

BSc. SEMESTER-V

DSE-PSY-02: HUMAN RESOURCE MANAGEMENT

Paper Code: BPSYDSHC2

Dr. Shabana Azmi

Assistant Professor

Department of Psychology, Sidho-Kanho-Birsha University

Unit: 4 Organizational Change: Concept and Model

The dictionary meaning of change as a noun is — ‘making or becoming different, difference from previous state, substitution of one for another, variation’ etc. We are experiencing changes in all spheres of our lives — food, drinks, clothing, relationships, ambitions, living standard, work, tools, techniques.

Change is the alteration of status quo or making things different than before. Change is the disturbance of equilibrium presently prevailing. It is any alternation that occurs in the overall work environment of an organization. Hence, Organizational change refers to the process of growth, decline and transformation within the organization.

Mr. John Bull defines organizational change as “When an organizational system is disturbed by some internal or external force, change frequently occurs. Change as a process, is simply modification of the structure or process of a system. It may be good or bad, the concept is disruptive only”.

Organizational change refers to the process of growth, decline and transformation within the organization. **Organizational change is necessary for companies to succeed and grow.** Organizations may change their strategy or purpose, introduce new products or services, change the way they produce and sell, change their technology, enter new markets, close down departments or plants, hire new employees, acquire other organisations become acquired by other organisations and what not ! In doing so, they may turn larger, smaller or stay the same in terms of size.

Organizational changes are of two types:

1. Reactive changes and
2. Proactive changes (planned changes).

1. Reactive Changes:

Reactive changes occur when forces compel organization to implement change without delay. In other words, when demands made by the forces are compiled in a passive manner, such a change is called reactive change.

2. Proactive Changes:

Proactive changes occur when some factors make realize organization think over and finally decide that implementation of a particular change is necessary. Then, the change is introduced in a planned manner

There are numerous visible and invisible forces, which are constantly affecting changes in organizations, a few of them may be enumerated as follows:

Technology — Tools, techniques, instruments, methods, procedures

Work force — Knowledge, skills, ambitions, expectations, needs.

Economy — Liberalization, globalization, privatization, breaking the barriers resource imbalance

Competition — Mergers, acquisitions, entry of new organizations, new products, lowering prices, better services.

Social trends — Nuclear families, working couples, late marriages, one child norm.

Political — Warning ideologies, new equations, transitory relationships, coalition Govts etc., single superpower.

Financial — New types of Finances and Financial Institutions

All changes are not similar in nature. Some changes keep on happening on their own and some are planned. There are three types of changes.

1. Evolution

2. Revolution

3. Planned change

When people are not willing or / and not prepared for facing the change, change comes gradually as a natural process, in small adjustments or shifts in response to emerging problems — this type of change has been called *Evolution*.

When people reach a state of readiness to resolve conflicts by applying force on others to comply through coercion or suppression, *revolution* takes place. When efforts are made to make others experience the need of change and determine the ideal or desired situation and striving to achieve the ideal or desired state through planned actions — *planned change* takes place.

Change Targets

There could be a variety of possible targets of change in an organization.

Few examples are:

- Vision, mission task, and goal
- Structure
- Strategy
- Systems, procedures, technology
- Organizational Values
- Management styles
- Culture
- Human resource : knowledge, skills, attitudes, values

PROCESS OF CHANGE

Change is process of moving from the current state to the desired state (vision) of future. Making a change involves, moving the organizations people and culture in line with the strategies, structure, processes and systems to achieve desired state (vision).

Existing Situation —→ **Change (Transition)** —→ **Vision (Desired Situation)**

The existing situation is the status, which is prevailing at the moment, what the organizations looks like now. The desired situation is the status which one desires to prevail; it is also called vision. A vision helps in clarifying—

- What do we want to become?
- How much needs to change?
- What the Organization should look like when the change is completed?

The transition state may be defined by ascertaining the activities and processes necessary to transform the organizations from its current state to the desired state — a road map — for specifying the activities, crucial interventions and events during the transition period. For making an organization move from the existing state to desired state some ‘force’ is to be applied. Some forces applied by the individual(s) undergoing the change oppose the force applied for moving to the desired state — this is called resistance.

Virtually every organization will, at some point, undergo a transition or change in order to remain feasible or alive.

Unfortunately, organizational change isn’t always easy to adapt to and can be intimidating for all team members who find themselves impacted by it. There are many models available to organizational change but what change model is *used*, depending on the situation and level of former organizational change experience.

Lewin's Change Model

A very simple change model was invented by social psychologist Kurt Lewin (Kreitner, Kinicki, 2007, p. 584). According to Lewin’s three step model, successful change in organizations should follow three steps:

- 1. Unfreezing,**
- 2. Changing, and**
- 3. Refreezing.**

This model assumes the change is planned and emphasizes that no matter what kind of change is being made (i.e. structure-, system- or behavior-related), people are always the root of the change. This model also places a heavy focus on reducing resistance to change by referring to two forces in an organization-driving forces and restraining forces. Driving forces are reasons people are motivated to change. Restraining forces represent reasons people are hesitant to change.

For affecting the change:

1. The Driving forces should be identified, assessed and intensified / added.
2. The Restraining forces should be identified, assessed and weakened / removed.
3. Both strategies are followed simultaneously.

With these forces in mind, *let's* look at Lewin's change model.

Stages of Lewin's Change Model-

1. Unfreezing- For making any change something has to be done in a planned way to disturb the status quo: this is called de freezing (unfreezing). For example, for a stagnant product, every product will remain stagnant and non-competitive leading to decay vertically down unless and until an external, innovative and relevant technology is proposed to cause its growth vertically upwards. This stage aim sat disturbing the existing equilibrium and creates motivation to change using mechanisms like — (a) lack of confirmation or disconfirmation (b) sharing one’s concerns and perceptions openly, looking in to feelings, removal of barriers of communications, induction of

guilt and anxiety and creations of threats by reduction of psychological safety, presentation of alternative scenarios etc.

In case of any change, the effort is going to face individual resistance and group conformity. These change efforts for overcoming the pressures of both individual resistance and group conformity. This stage is the preparatory stage for a change to occur and takes place as driving forces become greater than restraining forces. People are more motivated than hesitant to change. People prepare to make the desired change. However, to get to this point, a lot of resistance, such as fear of the unknown or breaking old habits, must be overcome. The following tactics may be used to reduce resistance. Each can be used in the appropriate setting.

Communicating the Rationale behind Change-

It is very essential that the people should know-why change? What is the motive behind change? What is that justifies change? People are eager to know the answer to these questions before they are asked to act upon. Hence, it is very essential to bring home the rationale behind the change which is possible through effective communication.

Keep people updated about the status of the change. Make employees aware of how the change will impact them, for good or for bad. One interviewee stated that not being transparent bothers people more than the change itself (V. Agnihotri, personal communication, September 11, 2012}. An interviewee, who was in the middle of a large organizational restructure, said that most people are willing to look past themselves and support the change if they can understand the "why" behind it.

Training- Give people the knowledge and skills needed to reach expectations.

Employee involvement -Include certain employees in decisions about the change. Allow them to share their ideas.

Stress management-Give employees opportunities to discuss with someone their concerns regarding the change. Sometimes simply knowing what is manageable (in regards to making adjustments to the change based on an employee's concerns) is all an employee needs to be satisfied that his or her concerns were taken into consideration as much as possible. Then this individual is willing to support the change.

Negotiation- Give employees something they want to persuade them to make the change.

Creating Conducive Atmosphere for Change- Change for the better is impossible unless the organisation has conducive atmosphere for change. The high yielding systems such as total quality management (TQM), total preventive maintenance (TPM), total cost management (TCM), six-sigma, re-engineering, cluster dynamics, re-organisation and the like are likely to fail because the management is disabled to bring about change in work-climate.

That is why Professor Victor S.L. Tan says that even the well-orchestrated change will fail if the environment is not conducive; the plans, efforts and morale get defeated along the way; thus, it is necessary to develop an environment that is positive for change.

Coercion- Give employees an "ultimatum": Make the change or be let go. This is an extreme example, but people don't change simply because they are asked to (C. Ganiere, personal communication, August 22, 2012). They need a reason to do so, and sometimes this method of reducing resistance is necessary.

2. **Changing/Intervening-** This stage is when the change actually occurs. People learn the new behaviors, *systems*, structures, etc. The steps to be taken for making the desired change should be planned considering all aspects — Tasks, Technology, Structure and Human Resource. This step aims at developing new responses by providing new information.

3. **Refreezing-** This stage is where the change is reinforced. This is done through feedback and organizational rewards for demonstrating the desired behavior. Refreezing stabilizes a change intervention by balancing the forces which have created the desired (driving forces) and those, which are inhibiting the changes to occur (restraining forces).

This stage helps stabilizing and integrating the changes. This is gained by integrating new responses into persons and into significant ongoing relationships through reconfirmation.

Lewin's model demonstrates the process of change in one of the simplest forms possible. Specific resistance-reducer tactics are outlined to facilitate the least resistant and least stressful change process possible.

References and Web link

1. <https://www.economicdiscussion.net/organisation/what-is-organisational-change/31897>
2. Calder, Ashley May, "Organizational Change: Models for Successfully Implementing Change" (2013). Undergraduate Honors Capstone Projects. 144. <https://digitalcommons.usu.edu/honors/144>
3. IGNOU Study material on Organizational development and change.