
Management of Change and Organizational Development

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Subject: Management

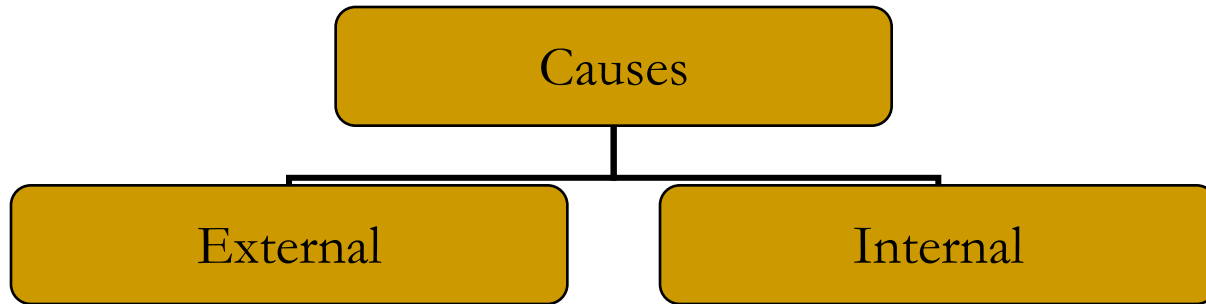
CS Foundation Programme

The ICSI Ahmedabad Chapter

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.
 - 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.
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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

Resistance to Change

- Resistance means opposition.
 - Resistance may be:
 - Overt: Strike
 - Implicit: Increased Error
 - Immediate: Immediate response
 - Deferred: Late response
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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.
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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.
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Stimulating Participation

- If change is introduced gradually and through participation of affected groups, it is likely to promote understanding and commitment of subordinates to change.
 - Small conference group meetings should be arranged to stimulate participation and enlist co-operation.
 - The object here is to know how people see the change and what problem they anticipate because of the changes.
 - If the need of change is explained in proper manner it is likely that resistance will be reduce.
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Lewin's Three-Step Model

1. Unfreezing
2. Changeover
3. Freezing



Action Research

- Action research is a method of scientific inquiry into the circumstances necessitating change and the action that may be taken thereon.
 - It is based on scientific collection and analysis of data and then selection of change action on what the analyzed data indicates.
 - The process of action research consist of 5 steps: Diagnosis, prognosis, feedback, action and evaluation.
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Organizational Development

- Business Environment is dynamic and ever changing.
 - In response to the changes in environment, planned efforts are made which are commonly known as organizational Development.
 - Conditions for OD
 1. Rapid & Unexpected Changes
 2. Organization Growth
 3. Increasing Diversity
 4. Change in Managerial Behaviour
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Organizational Development

- An organisation built on bureaucratic model is ill adapted to rapid changes. E.g. Post, Ford
 - New Information, beliefs, attitudes, values and organisation structures are required to be adapted to changing environment.
 - Changes should be systematic and participative as unilateral changes are mostly opposed by people in organisation.
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Definition of OD

- OD is a long range effort to improve an organization's problem solving and renewal process, particularly through a more effective and collaborative management of organisational culture with special emphasis on the culture of formal work teams with the assistance of a change agent or catalyst, and the use of the theory and technology of applied behavioural science including action research.
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Planned Organisational Change

- OD is characterised by planned organisational change efforts.
- It orderly attempts to identify the problem, diagnose the organisation, develop strategies for improvement and material resources fundamental to this purpose. E.g. Railway
- OD efforts attempts to change system as a whole such as team development, management strategy or record system. The system doesn't necessarily imply total enterprise. E.g. Depository System

Top Management Commitment

- Top management must be interested in change and its outcome.
 - It must support the process of change and its direction.
 - In fact, OD is the result of coordination between change agent and top management.
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Increase in Organisational Effectiveness

- Internal Flexibility, effective communication, integration and commitment to organisational goal, and high morale and motivation are some of the important sign of an organisation in good health.
 - Organisational effectiveness is also described in terms of its ability to adapt and cope with the changes in environment.
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Planned Intervention

- Planned intervention requires examining its present working norms, value and possible areas of conflict, and developing alternatives for organisation's better health.
 - On the basis of certain assumption he develops a strategy for systematic improvement of the organisation.
 - The important areas of intervention are planning and decision making processes, goal setting, team development , organisation structure, values and cultural norms, organisation culture, and upgrading employee skill and abilities.
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Characteristics of OD

1. **Focus on the whole organisation :** OD Focuses on the organisation as a whole so that it can respond to change effectively.
 2. **System orientation :** It focuses on all the parts of the organisation as they affect each other. Emphasis on how parts relate, not on the parts themselves.
 3. **Use of a change agent:** Change agent are the people whose role is to stimulate and coordinate change. They may be internal or external.
 4. **Problem Solving :** OD emphasis on problem solving rather than discussing it theoretically.
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Characteristics of OD

5. **Learning by experience** : In OD programmes participants learn by experiencing in the training environment the kinds of human problems they face on the job.
 6. **Group Process** : OD relies on the group process like group discussion, inter group conflicts and process of cooperation.
 7. **Feedback** : Feedback encourages participants to understand a situation and take self correcting action.
 8. **Contingency Orientation** : OD is usually said to be situational and contingency oriented. OD is flexible and pragmatic, adapting actions to fit particular needs.
 9. **Team Building** : General goal of OD is to build team work throughout the process.
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Goals of Planned Intervention/Change

Agent

- The Important goals of change agents in organisation development are as follows:
 1. To supplement authority, obedience and hierarchical role with knowledge and competence.
 2. To change structure and roles consistent with accomplishment of goals.
 3. To encourage senses of ownership in organisation goal.
 4. To locate decision making close to the source of information and action.
 5. To lay emphasis on the feedback, self control and self direction.
 6. To build spirit of cooperation, mutual trust and confidence.
 7. To develop a reward system based on recognition of achievement of goals of the organisation and development of people.
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Stages in organisation development effort

1. **Identifying and diagnosis the real Problem :** The Underlying social relationship deserve more attention. Diagnosing process frequently requires use of some of employee survey and feedback system.
 2. **Development of Strategy:** While formulating the strategy for the organisation, change agent should decide about the units of organisation requiring concentration – Individuals, sub system and the total system and also create adequate sufficient interest and secure internal support for the programme.
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Stages in organisation development effort

- 3. Implementation of the Programme :** It may be tried to a part of the organisation b4 it is used for the whole organisation. OD experts should also arrange for the training of the employees either within the organisation or outside it. Sensitivity training is of great help in improving understanding and skills in practice.
 - 4. Reviewing the OD Programme:** Its desirable to be done by the person who was not involved in the OD programme.
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The End
