Designing Work Organization
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Lecture-21
Strategic Role of Change

In this particular session, we will talk about the strategic role of the change and in the content will be elements of successful change, Horizontal coordination model, The Dual Core Approach Culture change, Organizational Development culture change interventions, Change curve, Barriers to change, Research Paper, Book Recommendation and References Now when we are talking about the strategic role of change, it is becoming very important that nowadays we find that is because of the external environmental factors, there are a lot of changes are there and organizations are facing these particular changes and including the social, political, technological changes and not only this, they have to also see that is the what their competitors are doing. So to meet the competition, they are required to develop that continuous innovations and if they develop that particular continuous innovations, then definitely the changes are to be made and not only to prosper or getting the profit, but merely to survive also. So any organization if wants to get the sustainability, then in that sustainability it is very important that is they are developing their products, either they are improving their products, making changes in their products or the products itself they are changing. So this is the world of the disruptive change and the increasingly stiff competition is there. So those organizations like we when we talk about the Sony, then here we find that is the themselves have met this particular strategy that is come out with the new and new products and replacing their own products from the shelf is there. To recognize and manage the threats and take advantage of these opportunities, today's companies are undergoing the dramatic changes in all areas of their operations are concerned.

Now whenever we are talking about them making the changes because to meet the competition, then it becomes very important that what resources do you have and when you are having the men, machine material, money, methods, and minutes, all 6 M's, then you have to understand in the operations how you can make the changes. For example, the first and foremost is that now industry 4.0 when we are talking about these changes, then we are talking about this particular aspect of the operations through the methods. Changing in the methods of the manufacturing is there, changing in the methods of services are there, simple example is with the help of the technology and therefore, they are becoming the sustainable and making the total changes and these total changes are coming through the changing of their machineries, changing of their the equipments and therefore, in that case you will find that is the companies are undergoing the dramatic changes.

Change rather than stability, if the norm today whereas the change once occurred incrementally and infrequently, so here it becomes very important that is the changes once occurred, they have to make these changes and today it dramatic and the constant change is there that is incrementally and the infrequently they have to make changes. A key element of the success of companies such as the FedEx, Southwest Airlines, Apple, Toyota has been their passion for the creating change. So therefore, as Apple such as the FedEx, Southwest, all these companies they are making these particular changes and as a result of which they are becoming the leading organizations are there. Now, here when we are talking about the forces driving the need for the major organizational changes, so global changes, competition and the markets are there. So technological change, international economic integration is there, then the maturation of the markets in the developed countries and the fall of the communication and the social reasons are there.

So when I was mentioning about these resources, the first and foremost which is affecting nowadays for your business and that is a technological changes are there and when you are making these technological changes, then definitely you have to make the investment and you have to see that is you are sustainable. And when you see you are the monetary that is the economic condition that is becoming the another threat. So, these two may make one side to be sustainable, you require to do changes and other side you are having the constant of the finance or the your economic condition. So, these will be making these organizations into a difficult propositions and therefore, they are supposed to make the changes. Maturation of markets in developed countries are there and as we see that is the life cycle, the life cycle of your products that is becoming very, very limited and therefore, in that case, you have to be making the maturation of this market and this market in the global level if you want to capture then again you have to make the certain changes and improvements in your products and your company's policies.

So, all of the communist and socialist regimes are there and therefore, in that case, the another political issues are there. What type of these philosophies or regimes are there? In this philosophy or in these regimes when we talk about that is the here the communist and socialist regimes and they are becoming the less influential, then definitely in that case that will also a commercial aspect, a social aspect and the economic aspect that will be making the influencing this particular factor. Here we will find the more threats are there, the more domestic competitions are there and now one side you have to face the global competition and other side you have to face the domestic competition. So, more domestic competition which is another threat is there and now like in India when we are talking about the MSM is macro small medium enterprises. So, those enterprises are becoming the emerging and growing fast.

So, that is also becoming a very great threat. The another is the increase the speed of the market is there. So, therefore, in that case, you have to increase your speed of the growth and making the changes otherwise you will not be sustainable and third one is the international competition is there. So, one side is the domestic competition, other side is the international competition. However, there are the opportunities also because whenever there are the threats, there are the opportunities, whenever there are the strengths, there are the weaknesses.

So, these bigger markets are there. So, here you will find like the India, India itself is claiming is a bigger market and the fewer barriers are there. So within domestic, you will find there are the few barriers are there. And now when we talk about the LPG, liberation, prioritization, globalization, so it becomes very much open. More international markets are there and now the globally also, whether it is the Europe or it is Asia, you are having the enough opportunities to develop your market and therefore, in that case, in spite of these threats are there and the organization can think of the opportunities and make the changes to grab these particular opportunities.

Now more large scale changes in the organizations are required requiring the structure change. So, organization structure is to be changed as I am always advocating about the horizontal structure or the flat structure is there. So, when you are to make these challenges, you have to make the changes. If you are making the changes, your manpower, manpower will be either increase or it will decrease and if it is decreasing, then you have to make the more empowerment and then you have to remove the and the competition is tough and the financial conditions are not good, then you have to remove certain employees. So, these structural changes will be there, organization structure you have to design according to the competition of the market.

Strategic changes are there, what is your strategies are there, the cultural change and because you are working on the globally and domestic market both, so therefore, you have to face a different culture and therefore, you have to adjust yourself with the cultural change. Knowledge management of price resource planning is there and here you will find that is the it is becoming the more and more the resource planning and the quality programs are there, where we can find out that is the what are the different quality programs which we can organize. Here the for these purposes, normally what are the solutions? So, solutions are the mergers, joint ventures and the consortia is there and I also talked about the cooperation, the cooperation with your competitor. So, therefore, here you will find that is that mergers and acquisition is there. Horizontal organizing, teams, and networks are also developing and in the changing of the organization structure, the horizontal teams are working.

New technologies and products are introduces and the new business processes are starting and therefore, we have to focus, focus on the methods or processes which is the very   rich resource.   If you can make a very important changes in into your manufacturing process, then definitely you can save the a lot of cost and the e-business is becoming very popular and we find that is the role of technology and this is becoming the very important. And the learning organizations are there and organizations because of this totally changing   environment they are learning themselves that is how to overcome these particular challenges. Now, the strategic types of the change because we have talked about here the strategic changes are there and the strategic type of change mergers can focus on four types of change within organizations to achieve the strategic advantage.   One   is   the   technology   change.

These are the changes in an organization's production process including its knowledge and skill base is there. Now, you see when you are changing the technology, you are changing the knowledge and skill base. When you are changing the knowledge and skill base, it is affecting your manpower. So, your manpower should be flexible enough to develop themselves in the given environment and that enable distinctive competence and if they include the work methods, equipments and workflow and these changes are designed to make the production more efficient or to produce the greater volume. If product and service change is there, these changes pertain to the product or service outputs   of   an   organization.

New product includes the small adaptations of existing products of the entirely new product lines are there. So, new products and services are normally designed to increase the market share and to develop the new markets, the customers or the clients are there. Example is given the Apple's iPod was a new product that created a new market for the company.   An example of a new service designed to reach a new markets and the customer comes from India's Tata consistency services. Now, when we talk about the strategy and the structure change, these changes pertain to the administrative domain.

So, the administration domain involves the supervision and management of the organization. These changes include in the organization structure. So, as I mentioned you can remove certain layers and the strategic management policies, reward systems and the labor relations are there and the coordination devices amongst the employees. Management information and the control systems and accounting and budgeting system is there. So, therefore, in that case you will find that is these are the changes the even these   international accounting system that is also becoming the another example for making   the   changes   are   there.

Now, these are many MIS and control systems that is also totally changing. Now, when we talk about this SCADA, so totally control management system through the IT is changing. So, these changes which will develop a new culture, so cultural change becomes the very very important aspect. Culture change refers to the changes in the values because earlier it was a manual based, man based system and now you are talking about the technology based system. So, therefore, your values systems that is going to be very strong and those values will lead to your success.

Many organizations when they interact culture, organization culture if the values are not there then in that case they are not sustainable for long time. The attitude of the organizations and therefore, positive attitude, if there is not a positive attitude then they will never look for the any particular change, any successful change. These expectations, beliefs, abilities and the beware of employees that will create a particular culture. So, overall organizations the belief system, what is a belief system? For example, teamwork. So, teamwork is an example where the employees they are working together and there is a coordination.

So, therefore, that is a belief. Second belief is my employees are competent, the abilities of my employees and anybody can say yes they are competent and then organizations when they develop their competency they are sure that is this culture change they will be easily adaptable and the beware of employees because this environment is changing, surrounding environment is changing, the relationship is changing, the bosses are changing. So, therefore, in that case there will be the also a behavioral aspect and then those organizations which are having these positive behavioral aspects that those organization will grow after the change. Culture change, pertinent to changes in the how employees think and these are the changes in mindset rather than the technology structure or the product is there. So, there it is becoming very important that is the what we have to change.

So, employees think that is here are the changes in the mindset is there. So, rather than the technological structure or products are there. The employees should ready that in the cultural that is the employees are flexible, if they are flexible then they will be sustainable and they will grow and organization will also grow. So, therefore, if the mindset is rigid, they are not flexible, they are not getting cope up with the environmental changes, then they it will be very tough for them for the making this continuing this old policies of old practices for long time. So, therefore, to adopt the change their value systems are very, very important.

Now when we are talking about this structure and the strategy change with the cultural change, then in that case, the who will make these changes? The leader will make these

changes. So therefore, this leadership vision that becomes very, very important. For example, the leaders vision for the technology, what is the current technology is there in the organization, what generation of the technology I should purchase and buy and provide or the products and services, what should be the products out how to provide the services, strategy and structure is there and the culture is there. So, therefore, the market the international environment will be there and on basis of this international environment, thus changes will be made. For a change to be successful implementation, managers must take sure each of the following elements occur in the organization.

And if the statement is making the changes process, so then in that case, if any part is missing, then the whole process will fail. So first and foremost is and that is the idea. What ideas do you have? No company can remain competitive without the new ideas. So naturally the change will be leading to a particular product or services and that product or services is an idea. So change is the outward expression of those ideas and idea is a new way of doing things.

It may be a new product or service, a new management concept or a new procedure for the working together in the organization. Ideas can come from within or from the outside of the organization is there. So idea has to be there. The need, ideas are generally not seriously considered unless there is a perceived need for change and a perceived need for change occurs when the managers see a gap between the actual performance and the desired performance in the organization. For examples, managers at the Walt Disney Company are trying to create those conditions to keep Disney theme parks relevant to a new generation of digitally savvy visitors are there.

So therefore, in that case, this is becoming a need that is the whether there is actual performance and is there is a need also, desired performance in the organization. And here example is given that is the Walt Disney Company and those conditions to keep Disney theme parks relevant to a new generation of digitally savvy visitors. Adoption occurs when decision makers choose to go ahead with a proposed idea. Key managers and employees needs to be in the agreement to support the change. For a major organizational change, the decision might require the signing of a legal document by the board of directors and for a small change, adoption might occur with informal approval by a middle manager.

So when we are talking about the implementation part of this, implementation occurs when the organization members actually use a new idea and the technique or behavior. So materials and equipments may have to be acquired and workers may have to be trained to use a new idea. Adoption is a very important step because without it, previous steps are having no avail. Next element which is very important for this success of the

change and that is about the resources. The human energy and activities are required to bring   about   the   change.

Change does not happen on its own. It requires time and resources to both creating and implementing a new idea. Companies have to provide the energy to see both the need and the idea or to meet that need. Someone must develop a proposal and provide the time and the effort to implement it. So most innovation which is the go beyond the ordinary budget allocation and the require the special funding. Some companies use the task   forces   to   focus   resources   on   exchange.

Other set up and seed funds are venture funds that employees with promising ideas can tap into. So, what elements of successful change? So in this model we will see that is the suppliers are there, right and the customer competition, legislation, regulation, labor force, these are the factors are there. Now when in the environment when these suppliers, professional associates, consulates and the research literatures are there, these internal creativity and inventions which is the idea one end that there is a need also. So perceived problems are the opportunities are there. Now with the changes in the environmental factors you are creating a perceived idea that is the, these will be required.

So suppose you are planning for next 2 years then what will be the perceived problem will be there in next 2 years and what will be the opportunities are there. So these needs once you clearly identify then you develop an idea so that your creativity and inventions that will work. Here that will give you a decision to adopt and what is the decision to adopt is that is about the whether what changes I have to make. As we have seen the changes areas are there either people, process or technology and when you are making this implementation and on basis of this you are using your resources and by using your resources you are becoming the important for this particular change. Horizontal coordination model is there designed for the achieving the new product innovation involves 3 components, departmental specialization, boundary spanning and the horizontal   coordination.

So when we are talking about the specialization, the key departments in new product developments   are the R&D, marketing and the production.   The specialization component means that the personnel in all 3 of these departments are highly competent at their own tasks. These are departments are differentiated from the each other and have skills, goals and   attitudes appropriate for their specialized functions.   Now this component means each department involved with the new products has excellent linkages with relevant sectors in the external environment of R&D personnel is linked to professional   associations and to colleagues in other R&D departments.   Marketing personnel   are   closely   linked   to   the   customer   needs.

They listen to what customers have to say and they analyze the competitor products and suggestions for the distributors. The horizontal coordination components, the technical marketing and the production people share ideas and information. Research people inform marketing of the new technical developments to learn whether the developments are applicable to customers. Marketing people provide the customer component and complaints and information to R&D to use in the design of the new products is there. People from both R&D and the marketing coordinate with the production because the new products have to be within the production capabilities.

So the cost there has been the not exuberant and the decision to launch the new product is ultimately a joint decision among all these departments are there. This horizontal coordination model is having the environment, organization and the outcome as an environment is there to meet the environment. So here is a technical development, then the general managers, R&D department, marketing department, production departments, they coordinate and finally they meet the customer needs. Now these all organizations need to make changes in their strategy, structures, manager processes and the administrative procedures from time to time. Many organizations are cutting out the layers of management and the decentralizing decision making.

There is a strong shift towards the more horizontal structures with the terms of the frontline workers empower to make the decisions and they say problems on their own. This type of the changes are the responsibility of the organization top managers and the overall process of the change is typically different from the process for innovation in technology and new products are there. The dual core approach to organizational change compares management and a technical changes. Organizations such as the schools, hospitals, city, government, welfare agencies, government bureaucracies and many business firms can become conceptualized as having two cores. A technical core and a management core, each core has its own employees, task and environmental domain.

Innovation can originate in either core. So the management core is above the technical core in the hierarchy. The responsibility of the management core includes the structure, the control and coordination of the organization itself and concerns the environmental sectors of government, financial resources, economic conditions, human resources and the competitors are there. The technical core is concerned with the transformation of the raw materials into the organizational products and services and involves environmental sectors of the customers and technology. The point of the core approach is that many organizational especially the nonprofit and government organizations must adopt frequent management changes. Therefore, such organizations need to be structured differently from organizations that rely on the frequent technical and product changes for

the   competitive   advantage.

So direction of change is the example of change, there is the management core is there and there is a technical core. And the top down strategy in downsizing the structure is there and the bottom up production technologies are there. So this will be the workflow, product ideas and organic is there. The cultural change, organization is made up of people and their relationship with one another. Changes in strategy, structure, technologies and products do not happen on their own and changes in any of these areas involve   changes   in   the   people   as   well.

Sometimes achieving a new way of thinking requires a focused change in the understanding the corporate culture values and norms. Changing corporate culture fundamentally shifts how work is done in an organization and can lead to the renewed commitment of the empowerment of employees as well as a stronger bond between the company and its customers. A number of recent trends have been contributed to a need for cultural makeovers at the many companies. For example, the re-engineering and a shift to the historical forms of the organization require greater focus on employee empowerment, collaboration, information sharing and meeting the customer needs, which means the managers and employees need to mindset. Another force for the cultural   change   is   the   diversity   of   today's   workforce.

So diversity is effect of the life for the today's organizations and many are implementing to recruiting, mentoring and promoting methods and diversity training program. However, if the underlying culture of an organization does not change all other efforts to support the diversity will fall. So organization development culture change interventions are there. So what are the different interventions? Managers use a variety of approaches and techniques for the changing the corporate culture. One method of the quickly bringing about the cultural change is known as the organization development which OD focuses on the human and the social aspects of the organization is a way to improve the organization   ability   to   adopt   and   solve   problems.

So all these interventions which is involving the specific group of the everyone in the organization for OD interventions that can be successful, senior management of the organization must see the need for the OD and provide the enthusiastic support for the change. Techniques used by the many organizations for the improving the people skill through the OD includes the large group interventions. And large group intervention approach to sometimes referred to as the whole system in the room. So brings together the participants from all parts of the organization when including the key stakeholders from outside the organization and as well as in the offsite setting to discuss the problems or opportunities and plan for change. Next one is that is about the team building and

team building promotes the ideas that people who work together can work as a team.

A work team can be brought together to discuss the conflicts, goals, the decision making process, communication, creativity and leadership. The team can then plan to overcome problems and the improve the results are there. So these team building activities are also used in the many companies to train the task forces committees and the new product development groups. These activities enhance the communication and collaboration among the and strengthen the cohesiveness of the organization within the group and team. Then interdepartmental activities are there and this particular interventions representatives from the different departments are they brought together in a mutual location to expose problems or conflicts and diagnose to the causes and the plan improvements   in   communication   and   collaborations.

This type of intervention has been applied to union management conflict, headquarter field, office conflict, interdepartmental conflict and the mergers. The meetings help people understand the problems faced in the other departments and see how everyone dependent on each other to do their job successfully is there. So this is a change curve, which is talking about the peak of the expectations are there and then there is a realization of the difficulty and the complexity of the changes I mentioned earlier people process and the technology and then again then you make the efforts to make the changes and the light at the end of the tunnel is there. So you achieve your goal, but there are certain barriers also. So excessive focus on the cost, failure to pursue benefits, you are not able to achieve your goals there because of the lack of coordination and cooperation or there are certain uncertain avoidance which you can which are not under your   control   and   the   fear   of   loss   is   there.

Now this is a research paper which talks about the ERP innovation implementation model incorporating change management. You can go through this paper you can find out that is the how you can make these changes and like the ERP which is becoming a very important tool, how to make these particular changes. And this is the book that is exploring the strategic change and exploring the corporate strategies, publisher is the Financial Times Prentice Hall and here you will find that is the you will come to know that is the how you can explore the strategic change written by the Julia Bellogan and Veronica Hopemel is there. These are the references you can refer further for the detailing of this particular topic and you can gain the more knowledge about it is how to make the changes and how to make the changes into the organization structures with the changes into the people, process and technology. Thank you. Thank you.