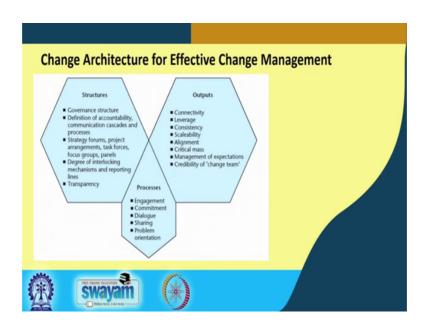
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Lecture - 37 Strategic Convergence and Learning from Change

So, I welcome you to this 8th week session where we had been discussing about the turnaround strategies. And in continuation of that we are going to discuss about another important issues related to the change and that is strategic convergence, when we are talking about a strategic convergence and learning basically the idea is that this convergence happens, because different kinds of activities converge with each other to ensure that changes successfully initiated executed and implemented.

Another important issue related to strategic convergences is that when one change is initiated, this facilitates this also requires other kind of changes to happen. And then different kind of change that happens together, converge with each other to provide some advantage to the organization and then we also learn from these convergences that what needs to be done in order to ensure that the change is effective that we are going to discuss later.

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Now, when we are talking about convergence and strategic convergence especially first of all let us look at the architecture that, how we proceed as we have discussed in previous lectures that the three important areas or blocks you can say, related to effective change management. And the first one is that you need to look at the structure of the change that happens.

Then how this goes on the process of the change and then you also look at the outcome. Now, if you look at these three different features of the change architecture, which is related to structure process and output, you can see that what kind of structure would be required to ensure that changes facilitated and it is implemented successfully.

And if you look at this you can see that the different viewpoints like convergence happens only because you have a good governance structure, it means that how people perform their owns and relationship, what kind of relationship is there what kind of rules values and beliefs are there. So, that is what is related with the governance, then accountability of the people.

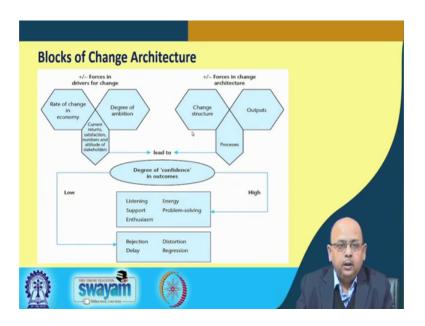
So, whether people feel responsible and accountable for what they do or not, but kind of communication strategies adopted what is the process of communicating with each other, vertically and horizontally both then what kind of strategic objectives is there related to the change, whether you have considered it considered it as a part of the project management, whether you have identified the task forces which will be required to implement the change. And then what kind of interlocking mechanism and reporting lines are there, how people are elected interacting and how the reporting across verticals happens and then the most important thing is that the level of transparency that exists in this structure.

So, structure is another important variable which needs to be looked into then you look into the process the how it goes about it. And there looking to various process is like engagement commitment, what kind of dialogue is there how people share the information, whether people have problem orientation are through these processes actually and this structure in it enables organizations to achieve certain level of outputs in terms of how people get connected with each other building relationship, how they get leverage how they main consistency across their activities, how they can scale up the things.

How one kind of change is aligned with any kind of change, then whether you are able to achieve the critical mass or not well I talked about it, then some something that happens I

mean your expectations how it is being managed by the people in the organization and then how credible the change team is. If the credibility is there you are able to manage the expectations to achieve the critical mass that is required to alignment and these activities, then you can say that yes the changes effective. So, the basic idea is that you need to create the architecture for the change the but if you do not create an architecture you do not define everything in terms of structure and processes, it will be very difficult for you to achieve these outcomes.

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Moving further if you look at this outcome, then you can see that they are different blocks related to what they call the change management.

Now, it depends upon the positive forces and negative forces, which are which you are calling basically the driver for the change right. Now, these forces can also act as positive forces driving forces as they could also act as a stunning forces. So, that is why we call it positive or negative forces.

So, the same force may act as positive force or also act as a negative force. Now, the most important thing here is you can look at it that what is your ambition, how ambitious you are how ambitious your plan is so, far the change is concerned with a really concerned with it or not we will talk about it. And another important thing is a change that is happening in the economy overall economy.

And then what is the outcome in terms of returns satisfaction, what is attitude other stakeholders? So, all these as a driving force if you find that it is a better return to change in the economy, the economy is moving up there is a better growth prospects ok. You are really ambitious and you find that yes the returns satisfaction stakeholder's attitude is positive, then this convergence is with what we call the force of change architectures, this is the forces of change architecture that we have talked about like a structure output and the processes. So, these to converge with each other they lead to what you call the confidence it means that, if it is positive this is also positive then you can expect that the outcome would be much better positive, but if these forces are negative, then the degree of confidence is going to be low and that is why we call this side you say it is said as low or this side is high.

So, if they are a positive forces on both sides, then it would lead to better outcome and you will have confidence to achieve those outcomes in terms of what listening support enthusiasm from the people, energy and problem solving from the people who are actually involved in the change process.

And if it is low then the change is not going to be successfully implemented, because people are not going to accept it as there is low confidence, they are not confident that these objectives is possible to be achieved and that is why they could be rejections from the people who are participating in the process, they might distort the things ok. They might even go back regression has regressed their activities moving ahead and then going back so, if they are doing certain things then they step back they said no the whatever you have been doing so far is good enough. So, let us not move ahead or even they also adopt the (Refer Time: 08:04) delay in the things.

Because they are not confident enough that whether it is possible to achieve the expected outcomes are not. So, it is very important to ensure that you change architecture is designed properly in terms of a structure processes. So, that you are able to achieve those outcomes and then also see that the forces for the chains are very positive right.

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	Convergence level	Ригроѕе	
Level 1	Component/product convergence	Product innovation	
Level 2	Functional convergence	Process innovation	
Level 3	Organisational convergence	Organisational value chain efficiency	
Level 4	Technology convergence	New technology, product innovation	
Level 5	Industry convergence	New industries, customer value innovation	
Level 6	Bio-artificial systems	Ubiquitous innovation	

Now, moving further if you look at the convergence level and the purpose why we converge and what is the basic objective of this, this convergence a convergence happens at different level look at this. Now, if there is a convergence at the product level it means are Indian efforts our India efforts have got something to do with it and, then it results in product innovation means that you are coming out with a new product.

Means all convergence related to product activities here production activities may lead to an output which is known as product innovation, functional convergence if you are going to change the structure systems and processes and they converge with each other, then you are going to high improve processes right. So, there is a process innovation.

When organizations converge with each other organization convergence happens it means among the departments people and other things, then value chain efficiency it means that, you are able to create a value chain which is going to be very efficient, what I mean by values changes for different kinds of activities which is happening in the organization.

Then if technology convergence happens it means, it lead to a new technology or a new product. Then if we industry convergence if we are working in a particular industry in all industries come together to do certain things, then it could be new industry or there could be some kind of value for the customers. So, the ultimately the customer is going to be benefited out of it. And then if it is a bio artificial in systems which is going to change,

then the kind of innovations that is going to be there it would be much better that is why it is called ubiquitous means something that is going to be different and it is going to help people to ensure that it is going to improve their life quality and also satisfaction.

So, you can see that how convergence is happening at different level, starting with the product function organization technology industry. And this leads to different kinds of innovations at different level. And that is why we are talking about convergence and if strategically organization define that we need to go for these kinds of convergence, then with have a specific objective whether there been product innovation, process innovation, technology innovations or customer innovation right.

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Now, I am taking certain examples here that how this convergence happens related to products and services for example, if I going to talk about product convergence. So, look at what happens cell phone how its different activities within the product right convergence with each other to give a cell phone which is going to be smarter than what it used to earlier. So, it is not going to act only as a telephone, but you also have information access to internet it also has a camera, you can pay play games also right.

So, if you look at the cell phone which perform different kinds of activities all of them converse together in a product, this is known as cell phone right like a coffee, when you are going to soya milk say decaffeinated diet frappuccinos all this milk are must together to make a coffee. So, coffee is your product where you are going to include all these

things right. Functional convergence means that you are doing certain things which is called lean manufacturing which is very asile, whether you are going to save and time which is a little just time inventory where you also try to maintain quality, all kinds of things is related to what you call lean manufacturing where you are do not have inventories right.

Some examples that is given here like McDonalds hamburgers fast service consistent quality, entertainment for kids. Another example that is related to organizational convergence say steel industries, where there is a movement from mass production to mini mills small steel mills have come up right, one example that is given here like banks, where you can not only check accounts, but also see what is their savings mortgages you can even pay the bill and many other services that banks offer through internet services right. So, this is where organization converge together to offer certain services with each other, like technological convergence leading to hybrid cars right, then industrial convergence like a Starbucks coffee right.

Then industrial convergence you also have political advertisements ok, from speeches to posters and then if you look at the services again you will find that e-Bay is a e commerce company right. How they have gone for industrial convergence right, then e commerce revolution, then bio artificial systems like medical testing x rays MRI's which in services like Chinese medicine. So, all this is going to provide better quality services and also more accurate better quality services. So, that you are able to see that what is actually happening right.

So, with these examples and I am trying to make you understand that these convergence or production services are always good and that is why you go for different kinds of convergence. And then you adopt a strategic to ensure that these convergence happens.

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Now, moving further when we move from convergence to strategic convergence, basically it is a new model for change what I am trying to relive here is that if you are going for one kind of change, then it is not going to be strategic in nature, because the convergence is not going to happen. Convergence happens when different activities merge together in a system like a cell phone which is a product is the converge product, where you are going to have different kinds of activities together right.

So, any model of change must take into account of the reality of the multiple and concurrent changes. So, you make sure that multiple changes are happening and they have they are happening simultaneously right and this depends upon how ambitious you are so far your change plan is concerned right. So, if you are more ambitious about the change that is possible to see that this change is going to be more successful, provided you have a good architecture in place see good what you call a robust change architecture in place. If they have changed architecture is not good, then probably it would be very difficult, because the driving forces and the forces positive and negative forces related to the change architecture does not lead to develop the kind of confidence which would require for the convergence right.

Now, related to this there are two major statements, that is if we assume that change proposals with less ambition is not going to be successful, because you are not even

starting with proper plan right. And it is not possible to meet the challenges which our mission is facing with the current change plan, because it is not very ambitious.

Similarly if we accept that it is possible to propose changes which is very ambitious right that is also want to fail. So, in need to ensure that you are going to have a plan which is going to be very ambitious, but it should also be very real right. Neither is going to in sufficient are less ambitious are very ambitious are very high ambitious. So, both of them are not going to help you to achieve the goals and objectives of the organization or the change plan.

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So, if you look at this new model for organizational changes which we call a strategic convergence. So, it depends upon two things the kind of ambitions that you have, make sure that you have appropriate ambition neither very overt nor covert right and then you also make sure that you have appropriate change architecture right. So, this is related to what you call the appropriate structure, resonance the culture leadership and accelerator. So, all these factors converge together to ensure that your change plan is very ambitious and you have a good change architecture. So, all these converse together you can say to ensure that you have a good architecture of change to ensure that it is going to be successful.

So, what we are going to discuss now is this various factors which is related to strategic convergence one by one.

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And the most important thing is the ambition in the change right. So, ambition in the change is basically related to what can ambitious plan you have related the change. So, if you go for a to propose any kind of change right and you want to achieve certain objectives with that particular change, depending upon the kind of skills that people have and the capabilities and resources.

So, you can see that in each change plan and objectives going to be successful if it is matching with the skill capability and the resources, will not have a scale capabilities and resources your change plan is not going to be successful right or achievable given the organization ability to fill gaps in its profile of the aforementioned. And if there is a gap in a skill capabilities and resources is it possible to achieve the goals and objectives no it is not possible. So, it is very important to ensure that people have the skills and capabilities and organization has the resources to ensure that any change plan that is proposed is meeting its objective right.

And that is how when we go about defining the ambition is related to what competitor organizations are seem to likely to achieve it means, that you should be ambitious enough to compete with your counterparts are other organizations who are working in similar industries. If you are not ambitious enough then whatever change is being proposed by you and through which you want to meet certain objective, it is not possible for you to meet them, because your competitors are way ahead. So, if your competitors

are way ahead then even if you have set a plan and have the capabilities resources it will be very difficult for you to achieve it. So, you need to ensure that whatever activities you are going to take up right in the organization and look at our ambition right and make sure that our ambition is the best one right.

And ambition depends upon what the skill capabilities and resources right. So, that you are able to compare it with your counterparts are equivalents anywhere are compared to the world's best. So, if your ambition is comparable to others and it is best in class given these cap skill capability in a resources and there it is possible for you to achieve those goals and objectives.

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Now, moving further how we can how we are going to have an ambitious plan, or ambitious program for change. It depends upon if were able to identify these characteristics and ambitious plan of change should have these characteristics, it means it should be related to what you call creative destruction, it means you have infrastructure departments and activities and resources, which is going to ensure that your ambitions program for change is successful, then whether they will change plan is going to deliver a clear and distinct growth in the value of the business are excellent or the activity of the organization.

If it is not going to provide a distinctive value it is not going to add any kind of value then your program is can cannot be said to be ambitious, then how it is meeting operational efficiency the change plan has to deliver clear and distinct operational efficiency operational efficiency here you can say so, that to improving quality right reducing cost, saving time, increasing efficiency operations so, all this is related to what you call operational efficiency ok. So, if it is able to help you to improve then you can say that your program is ambitious, then how it is going to integrate. Various sources of knowledge internal as well as external related to organization its client's markets and competitors right.

So, if it is able to integrate well then you can see that this program is more ambitious otherwise start and finally, what kind of other changes are happening in the organization. So, concurrent changes if they are happening in the organizations that is also important right. So, you need to ensure the not integration with external and internal resources, but also say that the all simultaneous changes are happening are also going to be integrated with each other right and that is how we can say that based on these characteristics you are going to have any ambitions program for the change.

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Now, moving further if you look at the components of the architecture that we have been talking about right, it includes what engagement from the top team a steering process, to ensure that leadership is effective right.

A process for integrating the work streams what are the different activities and how these activities are going to integrate it with each other right, it includes what task and

resources. So, various tasks and various sources how we can optimize integrate with each other right, then infrastructure whether you have appropriate entire infrastructure in place or not, if we have appropriate an infrastructure is not in place.

There will be very difficult to achieve the goals and objectives, then about the people what kind of HR policies and practices you adopt, because your compensation your management system your performance management system all this is very important. So, you need to ensure that these HR policies are going to support it and if it is not, then you go for some kind of transition in the policy and put an appropriate process which is going to be supportive to the change.

Then when you are going to implement change see that what kind of support is available in terms of resources infrastructure, top management people engagement all kinds of things. And then also look at operational and other departments how they are going to support these kinds of activities right. So, we have already talked about the structure of the component, especially will to that change architecture and then we will looked into the process and also the outcome.

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So, what kind of structure would be required, because you need to ensure that you have an appropriate structure, what I mean to say by an appropriate structure is that how what are the different processes, how this process are being deployed. To ensure that all the operations are going to support the change right, up here we are going to talk about

different kind of structure like performance management systems the governance system, risk management system what are the unintended consequences which is likely to happen related to the change.

So, you also need to ensure that your performance management system is going to support the change, here you need to have a performance management system which include one what is the budget for the reverse ok, how report on a monthly basis with they were able to reach your targets or not, but kind of key performance areas a indicators you have, whether you use balanced scorecard for measuring the performance or not what kind of performance appraisal system you use all this is related to what you call performance model systems. If you need to ensure that to put an appropriate performance management system in place to ensure that it facilitates change then the governance structure.

Governance structure basically the related to the arrangement regarding the accountability who is going to be accountable for the change. So, if you have a good governance system with defined accountabilities for all the people that is good, then risk management because any kind of change involved from risk, because change is ready to the future and any kind of future activity entails some risk because you do not know what kind of consequences it will have right.

So, you need to assess the risks in terms of both the change outcomes and also the risk of disruption with implementing change, whether what kind of change that you have been expecting and whether it is possible for you to assess there is a similarly when you are going to implement the change what kind of risk is associated with that one. So, you need to assess both.

Then unintended consequences there are certain consequences which is not known beforehand right. So, you have to see what kind of decision process will have suppose some change initiatives are not going to successful right, it is derailing then what kind of decisions you are going to take. So, look at all possible consequences, whether it is favorable to change or not and see that how you correct and money monitor and remove the things. So, that any kind of unintended consequences which is not a part of the change program is going to affect you.

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Then resonance is related to the people where you try to say that there is a resonance effect means that people are more favorable to the kind of things that you want to bring right. So, it is defined as an attempt to change someone's mind right. So, the basic idea is that in here is that you make sure that people are more favorable to the change process and they are willing to accept it right.

So, when you are talking about resonance is basically an idea or view a perspective which resonates to the extent that it feels right. So, people understand that yes it is something that is being done is good for them right. So, that they feel right for example, if you want to bring about some kind of changes in the structure of the organization. And because of this restructuring exercises there could be changes in the level of the position of the people in the hierarchy right.

So, whether they are going to accept it or not whether the thing it is good or not right, or whether it is appropriate for that particular situation or not. If they think it is there then you are able to achieve this resonance it means that yes, if they are able to accept it then you do not need to even convince them that is why we are going for a change.

So, it all depends upon people and their acceptance and it depends upon the mindset of the people, if they are ready to accept it then it is always good. So, how long to seek resonance if it is meeting the requirements if it is converging with other activities, if they are able to adopt it means then we need to ensure that people have left flexible and adaptable enough to ensure that they are able to get it. And they are able ready to experiment with it means openness to experience is very important and openness to experience basically relates to what you call willingness to experiment.

You are willing to experiment because you are open to experience new things and then everybody thinks that the customer is the most important thing right. So, if all these activities are there then probably, it would help people to change their mind, towards the any change initiative more favorable otherwise it is not going to be favorable right. So, resonance is related to the people's acceptance.

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Now, and another important factor is related to the change in the culture right, changing the culture where you are willing to bring about its very strong culture, where people values and beliefs are aligned with the values norms and beliefs of the organization right.

So, for change in the culture you need to see what kind of characteristics are required like evidence based leadership, whether leaders are ready to learn from experiences right and they also codify the learning and the build on that learning right, informed choices with choices and decision making based on valid data. So, when they go for making any decisions they know why they are taking this decision right, then they have a problem orientation right which is going to be very constructive in nature and it is related to the solution and achievements rather than a failure right.

So, the problem orientation should be related to what you call solutions and achievement not failures or blames then transparency make sure that you adopt the process which is very transparent. And you are able to manage expectations it means any change initiative gives rise certain expectations, among the stakeholders and then you how are you going to manage these expectations among the people. For example, if you say that this technological change is going to improve the productivity is under how you are going to manage these expectations. So, you need to provide information about the impact about the change process that how this technological changes going to impact the work right.

So, you need to ensure that the culture is going to change not only the culture, but also the leadership is very important.

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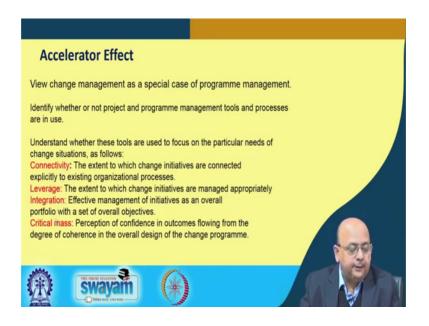
So, you need to show ensure that the leadership is also supportive and provide all kinds of say support to init to those people who are looking for change right and, also ready to solve the problems and look at the solutions that is available to them right. So, if you look at the characteristics of the leadership these are the characteristics which is very important like credibility right the extent to which the leader has a successful track record of change management experience.

So, if they have successfully implemented changes in the past, it would increase their credibility whether it is visible to them or not right they should be accessible to

everybody he should have a learning orientation, sponsoring early adopters it is the largest sponsor support early adopters to go for accepting the change and then ensure the slack right, they are not going to buy time for problems to be resolved.

So, if they are going to buy more time to solve the problems then it creates a situation which is known as organizational slack. So, there should not be any slack to ensure that as I know when the problems come the leaders are going to solve it right. And then they need to encourage learning through this change, because any change initiative also provide lot of opportunities for new learning and leadership provide an opportunity to ensure that these change initiatives give certain kind of learning experiences to the people

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So, we talked about these kinds of things now, we are moving to the next characteristics that is accelerator efforts right. So, it should be considered as a project or the program. So, any kind of change should be considered as a program which needs to be implemented successfully and then you have to see whether this project and program tools and processes are in use, for example, in the government decided to move through say goods and services tax right.

So, it was considered as a program and then you need to ensure, that all the tools and processes are in place to ensure effective implementation of this program which is what is known as goods and services tax, because if it is not available and then if you are

wanting to implement this program you are not going to be successful. So, these program management tools and processes actually accelerate the process in a positive way to ensure implementation successful implementation of the change program right.

So, you have to see that you are going to use these tools especially connectivity right, how change initiatives are connected to the existing organizational processes leverage with there is going to some leverage, or not in what way can say that they say goods and services tax is better than the earlier resume earlier tax system right, how it is going to be integrated what kind of objective it has.

So, earlier we had a different kind of taxes now all these taxes have been merged together with goods and services tax. So, in what way it is going to be integrate. So, you need to ensure an effective management of initiatives. So, that you are able to achieve those objectives related to integrate integration then the critical mass that is very important people have confidence in the outcomes.

So, once (Refer Time: 33:32) was implemented people must have confidence that this is a better system right and if that happens, then you can say that yes this program is going to be successful. So, when moving from one system to another system consider is your project management, ensure that you have tools and processes which is will accelerate it and if you have these characteristics probably could help you to implemented successfully.

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Now, we are going to look into the other part since we talked about the convergence and then strategic convergence, the next part is the how we are going to link strategic innovation and learning, because any kind of say change program which is related to either product and process services innovation also bring about certain learning right.

So, it starts with what looking at the present right, how what game we are playing and what kind of things we are doing ok, what are the success factors which have helped us to win the today right, how we are going to compare ourselves with our competitors what are the key industry drivers what is our position right how will we are utilizing our assets and capabilities. So, with this you are able be able to assess your agenda whether it is possible for you to improve your performance or not then.

Then move to this next one that is what am I understand potential discontinuities what kind of change you want to bring about and product technology or people right, to redefine value creation for key customers market segments, because anything that you do must ensure that it is going to help you to add some kind of value for the customers or the market.

And that is where you create an agenda for renewal right and then it will further we go to create the future right. So, creating the future means that what kind of game are not likely to play in the future what kind of products and services are going to offer, how our own to accelerate industry in complete transformation, which is going to be beneficial to you what kind of business models who are going to use what will your capabilities right a what kind of capabilities would you will require in the future means this is relate to agenda for industrial transformation ok.

So, you adopt a more strategic learning architecture and then you need to see that how the strategic innovation and learning is linked with each other. So, what I am trying to tell you here that when you go for any kind of innovation, you adopt a strategic and see what kind of learning happens and how this learning is going to use to create a future which is going to be beneficial for you ok.

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Moving further you what you need to do you need to create a learning architecture for strategic innovation, where everything comes together. So, these are the interventions that are required for learning like.

Looking at the structure part organizational design right, in terms of technology environment size right all kinds of things, then look at the culture part, then people their capabilities competencies right the innovation activities, then strategic and business objectives and finally, how we relate to the external words right.

So, all these is going to create arenas for corporate learning interest interventions. So, you can plan interventions for learning to create an appropriate structure culture developed the capabilities of the people, define your business objectives and how you are going to relate yourself with the external environment right. So, learning interventions can we plan? So, that these learning interventions are going to help you to do something that is going to be more innovative in terms of product processes. So, that you are going to be competitive in the market.

Thank you very much.