11.0 ORGANIZATIONAL CHANGE AND DEVELOPMENT

1. State the main forces for organizational change.

The major forces for change are enlisted as follows:

a. External Force: It forces the organization to change. It includes:
   - Nature of the work force
   - Technology
   - Economic shocks
   - Competition

b. Internal Force: It forces the organization to adopt change. It includes:
   - Goal change
   - Internal change
   - Organizational structure

2. Define organizational change

Organizational change refers to any alteration in work environment that affects the ways in which employees must act. In other word, change refers to something which occurs to an organization, a group or an individual.

3. Define resistance to change

The obstacle faced by change from the resistant employees of the organization is known as resistance to change. Overcoming resistance to change is one of the most difficult tasks.

4. Enlist the major causes of resistance to change

The major causes of resistance to change can be divided into two broad halves:

i. Individual resistance: It includes
   - Security
   - Habit
   - Fear of unknown
ii. Organizational resistance: It includes
   - Group inertia
   - Structure inertia
   - Allocation of resources

5. Enlist the methods that help to overcome resistance to change.

The major methods are listed as follows:
   - Education and communication
   - Participation
   - Negotiation
   - Manipulating and cooperation
   - Coercion
   - Positive relationship

6. Write the Lewin’s three-step model

The three steps of Lewin's change model is given below:

- Unfreezing the status quo
- Changing to a desired end state
- Refreezing the new change to make it permanent

7. Define organizational development.

A systematic method of introducing change is defined as organizational development. In other words, organizational development is the process of planned change and improvement of the organization through application of knowledge of the behavioural science.

8. List out the characteristics of OD.

The key characteristics of OD are listed as follows:
   - Long term effort
• Broad change
• Dynamic process
• System approach
• Research based
• Support of top management
• Team work
• Goal oriented

9. What do you mean by OD values?
Organizational development is based on a certain set of ethics and morality, hence it is a value concept. The key points that determine the OD values are listed as follows:

• Respect of people for people
• Trust and support
• Participation
• Confrontation

10. Write the meaning of sensitivity training.
An interactive training that focuses on helping employees in the development of a better awareness of potential and roles in organization is known as sensitivity training. In this training, aspects like dynamics, environment, need of change, etc. are addressed.

11. What is the process consultation?
It is one of the most common methods of process interventions. As per this method, external consultants are hired for the intervention process. The external consultant provides information, technique, etc. in regard to employee communication, interaction, cooperation, etc.

12. What are the organizational forces that make an organization necessary to change?
Forces that lead to Organizational Change
Change is a law of nature; we live in a dynamic world where nothing remains static. Everything around us keeps on changing.
Organization change refers to the alteration of structural relationships and role of the people in the organization. It is largely structural in nature. These changes may be pressurized by internal or external forces, may affect only one or all the levels and department or may be related to the organizational structure (hierarchy), people, technology, working or social environment, etc.

The key internal and external forces that forces organization to change are explained briefly.

**Internal Forces**

A force induced from the organizational itself is known as internal forces. The key internal forces are explained briefly.

1. **Goal Change:** Change in organizational goals makes it necessary for organization to change.

2. **Sequential change:** Every organizational change requires readjustments, sequential change and supportive change. For example, creation of new department may cause the appointment of some new managerial position, which in turn may necessitate reallocation of authority, responsibility and duties of the concerned department.

3. **Employees pressure:** Every increasing demand of employees for better job security and job satisfaction, better safety and welfare, congenial working environment, higher wages and perquisites, participation in managerial process and more authority and power also precipitate changes in the organization structure and pattern.

**External forces**

Organization has no control over external forces. Some of the common external forces are listed below;

1. **Economic forces:** It includes

   - Economic condition of country
   - Inflation and exchange rate
   - Income distribution and resource availability
   - Govt. liberalization and privatization policy.

2. **Market force:** It includes

   - Growth of electronic commerce
   - Work force diversity in terms of culture, gender, age skills and professionalism etc.

3. **Technological force:** It includes

   - Sophisticated information technology, robotics, faster and cheaper computers
   - Innovation and experimentation
   - Reshaping of jobs arising from new developments in technology
4. Socio-culture force: It includes
Delayed marriage, people attitude toward society
People's norms and value toward society

5. Political force: It includes
The change in political forces collapse of Soviet Union, reunification of Germany, collapse of Saddam Hussain regime in Iraq.
Increasing activating pressure groups.

13. State and explain the organizational resistances to change in modern organizations.

Organizational Resistance to Change

1. Individual resistance: Individuals are considered as the main source of resistance to change due to their perception, personalities and needs. Because of the following reason individual resist the change.
   a. Habit: Once we become habituated on anything, it will be difficult to change that habit. As human beings, we are creatures of habit. Changes in old work habits create resistance. Employees tend to respond in accustomed work.
   b. Security: Employees may fear loss of job security, reduction in pay and increase in workloads. The cost of change may be higher than benefits of change.
   c. Economic reasons: These include the fear unemployment, fear of reduced work hours and consequently less pay after change, fear of demotion and low wages, etc. Whenever people sense that new Machinery pass a threatening challenge for their existence, they resist change.
   d. Social reasons: Change often results in disturbance of the existing social relationships. People in work organizations develop some sort of informal relationships and any change breaking these relationships will be strongly resisted. Group pressure also brings about resistance to change in individuals.

2. Organizational resistance: Organization itself is another key source for resistance to change. Many times, the resistance to change is initiated by the organization as a whole or by the top management. The main reasons for organizational resistance are explained briefly.
   a. Inflexibility in organizational structure: Some organizational structure has a built-in mechanism for resistance to change. For instance, in typical bureaucratic structures where chain of command is clearly spelled out, authority, responsibilities and duties are clearly defined, flow of information is stressed through proper, channel and the entire pattern is highly mechanistic and rigid, and any change in the organization structure or pattern would be difficult.
b. Resource constraints: Organizational change usually invoices a huge expenditure. In this regard, resource usually is a major constraint. In such a situation, change is resisted by the departmental heads and employees. This is true, when government forces the organization to introduce certain technological, organizational, or social changes but does not provide adequate human and physical resources, the organization oppose such changes. Similarly when trade unions pressurize management to introduce certain changes for the safety, welfare and comforts of the employees, the management put resistance to such changes for lack of amiabilities of funds.

c. Fear of loss of investment: In case when organization has invested a huge capital in their permanent assets and training of employees, they are afraid of their capital being sunk, if they introduce a new technology.

14. What are the pre-requisites to organizational development?

Organizational development does not emerge itself. There are some conditions, which must be accomplished as prerequisites.

Some of the key pre-requisites to organizational development are explained as follows.

1. Top level management's commitment: There should be the explicit commitment of the top management to change and improve the organization, denote its time and resources to this long term effort. The management should take the risk and experiment, with new methods of handling the problems, be keen to assess its own behaviours and attitudes for personal development purpose, and be able to tolerate confusing results which may occur at the initial stages of OD programme.

2. Strong and influential change facilitator: The existence of strong and competent internal change facilitators and resourceful individuals, who can perform the role of internal change agents, provides momentum to the OD work.

3. Successful past experience: Successful experience with the earlier efforts in some parts of the organization provides momentum to further efforts and thus, forms a significant prerequisite, to the effective performance of an organization development programme.

4. Capable external consultants: The involvement of capable and experienced external consultants, especially during the earlier stages of OD work, provides the objectivity and variety of skills, which may make the programme highly effective. However, it is necessary that the consultant develop the internal change facilitators and the problem solving ability of the organization instead of making the organization dependent upon himself.

5. Influential managers: The presence of some influential mangers, who act as like link pins between crucial groups and we are willing to introduce change and experiment with new methods of work, forms another prerequisite to a successful OD programme.
6. Internalization of OD efforts: The internationalization of concern for renewal, re-education, constant assessment of the organizational health and corporate excellence forms a very crucial prerequisite to effective OD effort.

7. Built-in reward system: There is the prerequisite in the form of built-in reward system. Attempts should be made to build the reward systems for the effective performance of results.

15. What is Organization Development? Discuss the OD interventions.

**Organization Development**

Organization development is a long-range effort to improve an organization’s problem-solving and renewal processes, particularly through a more effective and collaborative management of organization culture. In doing so it gives special emphasis on the culture of formal work teams-with the assistance of a change agent. In other words OD is a planned process of change in an organization’s culture through the utilization of behavioural science technology, research and theory.

**OD Interventions**

An OD intervention is defined as. “the set of structured activities in which selected organizational units (target groups or individuals) engage with the task where the goals are related directly or indirectly to organizational improvements.”

OD intervention is different from traditional intervention which focuses on content. OD intervention covers the whole organizational process. OD intervention focuses on team work and intends to change towards effective behaviour. It relies on collaboration management of work culture.

**Types of OD interventions**

There are various OD intervention at different levels. Among them some of the key ones are discussed below.

1. Management by objectives [MBO]: MBO emphasizes participation of individuals in setting goals. It is systematic and organized approach that allows management to attain maximum results from available resources by focusing on achievable goals. It is a rational approach to management and helps prevent, management by crisis, fire fighting methods. The emphasis on joint goal setting and self control not only promotes individual development but also improves organizational effectiveness in long term.

2. Team building: The focus of team building is the development of effective management teams. These work groups focus on solving problems in building effective management teams. The team leader defines a problem that demands organizational change. The group analyses the problem and traces out the causes of the problem. The problem arising from communication, leadership styles, organization structure, etc. are highlighted here.
3. Job enrichment: Job enrichment refers to basic change in the content and level of responsibility of a job so as to provide the satisfaction of the motivation needs (achievements, recognition, responsibility, personal growth) of personnel. Jobs are made more challenging, meaningful and interesting. When applied initially, job enrichment programmes have increased employee productivity and job satisfaction and reduced the employee turnover and absenteeism.

4. Managerial grid: Managerial grid training emphasizes on the fact that most effective leadership style is that which stresses maximum concern for both production and people. It is a systematic approach for analyzing management and helps the organization in moving to the best style.

5. Sensitivity training: The general goal of sensitivity training is to develop awareness of and sensitivity to oneself and others. The training generally takes place under laboratory conditions. As small number of participants (12-15) sit together along with a trainer who (usually behavioural scientist) helps the participants in having an open and authentic communication with each other. The individual participant is made aware of his behaviour, how other perceives his behaviour etc.

16. Change is a necessary way of life in organization. Most organizations today are faced with tremendous forces for change stemming from different source. A systematic and planned way of managing change successfully has become a primary responsibility of management, in this context; discuss the different approaches that you would recommend for managing organizational change.

How to manage any change in organization is difficult process. When organization makes any components, resistance from employee’s side comes up. To make the change successful, organization should manage it. There are different approaches to managing organizational change. On this manner we consider the following models.

1. Kurt Lewin model: Kurt Lewin argued that successful change in organization should follow three steps. They are:

   a. Unfreezing the status quo: Unfreezing means the change efforts to overcome the presence of both individual resistance and group conformity. The status quo can be considered as the equilibrium state. Any employee who achieve the high status stick to it. He does not want to move from it. So, if any change organization wants to implement then employee resists that change due to the status quo. So, to implement the change successfully, organization unfreezes the status quo of the employee. This can be done through following ways:

   - Driving forces,
   - Restraining forces and
   - Combination of both forces.
The Driving force is that force which directs the behaviours of the employee from the status quo.

The Restraining is that force which hinders the movement from the status quo, changing behaviour of employee through increasing their pay, if they accept the change,

b. Movement to a new status: Only unfreezing the status quo is not sufficient to manage the change. Now the employee who has changed their behaviour from status quo should be moved to new state to make the change stable. If they are not moved to the new state, they might freeze to the status quo. Thus movement to the new state is another step to make the organizational change successful.

c. Refreezing the new change: Once the employee is moved to the new state, they should be retained in the new status, otherwise they may comeback to the previous state and the change may not be successful. Thus, to retain them in the new state is very much essential to make change successful. To Retain/Refreeze in the new state, temporary force should be systematically replaced with permanent ones. This build up confidence in employee towards organization and will be socialize in the new environment. In this way, the change can be made successful in the organization.

2. Action research: Action research is concerned with practical problems with theoretical relevance and has three masters-the sponsors, the behavioural science, practitioner and the scientific community. Action research is a data drawn problem solving model of organization change. The key steps of action research model are enlisted as follows:

☐ Establish client consultant relationship: One should establish client-consultant relationship. In doing so, one must determine three major components.

☐ Clients readiness for change

☐ Consultant’s power base

☐ Consultant’s role in relationship
Diagnose the need for change: In the second step, action research diagnoses the need for change. In this regard, it goes through a systematic analysis of the situation.

Introduce change: It is the most critical step in action research. In this step, the concerned parties decide the type of change to be introduced.

Evaluate and stabilize change: Once the change is introduced it is then evaluated. Evaluation is done on the basis of objectives that are set. If the changes are desirable, it is important to stabilize change. For this, both the change agent and participants need to play their part.

Disengage consultant’s service: This is the last step in action research. In this step, the service of consultant is terminated with the purpose of empowering internal participants.