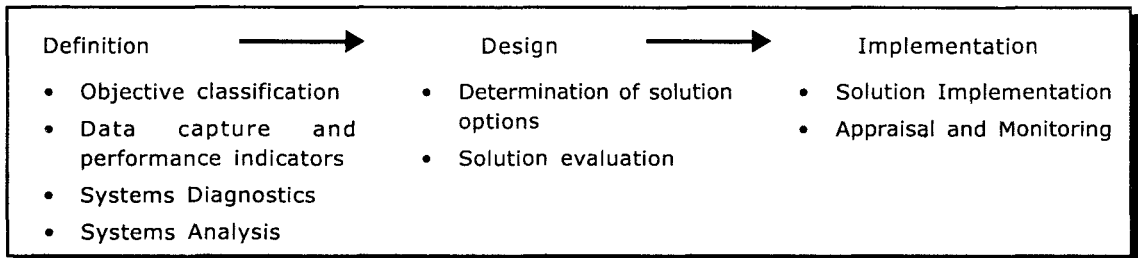
Fig 16:- Solution Methodologies

Like minded technocrats who measure success against quantifiable and well defined performance indicators will follow the above. However the degree of Intellectual input and technical expertise is significant and varies from person to person. The methodology employed in a tried and tested one.

Where it is purely technical change, 100% 'hard' or mechanistic change exists towards the left hand side of the spectrum as shown in the figure below. It is characterised by a reasonably static change environment, clear quantifiable objectives and constraints, immediate applications, short time scales and minimum man-machine interface.

b) There are cases where solution methodologies applied to the softer end of the spectrum must reflect the hightly volatile and dynamic nature of the change environment. They will originate in the organisational development school of thought. The systematic management can be identified in each of the TROPICS Factors under A and B to arrive at a solution methodology (clear path), which can be reasonably certain. It serves as a starting point and a tentative indication of the generic type of methodology to follow. Difficulties arise if the output is garbled when the user faces a combination of A's and B's.

(III) The TROPICS Test

*   The impact
*   The magnitude

of the impending change and to determine the most appropriate solution methodology to enter the change management process; Anticipating the transition in the change management process which must takes place, the problem unfolding and the major factors associated with this can be examined for suitable changes to be incorporated at different timings. This needs a minimal expenditure of management time and as well as resources, since detailed quatifiable information is not required to provide it as input.
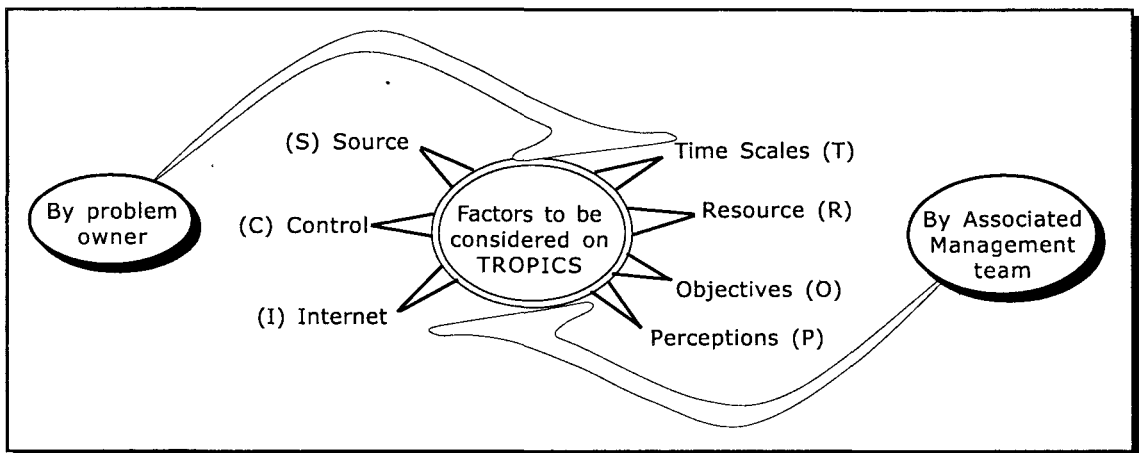
Fig 17: Factors to be considered under TROPICS

Using TROPICS, the manager or the management team will get a feel about the nature of the change and hence can establish a convenient optimal route forward,

others TROPICS Factor	A (Hard) Refers to a system based, mechanistic solution methodology	B (Soft) Refers to an organisation development complex solution methodology
Tune scales	Clearly defined, short to medium term	Ill defined, medium to long term
Resources	Clearly defined and reasonably fixed	Unclear and Variable
Objectives	Objectives and quantifiable	Subjective and Visionary
Perceptions	Shared by those affected	Creates conflicts of Interest
Interest	Limited and well defined	Wide spread and ill defined
Control	Within the managing group	Shared out with the group
Source	Originates internally	Originates externally

Fig 18:- TROPICS Test

and mechanistic solution methodologies associated with scientific management will not provide answers to predominantly soft change situations and creates greater instability if applied.
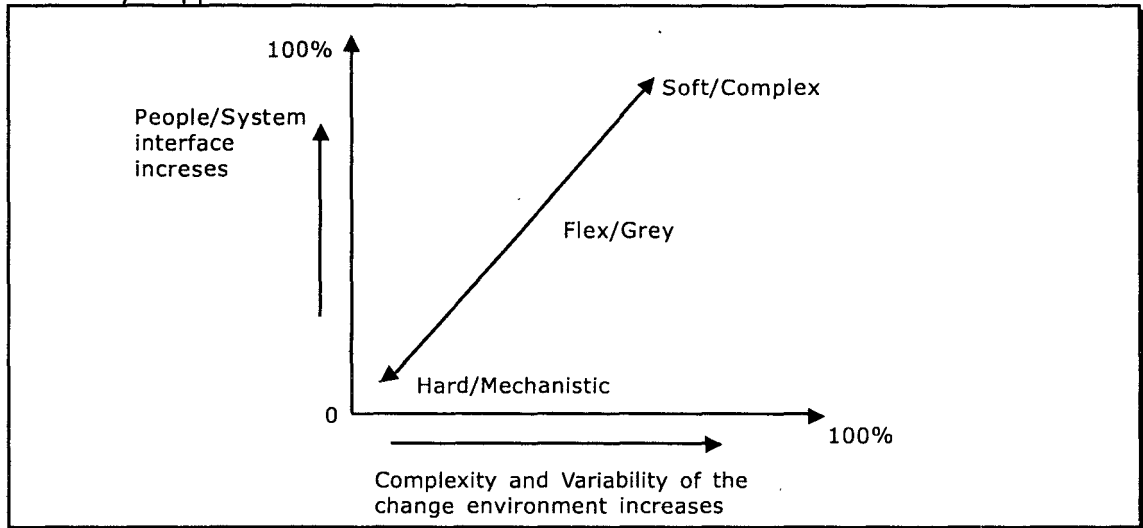
Fig 19: The Change spectrum

At the extreme soft end of the spectrum, one finds change situations that have a hundred percent people orientation objectives and time scales will be unclear. The affected environment will be highly dynamic and difficult to specify with exceptionally

subjective performance measures. At the soft end, personal relationships and emotional responses are predominant. Solution methodologies applied to the softer end must reflect the highly volatile and dynamic nature of the change environment.

Majority of change situations which managers are called upon to address will be within the flexi region of the spectrum. The appropriate solution methodologies are to be adopted.

A contingency model or theory is required to cover all the ad hoc situations that may arise.

Comparison of Hard and Soft problems

Hard/Mechanistic problems	Soft comples problems
(i) - Objectives, - Constraints - Performance indicators } Quantifiable	(i) At best - Subjective - Interrelated - Semquantifiable Objectives } Available
(ii) Tendency towards static environmental forces	(ii) A volatile and complex environment will prevail
(iii) Time scales known with reasonable	(iii) Fuzzy time scales predominate
(iv) **Environment of the change:** - well bounded - minimal external interactions	(iv) **Environment of the change:** - unbounded - characterised by many internal and external interactions
(v) **Problem characteristics:** Clear and concise definition Defined in systems/technological terms	(v) **Problem characteristics:** Difficult to define Defined in interpersona and social terms
(vi) **Resources** Requirement is to achieve a solution reasonably well known	(vi) **Resources** Requirements uncertain
(vii) **Solutions** - Potential solutions limited - Knowledge of these obtainable	(vii) **Solutions** Wide range; all may appear relevant and interconnected
(viii) Structured approaches will produce results	(viii) No clear solution methodology visible
(ix) **Consensus** On the bestway forward will be easily reached	(ix) **Consensus** On the way forward and a shared perception of the problem do not exist

(IV) Force field Analysis

The force field theory has been explained in pages 77-79 and in page 134.

Force field analysis is a positioning tool that assists the management of change by examining and evaluating, in a basic yet useful manner, the forces for and against the change.

This has been discussed in the earlier chapters 4 and 6 (in paras 4.15 and 6.19).

The organisational or individual view of a change situation will be strongly influenced by:

- The source of the change

- Their position relative to it.

Ownership of the problem is the key element in establishing our reaction to change. When an individual or a group has initiated certain actions and these have to be managed, then they are displayed with positive attitudes towards the situation and view.

(V) Success Guarantors

Three vital aspects to be studied for success under this topic are:

- Commitment
- Involvement
- A shared perception

A shared perspective is the most important step in achieving the successful implementation of change. Obtain a shared perception among these affected concerning their view point regarding the issues and implications associated with the change, which is vital for success. The problem owner should reach a point at which all those parties with a vested interest in change view to enable to see common objectives and mutual benefits for the progress of the work. At least a partially shared perspective approach is preferable using commonsense by all the concerned. In reality, individuals and groups attempt to sell their own particular brand of 'common sense' as if they are the only possible providers of wisdom and truth.
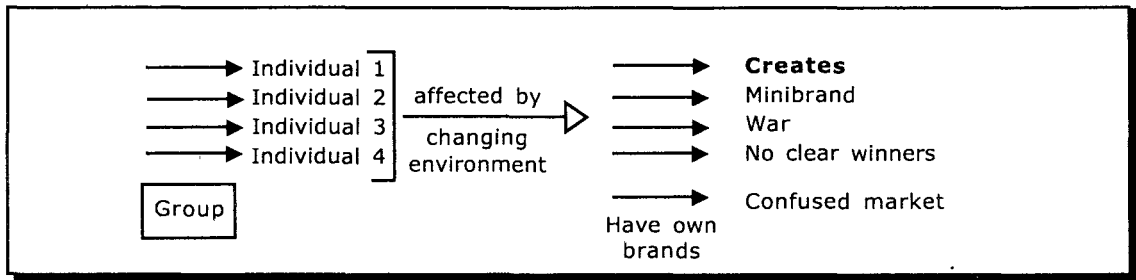
Fig: 20 Brand war

A number of infulential factors which will come together in such a way as to mould in which the individuals, groups and organisations view particular change situations. These are as under as applied to all the above.
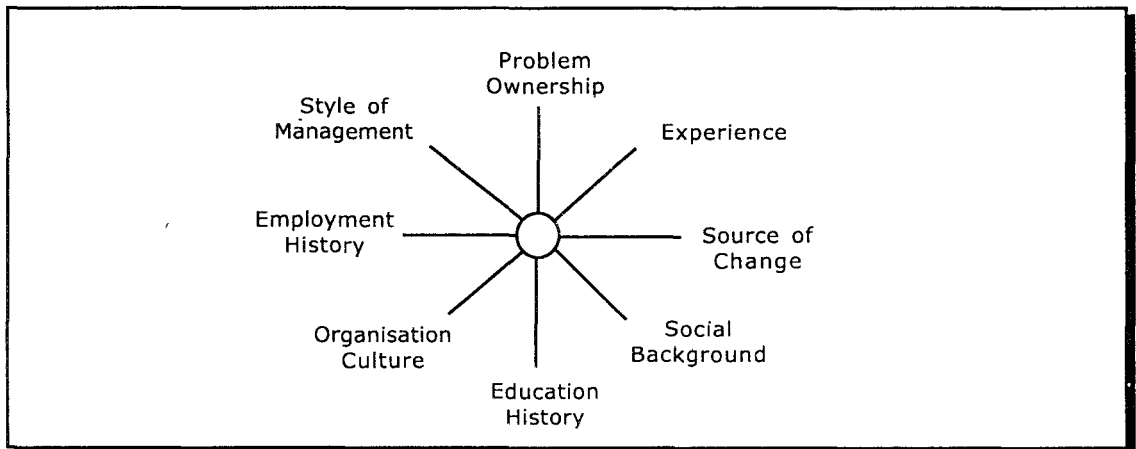
Fig: 21

A crucial factor associated with the successful implementation of change is the ability of the problem owner to overcome any personal prejudices regarding the change.

The problem owner should:

- recognise that all the suggessions offered and views expressed can be totally wrong, just as the problem owners are unlikely to be totally correct at all times.

- ensure that they are seen to be actively encouraging collaboration.

- be seen to have as much support and authority as possible. Senior management is to be clearly identified with the project.

(VI) Managing the Triggers

Leavitt views organisations as comprising of four interacting variables. A change that affects one variable will to a greater/lesser extent with others to create knock-on-effects.

Possible triggers are

- People
- Task
- Structure
- Technology

'Trigger' if once pulled (the change), it will set of a chain reaction of interrelated events, which may quickly, if not managed, create discord and inefficiency.

Triggers are of two types:
- Internally generated
  - Proactive
  - Reactive
- Externally generated
  - Proactive
  - Reactive
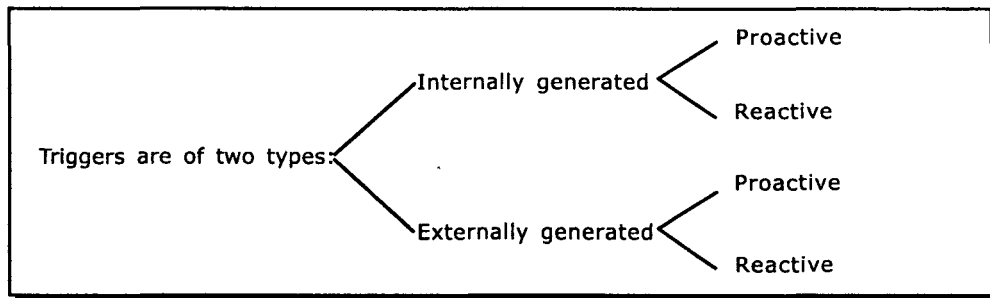
[Question is : Who pulled the Trigger? and for what?]

Understanding the complexity of the organisational network is the first step in anticipating the likely response to any applied trigger.

The triggering action could be:

- Government legislation
- Advances in process (product technology)
- Changing consumer requirements, expectations or taste
- Competitor or supply chain activities
- General economic or social pressures
- Unpredictable environment catastrophics
- Acquisition of Merger

The way in which a 'trigger' impacts upon a situation will to a certain extent depend upon its source, as will as its nature.

Internally generated change is likely to be managed far more proactively, creatively and effectively owning to clear ownership and prior knowledge and understanding.

EVERY BODY CAN BE A CHANGE MAKER

William Drayton, the man who coined the term 'Social Entrepreneur', tells why the citizen sector is coming into its own globally— and how that will change the world forever.

He coined the term 'social entrepreneur' to describe individuals who have the energy, determination and innovation of entrepreneurs, but focus on changing the way society works rather than setting up businessless. A stint at consultancy giant McKinsey gave him insight into corporate functioning and public policy-making. As assistant administrator at the US Environment Protection Agency, he created the blueprint which paved the way for emissions trading.

But William 'Bill' Drayton, change maestro and eternally-restless ideator, finally found his calling in 1980 with the creation of Ashoka—a venture which provides funding to social entrepreneurs and helps them network to maximize their impact. And yes, in case you're wondering, Ashoka is named after another of Drayton's idols, the great Mauryan emperor and humanitarian who was, albeit unwittingly, one of the world's first social entrepreneurs.

Twenty-five years on, the man named as one of the 25 best leaders in the US retains a slender frame, and remains and enthusiastic evangelist. The two may be linked. A casualty of his determination to talk to all colleagues and admirers who surround him can be found. The twinkle in his eyes stays in place, as does the ready smile.

The citizen sector now creates three times as many jobs as any other in OECD countries. Students from the best B-schools now seriously think about it as career option. The biggest organizations in the citizen sector influence national policy. All this would have been unthinkable 25 years ago.

What caused this revolution? "From the Roman empire to 1700 AD, per capita income hardly changed. But then, a new economic model developed, which ignited a virtuous cycle of entrepreneurial innovation leading to productivity gains, leading to more entrepreneurs. The west broke out of 1,200 years of stagnation. Average per capita income rose 20% in the 1700s, 200% in the 1800s and 740% in the last century.

"The business transformation had bypassed the social half of the world's operations. By the 19th century, a few social entrepreneurs like Florence Nightingale appears, but they remained islands. That began to change around 1980. Simultaneously, we had the communication revolution. Politically, the generals retreated in Latin America. Finally the fall of the Soviet empire in 1989 changed the world forever. This was also a period which saw the coming of age of many generations in post-colonial countries like India. This new generation was better educated than their parents and not demoralized by corruption. They believed that they could do better, and they did. After all, it's entrepreneurs who fix problems, because bureaucracies don't make changes. In the last 25 years or so, social entrepreneurship has blossomed. Today, we're entering an era when every single person can be a change maker."

How will this new reality impact individuals? 'There's a whole new range of career opportunities. Whether you're 20 or 60, you have a chance to make a positive difference, tell your grandchildren you did something worthwhile. There is no glass ceiling because demand for talent is hugely outstripping supply. And you're hooked onto a global network. You work together, share the best ideas. You can make something work in India, and then someone can pick it up in Indonesia, or Brazil, or Venezuela. This is a positive side of globalization, and I think it will balance many of the imbalances. The other actors in globalization are nation-states, who don't function too well there, and corporates, who don't provide adequate social representation. Now, we do. Why is there an international criminal court? Not because nation-states wanted it, buy because 2,000 citizen groups got together and lobbied for it. Twenty years ago, there was a certain condescending attitude. People would say, 'Oh, it's a nice little bunch of people doing something in a village — a drop in the ocean'. They don't say that anymore."

Whether you're 20 or 60, you have a chance to make a positive difference, tell your grandchildren you did something worthwhile. There is no galss ceiling because demand for talent is hugely outstripping supply. And you're hooked onto a global network. You can make something work in India, and then someone can pick it up in Indonesia, or Brazil, or Venezuela. This is a positive side of globalization.

Business strategists who haven't yet woken up to the emergence of a world in which everyone is a change maker could be in for a big surprise, just like western companies were caught off-guard by the rise of Japan.

Collaborating with the citizen sector and using its strengths to create hybrid value chains could be a huge source of competitive advantage. Besides, corporates could increasingly look at the citizen sector as a source or recruitment of proven innovators. At a structural level, businesses are increasingly going to have to remake

themselves to become organizations of changemakers, because that will be the success factor. Single employee to be creative. Companies which embrace this paradigm first, will be the ones that benefit."

Finally, now should governments react to the new superempowered citizens?" If you're looking for the best solutions to public policy problems, you need to tap the citizen sector. Let's say you're in charge of public education. You really need to pull your socks up. Because across the world, billions of people have given up on public education altogether. If you want to remedy that, you probably need to work with citizens that are making a differences. But I concede that governments don't always respond speedily to change. So we'll need to constantly cajole, nudge and push." Chances are, that's exactly what he'll keep doing — with not too any breaks for food and sleep, without ever losing that twinkle in the eyes.

LET YOUR OLD HABITS DIE

Break away from the routine, make small subtle changes and see how things around you start changing.

Most of us are laves to habit and familiarity. Our present environment is a symbol of our present thoughts. My family is me, my job is me, my friends are me. It has been observed a wouned animal will return to what is familiar. Because man is also an animal he likes familiarity and in time of trouble will also return to what is familiar. This bit of knowledge is how criminals are tracked down. For instance a white collar criminal who has expensive tastes in cars and fancy restaurants will not be difficult for the authorities to locate. He will be driving his favourite type of car to his favourite restaurant. There is a compelling force driving us to old surroundings because these surroundings remind us of how we were or are supposed to be — they are comforting and reassuring.

How does one go about changing years of habit? Many people who have had near death experiences or have had severe trauma in their lives come away with instant change. Their lives are never the same and it is most noticeable by those most familiar with them. Meaningful change does not have to come by hitting yourself over the head with a hammer nor do you have to sign up for courses or college. Change can come fairly easily, in simple steps, which are subtle and for the most part unnoticeable.

Before change can come there needs to be a desire for change. A complete lifestyle makeover can be accomplished over a period of time without the trauma fro hitting yourself over the head with a hammer. Habit simply means you are doing the same thing over and over again—there is no growth in repeating steps. The very meaning of life is movement!

Lasting change does not come with making a change, but with commitment to keep changing until it becomes a habit—a habit of change. One of the best times to start your change is first thing in the morning. Commit yourself to making at least one tiny change everyday and it doesn't have to be the same change. Try turning your alarm ahead or back 10 minutes. Try leaving your house.

Mind set

15 minutes early for work one morning or take a different route—you will see new people and different things.

Make small subtle changes which will not upset your life or those around you. Make this your priority every day — to do something different. What you are going to start noticing is how things start changing around you and how people will start to treat you differently.

– Ray Kleinwachter
[From the Times of India,
Bangalore 2, January 2007]

SHAPING THE FUTURE

Most changes are reactive. What is expected are: Proactive changes

Reactive change means it is a response that occurs when events in the environment have already affected the firm's performance. It is problem driven change. It implies being a follower.

Proactive change means it is a response that is initiated before a performance gap has occurred. It is anticipating and preparing for an uncertain future.

Example on the road to future
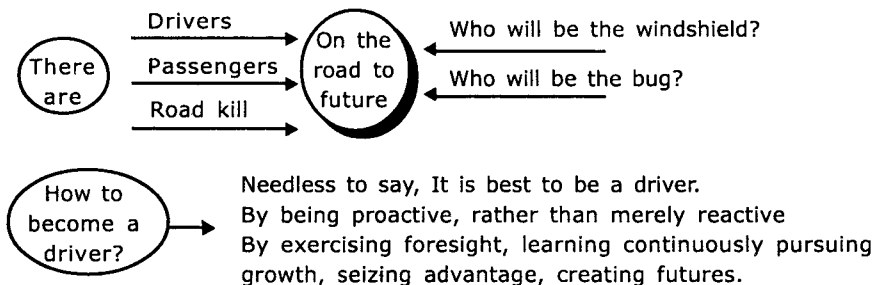
(I) Exercising Foresight

- Better to exercise foresight
- Set an agenda for the future
- Pursue it with everything you have got

So, contemplate and envision the future.

Managers may say, that they don't know exactly what customers need in the future and what products have to be manufactured and delivered? But they know what they have, what can be acquired and what are their capabilities to deliver. The focus is on identifying and building core competencies.

[**Source:** From Management: by Bateman snell. Tata McGrawhill Education, New Delhi, 2003, 5th edition.]

(II) Learning continuously

Continuous learning is a must for renewable competitive advantage. For learning continuously, your firm as well as you need to have:

- a clear, strategic goal to learn new capabilities
- a commitment to constant experimentation.

In an environment of continuous improvement, (a Japanese technique), everyone engages in exploration, discovery and action, continuously learns:

- What is effective?
- What is not?
- Adjusts and improves accordingly

Explore	Discover	Act
• First step in learning – Explore current reality • Aim is to be honest and open as possible what is happening at present • Identify the problem/ opportunity area • Check with the customers, suppliers or other key stakeholders • Reveal hidden issues, gather data, look for root causes, rethink the issue	• In the explore stage, people deepen their understanding of current reality, the issues, and choices become clear. • Identify with possible solutions • Plan • Anticipate problems	• The cycle involves: - The Test solution - Implement plan - Evaluate results - Celebrate success - Recognise problems
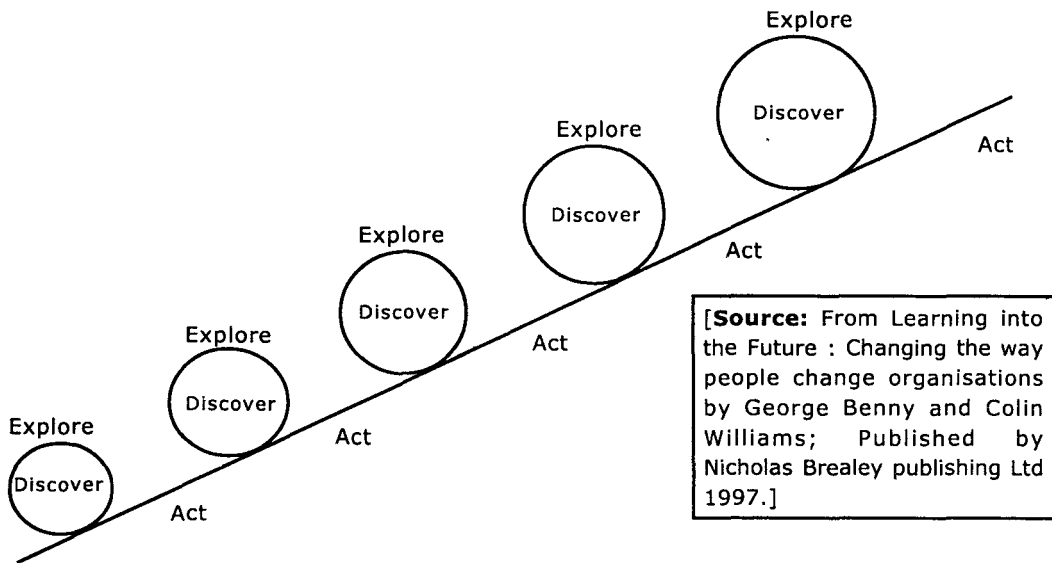
Fig. 22 Learning Cycle : Explore/Discover/Act

(III) Pursuing Growth

Cutting costs is the most important. Downsizing, Reengineering and other approaches under limited way can be adapted. Also go for growth by increasing revenues, for which you have to focus on :

-   Technology
-   Investment
-   Product development
-   New Market

CEO also focus on innovation, coordination among its different businesses, maximizing sales, building highly targeted communities of consumers. One can raise profits by sinking expenses, people also put efforts to enter booming markets such as wireless, optical through:

-   New product innovation
-   Creative use of the net
-   Acquisitions
-   Outsourcing

(IV)SEIZING ADVANTAGE

Competing for the future involves creating and dominating emerging opportunities.

From	Shift to
Fit the firm to the environment	→ Change the environment to fit the firm
Preserved old advantages	→ Create new advantages
Lock in old markets	→ Create new markets
Insert in fixed assets	→ Invest in evolving/emerging opportunities

(V) Creating the future

Companies can try different strategic postures to prepare to compete in an uncertain future. 'Adapter's' and 'shapers' are to be understood.

Adapters are companies that take the current industry structure and its future evolution as given.

Shapers are companies that try to change the structure of their industries, creating a future competitive landscape of their own design

Creating the future is not for the faint hearted; It requires high stakes bets.

Vast opportunity exists as shown below in the figure
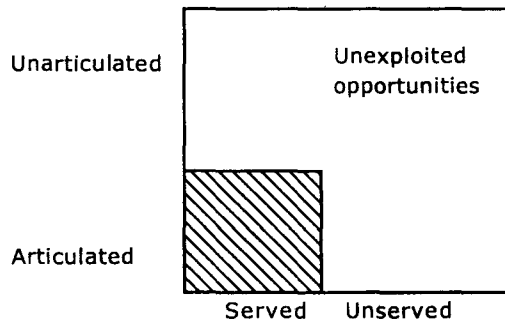
Fig: 23

[**Source:** G. Hamel and C.K. Prahlad (competing for the Future) Boston, Harvard Business School Press, 1994.]

- Effective change requires active leadership including:
    - creating a sense of urgency
    - forming a guiding coalition
    - developing a vision and strategy

- communicating the change vision
- empowering broad based action
- generating short term wins
- consolidating gains and producing more change
- anchoring the new approaches in the culture.

What it takes to be world class?

- One should strive for world-class excellence which means using the very best and latest knowledge and ideas to operate at the highest standards any place any where. Sustainable greatness comes from among other things, having strong core values, living those values constantly, striving for continuous improvement, experimenting and always trying to do better tomorrow than today.

- It is essential not to fall prey to the **tyranny of the or:** that is, the belief that one important goal can be attained at the cost of the other. The **genius of the and** is that multiple important goals can be achieved simultaneously and synergistically. The tyranny of the "or" means : The belief that things must be either A or B, and cannot be both; that only one goal and not another can be attained.

- **The genius of the 'and'**

  In contrast to the tyranny of the 'or', 'the genius of the and' has the ability to pursue major goals at once. It is important to deliver multiple completive values to customers; performing all the management functions; reconciling hard-nosed business logic with ethics; leading and empowering; and others-Collins and Porras have the following additions:
  - Purpose beyond profit and pragmatic pursuit of profit
  - Relatively fixed core values and vigorous change and movement
  - Conservations with the core values and bold business moves
  - Clear vision and direction and experimentation
  - Stretch goals and incremental progress
  - Control based on values and operational freedom
  - Long term thinking and investment and demand for short term results
  - Visionary, futuristic thinking and daily, nuts and bolts execution.

SHAPING YOUR OWN FUTURE

Imagine you are an organisation leader and your organisation operation in traditional ways. Your key goal should be to create a revolution. If so, what are the goals?

If you are not leading a revolution, may be you want a successful career and a good life, then also you must be ideal to deal with an economic environment that is increasingly competitive and fast moving. Creating the future you want for yourself requires setting high personal standards. Don't settle for mediocrity; Don't assume that 'good' is necessarily good enough for both you and your employer.

Adding value personally:

What you have to do here is:
- Go beyond your job description
  - Volunteer for projects
  - Identify problems
  - Initiate solutions
- Seek out others and share ideas and advice
- Offer your opinions and respect those of others
- Take an inventory of skills every few months
- Learn something new every week
- Discover new ways to make a contribution
- Engage in active thought and deliberate action
- Take risks based on what you know and believe
- Recognise, research and pursue opportunity
- Differentiate yourself.

Fig. 24 Adding Value to yourself
[Source: Competed from C. Hakim, "We are all self-employed" (San Francisco: Berrett-Koehler, 1994)]

Look for positions that stretch you, and for bosses who develop their protégés. Seek out environments that provide training and opportunity to experiment and innovate. Know yourself. Assess your strengths and weaknesses, your true interests and ethical standards.

Become indispensable to your organisation; Be happy and enthusiastic in your job, and commited to doing great work. Don't be blindly loyal to one company. Be prepared to leave if necessary. View your job as an opportunity to prove what you can do and increase what you can do, not as a comfortable niche for the long term.

Ideas for how to create a successful future

- Preparing for an uncertain future requires a proactive approach.
- Being proactive includes:
  - Exercising foresight
  - Learning continuously
  - Pursuing growth
  - Seizing advantages
  - Creating the future.
- You can proactively shape your own future by actively managing your career and your personal department and becoming an active leader and a lifelong learner.

How to manage change effectively?

- Effective change management occurs when the organisation moves from it, current state to a desired future state without excessive cost to the organisation or its people. People resist change for a variety of reasons including:

- Inertia	- self interest
- poor timing	- misunderstanding
- surprice	- different information about the change
- peer pressure	- assessments of the change

- Motivating people to change requires a general process of unfreezing, moving and refreezing that appropriate and inappropriate behaviours be 'refrozen'. More specific techniques do motivate people to change include:
  - education and communication
  - participation and involvement
  - facilitation and support
  - negotiation and rewards
  - manipulation and co-optation
  - coercion

Each approach has strengths and weaknesses and appropriate uses and multiple appropriate uses and multiple approaches can be used.

It is important to harmonise the multiple changes that are occurring throughout the organisation.

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