

Managing Change in Organizations
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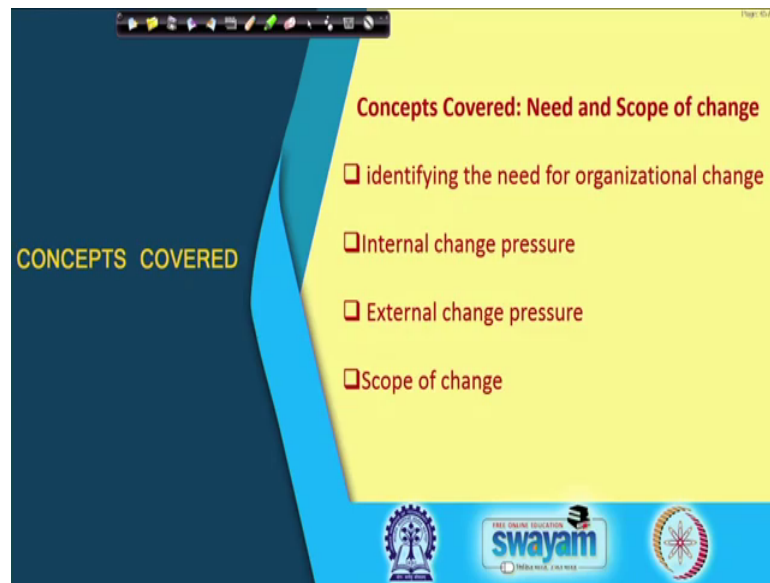
Lecture – 05
Need For change

So, welcome to the second week of this course on Managing Change in Organizations. And in this week, basically we will talk about the Need and Scope For Change. Remember in the first week, we talked about the nature of the change, where we tried to explain what is change. And then we also tried to see what the different kind of changes that happens in the organization that is related to incremental and transformational changes. So, these are the two major type of changes happens.

Now, moving further we said that organizations need to continuously improve it to know it themselves to remain viable and competitive. Now, taking the sustained a position, it is important for organizations to identify the environment in which they are operating, because the pressure for change comes from the environment.

Now, what we are going to discuss in this week is: what are the different kind of pressures that is coming from the environment both the external environment and also the internal environment because, external and internal environment creates some kind of pressures for organizations to change. So, the basic question that we are going to address here is that why we go for a change? Is there a need for a change, and if the need is from how we identify the need for the change?

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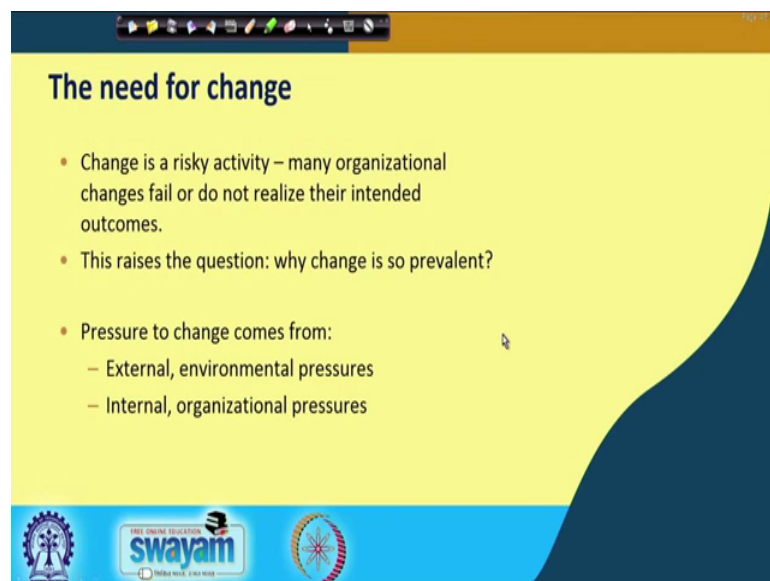
CONCEPTS COVERED

- identifying the need for organizational change
- Internal change pressure
- External change pressure
- Scope of change

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So, with this provides we move further and discuss certain things, basically the concepts that we are trying to cover here is that yes, how to identify the need for the change through internal and external change pressures, and then what is the scope of change. Remember, we talked about different kind of changes that happens strategy, culture, technology, system process. So, we will discuss them in detail, but before that what we are going to discuss is that what are the various pressures that work because of which the organizations to go for a change.

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The need for change

- Change is a risky activity – many organizational changes fail or do not realize their intended outcomes.
- This raises the question: why change is so prevalent?
- Pressure to change comes from:
 - External, environmental pressures
 - Internal, organizational pressures

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Now, in continuation with this, we need to discuss about that why organizations go for a change. Because, if you look at change, any change has associated risk with it. Because, sometimes what may happen that if you go for a change, it may succeed or it may not succeed depending upon how accurately, you have been able to predict the environmental conditions right. So, sometimes you are in a correct position to assess the environment. And then you successfully implement the change some science sometimes you are not able to correctly identify the environment or sometimes things are beyond your control in the environment, and you cannot do anything for it.

And then it increases or it suggests that is there are certain risks, which is associated with any kind of change, which are may since go far right. So, it is very very important for organizations to understand the risks associated with any kind of change that they want to bring it. And see that it is going to be successful right. So, you know that most of the organizations go for a change, but they do not succeed right. And they are not able to achieve the intended outcomes in terms of implementing change successfully right. But, still you will find that yes, all kind of organizations go for some kind of changes, if it means that change is a continuous process through which all our all our organizations have to go through.

Because, if they do not go for changes; bringing about change in their system culture system or processes, they will not be able to survive tomorrow right. Now, what is going to change depends upon the triggers that is coming from the environment. Now, if you look at the pressure that creates trigger for change in the organization come from two sources that is external environment and also the internal organizations. So, there could be pressure within the organization or the pressure could be from the external environment right.

Because sometimes you need to go for a change because, they are certain internal pressure right. You need to bring about change in your say HR policy right, you need to bring about your working right. So, these are internal pressures. So, sometimes you go for changes, because others are doing things in a different way. And you need to remain competitive in terms of economic pressure, technical pressure, social cultural pressure, political pressures right that is the part of what you call the external environmental pressure.

So, we need to clearly understand, and assess the environment to identify what kind of pressure the organization has. Because, if you are not able to identify that kind of ratio that an environment is creating for a specific organization, you will not be able to identify the domain in which you are working. So, in order to correctly identify the domain of your environment in which you are operating, and how much pressure it is creating, it is difficult for you to understand, what kind of change would be required by the organization right. So, this basically try to address the question that why should we go for a change, why there is a need for change.

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Perspective of Organizational Change

The theoretical position

Why change occurs can be based on either the economic perspective or the organizational learning perspective

Economic perspective	Organizational learning perspective
focuses on satisfying the shareholders of the organization and maintaining their investments to ensure its survival.	focuses on building the capabilities of an organization to give its members the ability to deal with change.
Change to improve organizational performance in the form of better balance sheet results.	recognizes the complexity of organizations and human systems which cannot be accurately represented through a single linear objective

So, moving further if you look at the theoretical position, which suggests that the two major perspectives to go for a change that is economic perspective and also there is an organizational learning perspective. So, economic perspective is that what? This is related to what you call profit maximization. So, any organization that has been a stable established is such as they supposed to satisfy the stakeholders by being more productive, by being more profitable right, because people have invested money. So, these stakeholders want better return on their money or investments you can say. So, if organization is not successfully doing or practicing and making profit, then it would be difficult for organizations to continue and survive.

So, they need to continuously change in order to ensure that on a regular basis, they are able to prove their utility for the stakeholders, they are able to provide good dividends to

their stakeholders, they are able to satisfy all stakeholders in the process right. So, if organization is not able to perform well, then it is not possible. They will not be able to satisfy and maximize the profit right, satisfy their stakeholders. So, it is very important for organizations to go for a change, so that they are able to satisfy their stakeholders right.

Now, this is another perspective, which is organizational learning perspective, see it is very very important if you really want to compete and survive in a competitive environment, that you develop core capabilities the competence of the organization. Organization must be competent enough to handle the environmental factors. And how we are going to handle the environmental factors to compete and survive based on your capabilities and the competence. So, it is very much required for the organization to build the competencies in the systems and processes and the people, so that they are able to deal with the change. If your people are competent enough, then definitely would be handled things in a better way.

So, the idea here is that the organization should be in a position to handle the environmental factors based on their capability and competence, because the most important factor for any organization is their people. And if the people are competent, they know how to deal with the situation, then organization will not be have any problem.

So, the organizations should create conditions to ensure that people in the organizations remain and continue to be competent on a regular basis right. So, you have to say that yes, they create and enable conditions for learning not at the individual level collectively, so that everybody learns and based on this learning, they become competent enough to handle the environmental factors, which are going to affect them right.

So, these are the two major theatrical positions that have been discussed in the literature right that is either you talk about the utility perspective that yes organization supposed to improve their performance, so that they are able to satisfy their stakeholders or the people are competent enough to take on the environment right.

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The process of change

Theories explaining change process

1. Teleological theories

Recurrent and discontinuous sequence of goal setting, implementation and adaptation

Organizations are purposeful and adaptive
Present change as an unfolding cycle of goal formulation, implementation, evaluation and learning.

Learning helps in the modification of goals or the actions taken to achieve them.

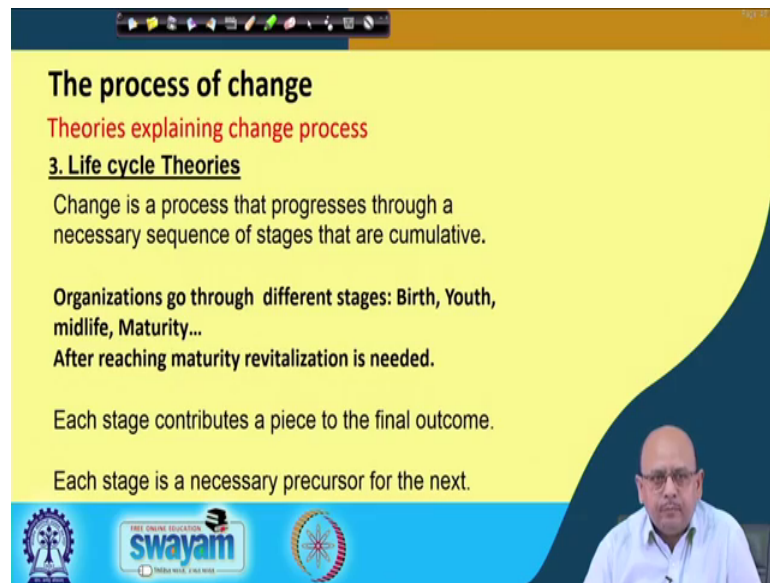
Now, discussing this position we will discuss certain theories, which try to explain the change process right. And the most important is that it teleological theories ok. What it suggests, basically we have already been talking about is that modifying the goal or taking actions to achieve them.

As a organization what you are supposed to do? You have certain targets to achieve in terms of productivity, profit, market share right. So, in order to achieve these goals, what you do? You set your goals you try to adapt yourself to the changes, and see that you implement those changes to in order to achieve the goals and objectives for the organization right.

So, you go for there could be a recurrent or a discontinuous sequence, whatever sequence you follow in setting the goal or implementing and adapting is the idea here is that you need to adopt yourself to the changes that is happening in the organization. And accordingly, you keep on changing your goals, objectives, and then you keep on evaluating whether you have learned something or not out of it.

So, the basic objective teleological theories is basically learning. Learning to ensure that you are able to adopt the changes that is happening in the environment, you are able to modify your goals and objectives, you are able to take actions that how to implement to achieve success right. So, this is one theory with acts which are talks about basically the change process in addition to the teleological theories.

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The process of change
Theories explaining change process
3. Life cycle Theories
Change is a process that progresses through a necessary sequence of stages that are cumulative.
Organizations go through different stages: Birth, Youth, midlife, Maturity...
After reaching maturity revitalization is needed.
Each stage contributes a piece to the final outcome.
Each stage is a necessary precursor for the next.

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The next one is dialectical theories. Now, if you look at dialectical theories, it talks about a dilemma that may be there in the organization, because they are different interest groups. There could be suppliers, vendors, employees, managers, stakeholders, right. So, they are the different stake interest groups. Now, there is a possibility that these interest groups might be having different kind of goals right. But, one thing that is very important is that the managers are supposed to maintain a balance across all these goals. To ensure that they are able to satisfy the interest of all the stakeholders ok. And if they are not able to bring about sufficient changes, it may not be possible, because everything depends upon the performance of the organization.

So, here the learning is that management should ensure that even if they are conflicting goals across different stakeholders having different interests, how they are going to maintain stability? And this is possible only when they are trying to balance the power across opposing entity. Opposing entities means, I would say employees, unions and management right various stakeholders, because everybody wants something from the organization.

So, how are going to satisfy the requirement of all the stakeholders, because everyone has different interests. And the management here is in a dilemma that what to do in order to maintain balance, and bring about some kind of stability, which ensures that the in at the different interest groups are satisfied. So, this theory is different in the sense, they

does not talk about the process, but it talks about what needs to be done in order to ensure that different interest groups are able to satisfy themselves by their activities and for which the change is required.

Now, the third one is life cycle theories. If you look at life cycle theories, it talks about a change as a process, which progresses through different stages right. Now, when you say that change progresses through different stages, what does it mean, it means that yes and these stages means say if you start with a an organization is born or it is incepted, so that at the inception stage organization comes out, then it grows, then it matures, and then there is a possibility that it would decline.

Now, when we are talking about life cycle that yes, this is the life cycle of an organization ok. To start with then it grows, it becomes young, then it reaches to the midlife stage, and then it becomes mature enough. Now, the question is that is it possible to continue, and maintain that maturity level. If you are not able to maintain and compete on a regular basis, then you decline. So, what need to be done? In order to ensure that you continue to remain at the maturity level that is where a revitalization is required. And this revitalize means what, bringing about changes in the organization.

Because, if you do not bring about changes at that particular stage, then what will happen? Suppose you are here, so you go down instead of continue to maintain your upward movement you go down. So, this needs to be avoided. So, it is very important that you revitalize your organizations, it means that you bring about change in the system, structure, technology in everything, so that you are able to compete.

Now, the thing is that at each and every stage you are engaging in certain activities right. So, you continue to do those things, which are required at particular, stage, so that when you reach to the maturity stage, you know what are the things that you need to do right. I saw that you are moving and jumping from one stage to another stage, you continuously move from one stage to another stage.

When the organization is born, it is inception it is a very small organization with maybe one product, maybe one unit. When it goes you offer many products many units, and then it become multiple units ok, maybe you become a multinational tomorrow right; so, each stage necessary precursor for the next stage of the organization right. So, once you become mature enough, you need to ensure that your longevity is maintained. Otherwise,

if you do not take necessary steps to revitalize yourself, then decline is there nothing can be done.

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The process of change

Theories explaining change process

4. Evolutionary theories

Change proceeds through a continuous cycle of variation, selection, and retention.

Variations just happen and are not therefore purposeful, but selected on the basis of best fit with available resources and environmental demands.

Retention is the perpetuation and maintenance of the organizational forms that arise from these variations via forces of inertia and persistence.

Now, the first the 4th theory is basically evolutionary theory, it talks about how organizations grow or basically make changes in whatever they are doing, because evolution talks about what the way you have been doing certain things. For example, you have developed a system of or the work processes. Now, you need to bring about a evolution in the process gradually based upon your learning right. So, some kind of variations will happen, the way you have been doing. Say 20 year's back, the way you have been recruiting people have gone for a radical change right. So, this has been evolution of this process today right.

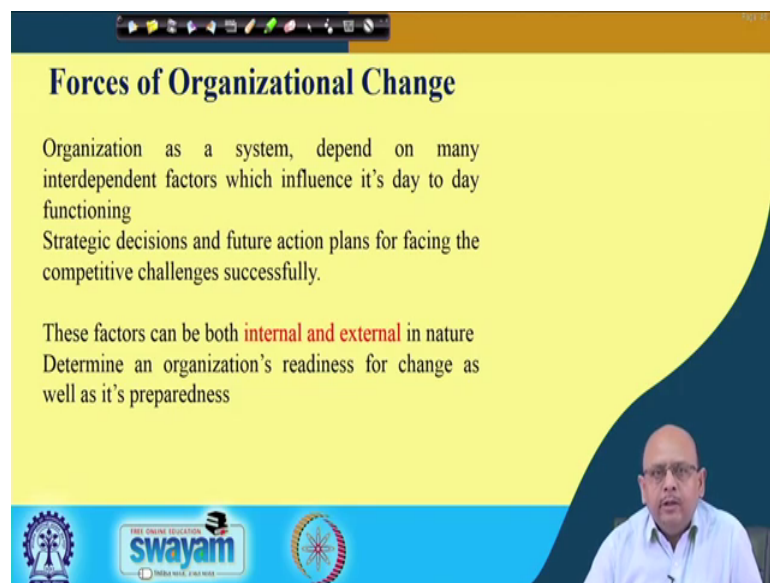
So, what I am talking about here is that change proceeds through a continuous cycle of variation, selection, and retention. Part of the process have been left out and another things that have been adopted. Look at the supply chain management. Do you think this supply chain main process have not undergone for change a lot of changes is happening new things have been added, old things have been discarded right.

So, you talks about variation, selection, and the retention. What are the things that you continue to do, what are the things that you leave in the process of evolution, in order to remain viable and competitive right. So, and this evolution depends upon what? The kind of resources that you have and what is the requirement to the demand.

So, a recruitment process if you want to make it cost effective right, instead of going for a paper pencil test, you move to an online system right, because that is the requirement because all our other organizations are going for this kind of thing in order to remain competitive. So, you also need to adapt this process right. So, discarding certain things, and taking new things in the process right.

So, you have to see that what are the things that you want to do, and what are the things that you do not want to do or you want to do away with certain things right. So, these variations are basically could be in terms of inertia and persistence right. This inertia and persistence would be there, if you do not move if you continue to do two things in a similar way, then you do not change right. So, the idea here is that this theory talks about that you need to continuously grow and develop yourself right, so that you remain or continue to remain a viable one for yourself right.

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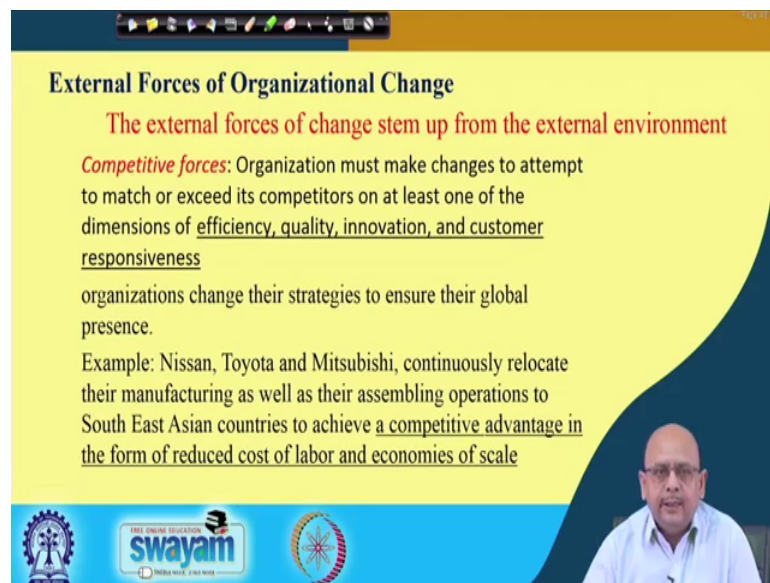
The slide is titled "Forces of Organizational Change" and is presented on a yellow background with a dark blue curved shape on the right side. The text on the slide reads: "Organization as a system, depend on many interdependent factors which influence it's day to day functioning Strategic decisions and future action plans for facing the competitive challenges successfully. These factors can be both internal and external in nature Determine an organization's readiness for change as well as it's preparedness". At the bottom of the slide, there are three logos: the Swayam logo, the Swachh Bharat Mission logo, and the National Skill Development Corporation logo. A video feed of a presenter is visible in the bottom right corner of the slide.

So, after discussing all these theoretical perspectives, let us discuss one of the various forces of the organizational changes. As we talked about that the various forces could be classified into internal and external changes right. So, organizational change also kind of open system right. And there could be lot of factors, which are influencing its day-to-day activities right both internal and external.

Now, you have to see that if you really want to be competitive and you want to take up the challenges of the environment, you need to identify what are the internal external

pressures, which are going to influence the organization. And then see whether the organizer is ready to face these channels created by the internal and external pressure. So, what we are going to discuss further is what are those changes related to the environmental pressures right.

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External Forces of Organizational Change

The external forces of change stem up from the external environment

Competitive forces: Organization must make changes to attempt to match or exceed its competitors on at least one of the dimensions of efficiency, quality, innovation, and customer responsiveness

organizations change their strategies to ensure their global presence.

Example: Nissan, Toyota and Mitsubishi, continuously relocate their manufacturing as well as their assembling operations to South East Asian countries to achieve a competitive advantage in the form of reduced cost of labor and economies of scale

So, to start with we will talk about the external forces of organizational change right, it comes from where from the external environment. So, the most important factor is the competitive forces right. See in whatever market and whatever sector you have been talking about say aviation, telecom right consumer goods, automobile, you will find that there is a lot of competition among various producers right.

So, you need to make changes right to ensure that you remain competitive right. And this and being competitive could be on any of these dimensions, efficiency, you are moving to be more efficient, in terms of internal operations of your organizations, in terms of quality of the quality of our product and services is better compared to others.

The features of a product are definitely good, so a more innovative. And you are in a better position to respond to the customer requirements their needs and expectations, so that you have more loyal and loyal customers, who are going to be written by you. So, these dimensions of basically these dimensions, which we have been talking about like efficiency, quality, innovation, and customer responsiveness. These are the parameters, which defines the level of competition that you have. And combined together if you are

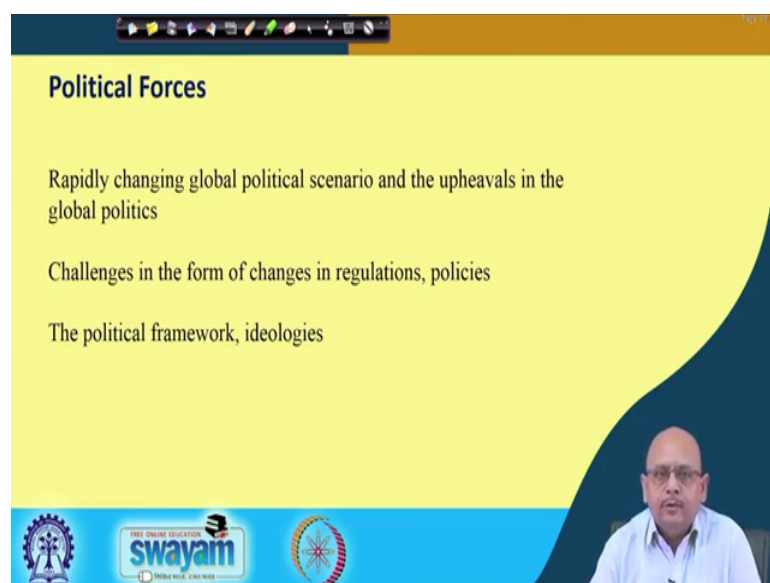
ahead on this, then definitely you are going to be more competitive compared to others right.

Now, if you look at say telecom sector say, which company is going to be ahead compared to other in terms of offering quality products, more innovative services, which is more responsive to customers, and which is more efficient in it is internal processes. So, based on this you can see, who is which company is doing well?

So, if you are not going well, you need to make attempt to change yourself, so that you are able to exceed your customers sorry your competitors on these dimensions. Otherwise, what will happen, you will not be able to survive. Look, here I have given certain examples like these Japanese company, Nissan, Toyota, and Mitsubishi, what they do, how they compete with their counterparts?

See, what do they what they have on who hire is then going gone for efficiency. So, what they do? They try to relocate their manufacturing eh basis in South Asian countries. Why, because there is cheap labor right. They can produce a lot with less resources, so that is how they are going to achieve efficiency. So, by achieving efficiency, what happens? They would be able to compete, because the cost production cost would go down right while maintaining certain standards of quality or certain markets right. So, competitive forces are very very important.

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The image shows a presentation slide with a yellow background and a dark blue curved shape on the right side. At the top, there is a toolbar with various icons. The slide title is "Political Forces". Below the title, there are three bullet points: "Rapidly changing global political scenario and the upheavals in the global politics", "Challenges in the form of changes in regulations, policies", and "The political framework, ideologies". In the bottom right corner, there is a small video inset showing a man with glasses speaking. At the bottom of the slide, there are three logos: the Swayam logo (a gear with a person), the Swayam logo (a gear with a person), and the Swayam logo (a gear with a person).

Political Forces

- Rapidly changing global political scenario and the upheavals in the global politics
- Challenges in the form of changes in regulations, policies
- The political framework, ideologies

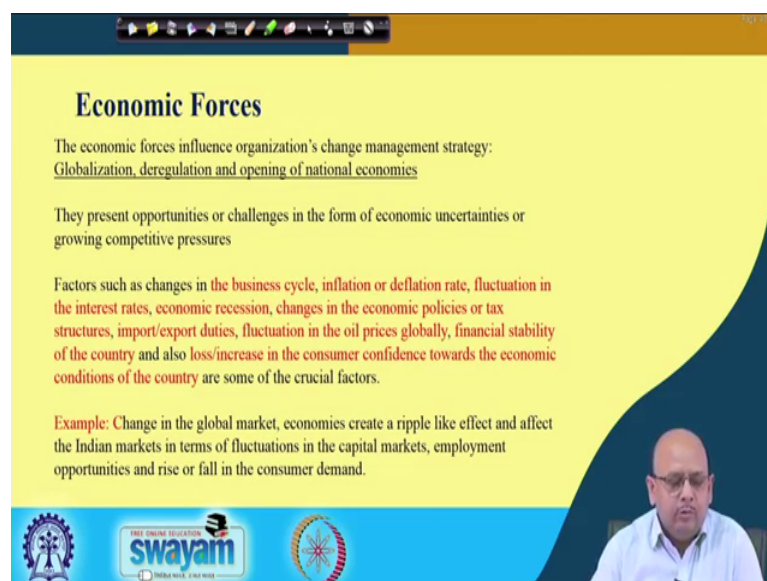
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Moving from competitive forces and to political forces. Now, political forces could be considered as two different levels right; at the global level and at the local level at the national level right. See how the global political scenario is changing right. So, if you look at the global politics today, it is it can be very much seen that see the policies economic policies of the US government or the European union or the third world countries or the china. How these political forces are basically trying to influence organizations in the form of creating certain challenges, in terms of the economic policies right. Regulations that they are trying to bring in different places, they are going to affect the organizations.

So, Indian organizations are going to influence by the economic policies of the US right, because many Indian IT companies, which have presence in US are not able to depute local people. Now, the US administration wants them to recruit people from the US only to give them more employments. So, this kind of employment policy is going to influence the organization, which is a global political force.

But, similarly the political framework and ideology locally is also important, whether you have a life left wing politics or right will wing politics. So, depending upon the kind of ideology, the political ideology the company has sorry the wrong this political party has is going to influence the economic policy of the country right. So, these political forces also become very important in the process.

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Economic Forces

The economic forces influence organization's change management strategy:
Globalization, deregulation and opening of national economies

They present opportunities or challenges in the form of economic uncertainties or growing competitive pressures

Factors such as changes in the business cycle, inflation or deflation rate, fluctuation in the interest rates, economic recession, changes in the economic policies or tax structures, import/export duties, fluctuation in the oil prices globally, financial stability of the country and also loss/increase in the consumer confidence towards the economic conditions of the country are some of the crucial factors.

Example: Change in the global market, economies create a ripple like effect and affect the Indian markets in terms of fluctuations in the capital markets, employment opportunities and rise or fall in the consumer demand.

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Moving from political forces to economic forces, economic forces are the most important factors. You know that we are going through a stage of globalization, deregulation where the national economies have opened right. So, we are living in an is what you call liberalization, privatization, and globalization LPs economy. Yes, we have moved from what you call a restricted pro protected economy to a more liberalized say privatized and global economy.

So, this kind of economy is going to throw a lot of challenges right, it has created uncertainties and also created opportunities right. So, if it is creating uncertainty it means, the competitive pressure will go up. So, what are the challenges that is coming up like your inflation rate is changing right. The interest rate is fledged fluctuation fluctuating there is economic recession, economic policies on taxes have changed right. The import, export duties have changed.

Now, see how the fluctuation oil prices have impacted company's right. Even for the same oil, same amount of oil, quantity of oil, you have to pay more right, because the oil prices have been decided by the OPEC countries right. So, the kind of financial stability the countries depends upon the political situation right, consumer confidence towards the economic con conditions of the country. So, all these factors are very crucial. And they pose a lot of economic challenges to the organization, because the way these factors are changing are going to affect the organization.

See, so how the change in the global market, economy is created ripple like effect an effect in the Indian market. In the fluctuation in the capital market, unemployment opportunities rise and fall in the consumer demand. So, all this is going to affect and this is because of the economic forces.

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Technological Forces

Technological advancements and innovations in communication and computer technology, advances in manufacturing technology, shortening of product life cycle

Newer ways of working and added in newer range of products/services

Creating a framework for managing change effectively and proactively responding to the challenges of technological changes

Advancements in the technology contribute to the organization's success or failure in the competitive environment

Example of Singapore: With the usage of Information Technology in the strategic decision making and overall planning, today Singapore holds the status of being the world's first completely networked economy

Logos at the bottom include Swamyam (Free Online Education) and other institutional logos.

Now, moving from economic to technological forces of the very very important. See the kind of technologically advanced advancement that we have today, especially in communication, computer technology, advances in manufacturing technology like we move to more advanced technologies like computer aided technology, manufacture flexible manufacturing system, computer integrated manufacturing right, added with this is are shortening of product life cycle right.

So, all these changes which is happening in the environment is creating lot of challenge for the companies, because they are going to decide the kind of products and services, who are going to offer to the consumers right. So, if you are not able to compete in terms of technology, then what will happen? You will be lagging behind right.

So, it is very very important for you to keep pace with these technological changes that is happening. And see how they are going to influence the operation, and whether you are able to cope up with these technological forces by bringing about a change in your technologies, who are and their other activities to ensure your viability.

One example that is given here so, that how a nation is using IT in planning in planning the activities right. It is the first country in the world, which is totally networked right. And that is why, it we say that it holds the changes are being the world first completely networked economy in the world though it is a very small country, but this has brought lot of efficiency. So, how they have used IT networking systems to connect with

everything in the nation ok because, that would bring more transparency, accountability, and efficiency in the systems and processes of working of the government right.

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Governmental Forces

Governmental regulations and also the extent of intervention may influence the need for change

- 1. Deregulation:** Deregulation is associated with decentralization of power or economic interventions at the state level or lessening of the governmental intervention in the economy. For example, due to deregulation in sectors like insurance, banking, petroleum being handed over to the private players
- 2. Foreign Exchange:** Foreign exchange rates directly affect the international trade, as the variations in the exchange rates influence the currency payment structure.

Example: India pays more for oil imports with fluctuation in dollar value

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So, from technological forces, we move to the government regulations rules and regulations. See any organizations is working any part of the world is going to be governed and regulated by the law of that particular land right. So, government regulations are very important, because they are going to intervene and also influence the need for the change like deregulation.

When Indian economy opened, we went for deregulation, then what happened? We went for decentralization of power right, then we give more power to the states. We try to see that how deregulations has helped certain sectors like say insurance, banking, petroleum today, because they are open to market see, you can see the fluctuation that is happening in their petroleum prices on a regular basis. This is the impact of deregulation.

Now, lot of new players have entered into banking and insurance sectors it is because of the deregulation. So, what will happen, if they are going to enter into this sector, you have more competition right, so you need to complete. So, now Indian companies have to bring about certain changes, so that they compete with foreign insurance companies or foreign banks right.

Then foreign exchange, foreign exchange is very very important right. Foreign exchange basically affects the international trade right, because if the exchange rates fluctuates, then the payment structures changes right. So, example here I have taken is like India pays more for oil imports with fluctuation in the dollar value right. And that is why, you will find that sometimes the price fluctuation is there government cannot do this, because they have deregulated the sector. And the price oil price is decided by the market not by the government, government has only some control. They are imposing test tracks through the track structure. So, if they are reducing tries the only thing the price will come out, otherwise not.

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Governmental Forces

3. Anti-Trust Laws: Anti-Trust laws are enforced by most of the governments for restricting/curbing unfair trade practices. For example, these restrictions were enforced in India by enacting an act called **Monopolies and Restrictive Trade Practices (MRTP)**, 1971 now replaced with CCI (Competition commission of (India)

4 Suspension Agreements: Suspension agreements are the agreements which are finalized between the governments to waive off anti-dumping duties.

5. Protectionism: Due to the growing competitive pressures, most of the governments try to enforce certain regulations or intervene for safeguarding their threatened industries.

Example: by enforcing certain trade barriers, the Indian government protects the local industries such as Handicrafts and Textiles. These trade barriers may take the form of either anti-dumping laws, levy of tariffs or import duties, quantity quotas, and various government subsidies.

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Now, the other factors like anti-trust laws are there, in India we have this MRTP right Monopolies are Restricted Trade Practice, which have been replaced by CCI that is computational commission of India. The job of this computation commission in India is that is if a fair competition among the organizations right, so that you are more transparent and accountable right, and you do not adopt unfair trade practices. So, the basic objective of CCI is to ensure that companies are not able to adopt unfair trade practices.

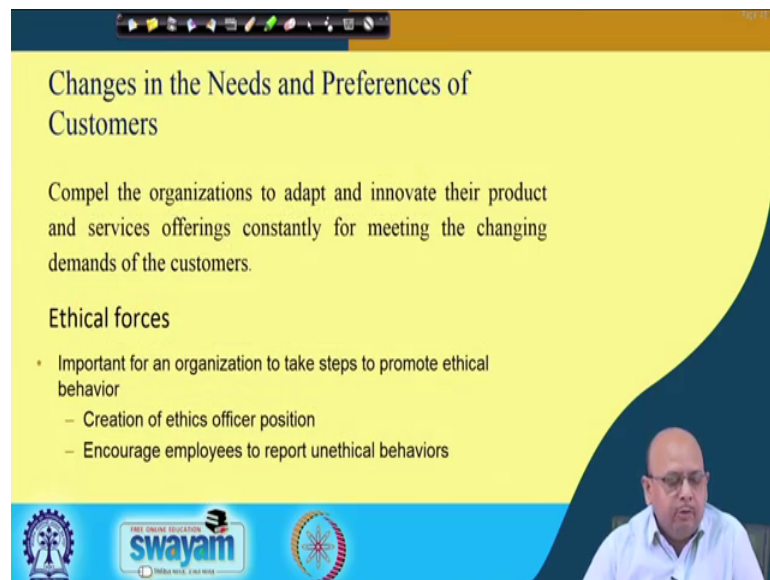
Then the suspension agreements right which is finalized within the government to wave of certain anti dumping duties like you know that third world countries have become anti dumping grounds right. So, what actually happens if the government decides that if you

are going to dump certain products, you have to pay certain taxes. So, the taxes would increase the cost of the product right.

Then the protectionism: how governments are going to protect certain sectors of the economies or the organizations right. For example, if you look at the different sector is totally protected by the organization right. So, they enforce certain regulations to intervene or safeguard their threatened industry. So, there are certain industries, they know they are not doing well so the government trying to protect like say Indian Telephone Industries, Fertilizer Corporation of India right. These are the industries which are totally dependent on the government; otherwise they will not be able to survive.

Like the see for example, in case of Handicrafts and Textiles right, the Indian Government protected the local industries like Handicraft and Textiles. So, what happens the trade barriers that were there in the form of anti dumping levy of tariffs or import duties and all the kind of things where done away with subsidies. So, government was trying to provide lot of subsidies to this sector to protect the industry in this particular sector right. So, these are the government forces.

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Changes in the Needs and Preferences of Customers

Compel the organizations to adapt and innovate their product and services offerings constantly for meeting the changing demands of the customers.

Ethical forces

- Important for an organization to take steps to promote ethical behavior
 - Creation of ethics officer position
 - Encourage employees to report unethical behaviors

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And moving from government is also another important factor is the change in the need of preference of the customers. Now, the change in the needs, in preference of the customers have also compelled organizations to adopt and know it their product or services offerings. For example if you look at McDonald the kind of product that they

offer in the US would be different in terms of their tastes and preference in which in a Chinese market and Indian market right. So, they try to ensure that the product suits the requirements of the customers in a particular location or a country right. So, it is very, very important that you need to meet the changing demands of the customers, not only that you meet the different demands, but you also see that how these demands are changing right.

Say if you look at even the McDonald what actually happened to start with. You remember we talked about a case where they were forced to go for more healthy products right. So, reduce this say saturated fat and other kind of things and because of the continued pressure by the public, the McDonald was forced to come out with healthy products right, so that is how sometimes what happens that you need to meet the changing demand of the customers. Now, you see most of the this cool drinks companies are trying to change their product portfolio, and they are trying to bring more healthy drinks to the consumers, and this is because people are not interested to go for cold drinks today. And this basically is the result of changes that is happening in the needs and preferences for the customers.

And the finally, we have ethical forces this is very very important because you need to promote ethical behavior in the organization ok; and because if you are not going to be ethical in your business, then tomorrow may not survive. And research has proved it that those businesses who have been operating ethically they have been able to survive and compete in the long run right. So, you need to ensure that yes people follow ethical behavior at the individual level at the organization level also. And if any kind of unethical practices are being adopted either by the organization or the individual, it is being reported and then appropriate actions are taken.

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Sustainable development goals forces for organizational change

Major Elements:

- Social**
 1. Employee Well-Being
 2. Quality of Life
 3. Business Ethics
- Economic**
 4. Shareholder Value Creation
 5. Economic Development
- Environmental**
 6. Environmental Impact Minimization
 7. Natural Resource Protection

Logos: Swamyam, Anna University, and other educational institutions.

Now, based on this discussion we must move further and then the pattern factor which has basically have been identified that is sustainable development goals which is that which have been created by the United Nations. And the three elements which have a discussed which is very very important that now organizations are need to force to ensure that they are able to create product and services not only for the current generations, but also for the future generations. And the three elements that have been discussed in the literature relate to the social factors, economic factors and environmental factors. They too need to ensure employee well-being, they need to ensure the quality of their people which are living in the surroundings, and also follow certain ethical practices.

When it comes to the economic perspective, they need to see that the extent to which they are able to create value for all the stakeholders including employees and what extend they have been contributing to the economic development of the nation. And finally, and the most important is the environmental factors environmental factors basically they need to see that these companies those especially those companies who have been exploiting natural resources in what way they are able to protect the natural rate or the resources of the country.

Because if they are not able to protect the natural resources, one day these natural resources will be not there and then what will happen to the future generations. So, it is very very important that how these SGD goals are important for the organizations.

Thank you very much.