



DIGITAL NOTES



DIVERSITY AND CHANGE MANAGEMENT

COURSE CODE: R20MBA46

MBA II YEAR I SEMESTER 2022-23

COURSE TYPE: HR (ELECTIVE-VI)

COURSE CREDITS: 3

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COURSE AIM/S: Managing the challenges of an increasingly diverse workforce and also to see the change management.

LEARNING OUTCOMES/S: Students will be able to understand the individual and organizational perspectives of diversity also they are able to learn the primary and secondary dimensions of diversity in business organizations.

UNIT-I: FOUNDATIONS OF DIVERSITY LEARNING

Introduction to Diversity: Concept - Individual Perspectives of Diversity - Organizational Diversity - Nature and Scope of Diversity - Impact of Diversity in Organizations.

Cultural Diversity: Introduction - Impact of Cultural Diversity Issues and Work Life Balance on Organization.

UNIT-II: PRIMARY AND SECONDARY DIMENSIONS OF DIVERSITY

Organizations. Primary Dimensions: Race - Ethnicity - Age - Gender - Physical - Mental Challenges. Secondary Dimensions: Social Class - Religion - Appearance - Language - Communication challenges - Differences between Primary and Secondary Dimensions of Diversity - Organizational Strategies for Managing Diversity.

UNIT-III: ORGANIZATIONAL DESIGN AND CHANGE

Organizational Change: Strategic Level Change - Group and Team Level Change - Individual Level Change - Organizational Structure - Organizational Culture and Management of Change - Resistance to Change - Organizational Learning - Power - Politics and Organizational Change - Ethics and Managing Change. Employee Relations: Concept - Employee Relations and Management of change.

UNIT-IV: EMPLOYEE RELATIONS AND MANAGING CHANGE

Managing Change: A Systematic Approach to Management of Change - Technological Change - Evaluating and Promoting Change - Building Employee Relations for Effective Management of Change.

UNIT-V: COMMUNICATING THE CHANGE

Importance of Communication in Change Management: Communicating during the Change Period and Process - Developing Feedback Mechanism and Skills.

Organizational Change Behavior: Aspects of Leader - Rejoice the Abilities of Followers - Gap and Mapping the Change.

TEXT BOOK REFERENCES:

1. Mark Hughes, Managing Change - A Critical Perspective, Universities Press.
2. Adrian Thornhill, Phil Lewis, Mike Millmore. Mark N K Saunders, Managing Change, Pearson.
3. Bernard Burnes, Managing Change, 5th Edition, Prentice Hall Publications.
4. V. Nilakant and S. Ramanarayanan, Change Management, Sage Publications
5. Carol P. Harvey and M. June Allard, Understanding and Managing Diversity: Readings, Cases and Exercises, Pearson Publications Ltd

UNIT- I

FOUNDATIONS OF DIVERSITY LEARNING

1. Diversity

Diversity is highly demanded for organizational and individual growth. In world's labor market employment landscapes are changed due to rapid changes in technology, globalization impact, new skills and educated employees' demand, workforce of demographically skewed people and ethnic diversification. Such kind of changes make a wider scope of diversity definition and expand it beyond the gender issues. Workplace diversity includes work style and personality, race, age, ethnicity, gender, religion, caste of people, stratification of socio-economic factor, education, hierarchies of organization proximity or distance from workplaces which create a difference and make them individually different to each other. They consider themselves as individual or in a group from another. In today's world diversity issues are considered in some of the important strategic essentials. If example is given gender diversity is the best example. It is important to provide balanced workforce environment to men and women where that can perform their best where they get the comfort and ease to work properly. Addressing such a small issues organization can become more creative, knowledgeable and flexible.

1.2 Definitions of Diversity

Bryan, J.H. 1999) "Diversity refers to all the ways in which people differ and in which people are similar (age, ethnicity, gender, belief, sexual orientation, ability, etc.). Diversity Management has been defined as inclusion of all groups at all levels in the company."

(Ernst Kossek) "In his book he stated that Diversity defines as, "mixture of people with different group identities operating within the same social system.

"**Diversity** can mean many things. The definition itself is a form of diversity. Meanings range from a state or fact of being diverse or different, to a variety of opinions. The important point in the formal meaning is that it indicates there is a point of difference. This means diversity broadly refers to many demographic variables. "

"Diversity exists in a group or organization when its members are different from each other along one or more important dimensions

1.3 Dimensions of Diversity

There are two different dimensions of diversity.

- Primary dimension
- Secondary dimension

In Primary Dimension of diversity, there is inherent differences between employees like their age, nationality, race, ethnicity and gender. These all are known as core dimensions which cannot be Diversity Consciousness.

Diversity consciousness is process to develop attitude of learning diversity. Organizational diversity depends on individuals' involvement. It must take into account that this actualized if at least two conditions are fulfilled.

- "Every individual should have the same rights to articulate themselves and be involved. "

- “Second, there should be equality in chances for articulation and involvement.”

It is believed that a diversity-promoting by itself, if a person does not have diversity-oriented attitude will not be successful ever. Gaining diversity consciousness is a process for which individual have to prepare themselves first. Diversity is little bit challenging as it involves one’s value and personality aspects. Diversity is also found your fear and uncertainty which connect you to yourself. But if individual learn how to come out and overcome the fear and uncertainty, it will help to work easily in diversity. On the other hand, it will give the chance of discovering new worlds beyond an individual imagination.

- i. **Unconscious Incompetence:** The first level is known unconscious incompetence. In this category, people do not have attitude to accept such concept of diversity and its relevance to growth of individual and organization as well.
- ii. **Conscious Incompetence:** In this stage people are in state of mind where follow the philosophy of “know that we do not know.” People realize and understand the importance a start thinking, reflecting and learning development in this area.
- iii. **Conscious Competence:** Now at this stage learning process is already started and people need training and discussion to find other’s perspective to gain conscious competence. It will develop the attitude as well as increasing the sense of empathy. In this stage of applying the learning concentration is playing vital role.
- iv. **Unconscious Competence**

The fourth level is known as unconscious competence. We know how to learn but don’t know how to teach other. It is very important to explicit our knowledge to gain awareness and ability to train others. This is the reason people are unable to teach diversity and give extra efforts for the same.

1.4. Features of Diversity Consciousness

For diversity consciousness it is always important what people see and how it is interpreted. Diversity reflects the difference among the people due to primary and secondary dimensions but consciousness is inbuilt approach which shows the ability to identify the opportunity and overcome the barriers.

- i. **Special attention requires to what we unobserved usually.** To prove or stop something is not in our hand but see the situation is always in our hand. It is obvious sometimes people may not see the things happened around them but ignorance of such matters big fat loss sometimes.
- ii. **Favoritism culture:** if you expect the people work under you and they are diversely conscious it is difficult to follow the favoritism at work place. All are observing the things and their reactions on such observations haphazard at organizations.
- iii. **Avoidance of Personal prejudice:** At organization it happens that two people do not have same view on any topics but all should be maintaining as a part of professionalism. There should be no personal grievance in between. It may possible that manager have personal beliefs about race, regional things or other potentially touchy issues but that should not dilute their work and responsibility.
- iv. **Sensible communication:** Communication is bridge between the people associated because of their work. Only communication leads positive or negative conclusion but sensible communication creates opportunity and avoid conflict at workplace.

- v. **Quick response:** this is very important feature of diversity consciousness. People respond quickly when they are attentive enough. They are much conscious at their workplace. At workplace organization has thrives for people who are responding quickly. But if people respond quickly and not sensible manner that is major drawback as well.
- vi. **Be skilled be upgraded at workplace:** To to be skilled and educated is normal expectations of organization but to be upgraded shows your learning capacity which boost you to learn new thing due to which people can show their ability to complete task and it proves you are diversely conscious about your work.

1.5. Advantages and disadvantages of diversity consciousness

1.5.1. Advantages

In the era of economic globalization, all the companies are in race and make efforts to achieve workforce diversity. They hire employee from different background to give benefits of their skill to the organization. Understanding to the advantages of diversity consciousness helps the organization in true manner. Culture and language skills can lead organization to greater reach.

- i. Increase the Productivity
- ii. Increases Creativity
- iii. Improve Language and Skills

1.5.2. Disadvantages

Business communities admire employees that strive to increase diversity consciousness throughout the workforce. Organizations have implemented strategies to increase diversity consciousness which create a number of challenges which adversely negative impact to the organizations.

- i. Training is compulsory
- ii. Pressure to appoint best for manager
- iii. Relationships and bonding at workplace
- iv. Myriad Accommodations

1.6. Importance of Diversity consciousness at workplace

Workforce demographics are shifted as global market emerge, diversity of workplace is near to becoming necessary wave to show their commitment instead of a banner and like to identify as trend changer. At workplace there are many things which are not related to the wages or salary only for employees. There are some expectations every employee has at their workplace. In workforce diversity people are different with their culture, place, region and many more. They are reaping for tangible and intangible benefits from the workplace. It also includes respect from co-workers and gains in business.

- i. **Earning Mutual Respect:** Work-force diversity fosters respect and bonding among the employees at the workplace. When employees work as team or group they accept their colleagues with their different work styles or co-workers who have represent different cultures, environment or may be generation also. Such atmosphere is difficult to create but although an idyllic atmosphere may be difficult to achieve, but they identify the talent and strength of each other through diversity consciousness. Employees appreciate performances of each other as well.
- ii. **Enhances diversity skills:** When employees are ready to accept the change which happened due to diversity, their diversity skills are upgraded. Learning experience enhance the skills as well as better understanding is developed amongst the employees from different backgrounds. Thus. Diversity consciousness will be increase at organization.

- iii. **Expand horizons and empowers:** Learning exposure gives new horizons to the employees. Due to diversity consciousness, people take extra efforts to know each other's culture and way of working. It is obvious to have individual strength and weaknesses in diversity workforce. But there is better scope to understand their strengths which empowers you and you can explore the new horizons.
- iv. **Provide diversity training and education:** training and education play key role in any organization. When it comes to provide training in diversity it has major impact of employees' performance. They may identify their lacking areas and try to improve the same.
- v. **Evaluation:** evaluation shows the grasping ability of the employees. In Training and education, organization spent a lot but it worth if result found positive. So evaluation shows who are willing to be conscious or not after training and education.
- vi. **Motivation:** Employees who shows their interest to develop consciousness in their diversity may be given motivation. Such people creates positive atmosphere and motivates even other to become more conscious at their diversify workplace.

1.7.Areas of Development in diversity consciousness

Organization can implement strategies to make significant growth and development. Diversity is matter more where organizational growth is considered. But at individual level consciousness of diversity have major impact in growth and development. There are basically six areas which are identified by the researcher and can be considered as areas of development in diversity consciousness

Examine ourselves deeply: It is very much important to examining ourselves before learning new things. Examine deeply our strength and weaknesses to grab new things in ourselves. When you try to implement new things, it is necessary to find out whether you can absorb or not.

- **Expanding our knowledge gain by others and their worlds:** Gaining knowledge is not big task, anybody can do this. But how to use and expand that knowledge at right time and right place is important task. Knowledge can be acquired but not copied. Thought process should be applied on knowledge gain and must be express with own understanding.
- **Out of box thinking:** In diversified workplace different types of people make a group and try to achieve the goal. As people are from different areas have different ideas and observation. To run any one's idea will definitely work in every task .so out of box thinking will work in such situation. Traditional ways may increase conflict in between employees. Only out of box thinking can build bonding in groups.
- **Measure own capacity:** You should know the capacity. As employee you must know the own capacity otherwise it may possible to have negative impact of the positive things.
- **Improving ourselves constantly:** One should always try to improve own ability. It is most appropriate way to improvisation in your current abilities first. Others are observing you and try to learn for you as well. So whatever contribution you can do for diversify organization will give you reorganization also.
- **following through action**
Leader is one who born to search the path but followers are in the mass. In the crowd it is difficult to get the identity, especially you are considering as follower not path maker. But if your actions will be added in it will create new identity even you are working as followers.

1.8.Forces leads to diversity consciousness

- **Economic forces:** All over the world, there is paradigm shift in the economy of the nations. Earlier economy was focused on manufacturing organizations which is currently more focused on service industries. To gain competitive advantage information is use as tool in service organizations. In such situation it is important for any organization to manage their worker's knowledge and abilities along with the understanding and catering market needs.
- **Demographic Forces:** The Hudson Institute in the US has published one report in 2000 called workforce 2000. They predicted greater diversity in terms of cultural, racial, and ethnic in 21st century workforce. It has been predicted for percentage of women employees in next ten years would go up from 43% to 47. It will foster employees to be more diversity conscious.
- **Globalization:** Physical boundaries are no more exist or can say no longer limited. Globalization is fostering organizations to employ more diverse workforce to manage the operations in different companies.
- **Cut throat Competition:** Competition is part of job in current scenario. There is race in between all the employees who have worked individual as well in group also. Cutthroat competition becomes significant force for employees to be a part of diversity consciousness.
- **Team building:** Team building motivates the people to be part of diversity involuntarily. Every team member has different ability and has identity while work in team. Members of team do not consider this learning normally. Such kind of force does not observe normally but it can be best contributed force ever for diversity consciousness.

UNIT II

PRIMARY AND SECONDARY DIMENSIONS OF DIVERSITY

The dimensions of diversity include age, race, skills, backgrounds, sexual orientations, and other differences that make one unique. From hiring the most qualified employees and creating a happy workplace to fostering great financial success, a company that has the highest rates of diversion is the one that succeeds.

If you are looking for modern diversity training that is used by companies such as Blackberry and Stanford University to help build empathy through narrative storytelling while using effective tactics to reduce social and psychological barriers to inclusion, equity, and diversity, contact Impact today for a free demo.

2.1. The Need for Diversity

An organization's foundation is its workforce and, none can replace the power they hold in the firm. Diverse employees are like colors in your painting; the more different colors you have, the higher chances you will design a masterpiece. Similarly, the dimensions of diversity are the elements of your painting.

Just like you can't complete a painting without its essential elements, you also can't imagine a complete diversity without fulfilling its dimensions.

2.2. Classification of Dimensions of Diversity

Diversity stands for the differences, therefore based on the types of differences, diversity's dimensions are classified into four types:

- **Personality Dimensions:** These dimensions' focus on one's behavior and their qualities, skills, and how others view them as a person.
- **Internal Dimensions:** These include aspects beyond the people control like age, gender, ethnicity, etc. that will influence the interaction with others.
- **External Dimensions:** external dimensions are the outcomes of your life choices or their decisions that can include aspects like education, marital status, etc. These factors greatly influence the quality of connection and experience with others.
- **Organizational dimensions:** These dimensions include those key elements that help employees relate to one another through their work and interactions.

2.3.Types of Diversity Dimensions

A. **Age Diversity:** Age diversity is amongst the most crucial factors that strengthen the company's bottom line. Your company can prosper only if your senior and young employee balance is well-maintained and their strengths are equally utilized. The young talents can boost up technology and contribute to the latest trends and techniques. At the same time, the older employees can offer a broader perspective and knowledge in decision-making through their experience. Different approaches to problem-solving, viewpoints will give your company a holistic approach to decision-making.

B. Ethnicity & Race

Both race & ethnicity seem similar but aren't. While you can only belong to a single race, you can still identify with multiple ethnicities and links to culture. The research shows that

businesses with an inclusive environment with their workforce from different ethnicities and races can be **35% more** able to achieve than the average financial returns. In the U.S., ethnicity, and race highly influence one's life expectancy, access to healthcare, housing, and criminal justice. The survey by the University of Texas found that diversity never impacted an organization negatively, if not positively.

- C. **Gender Diversity:** Gender diversity confers equal opportunities, pay scale, and representation of all genders. However, in the U.S., out of 40% females, only around 5% are in upper management while the rest are limited to lower levels. Moreover, gender pay disparity is a big issue as for every \$1 to male, only 80 cents go to females as the salary. It's high time companies start realizing that skills and talents have no boundaries. Moreover, different genders can have different skills and experiences. Thus, more viewpoints and opinions will help the organization accomplish its goals.
- D. **Sexual Orientation:** Employees can thrive in an environment wherein they feel accepted, heard, and secure. Hostile work culture will not allow employees to express themselves, eventually hampering their progress. Keeping up secrets about their identity in fear of alienation is stressful and may lead to their walking out of the company.
- E. **Religion:** An organization is diverse when it celebrates and acknowledges its employee's characteristics. It allows them to have higher job satisfaction and excitement to work.
- F. **Disability:** Skills are an employee's assets that make them valuable for a company and, disability is never a barrier. It is crucial as a respectable organization to equip disabled employees with the required tools.
- G. **Personality:** Everyone has a different personality with unique powers. Some may seem, market players, while some have a creative approach to designing solid business strategies. Despite being prone to conflicts, they give birth to new insights and ideas.
- H. **Socioeconomic Status:** Employees belong to different socioeconomic backgrounds and thus, have different takes on money. However, the organization must convey its view on money and values it keeps on priority rather than directly focusing on profits.
- I. **Educational Qualification:** Today, corporate culture makes educational qualification its baseline rather than the skill set. Though sometimes it's necessary, other times they are unnecessary. Unnecessary qualifications can prevent you from hiring the ideal candidates with skills but no formal educational background. Some other dimensions of diversity include language, geography, and marital status.

2.4. Benefits of Diversity

- i. Decrease in racist and discriminatory practices.
- ii. Increase in cultural competency.
- iii. Increase in investments as more diverse stakeholders, and audiences engage with your company.
- iv. Have a worldwide vision as diverse employees have unique experiences and mindsets that help the organization target different audiences.
- v. Increased tolerance of different cultures thus, promoting cooperation.
- vi. A diverse pool of talent allows the company to equip itself on different fronts.
- vii. Higher brand reputation and image.
- viii. It increases job satisfaction, and employees feel excited and motivated while at work.
- ix. The abundance of knowledge and experiences can help decision-making while looking at each problem from various angles.
- x. Establish a secure and nurturing environment.

- xi. Collaborative environment as employees feels included and heard.
- xii. Room for innovation and creativity.

2.5.Promotion of Diversity in an Organization

To promote diversity by setting each diversity dimension as stepping-stone to improvise in work culture.

- i. **Advertise Accordingly:** To choose print ads for attracting experienced professionals while social media and online forms for the young.
- ii. **Gender Equality**
 - Use inclusive language in all your policies and meetings.
 - Minimize the gender pay gap.
 - Devise flexible approaches like telecommuting and part-time for women.
- iii. **Acknowledge Religious Observances**

Acknowledging religious observances and culture will help employees trust you.

iv. Ensure disability Never Become a Barrier

- Provide latest technologies like screen readers or other software.
- Make the office accessible through a wheelchair by building a ramp for smooth travel.
- v. **Educate Employees for Bias:** Provide training to the employees to spread awareness of common biases and prevent them from hampering the

judgment.

v. Personalize Diversity Practices

- No two diversity practices are equally effective. Their effectiveness depends entirely on your organization's requirements.
- Thus, what suits other organizations may not serve your purpose. So, personalize your diversity practices as per your requirements.

vi.Bring Leadership and Management on Board

- Train your management and convey the company's expectations from it.
- Make sure your leadership is diverse.

vii.Conduct Regular Continuous Dialogues

Regular talks and discussions will help employees clear their queries, regarding diversity and its importance.

vii. Establish Clear Boundaries

Ensure to convey to all employees how the company entertains zero-tolerance against discrimination. **In a Nutshell :** Dimensions of **diversity** are the steppingstones to achieving a world-class and inclusive environment. It ensures diversity blooms and all employees freely express and contribute to the company. Different minds and perspectives are the ingredients of a long-term successful business and profitability.

UNIT-III

ORGANIZATIONAL DESIGN AND CHANGE

Introduction:

Today, an organization can be seen as an entity which is continuously working with the complex and dynamic business environment. The situational approach of managing the organizational structure also emphasize on the fact that the organizations must make themselves adaptive according to the current environment in order to be competitive and innovative in nature so as to make the most of the opportunity. The strength of any business concern can only be seen at the time of changing scenarios. It can be checked from the managerial efficiency of the business unit that to what extent the top management has achieved successful implementation and management of the change. Think of a situation, where there is no change in the working environment of the businessconcern. Then, in that case, the top management job which is generally, considered as think tank of the organization would be relatively very easy. The whole management process would remain same for the tomorrow like it is for today. Moreover, the current organizational design is going to be same because there would be no uncertainty in the environment. Similarly, decision-making process would be dramatically simple and accurate for every situation. In short, it would, indeed, simplify the whole of the management job. But, in reality, it is not true. Change is an inevitable organizational reality. And managing change is an integral part of every manager working in the organization, no matter to which level it belongs

Levels of Strategic Changes

Strategic change can be viewed as a continuum running from no variation in strategy to a complete change in an organization's mission. For analytic purposes, it useful to divide strategic change into the five discrete stages:

- ***Continuation Strategy***

This strategy in one which the same strategy that was used in the previous planning period is repeated. Successful implementation is largely a matter of monitoring activities to ensure that they are performed on schedule.

- ***Routine Strategy Change***

It involves normal changes in the appeals to attract customers. An important type of routine strategy changes involves positioning or repositioning a product in the minds of consumers.

- ***Limited Strategy Change***

A limited strategy change involves offering new products to new markets within the same general product class. There are many variations at this level of strategic change, because products can be new in a variety of ways.

- ***Radical Strategy Change***

A radical strategy changes involves a major reorganization within the firm. This type of change is common when mergers and acquisitions occur between firms in the same basic industry. Radical changes can also involve numerous changes in the organizational structure and multiple acquisitions and sales of subsidiaries.

- ***Organizational Redirection***

One form of organizational redirection involves mergers and acquisitions of firms in different industries. The degree of strategic change depends on how different the industries are and on how centralized management of the new firm is to be. Another form of organizational

redirection occurs when a firm leaves one industry and enters a new one.

Managing Strategic Change

Changes in strategy are typically marked by uncertainty about causes, priorities, appropriate action, even about the existence of a problem.

- *Urgency of Change*

One of the most significant influence in which the implementation of the change process are manage is the degree of urgency required. When the impact of urgency on change is considered, we are left with three principal types of change: crisis change, reactive change, and anticipatory change.

- *Crisis Change*

In this situations, the problems have reached an acute state: an opportunity may be disappearing, sales may be in collapse, a cash crunch may be imminent, banks may be on the bring of calling in their loans and so forth. In crisis situations decisive action is required.

- *Reactive Change*

This situation prompting the change may be positive (e.g., an opportunity to exploit a new technology), or problematic (e.g., the need to address a persistent decline in performance standards). In reactive situations there are clear and tangible indications of the need for change, but the pace of change must be carefully considered. The steps must be taken sufficiently rapidly to meet external pressures. However, they cannot create the disproportionate risks of failure.

- *Anticipatory Change*

This type of change tends to have the longest perspective. The characteristics of anticipatory change are a forecast need for change but with the required actions and the timing both uncertain. Anticipatory change is perused in careful, purposeful, incremental steps. This approach is now referred to as logical incrementalism (Quinn's incremental model).

The Phases of Strategic Change

The process of strategic change can be thought of has having two phases: readiness for change and implanting change. The main characteristics of these phases and the common obstacles to passing through them.

Phase One of Strategic Change

- **Readiness for change**

Being ready for change is a simple, logical, early requirement in a change cycle. Readiness for change can be subdivided into three key stages:

- *Awareness and understanding*

The first stage in the strategic change process is to assess the levels of awareness and understanding and identify the obstacles to improving them. Without widespread awareness of the need for change, most managers will resist the change.

- *Capability*

Assuming that widespread awareness of the need for change does exist management can the proceed with examining whether it has the necessary capabilities to permit the change to take place. It takes time, often years, to train and develop to handle significantly new tasks and to design and implement new management processes. Nonetheless, it is absolutely essential.

- *Commitment*

As awareness and capabilities improve, the task of building commitment to making, supporting, and sustaining changes becomes more important. As the change program proceeds, managers need to monitor the situation carefully and identify any emerging resistance as early as possible.

Phase Two of Strategic Change

- **Implanting change**

Implanting a change is the process of putting into place so that chances of reversals are minimized. This process can be subdivided into three stages:

- **Adoption**

What characterizes the adoption stage is an escalating sense of irrevocability. As readiness increases, the adoption of the required changes will proceed, provided that various lastminute obstacles do not interfere.

- **Reinforcement**

Reinforcement is essential in speeding the process along and minimizing the chances of relapse. A major problem at this stage is that changes that have been tentatively adopted may fail because they are not properly supported and reward.

- **Recycling**

Strategic change in a business is an ongoing process. This ongoing attention is necessary both to reinforce change and to ensure that the organization keeps pace with changes in the environment. Therefore, senior management must continuously and sensibly raise the sights of the organization and build in the values, competence, and mechanisms that will support flexibility over time.

Tactics for Change

Managers have a variety of tactics available for implementing change. These will depend in part on the level and preference for the use of power, and whether this power can or should be exerted directly or indirectly.

The Figure 59 describes some basic tactics for a achieving strategic change. These tactics are classified in terms of two major categories: face-to-face (direct) action and indirect (contextual) action which stand as complementary paths to change.

The choice and timing of particular tactics were related to the notion of stages of change for a target group.

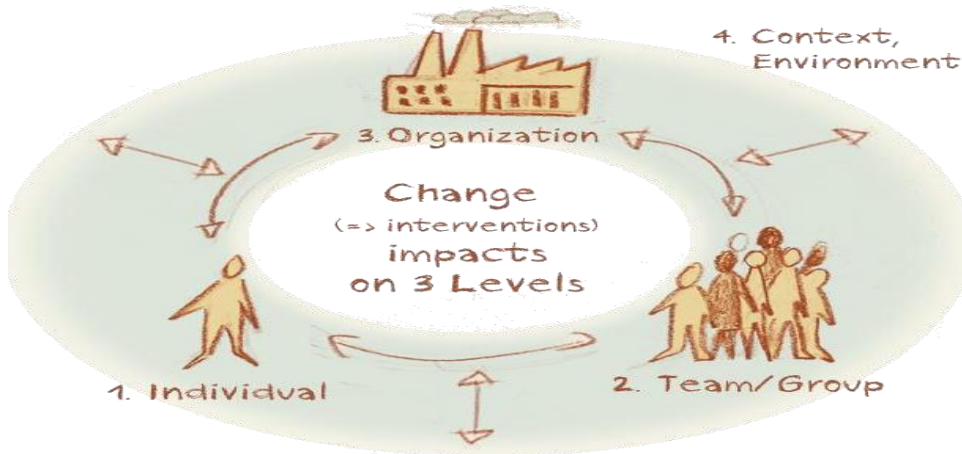
GROUP, TEAM, INDIVIDUAL LEVEL CHANGE

Changes can happen and/or impact, within an organization, on four different levels (see graphic below.) There can be one or several levels affected by a Change. It is important to understand the levels a change impacts, as they are the base for appropriate measures and interventions.

Individual or team changes (levels 1 and 2) are changes **within** the system (organization), changes on level 3 (organization) are changing the system **itself**, while changes on level 4 (relevant context and environment) impact the wider system an organization is operating in. (for example the segment, market or industry)

Today the necessity and therefore ability to respond to changes on level 4 (context, environment) has reached a new quality. Modern communication increases, as the uncertainty of future questions (market, environment and society) are rising and likewise the need for organizations to find the appropriate answers on all these levels.

Organizational changes usually have their origin from level 2 to 4. The appropriate Change Interventions can take place on all 4 levels.



- Changes at a higher level always affect the lower levels.
- Changes at a lower level can but do not have to affect the higher levels.
- Interventions at all effected levels can but must not be appropriate (it needs to be decided)



Individual Level



At the end, every changes no matter on which level always impact the individuals. [EG. global warming; a bankruptcy of a company; a new IT system, a new team set-up, a new job etc.]

Change usually is seen as a threat and therefore leads to fear and resistance. The Resistance of an individual towards a change depends on two factors: Does someone feel affected by the change? No | Yes go to 2nd If yes, is it perceived positive or as negative [a threat/a loss] ==> Fear / Resistance? Often there is a big discrepancy between the felt impact and the real impact on a person. Unfortunately, as long as we deal with human beings, we have to deal with what is felt, the emotions not with what is “real”. [e.g. in a Carve Out the individual feels: life derails, lose control of life, company betrayals, fear for one’s existence, paralysis etc.] Therefore, people need time to digest, get used to and see / reflect what the impact will be. Processing time and the possibility to actively process is the key in times of rigorous change. On the individual level we look at who is/feels affected in which way by changes and how can the individual be supported to manage / handle it appropriately? [Skill building? Processing of challenging situation? Coaching? ...]

Group / Team Level



Changes often affect groups or teams; this can happen from the outside or from the inside. They have to adapt to new situations, processes, systems and tasks. They are set up, composed newly or ceased; they are transferred to somewhere else ... Severe changes inevitably create dynamics in the team/ group which are likely to affect its communication, interaction and cooperation in the ins & outside. [e.g. Impact of Carve Out on Group/ Team: of no worth to organization, structures are breaking, team focus declining, stress level rising, conflict level rising, cooperation level declining...] How to support groups and teams appropriately before during and after the changes is the matter here. If groups / teams need to change, then individuals need to change too (see Individual Level).

Organizational Level



Sometimes entire parts of or even the entire organizations need to change. These are normally the severest changes that can happen. [E.G. impact of Carve out on Organization: massive organizational insecurity, Alienation although still part of the old organization, insider/ outsider

question, cut interfaces / processes, new systems and procedures...]. If the organization changes, teams / groups need to change and therefore individuals. How to support the organization and the relevant groups / teams appropriately during the changes is the matter here? As numerous interventions on different levels need to be orchestrated the use of Change Architectures becomes a necessity. This kind of organizational change usually goes along with changes in attitude or culture and is both, complex and long term.

Organizational Structures

The formal organization is usually delineated by an organizational chart and job descriptions. The official reporting relationships are clearly known to every manager.

Alongside the formal organization exists an informal organization which is a set of evolving relationships and patterns of human interaction within an organization that are not officially prescribed.

Formal organizational structures are categorized as:

- (i) Line organizational structure.
- (ii) Staff or functional authority organizational structure.
- (iii) Line and staff organizational structure.
- (iv) Committee organizational structure.
- (v) Divisional organizational structure.
- (vi) Project organizational structure.
- (vii) Matrix organizational structure and
- (viii) Hybrid organizational structure.

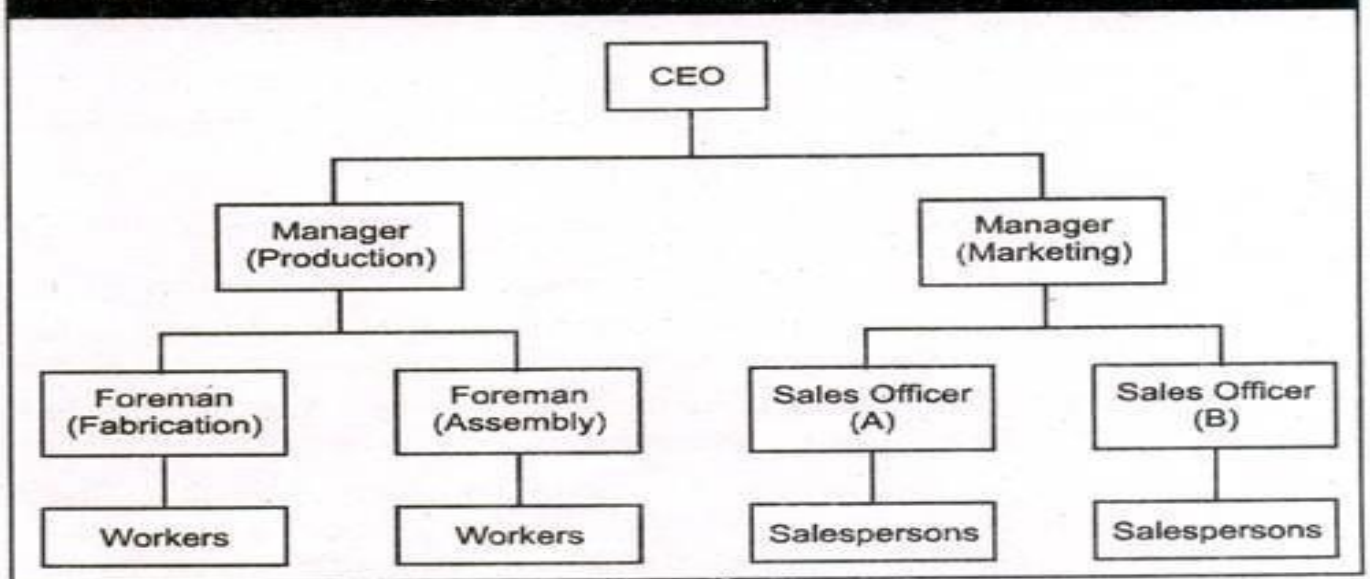
These organizational structures are briefly described in the following paragraphs:

1. Line Organizational Structure:

A line organisation has only direct, vertical relationships between different levels in the firm. There are only line departments-departments directly involved in accomplishing the primary goal of the organisation. For example, in a typical firm, line departments include production and marketing. In a line organisation authority follows the chain of command.

Exhibit 10.3 illustrates a single line organisational structure.

Exhibit 10.3 : Line Organisational Structure



Features:

Has only direct vertical relationships between different levels in the firm.

Advantages:

1. Tends to simplify and clarify authority, responsibility and accountability relationships
2. Promotes fast decision making
3. Simple to understand.

Disadvantages:

1. Neglects specialists in planning
2. Overloads key persons.

Some of the advantages of a pure line organization are:

- (i) A line structure tends to simplify and clarify responsibility, authority and accountability relationships. The levels of responsibility and authority are likely to be precise and understandable.
- (ii) A line structure promotes fast decision making and flexibility.
- (iii) Because line organizations are usually small, managements and employees have greater closeness.

However, there are some disadvantages also. They are:

- (i) As the firm grows larger, line organization becomes more ineffective.
- (ii) Improved speed and flexibility may not offset the lack of specialized knowledge.
- (iii) Managers may have to become experts in too many fields.
- (iv) There is a tendency to become overly dependent on the few key people who can perform numerous jobs.

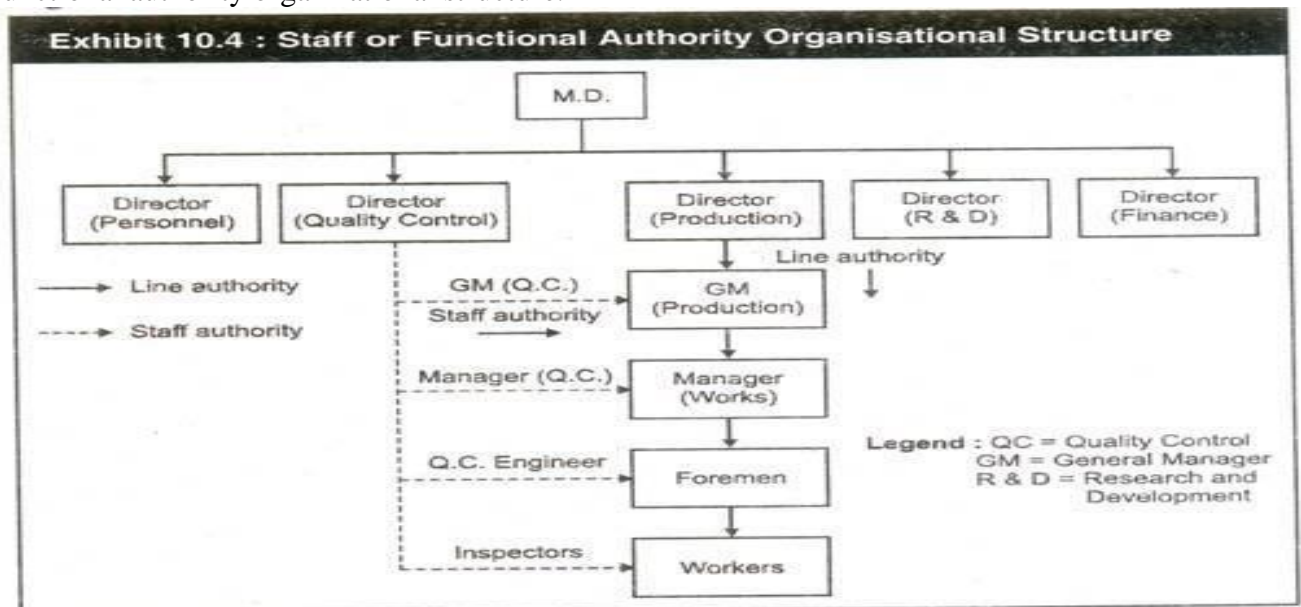
2. Staff or Functional Authority Organizational Structure

The jobs or positions in an organization can be categorized as:

- (i) **Line position:** A position in the direct chain of command that is responsible for the achievement of an organization's goals and
- (ii) **Staff position:** A position intended to provide expertise, advice and support for the line positions.

The line officers or managers have the direct authority (known as line authority) to be exercised by them to achieve the organizational goals. The staff officers or managers have staff authority (i.e., authority to advise the line) over the line. This is also known as functional authority.

An organization where staff departments have authority over line personnel in narrow areas of specialization is known as functional authority organization. Exhibit 10.4 illustrates a staff or functional authority organizational structure.



In the line organisation, the line managers cannot be experts in all the functions they are required to perform. But in the functional authority organisation, staff personnel who are specialists in some fields are given functional authority (The right of staff specialists to issue

orders in their own names in designated areas).

The principle of unity of command is violated when functional authority exists i.e., a worker or a group of workers may have to receive instructions or orders from the line supervisor as well as the staff specialist which may result in confusion and the conflicting orders from multiple sources may lead to increased ineffectiveness. Some staff specialists may exert direct authority over the line personnel, rather than exert advice authority (for example, quality control inspector may direct the worker as well as advise in matters related to quality).

While this type of organisational structure overcomes the disadvantages of a pure line organisational structure, it has some major disadvantages:

They are: (i) the potential conflicts resulting from violation of principle of unity of command and (ii) the tendency to keep authority centralized at higher levels in the organisation.

3. Line and Staff Organisational Structure:

Most large organisations belong to this type of organisational structure. These organisations have direct, vertical relationships between different levels and also specialists responsible for advising and assisting line managers. Such organisations have both line and staff departments. Staff departments provide line people with advice and assistance in specialized areas (for example, quality control advising production department).

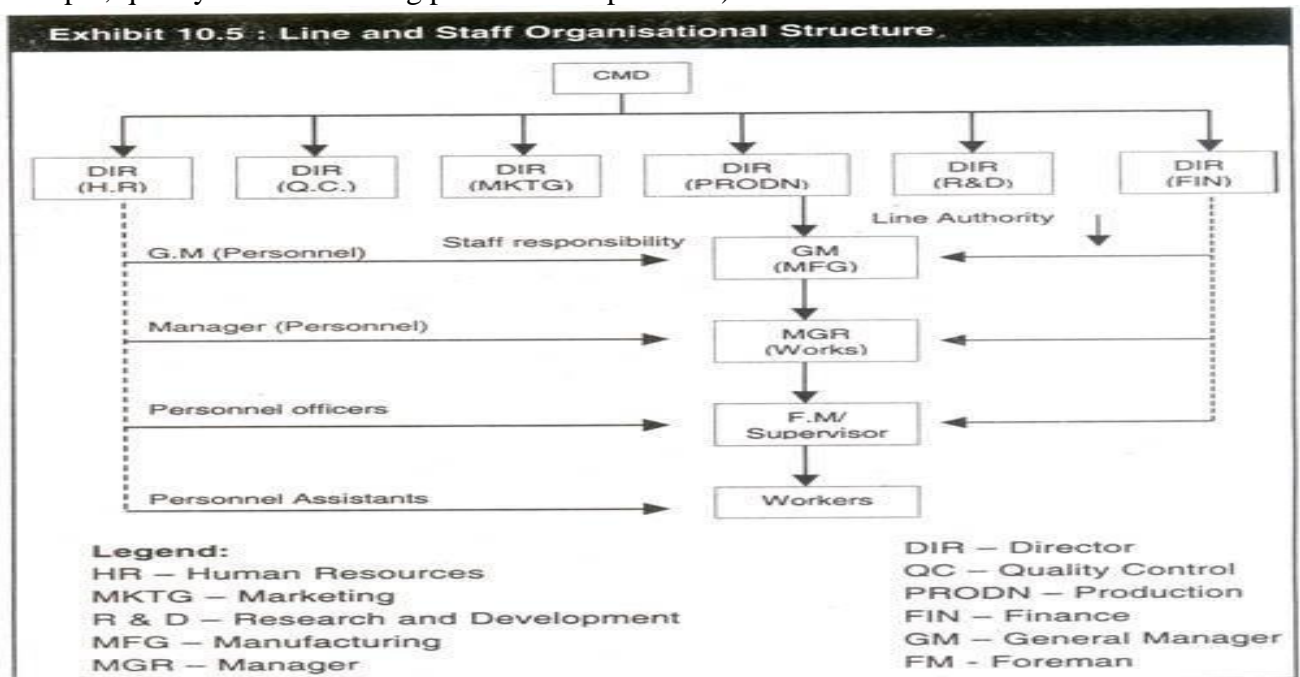


Exhibit 10.5 illustrates the line and staff organisational chart. The line functions are production and marketing whereas the staff functions include personnel, quality control, research and development, finance, accounting etc. The staff authority of functional authority organisational structure is replaced by staff responsibility so that the principle of unity of command is not violated.

Three types of specialized staffs can be identified:

- a. Advising,
- b. Service and
- c. Control.

Some staffs perform only one of these functions, but some may perform two or all the three functions. The primary advantage is the use of expertise of staff specialists by the line personnel. The span of control of line managers can be increased because they are relieved of many functions which the staff people perform to assist the line.

Some advantages are:

- (i) Even through a line and staff structure allows higher flexibility and specialization it may create conflict between line and staff personnel.
- (ii) Line managers may not like staff personnel telling them what to do and how to do it even though they recognize the specialists' knowledge and expertise.
- (iii) Some staff people have difficulty adjusting to the role, especially when line managers are reluctant to accept advice.
- (iv) Staff people may resent their lack of authority and this may cause line and staff conflict.

Features:

1. Line and staff have direct vertical relationship between different levels.
2. Staff specialists are responsible for advising and assisting line managers/officers in specialized areas.
3. These types of specialized staff are (a) Advisory, (b) Service, (c) Control e.g.,

(a) Advisory:

Management information system, Operation Research and Quantitative Techniques, Industrial Engineering, Planning etc

(b) Service:

Maintenance, Purchase, Stores, Finance, Marketing.

(c) Control:

Quality control, Cost control, Auditing etc. Advantages'

- (i) Use of expertise of staff specialists.
- (ii) Span of control can be increased
- (iii) Relieves line authorities of routine and specialized decisions.

(iv) No need for all round executives.

Disadvantages:

- (i) Conflict between line and staff may still arise.
- (ii) Staff officers may resent their lack of authority.
- (iii) Co-ordination between line and staff may become difficult.

Committee Organizational Structure Features:

- (a) Formed for managing certain problems/situations
- (b) Are temporary decisions.

Advantages:

1. Committee decisions are better than individual decisions
2. Better interaction between committee members leads to better co-ordination of activities
3. Committee members can be motivated to participate in group decision making.
4. Group discussion may lead to creative thinking.

Disadvantages:

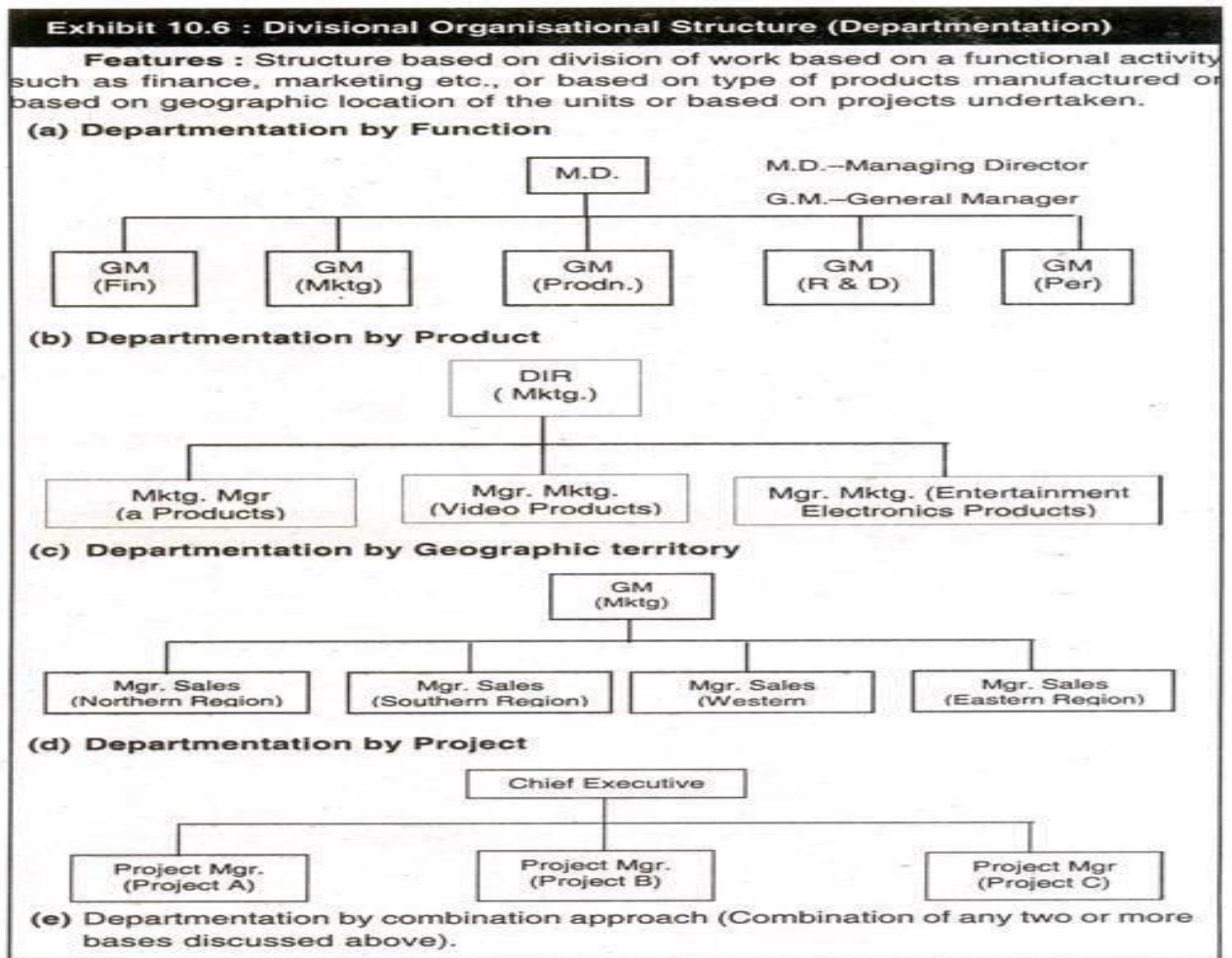
1. Committees may delay decisions, consume more time and hence more expensive.
2. Group action may lead to compromise and indecision.
3. 'Buck passing' may result.

4. Divisional Organisational Structure:

In this type of structure, the organisation can have different basis on which departments are formed. They are:

- (i) Function,
- (ii) Product,
- (iii) Geographic territory,
- (iv) Project and
- (iv) Combination approach.

Exhibit 10.6 illustrates organisational structures formed based on the above basis of departmentation.



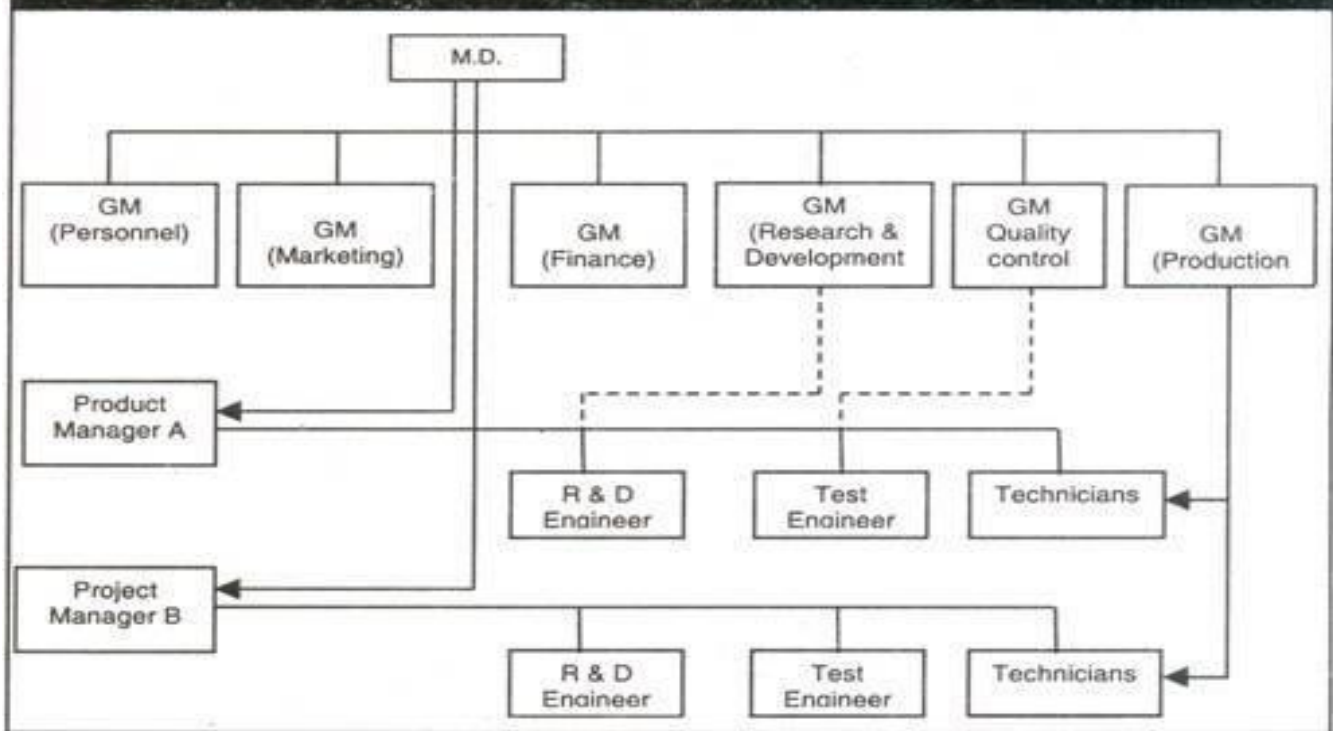
5. Project Organisational Structure:

The line, line and staff and functional authority organisational structures facilitate establishment and distribution of authority for vertical coordination and control rather than horizontal relationships. In some projects (complex activity consisting of a number of interdependent and independent activities) work process may flow horizontally, diagonally, upwards and downwards. The direction of work flow depends on the distribution of talents and abilities in the organisation and the need to apply them to the problem that exists. The cope up with such situations, project organisations and matrix organisations have emerged.

A project organisation is a temporary organisation designed to achieve specific results by using teams of specialists from different functional areas in the organisation. The project team focuses all its energies, resources and results on the assigned project. Once the project has been completed, the team members from various cross functional departments may go back to their previous positions or may be assigned to a new project. Some of the examples of projects are: research and development projects, product development, construction of a new plant, housing complex, shopping complex, bridge etc.

Exhibit 10.7 illustrates a project organisational structure.

Exhibit 10.7 : Project Organisational Structure



Feature: Temporary organisation designed to achieve specific results by using teams of specialists from different functional areas in the organisation.

Importance of Project Organisational Structure:

- Project organisational structure is most valuable when:
- Work is defined by a specific goal and target date for completion.
- Work is unique and unfamiliar to the organisation.
- Work is complex having independent activities and specialized skills are necessary for accomplishment.
- Work is critical in terms of possible gains or losses.
- Work is not repetitive in nature.

Characteristics of project organization:

- Personnel are assigned to a project from the existing permanent organisation and are under the direction and control of the project manager.
- The project manager specifies what effort is needed and when work will be performed whereas the concerned department manager executes the work using his resources.
- The project manager gets the needed support from production, quality control, engineering etc. for completion of the project.
- The authority over the project team members is shared by project manager and the respective functional managers in the permanent organisation.
- The services of the specialists (project team members) are temporarily loaned to the project manager till the completion of the project.
- There may be conflict between the project manager and the departmental manager on the issue

of exercising authority over team members.

- Since authority relationships are overlapping with possibilities of conflicts, informal relationships between project manager and departmental managers (functional managers) become more important than formal prescription of authority.
- Full and free communication is essential among those working on the project.

6. Matrix Organisational Structure:

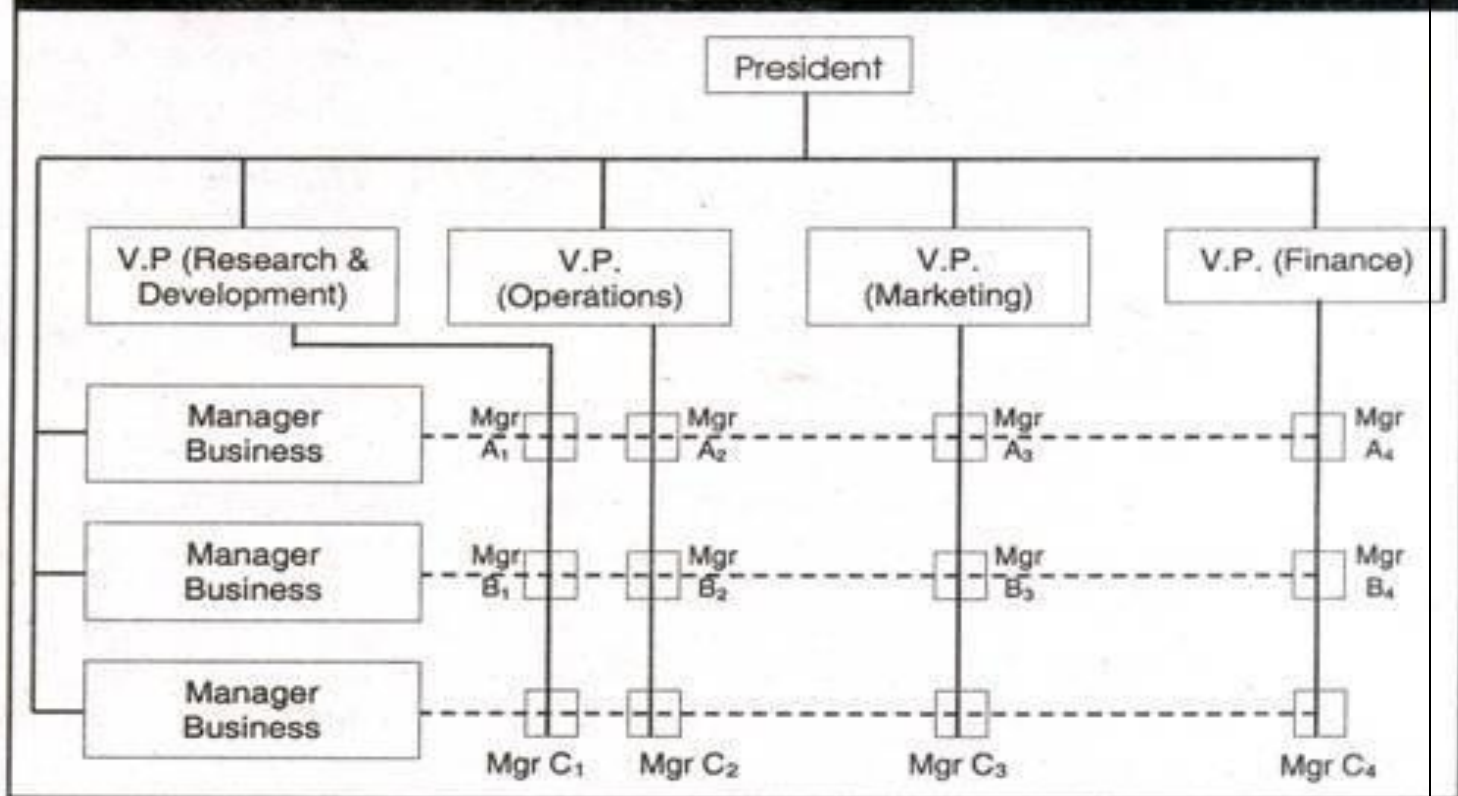
It is a permanent organisation designed to achieve specific results by using teams of specialists from different functional areas in the organisation. The matrix organisation is illustrated in Exhibit 10.8.

Feature: Superimposes a horizontal set of divisions and reporting relationships onto a hierarchical functional structure

Advantages:

1. Decentralised decision making.
2. Strong product/project co-ordination.
3. Improved environmental monitoring.
4. Fast response to change.
5. Flexible use of resources.
6. Efficient use of support systems.

Exhibit 10.8 : Matrix Organisational Structure



Disadvantages:

1. High administration cost.
2. Potential confusion over authority and responsibility.
3. High prospects of conflict.
4. Overemphasis on group decision making.
5. Excessive focus on internal relations.

This type of organisation is often used when the firm has to be highly responsive to a rapidly changing external environment.

In matrix structures, there are functional managers and product (or project or business group) managers. Functional manager are in charge of specialized resources such as production, quality control, inventories, scheduling and marketing. Product or business group managers are incharge of one or more products and are authorized to prepare product strategies or business group strategies and call on the various functional managers for the necessary resources.

The problem with this structure is the negative effects of dual authority similar to that of project

organisation. The functional managers may lose some of their authority because product managers are given the budgets to purchase internal resources. In a matrix organisation, the product or business group managers and functional managers have somewhat equal power. There is possibility of conflict and frustration but the opportunity for prompt and efficient accomplishment is quite high.

7. Hybrid Organisational Structure:

Exhibit 10.9 (a) illustrates the hybrid organisational structure.

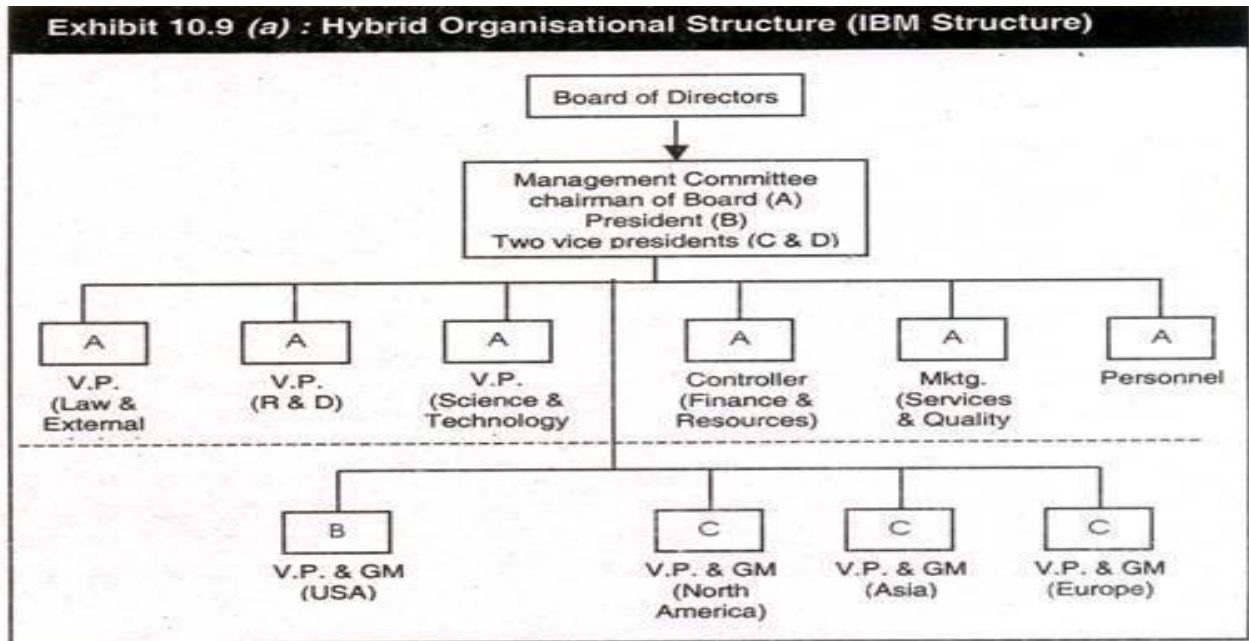
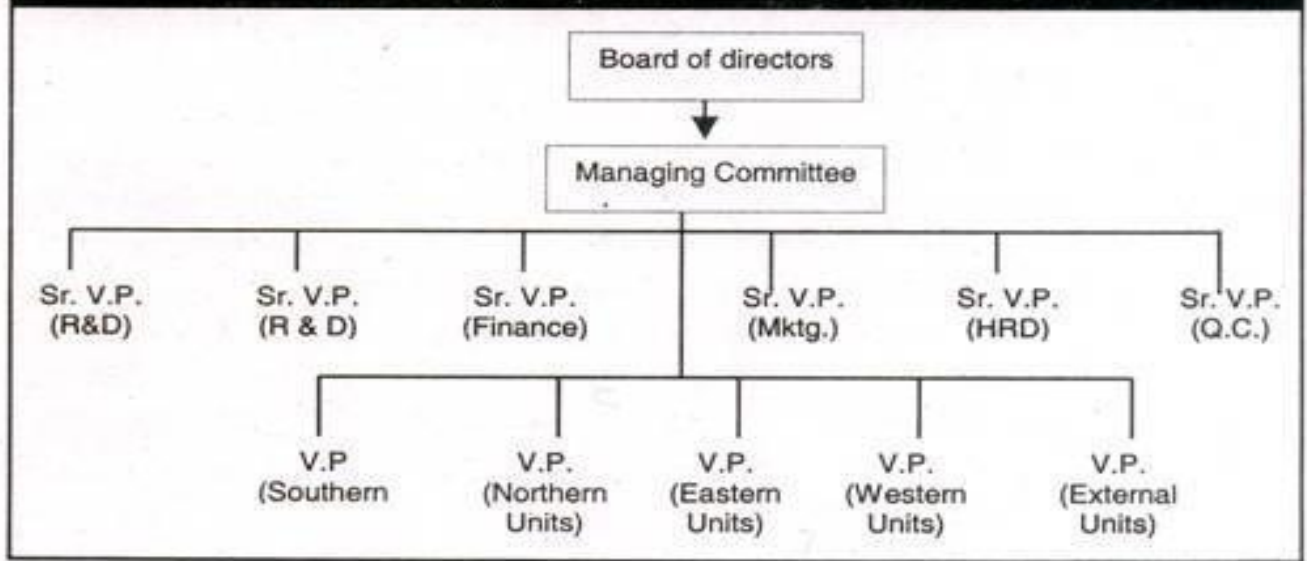


Exhibit 10.9 (b) illustrates a combination structure

Exhibit 10.9 (b) : Combination Structure (Functional and geographic divisions)



Advantages:

1. Alignment of corporate and divisional goals.
2. Functional expertise and efficiency.
3. Adaptability and flexibility in divisions.

Disadvantages:

1. Conflicts between corporate departments and units.
2. Excessive administration overhead.
3. Slow response to exceptional situations.

Uses:

Used in organisations that face considerable environmental uncertainty that can be met through a divisional structure and that also required functional expertise or efficiency

This type of structure is used by multinational companies operating in the global environment, for example, International Business Machines USA. This kind of structure depends on factors such as degree of international orientation and commitment. Multinational corporations may have their corporate offices in the country of origin and their international divisions established in various countries reporting to the CEO or president at the headquarters. The international divisions or foreign subsidiaries may be grouped into regions such as North America, Asia, Europe etc. and again each region may be subdivided into countries within each region.

While the focus is on international geographic structures, companies may also choose functional or process or product departmentation in addition to geographic pattern while at the head quarter's the departmentation may be based on function.

The Informal Organisation:

An informal organisation is the set of evolving relationships and patterns of human interaction within an organisation which are not officially presented. Alongside the formal organisation, an informal organisation structure exists which consists of informal relationships created not by officially designated managers but by organisational members at every level. Since managers cannot avoid these informal relationships, they must be trained to cope with it

The informal organisation has the following characteristics

- (i) Its members are joined together to satisfy their personal needs (needs for affiliation, friendship etc.)
- (ii) It is continuously changing:

The informal organisation is dynamic.

- It involves members from various organisational levels.
- It is affected by relationship outside the firm.
- It has a pecking order: certain people are assigned greater importance than others by the informal group.

Even though an informal organisational structure does not have its own formal organisational chart, it has its own chain of command:

Benefits of Informal Organisation:

- (i) Assists in accomplishing the work faster.
- (ii) Helps to remove weakness in the formal structure.
- (iii) Lengthens the effective span of control.
- (iv) Compensation for violations of formal organisational principles.
- (v) Provides an additional channel of communication.
- (vi) Provides emotional support for employees.
- (vii) Encourages better management.

Disadvantages of informal organisation:

- (i) May work against the purpose of formal organisation.
- (ii) Reduces the degree of predictability and control.
- (iii) Reduces the number of practical alternatives.
- (iv) Increases the time required to complete activities.

Organization Culture

A common platform where individuals work in unison to earn profits as well as a livelihood for themselves is called an organization. A place where individuals realize the dream of making it big is called an organization. Every organization has its unique style of working which often contributes to its culture. The beliefs, ideologies, principles and values of an

organization form its culture. The culture of the workplace controls the way employees behave amongst themselves as well as with people outside the organization.

- **The culture decides the way employees interact at their workplace.** A healthy culture encourages the employees to stay motivated and loyal towards the management.
- **The culture of the workplace also goes a long way in promoting healthy competition at the workplace.** Employees try their level best to perform better than their fellow workers and earn recognition and appreciation of the superiors. It is the culture of the workplace which actually motivates the employees to perform.
- Every organization must have set guidelines for the employees to work accordingly. **The culture of an organization represents certain predefined policies which guide the employees and give them a sense of direction at the workplace.** Every individual is clear about his roles and responsibilities in the organization and know how to accomplish the tasks ahead of the deadlines.
- No two organizations can have the same work culture. It is the culture of an organization which makes it distinct from others. **The work culture goes a long way in creating the brand image of the organization.** The work culture gives an identity to the organization. In other words, an organization is known by its culture.
- **The organization culture brings all the employees on a common platform.** The employees must be treated equally and no one should feel neglected or left out at the workplace. It is essential for the employees to adjust well in the organization culture for them to deliver their level best.
- **The work culture unites the employees who are otherwise from different back grounds,** families and have varied attitudes and mentalities. The culture gives the employees a sense of unity at the workplace.

CHANGE MANAGEMENT

Certain organizations follow a culture where all the employees irrespective of their designations have to step into the office on time. Such a culture encourages the employees to be punctual which eventually benefits them in the long run. It is the culture of the organization which makes the individuals a successful professional.

- Every employee is clear with his roles and responsibilities and strives hard to accomplish the tasks within the desired time frame as per the set guidelines. Implementation of policies is never a problem in organizations where people follow a set culture. The new employees also try their level best to understand the work culture and make the organization a better place to work.
- **The work culture promotes healthy relationship amongst the employees.** No one treats work as a burden and moulds himself according to the culture.
- **It is the culture of the organization which extracts the best out of each team member.** In a culture where management is very particular about the reporting system, the employees however busy they are would send their reports by end of the day. No one has to force anyone to work. The culture develops a habit in the individuals which makes them successful at the workplace.
- Change management is the discipline that guides how we prepare, equip and support individuals to successfully adopt change in order to drive organizational success and outcomes.
- While all changes are unique and all individuals are unique, decades of research shows there are actions we can take to influence people in their individual transitions. Change management

provides a structured approach for supporting the individuals in your organization to move from their own current states to their own future states.

Three Levels of Change Management

INDIVIDUAL CHANGE MANAGEMENT

- While it is the natural psychological and physiological reaction of humans to resist change, we are actually quite resilient creatures. When supported through times of change, we can be wonderfully adaptive and successful.
- Individual change management requires understanding how people experience change and what they need to change successfully. It also requires knowing what will help people make a successful transition: what messages do people need to hear when and from whom, when the optimal time to teach someone a new skill is, how to coach people to demonstrate new behaviors, and what makes changes “stick” in someone’s work. Individual change management draws on disciplines like psychology and neuroscience to apply actionable frameworks to individual change.
- After years of studying how individuals experience and are influenced in times of change, Prosci developed the adkar® model for individual change. Today, it is one of the most widely used change models in the world.

ORGANIZATIONAL/INITIATIVE CHANGE MANAGEMENT

- While change happens at the individual level, it is often impossible for a project team to manage change on a person-by-person basis. Organizational or initiative change management provides us with the steps and actions to take at the project level to support the hundreds or thousands of individuals who are impacted by a project.
- Organizational change management involves first identifying the groups and people who will need to change as the result of the project, and in what ways they will need to change. Organizational change management then involves creating a customized plan for ensuring impacted employees receive the awareness, leadership, coaching, and training they need in order to change successfully. Driving successful individual transitions should be the central focus of the activities in organizational change management.
- Organizational change management is complementary to your project management. Project management ensures your project’s solution is designed, developed and delivered, while change management ensures your project’s solution is effectively embraced, adopted and used.

ENTERPRISE CHANGE MANAGEMENT CAPABILITY

- Enterprise change management is an organizational core competency that provides competitive differentiation and the ability to effectively adapt to the ever-changing world. An enterprise change management capability means effective change management is embedded into your organization’s roles, structures, processes, projects and leadership competencies. Change management processes are consistently and effectively applied to initiatives, leaders have the skills to guide their teams through change, and employees know what to ask for in order to be successful.
- The end result of an enterprise change management capability is that individuals embrace change more quickly and effectively, and organizations are able to respond quickly to market

changes, embrace strategic initiatives, and adopt new technology more quickly and with less productivity impact. This capability does not happen by chance, however, and requires a strategic approach to embed change management across an organization.

COMMUNICATION IN CHANGE MANAGEMENT

You cannot over-communicate when you are asking your organization to change. Every successful executive, who has led a successful change management effort, expresses the need for over communicating during a change experience and makes this statement in retrospect.

No organization exists in which employees are completely happy with communication. Communication is one of the toughest issues in organizations.

It is an area that is most frequently complained about by employees during organizational change and during daily operations. The reason?

Effective communication requires four components that are interworking perfectly to create shared meaning, a favourite definition of communication.

- The individual sending the message must present the message clearly and in detail, and radiate integrity and authenticity.
- The person receiving the message must decide to listen, ask questions for clarity, and trust the sender of the message.
- The delivery method chosen must suit the circumstances and the needs of both the sender and the receiver.
- The content of the message has to resonate and connect, on some level, with the already-held beliefs of the receiver. It must contain the information that the employee wants to hear. It must answer the employee's most cherished and cared about questions.
- With all of this going on in a communication, it's a wonder that organizations ever do it well.

Change management practitioners have provided a broad range of suggestions about how to communicate well during any organizational changes.

Recommendations about Communication for Effective Change Management

Develop a written communication plan to ensure that all of the following occur within your change management process.

- Communicate consistently, frequently, and through multiple channels, including speaking, writing, video, training, focus groups, bulletin boards, Intranets, and more about the change.
- Communicate all that is known about the changes, as quickly as the information is available. (Make clear that your bias is toward instant communication, so some of the details may change at a later date.) Tell people that your other choice is to hold all communication until you are positive about the decisions, goals, and progress. This is disastrous in effective change management.
- Provide significant amounts of time for people to ask questions, request clarification, and provide input. If you have been part of a scenario in which a leader presented changes, on overhead transparencies, to a large group, and then fled, you know what bad news this is for change integration. People must feel involved in the change. Involvement creates commitment—nothing else is as significant during a change process.

- Clearly communicate the vision, the mission, and the objectives of the change management effort. Help people to understand how these changes will affect them personally. (If you don't help with this process, people will make up their own stories, usually more negative than the truth.)
- Recognize that true communication is a conversation. It is two-way and real discussion must result. It cannot be just a presentation.
- The change leaders or sponsors need to spend time conversing one-on-one or in small groups with the people who are expected to make the changes.
- Communicate the reasons for the changes in such a way that people understand the context, the purpose, and the need. Practitioners have called this: "building a memorable, conceptual framework," and "creating a theoretical framework to underpin the change."
- Provide answers to questions only if you know the answer. Leaders destroy their credibility when they provide incorrect information or appear to stumble or back-peddle when providing an answer. It is much better to say you don't know, and that you will try to find out.
- Leaders need to listen. Avoid defensiveness, excuse-making, and answers that are given too quickly. Act with thoughtfulness.
- Make leaders and change sponsors available, daily when possible, to mingle with others in the workplace.
- Hold interactive workshops and forums in which all employees can explore the changes together, while learning more. Use training as a form of interactive communication and as an opportunity for people to safely explore new behaviors and ideas about change and change management. All levels of the organization must participate in the same sessions.
- Communication should be proactive. If the rumor mill is already in action, the organization has waited too long to communicate.
- Provide opportunities for people to network with each other, both formally and informally, to share ideas about change and change management.
- Publicly review the measurements that are in place to chart progress in the change management and change efforts.
- Publicize rewards and recognition for positive approaches and accomplishments in the changes and change management. Celebrate each small win publicly.

RESISTANCE TO CHANGE

Resistance is a natural response to change and recognizing and managing resistance is a key skill for the effective change manager. Resistance is a healthy part of any change process. Manage it effectively and it can strengthen your change initiative. Ignore it and it can quietly undermine all your great intentions.

Managing resistance to change

Recognise resistance. Don't pretend it's not happening - it will not go away, but will quietly fester and grow to be much bigger than it really is. It is most important first of all to recognise and acknowledge the resistance.

Don't shoot the messenger. Just because someone has spoken out, don't assume they are the only one resisting - there may be many more quietly agreeing with them.

Open it up for discussion. Often easier said than done but if you recognise resistance, then

ask questions and find out about it. Listen to what people say and don't think about whether you agree or disagree with them.

Understand their concerns. Try to understand what might be really worrying them. Does your plan have some real weaknesses? Could their concerns have some basis? Are they worried about their own capacity or skills? Whilst they might not want to admit it, is it possible that they feel they don't have the ability or knowledge necessary? Or are they going to lose status? Or control?

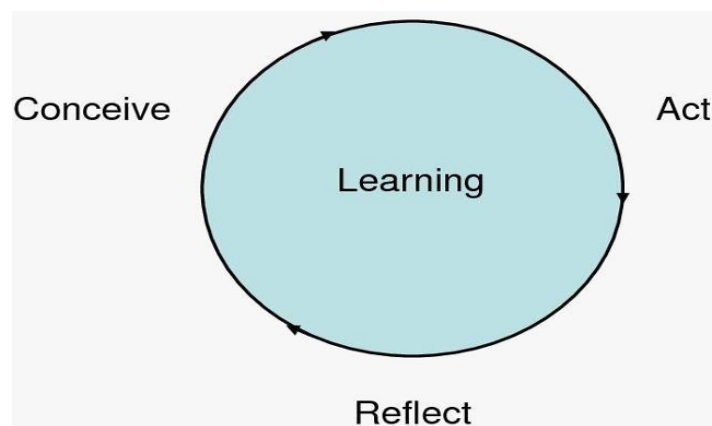
Give it some time. Allow time for the concerns to be raised and then work with your team to find shared solutions.

Motivation and resistance to change

Key to managing resistance is understanding motivation. For each member of your team think about what their motivation might be, how this will be affected by the change and how you might revise your change plans accordingly.

Organizational Learning

Learning is the way we create new knowledge and improve ourselves. Although there is ample debate regarding the mechanisms and scope of learning, in its simplest form this is no different for organizations. Botha et al. describe the organizational learning process as follows:



As one can see organizational learning is based on applying knowledge for a purpose and learning from the process and from the outcome. Brown and Duguid (1991) describe organisational learning as "the bridge between working and innovating." This once again links learning to action, but it also implies useful improvement.

The implications to knowledge management are three-fold:

- One must understand how to create the ideal organizational learning environment
- One must be aware of how and why something has been learned.

- One must try to ensure that the learning that takes place is useful to the organization

Organizational Learning Pitfalls

Senge (1990) argues that often it is failure that provides the richest learning experience, which is something that organizations need to understand and use more effectively. He criticizes the way we reward success and look down upon failure as something that can be detrimental to the long term health of the organization. Levitt and March (1996) further argue that success is ambiguous and depends on how it is interpreted. This interpretation may not only vary significantly between different groups within the organization, but may change over time as success indicators and levels of aspiration change.

Levitt and March (1996) also discuss superstitious learning. This occurs when positive or negative results are associated with the wrong actions. Success and failure can both generate superstitious learning. If a firm does well, the routines that they followed are linked to this success and are subsequently reinforced. The opposite is true for failure. In such cases, the organization thinks that it has learned when in fact it has not. Real organizational learning would have resulted from the examination of the information generated from their actions rather than from relatively arbitrary success or failure criteria.

Different Approaches to Organizational Learning

Generally speaking, there are two approaches to organisational learning. The first view looks at the firm as a whole and learning from a cognitive perspective. In a way, the firm is treated like a large brain composed of the individual members of the organization. The second view looks at learning as community based, where the firm's practitioners create knowledge in their own networks called communities of practice (Lave & Wenger 1991).

ORGANIZATIONAL POWER AND POLITICS

Power refers to the possession of authority and influence over others. Power is a tool that, depending on how it's used, can lead to either positive or negative outcomes in an organization. In 1959, American sociologists John French and Bertram Raven published an article, "The Bases of Power," that's regarded as the basis for classifying power in organizations. They identified five sources of power, namely: coercive, referent, legitimate, expert and reward power.

Legitimate Power

Legitimate power is also known as positional power. It's derived from the position a person holds in an organization's hierarchy. Job descriptions, for example, require junior workers to report to managers and give managers the power to assign duties to their juniors. For positional power to be exercised effectively, the person wielding it must be deemed to have earned it legitimately. An example of legitimate power is that held by a company's CEO.

Expert power

Knowledge is power. Expert power is derived from possessing knowledge or expertise in a particular area. Such people are highly valued by organizations for their problem solving skills. People who have expert power perform critical tasks and are therefore deemed indispensable. The opinions, ideas and decisions of people with expert power are held in high regard by other employees and hence greatly influence their actions. Possession of expert power is normally a stepping stone to other sources of power such as legitimate power. For example, a person who holds expert power can be promoted to senior management, thereby giving him legitimate power.

Referent Power

Referent power is derived from the interpersonal relationships that a person cultivates with other people in the organization. People possess reference power when others respect and like them. Referent power arises from charisma, as the charismatic person influences others via the admiration, respect and trust others have for her. Referent power is also derived from personal connections that a person has with key people in the organization's hierarchy, such as the CEO. It's the perception of the personal relationships that she has that generates her power over others.

Coercive Power

Coercive power is derived from a person's ability to influence others via threats, punishments or sanctions. A junior staff member may work late to meet a deadline to avoid disciplinary action from his boss. Coercive power is, therefore, a person's ability to punish, fire or reprimand another employee. Coercive power helps control the behavior of employees by ensuring that they adhere to the organization's policies and norms.

Reward Power

Reward power arises from the ability of a person to influence the allocation of incentives in an organization. These incentives include salary increments, positive appraisals and promotions. In an organization, people who wield reward power tend to influence the actions of other employees. Reward power, if used well, greatly motivates employees. But if it's applied through favouritism, reward power can greatly demoralize employees and diminish their output.

POLITICS IN ORGANIZATION

Modern organizations are the fertile land for the politics to thrive, this term is very often heard from those who are working in organizations, be it large or small, public or private. When people in the organizations transform their power into action, then they are said to be engaged in politics. At times, it becomes one of the most disturbing elements for employees, and they might even decide to quit the organization if the political waters get above their heads. An employee who has a great deal of knowledge, skill & expertise, but does not have the ability to counter the political environment, will get easily disappointed and this will in turn affect his/her level of output.

Organization politics can be defined as the accomplishment of the individual motives and upholding of individual interest over the organizational interest, without regard to the impact on the organization. Although politics is generally regarded as negative and undesirable, but politics may be both sometimes good for the organization. Politics is inevitable in any

organization.

The power play and the use of politics in the organization is demonstrated in the figure below, where people unduly create problems in the growth of an employee. As he/she rise up the success ladder in the career path, imposed problems comes in his or her way. Such problems are not genuine ones but are deliberately created to pull one down and hinder one's growth.

Dimensions of Politics in Organizations

There are primarily two distinct dimensions of politics. These are:

1. Legitimate Political Behaviour: It refers to the normal everyday politics, for example, complaining to your supervisor, bypassing the chain of command, forming coalition, obstructing organizational policies or decision through inaction or excessive adherence to rules and developing contacts outside the organization through one's professional activities.
2. Illegitimate Political Behaviour: It can be defined as the behaviour that violates the stated rules of game. This kind of behaviour shows the extreme political behaviour that violates the stated rules and regulations of the organization that are pre-decided by the people at the strategic positions. Activities like sabotage, whistle blowing, symbolic protests, etc. are the examples of illegitimate political behaviour.

The majority of all organizational political behaviors are legitimate in nature. Illegitimate behavior poses a real level of risk of loss to the organizational setting.

Factors Contributing To Political Behaviour

Certain factors contribute to political behavior in the organizations. Some of them can be described as follows:

1. Lust for power - People want to acquire and enhance power so that they can influence other people around them.
2. Discretionary power – Certain positions in the organization have discretionary powers that can be used in case of emergency. Such power rests in the hands of the position holder. That is why people indulge themselves in politics to grab such kinds of position.
3. Scarce resources – Some resources in the organizations are scarce. Any person who has the control over the allocation of such limited resources enjoys more power.
4. Organizational changes – Changes in organization keep taking place. Whenever there is a rearrangement of organizational policies, people in powerful position try to take advantage and avail the opportunity to play political games to suit their interest.
5. Moving up in organization hierarchy - To rise in one's career, one has to acquire the level of competence and learning from experience. But people generally prefer to have a short cut and make rapid progress in moving to higher positions in the organization. At times, they lack specific skills or abilities and try to rise through political influence. This gives rise to political behaviour in the organization.
6. Organization culture – If the organization culture is characterised by low trust, role ambiguity, poor or biased performance evaluation system; high pressure for performance will create a fertile ground for politicking.
7. Safeguarding oneself during downsizing - When organization downsizes to improve its efficiency, people may engage in some sort of political actions to safeguard their existing status quo.

Ethics and Organizational Change Management

Change is inevitable at any organization and can arise from the need to improve resource allocation, reengineer business processes, tighten the budget, or other factors that require a restructuring of an organization. In order for organizational change to occur, a change agent must challenge the status quo by bringing a different perspective into the organizational environment. Change agents can be external, internal, or a hybrid of the two. External change agents can be consultants or other individuals who come from a third party organization, who utilize behavioral sciences techniques to initiate organizational change that is desired by executive management. Internal change agents are individuals, or occasionally departments, that are within the organization who know about the issues plaguing the organization, hence initiating the change from inside the organization. For complex issues, a combination of both external and internal change agents is required since a large knowledge base is needed to initiate change.

Regardless of the type of change agent initiating the change, there are many ethical issues that can arise during a change process. External change agents are hired by executive management to gather data and provide data analysis on an organizational issue. If the data analysis and proposed solution are not in alignment with the executive management agenda or show that poor performance was a result of executive management, the data could be manipulated. Manipulation of this data would be done to force the external agent's analysis to align with the executive management agenda or place blame for poor performance on low level employees. Since the change process is fundamentally initiated by executive management, there is a perception that change is based off power relationships within an organization. This can lead to purposefully misconstrued statements regarding the scope of change. Management can state that a change process is initiated with the purpose of increasing employee engagement, when in fact the true rationale behind the change process may be result based performance metrics that suffocate and scrutinize employee activities. Often times, change is not voluntary, and employee conformity to the change is required. This raises unethical concerns since employees will often be faced with the dilemma of forced conformity or being terminated.

Although there will always be change resistance, organizational management can promote ethical change initiatives by developing appropriate organizational culture. Organizational culture is shared set of principles, values, and beliefs that dictate how employees act. Managers who want to promote ethical change processes need to establish a culture of ethical behavior. It is best to lead by example, so managers need to act ethically themselves to promote ethical behavior as the norm throughout the organization. Ethical behavior includes department openness, constructive criticism, clear communication, conformity to policies, and workplace respect. Along with leading by example, management needs to create a code of ethics. An organizational code of ethics is a policy statement that binds employees to a set of organization wide value and ethical standards. This code will make employees hold themselves and other accountable for acting in an ethical manner and promoting ethics throughout the organization. Through this ethical culture, change will be initiated ethically and resistance will be minimized.

Change Agent

Definition: In business parlance, a **change agent** is an individual or group, who carry out the task of instigating and managing change in the organization. He/She is someone, who directly or indirectly influences change, i.e. the change agents are appointed by the organizations to transform the ways, the organization is managed, or the business is conducted.

Types of Change Agent

The change agent can be **internal or external to the organization** who plays the role of a catalyst to implement change in the organization.

1. **Internal Change Agent:** When the change agent, is internal to the organization then he/she is usually the employee such as a manager, senior executive, leader, HR professional or any other person from the staff who has mastered in behavioral sciences and intervention technology of organization development. They are appointed by the organization to look after the change process.
2. **External Change Agent:** The external change agent is the one who is brought to the organization from outside such as consultants. The company's rules regulations and policies are not imposed on them, and so they can deeply analyze and bring different viewpoints to a situation and challenge the existing state of affairs. However, this can also be seen as a disadvantage, as the external change agent is not aware of the company's history, work processes, and personnel.

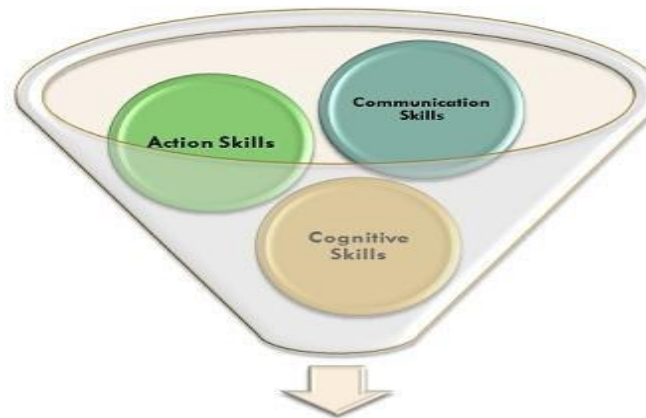
Roles of a Change Agent

Change agents aim at making changes in the existing processes or culture of the organization that sticks. And to do so, they focus on the matters relating to organizational effectiveness, innovation, and advancement.

He/ She is someone who always seeks an opportunity for change, determines the best approach and bring about change. They are the one who possesses skills and competencies to initiate, facilitate and coordinate organizational change.

Change Agents help the organization in understanding the requirement and relevance for change and takes all necessary steps required to manage change and also anticipates the problem; that might take place during or after the change is implemented in the organization. He is responsible to transform vision into a realistic plan and execute it.

Skills of a Change Agent



Skills of a Change Agent

- **Cognitive Skills:** The skills which require some level of pro-action from the side of the change agent for the purpose of self-understanding, conceptualization, and evaluation.
- **Action Skills:** Change Agent works as a consultant, researcher, trainer, counselor, etc. in an organization, so, he/she should possess required skills and competencies.
- **Communication Skills:** He/ She is responsible for spreading change information, and making the organization realize the need for change, for which he/she must possess excellent communication and pervasive skills.

Many multinational corporations have their own in-house **change specialist**, who works with the management team of the organization to recognize the need for change and facilitate change efforts.

The Change Agency is an independent social movement education initiative. We work with community organisers and activists in the Australia Pacific region to help people win social and environmental change.

We develop, collect and share tools to help activists and community organisers define and achieve their goals. We research social change to learn what works, and draw on action research to inform our facilitation and educational work. Our major projects currently are the Campaigners Toolkit, the Community Organising Fellowship and the *People Power Manual*.

Our website provides access to our growing collection of training resources, activist research including case studies and articles, outlines of our workshops, a calendar of training opportunities, and links to other activist education websites. We regularly update our catalogue of favourite books and circulate a free monthly social change e-news with updates on activist education and research resources, projects and opportunities. [Subscribe here](#). We also provide a mentoring and advisory service for campaigners and community organisers.

We lead workshops with people working for a just, sustainable and peaceful world. If you are interested in being more effective in your work or inspired and informed by others who are working for change, let's start a conversation.

MODELS OF ORGANISATIONAL CHANGE

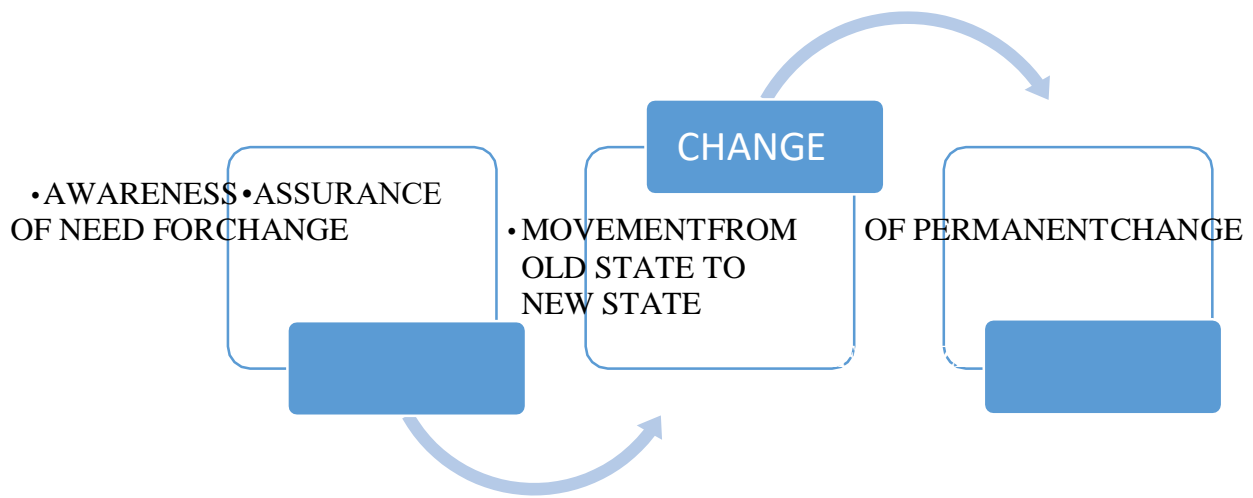
Change can be seen from two perspectives. On the one hand, it can be evolutionary and on the other hand it can be revolutionary in nature. When we take any change as an evolutionary change then we consider it as a slow and gradual but a continuous process in such situation, management takes incremental steps to bring any proposed change. On the other side when we take any change as a revolutionary one, then it mainly talks of taking a huge and a sudden leap which is bold and transformative in nature. But any change whether it is evolutionary or revolutionary, active or proactive, strategic or incremental; it needs to follow a certain sequence in order to bring any transformation in any organization. Before initiating the process of bringing any change in the organization, the management needs to examine and evaluate the change and accordingly draw a pattern of how to effectively initiate and implement the organizational change in order to achieve greater positive outcome.

1. MODELS OF MANAGING ORGANIZATIONAL CHANGE

There are several popular approaches which are adopted by different organizations for managing changes in their respective required fields. For many years several authors and writers have tried to come up with different models to manage change. Some of them are discussed below:

(I) Kurt Lewin Three Step Model of Organizational Change

Kurt Lewin model has remained a prominent model for the better understanding the process of organizational change throughout many years. Many authors, writers, researchers as well as consultants have applied this model to implement change which is necessary for the organization to walk with environmental changes.



Source: Lewin Kurt, Field Theory in Social Science, New York, Harper & Row, 1951

The Lewin three step model basically focuses on unfreezing the status quo, movement to the desired state and at the end refreezing the new change to make it permanent. But when the organizations follow this entire process to initiate any change, it is confronted with the forces, some of which are called driving forces and some are called resisting forces. The driving are the forces that motivates the organizations to move further for a new state of affairs. Say, it can be environmental, technological, market driven, political and legal etc. The other side consists of resisting forces which are pushing back the organization into its old form such as employees feeling of insecurity and uncertainties, threat to position, power, resources and economic benefits etc. Now, within the tug-inwar between the driving and restraining forces, it is pertinent that driving forces must have more valence in comparison to resisting forces in order to successfully implant the required change. Kurt Lewin model gives a simple idea to bring a planned change by following a three step process i.e.

- Unfreezing
- Movement
- Refreezing

Step 1 Unfreezing is the step into which people working in an organization become aware of the need for change. It is the most essential step of change management as it helps to find out why any change is required. To answer this why, managers prepare a list of prominent reasons that can satisfy this question. The reasons enlisted must be strong enough to negotiate with the employees working in the organizations, for they are the only one who are going to implement the change successfully. The employees who are going to get affected by the change must be properly communicated and counseled within proper time. Each person's concern must be properly counseled and should be satisfied with justified reasons. If there come a resistance from the employees which is extremely high, management must resort to both reducing resisting and increasing the attractiveness of the change offer.

Step 2 Change signifies movement from one situation to the other desired situation. It might call for installation of new technologies, change of location, reconstructing the

existing organizational structure or anything that alter the pre-existing activities and relationship, but any change needs to be quick in order to have its effectiveness.

Step 3 Refreezing makes the implanted change permanent and resistant to further changes. For any change to be fruitful, it needs to be refreeze so that it can sustain over time. If it is not refreeze then there is great degree of chance that the change will be short lived and the employees would be returning to the previous state.

(II) **Kotter's Eight Step Plan of Organizational Change**

John Kotter's of the Harvard Business School created a detailed approach for organizational change based on Kurt Lewin three step model. The detail approach consists of eight major steps that need to be followed, if nay organizational change is to be implemented. The steps are:

| |
|--|
| 1. Establish a sense of urgency by creating a compelling reason for why change is needed. |
| 2. Form a coalition to enough power to lead the change. |
| 3. Create a new vision to direct the change and strategies for achieving the vision. |
| 4. Communicate the vision throughout the organization. |
| 5. Empower other to act on the vision by removing barrier to change, encouraging risk taking and creating problem solving. |
| 6. Plan for, create and reward short terms "wins" that move the organization towards the new vision. |
| 7. Consolidate improvement, reassess changes and make necessary adjustments in the new programs. |
| 8. Reinforce the changes by demonstrating the relationship between new behavior and organizational success. |

Source: Based on J.P. Kotter, Leading Change (Boston: Harvard Business School Press, 1996)

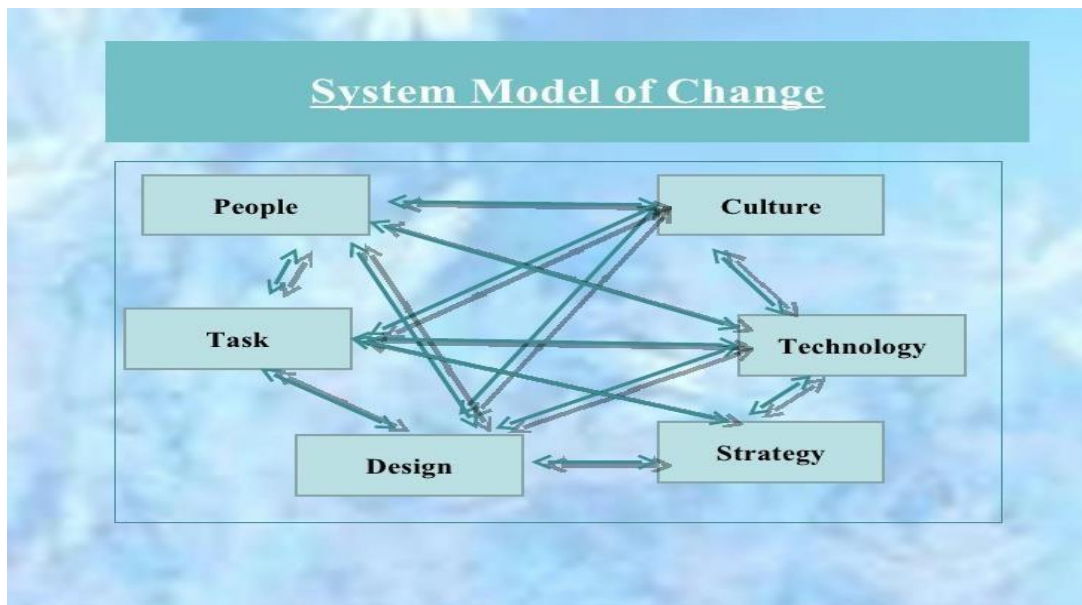
Kotter model for organizational change is basically originated to overcome the failure that managers usually face which initiating any change in the organization. It focus on the

loopholes which is usually faced by the managerial staff which creates an obstacle in initiating and driving the change.

The first four steps of the model cited here represent the “Unfreezing” stage. These steps particularly, focus on the part of managers to assess the strong points of needs to change. Bring out from those points, the valid reason having a strong hold which can also forms anew vision for the employees to be satisfied and agreeing with the change requirements. Step 5 through step 7 represents movement. These steps primarily focus on implementing in actual terms the vision for which the whole process is initiated. Here, the managers have an important responsibility to check time and again and try to assess if the process is moving further. On to this stage, managers need to be careful with the variations in the efforts and try to make necessary changes as and when required.

(III) System Model of Organizational Change

As we know that, organizations are system of relationship between different elements. These elements interact with each other and collectively make activities happen. To implant any change successfully, change needs to be organization wide.



System Model of Change

In this model, six variables collectively describes an organization and says that it is because of the interaction between these variables activities takes place. The six variables are people, culture, task, technology, design and strategy. The people variable calls for individuals giving their services in the organization. It includes employee’s personalities, attitude, perception, behavior and motives.

The culture variable collectively shows the shared values and beliefs of different individuals which is reflected to outside world. The technology variable represents the organizational adaptiveness towards new technology and automation in their working. The design shows the formal organizational structure of relationship through which flows the control, authority and responsibility. The task determines the description of the nature of work to be performed and at last, the strategy determine the organizational plan to achieve its aims, objectives and goals with the fulfillment of which the organizations are going to attain its vision.

Thus, the model itself shows that all these six variables are interrelated to each other in one way or the other. Any slight change in one variable is bound to show its effect on the other variables. Therefore, this approach helps the management to understand how to implant any change in order to make equilibrium etween all the other variables also.

(IV) The Burke-Litwin Model of Organizational Change

The model was developed by Warner Burke and George Litwin. The basis of Burke-Lewin model is that: organizational development interventions which are directed towards altering the organizational structure, management practices, policies and procedures result in first-order change; organizational development interventions which are directed towards modifying organizational mission and strategies, leadership and culture result in second order change. Here, the first order change relates to transactional change and the second order change relates to transformational change.

In first order change which is also called transactional change, certain elements of the organization is altered or changed and the fundamental nature of the organization remains the same. This is also called evolutionary, incremental and continuous change. However, in second order change, which is also called transformational, revolutionary, radical or discontinuous change, nature of the organization is fundamentally altered.

The model follows the leadership theory of transactional leadership and transformational leadership. Transactional leaders are those who guide or motivate their followers to attain

the established goals. These leaders and followers establish a fair exchange leading towards normal performance, whereas, transformational leaders are those who inspire the followers to achieve new heights of performance by having a profound and extraordinary effect on their followers and hence, responsible for bringing second-order change.

The model primarily focuses on changing the organizational climate and organizational culture. Organizational climate, which can be understood as people's perception and attitude towards the organization, are comparatively easy to change because they are related to prevailing managerial and organizational practice. On the other hand, organizational culture is defined as deep-rooted assumptions, beliefs and values which an organization holds and follows and are difficult to change. The first order change or transactional change are basically applied to alter prevailing management practices, change in work unit which in turn changes individual as well as organizational performances leading towards organizational climate change. On the other hand, if we consider the second order change or transformational change, we must change organization mission, strategy, leadership style or simply, organizational culture.

To sum up, Burke and Litwin proposes, organization development interventions directed towards changing mission, strategy or fundamental changes in organizational culture produce transformational change and those interventions which are directed towards altering management practices, structure and system produce transactional change in organization change.

(V) Action Research Model of Change: It simply, refers to a process of collecting data, analyzing the collected data and selecting a change action accordingly. The action research model of change follows a scientific method of managing the organizational change.

The originator of the model were Cummings and Huse, who developed this model in the year 1989, consisting of eight steps that is to be followed while the organization is striving to implement any planned change. The initiation of the model starts simply by collecting the relevant data concerning the expected change area and after a complete scrutiny of the data results are obtained which are further utilized as a guiding tool for

decision-making. This model not only limits its importance in implement the change process but also has its significance in developing a general knowledge which can be utilized for the future context.

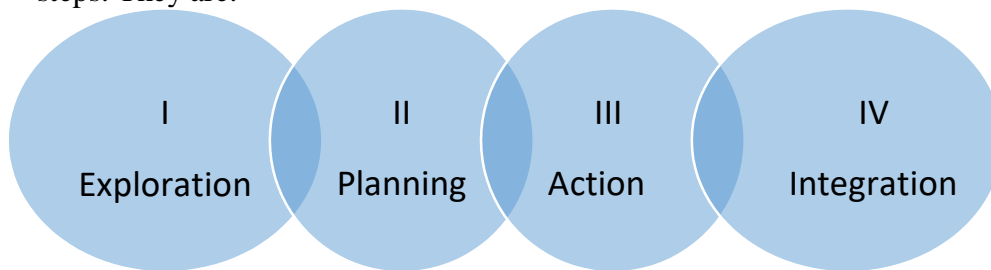
The action research model consists of basic eight steps that are:

1. Problem identification
2. Consultation with a behavioral expert
3. Data gathering and preliminary diagnosis
4. Feedback to key client group
5. Joint diagnosis of the problem
6. Joint action planning
7. Action
8. Data gathering after action

- 1. Problem identification:** The first step which is taken for this purpose is to understand the reason which is emerging as a problem in implementing the change. Accurately, pointing out the major reason is helpful in resolving the problems which are becoming a hurdle for the organizational development practitioner.
- 2. Consultation with a behavioral expert:** After identifying the various reasons for the problems that are coming in way of organizational development interventions, it is now important that these identified problems must be discussed with the behavioral experts for the relevant advice and consultation.
- 3. Data gathering and preliminary diagnosis:** After a detail discussion with the expert or the change agent, the next step is to collect the data regarding the problem. For this purpose, the data can be collected by using questionnaire, schedules, observation and by the analysis of the performance data.
- 4. Feedback to key client group:** The change agent puts all its efforts to collect the relevant data concerning the problem. After collecting the data, the consultant task is to provide the client all the relevant and useful data collected for the purpose.
- 5. Joint diagnosis of the problem:** The purpose behind the consultant sharing the information with the client lies on the fact that there must be joint exercise between both the groups to diagnose the problem and the factors responsible for the problem.

6. **Joint action planning:** For solving the arise problem and eliminating the factors responsible for the same the change agent (consultant) and the managerial personnel jointly make a collective effort regarding the selection of the problem solving methods, making consensus on the alternative course of action and regarding the selection of the best course of action. These decisions are taken with giving due care to the various factors of business environment in which the organization works like economic, technological, socio-cultural etc.
 7. **Action:** These decisions involve taking the planned change effort in the particular direction the organization is striving hard. The actions which are taken in contrast with the relevant change relates to the installing new methods, restructuring the existing structure and introducing a new behavioral design.
 8. **Data gathering after action:** The introducer of the model has made the structure of the model cyclical in nature and therefore it does not stop or ends. After the action has taken place new data is again collected and the whole process of the action research is again repeated. Thus, the situation is re-diagnosed and new action is taken again.
- Thus, action research model presents the whole organizational change process in a properly planned manner. It comprises of the change agent acting as a consultant who normally deal with the entire process of collecting the data, diagnosing the reasons for the problem, making a collective decision making with the management in accurately driving at the solution of the problem and finally, implementing the change in a planned manner.

(VI) Integrative Model of Planned Change: Developed by Bullock and Batten in the year 1985, the integrative model of planned change describes the whole change process and the organizational status on similar lines. The idea that lies behind the very foundation of the model says that an organization travels through an exploration phase for the need to change and ends up on stabilizing the change by integrating it with the different organization sub-system. The process of moving from the current state to the future changed state moves through a series of steps. They are:



I Exploration Phase: Here in the first stage the organization decides of having a change in the organization or not. The change agent who is exploring the need for the change finds the various factors to validate the need for the change. Also, the change agent makes sure that the client organization is having the necessary resources which can affect the successful implantation of the change. It searches out the necessary implication for the implication of the organizational change.

II Planning Phase: This phase starts when the change agent ensures that there are necessary resources and commitment on the part of the organization for the implementation of the change. In this phase, a well-designed diagnosis of the problem is done by the organizational members as well as the organizational development practitioner.

III Action Phase: This phase includes moving from the present stage to a desired future stage. The plans are implemented and are ensured that the activities move in the same manner as is decided.

For that, proper monitoring and evaluation of the process is ensured.

IV Integration Phase: This phase involves making change apart of the regular functioning by successfully integrating the organizational structure. This calls for stabilizing the change.

TYPES OF CHANGE

Change can be classified into various forms according to its characteristics and the target area it is going to affect. However, the same is briefly explained as follows:

- (i) **Directional Change:** It is a kind of change the organization usually adopts to lead itself into new dimension. This change occurs on the condition of severe competition and regulatory shifts in the Govt. policy. It is just like developing a new strategy and implementing the developed strategy.
- (ii) **Incremental Change:** This kind of change occurs gradually and slowly with the passage of time. The rationale behind adopting this kind of change is to avoid the organization with a sudden shock and therefore, slowly implement the change so that the organization does not face much resistance from the employees.
- (iii) **Operating Change:** As the name suggests, it is mainly directed in improving the quality, quantity, timeliness, operational cost and bringing cost-effectiveness in the organizational level. The prime focus rests on improving the prevailing operations and attains the organization goals by effectively utilizing the resources.
- (iv) **Fundamental Change:** This change may be necessitated by lower turnover, failure of the expected business prospect, drastic change on the business environment. In this type of change, organizations redefine the whole purpose of their existence, their mission and their vision.
- (v) **Planned Change:** It is basically a transformational change which occurs on planned basis in accordance with the internal and external demand. It is a change which is systematically organized so as to make fuller utilization of the available business opportunity.
- (vi) **Transformational Change:** This leads to change in entire or a greater part of the organization. It simply, conveys the change in the shape, structure and nature of the organization.
- (vii) **Strategic Change:** This is a type of change which is primarily focused to tackle with the competition existing for the business organization. It comprise of taking moves which serves as competitive edge over the rivals in achieving maximum share in the market.
- (viii) **Reactive Change:** This change serves as a response to the environment. It is basically taken when any change takes place in the environment and to compete with the change the reaction is taken by the organization.
- (ix) **Recreational Change:** This change acts as making new structure, system, strategy for the business entity. It means starting from the scratch. The business starts and recreates its whole organizational structure as well as the strategies in a new form.
- (x) **Anticipatory Change:** It is an expectation move mainly taken for the purpose of some bright future prospect for achieving maximum benefits. The change is mainly concentrated to make itself adaptable according to the change.
- (xi) **Happened Change:** This change is typically unpredictable and uncontrollable and happens naturally due to the external forces of change. It puts in front of the organization the challenges that put the organization into an unknown future state.

FORCES TO CHANGE

When we say “change” we simply meant mean “modify” or to become something different. To give this a definitive form, change can be seen as a systematic transition process from

the present situation to the future desired situation in order to remain in line with the current situation. Change forms an evitable part of the organizational reality for the simple reason that it leads to innovation which helps in attaining profitability objectives. To remain differently visible among competition, innovation has always been a significant aspect of managerial job which are now becoming more significant in the years to come. The organization which fails to make it adaptive to the change is surely going to fail. Therefore, change is required in the operational and managerial functioning to maintain stability and existence.

The destiny of any concern is based on the fact that the policy makers are having conscious and concerned watch on the different controllable and uncontrollable forces which can affect the working. Hence, managers need to first assess the impact and influence of the change and then, accordingly, evolve appropriate strategies and action plan to maintain a balance. The various factors which acts as a stimulus to change are:

A. External Forces

These forces are also considered as uncontrollable forces. The only option left to the organization regarding these factors is to accept it and implement it accordingly. The forces which come in the sphere of external forces are particularly the one who are also seen as macro-environmental factors with a wider scope to affect many working units at a same time. Therefore, the various external forces that act as a catalyst to bring changes are as follows:

- (i) **Technological Forces:** Technology has evidenced wide range of transformations. From inventing a computer to landing on the moon, human beings have travelled a long way through out several years. From the business perspective, technology has always played an eminent role, say, hundred workmen task being done by a single machine, replacing the manual work with computers, using internet and social media networking in place of traditional advertisement techniques etc. For the business houses, it is necessary that they adopt the latest technology as soon as possible in order to remain cost effective and bring profitability. New techniques of production, innovation in new process and emphasis on research and development are some of the major technological forces that may bring change in the organization.
- (ii) **Political and Legal Forces:** The stability in the political as well as legal environment is directly linked with the stability in the policies of business houses. The forces which act as frequent impetus for change in the organizations can be political ideology of the Govt. in power, the morality and values which Govt. supports, their political stability. The other factors can be Govt. interventions in the business and labour legislation, policies towards business, trade and other foreign trade matters can also be counted to be prominent forces for change.
- (iii) **Economic Forces:** These forces affect almost all organization not within a particular region but to all economic regions, i.e. these forces have no boundaries and it is not only limited to a country but may have global effects. For instance, global slowdown can affect many countries at a same time. Similarly, in a particular single economy, uncertainties about monetary policies measures, interest rate, fiscal policies and foreign exchange rates can create a need for the organization to change.
- (iv) **Socio-cultural Forces:** We as a human being are constantly changing and so is our society and various cultures. This also leads for the organization to remain dynamic for the simple reason that changing cultural values and norms, spread of educational level, women empowerment issues, changing population dynamics, increasing rate of urbanization etc.
- (v) would be having an impact on the business firms also.
- (vi) **Market Forces:** There are several market forces which affect the entire working of the

business. The reason here is that a business unit is directly and indirectly linked with many stakeholders having some sort of interest with the business. They are suppliers, competitors, customers, community and society which can affect the working of the business unit. For example, we consider competitors, which have a significant role to play in deciding organizations tactics and strategies against any competitive move. Thus, organizations need to change accordingly.

B. Internal Forces

These can be simply defined as controllable forces which are originated from the internal operations of the organization or from the impact of external forces. Say, if we take management is providing crutch facility for the children of working women then it is management derived change move and if as per the agreement with the trade union the crutch facility is provided then it is external derivative force. These forces mainly include the following:

- (i) **System Dynamics:** Organization system is composed of many sub-systems which are collectively forming organization structure. Every sub-part is interrelated with one another in one way or the other having a composite impact on the activities of the organization. Thus, if any sub-system is losing its efficiency and is not working parallel with the environment there ought to be a change that is required.
- (ii) **In efficiency in the Administrative Process:** If the administrative structure is such that it is lacking the efficiency to work with the prevailing environment then there comes a need to alter the structure according to the forces which are driving the change in order to walk along with the environment.
- (iii) **Organization Policies Agenda:** A host of policies and programmes relating to every aspect of organizational design are included in the policy agenda of any organization. This would limit not only to the operational activities but also to the personnel related activities also. If the management feels to change any policy issue to make in line with the external environment then, it would be acting as a force to change.
- (iv) **Workforce Composition:** As it is evident that an organization is a composition of human resources having different age, sex, education, socio-cultural background and so forth. Change in the perception, belief, attitude, feelings and expectation of the work force is also bound to affect the change in the internal working of the organization.

Production and Process Change:

If the management feels that in order to remain inflow of the current environment there is a need to implant new production methods tools and techniques. It is pertinent that business move in the direction of technological development. The changes it faces would be regarding the restructuring of job design, interaction pattern among working units, training and development programs etc. Thus, a change in any element of the business unit is bound to have significant change in the entire working also.

Individual and Group Expectation: The organization is basically characterized by the people working and every individual giving its services to the organization have certain needs and aspiration. But it is a universal fact that the needs of the organization are never ending. Therefore, there are all new expectations inside the individual or group from the organization which needs to be satisfied. This expectation always induces the organization to change its functioning accordingly and progress so that the organization remain successful in fulfilling the aspiration of the individual or groups. Internal Forces Affecting Change

1. CHANGE MANAGEMENT

Change management is composed of two words Change + Management. As we have understood the meaning, importance and forces deriving change, it is essential that we correlate it with the management. Management is a multipurpose organ that manages a business, manages a manager and manages workers and work (P. Drucker). Without efficient management, we cannot secure best allocation and utilization of human, material and financial resources. Thus, when we consider change management collectively, it can simply be meant that in order to achieve thorough and smooth transmission from the current state to the future desired state change management is applied. The reason that lies behind applying change management is to ensure that allocation and utilization of present available resources in the best possible way so as to achieve the objectives efficiently and effectively.

For a business entity working in the dynamic environment, change is the only constant and it has to be accepted in order to maintain existence. So, the organizations here need to remain flexible in every aspect in order to fix any change at the minimum cost. Thus, change management is a scientific and systematic approach to ensure proper implementation of the change for attaining a desired state in order to achieve organizational objectives. It is exactly like adopting a proactive approach in dealing with the people and for that openness, communication and involvement needs to be taken care of.

2. MANAGING THE CHANGE PROCESS

The first step towards any change is awareness and then later on comes with it the acceptance. Management needs to understand the very reason for which the change is required and communicates the positive effects it would be serving in the future. It is equally essential that any change must be properly planned and implemented, coping up with the changing environment as well as the individuals working in the organization. The following steps can be followed in order to manage the change properly:

(i) To identify the need to change

Initially, the management tries to identify and find out the requirement of change. The need can be easily identified by the internal as well as external factors stimulating the changes in the current pattern. For this purpose, the management must require to collect all the relevant information to validate the need for change. In addition to this, a manager must define in clear terms whether the change is strategic, reactive, incremental or anticipatory in nature.

(ii) Communicating the change

Resistance to change is the first and foremost problem which management deals with while implementing any change. People working in the organizations are often concerned with the after effects of change that may affect them with negative consequences. Thus, there is a misconception in the mind that any change if implemented would create discomfort. So, they resist change for the simple reason that they feel secure in the present working environment. Here, it becomes imperative on the part of management to communicate about why there is a need to change, what the organization is striving to change and how the change would be implemented. Therefore,

effective communication can prove to be a critical role player in overcoming the resistance to change.

(iii) Developing a support system

To implement any change effectively, it must be supported by the complete participation of the entire organization. To fulfill this objective, management need to develop a proper support system. The various systems which are going to get affected by the change must be nurtured with the required support to achieve greater outcome with less disarray. Here, it is essential to mention that for providing a proper support

system, business entity must have required resources also, for matching up to that level in order to be in equilibrium.

(iv) Selecting an appropriate methodology

No matter how much an organization is resourceful in terms of financial, physical as well as human, if it does not have the capacity to manage them properly it would eventually fail. While implementing any change the methodology which an organization is applying must suit to the available resources of the business entity. If the management fails in assessing and matching the requirement which the present situation demands, then the whole effort would prove to be of no use.

ORGANISATION CHANGE

For a continuing organization, change is inseparable. If any business organization wants to stand parallel with the changing environment, it becomes imperative to adapt environmental driven challenges accordingly. An organization is confronted with mainly two types of **changes, one, that is, modifying organizational structure, design, strategy, objectives, goals etc.**

Second, it can be changing employee's behavior. Among these two types, the second one holds a strong side, for the simple reason its association with the human element. We all know that organization is mainly build with the help and support of its human resource. So, to implement any change successfully it requires the complete participation of every employee. For this reason, efficient and effective management of organizational change is necessary. Thus, organization change can be categorized as a planned change doing a significant modification in the structural, technological as well as the human resources of the concern so as to makeup with the pace of changing environmental dimensions and achieve desired outcomes that might otherwise be unattainable. **Assessing the Past & Current State:** There is a famous saying that "It is necessary to know where you are before where you want to go". An organization before moving towards any change, needs to assess correctly that where it is standing right now. An effective management lies in assess the situation correctly that what were the past implications and what is the present situation the organization. For that the management needs to reconsider the earlier vision of the organization, the reasons behind the problems, the responses of the people who are working in the organization, correctly assessing the discrepancies and evaluating the organizational competencies for making the most of the opportunity. **Framing a New State:** If the organization decides to continue working in the existing state and do not prefer to change according to the environment, then it is most likely to survive for a long time. Things need to be done differently with the passage of time. Framing strategy for a new state is possible only if the organization is clear enough with its vision and mission. It needs to evaluate its strength and opportunities available in the context of business environment. Therefore, it needs to follows some strategic criteria to design a new state that is,

the organization needs to increase the responsiveness towards the organizational changes, its structure, system as well as people are modified in such a way that they support the easy facilitation of the required change and most importantly, it needs to be dynamic in nature. An organizational change can well be put into place under three facilitating conditions: one, organization do not follow a rigid hierarchical structure, two people follows a collaborative practice of solving the business problem, three, the organization has an effective and influential leadership system installed and finally, the people are equally motivated in the direction of implementing the change. If the management is planning to take any change initiative, it cannot succeed till the time the whole organization is willing to change. The readiness can be effectively strived if the people are themselves dissatisfied by the status quo and this area can be targeted by motivating the employees. In addition to this, an influential leadership can also be used here to carry out the change. Leaders or say the change agent must possess certain qualities which are respected by their subordinates. Also, management needs to reduce the strict and rigid hierarical structure of relationship and try to establish a system of participative and collaborative work assignments. Other factors which needs to be taken care of relates to assessing the readiness for the planned change in every unit of the organization, driving out the hesitation of the individual working and give them a chance to have a voice in the decision-making and problem-solving.

To facilitate the change accordingly with what the situation requires change agent plays a significant role for bringing any change in any organization. Change agent is someone who acts as a catalyst by assuming all the concerned responsibilities of managing change. Usually, we believe that change is always initiated and coordinated by mangers who are serving in the organization. But, in reality, a change agent can be a non-manager or even sometimes management hires external consultant agency for implementing the change successfully. The whole of the change agent efforts can be summarized into three point i.e.

(I) Role in Changing Structure

Organizational structure will include in itself whole of the internal structural design and functioning of the organization. The change agent will ensure that there is thorough and smooth change in the organizational structure which also consists of authority and responsibility pattern of employees, job redesigning, departmentalization etc. While implementing the whole process, it would also ensure that organization does not get disturbed in the regular working and remains strong in competitive upfront.

(II) Role in Changing Technology

These days we are living in a technology advanced environment. Each day technology is advancing bringing with itself, new high-tech solutions with the advantage of cost effectiveness, increased productivity, innovation etc. With these changes, business also requires reaching out with the pace of the upgradation. Innovation would require change agents to introduce new tools, methods, equipment etc in time to bring automation in the working of their production process.

(III) Role in Changing People

This is the most complicated task a change agent might face in an organization. Changing people means changing the attitude, behavior, expectations, life-style pattern and perception of an individual which will certainly require a huge effort. Here, the change agent is far more concerned with applying the various organizational development techniques like sensitivity training, team building, consultation, inter-group development etc to make sure for the

employees that they being benefitted simultaneously in the process of bringing change. 5

RESISTANCE TO CHANGE

Whenever organizations try to implant any change, every employee which is going to get affected by the change would positive as well as the negative effects of the change critically. If the employees perceive that the change is going to threaten their current comfortable position, then, it is most likely that they will resist the change. **People might resist for some parochial self-interest, misunderstanding, lack of trust and low tolerance to change.**

Causes for Resistance to Change:

Every change in an organization is not resisted. If there is any change which is required for the survival of the organization itself then people employed will surely accept and implement the change with less complacency. But, if the organizational modifications seem unnecessary then the decision to change is most likely to get resisted. The major causes for resistance can be:

- (i) **Insecurity & Uncertainty:** Employees working in their usual environment have with them some kind of security and certainty about their job. But when any change occurs, they resist for the simple reason, that they are unable to clearly judge the after effects of the change in their work. A kind of insecurity prevails in the mind of people which are going to get affected which become a reason for their resistance.
- (ii) **Habits:** It is a kind of psychological connoted cause. Employees especially the high age group becomes usual with their working pattern and style. Any change if introduced, is eventually resisted for the simple reason that employees form a habit of doing their job in a particular manner, which when get disturbed, motivate them to resist change.
- (iii) **Job Complexities:** Most of the people want their job to be done in simple manner, adding nay complexities in the current working pattern would surely receive resistance from them. Most of the times, when employees are confronted with the situation of adding up task to their existing work they usually show an indifferent attitude towards performing.
- (iv) **Fear of Losing Power:** Employees working in the higher level want their esteem needs to get fulfilled. If any change related to their position is implemented they feel offended and if the change is going to get their authoritative position hampered then the organization is sure to see resistance.
- (v) **Fear of Losing Economic Benefits:** With the technology advancement and automation, the whole ten step process has been reduced to only five; a single machine is performing hundred workers job in less time. Computerization has been evolved facilitating administrative work. With all these changes taking place frequently, employees team up and resist adapting changed technology in order to protect their economic benefits.
- (vi) **Fear of Losing Expertise:** There are experts in organizations who have specialization in their particular fields. If their expertise is being replaced with the superior cost effective alternative, then organizations are bound to see revocation from them.
- (vii) **Fear of Losing Established Social Relationship:** Working for a considerable number of years together, it is imperative that informal group or organization is formed which are directly or indirectly fulfilling the social needs of the people employed. When these groups are confronted with the change which is going to dislocate the members of the group then it will be faced with resistance.
- (viii) **Difference in Assessment:** Sometimes organizations are confronted with the problem

of misunderstanding, which occurs among some employees. So, lack of proper communication on the part of change agent can be a reason for employees to take the change from wrong perspective different from the perspective of management

MEASURES FOR OVERCOMING RESISTANCE TO CHANGE

Changes are the necessary part of the working of every organization irrespective of the resistance to that change. When managers want to implement change which is essentially required and are further confronted with the resistance, in that case, creating a proper strategy is important. Human resources i.e. employees are the one who at last become the change agent converting the decisions into reality. So, in order to overcome the resistance coming from the employees following measures can be applied:

- (i) **Provide Complete Information:** Manager need to develop a proper communication channel for overcoming the resistance that might cause disruption in the change process. It is necessary that management initiate proper efforts on their part to effectively communicate the need and logic behind the change. Management requires giving clarification to each and every suspicion in the Denial Anger Depression Acceptance mind of those who are resisting. This can be done with the help of discussion, memos, group meetings, reports etc.
- (ii) **Building Credibility:** There is always a conflicting situation among management and workers about the organizational benefits. Both the groups hold misconception about each other. Even if management wants to apply changes for the benefit of the employees, they evaluate the initiative from negative perspective. So, building mutual trust and credibility among management and employees are very essential.
- (iii) **Ensuring Participation:** The effective method to implement any change is participation of all the stakeholders which are going to get affected with the change. Participation in the decision-making ensures non-resistance to change, obtain commitment towards task and management is benefitted with the meaningful contribution also. Thus, ensuring participations can prove to be an effective remedy.
- (iv) **Arranging Negotiations:** Resistance can also be removed by allowing for negotiation. It becomes necessary when the resistance comes from the powerful sources composed of considerable number of employees. In that case, exchange something in value can reduce resistance.
- (v) **Manipulation:** Change is always supported by some driving forces and revoked by some resisting forces. So, the task which is left to the management is that it must try to identify the weak resisting forces which can be manipulated easily and transforming these forces into the driving forces.
- (vi) **Counseling:** The management can initiate for opening proper counseling session for the employees who are resisting. These employees can be provided with the satisfactory solutions for their problems individually.
- (vii) **Coercion:** The last measure which is left with the management is to apply coercion. If from any above-mentioned method remains successful, then management is most likely to resort to punishment techniques or lockout as a measure so that they weaken up the resisting forces.

Unit -IV

EMPLOYEE RELATIONS AND MANAGING CHANGE

Management of change in Technology

Effective technology change management ensures that changes to a system or product are introduced in a properly controlled and coordinated manner. It ensures that the negative effects of changes to IT systems are minimized by making available, a standardized process to govern the Information Technology system in the company. Obviously, some changes in the Information Technology department are not optional, they are mandatory. For instance, the changes in bar code standards mean that a business must adapt to these changes. If the standard tax withholding structure changes, there must be a change too in your business.

Advancement in technology has obviously had a significant impact on every aspect of modern life. Almost every industry has been affected by these changes. To be precise, the modern technology plays a big role in keeping things on track. Technology that powers all industries is constantly evolving.

Hundreds of software, system, gadgets, technological equipment and programs are released in the market each year. Some systems and software are completely changing the way people do business today. Technology has gone a long way to make business activities easy in different industries and firms. Order Management, Customer Relationship Management and Customer Support Systems, for instance, have made it possible for businesses to serve customer with ease and operate efficiently on a regular basis.

It is more likely that in the days to come, your business is going to face a challenge that can strike fear into the hearts of those in the business including the management department. The challenge is implementing a new technology in the workplace. Whether you are in shipping and delivery business, hospitality industry, running a reservation system that provide bed and breakfast, running an import and export business or are establishing a new technology firm, technology change management can be quite a daunting task. Obviously, if you make changes to a system or part of or an entire procedure without an oversight, chances are high that your change implementations will fail.

Now, the idea for change has to originate from the senior management. The idea must then be passed down to all other members in the company without any exception. The change management must involve everyone, or it will be a useless waste of precious time and valuable money. Allowing every person to be part of the change process makes it easy to backup the change at its highest level. Proper backing from every person in the team will definitely save your company from very costly errors. Here are strategies that can help your team to survive and thrive during the change process.

Technology Change Management Process Guide

Developing a request for change The first step for a successful technology change management is to develop a request for change in the business. A request for change can originate from a series of issues within the management. Once these issues are identified, mitigating change will be necessary to prevent any negative effects in the future. A Request for Change can also arise from a business decision that required modification to support technology in the business. Government regulations or changes made by external business partners may also lead to developing Request for Change.

Obtaining change acceptance Now, you need to remember that the decision to implement or make technical change is not the job of the Information Technology Department. It is an overall business decision where cost versus benefits must be weighed properly. Even if the change is infrastructure oriented, the decision to spend money on the change strictly resides with the business. Even in situations where procedures are developed in advance to pre-authorize

change, the

decision to implement the change resides within the business management so consultation must be made from the business, not the IT department, before implementing the change.

Initiating the development project, a technology change is an IT-guided function. A collaborative effort must be made between the business users and the IT team in the event of an emergency. A collaborative effort also has to be made when a new system is to be developed. Here is the thing; the system is designed by the Information Technology department. This design must be approved by the business partners before the IT department can develop it. Once the system is developed, the IT department and the users combine efforts to test and approve the final product. After approval of the new system, the users and the IT department give a careful attention to the effect the new changes will have on the existing system.

Passing the change to the management gate All changes must be reviewed before they can be put into production. The review process is done by the Change Advisory Board, a group of people with different areas of expertise, backgrounds and perspectives. Their main function is to review the change and ensure that all the risks have been identified and mitigated. The board will also check to ensure that compensatory techniques are in place for anything that could go wrong in the process. This team is not responsible for determining if the changes to be made are appropriate. It is not also responsible for determining whether the change is cost effective. Their focus is to evaluate risks and assess change implementation strategies.

Implementing the change Implementation should be scheduled once the Change Advisory Board has approved the change. The checklist and steps and how the change is to be implemented are predefined and approved by the Change Advisory Board. The Change Advisory Board cannot take part in the change implementation stage. If they have to be present, they will not be regarded as CAB experts but as Subject Matter Experts. The whole of the implementation process must be properly documented and the CAB approved processes be followed for implementing the change.

Report the results The results of the change have to be reported as soon as possible. These results should be documented and returned to the Change Advisory Board who then distributes the information to the stakeholders and storing and maintaining the results of the change as clearly documented.

Conclusion Your technology change management process will need to involve all employees in order to successfully evolve your business and bring about a smooth transition.

Impact of Technology on Employee Relations

How Technology impacts organization structure?

Employee relations involve multiple layers of communication, from employer-employee relations to interactions among the workforce itself. To understand the effect of technology on employee relations we have to understand how the structure of an organization changes with the type of technology being used in the organization. We have various theories to study this phenomenon, these are:

Joan Woodward's (1965) technology contribution which characterized the major technologies used in manufacturing organizations into unit, process and mass technologies. What we could derive from this theory was that routine technology (i.e. technology leading to more routines in work) like mass meant a more formalized structure and vice versa.

- Another one was Perrow's (1967) knowledge technology contribution which divided technology into 4 types routine, non-routine, craft and engineering types based on task

variability and problem analyzability factors used in the technology.

- The third major contribution was Thompson's Technology structure that divided technology into Long linked, mediating and Intensive technologies, with long linked corresponding to standardization of operations, tools, parts and machines.

Focusing on the Knowledge Technology contribution of Perrow, since the world has moved on to become a knowledge based economy. Its two main dimensions are:

- a. Task variability that describes the number of exceptions individuals encounter in their work.
- b. Problem analyzability which describes the type of search procedure employees follow in responding to exceptions.

The four technology categories in his theory are:

1. **ROUTINE:** characterized by the lack of exceptions and its depth of comprehension. Traditional manufacturing technologies such as assembly lines belong to this category.
2. **CRAFT:** characterized by its lack of exceptions and unpredictable outcomes that are difficult to analyse. Construction work that demands the drafting of new designs to resolve building problems is an example of applied craft technology.
3. **ENGINEERING:** characterized by many exceptions and its depth of comprehension. Standard and accepted methods are available to provide solutions to problems. Accountants, most engineers and laboratory technicians use engineering technologies.
4. **NON-ROUTINE:** characterized by many exceptions and poor comprehension. Problems appear frequently with no existing solutions. Commercial space engineering is an example of a non-routine technology.

2. How Organization structure affects Employee relations?

Perrow's classification can be divided into 2 main divisions one being Routine Technology made up of Routine and Engineering classification that is standard/same technology and the other being Non-Routine technology which is Constantly updating/New technology.

Routine technology leading to mechanization:

Due to standardized work and repetitive tasks employees: Are less able to talk with each other during work – thus employee is not able to make any new friends at work. The standardized technology means that each employee has fixed set of duties and doesn't need to talk to anyone regarding issues faced with the handling of their technology; he/she has a manual etc. to solve their difficulties.

- Tend to confine their communications to work-related matters – Since socialization is very less, topics other than work related matters are not discussed much.

- Generally, tend to make fewer friends at work and feel socially isolated – all the above factors increase stress level of the employees as they feel socially isolated and they do not have

| Employee Relations | Routine Technology | Non-Routine/New technology |
|-----------------------------|--|---|
| Social Isolation | High as infrequent interaction amongst employees | Low as constantly need guidance to understand latest technology |
| No. of Friends among Peers | Very few due to social isolation | More in number than in Routine technology cases |
| Equation with their Boss | On very good terms as efficiency is high and Work related issues are few and far between | Is not that congenial as efficiency suffers due to constant new technology related issues |
| Conflict within departments | Only when one department's work interferes with the other | Frequent conflict due to new technology increasing dependency among departments |

any outlet for the tensions accumulated at work time.

Non Routine/New Technology promoting Creativity:

Due to autonomy, the employees involved with using non-standardized technology:

- Likely to become involved in conflict with other departments – there is stress on efficiency since not using a routine technology leads to a loss in efficiency.
- The employee-employer relationship is not that congenial as there are bound to be creative differences amongst the two.

3. How can technology strategy combination affect Employee relations?

A combination of strategy and technology can impact Employee relations in an organization.

Strategy of Transparency in communication using Technology:

Exchanging information through emails, social networking software for the office employees can be a way of disseminating information amongst them. These are also an important way to improve the relation among the employees as everyone knows what is being communicated.

Leadership strategy using technology:

Division of work should be according to what technology the person is comfortable using. Technology can also be used to encourage healthy competition at work as employees can be encouraged to learn latest technology or achieve mastery in the technology already in use.

Promoting 'Knowledge Worker' strategy in the organization:

As Peter Drucker believed that dissemination of information would be most important for the organizations working today to survive, it is imperative that technology plays an important part in making all the employees knowledge oriented workers. This would boost employee morale and help them perform better in the organization. It would also help them to improve relations amongst themselves due to increased motivation and knowing what is going around them.

Employee involvement Strategies

A wise person once told me that I could never expect one hundred percent support from any individual who was not personally involved in devising a change which had an impact on his work. The wise person was right, and I'm really happy to have known him early in my career.

People don't mind change once they get used to the idea and have had the opportunity to have an impact on the direction of the change.

Even asking an employee's opinion and then later choosing another direction is significantly better than never giving the employee a voice in the change at all.

Creating a work environment in which employees feel as if they have the power to initiate change is also positive and a tribute to your work culture. But, more frequently, employees find themselves caught up in changes that others are initiating.

In these instances, what employees do mind is being changed. Having no voice in a change that will affect their job or workflow is treating your adult employees like children. They resent it and you have created something for them to push back against—never a good situation when you need your employees to change.

In any change, especially ones that affect a complete organization, it is impossible to involve every employee in each decision. Respondents to my management questions over the years suggest, however, that when change works, the organization has gone out of its way to use employee involvement.

Employee involvement is the difference between sad and unhappy foot draggers and engaged, excited employees who were trusted to give their input. You really don't want to create the first when you need change to occur in your workplace.

Employee Involvement for Effective Change Management

These are the steps you'll want to follow as you involve your employees in helping make a change.

- Create a plan for involving as many people as possible, as early as possible, in the change process. You need to make this plan with your change team, your senior managers, whoever will be leading the charge with the change. This senior or management team plays a critical role in building and developing support for change.
- Involve all stakeholders, process owners, and employees who will feel the impact of the changes, as much as possible, in the learning, planning, decisions, and

implementation of the change. Often, in change management, a small group of employees learns important information about change and change management.

- If they fail to share the information with the rest of the employees, the remaining employees will have trouble catching up with the learning curve. This is a significant point in change management. You cannot leave any employees behind.
- If a small group makes the change management plans, employees affected by the decisions will not have had needed time to analyze, think about, and adjust to the new ideas. If you leave employees behind, at any stage of the process, you open the door in your change management process, for misunderstanding, resistance, and hurt.
- Even if employees cannot affect the overall decision about change, involve each employee in meaningful decisions about their work unit and their work. One effective way to do this is at the departmental level.
- When the changes are in process, talk to your team and then, to each employee individually. Your purpose in having these conversations is to let each employee participate in identifying the impact of the decisions on their job.
- Build measurement systems into the change process that tell people when they are succeeding or failing. Provide consequences in either case. Employees who are positively working with the change need rewards and recognition.
- After allowing some time for employees to pass through the predictable stages of change, negative consequences for failure to adopt the changes, are needed. You cannot allow the nay-sayers to continue on their negative path forever; they sap your organization of time, energy, and focus, and eventually, affect the morale of the positive many.
- The key is to know, during your change management process, when to say, enough is enough. Most organizations wait too long and employees have a powerful opportunity to inflict damage on all of your hopes and dreams.
- Help employees feel as if they are involved in a change management process that is larger than themselves by taking these actions to effectively involve employees in making the needed changes.

Managing Downsizing in Organizations

Downsizing or layoffs is the term used to refer to the practice of firing employees for various reasons in organizations. These reasons can range from poor performance by the employees, the poor performance of the organizations in economic downturns that necessitates laying off employees to save costs, and for disciplinary reasons. There are other reasons as well which include the shuttering or the closing of the organization.

Whatever be the reason, **downsizing is a painful process for both the employees and the organization and more for the former.** Therefore, the Human Resources Function must handle downsizing with utmost care and caution and with sensitivity.

Payment of Compensation

For instance, when laying off employees, it is usually the case that the organization pays

severance packages and some additional pay to compensate the employee for the sudden event or occurrence of losing his or her job. Of course, when employees are laid off for disciplinary reasons, there is usually no severance pay since the employee has violated the code of conduct and hence, is not liable for any compensation. Having said that, it must also be noted that the law mandates payment of compensation in the other forms of downsizing. However, the reality is that very few companies follow the law because in gloomy economic conditions, even the government which is eager to please the businesses does not really enforce the laws.

Policies and Procedures to Handle Downsizing

In addition, when the employee is informed that he or she is going to be laid off, most organizations have set policies and procedures to handle such occurrences. It is usually the case that the employee is called to a meeting with his or her immediate manager and the HR manager along with additional people depending on the rank and the role of the employee. This meeting is usually tricky for both the employee and the other attendees since breaking bad news is painful as well as traumatic for the employee.

Downsizings must be Handled with Care

Therefore, it is indeed the case that downsizings have to be handled with utmost sensitivity wherein the reasons for the layoffs are explained clearly and the employee is given a sympathetic hearing. Moreover, the organization must also take into account the fact that the employee can sue the company if the reasons are not convincing enough.

The history of Corporate America is littered with examples of how the HR botched up the downsizing process which led to the employee(s) taking the organizations to court and in some cases, if the evidence is strong, winning Multi-Million Dollar lawsuits against the organizations for wrongful termination.

Lack of Communication might Lead to Good Employees Leaving as Well

Now, let us see how downsizing can also lead to exceptional employees leaving the company in case the organization does not handle the process well. It is the fact that if layoffs are being announced or there are rumors circulating about them, many employees start to feel jittery and begin looking out for other jobs.

If the organization does not handle layoffs properly, it is at the risk of losing even those who are not likely to be downsized. This is because these employees who are good performers would decide that they would anyway get jobs elsewhere and instead of sticking around in an organization that is on the verge of economic debilitation, they might as well move jobs. Therefore, any organization that is planning to downsize must approach the same in a calculated and careful manner.

Downsizing due to Poor Performance of the Employee(s)

Turning to the downsizing related to poor performance of the employees, it must be mentioned that unless they are given sufficient notice that they have to pull up their socks and ramp up their performance, the organization might not have sufficient grounds for laying them off.

All organizations have something called a performance improvement plan wherein the employees whose performance is suspect are told about the same and their performance put on watch. During this period, they are monitored by their immediate managers along with the HR manager and if they do not improve even after the mandatory watch period is over, they are then let go with the reasons for the same being stated clearly and in writing.

Organizations have to be Humane but Firm

As mentioned in the introduction, downsizing is very painful to the employees since their source of livelihood is being taken away from them. Especially in these gloomy economic times when everyone wants job security and assured income, downsizing can be extremely traumatic to the employees. Therefore, it is indeed the case that a humane

approach must be adopted so that the employees do not feel that they have been treated unfairly. Having said that, no organization exists for charity and hence, they too need to be firm on when to downsize and whom to downsize. These are complex challenges that need creative and humane approaches and this is where the personality of the HR manager comes into question since he or she must be responsible and balance the competing needs of the employee and the organization.

UNIT-V

COMMUNICATING THE CHANGE

The success of organizational change depends on how change is presented and The best definition of change communication is given by Whelan-Berry and Somerville (2010) as they define change communication as a regular two-way communication specifically about the change initiative, its implementation, related successes, challenges and their resolution. Discussed during entire change process.

Importance of Communication in Change Management:

1. Effective Team is built

It's a team who deliver change. One of the key factors behind successful implementation of change is how team is built, how team members interact and collaborate with one another. Incorporating change communication strategies will go a long way toward creating effective teams. Change communication contributes to boosting morale and motivation of team members which result into productivity and positive outcome for change.

. Employees' voices are heard

Employee satisfaction is heavily dependent on how their voices and heard, whether it's regarding a suggestion they had or a complaint they have to make.

In change process, employees are afraid of outcome of change and they are in denial or status of shock. Therefore, it is particularly important that employees' feedback is received and considered seriously.

This can be addressed though building two-way communication process. Having such communication channels allow everyone, regardless of level, to freely communicate with their peer group, coworkers, and superiors.

This not only help to overcome resistance to change but also gain more supporters of change project.

3. Innovation and knowledge is shared

Employees are significantly more likely to contribute ideas when they can openly communicate them without fear of being ridiculed or criticized.

Knowledgeable workers are more likely to share their expertise with others in the organization when there is good interdepartmental communication between workgroups.

This effect of knowledge sharing is especially important today, when many organizations face significant skill gaps among their employees.

4. Successful management

Change Managers who are good communicators are better able to manage their team members. When you are a strong communicator, the delegation of tasks, conflict management, motivation, and relationship development become much easier.

Strong communication is more than just the ability to speak to people; it is also about empowering them to speak to one another. Due to this reason, facilitating strong communication channels during change management is critical.

5. Increased crisis management

Some of the most significant benefits of good change management communication include improved working environment and easier crisis management.

Organizations with employees who work in hazardous or risky environments during any change management must be aware of the advantages of frequent and consistent communication.

6. Increased loyalty

Long-term retention of employees during change management process can add strength to the organization and impact the bottom line.

Many jobs necessitate years of experience before an employee can drive innovation, solve critical problems, and lead others.

How an employee feels about the organization, based on how they believe they are treated and valued as individuals, influences how loyal they will be

7. Enhanced engagement

Better communication throughout change management leads to higher employee engagement, which is an important indicator of employees' performance and potential retention.

It reinforces the fact that your employees are valuable assets to the organization because of their unique skills and experience. In other words, their contribution and input is extremely valuable.

8. Greater motivation

Psychologists have discovered that people are less likely to comprehend or remember a concept unless they recognize the "why."

The same can be said for many aspects of people's professional lives. An important communication skill for a manager is hearing the why and following up with because. This method will assist in motivating employees.

Final Words

Successful communication is quite well thought out and deliberately presented since it is the foundation of change management success. Proper workplace communication boosts productivity and creativity, and there are numerous reasons why is communication important in change management. Change leaders who invest time and effort to establish communication channels will shortly see the benefits and earn their workers' trust, resulting in increased likelihood of successful change outcome.

For implementing a change program successfully, communication is the key and one of the most complex parameters as it involves an exchange of ideas and feelings with people in an organization through various mediums. It is one of the toughest issues which an organization is faced with during the entire process of implementation of change. Effective communication must involve the following components:

- The message which is being sent by the individual must be clear and vividly presented. The message must radiate authenticity and genuinely.
- The recipient of the message must listen attentively, ask questions for clarifications and share feedback on the interpretation of the message.
- The method of delivery of the message must be compatible with the circumstances of both the sender of the message as well as the recipient.
- The message content must be able to connect well with the beliefs and thoughts of the recipient for being able to be acceptable.

In any change management program, it is the people who are fundamentally being affected by the change initiatives and it is the people who extend their cooperation and support to make the change happen. Without the involvement and motivation of the key stakeholders, it is impossible to expect success from any change program, as it is them whose interests are either positively or negatively affected due to the change initiatives.

The stakeholders' involvement, commitment, and acceptance in the entire change process is very important for achieving successful results from the change management program. For this, the stakeholders must be made well informed about the purpose or the objectives of change, and they should be provided an opportunity to share their own ideas in the process of

implementation of a change program. Research has proven that if a change is implemented in a consultative and an open manner it results in much effective outcomes in the overall process.

The Purpose of Change Communication

Research has proven that in the absence of a proper communication plan, the entire change process may turn into a fiasco. Over communication or no communication are both undesirable as due to this the whole effort of change can be derailed.

In the absence of sufficient two-way conversation or effective communication across all the levels, the change effort may fail to meet its objectives. If a communication plan is designed efficiently and clearly, it helps in building awareness and in getting the subsequent support in the entire program.

The communication continuum presented below shows how effective communication influences the stakeholders in building commitment towards the change.



The communication plan must be an integral part of the change plan addressing the questions of how, what, when and why of change from the people's perspective. Like the other documents of planning, the communication plan should also be documented and be subjected to periodic reviews.

The importance of Stakeholder Analysis in Change Process

Stakeholder Analysis can be considered as the foundation tasks before preparing and implementing a communication plan during a change process. The more complex the nature of change is, stakeholder analysis becomes all the more an imperative task as any implementation of change might be subjected to resistance due to one or several reasons from the stakeholders. Stakeholder analysis helps in minimizing the possible resistance from the participants in the change process by understanding the requirements and expectations of the key stakeholders who are directly or indirectly being affected by the change. Stakeholder analysis can be useful in the following ways:

- Identifying the key stakeholders or the stakeholder groups as well and their influence on the change.
- Understanding the prevalent attitudes towards their change and how this may influence the overall process.
- Identifying the needs of communication and the possible risks involved if the needs are not met.
- Determining the various methods for communicating the messages as well as the timing of delivery of these messages.

Fundamental steps involved in Change Communication



The following factors participate in communicating change approaches successfully:

Communicating the Change Vision Clearly and Doing it Early: This is the most important stage as it involves communicating the vision of change and what the organization will achieve at the end of the change effort. The vision should be described in simple form, must be clear and must be able to influence people strongly in implementing decisions. The earlier the vision for the change is communicated, the easier it will be for the people to be able to adapt and understand the nuances of change.

Highlighting the Benefits and the Impacts of Change: Effective communication plan during a change process helps in controlling the inertia or fears due to a change by explaining how the change will affect the people associated with it and why it is being implemented.

Ensuring that the Leaders of the Organization actively communicate in the entire process of change: The leaders of the organization must convey how important the change is and must reflect their personal and visible commitment towards the entire process of change, as this will be sending a powerful message to the key stakeholders about how seriously an organization is committed towards the implementation of change.

Using various channels or mediums for communicating the message of change: Care should be taken in understanding how people learn about change from different mediums of communication. For visual learners, documented materials may best appeal and help them in understanding the change vision and for effective listeners, importance should be given to the presentation style and selection of words for impressing such category of stakeholders.

Providing Opportunities for Exchange of Dialogue or Conversation: Providing opportunities for discussion and facilitating a two-way communication with the stakeholders creates a sense of ownership and fosters a sense of responsibility among the stakeholders.

Repeating the Messages of Change Periodically: Regular communication of the change message facilitates a greater understanding of the objective of the change and there will be a much greater probability that people will act in accordance with the requirements of the changing situation and extend their cooperation accordingly.

There is a need of change in an organization because there is always a hope for further development, and in order to survive in a competitive market, the organization needs to be

updated with changes. However, we have listed some reasons to explain why changes are deliberately made and carefully planned by the organization before implementation.

- It improves the means to satisfy the economic requirements of people.
- It enhances the profitability of organization.
- It promotes employee satisfaction and well-being.

Planned Change

We can define planned change as any kind of alteration or modification which is done in advance and differently for improvement.

The Need for Planned Change

Planned change takes place in an organization when there is a demand for change due to two types of forces. These forces are grouped into internal sources and external sources.

Internal forces that lead to a planned change in an organization include obsolescence of production and service, new market opportunities, new strategic direction, increasing workforce diversity, and shift in socio-cultural values.

External forces that lead to a planned change in an organization include regulators, competitors, market force, customers, and technology. Each of these forces can create pressing demand for change in small or big, public or private, business or non-business organizations.

Process of Planned Change

Once the management decides to implement some changes in the organization, it needs to be done carefully as it is a very sensitive issue. It is very important for all the employees to adapt to change.

According to Kurt Lewin, the planned organizational change is implemented in three different stages. They are –

- **Unfreezing** – In this stage, the organization studies if the change is required or not, what and why is the change necessary. Considering the entire situation, the organization decides for appropriate change. Thus a plan and strategy is formulated as required.
- **Changing** – In this stage, the organization executes the plan and program for change. For this purpose, proper precautions are taken in order to maintain cooperation and coordination between the employees and management, avoiding miscommunication or disputes. Adequate supervision and control is arranged as needed.
- **Refreezing** – This is the final stage, in order to bring organizational change. By way of supervision, the organization tries to evaluate the effectiveness of change. Collecting all this information, the management interprets whether to continue or replace change by some other alternatives or to make further minor changes.

Types of Planned Change

On the basis of a company's requirement planned change is classified into three types. They are –

- Change in structure
- Change in technology
- Change in people
- Change in Structure

- We say that the planned change required is change in structure when development is required in these following areas –
- Change in management
- New management
- Change in position or location
- Change in objective, rules, regulations etc.
- Launching new branches

Change in Technology

We say that the planned change required is change in technology when development is required in these following areas –

- Need of office automation
- Installing new hardware and software
- Executing new working procedures
- New methods in production function
- Producing new products and devices
- New training, research and development program

Change in People

We say that the planned change required is change in people when development is required in these following areas –

- New candidate requirement
- Promotion or demotion
- Transfer to other location
- Suspension or dismissal
- Deputation
- Training and development

Kurt Lewin

Kurt Lewin, is a noted organizational theorist, who proposed the force field analysis for organizational change. In this theory, he has prioritized two factors for change in an organization, namely –

- **Driving force** – Driving force can be defined as an organizational force that makes a change with respect to structure, people and technology. In short, it drives the organization from one culture to another.
- **Restoring force** – Restoring force is the force which changes the culture from the existing state to the old state. It indicates a backward motion while the driving force indicates a forward motion,

Roles of a Leader During Change

Successful organizational change depends on leaders – managers and bosses who have direct authority with people going through the change – to support and execute change in their span of influence. Effective leaders acknowledge that their support is crucial to success and commit to doing their part. The following are some of the roles leaders may play as they drive change in your organization.

1. Sponsor

Leaders act as advocates for the change at their level in the organization. They are representatives who keep the change in front of their peers, the “higher-ups.” A Sponsor is the person who won’t let the change initiative die from lack of attention, and is willing to use their political capital to make the change happen. As sponsor, the leader is the champion.

2. Role Model

Leaders of change must be willing to go first. They demonstrate the behaviours and attitudes that are expected of everyone else. Employees watch leaders for consistency between words and actions to see if they should believe the change is really going to happen. Leaders are self-aware and deliberate.

3. Make Decisions

As managers, leaders usually control resources such as people, budgets, and equipment, and thus have the authority to make decisions that affect the initiative. They have the ability to say “yes”

or “no” to the project moving forward within the span of their control. During change, leaders must leverage their decision-making authority and choose the options that will support the initiative. Leaders are decisive and set priorities that support change.

Kurt Lewin’s Force Field Analysis

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MAPPING THE CHANGE

There are many indicators which can be selected for measuring the effectiveness to change, for example, profitability, cost of production, employee’s satisfaction, production efficiency, customer retention, market share, market growth and many more. But management needs to focus on some selected indicators which are successfully defining the progress. To focus attention, change leaders need to be clear regarding when the organization is standing in the change process and the important areas to monitor, in order to achieve the desired outcomes. Hence, a criterion is listed to help change manager determine which measures should be used.

- **Focusing on critical factors:** On the management part, critical factors that needs more attentions must be focused with due attention. Measures influence what people pay attention to and choose to do; even when they believe those actions are ill-advised. This is particularly correct when people perceives that those in power consider measure as essential and base decisions regarding resources and rewards on them.
- **Avoiding mixed signals:** Sometimes, organization confronts a situation where it produces

conflicting signals and it becomes difficult sometimes to find firms saying one thing but signaling another through the measures and the related rewards. For example, an organization may develop measures and initiate changes aimed at enhancing quality and customer satisfaction but at the same time adjust with the consignment of flawed products in order to meet delivery metrics in time. Organization does this even though they know that these sub-standard goods will increase warranty work and put the firm's goodwill with the customer at risk. The management inability to deal with their established measures may prove to be harmful. Employees who are working within the organization are very aware with such conflicting messages. Thus, confusion, frustration and alienation are some consequences which companies face eventually. When such serious flaws are built into a change initiative and go unaddressed by the change leader, then in the later stage, it makes the whole change process flounders.

- ***Modeling the desired behavior- "Walking the Talk"***: In order to achieve the intended effect of measurement and the related control processes, change leaders need to act like "walking the talk" while using effective communication practices when dealing with what to measure, who to engage in the control process, how to deploy the measurement tools and how to effectively use the data to manage the change. Approaches must be designed to reinforce fairness and appropriateness in
- ***Keeping the measures as simple as possible***: Due regard to cost and value need to be given, when measures related to change management and control are developed. There is a possibility of mistake regarding unnecessarily overinvesting in the system. Generally, rule of the simpler the better is advised to be followed.
- ***Matching the precision of the measure to environment stability***: Change managers need to match the progress of measures with the environment. If the environment within which the organization is working is less complex and predictable giving an indication regarding the significance of change, then the change leaders can devote more time and money in developing more precise and sophisticated measures. However, if the environment is not stable and changes rapidly, then the change leaders require looking at the content with more care.