Organisational Change

- **Organizational change is both the process in which an organization changes its structure, strategies, operational methods, technologies, or organizational culture to affect change within the organization and the effects of these changes on the organization.**

- **Organizational change can be continuous or occur for distinct periods of time.**

Forces for Change

- Nature of the Workforce

  Greater diversity

- Technology

  Faster, cheaper, more mobile

  computers and hand held devices

- Economic Shocks

- Competition

  Global marketplace

- Social Trends

  Environmental awareness and liberalization

- World Politics

Opening of markets of China

Planned Change

➢ Change

Making things different

➢ Planned Change

An intentional, goal-oriented activity

➢ Goals of planned change

Improving the ability of the organization to adapt to changes in its environment

Changing employee behavior

➢ **Change Agents**

Persons who act as catalysts and assume the responsibility for managing change activities

Tactics for Overcoming Resistance to Change

✔ Education and Communication

Show those effected the logic behind the change

✔ Participation

Participation in the decision process lessens resistance

✔ Building Support and Commitment

Counseling, therapy, or new-skills training

✔ Implementing Change Fairly

Be consistent and procedurally fair

✔ Manipulation and Cooperation

"Spinning" the message to gain cooperation

✔ Selecting people who accept change

Hire people who enjoy change in the first place

✔ Coercion

Direct threats and force

# Lewin's Three-Step Change Model

- **<u>Unfreezing</u>**

Change efforts to overcome the pressures of both individual resistance and group conformity by increasing the driving force and decreasing the restraining force

- **<u>Moving</u>**

Moving from the status quo to the desired end state

- **<u>Refreezing</u>**

Stabilizing a change intervention by balancing driving and restraining forces
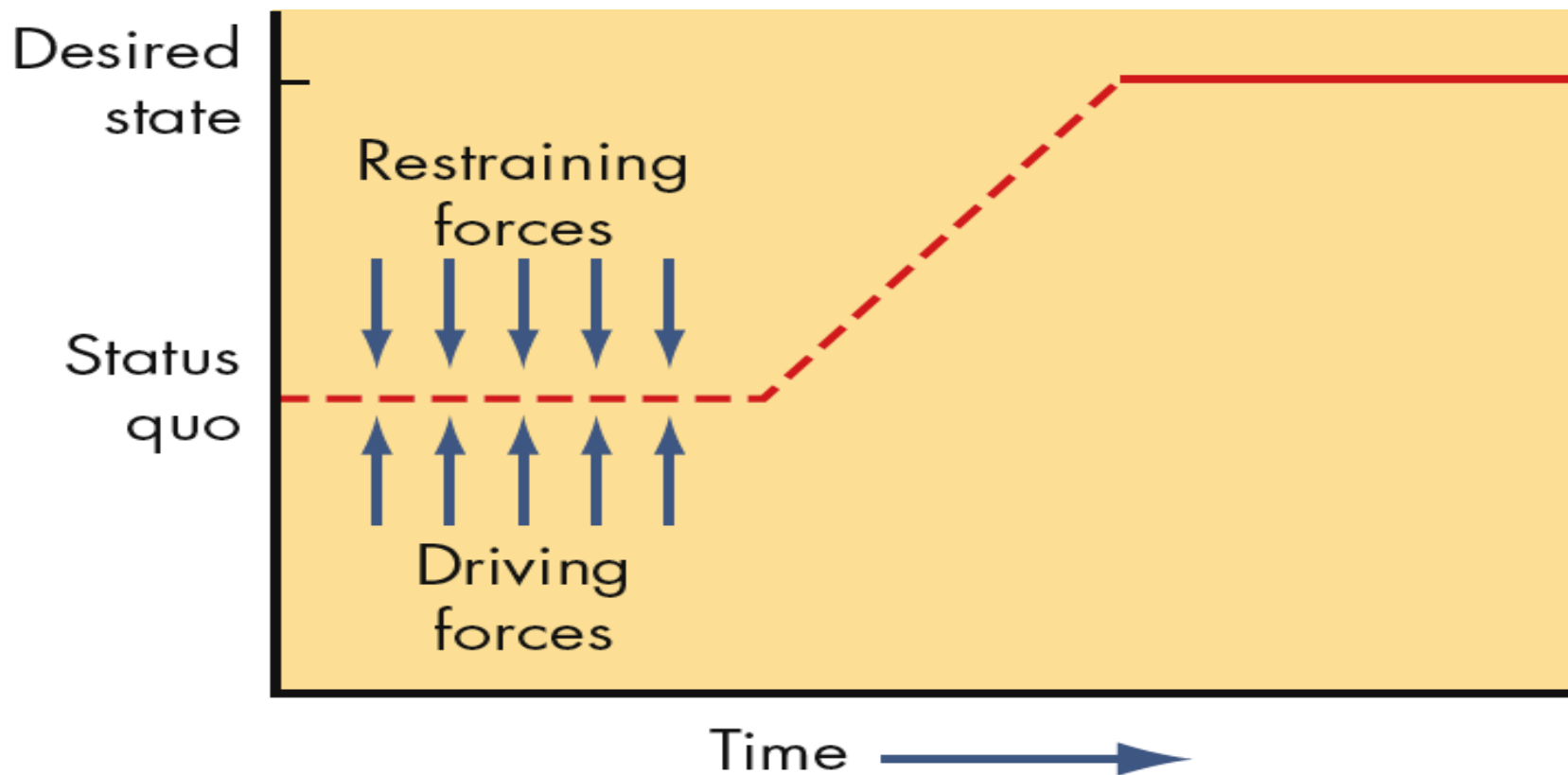
| Unfreeze | Move | Refreeze |
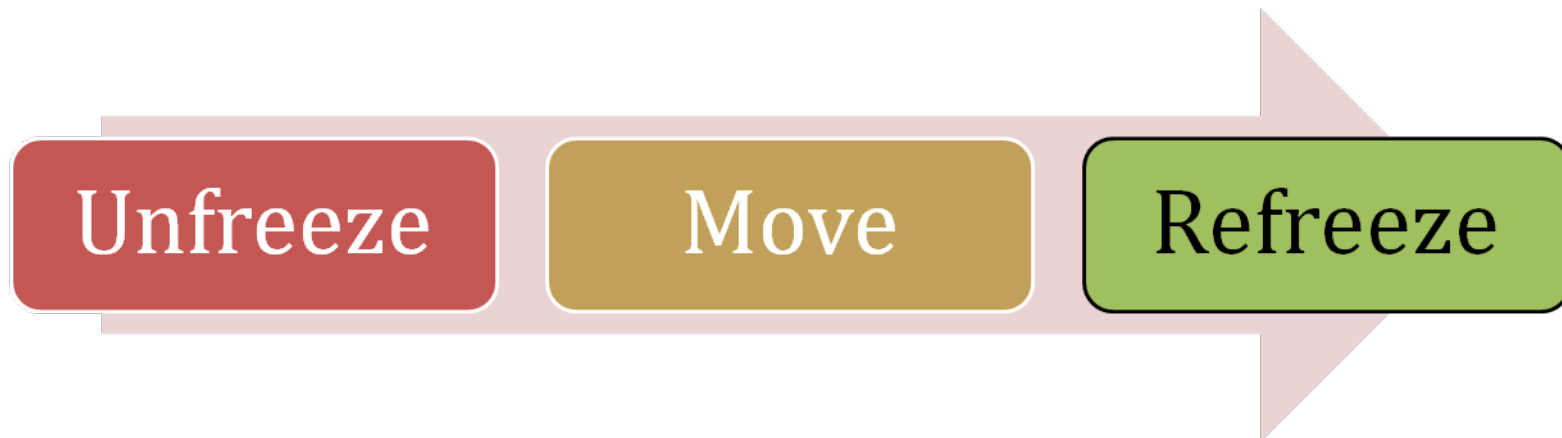
Lewin: Unfreezing the Status Quo

- Driving Forces

Forces that direct behavior away from the status quo

- Restraining Forces

Forces that hinder movement from the existing equilibrium

Action Research

- A change process based on systematic collection of data and then selection of a change action based on what the analyzed data indicates

- Process steps:

  Diagnosis

  Analysis

  Feedback

  Action

  Evaluation

- Action research benefits:

Problem-focused rather than solution-centered

Heavy employee involvement reduces resistance to change

Organizational Development

Organizational Development (OD)

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

OD Values

Respect for people

Trust and support

Power equalization

Confrontation

Participation

Six OD Techniques

- ## Sensitivity Training

Training groups (T-groups) seek to change behavior through unstructured group interaction

Provides increased awareness of others and self

Increases empathy with others, listening skills, openness, and tolerance for others

- ## Survey Feedback Approach

The use of questionnaires to identify discrepancies among member perceptions; a discussion follows and remedies are suggested

- ## Process Consultation (PC)

A consultant gives a client insights into what is going on around the client, within the client, and between the client and other people; identifies processes that need improvement.

Six OD Techniques

- **Team Building**

High interaction among team members to increase trust and openness

- **Inter group Development**

OD efforts to change the attitudes, stereotypes, and perceptions that groups have of each other

- **Appreciative Inquiry**

Instead of looking for problems to fix, appreciative inquiry seeks to identify the unique qualities and special strengths of an organization, which employees can then build on to improve performance. This process comprises of four steps:

Discovery: Recalling the strengths of the organization

Dreaming: Speculation on the future of the organization

Design: Finding a common vision

Destiny: Deciding how to fulfill the dream

Organisational Culture

- Culture includes the organization's vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits

- Organizational culture is the behavior of humans within an organization and the meaning that people attach to those behaviors

- organization's culture is informal in nature and relates to shared way of living

- Organizational culture originates from the founders of the organization based on value system held by them. It is further passed on, down the line

- The stronger the culture and more it was directed towardsthe market place, the less need was there for policy manuals, organization charts and detailed procedures and rules.

Following additional points contribute to enrich the organizational culture

(i) Carryout job analysis periodically

(ii) Encourage an individual in public for good work done

(iii) Define clearly the job requirements

(iv) Celebrate festivals that employees greatly value

(v) Publicize stories, encourage hero worship

(vi) Organize social functions

(vii) Ensure quality decisions

(viii) Show concern to all employees

(ix) Encourage innovative ideas and reward them

(x) Lay down promotion policy; create a healthy and competitive work environment

(xi) Ensure quality of work life

Organisational Climate

- **"Organizational culture is with the nature of belief and expectations about organizational life, while climate is an indicator of whether those beliefs and expectations are being fulfilled."**

- organizational climate into two factors as under:

(a) Overt Factors

- Hierarchy

- Goals of the organization

- Financial resources

- Skills and abilities of employees

- Technological state of the organization

- Performance standards adopted

- Efficiency measurement

b) Covert Factors

• Values

• Attitude

• Norms

• Feelings

• Interaction

• Supportiveness

• Satisfaction

➔