

(A) ORGANISATIONAL CHANGE

Organisational
change:
Creation of
imbalance in
the existent
pattern/
situation

The term 'Organisational Change' implies the creation of imbalances in the existent pattern or situation. Adjustment among people, technology and structural set up is established when an organisation operates for a long time. People adjust with their jobs, working conditions, colleagues, superiors etc. Similarly, an organisation establishes relationship in the external environment. Change requires individuals and organisations to make new adjustments. Complexity and fear of adjustment give rise to resistance and problem of change. Human resource is an important factor in the adjustments among individuals as well as between the organisation and environment, as an organisation is mostly composed of people. Individual members can resist either individually or in group.

Change could be both reactive and proactive. A proactive change has necessarily to be planned to attempt to prepare for anticipated future challenges. A reactive change may be an automatic response or a planned response to change taking place in the environment.

Types of Changes

Changes can be broadly divided into: (i) Work change; and (ii) Organisational change. Work change includes changes in machinery, working hours, methods of work, job enlargement and enrichment, job-redesign or re-engineering. Change may also be in the working hours like morning shifts, evening shifts, operation of the organisation on Sundays/Holidays.

Changes relating to organisation include change in employees due to transfers, promotion, retrenchment, lay-off, restructuring or organisation, introduction of new products or services, imposition of regulation, changes in organisational goals or objectives etc.

Reasons for Change

Changes in organisations are a must, whether brought about deliberately or unwillingly. The reasons for change are categorised as follows: Changes in business conditions, changes in Managerial Personnel, Deficiency in existing Organisational Patterns, Technological and Psychological reasons, Government Policy, size of the organisation etc.

Response to Change

Work change does not produce direct adjustment. Instead it operates through each employee's attitude to produce a response that is conditioned by feelings towards the change.¹ People often show this attachment to the group by receiving it in some uniform response to the change, though they individually interpret the change differently. This response makes possible some illogical action like mass walk-outs when obviously only a few people actually want to. A group develops responses in response to its members' conflicting attitudes towards change. Therefore, each pressure encourages counter pressure within the group. The net result is a self-correction mechanism to restore balance wherever change threatens. Thus, people act to establish a steady state of need fulfilment and to protect themselves from disturbances of that balance.

Every change is likely to have some cost as well as bring additional benefits to the organisations. Organisations introduce change when the benefits (additional benefits derived due to change) are relatively more than the cost (additional cost incurred due to change). Cost and benefits are not only economic but also social, psychological, environmental etc.

(B) TECHNOLOGY AND CHANGE

Change is the order of the day. 'Change, before change changes you' and 'change or decay' are the buzz phrases the day. The factors that force the change include: nature of the workforce, technology, economic shocks, competition, social trends and world of politics. (See Exhibit 13.1)

Exhibit 13.1

Forces for Change

Force	Examples
Nature of the workforce	<ul style="list-style-type: none"> • Cultural diversity and the need for unification • Increase in professionalisation • Increased formal education • Increased level of soft skills • Positive attitude
Technology	<ul style="list-style-type: none"> • Faster and cheaper computers • Total Quality Management • Business Process Reengineering
Economic Shocks	<ul style="list-style-type: none"> • Asian real estate collapse • Russian devaluation of the ruble • Changes in oil prices (decline \$22 a barrel to \$13 in the late 1990s)
Competition	<ul style="list-style-type: none"> • Global Competitors • Mergers and Acquisitions • E-business • Customer Relationship Management and Quality
Social Trends:	<ul style="list-style-type: none"> • C102 (Career first and others second) • Increased career orientation among young ladies
World Political System:	<ul style="list-style-type: none"> • Collapse of the Soviet Union • Opening of Markets in China and China becoming a member of WTO • Black rule of South Africa

Source: Modified version from Stephen P. Robbins, "Organisational Behaviour", Prentice Hall of India Ltd., 2001, p. 540.

Just as necessity is the mother of invention, competition and a host of other reasons are responsible for the rapid technological changes and innovations all over the world. As a result of these changes, technical personnel, system specialists, technical workers and machine operators are increasingly required while the demand for other categories of employees has declined. But it is found that the supply of former category of employees is less compared to the demand for the same. Hence procurement of skilled employees and maintaining them is highly essential. Further, the changes in technology continuously demands the existing employees to upgrade their skills and knowledge.

Human resources development techniques help the employees to acquire new skills and knowledge necessary to carry out the changed duties due to upgradation of technology.

Impact of
Technology:
Jobs became
intellectual,
multi-
professional,
structural
change, BPRE

Technology is the most dramatic force shaping the destiny of people all over the world. Technology is self-reinforcing and in a big way affects society. In fact, technology reaches people through business. It increases the expectations of the customers. It brings social change and makes social system complex.

The impact of technology on human resources is significant, direct and complex. The impact of technology on HRD is through (i) jobs becoming intellectual, (ii) need for bio-professional and multi-professional managers, (iii) change in organisation structure, (iv) TQM and (v) BPRE.

(i) Jobs Become Intellectual: Enhancement of the level of the technology needs high level skills and knowledge. These high level skills and knowledge should be incorporated in the job description. Jobs handled by semi-skilled employees are now to be handled by skilled employees. Jobs handled by the clerks yesterday are now to be handled by a computer programmer. Advanced technology degrades some employees and retrenches some employees from employment unless they are trained and developed on the application of new technology and methods.

New technology demands high level skills, knowledge and values. These aspects are incorporated in the job description. Hence jobs become intellectual. These factors demand for development of human resources.

(ii) Need for Bio-Professionals and Multi-Professionals: Recent technological advancements changed the job descriptions. These changed job descriptions require the employees with both technical skills and marketing skills. Some jobs need the employees with technical skills, marketing skills, finance skills and human resources management skills. Thus, technology demands bio-professionals and multi-professionals. But present employees are single professionals. Development of human resources of the single professional employees is necessary to make them bio-professionals and multi-professionals.

(iii) Technology and Organisational Structure: Technology brings changes in the span of control, delegation of authority like delegation to individual employees or groups of employees. These changes bring changes in the present organisational structure. Further, technology results in downsizing and delayering. These factors also change the organisational structure. Technology influences the organisational structure through job redesign and change in job description and demand for new skills and knowledge from the employees. These factors invariably necessitate the development of human resources.

(iv) TQM: Total Quality Management is mostly developed based on changes in technology. Further, it is influenced by changes in methods. These factors necessitate training and development of the employees in these new areas.

(v) BPRE: Business Process Reengineering basically changes the process of the business. In other words, it changes the existing patterns of production, marketing, finance and human resources functions. It brings the business process centred around a customer's needs, preferences or needs of a project or activity. Further, this process changes the existing technology and methods. These changes influence HRD.

Technology Change with Human Face

The objective of any economic institution is to provide human welfare. Technology is brought to the people through economic institutions. Therefore, technological changes should be in compatibility with the objectives of economic institutions. In other words, technological changes should result in human welfare.

Human welfare includes satisfying unsatisfied human needs, additional and untapped human needs, reducing or minimising human inconveniences of discomforts, creation of

employment opportunities at least in the long run, if not in the short run. In addition, technological advancements should not cause all types of pollution in order to provide welfare to the people. Further, technology should contribute to the reduction of gaps between the rich and poor by providing sources of income to the poor. Such technology can only provide human welfare.

Technological changes with a human face means that technology should change along with the needs, preferences and well-being of the human beings. Further, technology changes should contribute to the enhancement of economic, social and psychological needs of the people.

There are several inconsistencies between technology and human face. Advances in technology reduce jobs immediately, pollute the air, water and sound. Further, they affect the natural environment and ecological balance. Further, technological changes result in the development of certain new products which harm human health like fertilizers, pesticides and even cellular phones.

Technology also changes the culture, which sometimes may be against the cultural values. For example, introduction of some TV channels which mostly transmit western culture.

It is viewed that the objective of technological change is to create additional income sources through creating additional employment opportunities. But technological changes in reality reduce even the existing jobs.

Technological changes also result in demotion of existing employees, increase in the work load, skill requirements of the existing employees, enhance boredom and monotony. Further, technological change disturbs the existing social adjustment at the work place.

Development of human resources continuously at all the levels in the organisations and nations help in developing the human face in the technological changes, at least, to some extent.

Change Agents: Change agents foresee the possible changes in technology, product and markets, plan for modifications in the company and implement the modifications. According to Robbins, change agents are, "persons who act as catalysts and assume the responsibility for managing change activities." Thus, change agents are responsible for managing change activities. Change agents are employees or managers or executives of a company or outside management consultants.

The activities of change agents include:

- Changing organizational structure
- Changing technology
- Changing the physical setting and
- Changing people.

Changing Organizational Structure: Change agents introduce changes in the existing organizational structure. These changes include selecting a new approach of organization design like team structure, empowerment, open and flexible structure. In addition, change agents introduce matrix structures, flat structure and simple and dynamic structure.

Changing Technology: Change agents introduce new innovative technology equipments, tools, machines, operating methods, new ideas, new knowledge etc. Under the competitive environment, automation and information technology based techniques include Business Process Reengineering, Supply Chain Management and Enterprise Resource Planning. The change agents, in recent times, implement these new techniques.

Changing the Physical Setting: Change agents also introduce changes in physical lay-out of the factory, office, stores, space configurations, furniture based on ergonomics, decorations and colour.

Changing People: Change agents play a significant role in changing the attitudes, values, norms, aptitude, behaviour, leadership skills, team building skills, openness, communication abilities, problem solving abilities etc.

(C) RESISTANCE TO CHANGE VS. INVITING CHANGE

Employees, in the past, used to resist the change

The basic problem in the management to change is the study of causes of resistance to change. Despite the fact that change is a persistent phenomenon, it is a common experience that employees resist change whether in the context of their pattern of life or in the context of their situation in the organisation. The best example is resistance of employees to computerisation. Change of and type requires readjustment. 'Man always fears the unknown, and a change represents the unknown.'

Causes / **Reasons for Resistance to change**

Some of the important reasons for resistance to change are as follows:

(a) Economic Reasons: Economic reasons for resistance are classified into three groups. They are:

1. **Fear of Reduction in Employment:** Due to the change in technology, methods of work, quantity or quality of work etc. This fear leads to resistance to change on the part of people. Opposition to automation is an example to it.

2. **Fear of Demotion:** Employees may fear that they may be demoted if they do not possess the new skills required for their jobs, after the introduction of change. Hence, they prefer 'status quo.'

3. **Fear of Workload:** Change in work technology and methods may lead to the fear that workload will be increased while there will not be any corresponding increase in their salaries and benefits. This feeling creates resistance to change.

(b) Personal Reasons: Personal reasons for resistance are also divided into three classes. They are:

1. **Need for Training:** If change in technology and work organisation necessitates training and re-learning on the part of employees, it may lead to resistance, as all do not like to go for refresher and retraining courses off and on.

2. **Boredom and Monotony:** If the proposed change is expected to lead to greater specialisation resulting in boredom and monotony, it may also be resisted by employees.

3. **No Participation in Change:** Some employees resist any change as they are critical of the situation and they are not being given any part in decision-making process for change. When they do not understand fully the implications of change, they resist it.

(c) Social Reasons: Social reasons for resistance are also classified into three groups. They are:

1. **Need for New Social Adjustment:** And organisational change requires new social adjustment with the group, work situation and new boss etc. All individuals are not ready to accept this challenge. Some people refuse transfers and promotions for this reason only, as they will have to break their present social ties.

2. **Taking Change as Imposed from Outside:** Some employees take any change as imposed from outside upon them.

3. **Other Considerations:** Some employees may consider that every change brought about is for the benefit of the organisation only and not for them, their fellow workers or even the general public. Hence, they resist the change.

Resistance from the Side of Managers

It is not a common fact that change is always resisted by the employees only. Managers also resist change sometimes. Any change sets in new responsibilities and imposes new tension, stress and strains over them is normally resisted by managers. The feeling of uncertainty, whether they will be able to handle new circumstances successfully or not, motivates them to resist.

Inviting Change

Contrary to the classical belief that employee resists change; the management of particularly of sun-rising industry invites change. This dramatic change is based on the thesis that 'first develop the employees, the developed employees invite change'. In fact, trained and developed employees in some organizations started demanding the managements to introduce change in the form of new technology, entering into new markets, diversifying into new businesses and the like. Now, we shall discuss the conditions responsible for the dramatic change in the employees' attitudes towards change management.

Conditions Favouring Change Management

The following conditions brought paradigm shifts from resisting change to inviting the change:

- **Competition Owing to Globalisation:** Increased competition consequent upon globalization among multinational companies (MNCs), national companies and local companies led to the closure of most of the local companies, decline in the business volume of the national companies and business shocks to the MNCs. This competition led to the loss of jobs of some employees permanently, retrenchment of some employees, career shifts of some employees to a lower remunerative careers. Consequently, the proactive employees unlearned the attitude of resisting the change and learned that change is inevitable.
- **Information Technology:** Information technology as well as computerization brought significant shifts in the manner of doing activities. Most of the jobs hitherto performed by manual labour are replaced by computers. The middle-level and coordinating jobs are now automatically performed by on-line, intra-net and internet facilities. Thus, information technology and computerisation have replaced certain jobs. Employees realized that the shifts in information technology and consequent changes in the jobs are more welcome as they brought most desirable changes even in their day to day life. In fact, society also started treating those employees without computer operating skills as backward. These shifts changed the employees' attitude towards change.
- **Declining Role of Trade Unions:** The membership and activities of trade unions across the globe including India have been on declining trend after globalization. This trend is mostly due to change in the attitude of employees towards the need for membership in trade unions. Further the Governments which were supporting trade unions in the process of protecting the interests of weak employees started showing deaf ear. In addition, trade union leaders also realized that organizations basically exist for their profit and they earn the profit from the customers, and as such protecting the customer's interest is the basic responsibility of every one in the company. These developments reduced the role and significance of trade unions, which were championing the cause of resisting the change introduced by managements in the past.
- **Growth in Technology:** Changes in technology during 1990s and 200s has been dramatic compared to the past. The growing competition, consequent upon

globalization has been forcing the companies to adapt the latest technology. Organizations with outdated technology have been driving out of the market. So employees realized that organizations adapt latest technologies in the best and the larger interest of the total company including the employees. So employees started viewing the change as most desirable one even from their own long-run interest.

- **Cases of Closure of Companies:** Most of the local companies were closed immediately after globalization due to their inability in meeting the competition of the MNCs on product design, product quality, and price and customer service grounds. This situation was mostly due to outdated technology and systems of the local companies. Consequently, employees of these companies lost jobs. Employees of the remaining organizations learned from the bitter experiences of employees of closed firms and change their attitude towards change.
- **Change in Organizational Attitude towards Training and Training Expenditure:** Most of the organizations in the past used to treat training as a cost and training would not contribute to the organizational growth. They used to train the employees when it was inevitable and that too after introducing new technology or any other change. But, business organizations, after globalization realized that expenditure on training are an investment and that too as an essential investment.
- **Train Employees First, then the Trained Employees Invite Change:** Business organizations, of late learnt by practice that, if the company train and develop employees, quite before the introduction of technology, systems and methods, the developed employees would be eager to apply the knowledge and skills they learnt and acquired. Therefore, such employees invite change or demand management to implement change.

These factors changed the belief that employees resist change and created the view that employees invite change. In fact, information technology industry develops the employees first and then introduces the change. Therefore, this industry did not experience the employee resistance and rather enjoyed the employee cooperation for the introduction of change.

(D) APPROACHES TO ORGANISATIONAL CHANGE / *Overcoming resistance to change*

Management is said to be an agent of change. It means that management has to introduce change successfully in its organisation. It has to overcome the resistance and make it a successful venture. The management must realise that resistance to change is basically a human problem, though on surface, it may appear to be related to the technical aspect of change. So, it must be tackled in a human and social manner. Management has to take the following steps to implement the change successfully.

1. **Participation of Employees:** Before introducing any change, the employees should be fully consulted and they must be made a party to any such decision. The meaning and purpose of the change must be fully communicated to those who will be affected by it. Enough time should be allowed for discussion, and pros and cons of the change should be explained, in detail, to employees.

2. **Planning for Change:** Before implementing any change the management should plan for it. Employees should get an opportunity to participate both in planning the change and installing it. This will help the group of the affected employees to recognise the need for change and thus prepare them for receiving it without any fear.

3. **Protecting Employees' Interests:** Management should ensure that employees are protected from economic loss, loss in status or personal dignity. If those things are protected, the degree of resistance to change will be at the lowest ebb.

4. Group Dynamics: Group dynamics refers to the everchanging interactions and adjustments in the mutual perceptions and relationships among members of the groups. Such group interactions are the most powerful instruments which facilitate or inhibit adaptation to change. Adaptation is a team activity which requires conformity to the new group norms, moves, traditions and work patterns. If these could be positively articulated by management the results are likely to be more successful and durable.

5. Cautions and Slow Introduction: The management should not introduce any change suddenly and abruptly. It must be an objective for the management to build in the organisation an awareness of change and an ability to forecast it, and also to construct an attitude of welcoming change. Change must be introduced in sequential parts, if possible, the results must be reviewed, and required adjustments must be made in it.

6. Positive Motion: The management should use the policy of positive motivation to counteract negative resistance. It should be the attempt of the management to make the job easier and less exerting. The management should impart proper training to its employees in new techniques and work knowledge etc. The leadership styles should also be supportive and human oriented. This policy will also bring down the resistance to change.

7. Sharing the Benefits of Change: Any change whether technical, social or economic will be least resisted by the employees if the management permits the employees to share benefits which arise out of the change. So, the management must see that employees are not only assured of it, they are given due advantage of it as well.

8. Training and Development: Management should plan for change. Based on the change plan, the job should be redesigned. Management should train the employees before-hand and prepare the employees to invite change. Normally trained and developed employees will not resist change as they cannot keep quiet with enriched skill and knowledge.

9. Career Planning and Development: Organisation on the basis of change plans and redesigned jobs should plan for careers of employees, possibilities to move the employees to the higher levels and develop them. The developed employees for future careers demand the management to implement change.

10. Organisation Development: Organisation development aims at moulding and development of employees in the psychological and behavioural areas with a view to achieve organisational effectiveness. Employees with enriched behaviours welcome the change.

Principles of Change

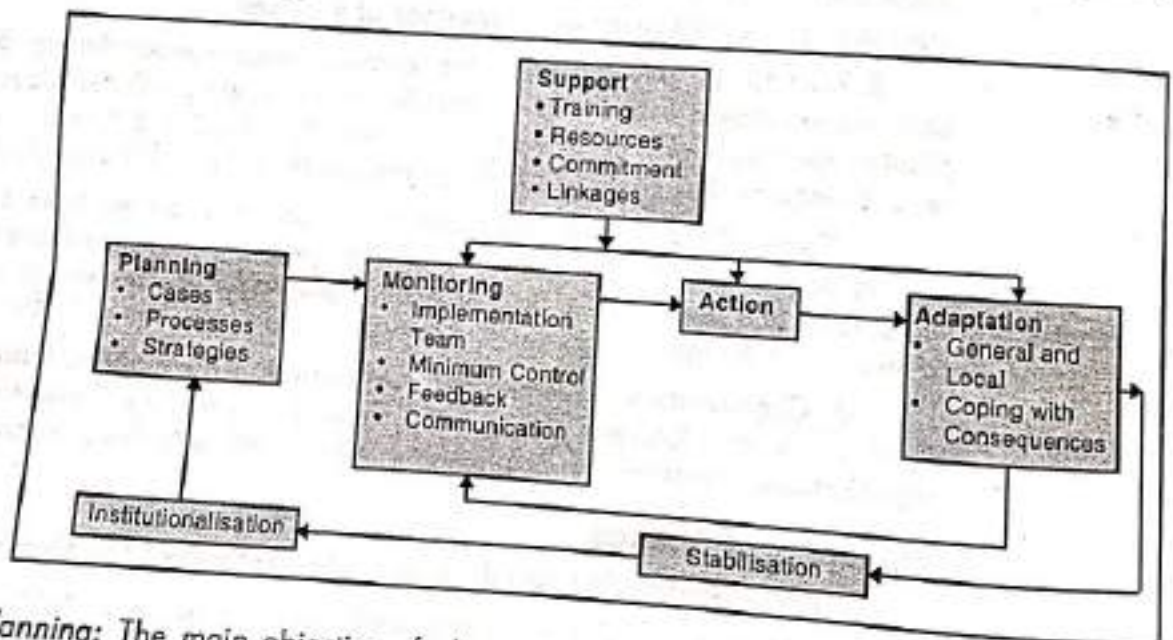
Management should also follow the undermentioned principles of change:

- (1) Understanding the change itself, its purpose, its benefits and then making them understood to the employees.
- (2) Estimating the reasons for the possible resistance to change and preparing to allay their fears.
- (3) Mindful of channels of authority.
- (4) Preparedness for all the questions and criticism.
- (5) Listening to the suggestions and criticism of employees and incorporating them in the scheme as far as possible.
- (6) Creating interest in them, convincing them and preparing them.
- (7) Keeping in touch with the process of change.

(E) PLANNING AND IMPLEMENTING CHANGE

Management is often called a 'change agent' as its role is to initiate the change, and help make it work successfully. Employees' support is most essential in implementing the change successfully as they are at the helm of affairs, though the management is an agent of change. Change is typically viewed as the required three steps, viz., unfreezing, changing and re-freezing. Unfreezing means that old ideas and practices need to be cast aside so that new ones can be learnt. Change is the step in which the new ideas and practices are learnt so that an employee can think and perform in new ways. Refreezing means that what has been learnt is integrated into actual practice.¹

Implementation is the institutionalisation and internalisation of a change after it has been accepted by an organisation and a decision has been taken to accept and make it part of the on-going activity. Implementation may be seen as multidimensional process. The end result of implementation is the institutionalisation and stabilisation of change. Institutionalisation is making the change permanent part of organisation and internalisation means stabilisation of the change. The implementation process should start with planning. The three important stages of implementation of change process (see Fig. 13.1) are: (i) Monitoring the change; (ii) Taking action in relation to the change; and (iii) Making necessary adjustments in the programme accepted for implementation.²



13.1 Model of
Implementation of
Change in an
Organisation

Planning: The main objective of planning, is to have an overall understanding of the nature of implementation. Planning process refers to determining in advance the entire process of implementation of change phasing. Planning may be focused on phasing. Phasing may be either temporal (in terms of time) or spatial (in terms of various units or the locations of the organisation).

Processes: Various processes involved in implementation should be decided in advance. Various stages of the process include: initiation, motivation, diagnosis, information collection, deliberation, action proposal, implementation and stabilisation. Attention should be paid to the process of collaboration, increasing the capability of the organisation to face the problems of change, establishing the norms and values.

Strategies: Management should formulate various strategies for implementation. These strategies should focus on taking outsider's help, change agent, designing permanent organisational structures, unit/location of the organisation to be selected for initial process, openness with the environment etc.

Monitoring: It is the process of "routine periodic measurement of programme inputs, activities and outputs undertaken during programme implementation. Monitoring is normally concerned with the procurement, delivery and utilisation of programme resources, adherence to work schedules or progress made in the production of outputs." Monitoring is essential to make implementation effective. Monitoring/control is to ensure that a plan proceeds according to the original design. A broader group of people should be involved in monitoring function. An independent team without having interest in change may be entrusted with the task. This team may have a continuous status.

Implementation Team: A broad based task group of implementation should be set-up to look after the implementation of the change programme and monitor such programme. HRD department of the organisation may be asked to take up this responsibility.

Minimum Control: Controls should be minimum in order to make the monitoring effective. It is a delicate issue. On one hand, it is a control function and on the other it also attempts to develop new norms of creativity, diversity and experimentation. Key roles involved in the implementation process are task force, implementation team, chief implement or counterpart consultant and corporate management.

Review and Feedback: Implementation requires reviewing various process and provide feedback. It involves getting data information and experiences and providing feedback to the people on how they are implementing compared to the design and plans.

Dissemination of Information: The data, information and experiences collected in the various units/processes of the organisation may be provided to all the parties of change implementation with a view to reinforce a sense of success amongst various people.

Action: Action covers all the minute details of what is to be implemented at different stages. This process involves various phases and steps for people and various group tasks in relation to change programme.

Adaptation: Adaptation is the combination of two main criteria of effectiveness of implementation. Adaptation may be both general in the sense that some modifications may be made in the original plan and some may be developed at later stage.

Support: Various types of support from all concerned will be required for the implementation of change. Main agencies which render the necessary support are:

Human Resource Development: Effective implementation of change requires new and varied technical, managerial and behavioural skills and knowledge. Human Resource Development department can contribute for the enhancement of these skills through training, executive development and organisation development programmes.

Resources: Implementation requires support in the form of various fields like financial, human resources, technological etc.

Linkages: Support may also be required in terms of building linkages both with external experts, various external agencies and internal departments. Linkage among departments, implementation teams, line management and top management is essential.

To Management Commitment: The most important aspect of support essential for implementing change is the support and commitment of top management. Top management should involve itself in the process of change implementation, encourage the implementation team, provide all types of resources.³

Management has to get the support from employees through the following means: (a) Encouraging and using group force; (b) Development of leadership for change; (c) Encouraging participation and sharing views; (d) Maintenance of employees security; (e) Effective

NATURE OF ORGANIZATIONAL CHANGE

Whether the organization is deliberately introducing a change or is compelled to change as a result of external or internal forces, it is worth noting that any effort to change will have a pervasive influence over the entire organization. In other words, it hardly happens that the change would remain where it has been initially introduced as it will always have its presence felt at almost every corner of the organization. This would happen both in the case of planned as well as unplanned change. It is also to be noted in this context that change may occur either at the behest of the managers or it may slowly evolve within the organization. Apart from this, change of course could take place because of the external pressures operating over the organization.

TYPES OF CHANGE

Change, thus, may be of two types: *planned* and *unplanned*. Planned change is change resulting from a *deliberate decision to alter the organization*. Companies that wish to move from a traditional hierarchical structure with its age-old approach to one that encourages more customer orientations must use a proactive, carefully orchestrated approach. But, certainly not all changes are planned. Unplanned change is imposed on the organization and is often unforeseen. Changes in government regulations and changes in the economy, for example, may come as surprise for the organization and their reactions often tend to be unplanned. Responsiveness to unplanned change requires tremendous flexibility and adaptability on the part of the organizations. Managers must be prepared to handle both planned and unplanned forms of change in organizations.

In order to further understand the nature of change, we may distinguish between the first-order and second-order changes as follows:

- **First-order change.** This refers to the change that is continuous in nature and involves no major shifts in the way an organization operates. We can notice this type of change taking place in the functioning of, say a major steel mill, where the management continuously try to improve the efficiency of its production process.

First-order change refers to the change that is continuous in nature and involves no major shifts in the way an organization operates.

Second-order change refers to more radical change involving major shifts at different levels and different aspects of the organization.

to revisit its mission, vision and strategy and itself better in the market. This is a process of self-renewal when the organization tries to develop an insight into its functioning.

Fundamental changes refer to those changes that question the very basic existence of the organization and starts exploring better ways of functioning.

Incremental changes are small changes in the line of the organization's business.

Proactive changes occur when adjustments and related strategies are decided in apprehension of possible changes.

Reactive changes takes place when the organization accommodates itself when facing changes already imposed on them.

- **Second-order change.** This refers to more radical change involving major shifts at different levels and different aspects of the organization. When organizations face the second-order change, the basic purpose of the organizations' existence seems to be questionable. An organization going through a second-order change has to make an effort to redefine these in order to position itself better in the market.

Change can also be either *fundamental* or *incremental* in nature. *Fundamental changes* refer to those changes that question the very basic existence of the organization and starts exploring better ways of functioning, whereas *incremental changes* are small changes in the line of the organization's business. Understandably, incremental changes are less disturbing for the organizational members, but in the case of fundamental changes, organizational members may even feel devastated under the impact of change.

Similarly, when adjustments and related strategies are decided in apprehension of possible changes, these are called *proactive changes*. But when the organization accommodates itself when facing changes already imposed on them, these are called *reactive changes*. In fact, reactive change as a change strategy is actually no strategy, as the organization has to adjust at a considerable cost and waste of useful resources, whereas the proactive changes are wise and effective change strategy that an organization could adopt. Nevertheless, it is not always feasible to adopt proactive change strategy, as it requires wise people at the top who can successfully scan the environment and discern the possible nature of change well in advance to formulate the change strategy.

Change can also be either *fundamental* or *incremental* in nature. *Fundamental changes* refer to those changes that question the very existence of the organization and starts exploring better ways of functioning, whereas *incremental changes* are small changes in the line of the organization's business. Understandably, incremental changes are less disturbing for the organizational members, but in the case of fundamental changes, organizational members may even feel devastated under the impact of change.

Another way of looking at change is to distinguish between *individual* vs. *collective* changes. It depends on the focus of change. If an individual employee becomes the target (How to improve the performance level of employee X?) of the organizational change effort, its activities will certainly be different from when it aims to initiate change at a collective level (How to improve the daily attendance of a particular department?).

DIFFERENT MODELS FOR UNDERSTANDING CHANGE

Lewin's Three Step Model of Change

Kurt Lewin, one of the pioneers in the field of organization development, proposed his now famous three step model of change. According to him, to make any effective change, one must be led through the following three typical stages, which are:

1. **Unfreezing:** This involves encouraging individuals to discard their present behaviours by deliberately disrupting the equilibrium state that maintains the status quo and 'shaking' them up from their complacency and comfort zones. This becomes particularly difficult when things are seemingly going on well.
2. **Moving:** After the unfreezing state, when people are aroused from their 'slumber' and start realizing the need for change, they feel almost devastated and rather vulnerable. They have understood that what they were doing in the past were not the right thing. But what are those 'right things'? This is the stage when new attitudes, values and behaviours are to be provided as the substitutes for old ones.
3. **Refreezing:** Just enabling change is not enough. The success of any effort depends on how well these are maintained afterwards. This is the stage that involves the establishment of new attitudes, values and behaviours as the new status quo.

Unfreezing, moving, and refreezing underpin the change process itself which can be summarized as consisting six stages (See Fig.2.35).

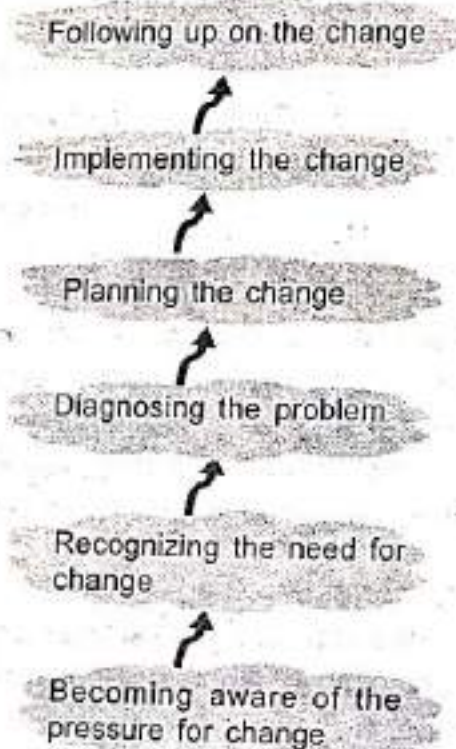


Fig. 2.35 The Six-Stage Change Process

1. Becoming aware of the pressure for change.
2. Recognizing the need for change.
3. Diagnosing the problem.
4. Planning the change.
5. Implementing the change.
6. Following up on the change.

Becoming Aware of the Pressure for Change: Most organizational changes are carried out in response to or in anticipation of pressures from inside or outside the organization. Outside the organization, technological innovations act as powerful triggers for change. Within the firm, conflicts arise, employees retire or resign, and pressures mount as the organization outgrows its old ways of doing things. Pressures like these (or the anticipation of such pressures) demand changes in the structure, technology, tasks, and people in the organization.

Recognizing the Need for Change: Becoming aware of the need is not enough; managers should also recognize the need for change. For example, as stated in the opening case, Deveshwar at ITC has set up e-Choupals and information super highway to connect the rural economy.

Diagnosing the Problem: Recognizing that change is needed is not enough; the managers must diagnose the pressure for change—be it impending bankruptcy or

a new technology—to determine how it may affect the company and what the consequences will be.

For diagnosing the problem, various models are available (See Fig.2.36). Interviews help management probe freely into a range of possible subjects and build rapport and support for the imminent change programme. Questionnaires are relatively easy to use with large numbers of employees, and the resultant information can be quantified and easily summarized. Survey data can also be a good starting point for gaining employees' commitment to the change and for analysing alternative solutions. Observing the employees produces data regarding actual behaviour (rather than reports of behaviour) and is in real time (rather than retrospective, as are interviews and questionnaires). Finally, secondary data (such as that regarding employee turnover or productivity) can be used for quantifying the problem.

Method	Major Advantages	Major Potential Drawbacks
Interviews	<ol style="list-style-type: none"> 1. Adaptive—allows data collection on a range of possible subjects 2. Source of 'rich' data 3. Empathetic 4. Process of interviewing can build rapport 	<ol style="list-style-type: none"> 1. Can be expensive 2. Interviewer can bias responses 3. Coding/interpretation problems 4. Self-report bias
Questionnaires	<ol style="list-style-type: none"> 1. Responses can be quantified and easily summarized 2. Easy to use with large samples 3. Relatively inexpensive 4. Can obtain large volume of data 	<ol style="list-style-type: none"> 1. Nonempathetic 2. Predetermined questions may miss issues 3. Data may be over-interpreted 4. Response bias
Observations	<ol style="list-style-type: none"> 1. Collects data on behaviour rather than reports of behaviour 2. Real time, not retrospective 3. Adaptive 	<ol style="list-style-type: none"> 1. Interpretation and coding problems 2. Sampling is a problem 3. Observer bias/reliability 4. Costly
Secondary data/ Unobtrusive Measures	<ol style="list-style-type: none"> 1. Nonreactive—no response bias 2. High face validity 3. Easily quantified 	<ol style="list-style-type: none"> 1. Access/retrieval possibly a problem 2. Potential validity problems 3. Coding/interpretation

(Source: David Nadler, *Feedback and Organizational Development: Using Data based Methods*, Addison-Wesley, 1977, 199)

Fig. 2.36 A Comparison of Four Diagnosis Methods

Planning the Change: The next step is to formulate a strategy for change. As stated earlier, organizations must choose between evolutionary and revolutionary change. A firm that pursues revolutionary change adopts a top-down change strategy. The organization waits until it believes that the costs of not changing exceed the costs of overcoming organizational inertia and then introduces its master plan for change. Generally, a top-down strategy calls for intervention at the high level of an organization. Winding up of divisions or departments and downsizing are examples of this type of change.

In contrast to revolutionary change, evolutionary change depends on a *bottom-up change strategy*. Managers believe that the uncertainty associated with organizational change is best managed through an incremental process in which they continually make adjustments to their strategy and structure. Firms opting for a bottom-up strategy prepare the organization for change by involving managers and employees at all levels in discussing the need for change and diagnosing the problems facing the organization. TQM, as stated earlier, is used to bring about evolutionary change.

Implementing the Change: The next step is to implement the change. It is at this stage, that resistance to change surfaces. There are several ways of manifesting resistance. Hostility or aggression is the immediate reaction of an individual to change. The affected employee may strike at the boss, a fellow worker, or even at subordinates.

The individual may develop apathy towards his or her work. Having lost interest in the work, the employee tends to indulge in spoilage of materials, excessive idling of time, corrupting valuable software, and low productivity.

Absenteeism and tardiness are also symptoms of resistance. Perhaps these are forms of apathy or attempts on the part of the individual to escape from his or her work environment. Separation, for example, may be an extreme illustration of this attempt to escape.

The development of anxiety and tension is a sure sign that resistance exists. The individual finds himself or herself uncomfortable, shaky, and tensed up on the job.

At the group level, additional signs of resistance are exhibited. Slow downs and strikes are the usual symptoms of group resistance. Another strategy adopted by a group to resist change is restriction of output. Often great care is exercised in scheduling operations, setting standards, and working out details of wage incentive systems, and yet at least part of the work group forms into an informal group under a leader of its own choice. This group decides what a fair day's work is and develops methods of keeping the non-conformist in line. The individual who starts to respond to the incentive is held in a check by sanctions which the informal group is able to bring to bear against him or her.

Managing Resistance: Obstacles to change need to be managed, as change is necessary in a competitive environment. There are six approaches to manage the resistance: (i) education and communication, (ii) participation and involvement, (iii) facilitation and support, (iv) negotiation and agreement, (v) manipulation and cooperation, and (vi) explicit and implicit coercion. Each has its own advantages and disadvantages as shown in (Fig.2.37).

Follow-up on the Change: The final step in the change process is to evaluate the effects of the change and to institute procedural modifications that will ensure that the change continues to be implemented.

Approach Method	Commonly used in situations	Advantages	Drawbacks
Education + Communication	Where there is a lack of information or inaccurate information and analysis.	Once persuaded, people will often help with the implementation of the change.	Can be very time-consuming if lots of people are involved.
Participation + Involvement	Where the initiators do not have all the information they need to design the change, and where 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
Facilitation + Support of fear and anxiety.	Where people are resisting because adjustment problems.	No other approach works as well with expensive, and still fail.	Can be time-consuming.
Negotiation + Agreement	Where someone or some group will clearly lose out in a change, and where that group has considerable power to resist.	Sometimes it is a relatively easy way to avoid major resistance.	Can be too expensive in many cases if it alerts others to negotiate.
Manipulation + Cooperation	Where 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.
Coercion	Where 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 at the initiators.

(Source: John Kotter and Leonard Schlesinger, 'Choosing Strategies for Change', *Harvard Business Review*, Vol.57, No.2, March-April 1979)

Fig. 2.37 A Comparison of Four Diagnosis Methods

Kotter's Change Management theory:

Kotter's change management theory is one of the most popular and adopted ones in the world. This theory has been advised by John P. Kotter, who is a Harvard Business School Professor and author of several books based on Change Management. This change management theory is of his is divided into eight stages where each one of them focuses on a key principle that is associated with the purpose of people to change.

Stages:

(i) Increase urgency:

This step involves creating a sense of urgency among the people so as to motivate them to move forward towards objectives.

(ii) Build the team:

This step of Kotter's change management theory is associated with getting the right people on the team by selecting a mix of skills, knowledge and commitment.

(iii) Get the vision ~~correct~~ correct:

This stage is related to creating the correct vision by taking into account, not the just strategy but also creativity, emotional connection and objectives.

(iv) Communicate

Communication with people regarding change and its need is also an important part of the change management theory by Kotter.

(v) Get things moving

In order to get things moving or empower action, one needs to get support, remove the roadblocks and implement feedback in a constructive way.

(vi) Focus on short-term goals

Focusing on short-term goals and dividing the ultimate goal into small and achievable parts is a good way to achieve success without too much pressure.

(vii) Don't give up

Persistence is the key to success, and it is important not to give up while the process of change management is going on, no matter how tough things may seem.

(viii) Incorporate change

Besides managing change effectively, it is also important to reinforce it and make it a part of the workplace culture.

Benefits of this model:

- This is a step-by-step model that is easy to follow and incorporate.
- The main idea behind it is to accept the change and prepare for it rather than changing itself.

Disadvantages of this model:

- Since it is a step-by-step model, no step can be skipped to reach the one after that.
- The entire process given in this model can be very time-consuming.

Seven step model of change:

An organization contemplating the introduction of BPRE (Business Process Re-engineering) should follow a seven step approach to manage change.

These are:

- (i) Assembling a change management team
- (ii) Establishing a new direction for the organization
- (iii) Preparing the organization for change
- (iv) Setting up change teams to implement change
- (v) Aligning structures, systems and resources to support change
- (vi) Identifying and removing road-blocks to change
- (vii) Absorbing changes into the culture of the organization

These steps are briefly discussed in the as follows:

(i) Assembling a change management team.

The Chief Operating Officer (COO) or the head of a strategic business unit (SBU) heads the BPRE team as its leader to initiate major changes in the business processes of the organization. Since the BPRE team has other commitments, it is advisable to form a small team responsible for change management and to

assist the team leader in re-engineering efforts. In an organization where the major change initiatives come from catalysts (those who are in middle or junior management level) instead of top management, the team formed to manage change is referred to as "transition management team".

(ii) Establishing a new direction for the organization.

In organizations where re-engineering is introduced in earnestness, the mission statement should reflect the organization's commitment to process-orientation and team work. This mission statement gives a new direction to the organization.

(iii) Preparing the organization for change.

The message of change must be communicated to the employees at all levels of the organization. The communication should emphasize the inevitability and the urgency of change and also the benefits of change and the adverse consequences if the organization does not internalize change.

Three aspects of effective communication in re-engineering are:

- Communicate only facts and not values
- Communicate directly (i.e., face-to-face)
- Target front-line supervisors who take active part in introducing change
- Communication of facts relate to some of the critical business processes of the organization

terms of costs, speed, quality, customer service, etc., and the extent to which these are lagging behind those of competitors. The change management team should communicate face-to-face to small groups of front-line supervisors about the urgency of introducing major changes. Also, the supervisors in turn keep the workers informed of the change initiatives taken up by the BPRE team. They should encourage employees to raise their concerns without hesitation and clear their doubts, if any regarding the changes.

(iv) Setting up teams to implement change:

The change teams referred to as re-engineering teams are formed by the BPRE team leader. Each team is headed by a "process owner" and is responsible for implementing a re-engineered business process.

Because re-engineered processes are cross-functional, each re-engineered team represents people from different departments. The team members should be knowledgeable, creative and enthusiastic. They should be willing to face and handle employee resistance during the implementation of re-engineered processes. Also, the team members must be willing to work as members of teams. They should subordinate their individual interests.

to group interest and organizational interest.

(v) Aligning structures, systems and resources to support change

The change management team should examine the existing organizational structure, systems and procedures to ensure that these are aligned properly with the change process. Re-engineering teams assist the change management teams in these tasks. In BRPE, the emphasis is on process orientation and team-work which will reduce invidious functional activities.

As a result, the organization structure will become flatter (i.e., with less number of hierarchical levels). The BRPE teams must be provided with adequate resources and authority to implement the changes required to achieve drastic improvements. The team members must be empowered to take decisions and must be given enough autonomy to work on their own. The change management team should support the re-engineering team members to put their ideas into practice.

(vi) Identifying and removing road-blocks to change

Since re-engineering involves major changes, resistance to such changes is inevitable. Many drastic modifications of many existing systems may have to be incorporated as per the recommendation of re-engineering teams. Since the

Resistance to change creates a road-block to the implementation of the recommendations of the re-engineering team, the change management team should help to remove these road-blocks. It may be necessary to counsel and train those who resist change to convince them about the need for change and give them a clear picture of the things that are going to be changed. Resistance to change and BPRE may be expressed overtly or covertly by executives at any level of management. Hence, it is necessary that top management acts as a role model to ~~show~~ implement change and motivate others to follow suit.

(vii) Absorbing changes into the culture of the organization

As a fallout of BPRE, change should be institutionalized and internalized. This will lead to more and more employees identifying themselves with process and not functions ~~or~~ departments. They are held responsible for the whole process and not for specific discrete functions or jobs they perform as a part of the process. This calls for radical changes in the performance appraisal and reward systems. Also, the organization needs to invest substantially in training to impart new skills, values, attitudes to employees. The new system must focus on team-work, process-orientation and customer satisfaction.

Further, to above \pm changes, BPRE also bring out major changes in organizational communication. BPRE emphasises more face-to-face communication and front-line supervisors act as major link in the communication chain.

Leading the Change Process :

Business demands fluidity, which requires leaders to embrace change and take risks. Put simply, if you are not ready to lead change, then you are not ready to lead full stop.

Mark Zuckerberg once said, "In a world that's changing really quickly, the only strategy that is guaranteed to fail is not taking risks," and he was right. Leadership is not a static endeavor. Successful managers not only acknowledge the need for business development but also are willing and able to navigate their team through change.

The prospect of change can be daunting. But if managed correctly, the process doesn't have to be painful. In today's fast-paced society, the difference between success and failure can lie in a company's ability to adapt.

Fail to grow your business and adjust to new ways of thinking and your business will stagnate and die. Change in the business world is not an option, but a pre-requisite for success. And leading change effectively is essential for development.

Here is a road map to engineering a fruitful transition:

1. Create a Plan:

Every business requires change in order to survive. If a company doesn't innovate and react to changing market demands, it will collapse. But make sure not to make changes just for the sake of it. Before embarking on a journey of transformation, be sure to have a solid business plan. Identify the areas of the business that need to be updated and put a plan in place for its execution.

2. Understand the end goal:

It's critical to understand the end goal and objectives before starting out. Ask, where is the company today and where does it need to be? A change leader must have the confidence and capability to change track, though, if another plan path looks clearer and makes more sense. Listen to employees, be bold enough to adjust the direction the company is headed towards and the dispense with pride if another route makes more business sense. This path for change and innovation is not set in stone.

3. Communicate clearly.

Communication is king when it comes to corporate change. From Day 1, it's critical to have all members of the team to be behind the leader. Be sure to keep everyone fully abreast of developments and ensure that employees understand the end goal.

Keeping the lines of communication open and involving employees in the change process makes it more likely ~~to~~ employees will get on board. Give them the opportunity to share ideas, concerns, commitments, comments and suggestions throughout the period of change.

Corporate change should be an exciting, rewarding and worthwhile experience, with effective communication being critical.

4. Identify key players

People react differently to ~~a~~ a transformation in the workplace and the leader's duty is to identify change advocates as well as potential saboteurs. Get key players on board from the beginning and take the time to walk them through the anticipated changes.

These team members are likely to be instrumental when new processes are put into practice and can encourage skeptics to participate and help sustain the morale of the rest of their departments.

5. Delegate tasks :

Leading from the front is important. But an individual leader can't implement change alone. Delegate tasks to individuals across the team and assign them firm deadlines for completion. Be sure to follow up with each individual and provide support when necessary.

While going through this period of change, be on hand to answer questions, provide guidance and offer support. By giving people responsibilities, more will get accomplished as others are encouraged to take ownership of the pre-requisites for change.

6. Set realistic objectives.

The leader should not set up himself (or herself) and the department for failure. During a period of change, it's reasonable to expect key team members to put in extra time and effort but set realistic targets.

If the expectations are too high, not only will quality be compromised but also deadlines won't be met, morale will plummet, and people will become alienated. The result? A dispondent, unhappy and floundering workforce.

7. Manage expectations :

The worth of any business leader can be measured simply by analyzing his or her ability to manage

expectations. When leading a department through change, managing expectations is more critical than ever. Clarify what is expected from employees and conversely figure out what they expect from the leader.

8. Hold people accountable

Hold employees accountable for implementing change. To do that, equip them with the proper tools, talent, resources, responsibility and authority necessary for finishing the race.

Facilitating Change within organizations.

You want to - you need to - get change going within your organizations and quickly. The question is, "How do we get started?" Luckily, there are multiple ways to facilitate change within your organization.

Ways to Facilitate Change:

1. Create a Change Baseline.

Your own assumptions about what motivates people will determine the success or failure of your change program. If your assumptions are incorrect, you may miss a valuable opportunity, that of gaining stakeholder ownership of the change process.

"Why is this?", you ask. People do what they do for a reason. A person's behavior (what we observe) is an expression of their underlying beliefs and assumptions. To make our want to facilitate change appealing to others, we must understand what why they do, what they do.

The baseline is created by identifying the dissatisfaction, vision, first steps and change resistance for each stakeholder involved with your change program. Using a spreadsheet application, make a table listing the stakeholders and each area of investigation.

- who are the stakeholders?
- what are they dissatisfied with?
- How do they feel about the planned changes (vision)?
- What steps will provide a good Return on Investment (ROI)?
- And finally: what resistance must be overcome to succeed?

2- Define Change strategies

We now have a baseline of the key issues for each stakeholder. The next step is to select the ones that you can realistically alter and develop targeted strategies to alter them. People won't change unless they feel safe, secure and in control over the results. You can't just force people to change by management decree. To facilitate change, you must change their underlying assumptions with a credible plan.

List what assumptions need to change. Include a strategy for overcoming the resistance to change identified for each stakeholder group. The strategy should fill the gaps. Increasing dissatisfaction with the status quo should improve motivation. Increasing the vision element will ensure the program is completed. Increasing first steps will make sure the program gets started. Lastly, decreasing resistance will simplify the whole effort.

3. Change the Measurements:

Measurements define the culture of an organization, so it makes sense they would be a good way to facilitate change. What you measure is what you manage, and the person that does the measuring, is the manager. In order to change the outcome, we must change what is measured and (possibly) who or what is ~~be~~ doing the measuring.

Think about this a little. The person or thing measuring is receiving feedback, the result of prior changes. This is known as a control loop or a "feedback loop". If the one measuring can't make changes or the one making changes can't measure the results, the resulting delays are significant wastes that cause serious troubles.

Leaders define the performance standards, or measures. You can't introduce new measurements into the organization and then continue to ask for the old ones. If a leader keeps asking for old information, people give it to him or her. If a leader seems to counter the aims of your change program, the people being led will respond the same way.

4. Communicate Change Details

one way to facilitate change is to define what needs to change in as much detail as possible. For example, you can't just say, "sales people need to be friendlier to customers". You have to define "friendly". You have to communicate the characteristics of friendly behavior, such as "greet customers warmly", "ask about their concerns", or "address them by name". Once you know what the behavior looks like, translate it in detail to employees and reward them immediately for doing it.

5. Communicate successful changes

Reward those who change and acknowledge their contributions. In order to facilitate changes, you must focus your attention on people who change and ignore those who do not. This will send the message to others that you value the changes made and, in turn, encourages others to participate in the change program. To derive the greatest benefit, the reward - material or not - must be immediate and public.

6. Measure change progress

Make sure you have a regular method to capture where the organization stands with respect to the change program. Is the current dissatisfaction, vision and first steps level greater than the resistance to change?

People are not mechanical systems; their behaviors are the result of internal beliefs and assumptions. We must measure and monitor the progress being made

to ensure that the change program is having an effect on those beliefs and assumptions. If given the option, most people will opt for the devil they know rather than the one they don't.

7. Ensure change lasts:

Increasing the values in the change formula will help facilitate changes and bring about behavioral changes. However, it alone will not make them stick. Organizational culture is far more persistent than many people allow for. Change must be iterative, interactive and ongoing process. It is definitely NOT an event. Go back to the first step and update the change baseline. Discover new changes that are needed. Develop new change strategies and keep up the change.

Dealing with Individual and Group Resistance to Change

Individual sources of resistance towards a change exist in the basic human tenets or characteristics and are influenced by the differences in perception, personal background, need or personality-related differences. It is important to understand those triggering factors or issues which refrain individuals from endorsing change or extending their support and cooperation towards any change initiatives at an organizational level.

Criticizing the individuals or the teams for not being supportive in the stages of transition or compelling them can't be an effective solution for implementing change smoothly or in a hassle-free manner.

The resistance towards change at an individual level can be due to various reasons.

- How satisfied they are with the existing state of affairs
- Whether they appreciate the overall end product of change and its outcome on them.
- How much practical or realistic the change is
- What will be the possible cost change is on the individual in terms of potential risks involved, pressure to develop new competencies and disruptions.

The following factors explain why individuals may pose resistance towards change:

(i) Habits

We individuals are influenced by our habits in our ways of working and accept or reject a change depending upon the effect which a change may have on the existing habits of the individuals. For example, change in the office location might be subjected to resistance from the individuals as this might compel them to change their existing life routine and create a lot of difficulties in adjustment or coping with the schedule. The individuals might have to drive a longer way ~~for~~ for reaching their office, or start early from home for reaching their office in time, etc.

(ii) Lack of acceptability or Tolerance for the Change

Some individuals endorse change and welcome a change initiative happily, while few individuals fear the impact of change. Over a period of time, change fatigue also builds up.

(iii) Fear of a Negative Impact Economically or on the income

During the process of organizational restructuring or introduction of organization-wide change as a strategic move on the part of management, several inhibitions and fear rule the thought process of the individuals. Fear of possible loss of a job as a result of change or a change in their income structure or may be a change in

their work hours could be one amongst the possible reasons.

(iv) Fear of the unseen and unknown future.

Individuals develop inertia towards the change due to the fear of unknown or uncertainties in the future. This can be tackled through effective communication with the participants of change and making people aware of the positives of change and the course of action which individuals are expected to follow to cope with the changing requirements successfully.

(v) Fear of Losing something Really valuable.

Any form of threat to personal security or financial security or threat to the health of the individuals may lead to fear of losing something precious as a result of the implementation of change.

(vi) Selective Processing of Information.

It can be considered as a filtering process in which the individuals perceive or make judgments by gathering selective information which is greatly influenced by their personal background, attitudes, biases or prejudices, etc. If an individual maintains a negative attitude towards any kind of change, then they are having a usual tendency of looking at the negativities associated with the change and involve all the positive aspects of it.

A rigid belief that change can't bring about any facilitating change in the organization and it only involves the pain and threats to the

individuals.

Now, we will look into the organizational factors which result in resistance to change.

(i) Resistance due to the structural rigidities or limitations :

Structural resistance is a characteristic feature of bureaucracies, which focus more on stability, control, set methodologies or routine.

(ii) Ignoring all the interconnected factors which require change or lack of clarity in understanding the ground realities.

(iii) Inertia from the Groups :

Groups may resist change because just like individuals, groups equally follow set behavioral patterns, norms or culture and as a result of change, the groups might have to change their existing ways of conduct or behavior.

(iv) Possible threats to power :

Resources or Expertise can also result in resistance towards an organization level change. Any kind of devolution of power or transfer of resources from some agency or group to some other agency or a group will definitely lead to a feeling of fear or inertia towards a change initiative.

In the end, it can be concluded that any kind of change will surely involve heavy resistance at the individual as well as organizational level. But through effective communication.

during all stages and consulting, desirable outcomes can be ensured by breaking all the possible barriers or resistances towards a change. What is more important is identifying the main source of resistance and accordingly developing action plans for dealing with it.

Successful change in an organization will require strong commitment and involvement on the part of the top management, focused and an integrated approach, strong and a stable leadership, effective and open communication from the internal change agent for making people sensitive and more aware of the realities and the ultimate need for change.

For minimizing the resistance towards the change, employee participation and involvement in the overall process plays a crucial role in building acceptability and seeking the cooperation of the employees towards the change. Hence, proper planning, coordinated approach and complete involvement of all the stakeholders play a decisive role in implementing strategic decisions and determining the success of change.

Intervention strategies for facilitating organizational change

The term 'intervention' refers to all the planned programic activities aimed at bringing changes in an organization. These changes are intended to ensure improvement in the functioning of the organization - in its efficiencies and effectiveness. The changes are brought through the employees in the organization while consultants facilitate the change process. Any OD intervention, therefore, involves close interaction between the consultants and the client organization.

Intervention basically refers to an intended activity to bring change in the organization and the consequent activities ~~is~~ within the organization.

Who makes the interventions?

The intervention can be brought by an external consultant who acts in consultation with the client members. A member within the organization acting as the in-house consultant can also make the intervention. The organization itself could plan the intervention without employing either an internal or external consultant. Where a consultant is employed, any intervention is a collaborative activity between the client and the consultant.

Where does an intervention take place? An intervention can take place at the task, process, and system levels and their interface or at any hierarchy levels of an organization.

For example, it can be at a task level as to how a decision is made or at the level of a series of tasks to improve their interconnectivity, to identify an underlying problem or at a team level to create a better synergy at work. The intervention can also relate to the whole organization as to how to achieve better vertical integration / horizontal integration among all the different levels.

Organizations need to basically analyze where how when, what, etc. to carry out an intervention to improve their performance, which in other words, refer to "intervention strategy". Interventions are carried to improve an organization from its current position to a desired position and to achieve the desired change, a number of techniques are used.

To quote, French and Bell Jr (1994) "Intervention are sets of structured activities in which selected organizational units (target groups or individuals) engage in a task or a sequence of tasks where the task goals are related directly or indirectly to organizational improvement. Interventions constitute the action thrust of organization development; they "make things happen" and "what is happening."

As suggested above, a number of interventions can be carried out. They may be classified as to their focus and purpose and the intensity or depth. The focus of intervention could be Individual, interpersonal, group or team (intra and inter-group), system or sub-system, organization and the external environment.

The purpose of intervention could be to improve the process (for ex. Process reengineering) Action (ex. Performance) and provide feedback (ex. Has the system produced the intended results?)

The depth of intervention could be less intensive (setting up of a task force) or more intensive (dealing with individual self and emotion).

Specific reasons for intervention could be:

- To provide feedback about task, individual, team and other aspects of organizational dynamics.
 - To provide awareness of changing norms, to confront and deal with issues constructively.
 - To develop positive attitudes, openness and improve interaction among people.
 - To educate employees, improve their knowledge and skills.
 - To bring constructive and desirable changes to improve individual and organizational performance.
- Brief about the ^{interventions} ~~used in our~~ organizations ~~referring to~~:

1. Focus on intervention:

Most frequently used interventions in our organization are: person-focused, role-focused, action-research based, process feedback based and training-based.

Person-focused intervention: these focus on individuals and can be classified in different ways:

- Who does the intervention? - Individuals themselves, a group or organization, or facilitators.

- The form of intervention - self introspection and reflection, self-study or a consultant or facilitator who provides feedback, coaching or does mentoring.
- What is the theoretical basis or school of thoughts? Depending upon one's theoretical approach, could be Psychoanalytical, transactional analysis, Operant conditioning and behavior modification, Achievement motivation, sensitivity analysis or t-group, field forces and group dynamics, socio-psychological and anthropological approach to role theory.
- Who takes the active role - person himself or the consultant/facilitator? Pareek 1998 classifies the intervention mechanisms/techniques.

Team intervention.

OD interventions are the techniques and methods designed to move an organization from 'here' to 'there' or 'from where it is' to 'where it wants to be'. The interventions are aimed at improving individual and team activities and efforts so that they may better accomplish their targets/goals in accordance with the organization's envisaged vision and strategy. The interventions also assist to change the culture of the organization.

Work teams exert influence on individual work behavior. In turn, individuals also influence OD. OD is concerned with the different types of techniques or interventions that contribute to "team effectiveness".

Most important single group interventions on OD are team-building activities, the goals of which are the improvement and increased effectiveness of

various ~~group~~ teams within the organization. The interventions focus on different types of groups: those that are more enduring and more permanent such as the role-set (superior-subordinate and colleagues), the others which are created for a specific purpose and hence are less enduring (such as a specific task teams constituted to facilitate mergers, acquisitions or organizational restructuring).

The team building interventions are typically directed towards four major substantive areas: diagnosis, task accomplishments, team relationships and team and organization processes.

Role-focused intervention

These aim at bringing/improving the compatibility between a job incumbent and the role demands and expectations associated with his/her job.

Role analysis: Role analysis is a structured exercise to provide

- why the role exists? - the rationale
- what the role is supposed to achieve?
- How the role contributes to the achievement of the group/department/unit goals?
- How the goal is related to other roles in the department and in the organization.

Role Analysis Techniques (RAT) has been developed by Dayal (1969) for re-defining the managerial roles in an organization. The techniques as followed has the following steps (Pareek, 1998)

- Analysis of the role by the occupant as to the main function of the role, its location in the organogram, why it should be there - or its relevance in the organization, and how does it contribute to organizational goals.
- Discussion by the group as to what does the role occupant expect from the other roles in their role set in order to arrive at a consensus.
- Building the consensus regarding the expectations of other roles in the role set from the role occupant.
- Developing the role profile by the role occupants of their roles, classifying what are the prescribed and discretionary elements of the role, the obligation of one role to another in the role set and the expectation of this role from the others in its set.

Role Efficacy Lab

Role Efficacy refers to the psychological factor underlying role effectiveness and the potential effectiveness of an individual occupying a particular role or the potential effectiveness of a role. Role Efficacy Lab (REL) used to develop work commitments.

- REL is a short process-oriented program aimed at:
- Sharing of thoughts and of individual, as well as group commitments with the top management.
 - Get moral support and reinforcement from the top management, and
 - Providing an opportunity for the top management

to examine why certain expectations are unrealistic or unattainable and suggest their own action plans taking to account other suggestions.

Force Field Analysis:

Force Field Analysis is a management technique developed by Kurt Lewin for diagnosing situations. It is useful when planning and implementing a change management program and also in team building efforts.

Any change implies movement - movement towards something or away from something. Force field analysis enables listing, discussing and evaluating the various forces for and against a proposed change. The analysis includes identifying the driving forces - which give change momentum, and restraining forces - which inhibit change. Force field analysis helps to look at the big picture by analyzing all of the forces impacting the change and weighing the pros and cons. By knowing the pros and cons, we can develop strategies to reduce the impact of the opposing forces and strengthen the supporting forces.

2. Inter-group intervention

Often two or more independently working ~~teams~~ groups have to coordinate tasks, on either a temporary or permanent basis, to achieve the required organizational goals. This could give rise to disagreement and conflict among groups affecting group morale and productivity. Where there is competition among groups, it may give rise to tension and conflict and each group may perceive the other as an 'enemy'.

To resolve such intergroup conflicts, many strategies are adopted in our organization:

→ Increasing the interaction and communication among the groups (increased interaction under favorable conditions enhances positive feelings and sentiments).

→ Identifying a "common enemy" (another group that both groups dislike, which brings the groups closer together).

→ Finding a super-ordinate goal (a goal that both groups desire to achieve but ~~so~~ that neither can achieve without mutual support).

→ Rotating the members of the groups and instituting some forms of training.

3. Personal, interpersonal and group process intervention:

The central theme of these interventions is learning through an examination of underlying process.

In process consultation, which is generic to OD intervention, the focus is exclusively on the diagnosis and management of personal, interpersonal and group processes. Third-party peace-making focuses on inter-personal conflict and the dynamics of co-operation and competition among groups. Sensitivity training typically yields learnings about self, interpersonal relations and group dynamics. Transactional analysis (TA) can be a form of psychotherapy. TA has also been used as a technique for team building. Behavior modeling is a training technique designed to increase the effectiveness of the problematic interpersonal situations. Life and career planning interventions are less process-oriented than the other interventions and reflect more a systematic approach to a substantive area.

Process Consultation Intervention:

Process Consultation (PC) is a method for intervening in an ongoing system. In this approach, a skilled third party (consultant) works with the individuals and groups to help them learn about human and social processes and learn to solve problems that stems from process events. This is an often used approach by many OD consultants and practitioners.

The process consultant helps our organization to solve its problems by making it aware of organizational processes, of the consequences of these processes and of the mechanisms by which they can be changed. It is to enable the organization to address its problems by itself.

In this, the consultant works with the organization, in work teams and helps them to develop the skill necessary to diagnose and solve the process problems that arise. The organizational processes that are important to be dealt with, include communications, clarifying the roles and functions of group members, group problem-solving and decision-making, group norms and group growth, leadership and authority and inter-group cooperation and competition.

Sensitivity Training Laboratories:

A T-group is an unstructured, agenda less group session for about 10 to 12 members. A professional trainer acts as a catalyst and facilitator. The data for discussion arises from the interaction of the group members as they strive to create a viable society for themselves. What ~~we~~ are discussed and analyzed etc. are the actions, reactions, interactions and feelings arising out of the member interactions. Conceptual material relating to interpersonal relations, individual personality theory and group dynamics also form a part of the program. The "group experiences" form the fulcrum of learning. This T-group is a powerful learning laboratory facilitates learning more about oneself as

a person, learning about the dynamics of group formation, group norms and group growth. It assists to improve one's interpersonal skills.

These insights are coupled with growth of skills in diagnosing and taking more effective interpersonal and group actions that provide the participants the basic skill necessary for more competent action taking up in the organization.

4. Comprehensive Interventions:

The Confronting meeting:

The Confronting meeting, developed by Richard Beckhard, is one-day meeting of the entire management of an organization to take a stock of the organizational health. In a series of activities, the management identifies the organization's major problems, analyzes the underlying causes, develops action plans to correct the problems and sets a schedule for the remedial work. The confrontation meeting is a quick, simple and reliable way in which to generate data about an organization and to set action plans for organizational improvement.

Strategic management activities: Strategic management refers to the development and implementation of the organization's "grand design" or overall strategy in relation to its current and future environmental demands. According to Schendel and Hofer, six major tasks comprise the

Strategic management process :: 1) goal formulation;
2) environmental analysis 3) strategy evaluation
4) strategy implementation and 5) strategic control.
These five components of the process are related to each other.

5. Structural Intervention

This refers to intervention or change efforts aimed at improving organizational effectiveness through changes in the task and structural and technological subsystems. This class of interventions includes changes in the division of overall work of the organization into units, reporting relationships, work flow and procedures and role definitions, methods of control and spatial arrangements of equipment and people, etc.

Job design

Job design refers to the way that a set of tasks or an entire job is organized. Job design helps to determine: What are the tasks done, how they are done and what is the order in which they are done, etc.

It takes into account all factors which affect the work and organizes the content and tasks so that the whole job is less likely to be a risk to the employee. Job design involves administrative areas such as: job rotation, job enlargement, task/machine pacing, work breaks and working hours.

A well-designed job takes into account the basic principles of ergonomics that will encourage a variety of 'good' body positions, have reasonable strength requirements and reasonable amount of mental activity. A well-designed job also contributes to feelings of achievement and self-esteem.

Job design principles can address problems such as: work overload, work underload, repetitiveness, limited control over work, isolation, shift work, delays in filling vacant positions, excessive working hours and limited understanding of the whole job process. Job design also assists in minimizing job stress.

6. MBO :

MBO is essentially based on a very simple fact - whenever people work in an organization together, there will be a wide variety of objectives. Each individual has his or her own personal goals (e.g., better working conditions, better training, better pay); each department has its own business targets (higher output, better equipment, more funding) and the top management, too has its own strategic aims (organizational success, corporate identity, corporate image). MBO is the art of getting all these varied interests to correspond to one common goal. Talks can also be conducted collectively with the departmental teams. The main object of MBO is to make the individual goals voluntarily coincide with the goals of the organization. MBO only works when management and

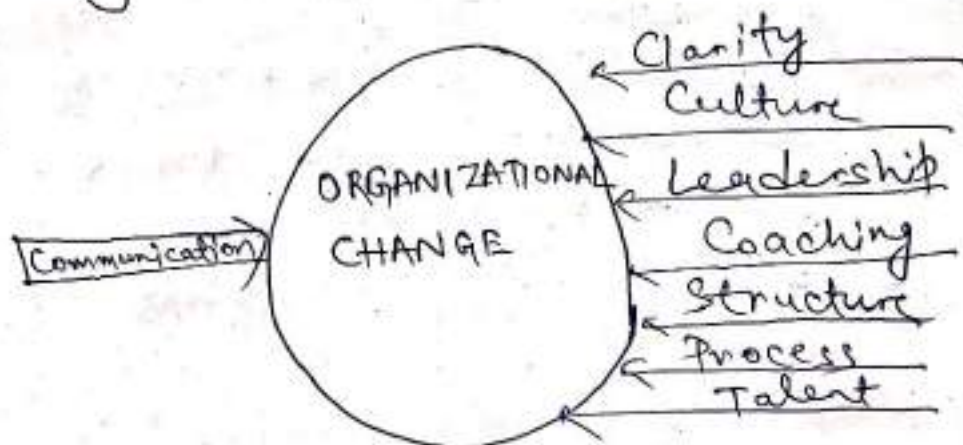
Staff agree to support mutual goals, in an atmosphere of confidence and trust, commitment and motivation. The concept is based on the assumption that employees are, by nature, willing to perform. MBO succeeds where there is a dialogue on objectives between the employees and the management founded on fairness and clarity.



Methods of implementing organizational change:

Several methods of implementing change in organizations are discussed below:

Today's business environment is very dynamic and changes are the order of the day. Some changes originate within the organization, but many come from the external environment.



For instance, new laws are legislated by the government which the organizations must comply, new developments in technology arise, competitors introduce new products/services, customers' likes and dislikes change, life styles change. There are pressures from customers, labor unions, communities and competitors which force change on organizations.

(i) By transformational leadership:

Transformational leaders are managers who initiate bold strategic changes to position the organization for its future. They articulate a vision and sell it vigorously. They stimulate employees to action and charismatically model the desired behaviors. They attempt to create learning individuals and learning organizations.

that will be better prepared for the unknown future challenges. Three important elements of transformational leadership are:

- (a) Creating a vision
- (b) Figuring charisma
- (c) Stimulating learning

(a) Creating vision:

A vision is a crystallized long-range image or idea of what can be and should be accomplished. A vision may also integrate the shared beliefs and values that serve as a basis for changing an organization's culture.

(b) Communicating charisma:

Managers as leaders need to persuade employees that the vision is urgent and to motivate them to achieve it. Charisma is a leadership characteristic that can help influence employees to take early and sustained action. Charismatic leaders are dynamic and risk-takers, who show their depth of expertise and well-deserved self-confidence, express high performance expectations and use provocative language to inspire the followers. Charismatic leaders are respected and trusted by employees as they introduce change and tend to be emotionally committed to the vision of such leaders.

(c) Stimulating Learning:

Transformational leaders develop people's capacity to learn from the experience of change. This process is called double-loop learning. The employees, who are double-loop learners, develop the ability to

anticipate problems, prevent many situations and to be more ready for the next change to be introduced in the future.

(ii) By use of group forces:

The group is an instrument for bringing strong pressures on its members to change. Since behavior is firmly grounded in the groups to which a person belongs, any changes in group forces will encourage changes in the individual behavior. The idea is to help the group join with management to encourage desired change.

(iii) By providing a rationale for change:

Capable leaderships reinforce a climate of psychological support for change. The effective leader presents change on the basis of the impersonal requirements of the situation, rather than on personal grounds. Change is more likely to be successful if the leaders introducing it have high expectations of success. Managerial and employee expectations of change may be as important as the technology of change.

(iv) By participation:

Participation encourages employees to discuss, to communicate, to make suggestions and to become interested in change. Participation encourages commitment rather than mere compliance with change. Commitment implies motivation to support a change and to work to ensure that the change is effective.

Employees need to participate in a change before it occurs, not after. When they are involved in the planned change, right from the beginning, they feel committed to the implementation of such change.

(v) By sharing rewards

By ensuring that there are enough rewards for employees in the changed situation, managers can build employee support for change. Rewards also give employees a sense that progress accompanies a change. Both economic and psychic rewards are useful.

(vi) By ensuring employee security

Along with shared rewards, existing employee benefits need to be protected. Security during a change is essential in the form of protection from reduced earnings when new technology and methods are introduced. Seniority rights, opportunities for advancement, etc. are to be safeguarded when a change is made.

(vii) By communication and education

Support for change can be gained by communication and education. All individuals or groups that will be affected by change must be informed about the change in order to make them feel secure and to maintain group cooperation.

(viii) By stimulating employee readiness

Employees should be helped to become aware of the need for a change. Change is more likely to be accepted if the people affected by it recognize a need for it before it occurs.

It is also essential for managers to take a broader, systems-oriented perspective on change to identify the complex relationships involved. Organizational development can be a useful method for achieving this objective.

Steps for Developing a Learning Organization :

Some of the major steps for developing a learning organization are as follows:

(i) Awareness :

To start with, organizations must appreciate that learning is necessary at all levels and not just limited to the managerial levels. This apart, need for change must also be accepted as the only way to survive. Such awareness at organizational levels can only be created once organizations believe in emulating the examples of success stories of those who have leapfrogged their growth truly developing the learning organization culture.

(ii) Environment :

Creating a learning environment requires sharing with all members of the organization, a comprehensive picture of the whole organization and its goals. This requires creating a more flexible, organic structure. Organic structure means a flatter structure, which encourages innovations.

The flatter structure also promotes transparency of information between members of the organization and thereby develops a more informed work force. The desired environment for learning organization encourage openness and reflectivity and accepts error and uncertainty. Members of the organization should be able to question decisions without fear.

(iii) Leadership

Leaders should activate learning. Learning is an enabler ~~of~~ for an organization to gain competitive advantage. But to get the results, it is the leader who sells the concept and encourages learning to help both the individual and the organization in learning. It is the leader's responsibility to help mould the individual views of team members. It requires the management to provide commitment for long-term learning with resource support.

(iv) Empowerment

The real testing tool of learning is the degree of empowerment. Empowerment requires involving workers in decision-making. Empowerment makes workers more responsible for their actions, without letting loose the managerial involvement. Managers still need to encourage, enthuse and co-ordinate the workers. Empowerment must be allowed at all levels, so that members can learn from one another simultaneously.

(V) Learning

Learning systems also need to ~~be~~ replicate real-life situations through a series of simulation games. This facilitates learning from mistakes to make the future learning more effective. The learning environment needs to be open, flexible and motivating.

To facilitate continuous learning, some organizations also make extensive use of the electronic media such as e-learning, duly providing a track to measure the learning progresses. But its acceptance largely depends on the workers' urge to learn. This can be ensured by linking learning with various incentive packages and HR decisions.

(vi) Formalize training and development plans:

For a learning culture to be ingrained, it should be mandatory for all individuals in the organization. Training and development plans that are not formalized run the risk of not being taken seriously and as a result, not implemented.

(vii) Give recognition to learning:

Employees who have successfully learned new skills and abilities should be recognized and encourage others to follow suit.

(viii) Get feedback :

Sessions and polls should regularly be done to evaluate the benefits of training and development as well as to determine whether the training investment is well-spent.

(ix) Promote from within :

One of the advantages of training is having employees who are ready for a bigger role. Announce an internal job posting to encourage employees to gain knowledge.

(x) Develop knowledge and information sharing into a formal process :

People will be more encouraged to share knowledge and information if they are required to do so. Formalizing the process makes sure that everyone who needs the information gets it.