

MANAGEMENT OF ORGANIZATIONAL CHANGE

SIRTAJ KAUR

PROFESSOR, LAQSH JOB SKILLS ACADEMY, NEW DELHI, INDIA

Abstract: We live in an age of transition. Change is inevitable in a progressive culture. Change, in fact, is accelerating in our present complex society. A very useful framework for change process is problem solving. Ends and means are related to one another. With this dynamic environment, successful management change needs people, proper system and method for optimizing organization response to face global opportunities and threats. These changes are to be managed within and are controlled by the organization with aim to be more effective to implement new methods and systems in an ongoing organization. This research paper article discussed the components of organizational leaders to become successful leaders in the dynamic cycle of organization and industries. Organizations are learning to the scope of fundamental changes in management philosophy and organizational technology.

Keywords: organizational change, management change, environment, strategy.

1. INTRODUCTION

Increasing competition in the domestic and world markets does not permit business organizations to continue with their existing organizational structures and work environment. The business organizations are open and systems and continually interact with the environment and adapt themselves to the organizational variations. Unless they do so, their survival and growth shall be endangered. Not only should the enterprises adapt themselves to these changes as and when they occur, they must also anticipate these changes and make allowances for them for current plans and budgets changes may not always lead to improvements and innovations but they are necessary for the continuity of the business enterprises.

Change management is the planned and systematic process which can be managed to utilize to help individuals make successful personal transitions resulting in the adoption and realization of change. The aim is to more effectively implement new tools and techniques in the ongoing business system to achieve the required business outcome.

“Organization change is any substantive modification to some part of the organization’. Change may be required for the organization as a whole or for any aspect of the organization, workforce, basis of departmentation, span of control, machinery, technology, etc. Changes are necessary if the organization have to:

- a) Adjust themselves to the environmental conditions
- b) Compete with their counterparts in the domestic and international markets
- c) Improve upon their existing level of performance
- d) Enter into mergers and acquisitions.

2. CHANGE IS THE PART OF THE COMPANY'S IMPROVEMENT

Change is pervasive in our society and a part of organization's life. Change involves making alteration in the ongoing environment of the business which can facilitate and growth, even in the complex environments. Effective leaders realize that change is part of the continuous process which can bring effective improvement in the organization.

Three elements of change

The successful change takes three elements: vision, method and will.

1. Vision

Successful is important for desirable future. Vision can provide both a corporate well-being and a sensible purpose. Without a sensible vision, change efforts can dissolve the organization in the wrong direction. Vision must be easy to communicate through which organization must approach to the successful process and output.

2. Method

Once you have a vision, all is needed to selecting the well-defined method. The method you adopt must for achieving the success of organization.

3. Will

Will is most critical part for any successful change. This initiative is only successful when individual change their behavior and workflows which deliver value to the organization. This is the essence of change management.

3. CHARACTERISTICS OF ORGANISATIONAL CHANGE

1. Change basically results from stimuli from both outside and inside the organization
2. Change takes place in all organization but at varying rates of speed and degrees of significance
3. Change takes place in all parts of organization but at varying rates of speed and degree of significance
4. Finally, the organization changes in several ways. Its technology may changes; its structure, people, procedures and other elements may change.

Any alteration that occurs in the overall work environment is called change. Change requires new adjustments. The nature of work change is so complicated that the management should gain acceptance for the change; and restore the group equilibrium and personal adjustment that change upsets.

4. ORGANISATIONAL RESISTANCE TO CHANGE

The resistance to change from the organization comes because of following reasons:

1. **The structural resistance:** Some organizational structures have inbuilt mechanism for the resistance to change in bureaucratic structure, the channels of communication make the new idea difficult to travel and eventually it increases the probability that the new idea will be screened out. Some organizations are so designed that they resist innovations they create strong defense against changes.
2. **Resource constraints:** Organizations, many a times, operate under some resource constraints. If the resources with which to operate are available in abundance, there will be no problem of introducing change. But the necessary financial, material and human resources may not be available to the organization to make the needed changes.
3. **Sunk costs:** The heavy capitals of some companies are blocked in the fixed or permanent assets. Even though the management in such organizations is convinced of the necessity of change, they may face resources constraints because of the money already sunk in the purchase of block capital assets.
4. **General Apathy:** Apathy is the lack of emotions or motivation. Apathy is a psychological term for a state of indifference, where an individual is unresponsive to aspects of emotional, social or physical life. It is important organizational resistance to change which is not suitable for any large organization.

5. KURT LEMIN'S PROCESS OF ORGANISATIONAL CHANGE

Lewin studied the process of bringing about effective change. Lewin noted two obstacle to change. First, they are unwilling to alter long-established attitudes or behavior. Secondly, he stated that change frequently lasts only for a short time. To overcome these obstacles, Lewin develops the change process. His model of planned change is made up of three steps: unfreezing, change, refreezing.

a. **Unfreezing:** Unfreezing is the process by which people become aware of the need for change. This involves making the need for change so obvious that the individual, group, or organization can readily see and accept it. Satisfaction with current practice and procedures may result little or no knowledgeable about the importance of a change and how their jobs will be affected by it. The employees who will be most affected by the change must be made aware of the need of it, in effect making them dissatisfied enough with current operations to be motivated towards change. It involves the following:

1. Identifying the need for the change
2. Increasing the driving forces
3. Reducing the resisting forces

Unfreezing creates the momentum for change and is a step in the change process.

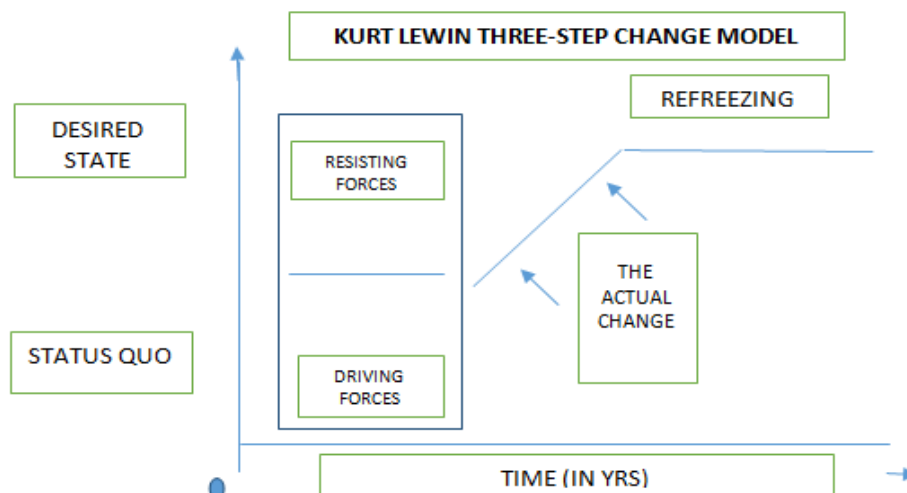
b. **Changing:** the 'change' or transition stage is the state where people need the psychological safety, support and coaching, while they struggle with new risks and new ambiguities. Change is the movement from an old stage to a new one. Change may mean the installation of new equipment, the restructuring in the organization, the implementation of a new performance appraisal system-anything that alters relationships or activities. Changing requires a trained change agent to foster new values, attitudes and behavior through the process of identification and internalization. Organization members identify with the change agent's values, attitudes and behavior, internalizing them once they perceive their effectiveness in performance. To achieve this, two mechanism are used:

- (a) Identification
- (b) Internalization.

c. **Refreezing:** refreezing is the process of making new behavior become relatively permanent and resistance to further change. Refreezing means locking the new behavior pattern into places by means of supporting or reinforcing mechanism, so that it becomes the new norm. Refreezing, means using the infrastructure of systems, procedure, structure and job responsibilities which ensure that people cannot regress and that the change is truly bedded down. Refreezing means assurance of permanent change. Refreezing includes:

- (a) Put in supporting mechanism
- (b) Reward
- (c) Appraisal
- (d) Train

Refreezing is necessary because without it, the old ways of doing things might soon reassert themselves while the new ways are forgotten. For example, many employees who attend special training session apply themselves and resolve to change things in the organization. But when they return to workplace they find it easier to conform to the old ways than to make new ways. Learning theory and reinforcement theory can plays an important role in the refreezing phase.



6. FACTORS AFFECTING TO ORGANISATIONAL CHANGE

Change is the essence of life. An organization does not anticipating or respond to changes is likely to have a low success rate. Managers must therefore try to make the members understand the reasons for bringing about change. The reasons for the factors that necessitate change fall into two categories:

1. Internal Factors

There are some internal forces that cause change in the organizations. They relate to change in machinery, equipment, methods and procedures, work standards, changes in the structure, change in authority status and responsibilities, etc.

Some of these factors are:

- a. **Efficiency:** Organization Always Wishes To Perform Better Than Their Competitor, Earn Maximum Profits For Themselves, For Their Employees And Shareholders. This Is Possible If They Consistently Review Their Existing Policies, Find Out The Lacunae In Their Effective Implementation And Subsequently Reorganize Their Present Set Up. Change Is, Therefore, Desirable To Achieve A Higher Level Of Efficiency.
- b. **Control:** When Individual Re Appointed In The Managerial Posts, They Wish Gain And Retain Control Over The Organizational Members. They Try To Do So, By Bringing Out Changes In The Existing Pattern Of Working.
- c. **Leadership:** Dynamic Managers Bring About Change Just For The Sake Of It. They Wish To Lead The Market And, Therefore, Change Their Internal Functioning. This Forces Others Also To Follow These Changes.
- d. **Internal Pressures:** Attitudes Of The Employees Sometimes Force The Managers To Enforce Change. Worker's Dissatisfaction Regarding Their Working Conditions, Pay Structures And Inter-Personal Relationships Is Reflected In A Negative Behavior Towards Their Managers, Which May, In Turn, Force Managers To Change Their Existing Policies, Procedures And Strategies. Change Is, Therefore, Required To Develop Cordial Relationships In The Organization.
- e. **Changes In The Existing Workforce:** Change In Managerial Personnel May Require The Organization To Change Its Existing Values And Philosophies. Changes In Operative Personnel May Also Require The Organization To Change its existing values and beliefs to match with those who are working in an organization.

2. External Factors:

The Survival Of Organization Depends On Its Active Interaction With The Environment. Any Environmental Or External Factors That Negatively Affects The Ability Of The Organization To Optimally Utilize Its Human And Physical Resources And Maximize Its Profits Motivates The Mangers To Change Their Existing Policies To Bring Them In Conformity With The Requirements Of The Environment. Some Of The External Factors Which Necessitates Change Are Discussed Below:

- a. **Market Forces:** The Various Market Forces Of Demand And Supply, Changes In Consumer Tastes And Preferences, Policies Of The Competitors And Suppliers Drive The Managers To Bring About Changes In The Organizational Policies.
- b. **Economic Factors:** The Changes In The Economic Conditions: The Exchange Rate Fluctuations, Interest Rate Fluctuations, The Changes In The Fiscal And Monetary Policies, Inflation And The Cost Of Living Necessitate Change In Their Organizational Policies Also.
- c. **Social Factors:** The Norms Laid down for Acceptable Standards of Pollution, Worker's Safety And Working Conditions, Health Consciousness And Others Social Factors Require Changes To Be Bought About In The Organizational Policies.
- d. **Technological Factors:** The Modern World Is Facing A Constant Change In Technology, Information System, And Computerization And Decision Support Systems. Any Organization Which Fails To Update Its Technology And Management Information System Will Soon Have To Face The Risk Of Liquidation.
- e. **Political Factors:** Changes In The Government Policies With The Respect To Taxation And Corporate Governance, New Laws And Court Decision Necessities The Organizations To Change Their Policies According To These Regulation.

- f. **Natural Factors:** Natural Calamities Like Floods And Earthquakes Also Necessities Change In The Present Policies Of An Organization.
- g. **Educational Factors:** Increase In The Level Of Education Of Employees, Shareholders, Union, Customers And Suppliers Requires Organizational To Change Their Present Setup To Come Up To The Expectations Of The Groups Of People.

7. TYPES OF ORGANISATIONAL CHANGE

Effective management depends upon the way manager’s deal with different types of changes. All organizations face two types of changes:

1. Reactive change
2. Planned change

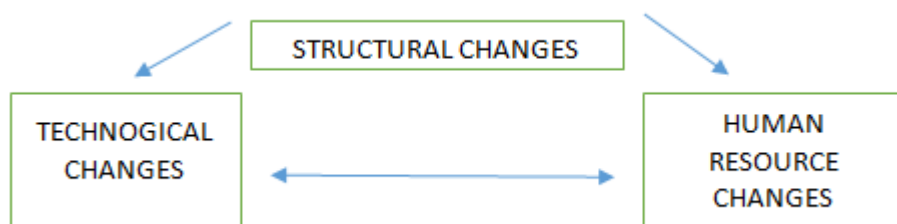
1. Reactive Change: It is a change in the organizational policies which is implement in reaction to occurrence of an event. This change is initiated due to pressures of external forces. Changes are made in response to a situation and are primarily unplanned in nature. Managers make changes, to deal with the problems, in a quick and routine manner since they do not have time to analyses the situation and prepare a well-conceived plan. The environmental events, various threats and opportunities are reacted to immediately. For example, spreading of an epidemic calls for an immediate increase in the production and marketing of drugs by the pharmaceutical industry. This is kind of reactive change.

2. Planned Change: It is a systematic change having a scope wider than reactive change. It follows a proactive approach to change. The managers attempt to increase organizational effectiveness by anticipating the forces causing change and planning ahead to deal with them. Organizations anticipate the various environmental threats and opportunities and carry out these change process in amore phased manner. These changes are very important for the survival of the firm, involve huge amount of financial and non-financial resources and therefore, have to be planned in a very scientific and systematic manner.

Areas Of Planned Organizational Change

STRUCTURAL CAHNGES	TECHNOLOGICAL CHANGES	PEOPLE CHANGES
JOB DESIGN DEPARTMENTATISATION REPORTING RELATIONSHIP AUTHORITY DISRIBUTION COORDINATION MECHANISM LINE-STAFF STRUCTURE OVERALL DESIGN CULTURE HUMAN RESOURCES MNAAGEMENT	EQUIPMENT WORK PROCESSES WORK SEQUENCES INFORAMTION SYSTEMS CONTROL SYSTEMS	ABILITIES AND SKILLS PERFORMANCES PERCEPTIONS EXPECTATIONS ATTITUDES VALUES

Three Components Of Planned Change



8. BENEFITS OF ORGANISATIONAL CHANGE

An organizational change management plan must be well-defined. It must follow knowledge management system and strategies to meet the needs and wants of key stakeholders within the organization. There are many good reasons to develop an organizational change management plan with following benefits:

1. **MOTIVATION:** with the strategic change management plan, organization with its vision process reached to achieve the end goals. This provides opportunities to motivate individuals and teams to help achieve the desired goals.
2. **BETTER USE OF RESOURCES:** The change policies integrate the existing resources with new tools and strategies. Effective change management plan align the current resources into future vision.
3. **MAINTAINING CURRENT OPERATIONS:** The management change plan help in implementing the change without harming the current operations of the organization. This effective process identifies the need of doing job and maintains current operations without negative efforts.
4. **EMPLOYEE CONCERN:** Developing a change management plan allows organization to be more effective and efficient to address the concern with all the individual and teams involved in the transition.
5. **REDUCING RISK AND INEFFICIENCY:** Effective organizational change management plan will allow individual and teams to save time and reduce risk in the end. This creates least possibility of an unsuccessful attempt to change and reduce the time to implement the change. This help in bounding them to perform better and get more involved in the transition.
6. **ANTICIPATING OF CHALLENGES:** An effective change management plan definitely be better prepared to predict and respond to challenges that may arise in the process to achieve the desired goals.

9. PLANNING TO OVERCOME CHANGE

Management of organizational change is a complex phenomenon involving formidable exercise on the part of the management. Before a particular change is shaped and implements effectively in the organization, certain minimum steps need to be followed:

1. *Education And Communication*

- Communicate with employees to help them see the logic of change.
- Educate employees through one-on-one discussion, memos, groups meetings or reports.
- Appropriate if sources of resistance is either poor communication or misinformation.
- Must be mutual trust and credibility between managers and employees.

2. *Participation*

- Allows those who oppose a change to participate in the decision.
- Assumes that they have exercise to make meaningful contributions.
- Involvement can reduce resistance, obtain commitment to seeing change succeed and increase quality of change decision.

3. *Facilitator And Support*

- Provide supportive efforts such as employee's counselling or therapy, new skills training or short paid leave of absence.
- Can be time consuming and expensive.

4. *Negotiation*

- Exchange something of value to reduce resistance.
- May be necessary when resistance comes from a powerful sources.

- Potentially high costs and likelihood of having to negotiate with others resisters.

5. Manipulation And Cooperation

- Manipulating is covert attempt to influence such as distorting facts, withholding, damaging information, or creating false humors.
- Cooperation is a form of manipulating and participation.
- Inexpensive and easy ways to gain support of resisters.
- Can fail miserably if target feel they've been tricked.

6. Coercion

- Using direct threats or forces
- Inexpensive and easy way to get support
- May be illegal. Even legal coercion can be perceived as bullying.

10. CONCLUSION

In the end it can conclude that in this global era, new economy sets new standards of success and opportunities with strategic alliance, new technology, new knowledge and experiences. Leadership and management skills are the key factors for successful change initiatives. This era is of rapid change, sophisticated communication and technological systems which prepare for future complex and fast-paced society. To be winner for this Global Age, processes and relationships must be value-added and people at all the levels of organization must make rapid decision and accountable for those decision.

This article addresses change management model and research, its relevance in today's global economy is faced by organizational leaders and researchers for global challenges and opportunities. Organizational leaders who rapidly react are more successful. If they are fail to invent the future or even adopt to change, the organization notable survive in this complex and fast-paced economy. This research article also contribute to the existing change management model and theories which help in visioning, prioritizing, planning, providing feedback and rewarding success in future.

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