

Managing Change in Organizations
Prof. K. B. L. Srivastava
Department of Humanities and Social Sciences
Indian Institute of Technology, Kharagpur

Lecture – 13
Diagnosing Organizational Change (Contd.)

Welcome back to this third week session and the last session we talked about various models and frame works to diagnose change, and we are going to continue that in this session also. So, in the last session if you remember, we talked about two different types of models that is component model and holistic models right. Now we discussed about some of these models in the last session and now we are going to discuss some more models. Some of them may be related to component model or some of the maybe related to holistic models.

Now what we are going to discuss today is some of these models which could be used in relation to other models are they could also even supplement those models which you have studied earlier. So, the objective here is to see that whether we can use more than one models or frame works to diagnose the change in a better and more comprehensive a or not. So, continuing our discussion, we move further here to discuss another important model which is very very comprehensive and exhaustive actually.

(Refer Slide Time: 01:31)

Four frame Model of Change				
	Structural	Human Resource	Political	Symbolic
Metaphor for Organisation	Factory or Machine	Family	Jungle	Carnival, temple, theatre
Central Concepts	Rules, roles, goals, policies, technology, environment	Needs, skills, relationships	Power, conflict, competition, organisational policies	Culture, meaning, metaphor, ritual, ceremony, stories, heroes
Image of Leadership	Social architecture	Empowerment	Advocacy	Inspiration
Basic Leadership Challenge	Attune structure to task, technology, environment	Align organisational and human needs	Develop agenda and power base	Create faith, beauty, meaning
Organisational Ethic	Excellence	Caring	Justice	Faith
Leadership Contribution	Authorship	Love	Power	Significance



It is known as four framework models. If you look at this four framework model, it also talks about similar things like the areas are scope of change like it is talks about whether you are going for a structural changes or you want to go for changes in the HR systems and practices or whether you want to go for some kind of political changes and symbolic which is related to the culture all right.

So, it actually defines the scope for change in to 4 different frameworks that is structural human resources political and symbolical or what you call cultural framework. Now if you look at these frameworks and some of the parameters against which these frameworks have been analyzed with these four frames have been analyzed include like metaphor for the organization. Metaphor means that how you are going to consider the organization right. However, going to identify an identity provided an identity to the organization right.

So, in a structural model, what happens? You are considering it as a machinery factory. And basically which is having some input, you are going to processes using machines and then you are going to have certain outputs right. So, you are basically talking about a structure of the organization and then how this is structure is being used to produce something.

The next frame is human resources. Now how are going to consider and treat people in the organization right. Whether you are going to consider them as a part of a family which is related to the client or whether you going to consider them as a factor of production right or something else? So, it depends upon that how you are going to consider people in the context of the organization. Do you consider the major factor of production or do you consider that they are acids their part of the family? So, we need to see that how we can have a better family or how we can see that how this factor of production can be optimized to provide better performance.

Then there certain political issues like in this, you are going to consider organizations as a political identity where people are going to identify the supremacy that that is what happens actually when you are going to consider organization as a jungle because that is where you are trying to establish of supremacy. You are trying to dominate others, you trying to go for some kind of manuring to get certain say favors right are you going to with hold certain things. So, all these frameworks are actually related to what you call

the metaphor of jungle which is basically related to the political framework and finally, we have symbolic or cultural frameworks right.

And this whether you are going to consider organization as a temple, as a place where are going to act in a particular role the theatre or a carnival where you are going to perform your role depending upon the requirement right. So, these are the symbolic identities which is being created for the organizations. For example, if you consider organization has a temple, then you think about work as a worship right. So, this kind of symbolic identity is created if you are considering organization as a temple.

Now coming to the next part of this discussion; so what are the various concepts? Basically if you are going for say structural framework so, you follow rules and regulations, you have goals and objectives, you have systems and processes, you have technology right. So, you need to analyze this thing and see whether it is working well or not and if it is not then you go for certain changes.

Similarly also see if you are considering people, then you are need to focuses upon they needs and expectations how the relationship is being build, what is to be done to improve them. If you are going looking at the political considerations, then you have to say that what is the power dynamics, how are going to manage conflict with the kind of competition that may exists within the group right or intergroup and what kind of policies are going to develop in order to manage these kind of things.

Coming to the symbolic framework here, you are going to see the kind of culture that exists right; whether people derive meaning out of it or not right what kind of ritual, ceremonies right stories which is a spread about the organization. The basic idea of creating this kind of culture is to see that people share similar norms and values which will help organization to be more productive, because if people share similar norms and values, then what happens? People identify better with the organizations and it create a better identity in the mind of the people. Coming to the leadership, basically you create a rural architecture where roles are defined reporting relationship is defined, who is going to do, what is defined. So, this you kind of what you call a architecture right a social architecture and then we are going to talk about the people are, you going to empower people.

So, that they can decide what to do how to do right and political framework you basically talk about advocacy, you are going to advocate are going to see that how things are going to move more positively and for that, you need to advocate about what need to be done and how we are going to manage power conflict and this kind of things. And finally, and when you are talking about the symbolic framework, how the culture is going to inspired people to go for innovation risk taking ability and this kind of things. And the kind of challenges that takes place in this kind of situation like yes, you need to see that how structure is going to be aligned with other factors. We all in talked about that that you need to go for some kind of refinement between say structure, technology environment.

Then this kind of things and here we are going to need align the need of the people with the organization and if you look the political framework, you have to clear very clearly defined the power base of the people. And here you need to create a culture where you are able to create some kind of good relationship trust faith right and the meaning that is going to be derived out of the work.

Coming to the ethics and values definitely, if you have things which is very very structured which basically relates to what you call in the better coordination and integration, then it is going to be excellent and you if you considering people. Then and if you have a very positive approach, then you talk about clearing of the people, and here you need to ensure that equity is maintained you are able to create justice for everybody. It means that we are going to fair and just and you are dealing with the people and this culture is going to create some kind of a (Refer Time: 08:37) people. So, that they were for the organization now how leadership is going to contribute. You can see here that yes leaders become some kind of say authors whether they are going to 12 people what is to be done and what not to be done.


So, basically in a structure you talk about command and compliance right. So, down the line, you see the if you look at the vertical relationship yes in a reporting relationship, you expect this kind of authorship where people are going to be guided controlled and let by the seniors and the managers and if you look at the HR yes you need to ensure that you have lot of action and love for the people who are going to work for you. And here in political, it is basically driven by the power dynamics what kind of dynamics is there. And finally, significance is basically relates to culture here you are going to see that how this cultural going to contribute to the goals and objectives of organization.

Now, if you look at this, four framework of model of change, you will find that you are going to analyze all these 4 areas based on certain parameters and then see where the problem is. So, the basic objective of diagnosing, these 4 frames is to identify where the problem is and then accordingly take necessary actions. So, that it could be done

(Refer Slide Time: 09:59)

Selecting a frame

Question	Frame if answer is Yes	Frame if answer is No
Are individual commitment and motivation essential to success?	Human Resource, Symbolic	Structural, Political
Is the technical quality of the decision important?	Structural	Human Resource, Political, Symbolic
Are there high levels of ambiguity and uncertainty?	Political, Symbolic	Structural, Human Resource
Are conflict and scarce resources significant?	Political, Symbolic	Structural, Human Resource
Are you working from the bottom up?	Political	Structural, Human Resource, Symbolic

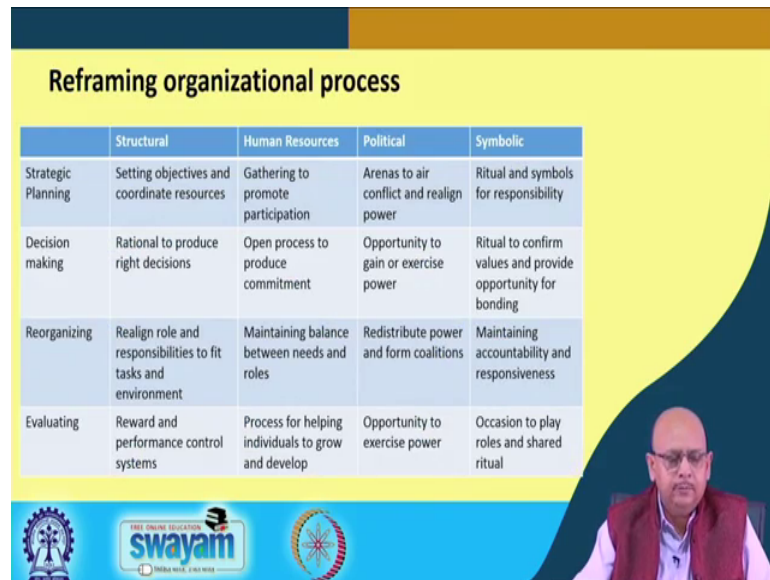


So, the most important thing that; however, to select a framework which framework has a which frame has a problem whether it is a HR or whether it is a structure or whether it is a politics or whether it is a symbolic right. So, the most important thing that you need to look at it that yes, you need to identify which framework is to used right. Then second question is that what is the quality of decision right whether if it is related to structure or HR or political systems or the symbolic systems or are the culture right and what kind of ambiguity exists.

If ambiguity is there, then you are going for looking in to the political base, the power dynamics and the cultural issues. If it is not, then you are look at this the structure h r issues, then whether the conflict and resource sorry a scare resources significant. Then again you are going to look at the political issues right; however, going to manage the power balance power dynamics and these kinds of things. And if it is not there, then we are going to look at the structural human resources.

So, you can say that if there is more objectivity, then you look into HR sorry structure and h r issues or otherwise if this less ambiguity sorry more ambiguity, then in that case we are going to look at symbolic and political issues right.

(Refer Slide Time: 11:23)



The slide features a table with the following content:

	Structural	Human Resources	Political	Symbolic
Strategic Planning	Setting objectives and coordinate resources	Gathering to promote participation	Arenas to air conflict and realign power	Ritual and symbols for responsibility
Decision making	Rational to produce right decisions	Open process to produce commitment	Opportunity to gain or exercise power	Ritual to confirm values and provide opportunity for bonding
Reorganizing	Realign role and responsibilities to fit tasks and environment	Maintaining balance between needs and roles	Redistribute power and form coalitions	Maintaining accountability and responsiveness
Evaluating	Reward and performance control systems	Process for helping individuals to grow and develop	Opportunity to exercise power	Occasion to play roles and shared ritual

At the bottom of the slide, there is a video inset of a man in a red vest speaking, and logos for 'SWAYAM' and 'THE OPEN EDUCATION' are visible.

Now, moving further once you have selected a framework, then you go for reframing the processes. So, suppose you look into the structural process. So, how going to re frame them? Are you going to bring about a change in the structure right? Are you going to take right kind of decisions? Are you going to redefine roles and responsibilities so, that it better fits to this task then environment? Are you going to link with the performance?

So the idea is that, if you are going to reframe any of these processes which is related to structure, HR, politics or symbolic then, you need to decide what kind of actions you are going to take related to that particular framework. For example, if you are going for structural changes so, whether this structural changes are going to define the roles and responsibilities of the people or there going to be changed in the reward and performance control systems or if the goals or objectives are going to be different right.

So, accordingly if you look at the HR issues that how if you are going to re frame the HR processes, then you are going to see that the whether you allow everybody to participate in the decision making process right, whether you want to see that people are committed to the organization right and then whether you are going to maintain a good balance between the needs of the peoples and the roles which are their performing and then you

are in a structural form you are going to see whether there is a better person environment with. And in this form human resource reframing, you are going to see whether there is a better person job fit.

So, that the person needs are fulfilled by what he is going to do especially related to the role and how you can invest in people to ensure that they grow and develop. So, that they contribute to the performance of the organization. Coming to the political framework: if you find that political framework is not working is not effective, then you have to see that how you can see that people are able to here the conflicts, and then whether there is a need to go for real aligning the power and that can also be done by changing the structural aspects. For example, if you move from say centralization to decentralization of decision making, what happens? It is going to bring about a change in the way the power is being balanced and managed all right.

So, it will also provide the opportunity to see that who is going to gain or excise power in the process in the structural change process right. So, what actually happens? The power gets redistributed right and more and more people are being empowered so, that they can use their power. And if you look at the cultural changes, if you want to bring about the, then you have to see what kind of rituals and symbols which you can relate with the responsibilities right.

So, you have to see whether these rituals are going to confirm the value system of the organization right and whether it is related to better bonding among the people right, because if you look at a strong cultures in the one of the objectives of having a strong culture in the organization is that people share intensely the value system of the organization and also the norms of the organization. And it is possible only when people the culture is created in such a way so, that people create better bounds right.

Then similarly you also need to see that we are going to create a culture where people are able to take risk whether they are moving to a more countable more responsible and responsible right and they also respond to the requirements of the organization. So, it is very very important is that let them allow to play these those kind of roles where they are going to better fit and see that how they are going to follow the norms of the organization and share the rituals of the organizations. So, basically when we are talking about re

framing the processes based on what you want your intended is relate to decision making planning or whether we are go for re organizing them, what needs to be done ?

So, you look at this frame you decide about which frame is not effective, whether it is structural frame, HR frame, political frame or symbolic frame and then accordingly you are going to decide about how are going to assess them, right.

(Refer Slide Time: 15:43)

Reframing organizational process

Approaching Conflict	Maintain organisational goals by having authorities resolve conflict	Develop relationships by having individuals confront conflict	Develop power by bargaining, forcing, or manipulating others to win	Develop shared values and use conflict to negotiate meaning
Goal Setting	Keep organisation headed in right direction	Keep people involved and communication open	Provide opportunity for individuals and groups to make interests known	Develop symbols and shared values
Communication	Transmit facts and information	Exchange information, needs, and feelings	Influence or manipulate others	Tell stories
Meetings	Formal occasions for making decisions	Informal occasions for involvement, sharing feelings	Competitive occasions to win points	Sacred occasions to celebrate and transform the culture
Motivation	Economic incentives	Growth and self-actualisation	Coercion, manipulation, and seduction	Symbols and celebrations



Moving further, you also need to ensure that how the conflict is being managed in a structural framework, how the goal is being set, what form of communication is being used, how the meetings are held and what is going to motivate employees, whether it is the economic incentives or something else right. This is related to what we call the structural framework. Now coming to the HR frame work, how you develop relationship right, how you get involvement of the people, and whether you go for open come open and transparent communication when you are setting the goals right. And whether you are able to exchange information which is going to fulfill the needs of the employees and they also feel a part of the organization.

And when it comes to meeting, are you going to them meet them formally are also informally and; however, going to share information with them and what is the motivation. The motivation here is not the economic incentives, but when you are looking for the HR and you want to make certain investments for the growth and development. The good thing is that you need to ensure that there is a growth and self

actualization. So, that people are able to realize their potential which they could use for the growth and development of the organization.

Income in terms of power dynamics or the political framework, you have to see that how you are going to balance the power right. So, which would create a better say bargaining and also create a win situation for all the parties concerned who are into some kind of power dynamics are related to each other. So, we also need to provide say opportunity to everyone to show their interest. And similarly you see that how the things are being manipulated in such a way so, that this power is balanced and maintained.

And then you also need to create win situation. So, any kind of competition the idea here is are not going to create either loose or win loose situation, but you need to create win situations. And however, going to manage this power, you can sometimes because manipulation sometimes you (Refer Time: 17:50) sometimes when you use threat also.

Then moving to the cultural part, you have to see that what needs to be done and to ensure that people follow us similar values and norms and then what kind of symbols and values you have developed for the organization which is going to be followed by the people and whether the directions from the top management or not. And then, you can use rituals, symbols, stories all kind of things to ensure that this culture is being transmitted through the employees among the organizations, and then you also celebrate right. So, that the celebrations basically provide better bonding among the people to ensure that they so, more identity and commitment to the organizations.

Now, the idea here is that based on these kind of I am say the parameters like planning, decision making, organizing, evaluating and then how you are going to manage conflicts goal setting communication meetings and motivation, you are going to reframe. And when you are going to reframe, you are going to make a bring lot of changes in that particular frame. And if you bring a change in one particular frame that you also need to ensure that this is also aligned with the other frames. Otherwise, if this is not a good realignment across these frameworks, then it is not going to be effective and it is not going to work.

(Refer Slide Time: 19:19)

	Structural	Human Resource	Political	Symbolic
Barriers to Change	Loss of clarity and stability, confusion, chaos	Anxiety, uncertainty, feelings of incompetence, neediness	Disempowerment, conflict between winners and losers	Loss of meaning and purpose, clinging to the past
Essential Strategies	Communicating, realigning and renegotiating formal patterns and policies	Training to develop new skills, participation and involvement, psychological support	Creating arenas where issues can be renegotiated and new coalitions formed	Creating transition rituals – mourning the past, celebrating the future

The slide also features a video inset of a man in a red vest speaking, and logos for Swamyam and other organizations at the bottom.

Also then it would create lot of barriers to the change right because if there is you are not being able to implement it successfully. Then, there is going to be there is going to be less clarity, instability people will have anxiety and a stress right they do not feel that there been empowered and people loose sense that whether their working and where they are working.

So, these kinds of things are there and that is why it is very very important. If you look at the strategies when going to reframe certain things need to ensure that it is being re aligned it is communicated right people are given opportunity to develop themselves into some of the knowledge skill. They are allowed to participate right. For example, if you go for re alignment of a structure with HR then you need to ensure that how people are going to develop and higher participation involvement in the organizational activates.

For example, if you say go for re structuring. So, whether the re structuring also require some kind of training, some king of say communication to the employees that in the re struttred environment and the re structured as a organization, how they are going to work, what would be there participation, how they are going to involvement, what kind of support would be provided by the organization. All these issues will be coming up. And then in this political frame work, you also need to see that. However, going to re negotiate the new collisions that you have form because if you go for structural changes and suppose you go for reducing the layers in the hierarchy, then what will happen? You

are need to re negotiate the new collision that has been formed because there has been some structural changes right.

For example, suppose you have four 5 levels of managers, then you reduce to 2, then you also need to manage the power dynamics because you have reduce the number of levels in the hierarchy. So, you need to go for a negotiation right and the new kind of organizational forms that have been formed how they are going to collaborate with each other right. And then you also need to create certain rituals light all right so, that you can celebrate the future.

So, if you look at this reframe reframing size, you go for identifying which frame is to be used, because that these are the 4 frame works then, select a particular framework, and then analyze that particular framework make the necessary changes in that particular framework. And then you move to other frame work and go for alignment of that particular framework with other frameworks and then only it is going to be implemented successfully.

(Refer Slide Time: 21:51)

	Structural	Human Resources	Political	Symbolic
Effective Leader	Analyst, architect	Catalyst, servant	Advocate, negotiator	Prophet, poet
Effective Leadership Process	Analysis, design	Support, empowerment	Advocacy, coalition building	Inspiration, framing experience
Ineffective Leader	Petty tyrant	Weaking, pushover	Con artist, thug	Fanatic, fool
Ineffective Leadership Process	Management by detail and fiat	Abdication	Manipulation, fraud	Mirage, smoke & mirrors

The most important thing here is the leadership and if you called the leadership issues in all aspects whether you are going for this change or HR change or political changes symbolic changes or the role of the leadership is very very important; how the leader is going to act in any kind of framework, if you are going for a change right. So, if you look at the leadership here is going to act as a architect, here is going to act as a several

leadership, here is going to act as a negotiator, here is going to act a profit right. Then the process is identified there like you need to analyze go for re designing, here you need to provide empowerment to the people, you go for coalition building here need to inspire. Then if you are not able to do this, this is what will happen.

It will not be good for the organization right. And finally, what would happen? It is going to fail, people will not be happy, power dynamics will change, people go for manipulations for certain all kind of things and here symbols would lose is existence that is why which is written as smoke and mirrors things would be not be clear that what is what are the norms and values that they need to follow right. There could be lot of un clarity about what kind of value system the organization is fall actually say identified and for which they want to go for. So, the role of leadership if you go for a bringing about any kind of change in the framework is very very important.

(Refer Slide Time: 23:29)

Four Frame Model

- How do you see the four frames in your organization/institution?
- What are the problems and the situation in which it is embedded?
- Which frames are in play?
- Which frames is most likely to leads to the desired change?
- How can the concepts, metaphors and values be used of that reframe be used to reframe the situation to resolve the problem?

The slide features a yellow background with a dark blue curved shape on the right side. At the bottom, there is a blue banner with logos for 'swayam' and 'INDIAN INSTITUTE OF MANAGEMENT BANGALORE'. A video inset in the bottom right corner shows a man in a red vest speaking.

Now, if look at this four framework model, these are some of the questions that need to be looked in to right. You have to see that how these 4 frames are going to fit in your organizations right. Whether you have analyze this 4 frameworks and see are able to identify which frame is important for your organization and accordingly you are able to identify whether the problem is with the structural frame work, HR frame work, symbolic framework or the political framework right. Because if you are not able to identify which framework, you need to analyze and go for some kind of restructuring; I

change this in that particular framework. You are not going to succeed or lead the desired changes right. So, you need to use those concepts metaphors that we talked about and values to reframe the situation so, that you are able to resolve the problem.

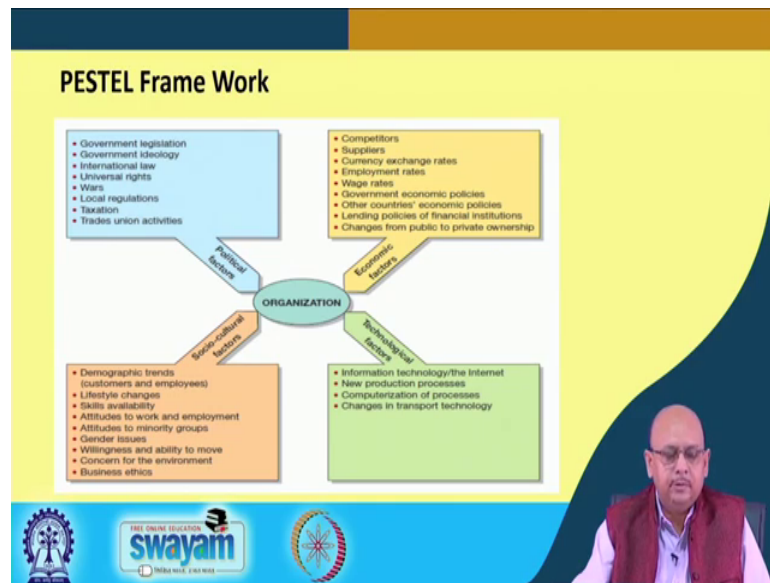
For example, you find that the reward and performance system is not link properly and it is not effective as it is not able to motivate people. So, it could be because of too related issues. One is HR systems and policies that has been designed by the organization and it could also be related to the structural aspects right. The movement you think that you want to bring about a change in the HR policies where you want to ensure there is a better alignment between reward and performance system. You also need to ensure that how this is going to change the structural aspects of the organization right, and whether we are going to create a culture of this kind where performance is being rewarded.

So, that people know that if you perform well you are going to be rewarded and that is where people are going to show the kind of value system to work hard and see that how this Harvard sorry hard work is going to lead them to better performance which is lend with reward out come. Because, in value system basically we talk about what are the values are, which you are going to work right.

So, if you want to work for better reward so, definitely you need to work hard right. But for that the management has to the leadership has to communicate this to the employees and develop a policy related to human resource management that how performance is being linked to the reward, what kind of mechanism is followed to link reward with the performance, and then it is going to work. Otherwise you will not be able to resolve the issue and it will fail.

So, the leadership is the very important analyzing the framework is very very important and then moving to the next part, you have to see that how this change in a particular framework is going to be aligned with other frameworks other frames.

(Refer Slide Time: 26:17)



Now, the next model of framework that we are going to discuss is known as PESTEL framework. PESTEL framework basically talks about 4 different factors which are going to influence the organization. And then you need to identify that what are those factors from all these 4 factors which is going to influence the organization and which one needs to for a change.

So, whether it is political frame factors or that is economic factors or that is technical factors or it is a social cultural factors right. For example, if you look at the economic rates, you see that who are a compotators, who are a suppliers whether you need to go for a change in that, what is your ways rates, what is the employment rates right. So, what kind of government policies are there whether there is a need to go for a change in the economic factors or whether there is a need to go for technical factors.

For example, whether you need to bring a new it systems right, new production process right or whether go for whether you want go for computerization of the process right. These are some of the examples or whether you need to go for a change in the transportation technology. For example, you want you want to truck certain things you are using GPS. So, it could be one of the changes that you want to bring in the transportation technology, it to better try becomes assignments right.

So, the idea here is that whenever you are using this PESTEL framework. It is stands for political economic socio cultural and technical factors. So, this basically talks about

where the problem is whether it is related to the political factors, social cultural factors, the economic factors or technical factors where the problem is and then you need to identify that how you are going to handle that particular factor to bring about a effective change.

So, if you are going to implement the change using this framework, you need to analyze your organization with respect to these factors and then identify what needs to be done.

(Refer Slide Time: 28:23)

Scenario Analysis

Scenarios are specially constructed stories about the future.
Every scenario represents a different but plausible world.
The objective of scenario planning is to show how different forces can manipulate the future towards opposite directions.
Scenarios enrich our mental maps and increase the number of options to act on coming events

Stages to Scenario Analysis

- Identify Critical Factors
- Generate Alternative Futures
- Develop Scenarios
- Develop Scenario Strategies

The slide also features logos for Swamyam (Free Online Education) and a speaker in a red vest in the bottom right corner.

What from this you also do some other kind of analysis and one of the very popular method that is used to identify what kind of changes you need to bring in the future is scenario analysis right. So, scenarios are created about the future and you are going to construct these kind of scenarios about the future by identify the kind of environment in which we are going to operate tomorrow; what kind of technology would be there, what kind of environment is going to be their right.

So, the basic object of scenario planning is see that how the different forces both the environmental forces, external environmental forces and internal environmental forces, how they need to be manipulated to create a scenario of the future in which you as a organization is going to leave tomorrow right. So, you need to identity a future scenario for your organization right. And if are able to identify a future scenario and then, accordingly you bring about a change in your culture, your structure, your technology, your people related issues right, your a strategy. And then you see that whether there is a

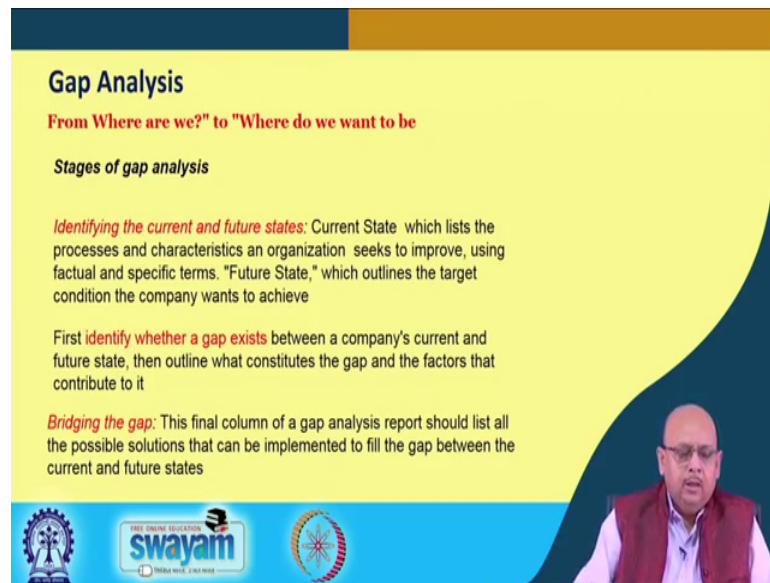
better alignment between the kind of scenario that you have been thinking about the future and what the kind of changes that you want to bring focusing on a structural system technology and HR right.

So, if you look at the various stages. So, you need to first identify those critical factors both related to the internal factors and external environmental factors, then you need to create scenarios. And scenario could be alternate like scenario 1 where you think about yes, you find that there is going to be a change in the technology. scenario 2 where there is no going not going to any change in technology say scenario 3 where you think about in future there is going to be more economic recession more inflation. Scenario 4, whether it is going to be no recession right the less inflation right better GDP, better economic growth.

So, you based on these economic, social, cultural, technical factors and combined them together, you create a scenario for the organization. And then you try to align your organization to ensure that what kind of changes you need to bring in those forces are; those areas which you can say whether it is want to bring about a change in a structure, system, technology or HR policies or culture which is going to have a better fit with different kind of scenario.

So, scenario we are not going to create just the one alternative, but you can create more than one alternatives and then for each of the scenarios, you create a strategy for a change by bringing about a change you know structure systems technology and other things.

(Refer Slide Time: 31:29)



Gap Analysis

From "Where are we?" to "Where do we want to be"

Stages of gap analysis

Identifying the current and future states: Current State which lists the processes and characteristics an organization seeks to improve, using factual and specific terms. "Future State," which outlines the target condition the company wants to achieve

First **identify whether a gap exists** between a company's current and future state, then outline what constitutes the gap and the factors that contribute to it

Bridging the gap: This final column of a gap analysis report should list all the possible solutions that can be implemented to fill the gap between the current and future states

swamyam
FREE ONLINE EDUCATION
THINKING WITH A DIFFERENCE

So, what actually happens? You see that where you stand currently what kind of scenario you are going to face tomorrow based on those factors and then what is the gap.

So, you try to identify the current and future states future states which related to particular scenario, what kind of characteristics with this future scenario will have right and then what is your current status and based on that is you can identify the gap right. So, you have a current state and a future state and the gap is to be full filled and for that gap you are going to create a strategy, how you are going to do that gap by identifying those factors which are important and then taking action some them.

So, it means that you need to look in to some solution. So, that if this particular scenario is there tomorrow, your organization is going to better fit that with that particular scenario. So, that your computing a more effective.

(Refer Slide Time: 32:33)

Five Elements of Strategy

A strategy consists of an integrated set of choices. These choices relate to five elements managers must consider when making decisions: (1) arenas, (2) differentiators, (3) vehicles, (4) staging and pacing, and (5) economic logic.

The diagram illustrates the five elements of strategy in a diamond shape:

- Arenas** (Top): To whom shall we "sell"?
- Vehicles** (Right): How will we capture the market?
- Differentiators** (Bottom): How are we unique?
- Staging & Pacing** (Left): How fast do we move? When?
- Economic Logic** (Center): How do we make more money?

Now we will discuss another important issue where you are talking about strategic changes right. So, some authors have talked about 5 elements of this strategy and this is nothing else, but the choices that you have as a manager in an organization when you are going to take decisions right and these choices could be identified as arenas differentiators. So, vehicles through which are going to achieve them, and finally the staging and placing and how we are going about it and finally, the economic logic.

Now if you look at this, you can see this is the arena right arena means we talk about how you are going to sell your products and services and who will your customers right. In case how you are going to capture the market, differentiators how your products and services their going to be different from others. And finally, how fast you can move and how and, but the basic the important thing here is the economic logic.

So, you go by utility perspective to ensure that the organization maximizes your profit by developing certain strategies, and for that you need to do some kind of analysis to identify these 5 elements of the strategy right.

(Refer Slide Time: 33:49)

Five Elements of Strategy

Arenas indicate where the business will be active, and how much emphasis will be placed on each area. It encompasses choices made about where to compete: the external environment such as product or service markets, geographic markets or channels

Differentiators refer to attributes that enable a company to distinguish itself from its rivals and gain market share. It can include image, price, reliability, and other key inputs

Vehicles are the means for attaining the needed presence in a particular product category, market segment, geographic area, or value creation stage.

Staging and pacing refer to the sequence and speed of strategic moves. This element helps identify decision points since strategic moves don't have a single possible pathway.

Economic logic refers to how the firm will generate profits above its cost of capital.

The diagram is a diamond shape with five segments: Arenas (top, orange), Staging & Pacing (left, purple), Economic Logic (center, white), Differentiators (bottom, blue), and Vehicles (right, green). Each segment has a question: Arenas: 'To what end or "why"?', Staging & Pacing: 'How fast do we move? When?', Economic Logic: 'How do we make money?', Differentiators: 'How do we stand out?', Vehicles: 'How do we capture the market?'.

Logos for IIT Bombay, Swayam, and a circular emblem are at the bottom left. A video inset of a man in a red vest is at the bottom right.

Here these strategy are mentioned and if you look at the 5 important elements like arenas for example, you need to identify what kind of business is going to be more important right, what kind of choices you have in order to compete in the market ; the given the external environment right. What product and services you are going to offer right, the how you are going to differentiate your product and services compare to others, then vehicles how we are going to achieve them that strategy that you have been right for market segmentation as a graphical segmentation or you are going to create value at certain stage of the production and services which differentiate you from other. For example, for a new product or adding new features for a product, are you providing new kind of service?

So, these are the vehicles through which you are able to maximize your profit. And then how would you go about it? The speed of the changes very very important; how fast you can take decisions for example, you say that you want to go for a new product, how fast you can launch your product right, how fast you can implement a new service in your organization.

So, the staging and placing is very very important right, because if you do not go for this probably will not be able to understand that when you are going to offer a product or service which is going to differentiate you. So, that this economic logic is achieve it means that you are able to make or maximize your profit right because ultimately in the

in the objective of any organization. If it are not nonprofit organization, any kind of organization is to generate more revenue for the organization, because that is how you are going to satisfy your stake holders.

(Refer Slide Time: 35:35)

Other models and Frameworks

Newsflash exercise:
This is an exercise that encourages managers to be very specific and succinct about change and clearer about the intended outcomes.

Cultural web:
This provides a way of mapping the organizational culture through seven elements – paradigm, rituals and routines, stories, symbols, control systems, power structures and organizational structure

Structural dilemmas:
Six possible structural dilemmas that can be encountered during change are diagnosed so areas that have been "traded-off" during the change process can be identified

The Boundaryless Organization:
Success is arguably achieved only if four types of organizational boundaries are diagnosed and reduced. These are vertical, horizontal, external and geographical boundaries.

The slide also features logos for IIT Bombay, Swayam, and the Ministry of Education, Government of India, along with a small video inset of a man in a red vest.

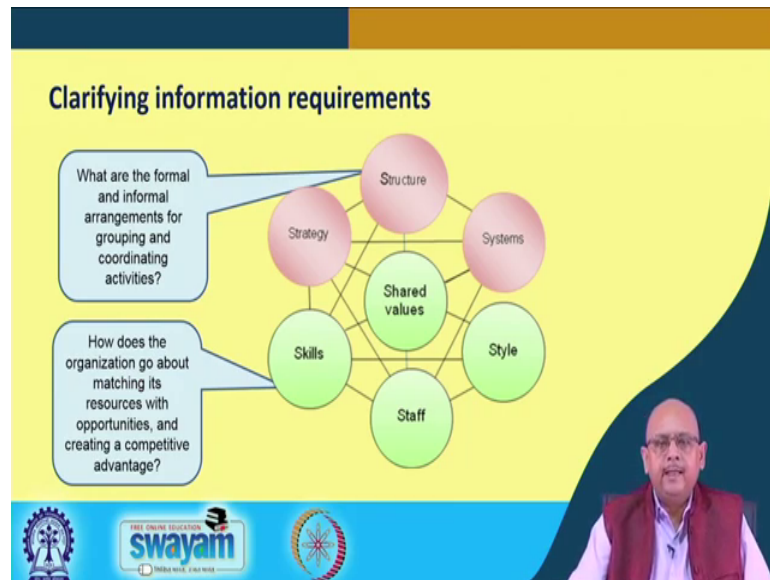
Now, there are various other models about which I will not discuss much, but just give a very brief overview about it like news flash excises where you are going to conduct a specific changed right. I have a specific excise to encourage managers. So, think about the change and what could be the intended the outcome and you create a cultural web is. It is basically related to bringing about a cultural change in the organizations. So, you identify what kind of ritual, routines, story, symbols; you need to prorogate right what kind of power structure or what kind of structure you want to bring about, then you also create a structural dilemmas.

So, you identify a different kind of a structure and see which is structure is going to be more important which is structure is going to facilitate effect performance and you can also move to become a boundary less organization. Boundary less organization basically are those kind of organizations where these structure issues are not their right. Because a boundary less organization is something which is neither vertical nor horizontal right nor it does not have any kind of physiological boundaries also right.

So, boundary less organizations could be say networked organizations which could be spread across regions across geographies across products and services. So, this is a new

form of organizations which could be thought of, but for that what you need to you is that you need to identify whether you can go for it or not right and how this is going to reduce your problems right.

(Refer Slide Time: 37:03)



And then once you have done these kind of analysis related to most of these frameworks and models, you need to identify where the problem is right. So, whether for example, if you look at this is related to the MAC is 7 framework right. These are the soft and these are the hard aspects of that so, whether the problem is related to structure a strategy as something like that. So, once you are able to do identify that then you have to see that how this is going to be aligned with each other.

So, you need information about that particular system and how the system is being going into be coordinated with other systems right. So, clarifying information is very very important.

(Refer Slide Time: 37:43)

Information gathering and Analysis

1. interviews
2. questionnaires
3. projective methods
4. Observation
5. unobtrusive measures

- Qualitative techniques
- Quantitative techniques

And then you collect the information both qualitative and quantitative through various methods of collecting information like interviews, questionnaires, observations, other measures, unobtrusive measures where there is no say obstruction. So, using these methods you try to collect information about these components our systems to find out where the fault is. And ultimately you are able to interrupt what is happening.

(Refer Slide Time: 38:07)

Interpretation

Change managers using the McKinsey 7S model can construct a 7S matrix to aid interpretation

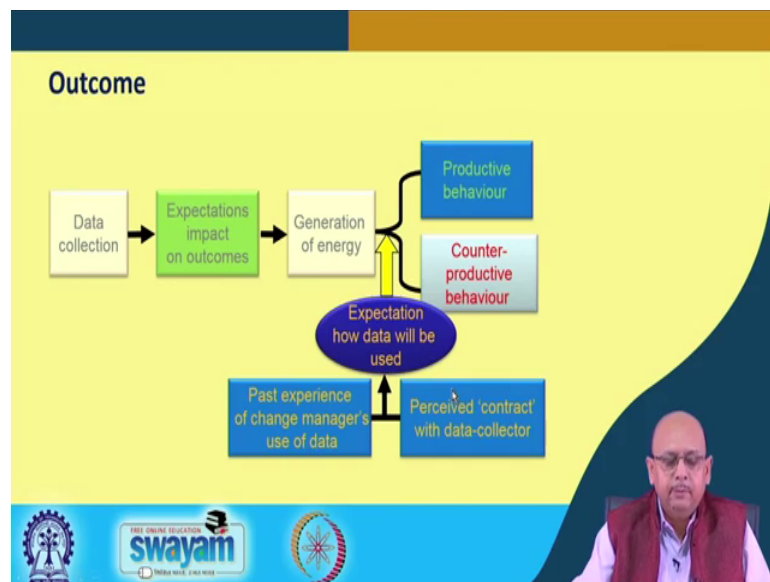
Strategy	Structure	Systems	Staff	Style	Shared values	Skills
Describe Strategy	Strategy/structure alignment	Strategy/systems alignment	Strategy/staff alignment	Strategy/style alignment	Strategy/values alignment	Strategy/skills alignment
	Describe Structure	Structure/systems alignment	Structure/staff alignment	Structure/style alignment	Structure/values alignment	Structure/skills alignment
		Describe Systems	Systems/staff alignment	Systems/style alignment	Systems/values alignment	Systems/skills alignment
			Describe Staff	Staff/style alignment	Staff/values alignment	Staff/skills alignment
				Describe Style	Style/values alignment	Style/skills alignment
					Describe shared values	Values/skills alignment
						Describe skills

So, one example that I have taken here is that how change managers are using McKinsey 7S framework. So, the relative strategy, structures, system, staff style shared

values and a skill. So, this information is actually coming from where from the analysis and interpretation of the data that you have collected through various sources. For example, a staff see whether the whether staff is aligned with strategy are not right.

So, you need to describe each and every thing and then you think about the alignment. If you are not thinking about the alignment, then you cannot think about say when you are going to talk about the coordination right. So, what is more important is not only identifying which component is not working properly whether there is a need to go for a change, but also see that how we are going to ensure that this is going to be aligned with other systems and processes right.

(Refer Slide Time: 39:09)



So, this interpretation is very very important because once you have collected data also you need to look at outcome because outcome is very very important for productive behavior. If the outcome is not good, then it mightily to certain counterproductive behavior which is not good, it means that then you are not going to implement change successfully, right. So, it depends upon; however, the data is need to be used and whether this data is able to successfully lead to better alignment between those factors are not, right. And then it all depends upon the kind of the data and experience their managers have in handling, then in order to produce the desired behavior right.

So with this, we are going to conclude decision.

Thank you very much.