



ORGANIZATIONAL CHANGE

ORGANISATION

- Organization is a social system.
- All parts of organization affect all other parts
- Anything happening at one end is transmitted to the other end
- Interrelationship between the elements & environment
- Disturbance to this naturally exercises pressure
- Evokes a reaction – acceptance/rejection

CHANGE

- Alternation which occurs in the overall work environment of an organization
- 'Change is the law of nature'
- Nothing is permanent except change
 - Change often results from the pressure of forces which are both outside and inside the organisation;
 - The whole organisation tends to be affected by the change in any part of it; and
 - Change takes place in all parts of the organisation, but at varying rates of speed and degrees of significance.

EXTERNAL & INTERNAL FORCES

○ External Forces

- Macro environment (PEST factors)
- Micro Environment (Consumers, Suppliers, Stake Holders)
- Opportunities & Threats (SWOT)

○ Internal Forces

- Internal Environment (Men, Money, Machinery, Materials, Minutes)
- Strengths & Weaknesses (SWOT)

CHANGE IN AN ORGANIZATION

- It is in a constant interactional and interdependent relationship with its environment
 - Change in its external environment, such as changes in consumer tastes and preferences, competition, economic policies of the Government, etc., make it imperative for an organisation to make changes in its internal system
- Composed of a number of subsystems which are also in a dynamic relationship of interaction and interdependence with one another
 - Any change in a subsystem creates a chain of changes throughout the entire system

CONCEPT OF ORGANISATIONAL CHANGE

- 'Organisational change' implies the creation of imbalances in the existing pattern of situation
- Operations & Functions for a long time establishes structural set-up
- Members evolve a tentative set of relations with the environment, adjustment with job, working conditions, friends and colleagues etc.
- Change requires individuals to make new adjustments. Hence the fear of adjustment gives rise to the problem of change and resistance to change

FORCES FOR CHANGE

(a) External Forces

- Demographic characteristics,
- Technological advances,
- Market changes, and
- Social and political pressures

(b) Internal Forces

- Human resource problems and Prospects
- Managerial behavior/decisions

LEVELS OF CHANGE

○ (a) Individual Level Change

- Job assignment, physical Move, Change in maturity of a person
- Not significant on organisation, but significant on group

○ b) Group Level Changes

- Major effect because organizational activities are done in groups like departments or informal groups
- affect workflows, job design, social organisation, influence and status systems, and communication patterns.
- Managers must consider group factors

○ (c) Organization Level Changes

- involves major programs that affect both individuals and groups
- Decisions regarding these changes are generally made by senior management and are seldom implemented by only a single manager

TYPES OF CHANGE

- **a) Strategic Change**

- Change in the mission (when acquired)

- **b) Structural Change**

- Decentralization

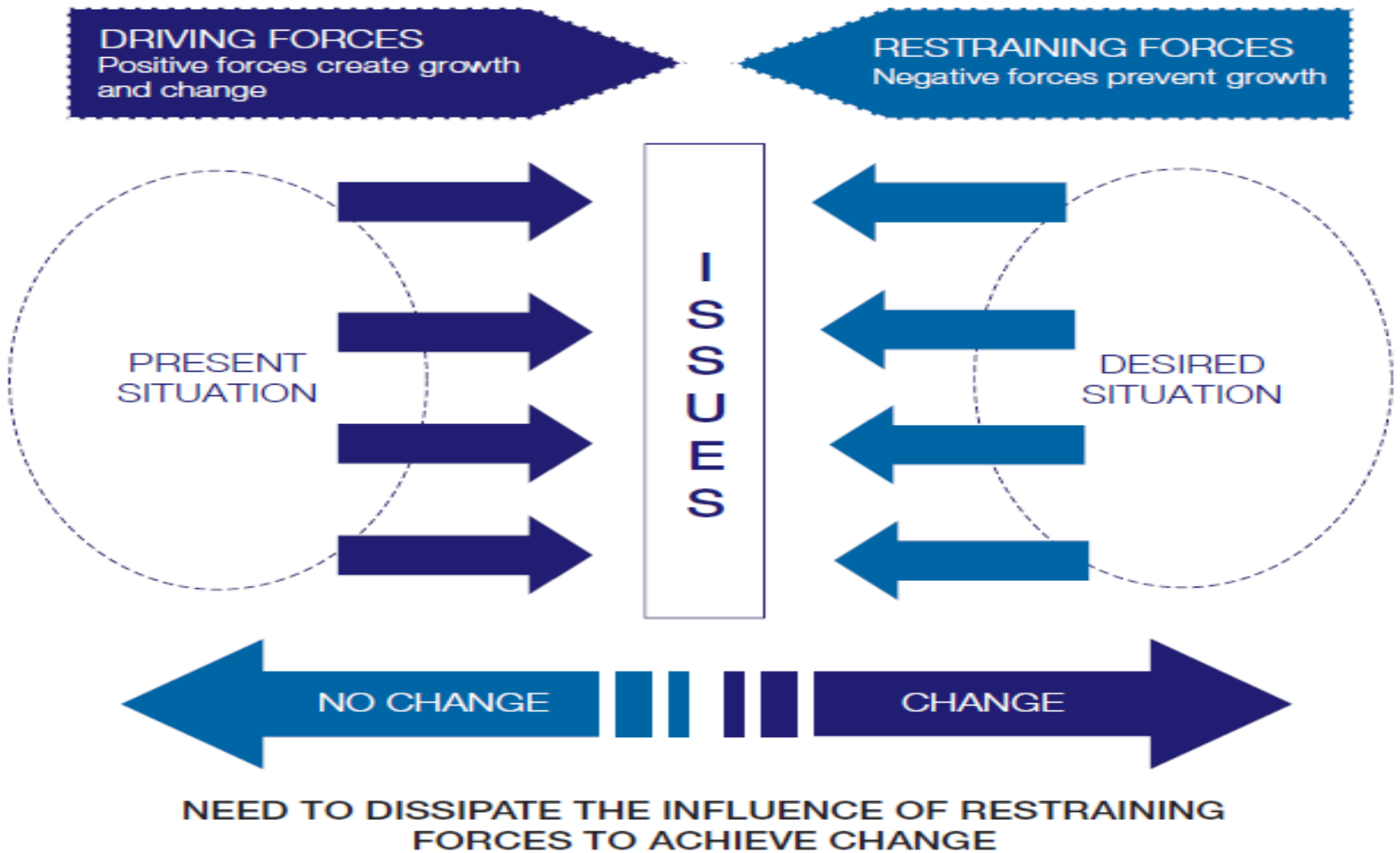
- **c) Process-oriented Change**

- In manufacturing operations

- **d) People-oriented Change**

- Self – actualization (Motivation, Loyalty, Training, Relationships)

LEWIN – FORCE FIELD ANALYSIS



DRIVING & RESTRAINING FORCES FOR CHANGE

Force field analysis looks at the forces that are either *driving* movement towards a change or goal or are blocking (*restraining*) movement towards a change or goal.



FORCES FOR CHANGE

Driving forces

- supportive culture
- Participative management style
- Communication

Restraining forces

- Apathy
- Hostility
- Poor working conditions



IMPLEMENTING CHANGE SUCCESSFULLY

- Successful implementation of change requires knowledge about the change process
- The change process, propounded by Kurt Lewin, consists of 3 stages:
 - (1)unfreezing,
 - (2) changing,
 - (3) refreezing

Unfreezing	Changing	Refreezing
Recognising the need for change, casting aside old values, behaviour, or Organisational structures	New values, behaviours and structures replace old ones. Action oriented	Making change permanent . Practice what was learnt in the second stage

STEPS IN MANAGED CHANGE

- Need for change can be identified either through internal factors or through external forces that may be in place. Once this need is identified, the following steps can be taken to implement such change:
 - 1. Develop new goals and objectives
 - 2. Select an agent for change
 - 3. Diagnose the problem
 - 4. Select methodology
 - 5. Develop a plan
 - 6. Strategy for implementation of the plan
 - 7. Implementation of the plan
 - 8. Receive and evaluate feedback

RESISTANCE TO CHANGE

- Resistance to change - a natural phenomenon
- Not all change is resisted
- In organisation changes are accepted than resisted
- Acceptance to change is Adaption
- Resistance to change is Unnatural behavior
- Failure to understand this characteristic of resistance can cause many managers to attempt to run through changes rather than try to understand the sources of the resistance.

SOURCES OF RESISTANCE TO CHANGE

MAY BE

RATIONAL OR EMOTIONAL.

○ *Rational resistance*

- occurs when people do not have the proper knowledge or information to evaluate the change.
- Providing information (in the form of data, facts, or other types of concrete information) reduces the resistance

○ *Emotional resistance*

- involves the *psychological* problems of fear, anxiety, suspicion, insecurity, and the like.
- These feelings are evoked because of people's perception of how the change will affect them.

(A) CAUSES OF RESISTANCE

- All changes are not resisted. Some are wanted by the workers
- Resistance to change is caused by individual's attitudes which are influenced by:
 - **1. Economic Factors**
 - Workers apprehend technological unemployment.
 - **2. Psychological Factors**
 - Fear of psychological needs affected (sense of pride, achievement, self-fulfilment)
 - **3. Social Factors**
 - social needs like friendship, belongingness (informal groups)

(B) SYMPTOMS OF RESISTANCE

- **Hostility or aggression is the immediate reaction**
- **Apathy towards his work**
- **Absenteeism and tardiness**
- **Anxiety and tension**
- **Signs of resistance (strikes, “restriction of output”)**

(C) BENEFITS OF RESISTANCE

- **Contrary to popular opinion, resistance to change is not bad.**
- **Resistance can bring some benefits:**
 - **Encourage the management to re-examine its change proposals**
 - **Identify specific problem areas where change is likely to cause difficulties**
 - **Encouraged to do a better job of communicating the change**
 - **Resistance also gives management information about the intensity of employee emotions on an issue**
 - **Encourage employee to think and talk more about a change**

IMPLEMENTING CHANGE SUCCESSFULLY

- Successful implementation of change requires knowledge about the change process
- The change process, propounded by Kurt Lewin, consists of 3 stages:
 - (1)unfreezing,
 - (2) changing,
 - (3) refreezing

Unfreezing	Changing	Refreezing
Recognising the need for change, casting aside old values, behaviour, or Organisational structures	New values, behaviours and structures replace old ones. Action oriented	Making change permanent . Practice what was learnt in the second stage

METHODS OF INTRODUCING CHANGE

- **Kotter and Schlisinger have suggested six methods of introducing change**
 - **1. Education + Communication**
 - **2. Participation + involvement**
 - **3. Facilitation+ Support**
 - **4. Negotiation + Agreement**
 - **5. Manipulation + cooptation**
 - **6. Explicit + implicit coercion**

HOW TO MAKE THE CHANGE THE PERMANENT

- Use of group forces,
- Use of leadership,
- Shared rewards,
- Working with unions, and
- Concern for employees.

THANK YOU.....

