

6- ORGANISATION CHANGE

While the general concept of change is defined as just “**a new situation, different from the old state of things**”.

Organisational change encompasses changes that appear in work processes that may be interpreted as a set of work tasks fulfilled in order to reach a predetermined purpose and in their subsystems.

Organisational change may also be defined as “**a state of transition between the current state and a future one, towards which the organisation is directed**”.

ORGANISATIONAL CHANGE: SOME DETERMINING FACTORS

Today all researchers claim that the world is currently experiencing another industrial revolution- one which is driven by a new trend of economic and technological forces.

A. Planned internal change

A good part of organisational change comes from the strategic decision to change the way one does business or the very nature of the business itself. Three aspects of planned internal organisational change can be seen- changes in products or services, changes in administrative systems and change in organisational size and structure.

1. Change in products or services:

A planned decision to change the company's line of service requires organisational change.

A company which has established itself successfully in food products decides to diversify into cosmetic products, too. This decision to give new direction to the business, to add a new, specialized service, will require a fair amount of organisational change.

2. Change in administrative style:

Although an organisation may be compelled to change its policies, reward structure, goals, and management style in response to external stimuli such as competitors, governmental regulation and economic changes, it is also quite common for change in administrative systems to be strategically planned in advance.

3. Typically:

The pressure to bring about changes in the administration of an organisation (e.g. to coordinate activities, set specific goals and priorities) comes from top management, i.e. the top down approach.

On the other hand, pressure to change the prioritized work of main work of the organisation (example: the production of goods and services) comes from the technical side of the organisation; i.e. the bottom up approach. This is the idea behind the dual-core model of organisation.

4. Changes in organisational size and design:

Just as organisations re-invent or modify their products, services, or administrative systems to stay competitive, they also try to alter the size and basic configurations of their organisational chart- that is, they redesign the organisational structure.

B. Planned External Change

In addition to planning changes in administration of an organisation, it is many a time possible to plan which change variables coming from outside the organisation will be imbibed into it. Introduction of new technology and advances in information technology and communication can be included in this category. Both of these advances are external to the organisation and are introduced into it in some planned fashion.

C. Unplanned Internal Changes

Not all the forces for change are the results of planned events. Sometimes, organisations often are responsive to changes that are unplanned-especially those originating from factors internal to the organisation. Two such forces are changes in the demographic composition of the workforce and performance gaps.

1. Changing employee demographic composition:

It is easy to see how the composition of the workforce has changed over a period of time. The percentage of women in the workforce is greater than ever before. More and more women with professional qualifications are joining the organisation at the junior and the middle management levels. In addition to these, the workforce is getting older.

2. Organisation's prolonged operation:

Changing conditions will force organisations to change. Decisions regarding the number of people need be working, what skills and competencies they will bring to the job and what new influences they will bring to the workplace are to be taken by the human resource managers.

3. Performance Gaps:

One of the major sources of unplanned internal changes in organisations is performance gaps. A product line that is not gaining desired sale, a decline profit margin, a level of sales that is not up to corporate expectations; are some examples of gaps between real and expected levels of organisational performance. Few things force change more than sudden unexpected information about poor performance.

D. Unplanned External Changes

One of the greatest challenges faced by an organisation is its ability to respond to external changes, something over which it has little or no control. As the external changes, organisations must follow the suit. Research has shown that organisations that can best adapt to changing conditions tend to survive.

1. Government Control & Regulation:

One of the most commonly witnessed unplanned organisational changes results from government control and regulation of various aspects of business. With the opening up of the economy and various laws passed by the government about delicensing, full or partial convertibility of the currency, etc. the ways in which organisations need to function have to change quickly and positively.

2. Economic Competition in the International market:

In the dynamic global scenario, the companies must often need to put up a strong fight to maintain their share of market, advertise more effectively, and produce products at a cheaper cost. This kind of economic competition not only forces organisations to change, but also demands that change effectively if they are to survive

PLANNED CHANGE

Planned organisational change is normally targeted at improving effectiveness at one or more of four different levels; human resources, functional resources, technological capabilities, and organisational capabilities.

Human Resources

Human resources are an organisation's most valuable asset. Ultimately, an organisation's unique competencies lie in the skills and abilities of its employees. Because these skills and abilities give an organisation a competitive advantage, organisations must continually monitor their structures to find the most effective way motivating and organizing human resources to acquire and use their skills.

Typical kinds of change efforts directed resources include:

- a) Planning and implementing regular training
- b) Easing in the employees into the organisational culture
- c) Changing organisational framework and values to encourage a multi-cultural and diverse work force.
- d) Continuous monitoring
- e) Changing the structure

Functional Resources

Each organisational functional need to constantly develop procedures that allow it to manage the particular environment it faces. As the environment changes, organisational often transfer resources to the functions where the optimum value can be achieved. Critical functions grow in importance, while those whose usefulness is declining lose their importance.

Technological Capabilities

Technological capabilities give an organisation stupendous power to change itself in order to exploit current as well as future market opportunities. The ability to develop a constant stream of new products or to re-invent existing products so that they continue to fascinate customers is one of an organisation's core competencies.

Organisational Capabilities

Through the dynamic design of organisational structure and culture an organisation can utilize its human and functional resources to take advantage of technological opportunities. Organisational change often involves changing the relationship between people and functions to increase their ability to create value.

These four levels at which change can take place are fully dependent on each other, as it is often impossible to change one without changing another. Suppose an organisation invests resources and recruits a team of scientists who are experts in a new technology – for example, robotics. If successful, this human resource change will lead to the emergence of a new functional resource and a new technological capability.

THEORICES OF PLANNED CHANGE

All approaches to OD depend on some or the order theory about planned change. The theories describe the different stages through which planned change may be effected in organisation and explain the complex process of applying OD methods to help organisation members manage change. Let us discuss these frameworks.

Lewin's Change Model

One of the earliest models of planned change was proposed by Kurt Lewin. He put forward change as modification of those forces that keep a system's behaviour stable. Specifically, a particular set of behaviours at any moment in time is the result of two groups of forces: those striving to maintain the status quo and those pushing for change. When both sets of forces are about equal, current behaviours are maintained in what Lewin termed a state of "quasi-stationary equilibrium". To change the state of stability, one can increase those forces pushing for change, decrease those forces maintaining the current state, or apply some combination of both.

Lewin viewed this change process as consisting of the following three steps:

1. Unfreezing:

This step usually involves reducing those forces maintaining the organisation's behaviour at its present level. Unfreezing is sometimes accomplished through a process of "mental disconfirmation of a fact". By introducing information that shows disparities between behaviours desired by organization members and those behaviours currently exhibited, members can be motivated to engage in change activities.

2. Moving:

This step shifts the behaviour of the organization, department, or individual to new level. It involves intervening in the system to develop new behaviours, values, and attitude through change in organisational structures and processes.

3. Refreezing:

This step stabilizes the organization at a new state of organisational or operational balance. It is frequently achieved through the use of supporting mechanisms that reinforce the new organisational state, such as organisational, culture, rewards and structures. Lewin's model provides a general foundation for understanding organisational change. Because the three steps of change are relatively broad, considerable effort has gone into elaborating them.

Action Research Model

The action research model focuses on planned change as a continuous and cyclical process in which initial research about the organisation provides information to guide subsequent action. Then the results of the action are analysed to provide further information to guide further action, and so on. This regular cycle of research and action involves considerable collaboration among organisation members and OD practitioners.

1. Identification of a problem:

This stage usually is initiated when an executive in the organisation or someone with power and influence realizes that the organisation has some problems that might be solved with the help of an OD practitioner.

2. Consulting an OD practitioner:

During the initial contact, the OD practitioner and the client carefully analyse the problem. The practitioner has his or her own set of theories about the problems. Sharing them with the client from the beginning establishes an open and co-operative atmosphere.

3. Data collection and primary Diagnosis:

This step is usually completed by the OD practitioner, often with the co-operation of organisation members. It involves collecting appropriate information and analysing it to determine the underlying causes of organisational problems.

4. Feedback from OD practitioner to the concerned:

Because action research is a collaborative activity, the diagnostic data is reverted back to the client, usually in a group or work team meeting. The feedback steps, in which members are given the information gathered by the OD practitioner, help them determine the strengths and weaknesses of the organisation or unit under study.

5. Joint Diagnosis of the Problem:

At this point, members discuss the feedback and explore with the OD practitioner whether they want to work on identified problems.

6. Collaboration Action Plan:

Next, the OD practitioner and the organisational participants jointly agree on further course of actions. This is the start of the process of reaching a new state of quasi-stationary equilibrium.

Action stage

This stage involves the actual change from one organisational state to another. It may comprise of implementation of new methods and procedures, reorganizing organisational structures and work designs, and reinforcing new behaviours.

Monitoring after Action

Action research is a cyclical process and hence, data must also be gathered after the action has been taken to measure and determine the effects of the action and to feed the results back to the organisation. This, in turn, may lead to rediagnosis and new action.

The Positive Model

The third model of change, the positive model, is a deviation from Lewin's model and action research process. The earlier models are primarily deficit based as they keep their focus on the organisation's problems and how they can be solved so it functions better. The positive model focuses on what the organisation is doing right. It helps members understand their organisation when it is working at its best and builds further on those capabilities to achieve even better results. Drawing heavily on AI, the positive model of plan planned change involves five phases:

- 1. Initiation of inquiry**
- 2. Determining Best Practices**
- 3. Discover the change themes**
- 4. Visualizing a desired future situation**
- 5. Designing and implementing ways to create the future**

