Principles of Management
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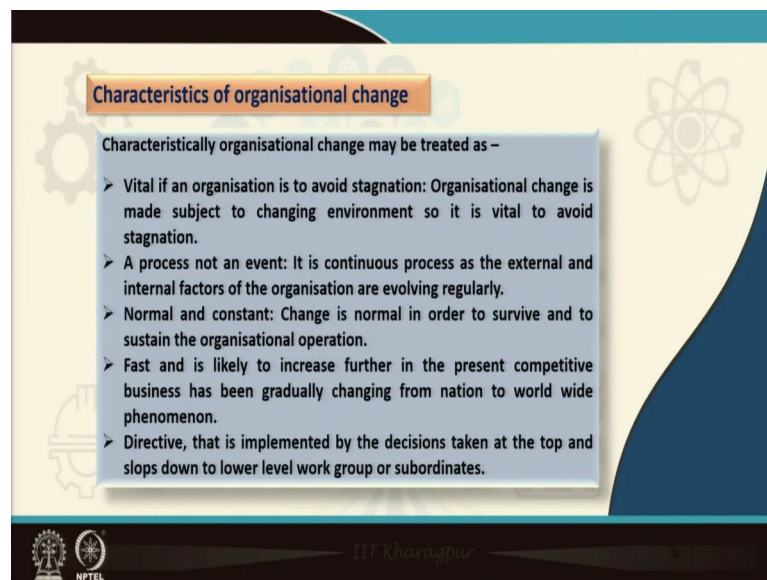**Indian Institute of Technology, Kharagpur**

Module - 09
Lecture - 42
Concept, importance, elements of organisational change (continued)

Welcome back to the 2nd lecture on the Concept, importance, elements of organisational change; we will continue with our discussion from the earlier session.

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In this session, we are going to discuss of the characteristics of organisational change, the different types of change, management of change, importance of change, and advantages of change. So, let us begin.
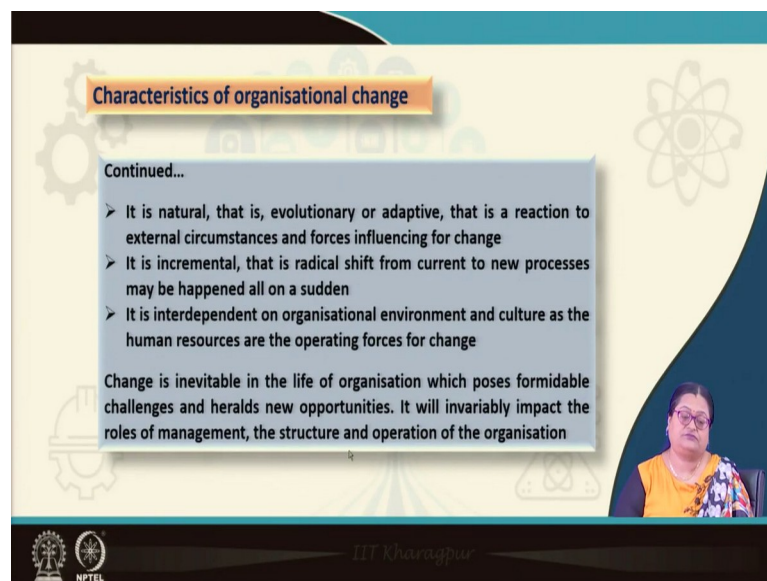
So, organisational change can be treated as vital; it is very important if the organisation is to avoid stagnation. So, if the organisation wants to grow, it does not want to stagnate. So, it is vital to bring in organisational change. We have to understand organisational change is a process, it is not an event; it is a continuous process as the external factors and the internal factors are continuously evolving.

It is a normal and constant; so, we have to accept change as the normal process in order to survive and sustain in the organisational operation. So, it is change is coming in fast and it is likely to increase further in the present competitive business scenario and which is like gradually changing from nation to worldwide phenomenon.

So, also change is directive in nature; because it gradually takes place by the decisions taken at the top and the slops down to lower-level groups or subordinates. So, for some decision is taken in the top level and then it comes down to the lower-level work and work groups and subordinates for them to comply and accept.

So, but again if they are not involved in this decision-making process; so, they are not able to understand like what good it is going to do for them or for the organization, there could be differences of opinion and conflicts may arise.
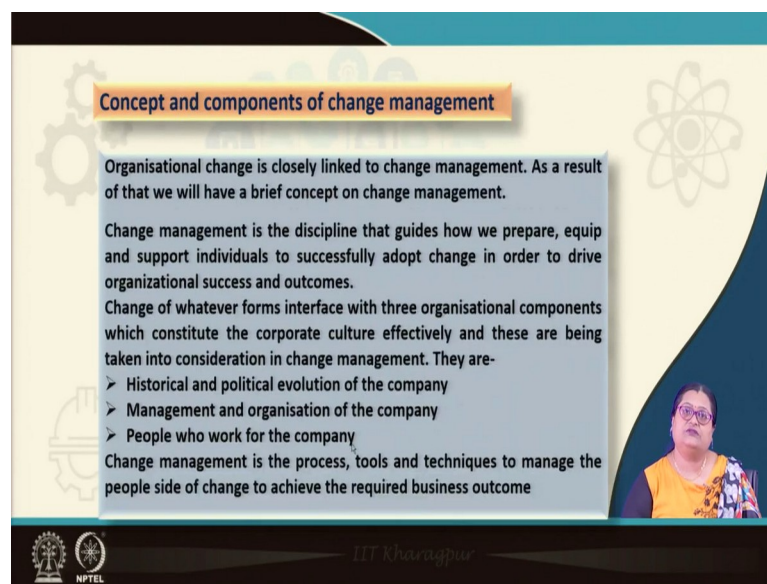
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We need to understand that change is a very natural process, evolutionary or adaptive in nature, that it is a reaction to external circumstances and forces influencing for change. Also, it is an incremental in nature; it is a radical shift from current to new processes which may have happened all on a sudden. Also, it is interdependent on organisations environment and culture as human resources are the operating forces for change.

So, we have seen like, we were talking repeatedly also organisational environment is a major factor, the which affects the organisations functioning. And in order to answer to the demands of the environment, you have to formulate different strategies based on the internal strength that we have, based on the network that we have.

And your response to the same environment could be different based on the different perception of the individual about its own strength and the nature of the network that they are having around us. So, change is inevitable in life of organisation which poses formidable challenges and herald's new opportunities. It will invariably impact the roles of management, the structure and operations of the organisation.

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The concept of organisational change is closely linked with change management. So, here we will discuss a brief concept of change management; we will have very elaborate discussions on change management in the latter part of the lectures.

So, change management is a discipline that guides us how to prepare, equip and support individuals to successfully adopt change in order to drive organizational success and outcome. So, it is a change management is a process of guiding people to understand

how they can successfully adopt change very quickly, so that they can drive the organization towards organizational success.

So, change of whatever forms interface with three types of organisational components which constitute the corporate culture effectively. And these are being taken into consideration when we are talking of change management.

So, like historical and political evolution of the company, the management and organisation of the company and the people who work for the company? Why these things are important? If you are talking of the historical and political evaluation, evolution of the company; it talks of the original seed value, the culture that the organization is having the value system, the belief system that the organization is having in terms of its very in-depth culture.

Second is like how the processes in the organization is aligned with the expected performance of the organization, and third is people who are working for the company. So, when we talk of change management; then we are may be thinking or bringing changes at any each of these in levels or any one of these levels. Change management is the process tools and techniques to manage the people side of the change to achieve the required business outcome.

So, wherever we are talking of change management, we are more or less focusing on the people side of the change; because it actually it is like, they are the entities which can show resistance to change. So, it is very important that the change management process focuses on the people side of the change to achieve required business outcome.

The implications of organisational change though we will discuss them again; but here we will discuss them in brief, like accommodating the growth need of the organization. So, as a project, organization is growing more and more it and it is expanding, it takes in more project, clients and production and work.
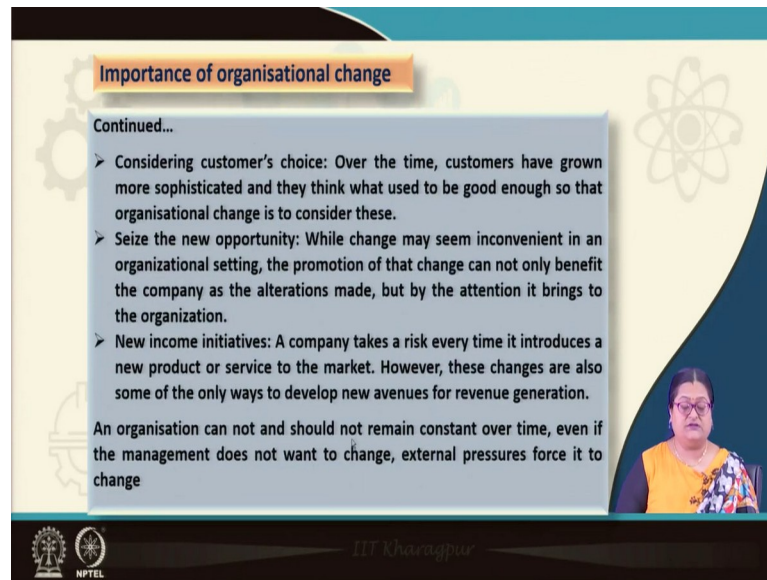
So, while the previous structures were sufficient in keeping the organization going, at that point of time may not be sufficient now. And because of this change in the like decisions or the aspirations for growth, may require to bring in structural changes in the organization, so that to accommodate the new workload.

Identification and fixation of problems. So, as an organization continues to upgrade and the environment is continuously evolving. So, it could be found like the, the earlier processes which were successful may not be working in the same way. So, you need to every time learn and relearn, find out new ways of solving the problem. Because your environment is changing, evolving; so, the demands are changing and you need to also update yourself, like train yourself to effectively answer to the environmental demands.

Keeping tune with new technology; so, another motivation for change in an organization is to keep oneself updated with the market trends and technology. Technology is

changing at a very high speed and if you are not able to keep up with it; if you are not aware of the recent technologies, maybe it is going to have a devastating effect for the organization's performance.

Customers choice are also very important; customers choice may have more sophistication or it is being shifted towards may be more environmentally friendly things. So, like how the customer's choice has shifted, so that organisational change is required to bring in over there is very important.

Seize the new opportunity. So, it is very important that you get the opportunity and try to work for it and get it. So, if you are promoting a change in the organization. So, it is beneficial to many and it also brings in a new, like it opens up a new phase of the organization.

New income initiatives, a company takes a risk every time it introduces new product or service to the market. However, these changes are also some of the only ways to develop a new avenue for revenue generation. So, every time you find a jerk, every time you find a block. So, it is a human nature that you trying to find out an alternative way, so that that block does not activate over there.

In that way, so because you are changing yourself, because you are trying to think something in a different way; as a result, what happens, you are also discovering something, you are bringing a new methodology to solve the problem. So, and try this you are trying to think differently in different ways and bringing in new concepts also and making life easy for the organization and its people.

With this we can understand, like the organisation cannot and should not remain constant over time. Even if the management does not want to change, external pressure forces it to change. So, if there are external pressures, so it will be forced to change; you just cannot tell, like I am not going to change or the organization does not want to change, because change is always there. And only thing we have to accept the change, we have to accept the challenge, prepare yourself to answer to the challenges properly.

So, that we also grow as a process of this learning, we also grow, become stronger in understanding; next time if these things coming, then we are strong enough to give our answers to it.
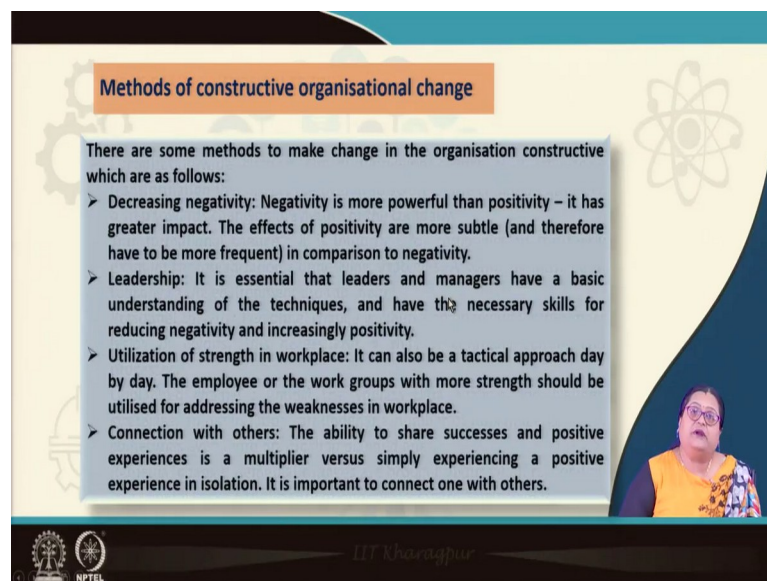
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Types of organisational change, organization wide change; organization wide change is a large-scale transformation that affects the overall structure of the company, basically a

step towards changing the nature of the company. Transformational change, it is important for companies to constantly examine the organizations underlying strategies. A company must be in touch with the environments around them.

Personnel change, personnel change is when a company undergoes mass hiring or layoffs. The necessities, it necessitates a shift in the company's culture and processes. Unplanned change, so here what happens; like an organization through its various, though it has various data analysis techniques to predict the future and their planned strategies. So, in number of cases, it may go for unplanned changes; sometimes which are even more drastic than the planned ones.

Remedial change, remedial changes are brought about when responding to general sense of deficiency or poor performance levels tend to drop.

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So, methods of constructive organisational change. There are some methods to make changes in the organisation constructive which are as follows. First is decreasing negativity; negativity is more powerful than positivity, it has a greater impact. So, the effects of positivity are more subtle and therefore, have to be more frequent in compared to negativity. Leadership, it is essential that leaders and managers have a basic

understanding of the techniques and have the necessary skills for reducing negativity and increasing positivity.

Utilization of strength in workplace; it can also be a tactical approach day by day. The employee or the work groups with more strength should be utilized for addressing the weaknesses in the workplace. Connection with others; the ability to share success and positive experience is a multiplier versus simply experiencing a positive experience in isolation. It is important to connect oneself with others.

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Developing new skills are also very important. Managers and leaders have a unique opportunity, particularly in the current economic environment; to remind team members that work is a privilege and learning new skills is an even greater privilege.
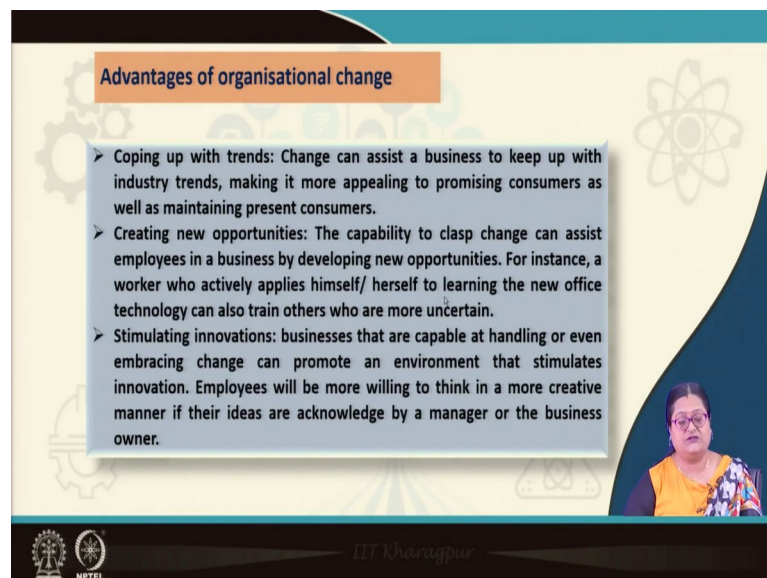
Expectancy in the workplaces; problems and challenges in the workplace can either be presented as issues of great concern, with seriously negative implications or positioned as challenges that can be exciting and can produce learning and growth, same issue, but the different lens and a completely different expectation from employees. This is very important; as we were discussing at the start of the session, there could be crisis at each of the growth stages of the organization.

How you see the crisis, how you respond to it, what are the steps that you take in responding to it; depends a lot on your attitude, your vision and the values that you are having and that will again define the policies and practices that you take to like answer to these changes and implement it.

So, for the same problem at hand, the approaches of the two organizations could be different and the staffing processes taken, the coordination taken, may be the communication taken; the from where to go for recruitment and selection, whether to go for it or not, all these things are going to vary based on the perspective that the people take towards the challenges and how they are going to answer to it, based on the belief in their self-strength, like whether do they believe in their self efficacy or not.

This we are going to discuss in details in the upcoming sessions on organisational change. What are the advantages of organisational change?

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The first advantage is that, it is coping up with trends. Change can assist a business to keep up with the industry trends, making it more appealing to promising consumers as well as maintaining present consumers.

Creating new opportunities, the capability to clasp change can assist employees in a business by developing new opportunities. For instance, a worker who actively applies himself or herself to learning the new office technology can also train others who are more uncertain. Stimulating innovations, businesses that are capable at handling or even embracing change can promote an environment that stimulates innovation.

Employees will be more willing to think in a more creative manner if their ideas are acknowledged by a manager or the business owner.

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Motivation needs to be increased; if the leader takes the time to do the research and promote a changed business plan, employees will be very likely to get excited for achieving the company's future goals. This kind of action will show them that those in change are open to new ideas and are willing to adapt to the needs of the market for optimum success in their company.

So, if your views as an employee are valued, you feel motivated. In the last session, we are discussing about promotive organizational voices; these are voices that you promote that for like for the betterment of the organization, suggestions that you give for the

betterment of the organizations, where sometimes you like the criticize of the present processes also.

Now, if the organization is open enough to hear to these voices of the employees; then they feel motivated, because they feel like their, the due worth is given to them and they are also valued as important contributors to the organization's growth.

New areas of business are found; this also creates an opportunity for developing plans that, incorporate certain skills from certain people who have the ability to focus solely on that particular project through its completion. So, knowing what skills are needed for a project and who is the best fit, will ultimately lead to more efficient progress.

So, if you can place right people to the right job, who can take care of the ongoing business or some specific part of the business and like if you understand; they are capable enough to do this thing. You delegate your responsibilities towards them; then what happens, like you can try to focus on a different area of business or expand your business also.

So, here you will see a connect between organisational change, its vision, its performance management and also the staffing and the recruitment and selection processes.

So, if you are able to visualize what defines your performance and what are the kinds of people required for it; then through this staffing and recruitment and selection process, you can place the correct kind of person over there, whom you can trust with the development and you can broaden your horizon to look into new business opportunities.
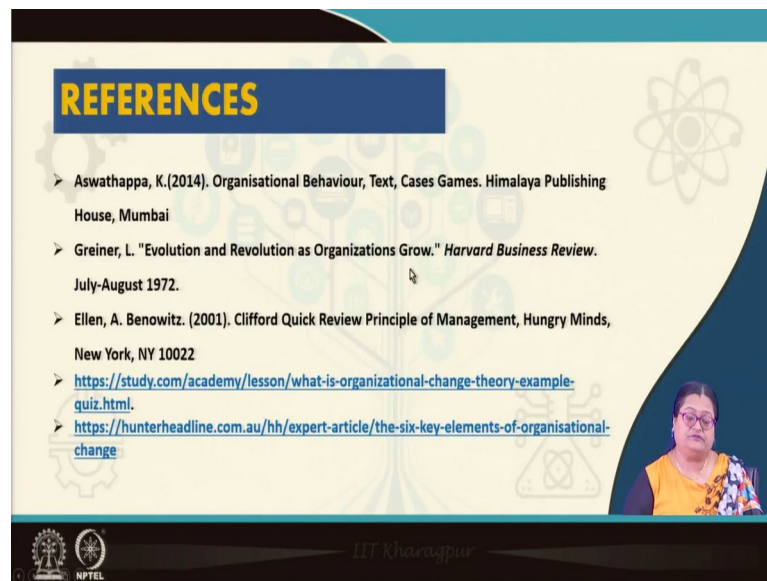
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Acquiring new skills; employees are able to acquire new skills, seek new opportunities and exercise their creativity in ways that eventually focus on the organization through extra ideas and increased commitment. So, what happens, like if you should be focused on the organizations growth and you are able to align your performance with the organization's performance.

So, you can understand like how to nurture your creativity; so how your ideas are going to add value to the organization and so what are the skills you need to work on, and what the opportunities that you need to seek to. So, that it increases your effective commitment to the organization; you acquire new skills which helps you to contribute in a better way to the organizations purpose.

Challenges, like sometimes if you can anticipate the challenges; if when like creating and adaptive plan, future challenges should and will likely to be discuss. So, if you are trying to create a plan, adaptive plan then; obviously while discussing about it, you need to understand what would be the upcoming challenges that you are going to face and how to address to those challenges.

If you can chalk out, what are the hurdles that you need to overcome; then the leaders can allow their company to more easily go for transition to the, through the process which helps them to take steps which they know, like which will help them to answer to the question to what the organization expects from them.
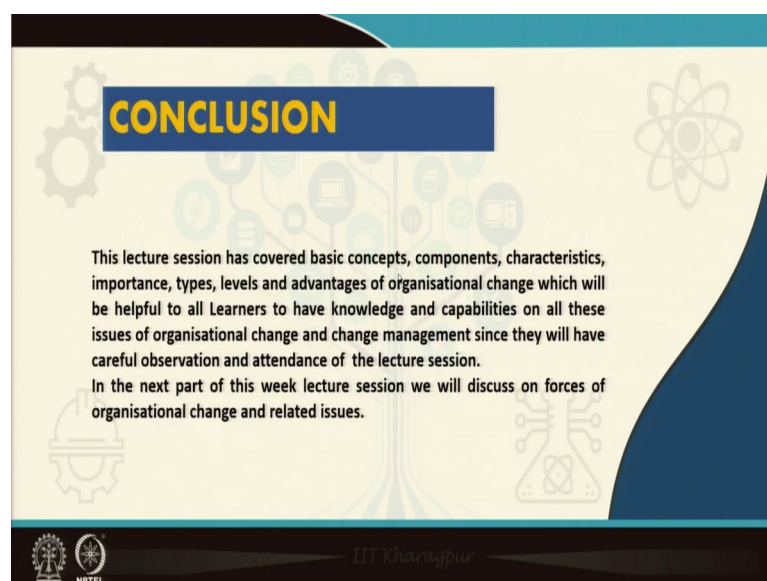
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So, these are the references that we have dealt with. In the current lecture session, we have just covered the basic concepts, components, and characteristics, importance and levels, advantages of organisational change. So, which we expect like it will be helpful for all the learners to have some basic knowledge and capabilities on these issues of change and change management.

So, in the next part of the lecture session, we will discuss on the forces of organisational change and related issues, stay tuned.