Public Organization and Management
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Lecture – 50
Administrative reforms and organizational change in pubilc organizations - V

Hello, dear learners. Let me continue the discussion on the Module 10, which is on administrative reforms, organizational change and development in public organizations. So, let me just to give you a quick review of what we have done in previous sessions. So, I have started talking about the concept of administrative reforms, background and history of reforms, why the reforms were needed, what was the focus of these reforms in terms of effectiveness, efficiency, cost effectiveness in terms of public service delivery, entrepreneurialism, others and also define the definitions of the administrative reforms as proposed in the literature. I have also talked about the types of administrative reforms and the track of the reforms that happened over a period of time, what was the features of these reforms and the claims that they have made in terms of producing the outcomes. We have seen five different eras of reforms in terms of new public management, new public governance, digital era governance and new public management and so on and so forth.

Then, we continued discussion on process of administrative reforms in terms of the process implementation and evaluation and we discussed also about some of the obstacles. to the administrative reforms. Following this, this discussion then moved to understanding the organizational lifecycle stages and wherein we have discussed about at length about various models which are prevalent in literature in terms of understanding the organizational lifecycle stages from different researchers. So, we build on the paper of Quinn and Cameron and we have discussed around nine models before discussing the integrated model proposed by Quinn and Cameron.

And then we had concluded those session there. In this session, which is the final session in the module 10, the focus is on understanding the concept of change, types of change. responding to the change by organization and the members. Then we talk about how organizations try to overcome the resistance that they face from the people. We will also talk about some of the strategies for successful implementation of the change in the organization.

We will also discuss about some of the interesting case study where the change has been brought in and how it impacted the final outcomes. We will also look into why organizations fail in their attempt to change. Let us first of all talk about the change in terms of the meaning and then we will build on the other aspects of it. Now, if you look

at the change as a process, it's a process through which an organization alters its structures, strategies, operational methods, technologies or culture to adapt to internal and external pressure and to improve its overall effectiveness. now you if you can recall the administrative reforms also mentioned about bringing in changes in the structures strategies methods or culture so that's how the the concept of change is also related to the concept of administrative reforms and that is why this is the reason that why i'm teaching the concepts of administrative reforms and change together there So, it's a very formal process where the organization enter into the deliberate efforts to alter the structures, strategies, technologies and of course the culture to adapt to the internal and external pressures and improve the overall effectiveness.

It is not necessary that the pressure to change only come from outside the organization. So, let's say if this is the boundary of the organization, this is the inside environment, this is the outside environment. It is not necessary that the pressure to change is coming from the outside. Sometimes the pressure to change can also come from the inside of the organization. For instance, employees are not happy, they are frustrated with the policies of the organization or let's say they are not happy with the leadership.

Now, there could be some pressure on the organization to build in the changes so that the people are happy about what organization is doing. So, it is not necessary that the change always come from the outside, they can also be from inside. Sometime inside people who are not happy with the systems and they are not that satisfied with the organizational processes, they can also initiate or they can also start the process of change by starting giving indications to the talk management to bring in the change. not only in terms of you know leadership or HRM practices but also to do with how organization should expand the people who are really innovative and they have entrepreneurial mindset they also start giving indication to the top management in terms of what kind of ideas they have and how they want to implement the ideas and then hence it will lead to the process of change right Now, all these things what we have discussed in terms of the change process here, this can include changes in the leadership, corporate strategy, the processes, systems or the culture of the organization. So change is a wide, broader concept and has a different meaning in terms of where the changes are taking place.

Changes can be in the leadership, the new person being hired from the outside to come inside the organization and shake things up to take the organization out of the inertia. There could be changes in the corporate strategy which will then focus on bringing in the changes inside in terms of processes, systems and hence the organizational culture. It's a very basic definition of the change process. what is the organizational change spectrum what are the kind of changes that you will see again we have discussed it in terms of the administrative reforms let's look into a little more you know uh in terms of the change uh you know the context there are adaptive changes or which we talked about the you know the conceptualization proposed by capano they talked about adaptive changes as micro

changes so that's why they are small incremental adjustment that organizations and managers make to adapt to daily weekly and monthly you know business challenges For example, adding a new payment options for customers who complete an order online. So, these are the small incremental changes which are happening in the organization on daily basis.

Maybe adding some feature on the website or the portal on sales which will enhance the customer experience that can also be adaptive changes which are small, incremental and it is done on daily, weekly or monthly basis. On the other side we can also have the transformational changes. the one end of the spectrum. On one end of the spectrum, we have adaptive changes, which are small changes. On the other spectrum, we have transformational changes.

Now, these changes refers to the changes that are typically much grander in scope than incremental or adaptive changes. Converting an existing brick and mortar business into an e-commerce or omni-channel business so taking your business to the online platform fully that also is a kind of transformational change that you look into you see the classic contrast here here the chain is minor change small chain incremental change here you see a transformational chain also you can revolutionary change that is happening. You are trying to change the business in such a way which is going to change the landscape, how the work activities are going to be planned and how it is going to be different from the previous way of your working. Then the types of changes can be also, apart from what talked about adaptive or extreme transformational change, where can changes happen? The changes can happen in technology. So, these changes are actually, can happen in the production process or equipments.

For example, implementation of the ERP. systems in the organization. So, these are the technological changes which are applied inside the organization. Bringing processes in the more automation form. So, if bringing automation, that also is the technology chain that you are referring it to here.

Then there could be administrative changes, which they include new performance appraisal systems, pay for performance systems for people working in the organization. So there are administrative, especially in case of public organization, if you have developed the systems which are focusing on the performance appraisal system and pay for performance systems for the public sector employees, they are largely categorized under the preview of administrative changes. then there could also be changes in the products and services of the organization. For example, coming up with the schemes like I'm talking about especially government and the public organization, the schemes like Pradhan Mantri, Fasal Bhima Yojana, Pradhan Mantri Eashram Yojana, then Pradhan Mantri Gram Sadak Yojana are some of the examples of changes in the services that the

government and public organization has to provide. So, these are all kind of changes there.

Then comes the human resource changes. These changes occur as a result of training, development and recruitment efforts aimed at improving leadership and HR practices. For example, the in-service training for government officers to continually enhance their capacity and capability to take care of their roles in an effective manner to lead to the positive outcomes in the organization. The different type of changes there. Now, whenever a change is there, a lot of pressure is created from the outside or within the organization, there is a response.

Now, responding to organizational change is basically from two various angles we are going to look at it. One is we are going to look at the organizational changes from the organizational point of view, how organization respond to changes. Other viewpoint is looking at how employees in the organization look at the changes, how they respond to change. Organization and the employees responding or reacting to the changes. Now, organizational changes if you see are critical aspects of modern business strategies due to lot of changes happening outside the business environment.

There are technological advancements, market are changing on daily basis, organizations are undergoing restructuring. You are also reading the news of organizations laying off their staff members. They are reducing the size of their organization. There is a leadership change. So, all these changes are critical and they are inevitable changes.

They are continue to be part of the organization's life. Now, when these organizations changes are inevitable, you are continue to respond to the organizations towards the outside or inside changes. Response to organization change often varies from employees to management. How employees will respond to change and how manage will respond to change. We'll talk about a very interesting model also that sometimes even if pressure from outside is there, management don't want to respond to that change because they don't consider that particular pressure to be really significant.

Or employees sometimes also feel that the change which is initiated by the organization is not going to sustain, so they sometimes respond to that change in a different manner. So, we need to see that what is the response of the organizational change in terms of whether response is from the employees' side or it is from the management side. Now, employees may accept or show resistance towards change. So, understanding these responses is critical for effective change management. So, if you look at from the employees' side and their response to the change, there are conditions like they either accept or they will show resistance towards change.

So, if you understand why that response is there, what are the reasons for that particular response, ultimately we can lead to the effective change management considering how

change is to take place, what are the strategies organization can follow to look into the various aspect of making the change efforts more successful in terms of implementation. Effective change management requires careful planning and execution to minimize resistance and increase acceptance. So, one way of minimizing the resistance from the employees is to involve and allow them to participate in the process of change because it is going to give them a lot of freedom and of course, feeling of in a meaningful contribution in terms of the change process, feeling of belongingness to the process. So, ultimately when these people are part of the process change, ultimately you will see the minimum level of resistance from these employees. So, there will be also increased acceptance.

Now, responses and change management. Now, if you look at organizational change often trigger a range of emotional responses among employees, which includes, you know, they becoming more anxious because they are not about, you know, confident about how change is going to make things different for them. There is a lot of uncertainty and hence a lot of resistance. So, we are talking about the organizational response from the employees' perspective.

So, these reactions are natural. What happens is whenever the changes are being introduced, it is going to disrupt, and people who are basically accustomed to work in one particular way and they are learned that particular way and they do not want to get disrupted and do not want to change their established routine. This can actually create a sense of loss or fear of unknown for these people. Whether, for example, if you talk about automation, if you look at how internet or the technology has been introduced in the banking system, especially in the public sector organization, people were initially very reluctant because there was a fear that they might lose jobs, technology is going to take over their roles. They will have to learn, their skills are not appropriate to suit the needs of the organization. So, there are a lot of reluctance there because there is fear of unknown.

Perhaps technology would have helped or have actually helped them in order to make these things little more easy for these people. But there was fear of unknown that after the implementation of technology, how things will change for them. Now, if you look at the study published in the current psychology, they say that effective change management involves clear communication and involvement of employees in change process to reduce these negative emotions. If you keep people informed. about the chain process, how these chain processes are going to be helpful for the organizational members, you clarify their doubts, you try to reduce their fear of unknown.

So, you will see that these negative emotions will be reduced and they will be more accepting to the changes happening there. Also, degree of change, whether these are adaptive or transformational change, it affects how employees respond. For example,

adaptive changes are incremental and are easier for employees to accept, while transformational changes are more radical and can lead to greater resistance. So, depending upon the type of resistance, if you look at, you will see that In case of adaptive changes, people won't have much of the issues because they will readily accept because these are the minor changes. It is not going to disturb the routine in a bigger way.

But in transformational changes, what happens is it can lead to greater resistance. I can give you one of the examples. Let's say if there's a change in the structure, the positions are moved. People say that people also have disruption in the social relationship that they share with the unit members. So when that change happens, people have to move into different units.

That also is one of the ways people show a high level of resistance. So more than that, it is a social aspect to the management of change when they are not ready to move away from the relationship that they have built in the particular place. group they were working. And when you try to shuffle things here and there, they will have more, you know, I will say, anxiety, you know, and of course, the expression of anger there. Now, research from a journal of organizational change management, which I have referred over here, it suggests that leaders should tailor their strategies based on the type of change.

Like if it is a transformational change, it should be supported with robust training and the support system and communication is the key. You have to continue to communicate with people what is that they expect from the change process and how this change is going to be helpful in terms of making their life more easy. For example, technological changes if you are looking at how technology can help them and they will have more time to work on other complex problems which before they don't have time to look into. Now, psychological theories such as, you know, Kubler-Ross change curve highlight that employees go through different stages such as, first of all, they will deny, then there will be anger. As soon as there is a response, you know, in terms of change initiation, response is first of all denial, then anger and then they will bargain.

What can be should be done and what can be ignored in that particular chain process and there is a depression and finally there is acceptance during the organizational change so these are the stages people first of all they will deny that they will not go this then of course if it is not organization continue to push and you know they start showing the anger and then bargaining depression and acceptance there's a human tendency you know depending upon what psychological theories they are mentioning. Now, understanding these stages can help managers provide appropriate support at each phase facilitating smoother transition. You have to convince and how will you do that? Communication is the key. I have talked about this at many times. So, you have to continue to communicate to the important stakeholders that are employees in this case that how organization is going to impact them or not impact them and how it is going to be beneficial for them

and involve them in the each phase of the change process so they are informed about the the changes and do it proactively, anticipate that these are going to be the issues that we are going to face in times to come then you have to build on you have to convince and have the strategies in place you know in terms of creating support systems or if the training is required you put systems in the place right and Now, additionally, fostering a culture of trust and openness is also crucial where people can openly discuss with their leaders.

Now, studies specifically have shown that when employees, they trust their leaders and feel they're concerned or heard, they are more likely to embrace change. Because they trust them. They know that whatever leader is going to do in the organization is going to be benefited. And this whole relationship process is going to help employees accept that change easily. And rather, they can also be partnering with the leaders in order to make that change happen.

So what this involved is it involves the transparent communication where leaders explain the reasons for change the benefits it will bring and how it will be implemented, how change will be implemented and in each stage they need to look into the various aspects of it now By concluding the Responding to Aggression Change discussion, change management that takes into account the psychological and emotional effects on employees is necessary for managing responses to organization change. So, organization can better manage change and reduce resistance by integrating employees in the process, communicating clearly and providing support. So, these are some of the things which you want to understand that response from the organizational side in terms of organization responding to change or employees responding to change. So, we will discuss about the organizational employees responding to change. I discuss about a model where I also talk about sometime organization also become reluctant in changing themselves so if you don't do that ultimately if you can recall the discussion on organizational life cycle you can recall that if the organization doesn't change don't want to change because of the pressure ultimately they are going towards the decline Now, how organizations overcome resistance to change, it depends upon the nature of resistance.

Employees generally do not resist technical changes themselves, but tend to resist the social changes that accompany these technical modifications that I have just discussed with you. Now, this is often due to shift in human relationships and established routines. We discussed at length about this, that when you shake things up and do the shuffling of the human resources into different units, people who already have established the relationship with the colleagues, when they have to move in different units, there will be lot of social changes in the routine work. That is where the resistance will come from.

And also, there is a myth of participation. While involving employees in the change process is often viewed as a solution, but mere participation does not guarantee

acceptance. Genuine participation must arise organically from respect and acknowledgement of employees' contributions and expertise. It's not about, okay, we are letting you participate, then you embrace change. It's about generally appreciating and acknowledging their efforts, their contribution and expertise in the change process is what is required in overcoming the resistance to change. Now, there are two research findings which I have mentioned in this slide here in terms of research, you know, overcoming resistance to change.

There's a coch and French study. It says that in a factory setting, these authors have found out that group introduced to change without participation experienced a significant drop in productivity and increased resistance because they were not allowed to participate whereas groups that were involved in discussion and decision making showed improved outcomes and acceptance. Now we are trying to look at the aspect of participation in overcoming the resistance to change. There is another observational studies done. Now, in this case, instances observed in the manufacturing environment, it highlighted how social dynamics between engineers and production operators affected their willingness to accept change. We talked about the disruption in the social relationships in the organization.

So, positive interaction led to cooperation while impersonal approaches resulted in the resistance. So, you have to ensure that how the things are going to be better for the outcomes for the employees as well as for the organizations. Now, to effectively manage change, organizational should focus on social implication of changes and foster a culture of open communication. When we discussed about the module 2 in terms of understanding the school thoughts of the management, we discussed about various schools, we also talked about human relations movement, the Hathorn experiment, we also talked about the importance of social relations there. That also has important implication in terms of understanding the change process and you can also relate and go back to that discussion to find out more about it.

Now, shift discussion from mere technical details to relationships and dynamics that influence employees' acceptance of change. Too much focus on only technical details will not suffice your purpose. We have to talk more about the dynamics that influence the employees to accept change. Recognize that resistance is often a signal of underlying social concern that need to be addressed thoughtfully. So, this is the interesting paper you can read how to deal with resistance to change.

This is basically Harvard Business Review blog. You can find out the discussion over here, how organizations can try to overcome resisting to change. This is what is the pattern of successful organizational change. Now, the blue rectangle if you see here, they are stimulus on the power structure and the white boxes that you see here, they are the reactions on the power structure. Now, whenever you look at any of the successful

organizational change that has happened in the past and if you look at this particular article here published in 1967, Patterns of Organizational Change in Harvard Business Review, there should be pressure on management in terms of arousal to take action. So, from where this pressure can come? Pressure can come from the external or internal aspects.

For example, from external aspect market changing and the requirement of new products to maintain your position. Internal could be dissatisfaction of employees with the processes. Now, pressure from both sometimes are required to put lot of pressure on the management which will arouse them to take action. Perhaps, let's say if it's only market external pressure that might not put lot of pressure on people to arouse them to take action. So, if it is also along with the outside pressure is also inside pressure to do something to sustain position that is where the arousal.

You have seen that successful changes the authors mentioned that there is always this kind of pressure being created by both external and internal the aspects which will actually lead to the arousal from the organizations to take action. Then intervention at the top. Thing is people who are already in the system they might not you know anticipate or become aware that there is a need for change. Sometime an outside cider is required to be brought in the system to shake things a little. So, there is an intervention at the top required, somebody who is coming from the outside with a different perspective, who did not know the way of the organization functioning already and he is coming with lot of outside information, scanning the environment.

When you bring these outsider and put them as a leader, they will be better equipped to have a re-look at the internal problems. reorientation to the internal problems because they are coming up with the fresh perspective so successful changes if you look at the leaders are brought in to shake things to actually create situation where people will be forced to look at think about that these changes are ultimately required this has to be done Then, after the leaders enter the system, there is a diagnosis of problem areas. So, in this case, participation involving employees is key. Ask them what are the specific issues and the problems inside the organization because they are to better respond to the outside changes. So, recognition of the specific problems is the one important key if you really want to see the organizational changes to be successful.

Then, invention of new solution, commitment to new courses of actions, you have to have plan, you need to be committed to this thing, reinforcement is there. Of course, there could be some kind of failures, but you continue to reinforce that so that you are committed to the new courses of action. Experiment with new ideas, solutions, search for results, even if you fail that continue to do that. and reinforcement for the positive results. You put in place of incentives or success stories so that there is an acceptance for the new ideas.

So, these are some of the things which are showing the patterns of how a successful organizational change should look like, what the organization should do in terms of ensuring the success in the organizational change process. Now, more specifically, if you look into the implementation of the change in the public sector, and this is the paper I am quoting here, Cunningham and Kempling, a paper titled Implementing Change in the Public Organizations, Publishing Management Decision 2009. They talked about some of the principles for changing public organizations. First of all, they have categorized these aspects into three broad categories. One is input initiating changes, then process assisting changes, and then outcomes illustrating changes.

First of all, inputs initiating changes, they say that, first of all, forming a guiding coalition. It means that do you have managers leaders or steering committees or work groups who have championed the ideas they should be group who are willing to carry out this change process right who will be the key people who will be managing the entire thing who should be involved in the process that's the another important thing here who should be involved in the process how often they should be discussing the things of the change process right all these things are important point of consideration in inputs to initiating change then recognizing and responding to resistances. Now, what steps have been taken to identify, to respond to the changes? What are the various negatives and the positive advantages and disadvantages that can affect the changes? How to overcome those kind of changes should be well thought of. If it is there, you have to ask questions of why and why not. It is important to keep discussing these issues here because that's what will make your chain implementation effort more effective.

Also, establishing a need for change, how the managers who are involved in the process, they identify and focus on very clear need that there is the need for change. And how they are committed to the need for change the people who are irresponsible how they are committed to the need for change especially the stakeholders right what are the problems and the issues which are highlighted is the problem statement well defined is the criteria very clear that if you follow this thing how we are going to evaluate the performance these are very important, fourth is in terms of input initiating changes articulating envisioned outcomes in what ways we have visualized or articulated that where the organization is going to go. And how far that vision is also valued by the participants who are involved in the process? And what are the outcomes of the change process? What are the underlying values that the organization is trying to achieve? All these questions are to be answered if you really want the change in the public sector organizations to be successfully implemented. Then in terms of process assisting the implementation, establishing a process to implement planning. Now, in this case, what happened is, do you have a process which you have identified where the clear objectives and projects are assigned and reported on? What is the about feedback and adaptation? Who are the key people? Who will be responsible for what duties? you know, what are

the timelines with which you should have to achieve these processes, very, very important.

And focus on continuous improvement, you know, problem solving and continuous improvement, go for correction, are the problems or benchmarks or the best practices discussed and acted upon, on what basis you are going to Make an evaluation on what are the benchmarks or the organization which already have done that against you, which you are benchmarking are well known or not. And these kind of things are to be discussed. Then developing a commitment plan, you have to have a process that communicates what the author has mentioned, the various outcomes as they emerge. Are these building on ongoing basis, implementation plans? Are people assigned responsibility to report? What are the various objectives, you know, of the projects, what are the various objectives in the projects, what is the progress is being made.

So, all these things are to be discussed in the commitment plan. Now, outcome illustrating success. In this case, they talked about Managing by walking around. Do you have informal system? Apart from formal system, you could also have the informal system to support change. What you say about change? How can managers champion the ideas and become more involved in the process of informal organization to make that change happen easily, facilitate that change.

Then changing these structures and HR systems. This is also outcomes illustrating success. How you have to have structures and system that you need to change to institutionalize change. Perhaps sometimes you need more new structures and HR systems required for implementations. For example, do your recruitment, training, performance appraisal, all these issues reflect change or not. These are the issues that need to be considered while we talk about the principles of changing public sector organizations in terms of change.

Then conditions for successful change, a durable powerful center committed to successful change, strong and stable leadership, internal change agents with sufficient authority, we can also talk about change champions who will drive the agenda of change, appropriating time for collective support, a comprehensive, clear, realistic alternative process, a long-term strategy using group processes to develop new structure, a major structural reform focused on measurable outputs that decentralize responsibility, reasonable clarity about the nature and objectives of new structures and processes. When will change fail? Starting with an incomplete or poorly defined strategy. The beginning itself is, you know, itself is a failure. Or following a strategy that is too rigid and inflexible.

That you are following a strategy that is not very flexible and it's too rigid. And see, as you continue the change process, you will come across certain hurdles because of which you have to sometime have a re-look at your change process. So, if it is too rigid, it can

fail. Lack of effective communications between the parties who are involved. Failing to identify and address resistance.

There is a disconnect between the strategy and culture. Strategy wise you want to change but if you don't do something about the cultural change ultimately you are leading towards the path of failure. and also setting unrealistic expectation that this change is going to you know making big claims about this change is going to do these this thing and ultimately if these are not being met and you see that it's not going to be fulfilled this is leading to the organizational change fail very important you are not creating and celebrating the short-term wins See, you need to reach to the organizational change process. It's a transformative process if you're looking at. If you are not creating the, you know, the situations or the, you know, I will say events to celebrate the short-term wins to reach towards the organizational change process, then also is, you know, the reason that the organization can fail. Because this also is leading to the reinforcement, you know, of the change effort in the organization.

Let us look into the research, you know, insight on organizational change and development in India. This is a case of strategic organizational change and transformation published in Journal of Organizational Change Management authored by Bhatnagar, Budhwar, Srivastava and Saini. This particular study explored the organizational change within India, specifically through transformation of North Delhi Power Limited following economic liberalization. Now, key findings, what were the challenges that the organization came across? That Indian organization face cultural resistance to change due to hierarchical structures and high context cultures making Western organizational culture models difficult to apply directly. We talked about this, there are could be benchmarks, but then you need to also see that whether the applicability of these models are there in your context or not, if you require modification.

What are the strategies used? Leadership and trust building. Strong leadership, particularly from CEO and HR, fostered transparency and trust among employees. Performance orientation. A new performance management system, including benchmarks and rewards, shifted NDPL from a low efficiency to a high performance culture. Employee involvement. Initiatives such as open forums and training program increased employee engagement and adaptability to change.

What are the results of these processes? NDPL saw a reduction in inefficiencies, outcomes focus. These are the outcomes. And increase in the productivity, improved customer satisfaction, showcasing the effectiveness of tailored organizational processes change interventions in India implications the study underscores the importance of adapting organizational cultural practices to the local cultural context and emphasizes HR's strategic role in aligning business and HR strategy to drive transformation so in this case HR has to actually play a role of a business, more of a strategic partner role with the

business. For that, they also have to have business understanding so that they can provide the strategic edge to the organization there. So, with this, we are closing this module on administrative reform, organizational change and development.

I will continue to discuss about the theme 4 in the next session with the new public management to collaborative governance. I will see you in the next session. Thank you.