

UNIT 13 MANAGING CHANGE

Objectives

After reading this unit, you should be able to:

- Understand the concept of change management
- Understand the nature of change
- List out the types and models of change
- Understand the process of change
- Analyze the reasons for the resistance of change
- Highlight the strategies to overcome change
- Understand the forms of change
- Identify the strategies of evaluating change
- Appreciate the role of a change agent
- Understand the concept of OD
- List out the OD interventions

Structure

- 13.1 Introduction
- 13.2 The concept
- 13.3 The key drivers
- 13.4 Nature of change
- 13.5 Process of change
- 13.6 Models of change
- 13.7 Resistance to change
- 13.8 Strategies to overcome resistance
- 13.9 Forms of Organizational Change
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13.1 INTRODUCTION

As the adage goes....the only constant in life is *change*. Usually, three facts about change are often heard in organizations- *that it is everywhere, that it is constantly present and the speed* with which change is taking place. This being the reality, almost everyone is nervous about change. People dislike change and resist change as a natural response, but in reality change is inevitable and the cost of change would be very dear if people dislike change. Thus there is no choice other than to welcome change and devise strategies to tackle the challenges and survive in the fast changing contemporary scenario.

13.2 THE CONCEPT

The concept of organizational change refers to the changes that occur across the organization. It implies that the change brings in a fundamental orientation in the way that the organizations use a certain process or issues, thereby bringing in a change in the way it is carried out in business. It does not include minor changes like adding a new person in the group, modifying a program etc. Examples of organizational wide change includes change in the mission, implementing new technologies, restructuring the operations, mergers and acquisition, rightsizing and downsizing, introducing new programs like TQM, re-engineering etc.

13.3 THE KEY DRIVERS

Organization wide change is a part of business strategy to accomplish the goals of the organization. The key drivers are:

- Technological innovation, forcing the organization to upgrade their platforms.
- Cutting down the cost to remain competitive. If the cost of one factor of production goes up, it brings about a change in the overall cost, thus forcing the organization to innovate and reduce the cost.
- Competition and competitive advantage has forced organizations to perform, for organizational survival and growth.
- Competitive advantage presupposes faster decision making, thus making the organizations to change the structures, processes and styles of functioning.
- Global culture requires organizations to adapt and evolve to integrate the diversity into the business and the business operations.

Activity 1

Choose an organization which has existed for more than 20 years. Recall how it was 10 years back and observe how it is as of now. Analyze what has changed and why?

1.

2.
3.
4.

13.4 NATURE OF CHANGE

Change can be understood better, if we look at the nature of change. The nature of change is as follows:

- a. To make or become different, give or begin to have a different form
- b. Dissatisfaction with the old and belief in the new
- c. Underlines qualitatively different way of processing, thinking, believing to improve from the past
- d. continuous and intrinsic
- e. can be patterned and predictable
- f. dual and bi-polar- leads to change for the good or leaves stagnated
- g. rate of change is faster.

Thus, each of the elements makes us understand change in its various connotations.

13.5 PROCESS OF CHANGE

Organizational experience indicates that organizations are undergoing major changes quite frequently, although smaller changes occur continually. However, there are no signs that this pace of change will slow down. The processes thus assume significance in this context. The process can be divided into three broad areas

Preparing for the change

An organization has to address the concerns like why do we need change? What would be the difference between the current and the changed state? What is to be changed? What components will be affected and which will not be?

Beginning the change process

The organization must firm up the strategy being used for change, identify ways of operationalizing the change, while beginning the change process. To do this , the organization must position change as a challenging target and needs to identify how to minimize the impact of losses experienced by those who are most affected by the change in the organization.

Firming up the changes into the system

During the firming of the process, the organization must ensure that all the sub units are aligned properly with the desired outcomes. All the stakeholders are fully aware of the outcomes of changes and have an understanding of the

process. The organization must also ensure that all those who involve will play their prescribed role in planning and implementation. Thus an organization can approach change in a planned and systematic way, exactly identifying where it wants to find itself after going through the process of change.

13.6 MODELS OF CHANGE

Various models have been suggested to explain the process of change. The most important of them are:

Kurt Lewin's Model

Lewin specifically considers a three stage process of managing change taking clue from the analogy of ice. They are *unfreezing*, *changing* and *refreezing*. The first stage involves creating a level of dissatisfaction, with the status quo, which creates conditions for change to be implemented. The second stage requires organizing and mobilizing the resources required to bring about the change. The third stage involves embedding the new ways of working into the organization. Thus this model considers that change involves a move from one static state through a state of activity to another state of status quo.

Beer's Model

Beer and his colleagues advocate a model that change is more complex and therefore requires a more complex, but still a uniform set of responses to ensure its effectiveness. The model prescribes a six step process to achieve change. They concentrated on task alignment whereby employee roles, responsibilities and relationships are seen as key to bring about situations that enforce changed ways of thinking, attitude and behavior. The stages are – mobilize commitment to change through joint diagnosis , develop a shared vision of how to organize , foster consensus , competence and commitment to share the vision, spread the word about change ,institutionalize change through formal policies and finally monitor and adjust, as required.

Shaw's model

Shaw in his article entitled *Intervening in the Shadow Systems of Organization* (1997) argues that change is complex and evolutionary. As the changes evolve, they tend to be messy and messy because of the number and variety of changes that are introduced. Hence the status quo is not the starting point for change management. It evolves and adapts to the environment of change. The elements, according to this model, in the change process are:

- a. Understand the Change Drivers
- b. What are the Change levers for change strategy
- c. Understanding the change context
- d. Develop a picture of the organization
- e. Appropriate plans for change
- f. Selecting the change agent/ leader for the change process

ADKAR Model

ADKAR model is a goal oriented change management model that allows change management teams to focus their activities on specific business results. This model was initially used as a tool to determine if activities like communication and training had the desired results during organizational change. According to this model effective management of people dimension, requires five key goals that form the basis of ADKAR model. They are :

- Awareness – awareness of the need to change
- Desire- to participate and support the change
- Knowledge- knowledge of how to change and what the change looks like
- Ability- to implement the change on a day- to-day basis
- Reinforcement – to keep the change in place

Kotter's model

Kotter in his article *Leading Change*(1995) has introduced a number of steps in his model of change process. The steps include

1. ***Creating urgency*** – At this stage, the organization identifies threats and develops scenarios to show what might happen in future. The opportunities to exploit, discuss, talk & thought process, helps in eliciting external support. 75% of the effort comes from the organization in creating urgency for change. The organization, Kotter says, has to work hard in step-1 for achieving success
2. ***A team or influential people*** are required, irrespective of hierarchy to initiate /manage change. The team must include true leaders who can demonstrate emotional support and team building from across the organization.
3. ***Create a Vision for change*** – Why change? This question is answered because organizations consider their values as central to change. What changes changing the future scenario, determines the strategy to implement.
4. ***Communicate the vision***- Kotter says that organizations need no special meetings to communicate the vision, but it is done in daily activity, for people to remember, assimilate and accept leading to change
5. ***Remove blocks***- Resistance to change is taken care of, by having structures and mechanisms to empower the employees, to help the change move forward
6. ***Quick wins*** –Change interventions would lead to short term goals, not long term in nature, thus contributing to quick wins.
7. ***No room for failure*** – An attempt has to be made to choose projects which result in runaway success, so as to instill confidence.

8. ***Build on change***- Confidence building measures and success ensures the organization to analyze what went right, set goals, improve continuously and add new change agents.
 9. ***Add to the core*** – Initiating and implementing change resulting in success must lead to make change to stick, so that it becomes the core of the organization and becomes part of corporate culture.

Kotter's model thus, argues for change that sticks to the organization.

McKinsey 7-S model

McKinsey model focuses on 7 *internal* factors, which are to be aligned and reinforced for change leading to organization effectiveness. A change in one element affects the other thus requiring new organizational design. The elements are –*Values, strategy, structure, systems, skills, staff and style*. For instance, any change in the strategy will force the organization to make changes to the strategy, and so on.

Ross 5 stage model

Kubler Ross in his book *Death & Dying* (1969)- known as *Change Curve* underscores the need for focusing on the internal factors. It helps to understand the stages of personal & organization change. This process demonstrates the different reactions to help them to transition towards change.

Thus these different models will have implications on the way organizations and their leaders view change and the way they manage change, finally impacting the effectiveness of any change initiative

Activity 2

1. Choose an organization. Discuss the model which they follow.

13.7 RESISTANCE TO CHANGE

Change is inevitable and the pace of change is increasing day by day. Consciously or unconsciously, people dislike change and hence, they resist change. Organizational issues and individual / group resistance to change are normally cited as reasons for resisting change.

Organizational issues

Organizations do not always undertake individual change initiative as part of the wider change plan. For example linkages between strategy, structure and

systems issues have to be established as part of a changed plan. Therefore, a change that considers a new structure but fails to establish the need to introduce new systems to support such a structure is less likely to succeed. Similarly lack of effective project management and program management discipline can also lead to a shortfall in timings, in achievement of desired outcome and project delivery. Insufficient training in the relevant areas, for example, in project management, leadership skills can also negatively impact on the effectiveness of the change initiative. Poor communication has also been linked to issues surrounding the effectiveness in achieving change in various ways. A change that is imposed and not communicated properly and on time, can lead to a greater employee resistance. Finally the lack of effective leadership has been identified as an inhibitor of effective change.

Individual/ group resistance to change

Resistance is understood as an expression of reservation, which normally arises as a response or as a reaction to change. Management often interprets these actions as employees attempting to stop or alter the change. Resistance can take different forms from subtle undermining of change initiatives, withholding of information to active resistance like strikes. Resistance can be individual vs collective, passive vs active, direct vs indirect, behavioral vs verbal and minor vs major. Normally an organization experiences two broad types of resistance – resistance to the content of change and resistance to the process of change.

In addition, the other reasons for resistance are listed below According to Ferguson and Green, (2001), a number of factors cause resistance to change in an organization. They are:

- i. **The fear of unknown** – People resist because of the fear of what is in store for them. Due to the uncertainty about the nature of change, one does not know what is in store for him in future and what exactly would happen in the current situation
- ii. **Loss of control**- Change is directed towards an individual, group or organization. When it is directed towards the individuals, the individuals have very less or no say in the process and the interventions directed to them. The fear of no control on the events that are unfolding makes people resist change.
- iii. **Loss of face**- Employees feel embarrassed as a result of change to realize that what they have done in the past was wrong and that organizations intervene to change those wrong actions / decisions.
- iv. **Loss of competency** – When changes are attempted, the existing skills and competencies will no longer be used, thus making the people think that they have to put in a lot of effort and hard work to learn new skills and competencies in the changed situations.
- v. **Need for security** – Security is one of the important concerns for every employee. The very fact that change is taking place in the organization causes a concern in the minds of the people about their position, status, role etc.

- vi. **Poor timing** – Since change is a continuous process, organizations initiate and implement changes continually. The very fact that one has to get into a change mode again after a recent change causes employees to think about the timing of changes that takes place in the organization.
- vii. **Loss of the comfort zone**- People are comfortable in doing their work following their existing routines/habits. The very thought of change in the existing ways of doing their work makes them feel that they are out of their comfort zone
- viii. **Lack of support**- It is not enough if changes are initiated but they should be executed properly. Poor execution leads to scarce resources, which make the employees feel that they will not have enough support in the changed scenario.
- ix. **Lack of confidence**- Any change presupposes extra effort on the part of the employees to get used to the change situation. It takes a while for them to settle down in their routine to build their confidence levels in their work.
- x. **Lingering resentment**- Not all changes are organization-wide. In some instances.it is possible for an organization to design and initiate a change in one unit/ department. In such cases, the other people in the other departments/units might feel that they are avoided or overlooked. Even when organization wide changes take place covering all the employees/ units, there is every chance for the same sentiment to recur among those who have been brought into the change management process.

In addition, studies have also cited political factors like favoritism , management factors like poor management style, individual factors like personality factors, group factors like group cohesiveness, herd mentality, and organizational factors like increased work load, unknown challenges etc. as some other reasons for resisting change in organizations.

Activity-3

It is but natural to resist change. Recall an instance at home/office when you resisted change. List out the reasons for the same. What remedies did you take to overcome each of them?

Change resisted:

Remedy:

1.
2.
3.
4.

13.8 STRATEGIES TO OVERCOME RESISTANCE

Organizations use different strategies to overcome the resistance to change. They are:

- i. **Normative Re-educative Strategy** – This approach believes that changing the norms, attitudes and values of the individual would lead to changes in their behavior. It is based upon targeting their core beliefs, values and attitudes. It is expected that change will occur as individuals change their beliefs, values and attitudes, which makes them behave differently and accept change.
- ii. **Rational Empirical Strategy** – This strategy is based on persuasion. It assumes that individuals are rational and as such if the benefits of change are made clear to them, they would change in their own self-interest. The benefits of change need to be highlighted and sold to them as being of personal benefit to them.
- iii. **Power Coercive Strategy** – This strategy is based on the application of power, in the belief that people comply and change to those who have greater power.
- iv. **Action Centered Strategy**- This strategy focusses on problem solving, looking at problems and focusing on remedial action. Innovative firms take an integrated approach to problem solving by showing a willingness to view problems as a whole and in their solutions to challenge established practice and view change as an opportunity rather than a threat.

Thus, organizations use different strategies which are used as appropriate in the different stages of the change process. In addition, organizations also use certain techniques to improve the acceptability of change facilitating easy transformation. Continuous learning through change, effective communication, the power of informal structures, understanding the rationale for change are all a few techniques that organizations use to seek the support of the employees in the process of change management.

13.9 FORMS OF ORGANIZATIONAL CHANGE

Organizational experience evidences a number of ways in which organizations embraced change. Some of the popular forms of organizational change are:

- i. **Organizational Design and Restructuring-**

Organizational design reflects the structural aspects of organization. It leads to the development of organizational structure with interrelated tasks, positions, units and relations. The structure defines the way tasks are formally divided, grouped and coordinated. Organizations follow different structures but currently due to the COVID pandemic, virtual organizational structures are being used. The IT industry is an excellent example of this structure which allows a lot of flexibility in its operations. To manage change organizations restructure and redesign their work place in order to conduct their business. The work from home facility, use of advanced tools and techniques of technology by the organizations due to the current pandemic is an excellent demonstration of how work places have been redesigned and restructured.

ii. Turnaround Management-

Management of change is and will continue to be a natural concern for most organizations in India. Due to various factors, both internal and external like global competition, technological change, customer awareness, economic factors, have demonstrated issues of a diverse nature. Further, the process of industrialization has resulted in industrial sickness which had to be turned around. Turnaround management is one form of managing change used by the organizations in India. It is a recent phenomenon. When a weak company is acquired, it is subjected to turnaround management. Even when a sound and profitable company has been purchased, it is subjected to some form of turnaround management, to realize the synergies so as to increase profit and shareholder value or market share. With cross border acquisition, mergers etc. turnaround has become a common form of change management. Turnaround has been popularly referred to as a recovery of the client performance, decline being relative to the benchmark like industry growth, GNP growth or previous performance of the organization. Pradeep Khandwalla, in his book entitled *Turnaround management*, defined it as *recovery to profitability from a loss situation*. There is a broad spectrum of turnaround situations which might occur. The nature and urgency of the situation is influenced by key parameters which include

- The ownership structure of the company
- The urgency of the crisis
- Whether the company must radically cut cost
- The management team in place
- Whether the turnaround manager would be the CEO or not
- Whether he is assisted by an able team
- The degree of freedom given to him
- The time available to decide on priorities/ actions
- The suitability of networks / tools used

Some of the classic examples include the Chrysler Corporation and General motors. When Chrysler sold its defense division, the CEO of Chrysler Lee Iacocca did a turnaround situation and claimed profit to the company. In a similar way, GM offered Delphi which employed 200,000 employees in the manufacturing unit, retaining only a majority holding. This move made GM attain a turnaround situation. The recent amalgamation of banks in India with high NPAs into one unit is also an example of turnaround situation to realize the synergies and attain a profitable situation. Thus, turnaround has become the order of the day because of the corporate sickness and organizational decline

iii. Mergers and Acquisitions-

One of the successful ways of meeting the contingencies of organizations is restructuring. The current restructuring modes all over the world appear to be the phenomenon of mergers and acquisitions (M&A).

Historically M&A could be traced to the American businesses. A number of waves of merger activity occurred in the US, which evoked major activity and impacted the structure of American business transforming medium size businesses to huge Multinational Corporations.

Three types of mergers are evident. A horizontal merger occurs when two competitors combine. The HP and Compaq merger is a classic example of the horizontal merger. Vertical mergers are combinations of companies that do not compete, but exist in the same supply chain and have a buyer seller relationship. Any automobile company acquiring a company which sells auto parts to it, can be an example for a vertical merger.

A conglomerate merger occurs when companies are not competitors and do not have a buyer seller relationship. For example Reliance Industries Limited in India, which started off as a textile company, acquired many companies in different lines of business and today it is into the retail, apparel, telecommunications, petrol chemicals, energy, etc.

The purpose of M&A in most organizations is to source supplies of raw material or an intermediary product to gain economies of purchase, revamping production facilities, market expansion and strategy, financial strength, improve the brand image, enhance its development plans etc. A number of agencies, advisors and experts help in the M&A process. Organizational experience has also seen a number of alternatives to M&A. Some of them are joint ventures, franchising, distributors and dealers, merchandized licensing etc. The wave of consolidations, mergers, acquisitions, corporate restructuring has reached a record high in both the developed and developing countries.

iv. Business Process Re-engineering (BPE)

Improving business processes is paramount for businesses to stay in competition. This has become a common trend in the last two decades. BPE is a redesign of business processes, the associated systems and organizational structures to achieve a dramatic improvement in business performance.

The reasons for such changes include poor financial performance, external competition, and erosion of market share or emerging market opportunities. Strategy, processes, technology, organization and culture are the five components of business that are targeted. Michael Hammer and James Champy define BPR, in their book entitled, *Re-engineering the Corporation* as fundamental rethinking and radical redesign of business processes to bring about dramatic improvement in performance. They recommended a complete examination of the organizational processes from material acquisition, production, marketing, distribution etc. Siemens is an excellent example of BPR. They have designed and implemented for BPR for profitability.

v. Total Quality Management (TQM)

TQM is a management philosophy that seeks to integrate all organizational functions to focus on meeting customer needs and

organizational objectives. TQM views an organization as a collection of processes. It maintains that organizations must strive to continuously improve these processes by incorporating the knowledge and experience of employees. The simple objective of TQM is – do the right things, right the first time, every time. Although originally applied to manufacturing operations, TQM is now becoming to be recognized as a generic management tool, applicable to the service and public sector organizations. The principles of TQM include management commitment, employee empowerment, fact-based decision making, continuous improvement and customer focus. Organizations used TQM as a powerful technique for unleashing employee creativity and potential, reducing bureaucracy and cost, improving service to the clients and the community. Thus, TQM is being used by many organizations as an appropriate strategy for managing change

vi. Outsourcing –

Outsourcing or contracting out is often defined as a delegation of non-core operations or jobs from internal production within a business to an external entity who specializes in that operation. It is a business decision that is often made to lower the cost and focus on competencies. It takes place when the organization transfers the ownership of a business process along with the transfer of control to an external entity or subcontractor. Call centers in China, India, and Sri Lanka etc. are an excellent examples of the outsourcing activity across the world. Many companies outsourced customer support, call sector functions, manufacturing of parts and engineering services.

Thus , organizations use different forms of managing change although it is difficult to match a single approach to a particular company's need. The challenge lies in deciding which method to be used, when it can be used and how the companies can pull it off successfully such that the bottom line business results are achieved.

Activity-4

List out the latest merger of banks in India. What is the type of merger and why do you think the merger has taken place?

List out the merger and acquisitions that had taken place in the recent past in India. What do you think are the reasons and the type of merger?

13.10 EVALUATION OF CHANGE

It is not enough if the organizations introduce different interventions and use different forms of managing change. Evaluation is critical for the success of the change initiative, design and implementation, especially when external consultants are involved in the process. Organizations use different strategies to evaluate change. *Survey* is the most popular strategy for obtaining data to evaluate change. Questionnaires, structured interviews etc. are used to collect large volumes of data using survey. Organizations also used the *case study* method, which is a detailed, intensive method of collecting data about a

single case. Interviews, observation and analysis of related documents are used in a case study. *Experimental strategy* is also used to conduct experiments on individuals/ groups by segregating them into the control group and the sample group. A comparison of the results would help in the evaluation of change. *Longitudinal and cross sectional* strategies offers to evaluate change over a long period of time. The impact of change could be understood if data is collected over longer periods of time. In contrast, a cross sectional perspective describes the incident of a particular phenomenon such as skills possessed by managers in one organization at one particular time etc. Data thus collected is analyzed and provided as a feedback in the evaluation research carried out by the organizations

Activity-5

Have you seen a change intervention in any organization? What was the approach they followed to evaluate change?

13.11 ROLE OF CHANGE AGENT

Change agents are crucial to the process of affecting planned changes. They can be internal like the CEO, managers etc. or external like the consultants. The role of a change agent involves a *technical role* in which what needs to be changed, what tools to be used and who should be involved in the process is decided. The *inspirational role*, on the other hand, involves the way in which the emotional barriers to change can be overcome, how the organization makes the processes exciting and rewarding, the ways in which heroes could be identified to sustain the change and making the change process bring out the magic with every individual, every team and the entire organization. Thus the change agent is seen as a *sponsor*, a person who authorizes, sustains and monitors the change process to ensure effective change management.

Activity-6

Think of N.R. Narayana Murty, of Infosys, as a change agent. What changes has he brought to his company in the context of change to put the Indian IT sector on the world map?

13.12 ORGANIZATION DEVELOPMENT (OD)

OD is about managing change in its multiple facets. One of the earliest definitions of OD was given by Beckhard. According to him, “OD is an effort, plan, and organization wide, managed from top to increase organizational effectiveness and health through planned intervention in the organization processes using behavioral science knowledge”.

Neilson brought in the focus on people and the need for people to work together. He attempted to humanize the organization by facilitating better understanding of their colleagues / peers and harmonious work relationships. Hence OD is any attempt to act as a catalyst, to change the way people looked at themselves, others or/ and processes within the business and its

sphere of influence in order to make the individual and organization more effective. In essence, the individual employee and his/her sphere of influence is the center of action. It is not just about classroom training or changing an existing process. It is about helping the individual to change himself/herself and/or aspects of his/her role that would have a positive impact on the business.

Activity 7

Differentiate change from OD?

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2.
3.

13.13 OD INTERVENTIONS

Organizations used training and development interventions for skill development and bringing about changes in the attitudes of people. Business leaders viewed training as a continuous activity and not a one-time event. Hence, whether it is development of an individual or an organization, they believed that it should start with planning and continue to take place with proper monitoring.

Planning interventions

Beckhard emphasized the need for planning and development of people. The interventions that helped assess and develop future plans/ strategies are discussed below

- i. **Life and Career Planning** – The contemporary business environment is dynamic and hence, there are opportunities and risks as well. Because of these opportunities, skilled and competent people change jobs and even careers. The concept of single and stable career is a concept of the past. Learning new skills including qualifications has become common and even organizations are responding to the career aspirations of employees through strategic and sustainable career management. Employee engagement and other HR practices are being developed in such a way that organizations are in the process of formulating innovative approaches to attract, retain and develop the people through career development programs. Career counselling, career development workshops/ seminars, competency profiling and mapping, support services for individual professional development like certifications, formal degrees along with coaching, career audit etc. are some of the interventions for life and career planning.
- ii. **Organization Mirroring**- A mirror is an object that reflects our image. Organizations spend a lot of time to improve their image. In this process, when a particular group seeks to identify and improve its image, it uses organizational mirroring. This process is used when a group identifies some difficulties in their functioning and hence would like to receive feedback from the other groups. In some instances, an outside consultant is also put in place to facilitate the process. The consultant or the OD

agent would collect data from the group to diagnose the problem and its intensity. A discussion then follows with the other members of the group to collect information on their feedback on the group which is acted upon after seeking clarifications on the feedback provided. Actions plans are drawn, target dates are set for the implementation of the action plan, which is reviewed and monitored for the planned change. The role of the consultant / OD agent assumes importance in making the entire exercise transparent and fulfilling.

- iii. **Visioning-** Visioning is used by organizations to take them forward. It is designed to create a preferred future state and images of their potential. Visioning helps to manage the organization strategically. Normally this exercise is done to arrive at a vision, mission, and goals of an organization at the time of its inception or it is also done to overhaul the dynamic changing organizations. Visioning helps the organization to stay focused, future oriented, motivate the individuals as it is arrived at, based on the combined wisdom and knowledge of the organizational members.
- iv. **Confrontation Meetings-** Richard Beckhard developed the confrontation meeting as a one-time meeting with different durations to identify problems and arrive at solutions from the group. These meetings are attended by the members of a single unit or the entire organization along with the top management. Problems are diagnosed against the backdrop of the organizational climate, information is collected and shared to arrive at action plans to fix the problems, which are monitored and reviewed till the planned change takes place. This exercise helps management to understand the problems of units and facilitates the units to discuss their specific problems with the management.
- v. **Survey Feedback-** An organization uses survey feedback, which is a popular tool to collect large volumes of data from large organizations. The members give feedback on the performance of the organization, unit, and group to improve them. There are three stages which are normally used to collect the data. The *design stage* defines the need and objectives of the process and then the members are briefed about the process and the data that needs to be given by them. At the *implementation stage*, several methods – questionnaire, interview etc. - are deployed to collect data. The data thus collected is analyzed into a report and shared with the group /unit /organization. The *action planning stage*, enables the leader to develop action plans based on the findings of the survey. Thus, survey feedback serves as a simple and popular method to collect data and act upon it.
- vi. **Force field analysis** –Kurt Lewin developed the force field analysis, as a diagnostic technique, to identify the variables involved in planning and implementing a program. According to Lewin, any situation will confront *driving forces and restraining forces*. Driving forces positively push the organization, while the restraining forces restrain the organization and pushes it in an undesirable direction. When the sum of driving forces and restraining forces become equal, an equilibrium is reached. This technique helps organizations to identify the need for change and evaluate alternative courses of action.

What do you think are the restraining forces and driving forces to complete this course? List them.

1.
2.
3.
4.

vii. **Cultural Audit** –Culture is viewed as shared beliefs, tradition, customs, stories of the organization. It denotes how the employees perceive the image of the organization and their role. A strong work culture improves the brand image of the organization and helps in attracting talent to achieve the competitive advantage. Since people join and leave the organization quite frequently, the culture gets impacted. Culture audits come in handy to diagnose the existing culture in the organization. The audit helps the organization to access the alignment of the decisions and actions of people with the organizational values and norms, so that the desired culture could be put in place if deviations are found.

Training Interventions

Training interventions are oriented towards the employees in terms of the enhancement of their knowledge, skills, personality and attitudes. There are a number of interventions which are people related. They are:

- i. **Education and Training** – Business environment is dynamic and presupposes the continuous and lifelong learning of the employees to improve their knowledge, skills , competencies and the overall personality of the individual. On the one hand, there are formal education programs where organizations enter into MOUs with educational institutions to offer formal degrees so that the employee is oriented towards the appropriate content to do his job effectively. There are also training programs towards leadership development, improve interpersonal effectiveness, cross cultural adaption for different levels of employees. Organizations conduct in house, customized programs for groups of employees or nominate them to reputed educational training institutions for targeted training. Hands on training, is also given when new technology is put in place. In addition, a number of E learning programs and courses /certifications online are also made available to the employees in terms of education and training.
- ii. **Coaching-** It is common for organizations to have executives holding important positions struggle with a number of challenges , thus needing coaching to guide them in their functioning. Most often such training is based on experiential learning and is customized, aiming at the enhancement of the individual ability / capability.
- iii. **Counselling-** Like coaching, counselling is also an enabling process. The employee is put through the experiential learning process where it is encouraged to use intelligence and emotions to identify the problems and

suggest appropriate solutions for both work and life. Counselling is extrinsic, where the individual is made to understand the problems through the recognition of the same leading to a change in the attitude and behavior in a given situation. Depending on the situation, it can be remedial or preventive. The process helps the employees to cope with stress and anxiety along with the built in fear towards a change in the behavior of the employee. Formal counselling arrangement at the work place for performance counselling is common in all the organizations however , in situations like the recent pandemic, when people either lost their jobs or had to change their working style, counselling was also done for the personal well-being of an individual.

- iv. **Leadership Development-** Developing employees to take up leadership positions in the organization is also an intervention which organizations have been focusing on for quite a long time. They are expected to model their behavior so that their group also follows them to demonstrate desirable behavior.
- v. **Mentoring-** The mentor- mentee relationship is also a common trend in the contemporary organizations. The leaders and the senior managers mentor their juniors in terms of improving their skills / competencies required for their functioning and career progression. Mentoring has assumed an important function, where the contribution of the mentor in bringing about a change in the mentee's behavior is included in the performance assessment of the mentor. Mentoring involves a long term relationship and also transparency with which the mentor and the mentee derive satisfaction of achieving success in the process.
- vi. **Transactional analysis (TA) -** TA relates to an analysis of interpersonal communication. Eric Berne and Thomas Harris proposed TA by analyzing the transaction in different ego states. According to Berne, every individual functions in three ego states- *child ego, adult ego and parent ego state*. According to him, transactions remain *complimentary* if they are sent and received as intended. Transactions get *crossed*, if the message or the behavior of an individual ego state is not in accordance with the expected ego state. They create interpersonal conflict in the organizations. According to him, the transactions that are usually carried on between two individuals, one with a parent ego state and responded to by another individual in a child ego state, get crossed. Finally *ulterior* transactions involve two ego states and involves an ulterior motive with a hidden message between two individuals. Lack of transparency with the hidden agenda creates complex situations leading to interpersonal conflict. The ideal ego state, according to them, is to transact in an adult ego state which is rational, logical and systematic leading to complimentary transactions between individuals.
- vii. **Stroking –** Eric Berne defines a *stroke* as a unit of human recognition. They can be positive and negative strokes. Small gestures of wishing somebody, a good word, a look, a smile, a nod reflecting support etc. are all positive strokes. Negative strokes, on the other hand, reflect the bad feelings of the individual. More of negative stroking and negative feelings makes an individual have conflicts effecting the interpersonal

relations. The current emphasis on looking at the positive side of every action and transaction helps the individual to be positive and contribute positively to the group and the organization.

viii. **Life positions-** Thomas Harris in his book- *I am okay, you're okay* – talks about the psychological state of the individuals. Training sessions are held through experiential analysis to understand the employees psyche/ the state of mind and efforts are made to change from I am not okay to I am okay. In an organizational context, the managers and the leaders take the role of parents to tell them if they are okay or not okay. Employees would lose their confidence if they confront the negative strokes from the manager and gets into a negative life position. The role of managers and leaders thus assumes significance in this context to promote the positive life positions for employees.

Activity-9

Write an example each on the complementary, crossed and ulterior transactions you have had with a friend.

1.
2.
3.

13.14 SUMMARY

Change is the order of the day. Organizations have no choice other than embracing change. Organizations have to understand the nature of change, identify the key drivers to transit into the change mode smoothly and manage change. It is but natural for people to resist change, organizations need to strategize to overcome resistance. Organizational experience evidences a number of forms, which have been used to maneuver and manage change. Since a lot of change is happening all around, evaluation is critical to measure the success of the change interventions. A number of tools, techniques and strategies are available to evaluate change. The role of a change agent assumes importance to manage the change using a skillful and competent approach. In addition, to react and respond to the change, organizations also attempt to undertake organization-wide changes to humanize the organization by facilitating a better understanding of colleagues and harmonious work relationships using the OD approach. Planning and development of people/ organizations is critical in the rapidly changing business environment. Thus, the OD interventions are undertaken through the planning and training interventions to help individuals to do their jobs effectively and help organizations towards organizational transformation.

13.15 SELF-ASSESSMENT QUESTIONS

1. Despite all the rhetoric, books, effort, and money thrown into change efforts in organizations today, most fail". Discuss.
2. Why do people resist change?

3. What are the interventions that organizations use to develop people?
4. What is turnaround management? List out the parameters that determine its usage with examples from the Indian context?
5. What is BPR? Explain the concept of change using the BPR with an example?

Case Study-1

Azim Premji on the management of Change

“While change and uncertainty have always been a part of life, what has been shocking over the last few years has been both the quantum and suddenness of change. For many people who were cruising along on placid waters, the wind was knocked out of their sails. The entire logic of doing business was turned on its head. Not only business, but also every aspect of human life has been impacted by the change. What lies ahead is even more dynamic and uncertain. I would like to use this opportunity to share with you some of our own guiding principles of staying afloat in a changing world” Said Azim Premji in an address.

1. What is he referring to, in the context of change and change management?

Case Study-2

A beautiful butterfly was making moves to get out of its cocoon. An earnest gardener saw the poor butterfly struggle and decided to help. He used his knife gently to open the cocoon in an attempt to ease the butterfly’s struggle. The butterfly soon came out and rested on the branch. But to the gardener’s dismay, it just could not fly- its wings were too weak. What was needed to help, eventually stunted the butterfly’s natural ability to fly.

1. Like the gardener, many organizations go through the process of change. Was the gardener right in his action? Why? Why not?
2. What should be the role of the change agent in bringing about change in the organizations?

13.16 REFERENCES/ FURTHER READINGS

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