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## UNIT 25 CONTINUITY AND CHANGE IN PUBLIC SYSTEMS MANAGEMENT

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### 25.0 LEARNING OUTCOME

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This Unit, intends to familiarise you with the phenomena of continuity and change in public systems management. On completing this Unit, you should be able to:

- Explain continuity in public systems management
- Identify the main maladies of public systems management
- Examine the core dimensions of change
- Highlight the key approaches to change; and
- Analyse the major components of an action model of managing change.

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### 25.1 INTRODUCTION

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Public systems management in our country, according to some, is marked by a sense of leisurely complacency, which does not generally generate any critical reappraisal and consequently remains immune to renewal. According to certain diehard critics, public systems management here is neither public nor management nor a system, which obviously is a rather extreme view of what we have today. Such public management-busters we have aplenty in every walk of life-public persons, media, academics, even a lay-person. All of them most of the time, and most of them all the time, have almost made it, indeed a habit, to paint it in only one colour, that is black, and make it appear vile and villainous, responsible for all the ills and ailments of our socio-economic system. Bureaucratic lapses are surely there as these are anywhere in the world. Even if it (bureaucratic dysfunctionality) is part (or half) truth, it should, at best of times, disturb us-at least make us sit up to think or do something to strengthen the weak links. In India, the Fifth Pay Commission Report, submitted on 30th January

1997, provided a trigger-point to initiate a search for a more effective model which would sub-serve the goals of governance and cope with the complex challenges of accelerant change of a social environment characterised by uncertainty, and discontinuity and usher in an economic order supposedly destabilised by liberalisation, privatisation and globalisation (LPG). In this Unit, we shall be discussing the main maladies of public systems management, exploring the change dimension and developing an action model for transformation.

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## **25.2 CONTINUITY IN PUBLIC SYSTEMS MANAGEMENT**

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As we have been discussing in this Course, the public systems management in India is undergoing a change. This has become imperative. But we need to understand the elements or features of continuity in our public systems, which have been there for more than fifty years. It is reflected in the administrative structure, public services and their management. The much criticised present administrative framework, considered a legacy of British rule, was very much needed after independence, to carry on several tasks. As we have discussed in the previous units, the Constitution provides a sound framework for our public systems, in the form of independent judiciary, protection of liberties of individuals, division of powers between the union and states, etc.

The administrative organisations expanded considerably in tune with the challenging State activities. This is also due to specialised tasks to be performed, increasing political and administrative reasons, new economic activities, social responsibilities and so on. New forms of organisations such as companies, independent regulatory authorities have come into the arena of public systems.

The public services especially the All India Services continue to occupy a pivotal position in public systems management, contributing to its stability and continuity. The increasing emphasis on development and welfare content of administration has witnessed expansion of infrastructure, education, health and medical facilities, etc. Planning still continues to guide development in various sectors, such as, agriculture, industry, health, communication, education, etc. The public system is expected to pilot and help realise the goals of the plans. The strategies or methods of this approach are presently undergoing change. Attempts are being made to give more space to the market forces and to involve the 'third sector', i.e., the civil society organisations. Public systems management is thus now being opened up for more shared cooperation and partnership.

Certain inherent characters of public systems such as bureaucracy, political representation, and accountable systems are going to continue. But the nature of these elements, as we have discussed in detail in earlier Units, is undergoing change. The public systems have to function in the present scenario within a framework which is getting diversified and complex. The elements of continuity have to coexist with the forces and instrumentalities of change. This blending of continuity and change brings in its trail the need for:

- Reorganisation of bureaucracy, through new structures, processes, and behavioural dispositions
- Installation of responsible and responsive government, by introducing more accountability, transparency, and citizen-friendliness
- Empowerment of employees by making them multi-skilled, result-oriented and more autonomous (as against over-supervised, as at present); and

- Networking and team building, as today's tasks demand more negotiations, bargaining, and enlisting the support of various internal and 'external' agencies (as against the relatively insular and inward-looking functioning of traditional administration).

Accordingly, reforms have been introduced in India on several fronts from time to time. We have already discussed this at length in Unit 23 of this Course.

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### **25.3 MAIN MALADIES OF PUBLIC SYSTEMS MANAGEMENT**

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Just as prescribing remedial therapy for any ailment must precede proper and expert diagnosis, curing administrative ills would similarly require objective assessment of its weaknesses, dysfunctionalities and pathologies. What is the present situation? What are the symptoms? Scanning the landscape, administration-watchers find that it suffers from four main maladies.

Structurally, it has become gigantic, and elephantine – suffering from acute obesity.

Procedurally, it has become too complex, labyrinthine and slow, incapacitated by the over-weight of its enormous size, and dead-ended by a jungle of archaic rules and restrictive regulations.

Staffing wise, it provides a spectacle of a swarming army of mostly uncommitted, unmotivated and unresponsive personnel, apart from a general lack of professionalism.

Culturally, it represents a system afflicted by lack-of-work-culture, “an environment polluted with no achievement-orientation, no result consciousness, no killer-instinct to hit the target”..

The result is that administrative management system today seems ill-suited to the requirements externally of a new era of globalisation and internally of rising people's expectations in a vibrant democracy. Because of exigencies of circumstances, the colonial, whitehall-model of old steel-frame administration was retained even after Independence. Soon, however, its incapacity to implement the ideals and ideologies of a welfare state came to light and gradually it appeared that it was not quite capable to cope with the challenges of development and the ever-rising aspirations of the people. After years of experiments with welfare planning and national development, “development administration” has not met with much success, and the old ‘maintenance administration’ has also remained virtually unaltered.

Reforming public administration, in the Indian situation, is, however, a no easy job, especially because of the multi-layered federal system with a third-tier local government at the base.

- a) To be more specific, let us examine the structural aspect first. The structural gigantism reflected in the scalar expansion of organisations with high-rise hierarchy and the multi-linear growth of offices, bureaus, commissions, councils, directorates and other multi-tier public enterprises, autonomous formations etc., leading to an oversize, top-heavy, mega-administration, has been aptly described as a veritable “hydra headed monstrosity”.
- b) Procedurally, to manage this, there has arisen the cobweb of complex rules, complicated regulations, proliferating procedures, multiple points of control, authority-concentration, minimal delegation resulting in decision-making delays, brazen bottlenecks and paralysis of policy.

- c) In step with such structural-functional dysfunctionalities, there has been a “massive population” explosion in administration, giving rise to a bewildering array of diverse categories and classes of personnel-administrative, managerial, professional, scientific and technical. Employment in government sectors, central and state as well as public sector enterprises, numerically exceed 130 million-mark. No wonder, handling such a massive manpower, broken down in hundreds of grades and disparate service cadres, with vastly varying conditions of service, generating inter-cadre rivalries, jealousies and bitterness on account of inequality and inequity, in terms of growth-opportunities, promotion-prospects, pay differentials and lots of other perquisites, had to be, and had been, truly unmanageable.

Since independence, there have been quite a few committees to look into the specific aspects of administrative reform. The biggest effort was the Administrative Reforms Commission (ARC), aided and advised by 20 study teams and supported by 13 Working Groups, 4 Expert Groups and a Task Force, that worked on diverse aspects of the Indian administrative system. The Commission submitted 20 reports during 1964-68, covering the entire gamut of administration. There have been five successive pay commissions since 1947, which had also gone into, apart from considerations of salary etc., the issues of rationalisation of structure and personnel. These pay commissions examined inter alia the conditions of service of diverse cadres, identified in their limited way, the problem-areas, diagnosed the stress-causes and prescribed appropriate panacea. But it seems that despite volumes of such diagnostic and prescriptive wisdom, there has virtually been no change (except cosmetic), no impact, no dent into the old, status quoist and elitist administrative system which, till some time, showed very little development friendliness, and pro-people orientation. There clearly are no takers of reforms in the corridors of power (both political and bureaucratic), which, as beneficiaries of the existing system, only wish to ensure the continuation of the old system. The inevitable result: the 'pro-changers' occupy the back seat, and the 'no-changers' are in the drivers seat, and the latter, unfortunately, decide the drive, direction and destination, of the entire societal system.

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## **25.4 RESTRUCTURING PUBLIC SYSTEMS MANAGEMENT: RECOMMENDATIONS OF THE FIFTH PAY COMMISSION**

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As stated earlier, there have been efforts time and again towards bringing changes in public systems management in India. It was the Fifth Pay Commission that suggested some drastic changes to bring about restructuring of the public services.

After delineating the futuristic scenario of governance in our country, the Pay Commission about which we have discussed in Unit 23, suggests that the public services can no longer remain a prisoner of old tradition in terms of ideology, role, functions and style. From a negative, status quoist, ‘night watchman’ role, content with mere law and order, regulation and control, the administration must transform, indeed transcend, into a new construct – that of a catalyst, promoter and facilitator. The Commission dealt at length on the right sizing of the number of bureaucrats, downsizing the structure, reducing the hierarchical levels and outflanking the tall, high rise hierarchy by level jumping in the re-invented office, installation of officer-orientation, through a Desk-officer system, automation and computerisation, and encouragement of employment on contract. While recruitment should be professionalised, promotion should be through two methods: Assured Career Progression Scheme (ACP) for ABCD categories of employees (after 4, 9 and 13

years for A; 8 & 16 years for B; 10 & 20 years for C; and 12 & 24 years for D groups) and dynamic ACP Scheme for isolated categories where there could be financial upgradation to higher posts. The prevailing performance appraisal scheme also needs to be reviewed together with a quinquennial appraisal of Group A officers which could lead to compulsory premature retirement. For work-force-size control, the Pay Commission suggested:

- a) Abolition of the 3.5 lakh vacant posts
- b) Freeze on further employment of junior staff with a sharp cut back in intake for executives
- c) Downsizing the number of civil servants by 30% in a ten-year period
- d) Defining the core functions of governance
- e) Drastic reduction in the number of ministries and departments
- f) Restructuring of government offices
- g) Simplification of procedures and formulation of accountability norms
- h) Delegation of functions that do not involve policy formulation to other agencies.
- i) Creation of sound legal system
- j) Reorganisation of financial management and budgetary system

The above, by and large, sums up the non-pecuniary (non-monetary) package of Commission's suggestions for bringing about restructuring of public systems management. There may be some surprises in these recommendations but not much novelty, as most of these in some form or the other had been considered, some time or the other by one or other agencies not excluding government itself, in the Department of Administrative Reforms. In any event, the Pay Commission had been more pragmatic than radical and did not opt for any major surgery.

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## **25.5 DIMENSIONS OF CHANGE**

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But time waits for none. The entire world today is caught in a mighty wave of change process, upsetting societal stability through discontinuity and heterogeneity, and uprooting life's deep-rooted beliefs and conventional assumptions. The major causal factors are:

- a) Technology invasion
- b) Information explosion
- c) Communication revolution
- d) Transnational competition due to massive marketisation
- e) Liberalisation, privatisation and globalisation (LPG) and a host of other factors.

The Indian public systems management, however, still continues to hang on to complacency without a real urge to surge forward and modernise. Sadly enough, bureaucratic response in terms of 'structural' changes, functional styles and ecological adaptation is dismally poor. There have been occasional, ritualistic outbursts of the public and the media for bureaucratic transformation which cannot constitute any sustained reforms agenda.

What could be the agenda now? Foundational change, and not mere superficial tinkering is the crying need. Ad hoc, incremental, crisis-oriented and 'retail trade' in

administrative tinkering would be hopelessly inadequate, as has been demonstrated by the past experience of such experiments. What may, therefore, be appropriate as a strategy, is to go in for a 'replacement model' – something drastically different, yet functional and unconventional.

There is a viewpoint that a four-pronged strategy should be adopted to deal with the following diagnostic dysfunctionalities and disabilities, namely

- (i) structural
- (ii) procedural
- (iii) personnel; and
- (iv) cultural

We shall be discussing these now.

### **Structural**

The oversize, too big, too fat administrative organisations must be compulsorily made slim. For downsizing the bureaucratic formations, certain stringent ground-rules, as follows, need to be followed.

- No creation of any new, (or expansion of the existing) organisation should be permitted, even considered, except before formal and critical scrutiny by a specially constituted Standing Parliamentary Committee on Administration – a new organ – which may be worth our consideration at this juncture..
- Rigorous fat-shedding, obesity-control-exercise should, on an ongoing basis, be undertaken by a special high-power "Work Assessment Unit" to be set up under the Prime Minister and staffed by hand-picked senior administrators and outside professional management practitioners.
- Central secretariat must be pruned heavily by gradual reduction of all extra-functions, anti-functions, non-functions and super-functions but retaining only 'rational' and 'priority' functions.
- A rational system of de-hierarchisation should be thought of with, preferably, only two levels below political policy-making strata – one for consideration, and one for decision,-with strict restrictions on high-rise, vertical growth, and on infructuous infrastructural or horizontal support sub-system.

### **Procedural**

A large part of administrative functioning gets struck in the cobweb of rules and irrelevant procedures. To restore speed and vigour, the following steps are suggested (these are suggestive and not exhaustive):

- All the old manuals, codes, directories, hand books etc., handed down by the British, must be scrutinised, re-drafted and slashed, by setting up a High-Powered Committee consisting of representatives from finance, personnel and user departments. The affected market-clientele, people should be given a hearing in this process.
- There should be a unified and uniform rule, instead of a plethora of separate rules for diverse cadres/services. The new rules should be simple, short, direct and non-equivocal, avoiding too legalistic vocabulary and they should be easy to interpret and to understand.
- Delegation of financial powers and decision-making authority should be "maximum possible", and not "minimum necessary" – to the levels where "action" is: as otherwise, the whole functional line gets choked. But such de-

congestion and de-concentration should be accompanied by clearly defined accountability with a penal provision for dereliction and infractions indulged in by either the delegator or the delegatee.

- Decision-making process must be streamlined by level cutting and level jumping, designating specific decision centres, and making decision-dodging a punishable offence by suitably amending the operational handbook.
- To bring things to the notice of Parliament, the Department of Administrative Reforms as the nodal agency for reforms can be made to report all reform measures to the Speaker of Lok Sabha and Chairman, Rajya Sabha annually.

### **Personnel**

- To make the machinery and the methods to work, the personnel who operate them must be fine-tuned, as no system can rise higher than, or go much beyond, the quality level of the people propelling the system. Thus, moulding of the human element is necessary for any change initiative.
- Bureaucratic over-population needs to be drastically controlled, curbed and curtailed so as to reduce the excessive bulk in the interest of functional efficiency. Too many persons entail underemployment and create an environment of work-shirking, buck-passing and decisional delays, which drains the public exchequer. Any new recruitment or filling of vacancy must require Finance Minister's close scrutiny before Cabinet approval.
- If hiring is made more difficult, firing should be made more simple and easy by revising the extant removal-and-dismissal rules, thereby completely reversing the popular belief "once in never out". Exit should be made so attractive through lucrative 'golden handshake' mechanism so that those who are willing would opt for move-out.
- Motivation should be kindled in work force through quicker promotion based on proven professional capabilities and demonstrated target achievement, reflected in a new system of very stringent, objective, yet equitable, "performance audit".
- Training and development must be designed to promote a transformative work culture through not only sharpening the knowledge-edge but also attitudinal, behavioural and operational synergy. Executive obsolescence needs to be arrested through appropriate technological up-gradation while managerial mind-set must be strengthened through appropriate cultural ethos, human values, rational thinking and positive/creative approach.
- The role and structure of the All India services conceived under peculiar historical situation should be reviewed in the light of today's needs in a globalised world and in the context of rising popular expectations and democratic decentralisation. Inter-service relationships should also be examined in the interest of equity and fair deal to all sections of employees.

### **Cultural**

All the structural reforms will come to naught if they are not reinforced by appropriate cultural changes and value additions for which a new charter of public services might have to be thought of along following lines:

- To bring about the equality and equity (through them) in the bureaucracy, rationality of functions, and not any one's supreme superiority over all others in terms of power and elitist status shall be emphasised and introduced.

- Search for excellence and quest for the best should be integrated in the 'spirit' of bureaucracy. Continuing competition for quality, widening the avenues for equality of opportunity for growth for all, opening the road to the top only for the competent-without any discriminatory service-badge based on one-time performance.
- The new work culture should be woven around principles of collaboration, not command; co-ordination, not control; participation, not imposition; humanism, not authoritarianism.
- Decision-making should not follow the top-down but the bottom-up mode, being the democratic alternative to traditional bureaucratic autocracy. Responsive responsibility, in place of unaccountable authority, should be injected into all levels of administration. In this age of knowledge explosion, technology invasion and communication-revolution, policymaking must necessarily be a function of cross-disciplinary team, collegial "think-tank", with command of knowledge (which cannot obviously be one person's monopoly). This means that the old pyramidal structure of administrative organisation and functional style must undergo change. Horizontal, not vertical, should be the modus operandi of decision making.
- Another concept to be given a thought is the permanence of government service or job, as this permanence begets all the vices of complacency, lack of motivation, achievement, orientation and result-consciousness and no urge for excellence. Life long security, a feature of Weberian careerism of civil bureaucracy, must be given up and replaced by a kind of "professional contract", renewable only on demonstrated outstanding performance, target-attainment and goal-accomplishment.
- A new chapter of ethics and probity in public life, a new code of conduct, a new agenda of values, integrity of character and a new set of cultural ethos must be adopted, unfailingly followed, and ruthlessly guarded. Civilisational gaps and corrupt behaviour cannot be matched by too much mild and gentle counter measures. There really is no soft option.

The future administration and tomorrow's bureaucracy must measure up to the dreams, ideals, ideology, vision and mission of the new nation, as reflected in the 'preamble' to our Constitution. What India needs today is a 're-invented' bureaucracy to serve the needs of a nation in deep socio-economic crisis.

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## **25.6 APPROACHES TO CHANGE**

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As we have discussed in Unit 23 of this Course about change management, the most important aspect of managing change is the choice of an appropriate strategy and its implementation. An organisation is more likely to succeed if it has clearly identified the stakeholders involved in the change process and assessed the impact of the proposed changes on them. According to Carnall (1995), the stakeholders must be made aware of any change in strategy. It must also be ensured that they accept the implication of the change and that they are capable of coping with it. It is important to see that the stakeholders understand and believe the vision, strategy and plan for implementing the change. The stakeholders involved should believe that they are equipped with the necessary skills to cope with the change and take full advantage of it. They must be capable of developing new attitudes and ways of working. It is necessary that they value the new jobs and opportunities coming their way.



Beer and Nobria (2000), note that never since the industrial revolution have the stakes of dealing with change been so high. Most traditional organisations have realised that they must either change or perish. The process of ushering change remains one of the most difficult things to accomplish, few organisations manage it as well as they would like to. Initiatives in introducing new technology, restructuring, downsizing or transforming corporate culture have had a success rate. Many change initiatives meet with failures that prove fatal. On the basis of very different, and often unconscious assumptions about why and how changes should be made, Beer and Nobria, propose two archetypes of change, namely, theory E and theory O. Theory E pertains to change based on economic value and theory O, to change based on the organisation's capability. Theory E is known as the hard approach, and is the more commonly adopted one. It is intended to enhance the shareholder value. It is a top-down approach and the leaders who subscribe to it manage change in the old-fashioned way. They believe that goals be accomplished without really involving their management teams, and certainly without any inputs from the lower levels or unions.

By contrast, participation is the hallmark of theory O, which is known as the soft approach. The initial focus of this is on building up the organisation's 'software', i.e. the culture, behaviour and attitudes of the employees. The thrust is on developing corporate culture and human capability through the process of learning, both at the individual and organisational levels. Thus, theory O attempts to achieve a cultural transformation by obtaining feedback, reflecting and making further changes. Companies, which adopt O strategies typically have the strong and long-standing commitment of their employees. Such commitment is based on psychological contacts made, with the employees in the past.

As Carnall (1995), opines, "To achieve change, we must first recognise that change is desirable and feasible. We must get people to recognise that changes are needed." People will get a better idea of the picture if they appreciate the fact that the various dimensions of change, particularly technological change, are intimately interlinked with labour and human resource management in organisations.

There has to be a conscious and directed effort to manage change. Technology intervention in the existing government systems brings about large-scale changes in all parts and components of the soft and the hard systems, namely the organisation, people, technology, procedures, rules and regulations etc. Impact of some of these factors are also felt at the psychological and emotional levels of the people concerned. These factors combined together, therefore call for a strategy to anticipate, plan, organise, and manage change at the three levels of operations-namely, at the highest level of the political leadership and the top management; at the middle level, where people are engaged in work at the macro level, of project selection and evolving standards and policies for the department concerned; and finally at the third tier, where the leaders are busy implementing programmes and managing them. Besides, there is also a need to evolve change management strategies in other dimensions and in other organisations and for their people, who are partners with the department/implementing projects.

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## **25.7 MANAGING CHANGE: AN ACTION MODEL FOR TRANSFORMATION**

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In today's mass restructuring of the private and public sectors, learning about, planning for and implementing major organisational change is the highest priority for long-term survival and growth. For the public sector, this means finding new and

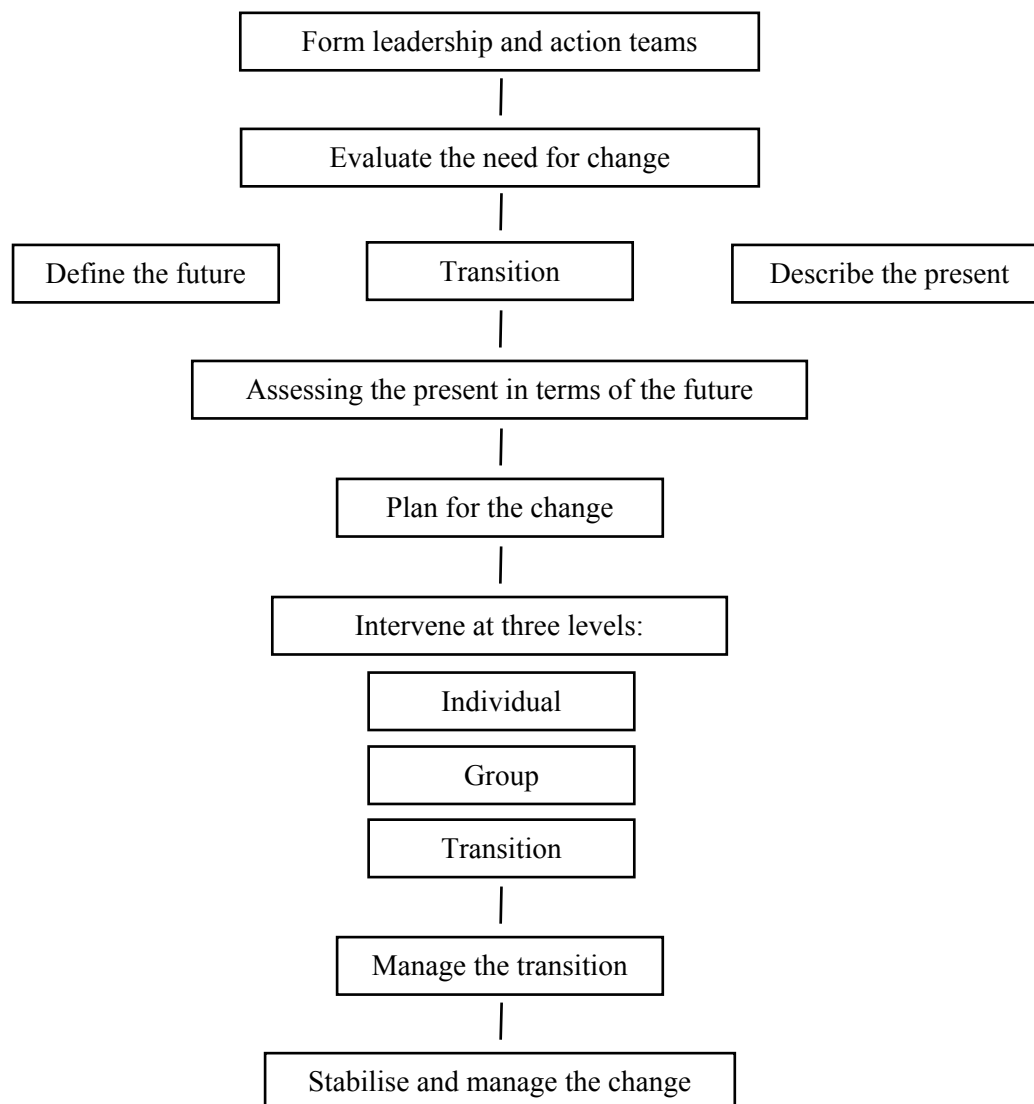
better ways to do business in an era of massive funding cuts due to soaring deficits and demographic changes.

Successful change management efforts incorporate two concepts. First, is the consideration of the entire system as an integrated whole. Second, is addressing the concerns of the individuals in the organisation--the human factor. People come first, and then the favourable organisational climate that fosters and nurtures people .

There is an enormous literature on managing change and organisational transformation that people can draw upon for their own orientation and training. The action model for transforming organisations that is described here incorporates many of the principles that drive change processes, and therefore offers insight into the complexities of managing change. It addresses the learning needs of individual and groups in the context of an open organisation.

We have already acquainted you with some theoretical frameworks and models of change management in Unit 23 of this Course. The following is another important model.

The model is presented graphically below:



Source: Mason L.J, Managing Change, [wellness@distress.com](mailto:wellness@distress.com)

### **Major Components of the Model**

## **Leadership**

The leadership team will likely be the organisation's top management. They are the sponsors of the change effort and provide the vision for the future, mission, goals and values. The leadership team to establish integrated service systems in districts, for example, may consist of the team leaders and a member of each agency. Action teams may monitor the change process and help the organisation move to create the future.

## **Need for Change**

The purpose of this is to establish both need and readiness for change. Districts are now engaged in creating a vision for provisions of services and defining the array of services to wrap around the citizen.

## **Defining the Future**

The aim is to describe how things will look when the change is introduced. Here is where the vision and mission for the new organisation will develop.

## **Describing the Present State**

Here the leadership team looks at the present status in the context of the existing culture, values and operating principles. A situational analysis may be conducted, looking at strengths, weaknesses, opportunities and threats.

## **Assessing the Present in Terms of the Future**

Once the future and present status are adequately described, the differences between what is and what will be are assessed and the groundwork for decision-making and action planning forms.

## **Planning for Change**

Planning for the change is where the detailed blueprint for guiding the change and evaluating performance emerges. Action teams become more involved in the detailed work of selecting changes, goals, selecting transition strategies, dealing with resistance, securing commitment and determining implementation responsibilities.

## **Intervention**

Critical to the success of change efforts is the attention paid to people. It is the commitment of the people who will implement the change or deliver a new array of services that contributes to a successful change effort. People's concern, motivational patterns, goal orientation and self management are examined. Individual and group potential develop by establishing clear purpose and shared values. Developing trust, solving problems, recognising individual differences, and letting go of the past are essential ingredients for success.

## **Managing the Transition**

Once the change process starts the challenge is to keep it going. This requires a focus on the organisation as a whole and the people who are involved in the change. Performance standards may be addressed and conditions for optimal success identified.

## **Stabilise the Change**

Here the new organisation must re-establish equilibrium. Achieving this is a reflection of the learning that occurs at the individual, group and organisational levels.

## **Monitoring**

Monitoring the changes is not the final step but an ongoing learning process. Creating a learning organisation requires data collection and analysis, shared feedback, participative action planning and implementation, and evaluation. Action research provides the framework for expanding the basis of learning and participation.

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## **25.8 CONCLUSION**

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There is continuity in public systems. Some of the basic characteristics are bound to remain with the system. But certain aspects need to undergo change. Change is a complex and dynamic process. As there is a move to establish integrated systems, they need a process to effectively manage their transformation. Change is natural and positive reaction to change is unpredictable, but manageable. Managing change means managing people's apprehensions, towards the change.

History is full of examples of organisations that failed to change which are now extinct. The secret to successfully managing change, from the perspective of the employees, is definition and understanding the change.

Resistance to change comes from a fear of the unknown or an expectation of loss. The front-end of an individual's resistance to change is how they perceive the change. The back-end is how well they are equipped to deal with the change they expect.

People's resistance to change is determined by whether they perceive the change as good or bad, and how severe they expect the impact of the change to be on them. Their ultimate acceptance of the change is a function of how much resistance the person has and the quality of their coping skills and their support system.

A leader is to address the resistance from both the ends to help the individual reduce it to a minimal, manageable level.

If one attempts and bulldozes this resistance, there is bound to be failure. Instead, resistance can be overcome by defining the change and by securing mutual understanding.

Understanding is also a two-way process. People need to understand what is changing and why and their reluctance to change. They need to be helped to understand the various intricacies of change. It is also important that they understand what is not changing. Not only does this give them one less thing to stress about, it also gives them an anchor, something to hold on to as they face the winds of uncertainty and change. One needs to understand their specific fears. What are they concerned about? How strongly do they feel about it? Do they perceive it as a good or a bad thing? We need to focus on opening and maintaining clear channels of communication with employees so they understand what is new and what it means to them.

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## **25.9 KEY CONCEPTS**

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### **Performance Appraisal**

It is the activity of assessment of an employee's performance on the job. It attempts to link individual to organisational goals, bring about organisational development and establish link between performance and reward.

### **Performance Audit**

It focuses on the evaluation of the performance of an organisation in terms of its goals and objectives instead of scrutiny in pure financial terms. Performance audit attempts to examine the optimum utilisation of resources, its utility in terms of productivity and the quantified benefits expected from the programme and projects

### **Whitehall**

It is a collective term for the major government departments in United Kingdom.

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## **25.10 REFERENCES AND FURTHER READING**

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## **25.11 ACTIVITIES**

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- 1) Visit any organisation and attempt to understand the change initiatives and the employees' reaction to those measures.
- 2) On the basis of newspaper reports, try to record the changes, the government is intending to bring about in public systems management at various levels.