UNIT-II
ORGANISATIONAL CONFLICT AND CHANGE

ORGANIZATIONAL CONFLICT

Organizational Conflict also known as workplace conflict, is described as the state of disagreement or misunderstanding by individuals or groups within the organization resulting from opposing needs, ideas, beliefs, values, or goals. At the workplace, whenever, two or more persons interact, conflict occurs when opinions with respect to any task or decision are in contradiction. A common example of organizational conflict occurs when workers advocate for higher pay and the business owner or management wants pay levels to remain the same.

FEATURES OF ORGANIZATIONAL CONFLICT

Some of the important features of conflict are:

1. **It Helps in Analytical Thinking:** Conflict may induce challenge to views, opinions, rules, policies, goals, plans etc., which would require critical analysis in order to justify these as they are or make changes as required. As H. M. Carlisle has put it – "No situation is more detrimental to an organisation than letting poor decisions go unchallenged".
2. **It Helps in Increased Cohesion:** Conflict between different organisations develops loyalty and cohesion within an organisation and a greater sense of group identify in order to compete with outsiders. It helps in dedication and commitment to organizational goals.
3. **Conflict Promotes Competition and Hence it Results in Increased Efforts:** It has been observed that some individuals are highly motivated by conflict and severe competition. For instance, a professor who has been denied promotion due to conflict within the department may work harder to prove that he is more capable and deserves a promotion. Thus, it may lead to high level of effort and output.
4. **It Serves as a Foundation for Organisational Development:** Conflict with the status quo is a pre-requisite to change. Creative and innovative people are always looking for grounds to challenge the status quo. These challenges lead to search for alternatives to existing patterns which leads to organizational change and development.
5. **It Reduces Tensions:** Some disagreements if unexpressed can lead to imaginative distortions of truth, sense of frustration and tension, high mental exaggerations and biased opinions resulting in fear and distrust.

FACTORS INFLUENCING ORGANIZATIONAL CONFLICT

1. **Unclear Responsibility:** If there is lack of clarity, regarding who is responsible for which section of a task or project, conflict takes place. And, to avoid this situation, the roles and responsibility of the team members should be stated clearly and also agreed upon by all.
2. **Interpersonal Relationship:** Conflicts at the workplace are often caused by interpersonal issues between the members of the organization. Every member of an organization possesses different personality, which plays a crucial role in resolving conflict in an organization.
3. **Scarcity of Resources:** One of the main reasons for occurrence of conflict in an organization is the inadequacy of resources like time, money, materials etc. due to which members of the organization compete with each other, leading to conflict between them.

4. **Conflict of Interest:** When there is a disorientation between the personal goals of the individual and the goals of the organization, conflict of interest arises, as the individual may fight for his personal goals, which hinders the overall success of the project.

TYPES OF ORGANIZATIONAL CONFLICT
1. **Intra-individual/Intra-personal Conflict**: Conflict can be intra-personal, where an individual's objective and vision differ from his/her company's overall vision. Intrapersonal conflict occurs within an individual. The experience takes place in the person's mind. Hence, it is a type of conflict that is psychological involving the individual's thoughts, values, principles and emotions. For example, a secretary may have to lie on instructions that her boss is not in the office to avoid an unwanted visitor or an unwanted telephone call. This may cause a conflict within the mind of the secretary who may have developed an ethic of telling the truth. In addition to these value conflicts, a person may be faced with a role conflict. For example, a police officer may be invited to his brother's wedding where he may find that some guests are using drugs which are against the law. It may cause conflict in his mind as to which role he should play – as of a brother or as of a police officer.

2. **Inter-personal conflict**: Interpersonal conflict is the conflict between two individuals of the organization. Basically, this occurs because of some differences in people. We have varied personalities which usually lead to incompatible choices and opinions. This may involve conflict between two managers who are competing for limited capital and manpower resources. If there are two equally deserving professors and they are both up for promotion, but only one of them can be promoted because of budget and positional constraints, then this could result in interpersonal conflict between the two professors. Another type of interpersonal conflict can relate to disagreements over goals and objectives of the organization. A college or a university may have a policy of quality education so that only top-quality students are admitted while some members of the organizational board may propose "open admission" policy where all high school graduates are to be considered for admission. Such a situation can cause conflicts among the members of the governing board. In addition to conflicts over the nature and substance of goals and objectives, the conflicts can also arise over the means for achieving these goals and objectives. For example, two marketing managers may argue as to which promotional methods would result in higher sales.

3. **Intra-group Conflict:** Intragroup conflict occurs among individuals within a team. These are conflicts that typically involve more than one person within a group. The incompatibilities and misunderstandings between team members lead to intragroup conflict. It starts from interpersonal disagreements like team members have different personalities which may lead to tension or differences in views and ideas. For example, in some restaurants, all tips are shared equally by all waiters and waitresses. Some particular waitress who may be overly polite and efficient may feel that she deserves more, thus causing conflict between her and the group. Similarly, if a group is going on strike for some reasons, some members of the group may not agree with these reasons or simply may not be economically able to afford to go on strike, thus causing conflict with the group.

4. **Inter-group conflict**: Intergroup conflict occurs when a misunderstanding arises among different teams within an organization. This is due to the varied sets of goals and interests of these different groups. In addition, competition also contributes for intergroup conflict

to arise. There are other factors which fuel this type of conflict. Some of these factors may include a rivalry in resources or the boundaries set by a group to others which establishes their own identity as a team. For example, sales people who depend upon their commission as a reward for their efforts may promise their customers certain quantity of the product and delivery times which the production department may find impossible to meet thus causing conflict between the two units.

5. **Inter-organizational Conflict**: Inter-organizational conflict is the conflict that arises across different organizations. When different businesses are competing against one another, this is an example of inter-organizational conflict. Conflict also occurs between organizations which are dependent upon each other in some way. This conflict may be between buyer organizations and supplier organizations about quantity, quality and delivery times of raw materials and other policy issues.

CAUSES OF ORGANIZATIONAL CONFLICT

1. **Managerial Expectations:** Every employee is expected to meet the targets, imposed by his/her superior and when these expectations are misunderstood or not fulfilled within the stipulated time, conflicts arise.
2. **Communication Disruption:** One of the major causes of conflict at the workplace is disruption in the communication, i.e. if one employee requires certain information from another, who does not respond properly, conflict sparks in the organization.
3. **Misunderstanding:** Misunderstanding of information, can also alleviate dispute in organization, in the sense that if one person misinterpret some information, it can lead to series of conflicts.
4. **Lack of accountability:** If in a project, responsibilities are not clear and some mistake has arisen, of which no member of the team wants to take responsibility can also become a cause of conflict in the organization. Stages of Conflict

CONFLICT AND NEGOTIATION

Conflict and negotiation are significant components to operate business. Business possessors may have conflict with many groups like partners, managers, employees and the general public. Negotiation is often essential to develop harmonious solution for all parties involved in the conflict. Many small businesses keep away from internal conflict and negotiation because owners are mainly responsible for completing business functions. However, external conflict and negotiation happen for most companies in the business setting. Conflicting situation often occurs when individuals have dissimilar ideas, beliefs or theories regarding business operations. Business holders may also find conflict when bargaining with individuals or other businesses. Negotiation is the process of talk about each individual position about an issue and tries to get a solution that benefits both parties.

Conflict and negotiation are typically more widespread in leading business organizations since more individuals are involved in the company operations. Conflict and negotiation may result in several options being created to resolve difficult situations. Business owners might follow some steps when processing discussion options and solutions; identifying the problem, analysing the issue, creating different strategies or approaches, and acting on outcomes or ideas. These steps provide a logical process to follow when solving conflict and negotiation issues.

CONFLICT

Conflict is a state of discord caused by the actual or perceived opposition of needs, values and interests. A conflict can be internal (within oneself) or external (between two or more individuals). Conflict explains many aspects of social life such as social disagreement, conflict of interests and fight between individuals, groups or organisations.

Conflict arises "when two or more parties, with perceived incompatible goals seek to undermine each other's goal-seeking capability". Conflict arises in the situations of competition and co-operation. In competitive situations, two or more individuals or parties have mutually inconsistent goals and either party tries to reach their goal and undermine the attempts of the other to reach theirs. Therefore, competitive situations will, by their nature, cause conflict. However, conflict can also occur in cooperative situations, in which two or more individuals or parties have consistent goals, but the manner in which one party tries to reach their goal can still undermine the other individual or party.

A clash of interests, values, actions or directions often results in conflict. Conflict refers to existence of that clash. Psychologically, conflict exists when reduction of one motivating stimulus involves increase in another so that new adjustment is demanded. Even when we say there is a potential conflict, we are implying that there is already a conflict of direction even though a clash may not yet have occurred. "Organisational conflict is disagreement between two or more organisational members or groups arising from the fact that they must share scarce resources or work activities and/or from the fact that they have different statuses, goals, values, or perceptions."

CAUSES OF CONFLICT

Conflicts arise due to the following reasons:

1. **Differences in perception:** Differences in perceptions, values and attitudes of individuals or groups over the same problem leads to interpersonal or intergroup conflicts. For example, one group of individuals may want that all employees use HP computers to maintain standardisation while another group may promote different brands of computers to maintain individuality. Differences in views lead to conflicts.

2. **Excessive competition:** Organisational resources (men, material, money, space etc.) are scarce and each unit wants maximum share of it. Competition amongst units for maximum share of resources leads to conflict.

3. **Differences in goals:** Different goals of individuals or groups leads to conflict amongst them. In order to maximise profits, production department may want to produce limited varieties in large volume so that costs are minimised. Sales department, on the other hand, may feel that selling products of different sizes, colours and models can increase sales and, thus, minimise costs. Differences in group goals leads to conflict between the two. It may even affect the quality of products.

4. **Interdependence of tasks:** When work is passed from one unit to the other, interdependence amongst units can lead to conflict. Output of first unit becomes input of second unit. If first unit fails to process its work on time, the second unit will have to wait and stay idle till it receives the process. This can cause inter-group conflict.

5. **Habit patterns:** Some people like to argue and debate. They enjoy conflict as a matter of habit. It acts as a motivator for them to improve their performance.

6. **Personal characteristics:** When group members differ in work attitudes, age, education, temperament and status levels, the potential for inter-group conflict is high.

7. **Ill-defined authority – responsibility relationships:** When authority and responsibility of individuals and groups is not properly defined, people do not understand each other's role. There is lack of consistency in work activities and communication distortions take place. This becomes a source for inter-group conflict.

Conflict has both positive and negative consequences. Positive conflict is known as functional conflict and negative conflict is known as dysfunctional conflict.

Positive Conflict (Functional Conflict):

Conflict is not only inevitable; it is also desirable. It is constructive and encourages new ideas to solve organisational problems. It promotes change and keeps the organisation going in the desired direction. It believes that conflict has the following positive consequences:

1. **High degree of cohesion:** Inter-group conflict gives rise to commitment and loyalty amongst members of the group. Group members unite together, take advantage of opportunities, overcome threats and take strong actions to resolve their problems. All members of the group work together for a common goal. It promotes group cohesiveness if people of different groups compete with each other. In order to do better, members of each group work together. They become loyal and bonded to each other which promotes organisational performance.

2. **Improvement in quality of decisions:** When group members face conflict, they think of all possible solutions to the problem, evaluate the decisions and use their creative and innovative abilities to arrive at the best decisions. Inter-group conflict, thus, improves the quality of decisions and stimulates creativity and innovation. When people have conflicting opinions, they deeply analyse facts of the case. Deep understanding of concepts promotes new thinking, new ideas and, thus, fosters innovation.

3. **Emergence of leaders:** Everybody does not think alike in conflicting situation. Group members bestow power on those who can positively contribute to the problem situation to take decisions. Increased power gives rise to leaders who act as the group captain. This also reduces rivalry amongst members to become group leaders.

4. **Response to change:** Conflict promotes change if people do not readily agree to each other. Differences in opinions, values and perception introduce new ways of working which is different from the traditional thinking. Conflicts challenge the existing state of affairs and promote new ideas and reassessment of current group practices. Conflict signals something wrong with the present system of working and promotes ability to assess the present and desire for a better future. Conflict, thus, increases responsiveness of group to change.

5. **Increased productivity:** It is empirically proved that productivity of conflicting groups is more than those which have close agreement amongst the members. Members with different perceptions and interests produce high-quality solutions to problems. This improves productivity of the group. Conflicts highlight weaknesses in the existing system of management. These weaknesses can be removed to improve efficiency of the organisation's operating system.

6. **Releases strain:** If group members do not agree with pre-defined values and norms, conflicts give them a ground for voicing their reservations. This releases strain that would

otherwise remain suppressed in their minds. In conflicting situations, people openly express their thoughts and feelings, even if they are against the thought process of other members of the organisations. This releases strain and provides mental satisfaction to the members.

Negative Conflict (Dysfunctional Conflict):

In positive conflict, differences in opinion do not hurt anyone's feelings. People respect each other's ideas and arrive at new solutions to the problems to develop working relationships. In negative conflict, on the contrary, people show disrespect for others' ideas. They aim to promote their interests at the cost of others. The negative consequences of conflict are as follows:

1. **Mental strain:** Excessive conflict creates tension and frustration amongst people. This not only harms the individuals (as they may enter into a state of depression) but also harms the organisation (people do not positively contribute to organisational productivity).

2. **Discontentment:** Conflict breeds antagonism and discontentment. This reduces power to think creatively and reduces group effectiveness. If people do not arrive at mutually agreeable solutions, it results in discontentment. People are not satisfied with their jobs. This lowers the organisational productivity.

3. **Communication breakdown:** When individuals or groups develop conflicting ideas, they avoid interacting with each other. This reduces communication amongst them leading to inter-group rivalry and loss of productive ideas. As conflicts lead to disagreement and communication breakdown, people do not agree with each other leading to splitting up of groups and units. This diverts energy from organisational goals and leads to instability in the organisational structure.

4. **Resignation:** Discontentment can lead to resignation from jobs. If results are not in favour of people who strongly oppose certain decisions, they do not wish to work in those organisations and look for other job outlets. If these people are dynamic and creative individuals, it is loss for the organisation.

5. **Distorted perceptions:** Groups hold strong perceptions about their activities and disregard those of the other group. They highlight their strong points and competitors' weak points. This leads to deviation from organisational goals.

6. **Competitive struggle:** Conflict leads to competition. Rather than arriving at consensus, agreement or settlement, competitive struggle declines group's ability to think and act positively.

7. **Subordination of group goals to individual goals:** Members promote personal goals rather than group goals. They think of ways to promote their personal interests rather than organisational interests. This reduces organisational efficiency. People divert energy from constructive to destructive thinking. They think of how to win over conflicting situations rather than pursuing organisational goals. Short-term personal problems, thus, supersede long-term interests of the organisation. People focus on personal goals at the cost of organisational goals. This results in goal displacement as short-term perspective overpowers the long-term perspective.

8. **Threat to group survival:** In extreme situations, members can stop working. This stops functioning of the group and threatens its survival.

NEGOTIATION

Majority of companies have to negotiate in many areas of organizational conflict. Negotiation is an open process for two parties to find a satisfactory solution to a complex conflict. Negotiation is process in which two or more parties exchange goods or services and attempt to agree on the exchange rate for them. In an organizational context, negotiations may take place between two people, within a group, between groups and over the Internet. Negotiation can take extensive forms from skilled negotiator acting on behalf of a particular organization or position in a formal setting to an informal negotiation between friends.

Negotiation can be contrasted with intervention, where a neutral third-party listens to each side's arguments and attempts to help craft an agreement between the parties. It can also be compared with arbitration, which resembles a legal proceeding. In arbitration, both sides make an argument as to the merits of their case and the arbitrator decides the outcome. This negotiation is also called positional or hard-bargaining negotiation. Basically, negotiation is a problem-solving procedure in which two or more people willingly discuss their differences and try to reach a joint decision on their common concerns. Negotiation requires participants to recognize issues, about which they differ, educate each other about their needs and interests, generate possible settlement options and bargain over the terms of the final agreement. Winning negotiations result in some kind of exchange or promise being made by the negotiators to each other. The exchange may be tangible or intangible.

Negotiations are categorized by four elements:
1. Some disagreement or conflict exists, which may be perceived, felt or manifest.
2. There is some degree of interdependence between the parties.
3. The situation must be conducive to opportunistic interaction. Each party must have both the means and, in the inclination, to attempt to influence the other.
4. There exists some possibility of agreement, without which the negotiation cannot bring about a positive resolution.

Negotiation theorists generally differentiate between two types of negotiation. Different theorists explained diverse labels for the two general types and distinguish them in different ways. The negotiator must select a general negotiation approach. There are many procedures, but the most common approaches to negotiation are positional bargaining and interest-based bargaining.
1. **Distributive Negotiation**, also called positional negotiation. Positional bargaining is a negotiation approach in which a series of positions, alternative solutions that meet particular interests or needs, are selected by a negotiator, ordered sequentially according to preferred outcomes and presented to another party in an effort to reach agreement. The first or opening position represents that maximum gain hoped for or expected in the negotiations. Each following position demands less of an opponent and results in fewer benefits for the person advocating it. Agreement is reached when the negotiators' positions converge and they reach an acceptable settlement range. Major benefits of this approach is that it may prevent premature concessions, useful in dividing or compromising on the distribution of fixed-sum resources, does not require trust to work and does not require full disclosure of privileged information. It tends to approach negotiation on the model of bargaining in a market. In a distributive negotiation, each side often assumes an extreme position, knowing that it will not be accepted, and then employs an amalgamation of cleverness, bluffing, and brinkmanship in order to yield as little as possible before reaching

a deal. Distributive bargainers visualize negotiation as a process of distributing a fixed amount of value.

2. **Integrative Negotiation**, also known as interest-based or principled negotiation. It is process that attempts to develop the quality and likelihood of negotiated agreement by providing an alternative to conventional distributive negotiation techniques. Interest-based bargaining which involves parties in a collaborative effort to jointly meet each other's needs and satisfy mutual interests rather than moving from positions to counter positions to a compromise settlement, negotiators pursuing an interest-based bargaining approach attempt to identify their interests or needs and those of other parties prior to developing specific solutions. After the interests are identified, the negotiators jointly search for a variety of settlement options that might satisfy all interests, rather than argue for any single position. The parties select a solution from these jointly generated options. This approach to negotiation is frequently called integrated bargaining because of its emphasis on cooperation, meeting mutual needs, and the efforts by the parties to expand the bargaining options so that a wiser decision, with more benefits to all, can be achieved. While distributive negotiation assumes there is a fixed amount of value to be divided between the parties, integrative negotiation often tries to create value in the course of the negotiation. It focuses on the fundamental interests of the parties rather than their arbitrary starting positions, approaches negotiation as a shared problem rather than a personalized battle, and insists upon adherence to objective, principled criteria as the basis for agreement.

Business groups choose to negotiate in order to gain recognition of either issues or parties, test the strength of other parties, obtain information about issues, interests and positions of other parties, educate all sides about a particular view of an issue or concern, ventilate emotions about issues or people, change perceptions, mobilize public support, buy time, bring about a desired change in a relationship, develop new procedures for handling problems, make substantive gains and solve a problem.

ORGANISATIONAL CHANGE

Change is the alteration of status quo or making things different than before. Change is the disturbance of equilibrium presently prevailing. It is any alternation that occurs in the overall work environment of an organisation.Mr. John Bull defines organisational change as "When an organisational system is disturbed by some internal or external force, change frequently occurs. Change as a process, is simply modification of the structure or process of a system. It may be good or bad, the concept is disruptive only".

Organisational change refers to the process of growth, decline and transformation within the organisation. Though one thinks that organisations are enduring structures in a changing society. However, the truth is that organisations are changing all the time. Organisational change takes different forms. Sometimes, organisations change quite radically yet retaining their name; the new organisation may be nothing like the old one except in the name. All this makes organisational change a complex and confusing phenomenon or a process. It is much more complex than normal human behaviour.

The rapidity of change taking place in the social, political and economic environment is creating marked impact on organisations as well as individuals. Though the change has been coeval with human existence, the pace of it has varied in recent times—most of the developments we

witness now have been taking place in the last 100 years and is likely to accelerate in the present century.

NATURE OF ORGANISATIONAL CHANGE

Change is a part of life and provides opportunity for growth. It is a conscious decision by the management of organisation. In any organisation, we have people engaged in production, research, development, administration, etc. The organisation in order to change should prepare a stock of the situation and should effect change in their attitude and style of functioning. An organisation is an open system which implies that it is in a constant interaction and interdependent relationship with its environment. Any change can occur in its environment, such as change in consumer tastes and preferences, competition, economic policies of the government, etc.

An organisation consists of interrelated and interacting system, to perform complicated tasks such as:

1. Authority and power system.
2. Reorganisation of the tool and techniques used in the system evolving proving of better equipment.
3. Change in the attitudes and behaviours and interpersonal relationship of people working in the organisation through systematic manpower planning.
4. Delayering to flatten structures.
5. Change to multiple reporting relationships.
6. Jobs designed to grow.
7. Increase in job flexibility.
8. Increase in organisational flexibility.
9. Need for clear, measurable, and flexible standards of performance at all level, etc.

REASONS FOR CHANGES

Following are some of the causes of organizational changes which lead to disequilibrium end resistance:

i. **Change in Tools, Machines and Equipment:** Technological or mechanical changes in machines, tools and equipments may bring change in the organization. For example, installation of an automatic machinery in place of old machinery, may result in displacement or re- placement of people or loss of job to people and may create disequilibrium.

ii. **Change in Methods and Procedures:** Man is a creature of habits. He feels irritated when change occurs in methods and procedures of work of which he is accustomed to. As it takes time to adjust to the new environment, it creates disequilibrium till the complete adjustment to the new environment.

iii. **Change in Business Conditions:** Changes in business conditions such as change in the quality of the product, change in the marketing system or practices, business cycles, change in industrial policy etc. all create disequilibrium in the work-environment and it needs adjustment accordingly.

iv. **Change in Managerial Personal:** Change in the managerial personal in the organization may result in disequilibrium. A personnel may retire or change place or may be appointed afresh, this will all affect the policies, practices, procedures and programmes of the organization and the people are to adjust themselves accordingly.

v. **Change in Formal Organization Structure:** The formal organization structure establish a form and line of command of authority and responsibility in an organization. Along with these lines, channels of communication and interpersonal relations are established. If there is a change in this formal organizational structure, there will be a change in the formal relationship which creates disequilibrium.

vi. **Change in Informal Organization:** Informal organization is a must in every formal organization and is a very important part of our existence because many of our motivational forces find satisfaction in this relationship. Consequently when management likes to introduce any change that disturbs the informal relationship established among people there is bound to be a state of imbalance.

CHANGE MANAGEMENT PROCESS

Kurt Lewin proposed Three Stage Model of the change process for moving the organization from present position to the changed position. This is as under:

Stage 1: Unfreezing: Creating motivation and rediness to change through
(a) Disconfirmation or lack of confirmation.
(b) Creation of gulit or anxiety.
(c) Ensure subordinates of psychological safety.

or moving
Stage 2: Changing through cognitive restructuring: Helping the client to see things, judges things, feel things differently based on new point of view obtained through.
(a) Identifying with a new role model, mentor, etc.
(b) Scanning the environment for new relevant information.

Stage 3: Refreezing: Helping the client to integrate the new point of view into
(a) The total personality and self – concept.
(b) Significant relationship.

Unfreezing: Process of unfreezing makes individuals ready for change. Lewin believes that employees must be informed in advance of impending change and that they should not be surprised. Unfreezing entails unfreezing the old behaviour or situation. Edgar Schein took this excellent idea propagated by Lewin and improved by specifying psychological mechanism involved in each stage of the model. Unfreezing involves creating motivation and readiness to change by creating an environment of disconfirmation of existing psychological safety in the changed pattern of behaviour. This can be achieved by making announcements, meetings and promoting the idea throughout the organization through bulletin, boards, personal contacts and Group conferences. The unfreezing process basically cleans the slate so that fresh behavioural patterns, customs, traditions can be imprinted which can then become a new way of doing things.

Moving: Once unfreezing process is completed, moving takes place. Moving is incorporating change. Persons undergo cognitive restructuring. The process is carried out by the following three methods as proposed by Kelman.
- **Compliance**: Compliance is achieved by introducing rewards and punishments. It has been established that individual accepts change if he is rewarded or punished. This is a behaviour modification tool.

- **Identification:** Members are psychologically impressed upon to select their role model and modify behaviour. If a leader can act as a role model the change is easier.
- **Internalization:** Internalization involves internal changing of individual's thought processes in order to adjust to a new environment. Members are advised to carry out soul searching and adopt a new behaviour.

Refreezing: It is related to integrate the new behaviours into the person's personality and attitude. It is referred to stabilization. The change behaviour must necessarily fit into the social surroundings. Refreezing takes place when the new behaviour is adopted in a normal way of life. New behaviour must replace the old on a permanent basis. New behaviours must be re-enforced continuously so that it does not diminish. Change process is not a onetime process but it is continuous hence unfreezing, change and refreezing must also be continuous.

Another 'change model' was proposed by Ronald lippitt, Jeanne Watson and Bruce Westley. They expanded the original Lewin (3 stage) model into seven stage model.
Phase 1: The development of need for change.
Phase 2: The establishment of change relationship (establishment of 'Client' and 'Change agent' relationship).
Phase 3: Diagnosis of client of client system's problems.
Phase 4: The examination of alternative routes and goals; Establishing goals and intentions of action.
Phase 5: The Transformation of moving intentions into actual change efforts.
Phase 6: The generalization and refreezing stabilization of change.
Phase 7: Achieving a Terminal relationship with client – change agent.

STEPS IN MANAGING CHANGE

Organizations must plan to implement change in a systematic manner. It must identify the field in which the change is required whether it is strategic, structural, process – oriented or cultural change. Changes can also be affected in all the areas concurrently, but it must be managed appropriately so that there is no bottleneck effect. Once the need for change is identified and the area in which it is to be implemented, the following steps have been suggested by Greiner.

1. **Develop new goals and objectives:** Objectives and goals are derived out of mission statements; objects may need revision due to change in external or internal forces.
2. **Select an agent for change:** It is the responsibility of the management to entrust execution of change to appropriate authority. A manager may be given this responsibility. Outside change agent can also be employed for the purpose. A specialist or a consultant can be brought in to suggest change and monitor implementation. He is also called a facilitator.
3. **Diagnose the problem:** Diagnosis is the first step to implement change. If an organization has a large number of employee turnover then the data must be collected and made available to the consultant so that the reasons for turnover can be identified and appropriate corrective measures taken. The process of identification of problem is not simple as it appears. This itself may need a research.
4. **Select Methodology:** It is comparatively easy to implement material change as a part of change of a system. What is important is to protect the emotions they must be made party to select methods so that it is easier to implement at a later stage.

5. **Develop Pan:** If the organization wants to reduce employee turnover, it may like to carry out comparative study of other organizations in respect of job content, reward system, employee performance, appraisal system, promotion criteria, training & development and the strategy adopted by the organization for its growth. Based on examination of these factors, consultant would be able to develop a plan for change. It may require to introduce a new training and development policy that may reduce employee turnover. While developing a plan, various other factors must also be reviewed. Plan should not be finalized in isolation. All departmental heads must be co-opted in the exercise.

6. **Strategy for implementation:** Timings of implementation of change is very crutial. A deliberate decision must be taken in this regard like hike in price of a product, the decision to implement change is critical. If the change is related to internal employees, it must be communicated at an appropriate time so that there is no resistance to planned change.

7. **Implementation of Plan:** Once the decision to implement the plan and communication through which the plan is to be implemented is decided, it is the responsibility of the various departments to implement the same. This may need notification, briefing sessions or in-house seminars so as to ensure acceptance of all the members of the organizations specially those who are likely to get affected. Implementation may be for a short duration as one time change of system or process but its aftermath is of great value. Employee reactions in attitudes, aspirations, emotions and behaviour must be canalized in positive directions due to change.

8. **Evaluation & Feedback:** The result of the change must be evaluated and suitable feedback obtained. If modification to training & development causes decrease in employee turnover, the objective of change would have deemed to have been achieved. If the results are contrary to the expectation, then a new change may be required to diagnose cause.

RESISTANCE TO CHANGE

Change is a constant phenomenon. Dynamic forces are always at play and therefore individuals must adjust to it and carryout change. If the change in not implemented, society will be stagnant and become hopeless. Individuals accept change in the technical field but resist the other as it has far reaching consequences for the social change. Change no matter how beneficial, is generally resented and is always difficult to implement. It must be emphasised that change brings with it new challenges, new experiences, spirit and associated rewards and therefore it should be welcomed and implemented with positive- ness and full support. However, there are certain factors that resist change; these are: changes rakunda aapevi

1. **Cultural Assumptions and Values:** Sometimes cultural assumptions and values can be impediments to change, particularly if the assumptions underlying the change are alien to employees. This form of resistance can be very difficult to overcome, because some cultural assumptions are unconscious. Some cultures tend to avoid uncertainty may be met with great resistance.

2. **Disruption of Interpersonal Relationships:** Employees may resist change that threatens to limit meaningful interpersonal relationships on the job Librarians facing the automation effort described previously feared that once the computerized system was implemented, they would not be able to interact as they did when they had to go to another floor of the library to get help finding a resource. In the new system, with the touch of a few buttons on the computer, they would get their information without consulting another librarian. job threat-librarian

3. **Fear of Failure:** Some employees fear changes because they fear their own failure. Introducing computers into the workplace often arouses individuals' self – doubts about their ability to interact with the computer. Resistance can also stem from a fear that the change itself will not really take place. In one large library that was undergoing a major automation effort, employees had their doubts as to whether the vendor could really deliver the state – of – the – art system that was promised. In this case, the implementation never became a reality – the employees' fears were well founded

4. **Fear of Loss:** When a change is impending, some employees may fear losing their jobs, particularly when an advanced technology like robotics is introduced. Employees also may fear losing their status because of a change. Computer systems experts, for example, may feel threatened when they feel their expertise is eroded by the installation of a more user – friendly networked information system. Another common fear is that changes may diminish the positive qualities the individual enjoys in the job. Computerizing the customer service positions at South-western Bell, for example, threatened the autonomy that representatives previously enjoyed.

5. **Fear of the Unknown:** Change often brings with its substantial uncertainty. Employees facing a technological change, such as the introduction of a new computer system, may resist the change simply because it introduces ambiguity into what was once a comfortable situation for them. This is especially a problem when there has been a lack of communication about the change.

6. **Internal and External Politics:** Organizational change may also shift the existing balance of power in the organization. Individuals or groups who hold power under the current arrangement may be threatened with losing these political advantages in the advent of change.

7. **Lack of Trust:** Trust plays a big role in running a successful organization. When organization members feel they cannot trust each other or key decision makers, it becomes difficult for them to accept organizational changes. They may ascribe the changes to some negative underlying reason or even assume they will eventually lose their jobs.

8. **Personality Conflicts**: When the change agent's personality engenders negative reactions, employees may resist the change. A change agent who appears insensitive, to employee concerns and feelings may meet considerable resistance, because employees perceive that their needs are not being taken into account.

9. **Poor Communication**: Changes within an organization start with key decision makers. It is up to them to pass along the details to team members and ensure all questions and complaints are handled before changes go into effect. Unfortunately, as news of a change spreads through the hierarchy, details are sometimes skewed and members end up receiving inaccurate, second-hand information. Poor communication can therefore cause resistance to change.

10. **Self Interest**: Ego often interferes with the ability to adapt to change. Some want to maintain the status quo to better advance their own personal agendas; others have different motivations. In the end, employees acting in their own self-interest, instead of the organization's greater good, will resist change.

org crises def   crises management def
characteristics   need for crises management
reasons   features

FLEXIBILITY AND CRISIS MANAGEMENT

A sudden and unexpected event leading to major unrest amongst the individuals at the workplace is called as organization crisis. In other words, crisis is defined as any emergency situation which disturbs the employees as well as leads to instability in the organization. Crisis affects an individual, group, organization or society on the whole.

Characteristics of Crisis
- Crisis is a sequence of sudden disturbing events harming the organization.
- Crisis generally arises on a short notice.
- Crisis triggers a feeling of fear and threat amongst the individuals.

Crisis can arise in an organization due to any of the following reasons:
1. Technological failure and Breakdown of machines lead to crisis. Problems in internet, corruption in the software, errors in passwords all result in crisis.
2. Crisis arises when employees do not agree to each other and fight amongst themselves. Crisis arises as a result of boycott, strikes for indefinite periods, disputes and so on.
3. Violence, thefts and terrorism at the workplace result in organization crisis.
4. Neglecting minor issues in the beginning can lead to major crisis and a situation of uncertainty at the work place. The management must have complete control on its employees and should not adopt a casual attitude at work.
5. Illegal behaviors such as accepting bribes, frauds, data or information tampering all lead to organization crisis.
6. Crisis arises when organization fails to pay its creditors and declares itself a bankrupt organization.

Crisis Management

The art of dealing with sudden and unexpected events which disturbs the employees, organization as well as external clients refers to Crisis Management. The process of handling unexpected and sudden changes in organization culture is called as crisis management.

Need for Crisis Management
- Crisis Management prepares the individuals to face unexpected developments and adverse conditions in the organization with courage and determination.
- Employees adjust well to the sudden changes in the organization.
- Employees can understand and analyze the causes of crisis and cope with it in the best possible way.
- Crisis Management helps the managers to devise strategies to come out of uncertain conditions and also decide on the future course of action.
- Crisis Management helps the managers to feel the early signs of crisis, warn the employees against the aftermaths and take necessary precautions for the same.

Essential Features of Crisis Management
- Crisis Management includes activities and processes which help the managers as well as employees to analyze and understand events which might lead to crisis and uncertainty in the organization.

- Crisis Management enables the managers and employees to respond effectively to changes in the organization culture.
- It consists of effective coordination amongst the departments to overcome emergency situations.
- Employees at the time of crisis must communicate effectively with each other and try their level best to overcome tough times. Points to keep in mind during crisis
- Don't panic or spread rumours around. Be patient.
- At the time of crisis, the management should be in regular touch with the employees, external clients, stake holders as well as media.
- Avoid being too rigid. One should adapt well to changes and new situations.

ORGANIZATIONAL DEVELOPMENT   concept and significance

Organizational development is a planned process of change in an organization's culture through utilisation of behavioural science technologies. "Organizational development is a long term efforts, led and supported by top management to improve an organization's visioning, empowerment, learning and problem solving processes, through an ongoing, collaborative management or organization culture – with special emphasis on the culture of intact work teams and other team configurations – utilising the consultant – facilitator role and the theory and technology of applied behavioral science, including action research."

Features of Organizational Development
1. **Long term effort:** Organization development cannot be completed in short span of time. As French and Cecil state that it is not a quick fix. It takes several years or even decades to achieve a change. A manager must set very high goals and achieve the same in stages.
2. **Organization development must be initiated, led and supported by top management:** Any change to be effective must be planned at the highest level, initiated and supported throughout its journey. Organization development is a serious issue and top management should not lose sight of it even in the worst of the situations. They must encourage subordinates to introduce change leading to development.
3. **OD is a visioning process:** Visioning means creating a picture of the desired future that includes salient features of the human side of the organization and then working together to make that picture a reality. It is important, therefore, for the members of the organization to anticipate customer preferences, develop a viable plan to design and produce product and services, which delight them. Application of conceptual skill is important for visioning.
4. **OD is an empowerment process:** Empowerment is not meant to be a delegation of authority. It is much more than that. Empowerment invisages identification of leadership qualities and human behaviour practices. It envisages setting up of organizational goals, which promotes individual growth, involving each of the individuals in organizational processes, formulating suitable strategies and attaining organizational empowerment that deals with freedom of action in work environment. It involves job redesign, structural modifications and attainment of goals.
5. **Learning process:** Peter Senge describes learning organizations as "Organizations where people continually expand their capacity to create the results, they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspirations is set free, and

where people are continually learning how to learn together". Organization development is interaction of individuals, teams and groups functioning within the parameter of various systems and organization processes with the aim of sharing knowledge and achieving environment leading to growth.

6. **Organization development is a problem-solving process:** Problem solving is a collective process in which individual creativity, commitment, vitality is chanalised to diagnose the problem and solve it. The aim of problem solving is achievement of organizational purpose. Collectively organizational environment plays a vital role in problem solving. If internal environment is ideal, problems ease. Contribution of members for a common cause even makes it easier.

7. **An ideal culture is mandatory for Organization Development to be successful:** Organizational processes, systems, visioning, empowerment can be successful if all the members share the common cultural values in the organization. These are ways how organization development can be achieved. Organization culture is something like a fertile land. It consists of basic assumptions, values and norms of behaviour which are perceived as correct. Culture is bedrock of organizational behaviour. The culture is passed on to the new employees. Organizational culture and processes are central to organizational development. Processes are how things are done. For organizational development, it is necessary to enrich organizational culture and update processes to cope with changing environment.

8. **Team based and applied science:** Organizational development revolve around teams, the work assigned to them, the process they adopt and ultimately the output. Team is central to organization. They are building blocks of the organization, when team functions well, the whole organization functions well. Teams are usually independent and task oriented. They are self-directed and take full responsibility of job right from planning to executing. Team takes full responsibility of its success and failure. Complex job is undertaken by cross functional teams who assemble for a purpose and when it is achieved, they disband for another mission. Organizational development is applied in nature. It relates to people and their behaviour in a particular situation. Models of psychology, social sciences, economics and other interactive fields are necessary for any organizational development efforts to be successful.

Objective of Organizational Development

Organizational development focuses on culture and process. Individual group operates under a particular process and develop social relationship. Decision making and problem solving is at all levels. Organizational development relies on action research and focuses on total system change on a long-term basis. Organizational development relies on continuous change and development of individual employee and organization as a whole. Organization development "is a long-term philosophy based on collective commitment, vision, empowerment, problem solving and employee welfare where latest technology and organizational processes are used to create quality of work life to achieve organizational effectiveness and transformation into a vibrant, competitive and growth oriented learned organization."

1. Individual and group development.
2. Development of organizational culture and processes by constant interaction between members irrespective of levels of hierarchy.
3. Inculcating team spirit.

4. Empowerment of social side of employees.
5. Focus of value development.
6. Employee participation and problem solving and decision making at various levels.
7. Evaluate present systems and introduction of new systems thereby achieving total system change if required.
8. Transformation and achievement of competitive edge of the organization.
9. Achieve organizational growth by total human inputs by way of research and development, innovations, creativity and exploiting human talent.