

UNIT-5

Organisation Change & Development

Meaning of Change

Change may be defined as a variation in the established way of life to which people are accustomed to in the organization.

Organization is open system and it is affected by the internal and external environment and subjected to change as per the change in the environment.

DEFINITION:

A system wide application of behavioral science knowledge to the planned development and reinforcement of organizational strategies, structure, and processes for improving an organization's effectiveness.

Change can be natural or Forced.

Managers have 2 options either to wait till change is forced on them or to take preventive step, strengthen the organisation for the change by taking voluntarily steps.

Causes of Changes

External Changes:

1. Educational & Cultural Forces
2. Economic Forces
3. Technological Forces
4. Political Forces
5. Social Forces.

Internal Changes:

1. Composition & Policy of top Management
2. Changes in Personnel
3. Changes in Physical facilities
4. Changes in employees attitude and feelings
5. Changes in work allocation, duty Hours

Reason for Resistance

1. Fear of Learning something new
2. Fear of Loosing Power
3. Fear of Failure
4. Opposed by Less educated and less intelligent person.

Overcoming Resistance to change

1. The nature of change should be properly understood with all its ramification by those who are affected by it.
2. Changes should be introduced by stages

3. Changes should not cause security problems to the employees.
4. Changes should be properly planned.
5. Changes can be brought by management consultant.
6. Change s more effective is the change is participative.

Need of Organizational Development

Organizational development is a dynamic technique.it uses the behavioral science knowledge to cope up with the change. Every organization wants to compete and to survive in the long run so organizational development plays a vital role to fulfill the need of survival of organization.

- 1. **Training for change** - change is compulsory in the organization to survive in the long run so **organizational development** creates an easy environment in the organization to bring changes that it supports training.
- 2. **Responsive organizational culture** - organizational development helps in making the organizational culture more responsive.it works in the all the direction of organization.

Tools or components of change management include:

- Change management process
- Readiness assessments
- Communication and communication planning
- Coaching and manager training for change management
- Training and employee training development
- Sponsor activities and sponsor roadmaps
- Resistance management
- Data collection, feedback analysis and corrective action
- Celebrating and recognizing success

Change management process

The change management process is the sequence of steps or activities that a change management team or project leader would follow to apply change management to a project or change. Based on Prosci's research of the most effective and commonly applied change, most change management processes contain the following three phases:

- **Phase 1** - Preparation, assessment and strategy development
- **Phase 2** - Detailed planning and change managementimplementation
- **Phase 3** - Data gathering, corrective action and recognition

These phases result in the following approach as shown below in Figure 1.

Change Management Process

- It is important to note what change management is and what change management is not, as defined by the majority of Prosci's Best Practices in Change Management research participants.
- Change management is not a stand-alone process for designing a business solution.
- Change management is the processes, tools and techniques for managing the people-side of change.
- Change management is not a process improvement method.
- Change management is a method for reducing and managing resistance to change when implementing
- process, technology or organizational change.
- Change management is not a stand-alone technique for improving organizational performance.
- Change management is a necessary component for any organizational performance improvement process to succeed, including programs like: Six Sigma, Business Process Reengineering, Total Quality Management, Organizational Development, Restructuring and continuous process improvement.
- Change management is about managing change to realize business results.

Readiness assessments

Assessments are tools used by a change management team or project leader to assess the organization's readiness to change. Readiness assessments can include organizational assessments, culture and history assessments, employee assessments, sponsor assessments and change assessments. Each tool provides the project team with insights into the challenges and opportunities they may face during the change process.

- Assess the scope of the change, including: How big is this change? How many people are affected? Is it a gradual or radical change?
- Assess the readiness of the organization impacted by the change, including: What is the value- system and background of the impacted groups? How much change is already going on? What type of resistance can be expected?
- Assess the strengths of your change management team.
- Assess the change sponsors and take the first steps to enable them to effectively lead the change process.

Communication and communication planning

Many managers assume that if they communicate clearly with their employees, their job is done. However, there are many reasons why employees may not hear or understand what their managers are saying the first time around. In fact, you may have heard that messages need to be repeated 6 to 7 times before they are cemented into the minds of employees. That is because each employee's readiness to hear depends on many factors. Effective communicators carefully consider three components: the audience, what is said and when it is said.

For example, the first step in managing change is building awareness around the need for change and creating a desire among employees. Therefore, initial communications are typically designed to create awareness around the business reasons for change and

the risk of not changing. Likewise, at each step in the process, communications should be designed to share the right messages at the right time.

Communication planning, therefore, begins with a careful analysis of the audiences, key messages and the timing for those messages. The change management team or project leaders must design a communication plan that addresses the needs of front-line employees, supervisors and executives. Each audience has particular needs for information based on their role in the implementation of the change.

Coaching and manager training for change management

Supervisors will play a key role in managing change. Ultimately, the direct supervisor has more influence over an employee's motivation to change than any other person at work. Unfortunately, supervisors as a group can be the most difficult to convince of the need for change and can be a source of resistance. It is vital for the change management team and executive sponsors to gain the support of supervisors and to build change leadership. Individual change management activities should be used to help these supervisors through the change process.

Once managers and supervisors are on board, the change management team must prepare a coaching strategy. They will need to provide training for supervisors including how to use individual change management tools with their employees.

Training and training development

Training is the cornerstone for building knowledge about the change and the required skills. Project team members will develop training requirements based on the skills, knowledge and behaviors necessary to implement the change. These training requirements will be the starting point for the training group or the project team to develop training programs.

Sponsor activities and sponsor roadmaps

Business leaders and executives play a critical sponsor role in change management. The change management team must develop a plan for sponsor activities and help key business leaders carry out these plans. Sponsorship should be viewed as the most important success factor. Avoid confusing the notion of sponsorship with support. The CEO of the company may support your project, but that is not the same as sponsoring your initiative.

Sponsorship involves active and visible participation by senior business leaders throughout the process. Unfortunately many executives do not know what this sponsorship looks like. A change agent's or project leader's role includes helping senior executives do the right things to sponsor the project.

Resistance management

Resistance from employees and managers is normal. Persistent resistance, however, can threaten a project. The change management team needs to identify, understand and manage resistance throughout the organization. Resistance management is the processes and tools used by managers and executives with the support of the project team to manage employee resistance.

Data collection, feedback analysis and corrective action

Employee involvement is a necessary and integral part of managing change.

Managing change is not a one way street. Feedback from employees is a key element of the change management process. Analysis and corrective action based on this feedback provides a robust cycle for implementing change.

Celebrating and recognizing success

Early successes and long-term wins must be recognized and celebrated. Individual and group recognition is also a necessary component of change management in order to cement and reinforce the change in the organization.

The final step in the change management process is the after-action review. It is at this point that you can stand back from the entire program, evaluate successes and failures, and identify process changes for the next project. This is part of the ongoing, continuous improvement of change management for your organization and ultimately leads to change competency.

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Nature of Organizational Change

The term change refers to an alteration in a system whether physical, biological, or social thus **organizational change** is the alteration of work environment in the organization. **Organizational change** may have following features :

- 1. When change occurs in any part of organization it disturb the old equilibrium of organization.
- 2. Any change in organization can effect either whole organization or some part of organization directly or indirectly.
- 3. **Organizational change** is a continuous process.

Causes of Organization Change

- 1. **Government policies** - sometimes the government policies change due to which an organization has to bring change. For e.g. when computerization came into existence government banks make their employee change from manual process to computerized so organization has to go for a change.
- 2. **Competition** - in order to sustain in a market any organization has to be competitive in nature as there is cut throat competition if one company is going for innovation other has to also go for it. For example in case of Coke and Pepsi if one goes for new advertisement another will also go for same and bring change in their advertisement policies.
- 3. **Technology** - today is the world of new innovation day by day new technologies are emerging for example now a days computers have become obsolete and laptops and LCD's have emerged.so change is must.

- **4. Change in customer requirement** - customer is a king. so these days companies produce product as per customer demand. Accordingly every time a company makes changes in the product so change is must.
- **5. Change in managerial personnel** - employees come and leave organization every time a new manager will bring his own new ideas and make employees according to that and this is how change occurs in organization.
- **6. Deficiency in existing organization** - sometimes the managers in the organization think that there is deficiency in the existing organization system and in order to compete and to survive there must be change in the organization. For example change in system from centralization to decentralization.

Organizational Development Process

A conventional approach in the organizational development process is the action research model. This model is used by many organizations to guide the OD process. It entails what its name describes – research and action.

However, there is much more to the OD process than just research and development. There are multiple loops used to transmit feedback, which makes an organization more responsive to change.

1. Problem diagnosis

The organization development process begins by recognizing problems. The method of diagnosis usually takes the form of data gathering, assessment of cause, as well as an initial investigation to ascertain options.

2. Feedback and assessment

The feedback and assessment step often involves proper investigation of identified problems so that there is a deep understanding of the challenge at hand. This can include an appraisal of documents, **focus groups**, customer or employee surveys, hiring consultants, and interviewing current employees. Information gathered is used to re-evaluate the challenges in the first step.

3. Planning

Once an organization defines and understands its challenge, an action plan is put together. The plan lays down all the intervention measures that are considered appropriate for the problem at hand. Usually, the measures include such things as training seminars, workshops, **team building**, and changing the makeup or structure of teams. Additionally, measurable objectives, which define the expected results, form an integral part of the overall plan.

4. Intervention and implementation

Once a plan is in place, the intervention phase commences. Since the organizational development process is complicated, implementation processes are a key element of the model. As an example, if training classes are preferred over other methods, test results will form the basis upon which the training process is evaluated. The objective

at this point is to ensure the required changes take place. If that is not the case, feedback is assessed and used to bring about the required change.

5. Evaluation

As soon as the intervention plan is complete, the outcome of the change in the organization is assessed. If the required change does not take place, the organization looks for the cause. Adjustments are made to ensure the obstacle is eliminated.

6. Success

Success denotes that the desired change took place. A proper plan and efficiency standards are put in place to ensure that the new switch is sustainable. Ongoing monitoring is needed to ensure that implemented changes last. Furthermore, as markets and organizations change, new problems can arise, leading to the push for further development. Great organizations evolve continuously.

Final Thoughts

Organizational development is essential, as it helps organizations transition into a more productive phase. Change helps to bring new ideas and ways of doing things, and it ensures that an entity is innovative and profitable.

Changing Organizational Culture

A common set up where individuals from different back grounds, educational qualifications, interests and perception come together and use their skills to earn revenue is called an organization. The successful functioning of an organization depends on the effort put by each employee. Each individual has to contribute his level best to accomplish the tasks within the desired time frame.

Every organization has a unique style of working which is often called its culture. The beliefs, policies, principles, ideologies of an organization form its culture.

The culture of the organization is nothing but the outcome of the interaction among the employees working for quite some time. The behaviour of the individual with his fellow workers as well as external parties forms the culture. The management style of dealing with the employees in its own way also contributes to the culture of the organization.

Employees working for a considerable amount of time in any particular organization tend to make certain rules and follow some policies as per their convenience and mutual understanding. Such policies and procedures practised by the employees for a long time to make the workplace a happier place form the culture. The culture often gives the employees a sense of direction at the workplace.

Reasons for changes in work culture

- **A new management, a new team leader, a new boss brings a change in the organization culture.** A new employee but obvious would have new ideas, concepts and try his level best to implement them. He would want the

employees to work according to him. His style of working, behaviour and ideologies would definitely bring a change in the work culture.

- **Financial loss, bankruptcy, market fluctuations also lead to change in the work culture of the organization.** When an organization runs into losses, it fails to give rewards and appraisals to the employees as it used to give earlier.
- **Acquiring new clients might cause a change in the work culture.** The employees might have to bring about a change in their style of working to meet the expectations of the new clients.
- The employees on their own might realize that they need to bring a change in their attitude, perception and style of working to achieve the targets at a much faster rate. Such **self-realization also changes the work culture.**

CHANGE MANAGEMENT :

Change management is the systematic approach and application of knowledge, tools and resources to deal with change. It involves defining and adopting corporate strategies, structures, procedures and technologies to handle changes in external conditions and the business environment. Effective change management goes beyond project management and technical tasks undertaken to enact organizational changes and involves leading the "people side" of major change within an organization. The primary goal of change management is to successfully implement new processes, products and business strategies while minimizing negative outcomes.

- Improving employees' understanding of change.
- Increasing communication between management and employees.
- Identifying and mitigating risks.
- Enhancing employee satisfaction.
- Boosting trust between management and employees.
- Improving employee skills and proficiency through change-related training initiatives

Steps in the Change Management Process

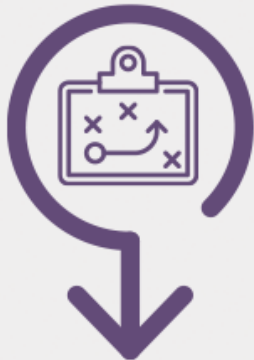
1. **Define**—Align expectations regarding the scope of the change as well as timing and business impact.
2. **Plan**—Understand how the change will impact stakeholders and design a strategy to help them navigate it.
3. **Implement**—Engage with leaders and associates to execute the change.
4. **Sustain**—Work with leaders and employees to track adoption and drive lasting change.

Change Management Model



DEFINE

- Clarify roles in change management process
- Clarify what is changing and why
- Identify stakeholders
- Establish project timeframe
- Clarify success measures



PLAN

- Conduct impact and stakeholder assessments
- Create change and stakeholder engagement plans
- Identify risks and create risk-mitigation plans
- Design plans for communications and training



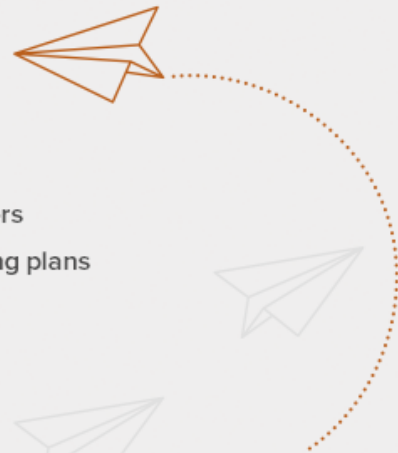
IMPLEMENT

- Enable/activate catalysts and leaders
- Roll out communications and training plans
- Monitor and manage resistance
- Deploy risk-mitigation plans



SUSTAIN

- Monitor adoption of change(s)
- Reinforce behaviors that are aligned to the change
- Measure impact of change(s)
- Adjust as needed based on metrics



Stress Management

Definition :

Stress management is defined as the tools, strategies, or techniques that reduce stress and reduce the negative impacts stress has on your mental or physical well-being. A variety of techniques can be used to manage stress. These include mental, emotional, and behavioral strategies. When stress management is used regularly and in response to stressful life events, we can optimize our well-being

Stress Management Activities

Some of the most important activities for stress management include optimizing sleep, eating, and exercise.

Sleep

Insufficient sleep contributes to greater HPA axis activation . That's why stress management should include improving duration and quality of sleep. To start, be sure to block out blue light (from TVs, phones, and computers) at least 30 minutes before bed . You might also try getting [blue-light blocking glasses](#) or getting a sleep-inducing red light bulb (which improves sleep) for your bedside lamp .

Diet

Dieting or restricting calories actually increases HPA activation . So if you're aiming to manage stress be sure to eat enough nutritious food to fuel all your body's systems.

Exercise

Because exercise increases the demand for energy and cortisol, avoid high-intensity exercise when trying to get your stress under control. Instead, do low-intensity exercise like walking, swimming, or yoga .

Stress Management Skills

In addition to making sure we do stress management activities, we can also build up our stress management skills. Here are some skills that can help you beat stress.

Try meditation

Multiple studies have shown that meditation can decrease cortisol in the context of stressful situations . This suggests that building our meditation skills may be helpful for managing stress.

Find opportunities to be kind to others

Expressing positivity towards others, for example with compassion, [gratitude](#), and loving-kindness, can buffer us against stress. So finding ways to be kind may indeed be a good stress reducer.

Shift your mindset

When we are stressed, we can view the situation as a challenge that we can handle or a threat that we are afraid of. The research suggests that viewing a situation as a challenge (and not a threat) reduces our stress . So try to remind yourself that “*You can do this! And you're stronger than you think!*”

Organization Management

Definition:

Organizational management is a management activity that aims to fulfill the company's goal by handling adequately all the processes and resources available. It is a discipline whose main objective is to plan, organize and execute activities that achieve the company's pre-established aspirations.

- Organization management refers to the art of getting people together on a common platform to make them work towards a common predefined goal.
- Organization management enables the optimum use of resources through meticulous planning and control at the workplace.
- **Organization management gives a sense of direction to the employees.** The individuals are well aware of their roles and responsibilities and know what they are supposed to do in the organization.

An effective management ensures profitability for the organization. In a layman's language organization management refers to efficient handling of the organization as well as its employees.

Need for Organization Management

- Organization management gives a sense of security and oneness to the employees.
- An effective management is required for better coordination among various departments.
- Employees accomplish tasks within the stipulated time frame as a result of effective organization management.
- Employees stay loyal towards their job and do not treat work as a burden.
- Effective organization management leads to a peaceful and positive ambience at the workplace.

Essential Features of Organization Management

1. Planning

- Prepare an effective business plan. It is essential to decide on the future course of action to avoid confusions later on.
- Plan out how you intend to do things.

2. Organizing

- Organizing refers to the judicious use of resources to achieve the best out of the employees.
- Prepare a monthly budget for smooth cash flow.

3. Staffing

- Poor organization management leads to unhappy employees who eventually create problems for themselves as well as the organization.
- Recruit the right talent for the organization.

4. Leading

- The managers or superiors must set clear targets for the team members.
- A leader must make sure his team members work in unison towards a common objective. He is the one who decides what would be right in a particular situation.

5. Control

- The superiors must be aware of what is happening around them.
- Hierarchies should be well defined for an effective management.
- The reporting bosses must review the performance and progress of their subordinates and guide them whenever required.

6. Time Management

- An effective time management helps the employees to do the right thing at the right time.
- Managing time effectively always pays in the long run.

7. Motivation

- Motivation goes a long way in binding the employees together.
- Appreciating the employees for their good work or lucrative incentive schemes go a long way in motivating the employees and make them work for a longer span of time.

Implications of Organizational Change

A static environment can quickly antique an organization. Therefore, change is a constant and necessary requirement for organizations to stay competitive and survive in this volatile global economy. Organizational change can help streamline business processes and eliminate redundant systems or groups. However, it can also have negative consequences. To minimize the negative impacts, strategic change in an organization should always seek to achieve advancement in both business and employee performance. The overall change process should reflect a “win-win” situation for both the organization and its employees.

The Process of Change

To implement sustainable organizational change, companies employ a three-prong phased approach. The most important and difficult phase of the process is unfreezing, which involves identifying and unlearning wrong past behavior that are sometimes ingrained in an organization’s culture. The most significant indicator of success at this phase is employee acceptance. If an organization manages employee resistance promptly and effectively at this stage, it will ensure the success of the next two phases. The second phase, changing, involves replacing past behavior with new behavior through significant redevelopment and training. Refreezing, the final phase of the process, reinforces and sustains the new behavior through continued visibility and measurement of success. One reinforcement technique is the employment of a praise and reward system. Praise and reward systems elicit high performance and motivate employees to embrace change.

Employee Resistance to Change

A changing organization should not ignore the human element. It is important to change business activities within a company. If employees are not involved or are not willing to accept change, the process is likely to fail. Employees resist change because they are afraid that to lose a job or have to take on additional responsibilities that an employee is either unqualified or unequipped to handle. Using encouraging

and inspiring techniques to implement change demonstrates to an employee that she is not being forced to accept change, but is an integral part of the process. An employee feels like a significant contributor in the work place environment when he is part of a successful revolution.

Employee Turnover

After a major reorganization, businesses typically undergo some employee turnover. An employee may feel that the environment is too unstable and might seek employment elsewhere where she feels more secure. High employee turnover can severely affect an organization's productivity due to loss of skilled workers and the need to recruit and train new people. Sometimes the loss of resources can also result in loss of business revenue as an employee may take key accounts with him. To abate employee resistance and turnover, an organization should initiate a deliberated change management process that explains the significance and implications of the change and guides employees afterward.

Deteriorating Work Climate

Organizational changes that lead to ambiguity and job uncertainty create a declining work environment, which can negatively affect the economic health of an organization. The most detrimental impact is mortality, which is a clear sign that a business transformation has gone horribly wrong. An organization can die when change occurs too quickly or erratically. In a deteriorating environment, employees become self-preserving, less productive, unmotivated and fearful. Avoiding ineffective changes and implementing positive ones will promote a productive corporate culture and prevent organizational death.

Fear

There is comfort found in standing still. It is only natural that employees facing a drastic organizational change wonder how that change will impact them on an individual level. Improperly managed organizational change can create fear among the ranks, which impacts job satisfaction, performance and productivity. Workers could lose confidence, fearing a loss of job stability. They may also fear that changes will increase their workload or that they will not be capable of learning how to use new technology. Organizations must combat these fears and lessen the impact on employees.

Culture

The term "organizational culture" commonly is used to refer to the nature or personality of an organization. A company may have a positive organizational culture, marked by open communication and trust in organizational leadership, or it may have a negative culture in which workers have little trust in their leaders. The effect of organizational change on employees often depends on the culture of the organization. Additionally, a negative organizational culture has the capability of hindering change, making necessary transitions more difficult for employees to bear.

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Change Management

Effective change management is essential to streamlining the change process and reducing the negative impact on employees. When organizational changes are properly managed, workers perceive the benefits of a proposed change and accept the change. Workers benefit from properly managed change in a variety of ways. For example, a technological update may offer employees the opportunity to learn new skills. New technology can also increase job satisfaction by reducing the workload.

Communication

Effective communication is essential to obtaining buy-in and lessening the impact of organizational change on employees. Leaders must communicate with employees to ensure they understand why the change is taking place and are on board with the implementation of a change. When workers are given the opportunity to voice their concerns and provide feedback on changes, they are more likely to accept and participate in the change management process, ensuring the change takes place in a productive and successful manner. Effective change management is essential to streamlining the change process and reducing the negative impact on employees. When organizational changes are properly managed, workers perceive the benefits of a proposed change and accept the change. Workers benefit from properly managed change in a variety of ways. For example, a technological update may offer employees the opportunity to learn new skills. New technology can also increase job satisfaction by reducing the workload.