## Organizational Design Change and Transformation Prof. Sangeeta Sahney Vinod Gupta School of Management Indian Institute of Technology, Kharagpur

Module - 05 Lecture - 23 Organizational Change

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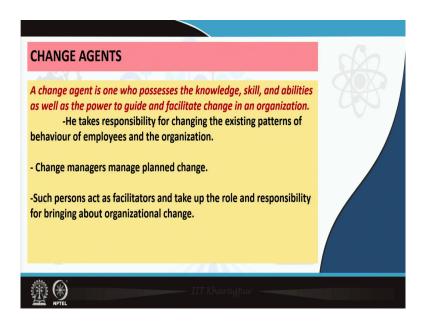
[FL], we will be continuing with our discussion on Organizational Change and this is week 5 or module 5 and lecture 3. In the previous lectures, we have spoken about the definition of organizational change, the targets of change, forces for organizational change, barriers and resistance to organizational change. We have spoken about the types of change, the process of change, the stages for commitment to change and managing planned change.

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Today, we will be speaking about change agents and the approaches to managing organizational change.

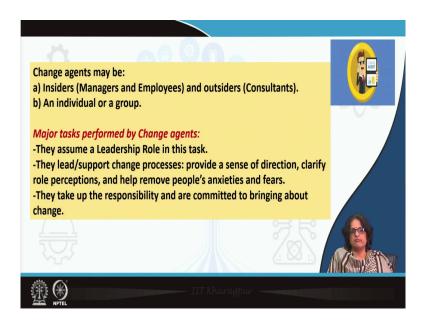
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Now, who is a change agent? A change agent is one who possesses the knowledge, the skills and abilities as well as the power to guide and facilitate change in an organization. So, he is the one who is going to take the responsibility for changing the existing patterns of employee behaviour you know and he takes charge for changing the you know existing patterns of behaviour of employees and of the organization.

So, he is the one who possesses the knowledge, skills and abilities as well as the power to guide and facilitate change in the organization. They are people who manage the planned change, such people act as facilitators and take up the role and responsibility for bringing about change in an organization.

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Now, these change agents may be maybe insiders or outsiders, they may be managers and employees in the organization or they may be consultants who you know who have been hired by the organization to bring about the change. So, the change agents may be either managers or employees who are internal to the organization and so, we refer to them as insider change agents.

We could also have outsider change agents in the form of consultants who are hired by the organization and they bring about change. And also, we would like to you know point out here that the change agent could either be an individual or could be a group of people. Now, what are major tasks performed by change agents?

First, they assume a leadership role in this task of bringing about change. Second, they lead or support the change process, they provide a sense of direction to the people, they clarify role

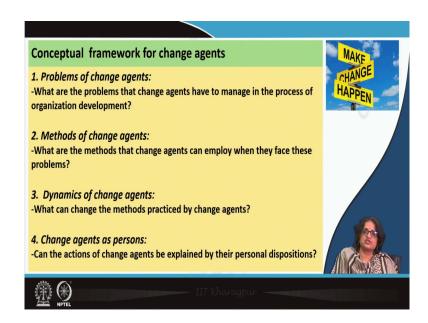
perceptions and help you know remove any kind of anxieties which people may be facing, which employees may be facing related to change. We have discussed in the previous lecture as to how you know people resist change either as individuals or as groups or at the organizational level.

And in several times, this resistance is due to fear of the unknown, fear of the unfamiliar, you know social anxieties, fear of loss of security and so forth. So, the role job of the change agent here is to you know is to you know remove such anxieties and fears which are there in people and then take up the responsibility and be committed to bring about change in the organization.

So, change agents could be people within the organization or outside, you know they could be managers and employees or they could be consultants and their job is to assume a leadership role in the task of bringing about change management, lead the process, provide a sense of direction, you know, clarify role perceptions, remove people's fears and anxieties and take up the responsibility of bringing about change.

And you know trying to seek the commitment of self and of everyone else in the organization to bring about the change. So, they take up the responsibility and are committed to bringing about the change in an to bring about organizational change.

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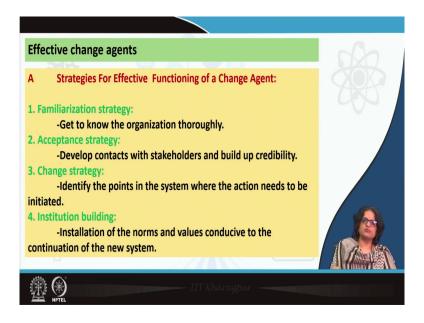
Now, let us 1st talk a little bit about the conceptual framework for change agents. The first is problems of change agents. So, the change agent, you know, here, you know, must be aware of the kind of problems that he is going to face. So, what are the problems that change agents have to manage in the process of organizational development?

The 2nd issue pertains to methods of change agents, which is what are the methods that change agents follow or employ when they or use when they face the problems. 3rd is with respect to dynamics of change agents, what can change what can change the methods practiced by change agents.

So, what are those factors which can change the methods practiced by change agents? 4th is change agents as persons. So, this implies that can the actions of change agents be explained

by their personal dispositions. So, these four of these actually constitute the conceptual framework for change agents.

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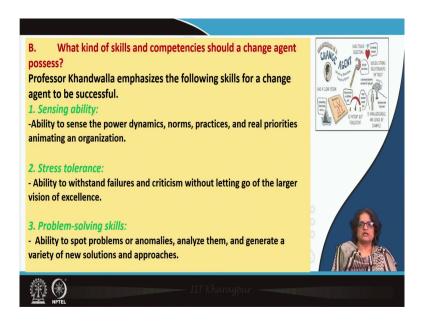


Next, we come to effective change agents. We will here speak of two issues. One, we will speak about the strategies for effective functioning of a change agent and the second, we will be speaking about certain skills that change agents must possess. To start with the strategies for effective functioning of a change agent.

The 1st is familiarization strategy. The change agent must get to know the organization very thoroughly. The 2nd is an acceptance strategy where he must develop contacts with stakeholders and build credibility. The 3rd is a change strategy where change agent must identify the points in the system where action needs to be initiated.

And the 4th is institution building where you know he must ensure that there is an installation of the norms and values conducive to the continuation of a new system. So, these are four strategies for effective functioning of a change agent. Familiarization, acceptance strategy, change strategy and institutional building.

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Second is the kind of skills and competencies that a change agent should possess. Professor Khandwalla emphasized that the change agent must actually you know possess a few skills to be successful and these are as follows. 1st is the sensing ability. The change agent must have the ability to sense the power dynamics, the norms, the practices and real priorities animating an organization.

2, he stress tolerance. He must have the ability to withstand failures and criticism without letting go the interests of the organization without letting go of the larger vision of excellence.

3, problem solving skills. He must have the ability to solve problems or anomalies, analyze them and you know come up with solutions and approaches to solve them.

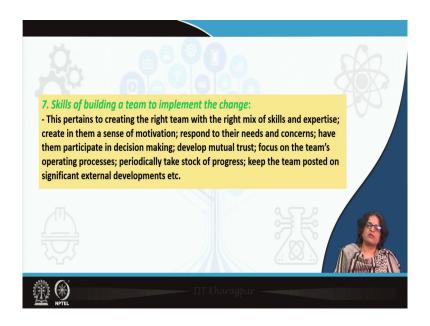
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Third, 4th is support and resource mobilization. This refers to the ability to rope in people for change and then get them charged, get around bureaucratic structures and spot and deal with them and spot unutilized and underutilized resources.

Next is the planning and implementing ability. The change agent must be competent to plan operations, set targets, allocate tasks, monitor implement and coordinate activities. Next, he should have the communication skills. He should have the ability to communicate clearly, persuasively and honestly. He must also have the ability to give and receive feedback and you know he must be able to sell ideas, changes and innovations.

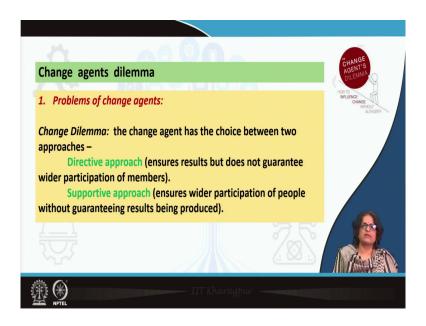
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Finally, he must have the skills of building a team to implement the change. So, this pertains to creating the right team for bringing about change with the right mix of skills and expertise, creating the team members a sense of motivation, respond to their needs, concerns, social anxieties, include them in you know participate you know in decision making, and then making, develop mutual trust, focus on the team's operating processes, periodically take stock of the progress, keep the team posted on significant external developments, etcetera.

So, these are different skills which that which the change agent must possess and it is very important for him to have these skills.

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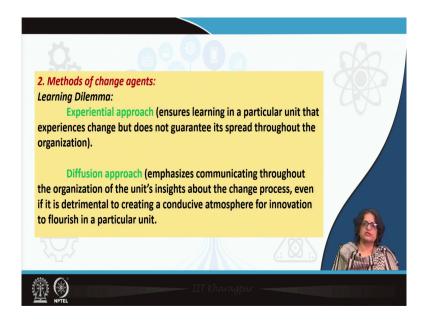
Now, next we come to is change agents dilemma. What are the problems of change agents? Now, the change dilemma, the change agent here has a choice between two approaches, a directive approach and a supportive approach. A directive approach ensures results, but may not guarantee wider participation of the members.

On the other hand, a supportive approach ensures wider participation of people without guaranteeing the results produced. So, there is this dilemma that he faces. He has to choose between a directive approach and a supportive approach. In the directive approach, you know results are ensured, results are guaranteed, but people wider participation of people cannot be guaranteed.

On the other hand, in a supportive approach, it is the reverse, it is the opposite where the wider participation of people can be ensured, but guaranteeing the you know results is not

possible. So, supportive approach ensures a wider participation of people without guaranteeing results being produced.

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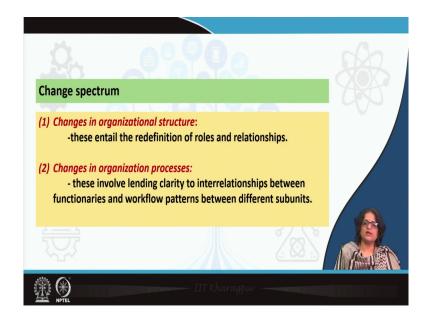
The 2nd is the methods of change agents, the learning dilemma. So, this is whether to go in for an experiential approach or a diffusion approach. Now, an experiential approach ensures learning in a particular unit that experiences change, but does not guarantee its spread throughout the organization.

On the other hand, a diffusion approach emphasizes communicating throughout the organization of the units insights of the change process even if it is you know damaging to creating a good environment for innovation to flourish in a particular unit. So, the change agent here faces you know this dilemma you know with respect to learning.

So, the first dilemma that he faces with respect to the change dilemma whether to have a directive approach or a supportive approach and the second is with respect to a learning dilemma where he must choose between an experiential approach or a diffusion approach. Experiential approach will ensure learning in the unit that is experiencing change, but it does not guarantee its spread throughout the organization.

On the other hand, diffusion approach emphasizes communicating throughout the organization about the units insights in the change process even if it is detrimental to creating a favourable atmosphere for innovation to flourish in that unit.

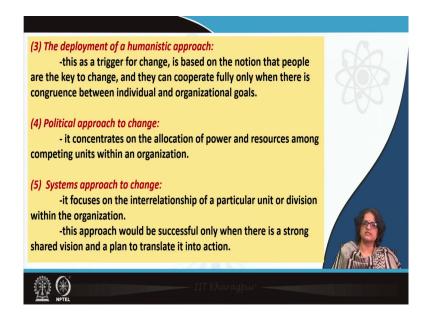
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Next, we come to a change spectrum. Now, when we talk of change spectrum, we are actually going to talk about you know changes in the organizational structure which is a redefinition of which will require redefinition of roles and relationships.

We talk of changes in organizational processes which involve bringing about clarity to interrelationship between functionalities and work flow patterns between different units.

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We talk about deployment of a humanistic approach. This as a trigger for change is based on the fundamental that people are the key to change. People are the main drivers to change and if they can cooperate fully only when there is a congruence or a match between the individual and organizational goals. The fourth is a political approach to change which concentrates on allocation of power and resources among competing units within the organization. 5th is a systems approach to change which focuses on the interrelationship of a particular unit or division you know within the organization.

You know within the and you know it approach the you know the it approach would be successful only when there is a strong shared vision and a plan to translate it into action. So, the systems approach to change focuses on the interrelationship of a particular unit or division within the organization and this approach would be successful only when there is a strong vision and a plan to translate it into action.

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The next is strategic management approach to change which is very very appropriate for highly competitive environments, highly turbulent environments and there is very significant investment diversification and divestiture choices best illustrate strategic management change.

Then we have changes in the vision, mission, values and culture becomes very important and crucial when the enterprise needs to do away with its old ways of lock do way old ways lock stock and barrel and transform itself into a new organization.

And then you have technology and applied science approach to change which emphasizes the incremental nature of change wherein people you know are adopting small changes all the time and this approach you know would be quite relevant to settle times and to stable environments where change is neither swept nor violent.

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The next we come to is the politics of change. Now, change may affect the status quo and hence may act as a political activity and it is very very important to note that you know lot of time change is resisted because people fear you know changes people fear the power differential; they fear that there is going to be change in the power balance and the relationship. So, change may affect the status quo and hence may act as a political activity.

Change agents within the organization feel most insecure and endangered by their loss of control and loss of status, loss of position in the organization. So, such people bring in only incremental change. The drive for change is stronger from people who are hired to act as consultants. These external change agents bring in radical change and new entrants to the organization also help in bringing radical changes.

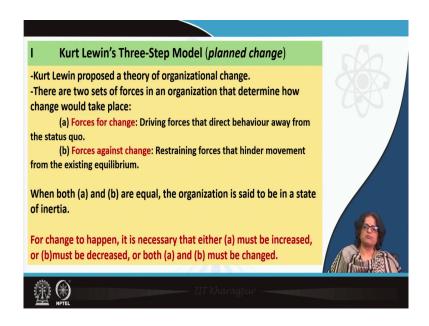
So, the power struggle and power dynamics affects the effectiveness and efficiency of change management efforts in the organization.

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Now, we come to approaches to managing organizational change where we will actually be speaking about you know four approaches, Lewin's Three-Step Model planned change, Kotter's Eight Step Plan, action research and organizational development. We shall be discussing the first two in this lecture and continuing with the others in the subsequent lecture.

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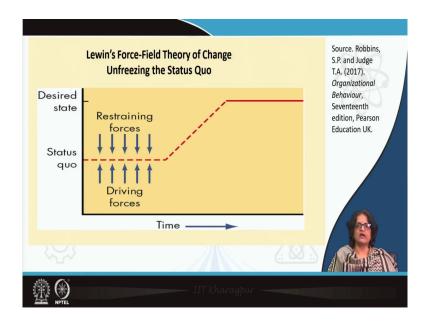
So, coming to Kurt Lewin's Three Step model of plan change, Lewin proposed a theory of organizational change and he said that the two forces in organization that determine whether change would take place. They are driving forces that direct behaviour away from the status quo which means that they direct behaviour away from the current equilibrium and they force an organization towards change.

And then they resist restraining forces that hinder movement from the status quo or hinder movement from the existing equilibrium and these are forces against change. So, you have the driving forces which are forces for change and you have the restraining forces which are forces against change.

When both a and b which is forces for change and forces for change forces for change and forces against change when both a and b forces for change and forces against change are

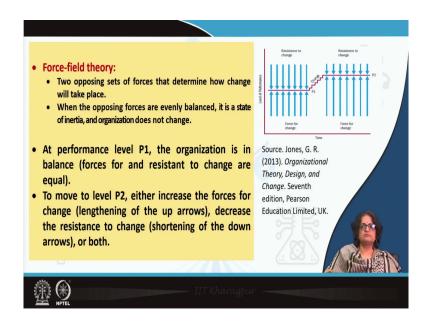
equal, organization is set to be in a state of inertia. So, for change to happen it is very very important that either you know forces for change which is a must change or forces against change which is b must change and should decrease or both a and b must be changed.

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So, we have this here where according to Kurt Lewin, the there are restraining forces you know which will prevent change to happen because the restraining forces will desire maintaining the equilibrium, desire maintaining the status quo and other than their driving forces which move an organization towards change. So, they want to shift from the status quo.

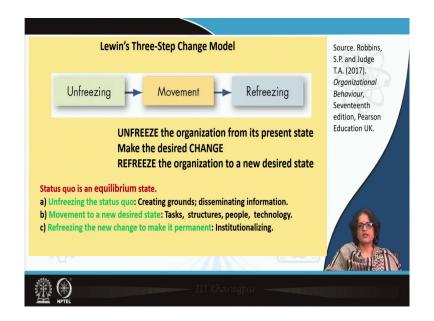
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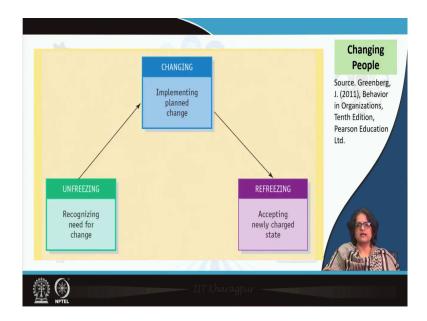
So, the two opposing sets of forces determine how change will take place. If you see in this figure here there are forces for change and resistance forces resisting change. So, if you look at it here you know if an organization wants to move from P1 to P2 the you know the organization has to ensure that forces for change are stronger.

And you know two opposing sets of forces determine how change will take place when the opposing forces are evenly balanced it is a state of inertia and it is a state where the organization will not change. If organization must move from P1 to P2 you know either increase the forces for change which is lend them the up arrows or decrease the resistance to change which is shortened you know which will mean shortening of the down arrows or both.

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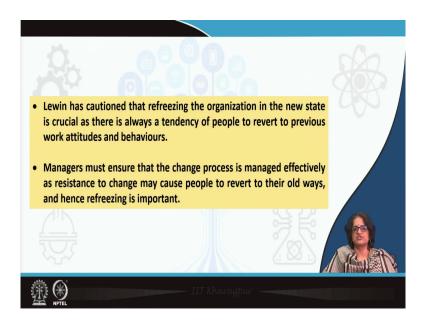


And as you know Lewin spoke about that spoke about this, he also you know spoke about his change model where he said that as change is brought about there are these three stages of unfreezing movement and re-freezing where the organization must unfreeze from its present state, make the desired change which is movement and then re-freeze the organization to a new desired state.

So, unfreezing will mean that the organization moves from the present stage you know movement will mean that it makes the desired change and re-freezing means that it moves to a new desired state. So, so unfreezing the status quo will involve creating grounds for change, disseminating information, moving to a new desired state will mean task structures people and technology and re-freezing the new change to make it permanent will mean institutionalizing it.

So, when we talk of unfreezing, it is recognizing the need for change when we talk of you know changing or moving it is implementing the planned change and when we talk of re-freezing, it is accepting the newly charged state.

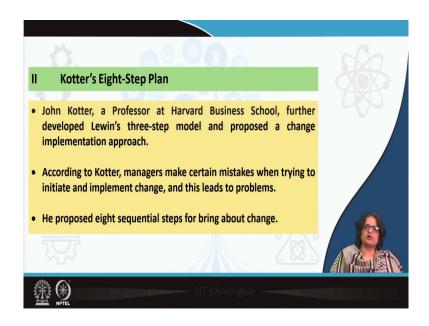
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Lewin also cautioned that re-freezing is very very essential as is always this tendency on the part of people to go back to the previous state go back to previous state you know work attitudes work behaviours. So, managers must ensure that the change process is managed very effectively and re-freezing takes place.

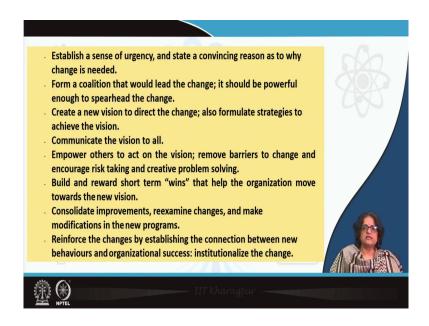
They must also ensure that change plan management change process is managed you know effectively because resistance to change may cause people to go back to their old ways and hence re-freezing is very very important.

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Now, we come to Kotters Eight Step Plan. A Kotter a Professor at Harvard Business School, further developed a Kurt Lewin's Model and proposed a change implementation approach and according to him managers make certain mistakes when they try to implement change and this leads to problems. So, he actually proposed six sequential steps to avoid these problems and to bring about successful change management.

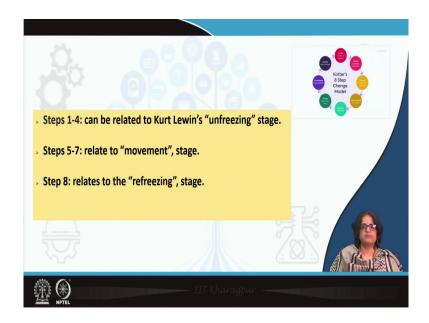
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He first established a sense of urgency and state the reasons as to why change is needed then form a coalition that would lead to change it should be powerful enough to spearhead the change, create a new vision to direct the change also formulate strategies to achieve the vision communicate the vision to all, empower people to act on the vision remove barriers to change and encourage people to take risks and encourage creative problem solving.

Build and reward short term wins and gains so, that the organization move towards the new vision, consolidate improvements re-examine changes and make modifications re and finally, reinforce the changes by establishing the connection between new behaviours and organizational success which is institutionalizing the change.

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So, in this here if you see steps 1 and 4 relate to Kurt Lewin's unfreezing stage, step 5 to 7 relate to the movement stage and step 8 it relates to the re-freezing stage.

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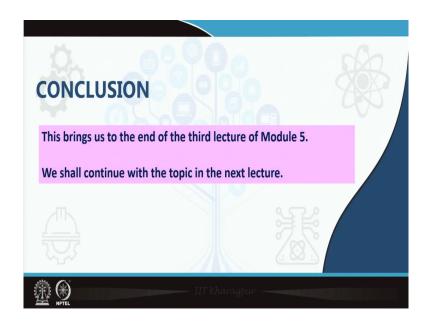
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So, with this I come to a conclusion of this lecture these are the references, we shall continue with the topic in the next lecture.

Thank you.