Organizational *Change*

ORGANIZATIONAL CHANGE

refers to a modification or transformation of the organization's structure, processes or goods.

ORGANIZATIONAL CHANGE

is defined as change that has an impact on the way work is performed and has significant effects on staff.

ORGANIZATION CHANGES CAN BE:

- *In the structure of an organization*
- *In the structure of an organizational operation and size of a workforce*
- *In working hours or practices*

ORGANIZATION CHANGES CAN BE:

- *In the way roles are carried out*
- *In the scope of a role that results in a change in the working situation, structure, terms and conditions or environment.*

TYPES OF CHANGES:

1. Planned Change

2. Unplanned Change

Planned Change

is change resulting from a deliberate decision to alter the organization. It is an intentional, goal – oriented activity.

Unplanned Change

is imposed on the organization and is often unforeseen

Organizational Development

OD is a planned approach to improve employee and organizational effectiveness by conscious interventions in those processes and structures that have an immediate bearing on the human aspect of the organization.

Features of Organizational Development

1.OD is an educational strategy that attempts to bring about a planned change.

2.OD related to real organizational problems instead of hypothetical cases.

3.OD related uses sensitivity training methods and lay emphasis on the experiment of based training.

Features of Organizational Development

4.Its change agents are almost external consultants outside of the organization.

5. The external change agents and internal organizations executives establish a collaborative relationship that involves mutual trust, influence and jointly determined goals.

2 FORCES FOR CHANGE IN ORGANIZATION:

1. External Forces

2. Internal Forces

External Forces

- Technological change
- Globalization
- Social & Political changes
- Workforce diversity

Internal Forces

- Changes in managerial personnel
- Declining effectiveness
- Changes in work climate
- Deficiencies in existing system
- Crisis
- Employee expectation

PROCESS OF CHANGE

UNFREEZING → **CHANGE** → **REFREEZING**

UNFREEZING	CHANGE	REFREEZING
Reducing forces for status quo.	Developing new attitudes, values & behavior.	Reinforcing new attitudes, values & behavior

CHANGE AGENT

- *is anyone who has the skill and power to stimulate, facilitate, and coordinate the change effort.*

- *change agents may be either external or internal.*

ROLES OF CHANGE AGENT

1. Consulting

As a consultant, the manager places employees in touch with data from outside the organization or helping organization members to generate data from within the organization. The overall purpose is to help employees find solutions to problems through analysis of valid data.

ROLES OF CHANGE AGENT

2. Training

- *to help organization members derive implications for action from the present data and.*

- *to provide organization members with a new set of skills—the ability to retrieve, translate, and use new data to solve future problems.*

ROLES OF CHANGE AGENT

3. Research

- *Finally, and closely associated with the previous role, the manager may assume the role of researcher. As researcher, the manager may train organization members in the skills needed for valid evaluation of the effectiveness of action plans that have been implemented.*

TYPES OF CHANGE AGENT

1. Outside Pressure Type

These change agents work to change systems from outside the organization. They are not members of the company they are trying to change and use various pressure tactics such as mass demonstrations, civil disobedience, and violence to accomplish their objectives.

TYPES OF CHANGE AGENT

2. People-Change-Technology Type

The focus of activity for this type of change agent is the individual. The change agent may be concerned with employee morale and motivation, including absenteeism, turnover, and the quality of work performed. The methods used include job enrichment, goal setting, and behavior modification.

TYPES OF CHANGE AGENT

3. Analysis-for-the-Top Type

changing the organizational structure so as to improve output and efficiency. The change agent uses operations research, systems analysis, policy studies, and other forms of analytical approaches to change the organization's structure or technology.

TYPES OF CHANGE AGENT

4. Organization-Development Type

focus their attention on internal processes such as intergroup relations, communication, and decision making. Their intervention strategy is often called a cultural change approach, because they thoroughly analyze the culture of the targeted organization.

SKILLS OF CHANGE AGENT

- *Empathy*

This is the skill of understanding the feelings of another person. Empathy leads to improved communication and understanding between the change agent and organization Members.

SKILLS OF CHANGE AGENT

- *Linkage*

This refers to the extent to which the change agent and organization members are tied together in collaborative activities. The greater the collaborative involvement (the tighter the linkage), the more likely the change agent will be successful.

SKILLS OF CHANGE AGENT

- *Proximity*

This refers to the physical and psychological closeness of the change agent and organization members.

Proximity has relevance to open door policy and the visibility of the change agent during working hours.

SKILLS OF CHANGE AGENT

- *Structuring*

This factor refers to the ability of the change agent and organization members to clearly plan and organize their activities concerning the change effort. A clearly designed change effort is more likely to be understood and implemented by the employees.

SKILLS OF CHANGE AGENT

- *Openness*

This characteristic refers to the degree to which the change agent and organization members are willing to hear, respond to, and be influenced by one another.

SKILLS OF CHANGE AGENT

- *Reward*

This refers to the nature and variety of potential positive outcomes of the change effort that might accrue to the change agent and organization members. Change efforts should be designed so that the employees are rewarded for changing.

RESISTANCE TO CHANGE

1. *Individual Resistance*

2. *Organizational Resistance*

Individual Resistance

Individual sources of resistance to change reside in basic human characteristics such as perceptions, personalities & needs.

Reasons of Individual Resistance

Economic Reason *–The economic reason of resistance to change usually focus on:*

- *Fear of technological unemployment.*
- *Fear of demotion & thus reduced pay.*
- *Fear of reduced work hours & consequently less pay.*

Fear of Loss- *When a change is impending, some employees may fear losing their jobs, status particularly when an advanced technology is introduced.*

Security *– people with a high need for security are likely to resist change because it threatens their feeling of safety.*

Status quo- *change may pose disturbance to the existing comforts of status quo.*

Peer Pressure- *individual employees may be prepared to accept change but refuse to accept it for the sake of the group.*

Disruption of Interpersonal Relation- *employees may resist change that threatens to limit meaningful interpersonal relationships on the job.*

Social Displacement- *introduction of change often results in disturbance of the existing social relationships. Change may also result in breaking up of work groups.*

Organizational Resistance

Individual sources of resistance to change reside in basic human characteristics such as perceptions, personalities & needs.

Reasons of Organizational Resistance

Resource constraint- *resources are major constraints for many organizations. The necessary financial , material & human resources may not be available to the organization to make the needed changes.*

Structural inertia *– some organizational structures have in-built mechanism for resistance to change.*

Example: in bureaucratic structure where jobs are narrowly defined & lines of authority are clearly spelled out, change would be difficult.

Sunk cost *- Some organization invest a huge amount of capital in fixed assets. If an organization wishes to introduce change, then difficulty arise because of the sunk cost*

Threat to expertise- *Change in organizational pattern may threaten the expertise of specialized groups. Therefore, specialists usually resist change.*

Politics- *Organizational changes may also shift the existing balance of power in an organization. Individuals or groups who hold power under the current arrangement may fear losing these political advantages.*

MANAGING RESISTANCE TO CHANGE

Education & Communication

Communication about impending change is essential if employees are to adjust effectively. The details of change should be provided & its potential consequences. Educating employees on new work procedures is often helpful.

Participation

It is difficult for individuals to resist a change decision in which they participated. Prior to making a change, those opposed can be brought into the decision process.

Empathy & Support

Active listening is an an excellent tool for identifying the reasons behind the resistance. An expression of concerns about the change can provide important feedback that managers can use to improve the change process.

Negotiation

another way to deal with resistance to change is to exchange something of value for reduction in resistance.

Manipulation & Cooptation

refers to covert influence attempts. Twisting & distorting facts to make them appear more attractive, withholding undesirable information & creating false rumors to get employees to accept a change .

Coercion

is the application of direct threats or force on the resisters. They essentially force people to accept a change by explicitly or implicitly threatening them with the loss of their jobs, promotion possibilities & transferring them.