Organisational Change

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The term Change refers to any alternation which occurs in the overall work environment of an oganisation.

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Organizational change occurs when an oganisation transforms its structure, strategies, methods, culture and other elements to reorganize and restructure the organisation. It implies alternation of structural relationship and role of people in an organization. In simple words organizational change takes place when organisation makes a transition from its current position.

Features of change

- It results from outside and inside forces.
- A change in any one part of organisation effects the whole organization. For example any change in production department will effect the finance department, marketing department, personal department and other departments.
- It effects all the parts in the organisation but at varying degree of significance and at varying speed.
- It may effects people, structure, technology, working process, work environment, organisation policy and other elements of organisation.
- Change is inevitable.
- It is a continuous phenomenon. Oganisation has to manage it.

Why there is need for Change?

Change is an important characteristic of organization. An organisation must adapt with the environment otherwise it is left behind. It is important for organisation to assess the dynamics of external environment as well as internal environment. For better performance of employees, employees should change by incorporating improved methods of work in their working style. They require training and change in other work practices. Market conditions are also changing very fast as the needs, desires and expectations of customers are changing frequently. Similarly management also has to follow social norms due to spread of education in society. This requires for change in earlier traditional methods and orthodox thinking of an organisation. In organisation, technology is very crucial today and is changing very fast, so an organisation has to

adapt itself with new technology. Due to globalization no organisation can work in isolation. It has to change according to global world. There are also some changes required due to some emergency. For example due to Coronavirus, new way of online teaching is evolving in place of class room teaching. Change is also done by change in management as new manager brings his own ideas and way of working and prefers his own team. Change is also required to correct the existing deficiencies of existing structure.

Forces that create need for change

- Technology
- Change in Managerial Personnel and workers
- Market conditions
- Change in existing structure
- Social changes
- Crises and emergency
- Opportunity and threat
- To meet performance gap between goals and achievements
- Political, economic, legal environment
- Globalization

Levels of Change

Individual Level Change: For example, change in job assignment, physical move to different location, change in attitude and personality of person. Significant changes at individual level have its repercussions on the group to which individual belongs and further to the organisation.

Group -Level Change: For example, change in work flow, work design, communication pattern. Group has powerful influence on Individual. Informal group and formal group may resist for change. Effective implementation of change at the group level can overcome resistance at the individual level.

Organisation-Level Change: For example Change in goals and strategies, entry to new business, change in management, Joint venture, merger. These big changes in the organisation are required to adapt to environmental changes.
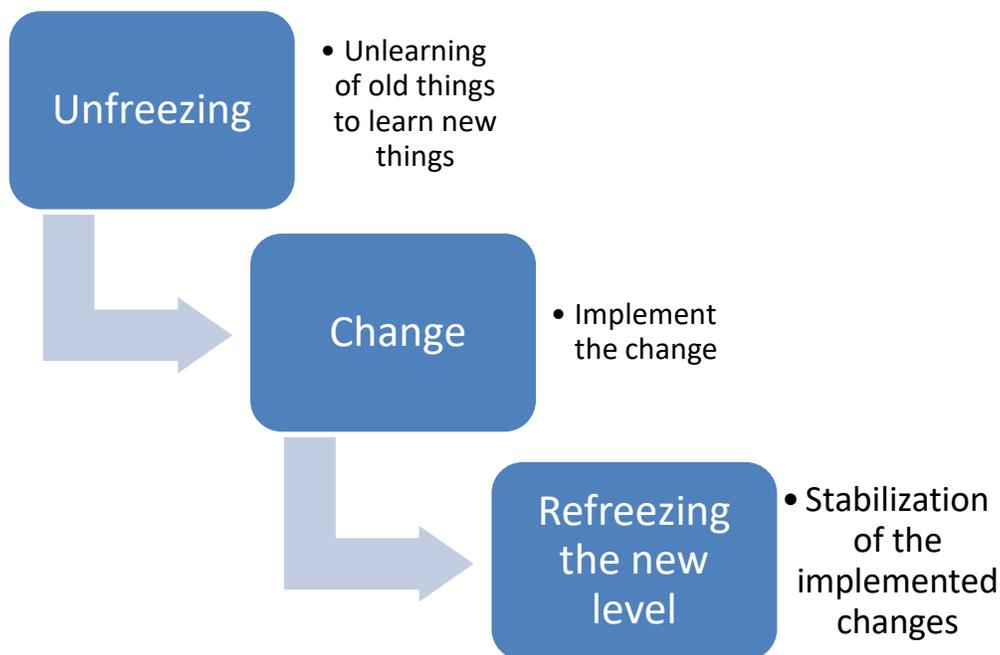
Types of Change

- Reactive or Proactive -Change may be reactive or proactive. When change is brought about due to pressure of external forces it is called reactive change. Proactive change is initiated by the management on its own to increase organizational effectiveness. For example if any technology of production becomes obsolete and organisation shifts to new technology as a consequence, it is r,eactive change but if organisation introduces new technology of production by its own to improve efficiency, it is proactive change.

- Strategic Change – change in priorities, like shift from product to service.
- Structural Change-   change in whole structure and in the pattern of relationship among various positions.
- Process oriented or people oriented Change- If change in process it is process oriented change, like introduce new method of digital accounting instead of paper form accounting methods. If change in training, attitude, behaviour and other personal characteristics of people, it is people oriented change.

Process of planned Change

Change could be planned as:

Unfreezing	• Unlearning of old things to learn new things
Change	• Implement the change
Refreezing the new level	• Stabilization of the implemented changes

Force Field Analysis

It is an important tool of planning change in organisation. According to force-Field analysis any behaviour is the result of equilibrium between Driving and Restraining forces. The driving force pushes for changes whereas restraining forces resist any change. While planning the change, manager should identify what forces are likely to push the changes and what forces are likely to restrain. If the driving forces are stronger than the restraining force, changes will be accepted by the people but if restarting force are stronger than change will not be easily accepted by the people...

Resistance to change

Resistance is the usual response to any major change. Individuals normally rush to defend the current situation if they feel their security and position are threatened. Resistance may be at individual level, group level or organizational level. The various reasons for resistance to change are explained below

Individual / Group resistance

Economic factors-   Employees feel fear of loss of job, salary, fear of demotion if they could not meet the requirements of change.

Psychological factors- Employees feel that their psychological needs like pride, achievement, self-fulfillment, convenience of job, and other related matter will be affected adversely by the proposed changes.

Social factors: Employees feel that their social needs like friendship, belongingness to informal group, company will be affected adversely by the proposed changes.

Trust Factors- If in an organisation there is distrust between management and employees, it will be very difficult to initiate change by the management.

Organizational Resistance

Threat to power: Top management may take change as a threat to their existing power and therefore they may resist to change.

Resource Constraint: Change may be resisted if oganisation has not adequate resources to introduce change.

Sunk Cost: Top management resist change if it has already spent huge cost in present system.

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Strategies to overcome Resistance to change	
Effective communication of change	Explain workers the justification of change and its benefits. Two way communication to deal with fear and apprehension of workers.
Consultation with leaders of informal group and union leader	Take opinion leaders and union leaders into confidence before introducing change.
Education and Training	Proper training of employees
Facilitation and support	Remove physical barrier in implementing change by providing

		proper training, tools, and materials. Also provide emotional support to employees during period of transition phase of change.
Negotiation	→	Offering extra incentives to those who are resisting change.
Manipulation	→	Manipulate workers to suppress their resistance.
Coercion and pressure	→	Forcing people to accept changes. It is a risky technique and should be wisely used.

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