Indian Institute
Of
Technology
Delhi
Presents
Under the auspices of
National Program on
Technology Enhanced Learning
NPTEL
(An MHRD initiative)
TECHNOVISION
Educational Technology
Services Centre
IIT DELHI
PRESENTS
A Video Course
On
Management Science
BY
Prof. Anuradha Sharma
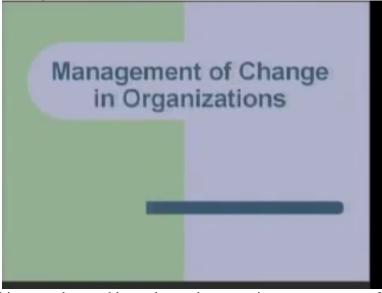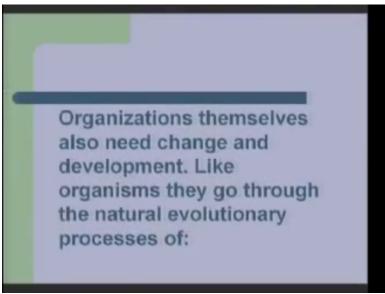**Department of Humanities and**
Social Sciences, IIT DELHI
Lecture #34
Management of Change
In Organization

Today we are discussing management of change in organizations.
(Refer Slide Time: 01:25)

So we will cover this, to understand how change becomes important aspect of managing.
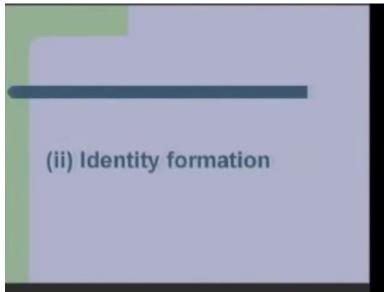(Refer Slide Time: 01:40)

Organizations themselves need change and also development. Like the organisms they go through the natural evolutionary processes.

(Refer Slide Time: 01:56)

Also the cycle of birth.
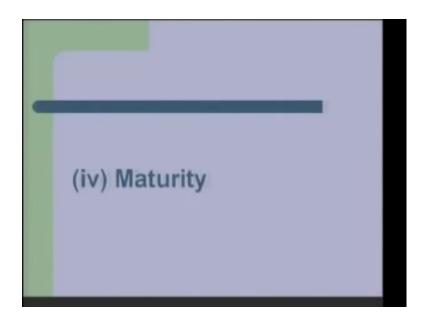
(Refer Slide Time: 02:02)
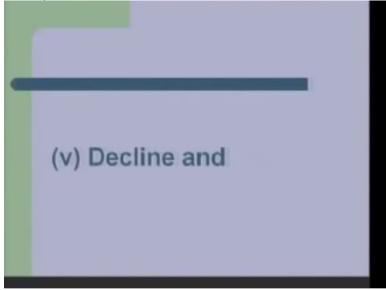
Identity formation.
(Refer Slide Time: 02:04)

Growth.
(Refer Slide Time: 02:08)

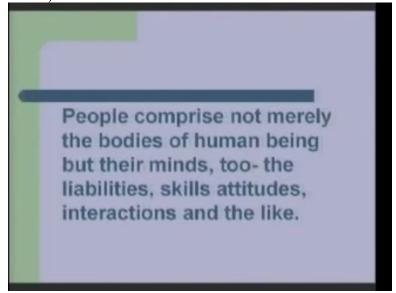Maturity.
(Refer Slide Time: 02:11)

Decline and of course then the final
(Refer Slide Time: 02:17)

(vi) Death

Death is in evitable in an organism. But in an organization if we mange it properly the perhaps this last face need not come and we cannot really mange change and develop and organizations to overcome perhaps the last process. Okay, and if you do not do that then things will become obsolete and perhaps you will not be able to cope up with this competitions and hence organizations may declined to almost this level.
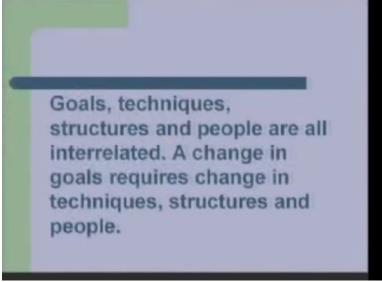
So, change becomes extremely important process and you cannot control and you have no choice, to say that I would not to change. Because it is inevitable. And in today's lecture we are going to discuss while, how and what? Of organizational change.

(Refer Slide Time: 03:31)

People comprise not merely the bodies of human being but their minds, too- the liabilities, skills attitudes, interactions and the like.

So, we begin with what is organizational change? The nature different types then we will go on to discuss how organization change could be managed, and finally we will try to look at some case studies. So, people comprise not merely the bodies of human being but also as minds and the liability skills attitudes interaction and the like. They are the great assets of organizations. We are seen that now earlier chapters.
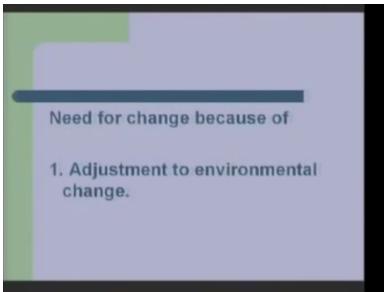
(Refer Slide Time: 04:30)

So, goals, techniques, structures and people are all interrelated. A change in goals requires change in techniques, structures and people.

(Refer Slide Time: 04:47)

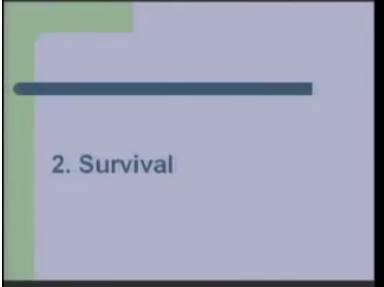In narrow sense, we can say that organizational change refers to a change in many of the aforesaid components, goals, techniques, structures and peoples. However we have to realized that some time it is a plan change, sometime it is a natural change, sometime you like it, sometimes you do not like. Nevertheless we have to manage change to really a manage our organization successfully.

(Refer Slide Time: 05:32)
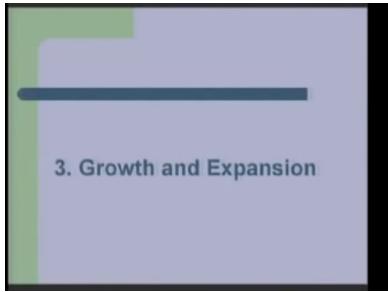
So, need for change is because of the adjustment to environmental change. Environmental changing and every day there are so many new aspects of environments. Unless we adjust we those will not to be able to really manage our organization very successfully

(Refer Slide Time: 05:57)
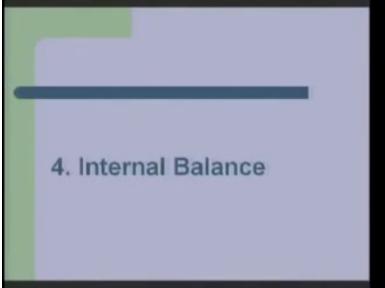
We have to survive within those you know challenges in organizations and the world of competitions.

(Refer Slide Time: 06:10)

3. Growth and Expansion

We have to grow and expand hence there is change we have also to keep.
(Refer Slide Time: 06:18)

4. Internal Balance

Internal balance, internal balance of people the work designs policies and so on.
(Refer Slide Time: 06:31)

5. Antidote to Employee Frustration

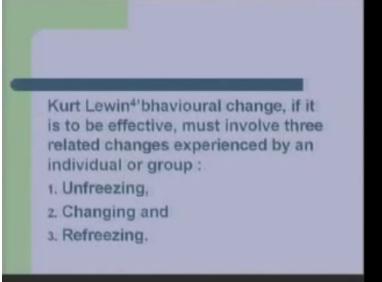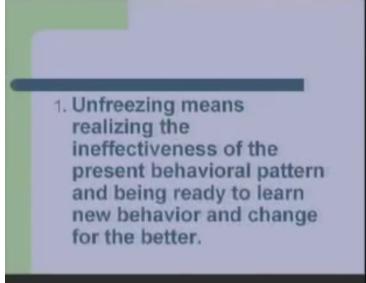We have to also look at the some kind of antidote to employee and frustration. Well, we do not like people be frustrated but then because there are the individual differences, we are seen that again you know and some of our earlier discussions. Organizations have to make certain adjustments and certain changes.

(Refer Slide Time: 07:02)

Kurt Lewin[4] bhavioural change, if it is to be effective, must involve three related changes experienced by an individual or group :
1. Unfreezing,
2. Changing and
3. Refreezing.
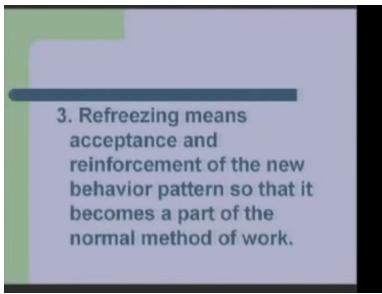
Lewin, Kurt Lewin behavioral scientist. He has given us ideas about how to analyze and co about managing change. And so basically he is talking to behavioral change. And he suggesting the change management to be effective we must involve three related changes experienced by individual or groups. These are unfreezing, changing and refreezing. These are the three terms Kurt Lewin used which we are learning and perhaps we are practicing as the process of management development and change. So, let us see what dissect me.

(Refer Slide Time; 08:10)

And freezing means, realizing the ineffectiveness of the preset behavioral patterns and being ready to learn new behavior and change for the better.
(Refer Slide Time: 08:27)

Changing is the actual implementation of the change process and it is experiencing with new behavioral, new skill and new machinery and so on. So many other things we can talk about the list is much longer than what we are trying to talk about here. Refreezing means expectance
(Refer Slide Time: 09:02)
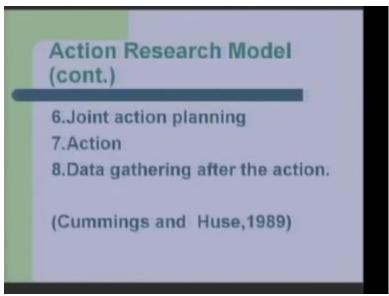
And reinforcement of the new behavior pattern so that it becomes a part of the normal method of work.

(Refer Slide Time: 09:13)

There are number of models which are explained how to manage change. One of the modules is the action research model. Action research model suggests that number of steps have to be followed. And these are problem identification, consultation with experts, data gathering and preliminary diagnosis, feedback, joint diagnosis of the problem.

(Refer Slide Time: 09:57)

Action Research Model (cont.)

6. Joint action planning
7. Action
8. Data gathering after the action.

(Cummings and Huse,1989)

Joint action planning, action, data gathering after action, and then managing change. So, this have been given by Cummings and hues which we are using in often when we trying to manage change.
(Refer Slide Time: 10:22)

Broadly there are three types of organizational change ---
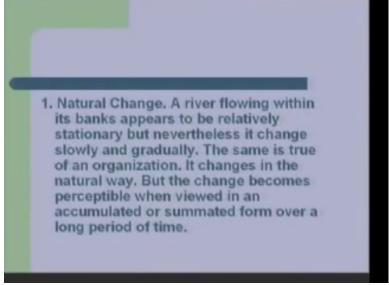
Broadly there are number of toys of organizational changes.
(Refer Slide Time: 10:29)

Change could be a natural change, it could be are reactive change or it could be a proactive or planned change strategy. You understand a natural change, reactive change, and proactive or planned change.
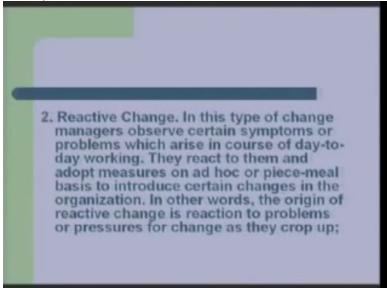
(Refer Slide Time: 10:58)

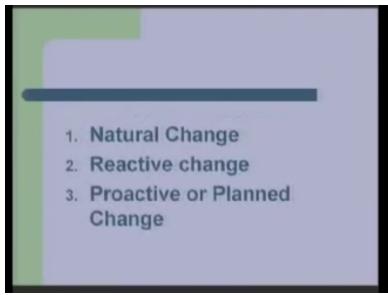Will see what we mean by these change strategies. Natural change you can see here, we are talking about a natural change a natural situation. Okay, here after I do put of some definition of natural change. What could be reactive change? Could you suggest some examples of reactive change? We are talking about the natural change, well a child grows becomes an adult natural change and organizations becomes old and the perhaps the managerial thinking has not changed. Therefore the change which is happening because of time but if you find the people are reacting then it is reactive change because of set in changes in the environment or the organizations. So, natural changes perhaps is very easy for you to understand that which are the gradual natural changes in evitable and we have to design our strategy for scooping up with the natural change. About which is not very difficult for us because we can see the natural change around and

perhaps we can design our system to cope up with natural change. So, some form of a over long period of time, we are talking about the process of natural change.
(Refer Slide Time: 13:03)

2. **Reactive Change.** In this type of change managers observe certain symptoms or problems which arise in course of day-to-day working. They react to them and adopt measures on ad hoc or piece-meal basis to introduce certain changes in the organization. In other words, the origin of reactive change is reaction to problems or pressures for change as they crop up;
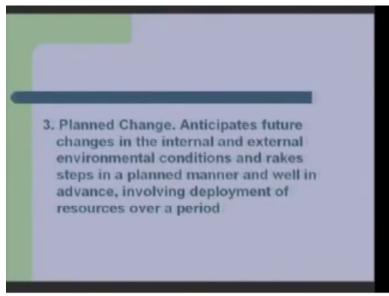
Reactive change as the example I was trying to give you but employs might react because of cretin reasons and that situation we have to mange because change and expectation of participants in the organizations is because of certain situations. So, this type of change we can see managers they have to actual mange because of certain symptoms of the problem. Which might aeries in course of day to day working?

I already had given you one example of this. And so, they react and manager has to adapt to some of these measures and some of these situations. In other word we can say that the origin of the reactive change is reaction to particular problem or cretin pressures in organizations. So, may say that I do not my organization I do not want any reactive change. But it change is not with us. Choices not with their managers this in inevitable and part of managing and organization.

Planned change strategy or planned change.
(Refer Slide Time: 14:38)

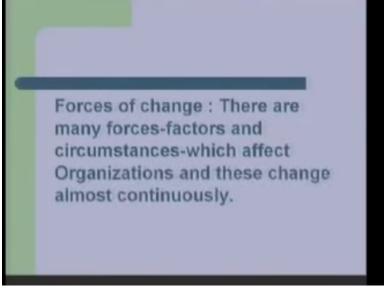3. Planned Change. Anticipates future changes in the internal and external environmental conditions and rakes steps in a planned manner and well in advance, involving deployment of resources over a period
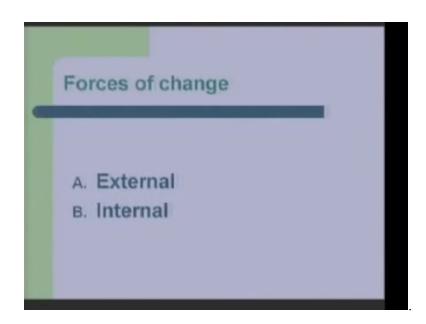
This is when you anticipate certain changes. Okay, certain issues, certain failures and then you design a system to use that particular kind of the change. Before, the event is occurred. Okay, before the event has occurred before actual agitation has happened or before frustration to place we make a strategy of changes such a way that is that kind of even perhaps does not come in most of the cases.

I am not saying 100 % cases. Because we are talking about a dynamic world human being society organizations all are the dynamic entities. Also we cannot talk about all 100% cases at one particular point of time. Yet, we are trying to analyze that what is in the offing and can we manage that. Okay, so here you can see what we understand by the planned change.

(Refer Slide Time: 15:58)

Forces of change : There are many forces-factors and circumstances-which affect Organizations and these change almost continuously.
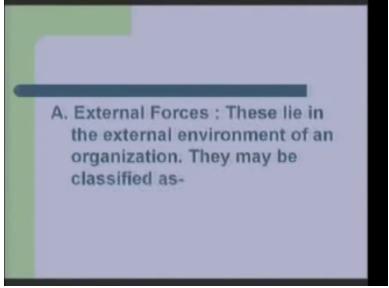
What are the forces of change? Number of the forces is there. And some of the factors and some of the circumstances. Which effects organizations and this change almost continuously effect the organizations.

(Refer Slide Time: 16:21)
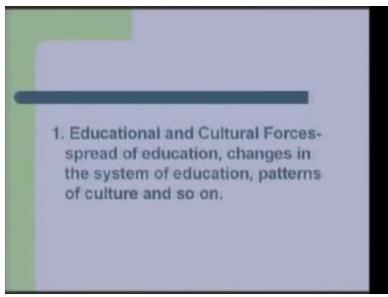
So, the forces of change could be understood be as external forces or internal forces. Okay, external to the organization and internal in the organizations. Let us see what do we mean by internal and external forces? So, let us first see the external forces.
(Refer Slide Time: 16:47)

External forces lie in the external environment of an organization and they me be classified as
(Refer Slide Time: 16:59)
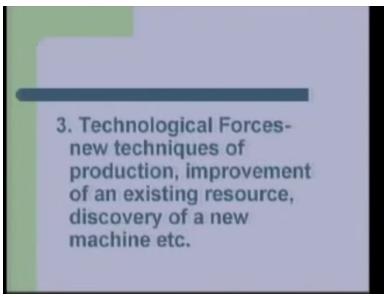
Some of the forces such as, educational and cultural forces spread of education changes and the system of education pattern of culture and so on.
(Refer Slide Time: 17:19)

These could be economic forces shortage of certain vital resources, rapid growth of population, market demands, increase of competition, expansion of transport etc. and many others which are the economical impact.
(Refer Slide Time: 17:44)

3. Technological Forces-
new techniques of
production, improvement
of an existing resource,
discovery of a new
machine etc.

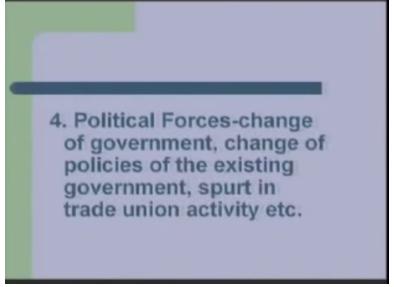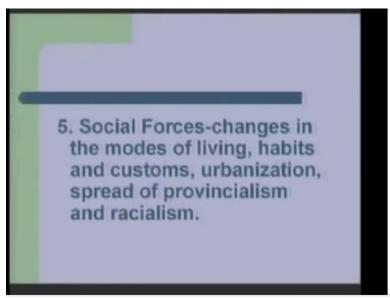We have technological forces new techniques of production, improvement of an existing resources, and discovery of new machine new systems. Okay, so these are some of technological forces which make impact on an organization and we have to manage these.
(Refer Slide Time: 18:13)

4. Political Forces-change
of government, change of
policies of the existing
government, spurt in
trade union activity etc.
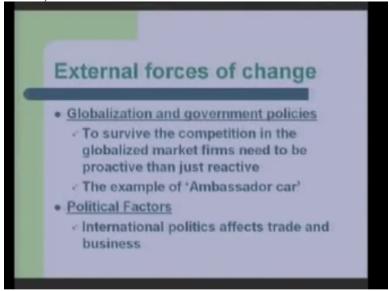
There is also political forces change of government for example, change of policies of the existing governments shift in trade union activities etc. many at time because of change in the government policy is you will find at the management strategy has to gear up with that. So, you wish to make certain changes. And you find that there may be difficulty in making this adjustment to these forces will talk about resistance to change a short while. Now that because an important factor, when we are trying to manage change.
(Refer Slide Time: 19:11)

5. Social Forces-changes in the modes of living, habits and customs, urbanization, spread of provincialism and racialism.

The other external forces are social forces, changes in the mode of living, habits and customers, organization speed of provincialism. We can say racialism we can say. All these are important forces, external forces which in page on the organizational functioning.
(Refer Slide Time: 19:42)

External forces of change

- Globalization and government policies
  ✓ To survive the competition in the globalized market firms need to be proactive than just reactive
  ✓ The example of 'Ambassador car'
- Political Factors
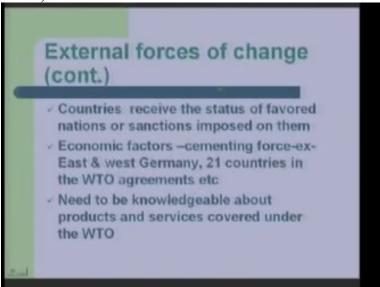 ✓ International politics affects trade and business

External forces could also be understood as globalization and government policies. And government policies we have already discussed, but here in the larger perspective I am talking about globalizations and the policy ability to that. So, we have to all survive in a get in the globalized economy. And this much competitions there are so many changes and if you do not cope up with that our own organizations will not survive. The competition in the globalized market also creates in a need for proactive kind of prepares proactive change. Because, of certain reason.
 Okay, so is not only the reactive change that you may deal with. Okay, for example, the car industry we have the old car industry and the ambassador car or they have get affected themselves in new technology, so the new systems to cope up in the competitions. Event tough
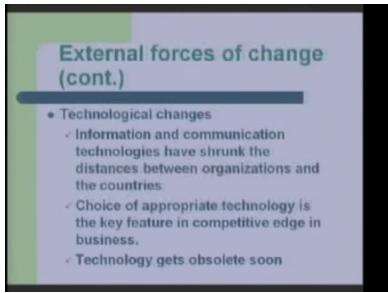
you know their external for example, look may remain the same but in terms of their machinery and technical aspects. They have managed proactively, as so you still find you know the cars good cars are running in competitions within your generation cars. Political factors are also important. So, international policies, also affect the trade that you have they kind of business you have. For example, the kind of today.

I am sure all of you read newspaper and you are aware of some of the trade and some of the policy and some of the kind of export and the import and kind of the competitions we have some countries, which for some never there in was about 15, 20 years ago, it was not there. So, we have to see that how some of the political factors also make difference in this sense. Also the external forces, we are talking about the countries receive very sis actors of kind of a favored nations so that you know.

(Refer Slide Time: 22:27)

That is mightier factor of the organizations of your business. Then well some of the other economic forces are the current forces of an other country say is Germany are some country are WTO agreements and that. So, we have to be knowledgeable in terms of products and services covered under all these. Would you then if you are in business that gets affected because these so you and your organizations has to understand the knowledgeable and gear up from these kind changes. Which might which are in the offing we have change lot of things.

(Refer Slide Time: 23:26)

Okay, so your organizations has to manage some of these and of course the some of the technological changes could be in the information communication technologies as you seen which have really shrunk the distances between organizations and the countries. And the choice offer proper technology is the key to manage change and so in the competitive business you have to see what is the best technology for you most proper ate form. And the technology as we know get obsolete very soon. And what we shout do about that and changing customer needs.
(Refer Slide Time: 24:20)

 Preference that customer might show you for a particular type of product. Say some types you find at there is some fashions some facts and because of which certain products are being sold in the market like hot cakes and other may be very value products. Might get you know just in the back side you have to also look at the customer need. Say for example if you take a garment manufacture then you have to see that what the defects fashionable designs which are going on are.
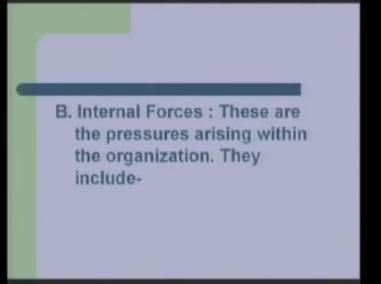
Okay, so in the management of change you have to keep in mind the customer needs where. So organization and work design you have to see the emergence of the several of BPO sectors and various others in you know we design of organization because of the technological environments because of the social requirements, because of the customer choices and so on. As so effects all these factors which we are discussed
(Refer Slide Time: 25:51)

Could be observed in the organizational structure design systems and process tasks technology and above all on the psychological contract people. Okay, these are all the external these are some of the forces which we are looked at. Now we will go through internal forces.
(Refer Slide Time: 26:23)
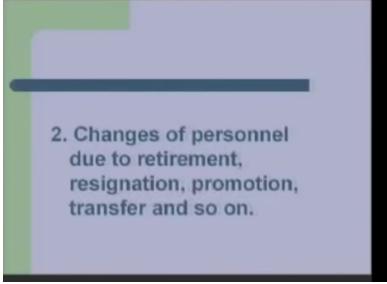
These internal forces in the organization which are important for manage mental change. So, the internal forces these are the pressures arising within the organizations.
(Refer Slide Time: 26:40)

1. Composition and policy of top management

And they, include the composition and policy of top management. That means you as a manager, you have to be careful about the kind of policies that you have developing.
(Refer Slide Time: 26:54)

2. Changes of personnel due to retirement, resignation, promotion, transfer and so on.

Changes of personnel and due to retirement, resignation, promotion, transfer and so on. This is in our selection process and the other chapters also. We have refers to some of these process.
(Refer Slide Time: 27:17)
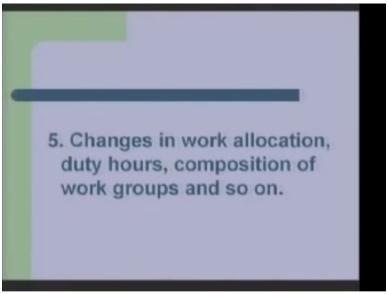
Changes in the physical facilities like shortage of supplies of raw materials, wearing out of machinery equipment and demand for more space.
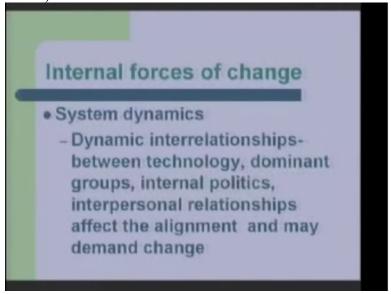
(Refer Slide Time: 27:31)

Changes in the employee attitudes, feelings and aspirations at very micro level we are understand that people are important and their attitude and their feelings are extremely important because these are also related to the motivational background what we have done in earlier in one aof the lecture motivating people. So, we have to w extremely careful and sensitive about these issues.

(Refer Slide Time: 28:13)
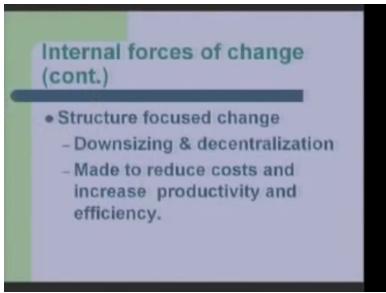
Changes in work allocations, duty hours compositions of workgroups and so on.
(Refer Slide Time: 28:18)

Then the internal forces, also referred to system dynamics. Okay, dynamic inter relationship that we have in technology dominant groups internal politics inter personal relationships affect the alignment and may damage some situation might you know call for change so might manage you know the situation without managing the change we cannot do that. So, we have to manage change at this level.
(Refer Slide Time: 29:06)

Then the structure of focus changes that we have downsizing and decentralization. Need t reduce the cost and increasing the productivity and efficiency of the organizations? Yeah, we are talking about the internal factors now within your organizations with in your industry. Yes, and also we have to look at you know number of the factors in the internal forces.
(Refer Slide Time: 29:38)
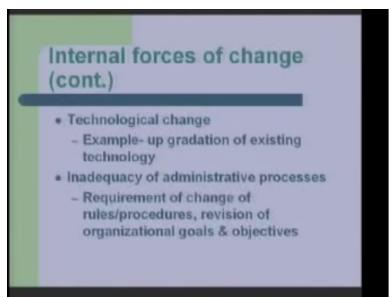
Adjust try to put you know one small example, the case study of BATA India, the management of BATA India which has made you know certain changes and offering you know the voluntary retirement schemes and they have you know number of employment possibilities that they have try to look into and they have made you know certain changes implement certain financial and other operational restructuring changes in their organizations.
(Refer Slide Time: 30:18)
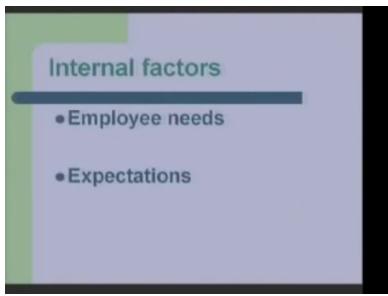
So, in the internal changes we are also discussing the technological changes like up gradation of existing technology in adequacy of administrative process requirement of change so rules procedures revision of organizational goals and objectives.

(Refer Slide Time: 30:44)
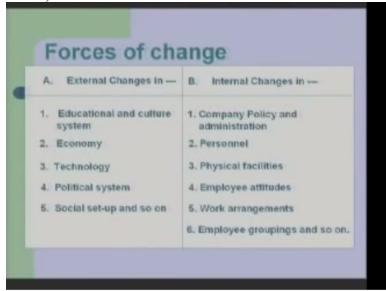
Then individual groups expectations person focused changes that was changes in HRD might be a meaning here. Resource constraints requiring static changes profit ability issues like lots of revenue and related factors for example the market shares and low productivity etc.

(Refer Slide Time: 31:26)
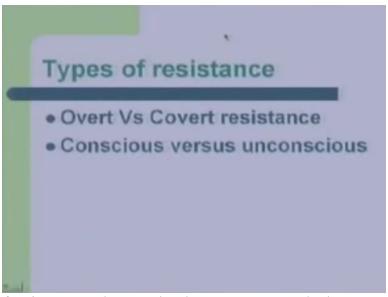
So the internal changes to internal factors with effect the changes in cert of put them into brief well caption saying employee needs expectations.
(Refer Slide Time: 31:48)
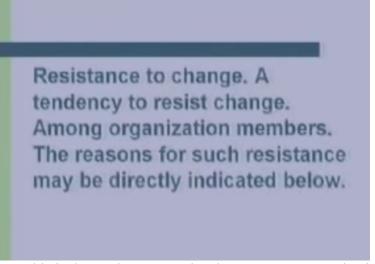
These are some of the factors. And hereafter to prepare a table in fact this w have borrowed from one of the writings. The certain perhaps changes that if how the forces of changes internal and external are functioning. As so, this is basically a reputation of what I have already discussed with you, the external changes all types and the internal changes of all types. Okay, so have you understood the internal and the external change which we have to manage in an organization, in order to become effective in order to survive, in order to become profitable? Okay, so I would repeat all this because we have already discussed this, then we will move on to
(Refer Slide Time: 32:48)

Types of resistance

- Overt Vs Covert resistance
- Conscious versus unconscious
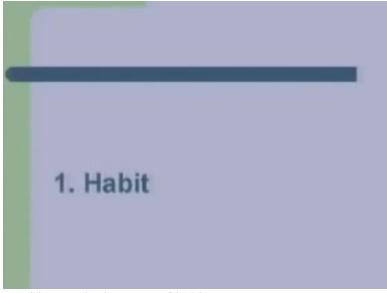
Look at the issue of resistance to change. The change process, anybody are wanting to change from one situation to the other situation there is resistance. The resistance of people because of so many reasons and there could be some overt reasons or some covert resistance, there could be some conscious versus some unconscious resistance to change.
(Refer Slide Time:33:22)

Resistance to change. A tendency to resist change. Among organization members. The reasons for such resistance may be directly indicated below.
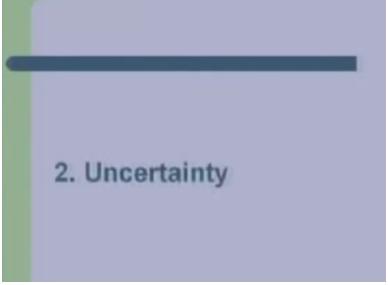
So, resistance to change, this is the tendency to resist change among organization members and the reason for such resistance may be many and some of those we are, we are trying to present here. Okay.
(Refer Slide Time:33:41)

1. Habit

 Resistance to change this may be because of habit.
(Refer Slide Time: 33:45)
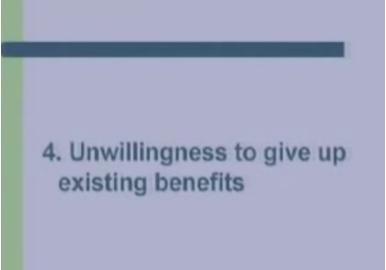
2. Uncertainty
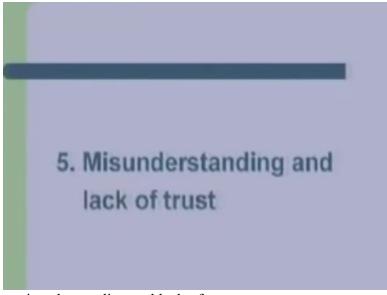
This may be because of uncertainty.
(Refer Slide Time:33:49)

This could be about self-interest.
(Refer Slide Time:33:54)

This could be about unwillingness to give up existing benefits.
(Refer Slide Time:34:00)

5. Misunderstanding and lack of trust

This could be about misunderstanding and lack of trust.
(Refer Slide Time: 34:07)
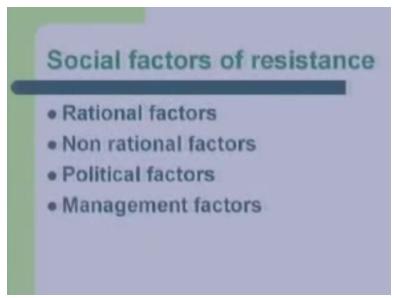
Resistance to change

- Causes of resistance
  - Lack of belief that there is a serious need for change
  - Different descriptions of the need for change
  - No agreement about the goals for change
  - Lack of belief that the goal is attainable
  - No confidence in the manner of change

And so, the resistance of change could be because of many reasons. So, we can see that the belief that we have in about certain things or different, for example description of need might affect the change and we might know, no agreement there might be needful change, lack of belief, there may be need for change, no consideration of any kind of issue in the manner of change. So, there may be
(Refer Slide Time: 34:50)

Social factors of resistance

- Rational factors
- Non rational factors
- Political factors
- Management factors
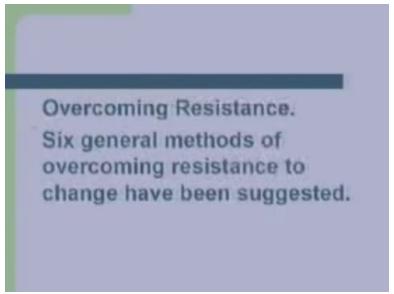
Many issues on resistance to change and some of these could be rational factors, could be non-rational factors, could be political factors, could be management factors when we are looking at resistance to change. When people resist change, there are many personal factors also. For example, if you are very comfortable in a situation, you would not like any change in their situation because you may have sometimes fear of unknown because you are very happy doing whatever you are doing.

So, if you are now taking up another or if you transfer to another department you might start fearing that may be I am not very comfortable there, you do not know may be more comfortable there. And an organization perhaps is planning it in such a way, that you are more comfortable there or more perhaps you know productive there but once you are transferred you might have resistance and you might feel unhappy about it.

But moment you, you have been placed there and you have to go there after couple of days perhaps you started jesting to that situation and you may start, you may feel better than your earlier department. So, the resistance to change also has to be managed very carefully by the manager because sometimes, see when I say the rational factors, non rational factors, when I am saying that there is a fear of unknown.

You are not taking any rational decision there. Okay, sometimes fear of imbalance, I am very balanced you know very comfortable I am coming at this time sitting at this place doing this work, these are my duties. But I feel you know disturbed so I will have some imbalance, some my equilibrium perhaps you know will get affected. That kind of feeling is there. Sometimes some social factors like the political factors may be the some management factors are there, but all these factors basically are in the minds of people and so manager has to really manage resistance to change very carefully and some of the methods.

(Refer Slide Time: 37:41)

Overcoming Resistance.
Six general methods of overcoming resistance to change have been suggested.

We are going to discuss and we have already discussed in some other chapters or some other contexts. So, maybe I will try to bring some of those in today's discussion as well. So we have to overcome the resistance and numbers of methods have been suggested by various researches and authors and six general methods of overcoming resistance to change have been suggested by quarter and associates which we are discussing.

(Refer Slide Time: 38:21)

1. Education and Communication

These are education and communication you can manly change if you educate people communicate very clearly with them.

(Refer Slide Time: 38:33)

Using participation and involvement in fact I was talking to you about participation issue which, when we were discussing participative management at that point we also mention to you that participation, participative management could be a great perhaps in our asset to us in managing change resistance to change. At that time we were discussing so, participative management and involving people in decision making could be another method of managing resistance to change.
(Refer Slide Time: 39:11)

We can have the facilitation and support.
(Refer Slide Time: 39:18)
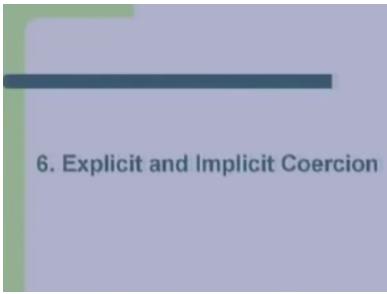
We can have negotiation and agreement.
(Refer Slide Time: 39:22)

Manipulation and co-operation.
(Refer Slide Time: 39:26)

6. Explicit and Implicit Coercion

Explicit and implicit coercion, sometimes this may be needed even though not recommended in as a routine strategy.
(Refer Slide Time: 39:36)
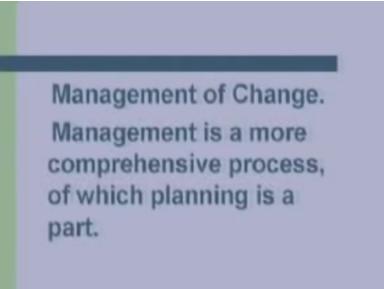
Reducing resistance to change
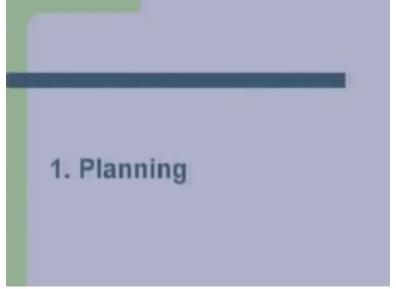
- Strategy depends on the situation
- Education & communication
- Participation & Involvement
- Facilitation & Support
- Negotiation and agreement
- Manipulation and co-optation
- Explicit and Implicit coercion

Also reducing resistance to change perhaps we can have the analysis in terms of strategy which depends on the situation, education and communication, participation and involvement, facilitation and support negotiation and agreement. I am repeating the same points here in the form of a table to make you understand that we can manage resistance to change. Okay, and this is perhaps you know
(Refer Slide Time: 40:18)

Management of Change.
Management is a more comprehensive process, of which planning is a part.

The skill manager has to develop if he/she wants to become a good manger. So, management of change is more comprehensive process of which planning is a part. Okay, when you want to manage change, you could plan out the plant changes strategy for yourself, formally or sometimes just in your mind. But it is good you know if there is a large scale change that we are trying to bring about. Then it could be, is better that we do it very formally. So, the
(Refer Slide Time: 41:07)

1. Planning

Process of planning becomes very important.
(Refer Slide Time: 41:10)

2. Organization of change. This is done through a change agent who may be a member or a team of members of the organization or outside consultants.

Organization of change, this is done through a change agent who may be a member or a team of members of the organization or outside consultants.
(Refer Slide Time: 41:25)
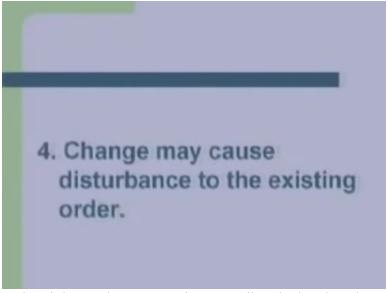
3. This is followed by action which involves intervention and reorientation. Monitoring is necessary to ensure that a plan proceeds according to the original design.

This is followed by action which involves intervention and reorientation. Monitoring is necessary to ensure that plan proceeds according to the original design. Okay, now we are talking about how to manage change. Have you understood that what is change and then what are the different types of changes? What are the forces of change? The resistance to change, we are now looking at managing change as to?

What should we do about managing change? Okay, so this is followed by some action which involves intervention and reorientation. Monitoring ids necessary to ensure that a plan presides according to certain designs this we have already discussed. Yes, are there any questions? Yes, yeah so we can do it in a very formal way is, yeah we can do that in the formal way. So, change may cause
(Refer Slide Time: 42:56)

4. Change may cause disturbance to the existing order.

Disturbance and people might you know sometimes get disturbed and so the existing order gets affected when they are trying to make a change. So, we have to be careful about that.
(Refer Slide Time: 43:12)

5. Support is required for proper implementation.
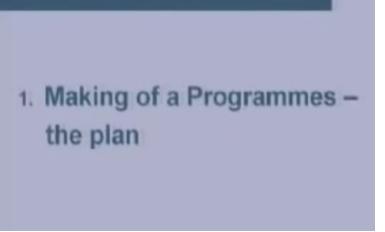
Support is required for proper implementation. Support from all quarters or participance. Yeah.
(Refer Slide Time: 43:24)

Briefly management of change implies-
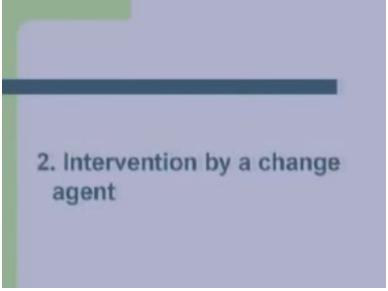
So, briefly management of change then implies.
(Refer Slide Time: 43:29)

1. **Making of a Programmes – the plan**
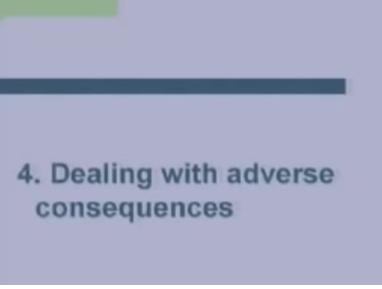
Making a programme and the plan. So, now I am talking about if you are wanting to manage change then step by step what should we do, making a programme or a plan.
(Refer Slide Time: 43:49)

2. Intervention by a change agent

Intervention by a change agent.
(Refer Slide Time: 43:53)

3. Monitoring

Monitoring.
(Refer Slide Time: 43:56)

4. Dealing with adverse
consequences

Dealing with adverse consequences.
(Refer Slide Time: 44:01)

5. Support

Support.
(Refer Slide Time: 44:02)

● Organizational culture and empowerment

Organizational culture and empowerment changing organizational culture, work culture and empowering employees in your organization. Okay.
(Refer Slide Time: 44:20)

The resource dependence and change

● To survive organization needs to acquire resources from the environment
● Organizations try to reduce this dependence on the environment by adopting a series of strategies and attempts to influence and control the environment

And so the resource dependence of change becomes important. Let us see to survive organization needs to acquire resources from the environment. And so, we have to see that how we are able to really co-ordinate with the resources. Organizations try to reduce this dependence on the environment by adopting a sense of strategies and the attempts to influence and control the environment.

Because you have your organization which is there in environment and the resource dependence also is there, we cannot say that my organization does not have any
(Refer Slide Time: 45:19)

- Internal strategies aimed at adapting and changing the organization to fit the environment
- External strategies are aimed at changing the environment to fit the organization.

So, the internal strategies aimed at adapting and changing the organization to fit the environment in, these are important. The external strategies are aimed at changing the environment to fit the organization. So, whatever way, be the way we are trying to manage the change process, we have to be very careful about these strategies.

(Refer Slide Time: 45:49)
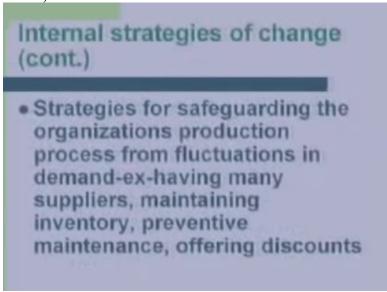
Internal strategies of change

- Domain choice: a strategy of venturing into a new market/industry to minimize uncertainty
- recruitment: appointing people from the external organizations
- Environmental scanning: Scanning the environment for trends, patterns and changes to sensitize the organization for anticipatory changes ands prepare these to respond

The internal strategies of change further we will talk about that the, what is the, for example the choice that you have the domain choice that you have and what is the strategy that you are using for the analysis of uncertainty that might happen in your organization. You can talk about recruitment appointment of people from external organizations sometimes very consciously we try to get one of the best person from some other organization.

Then environmental scanning may be that is also important and maybe we are using the environmental scanning for trends for any kind of a change, any kind of a patterns that we would like to use and we are using that to sensitize the organization and to make some kind of a

anticipatory changes for which we have to really prepare, we have to prepare. Yes, in the organization. So, environmental scanning also becomes very important.
(Refer Slide Time: 47:24)

Internal strategies of change (cont.)

- Strategies for safeguarding the organizations production process from fluctuations in demand-ex-having many suppliers, maintaining inventory, preventive maintenance, offering discounts

Further when we are discussing the internal changes strategy is, the strategy for safeguarding the organizations production process from fluctuations to demand and having many suppliers. These are some of the examples or maintaining inventory, preventive maintenance or offering discounts. Some of these are the strategies that we might use which many companies are already using so.

Some of these in order you might feel there is, was new about it. Okay, some of the companies are already using this but we are also learning and when you learn in a very systematic way, may be sometimes you can make better use of the information has given to you. So, the teaching learning process becomes important sometimes even though some practioners are already doing it. Yeah,
(Refer Slide Time: 48:40)

External strategy

- Geographical dispersion:Relocating the business to other parts of the country to take advantage of differences in costs/concessions or to be closer to customers/ markets
- Advertising: Enhancing visibility to maintain / enhance market share
- Contracting:establishing long term contracts to reduce uncertainty

So, the external strategies that we have these are the geographical analysis you know of relocating the organization that may be a strategy or they may be, see it may be relocation in India itself or in a different country. So, you might use in our some of those strategies because of the cost or because of some, such reasons you know you might decide about it or the customers are the markets.

Many organize issues are coming to India because sometimes they feel that India is a big market for certain things because of the population we have. I will call that as the human resources. As so many companies are running here to establish with this business. Thus, one of the strategies for the external strategy we can say. Then advertising, enhancing some kind of a visibility of yourselves is important.

And also we are talking about contacting establishing the contracts, we could have also for the different strategies like the mudgers or maybe you have the sub contracting setting such issues. Okay, which will help you overcome the issue of uncertainty also.

(Refer Slide Time: 50:37)

- Co-opting:Inducting experts/people of reputation from outside into the board of directors to provide expertise
- Coalescing:Involves joint ventures, mergers and strategic alliances with other firms
- Lobbying:Influencing regulatory bodies like the govt. to formulate policies and action that facilitate interests of the organization.

So, we are also talking about co-opting or inducting some experts or some people with experience with reputation and this could also be a strategy for management of change. Also we are talking about the some, some other strategies like we can talk about involving people, the joint ventures and some things like that, they strategically alliances or sometimes also lobbying that could also be one of the factors.

Which some organization already used and could be used but we have to use all that you know with proper thinking and re-thinking and proper strategic design. Yes, so one who really needs to, have a recap of these already perhaps known also because we have to re-think about the, and the situation, the circumstances, the environment and only then in a, decide about a particular about the faction.

So, the drivers of organizational transformation are
(Refer Slide Time: 52:20)

Drivers of organizational transformation

- External Environment
- Mission & Strategy
- Leadership
- Culture
- Systems
- Climate
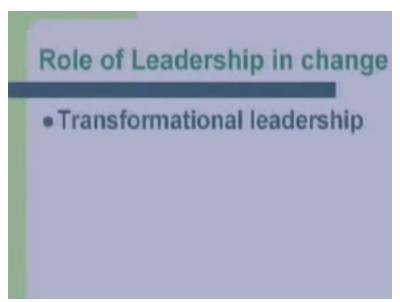- Task requirements and individual skills/abilities

You can see the external environment, the mission and strategy of your organization, leadership, culture, systems, climate, task requirements and the individual skills
(Refer Slide Time: 52:37)

Drivers of organizational transformation (cont.)

- Individual needs and values
- Motivation
- Individual and organizational performance

Individual needs and values, motivation, individual and organizational performance. These are the drivers of organizational transformation and so we have to very carefully look into all these drivers. I will not repeat all these, drivers in great details because we have discussed all these in some of the earlier discussions in the earlier chapters. So, I am not repeating these once again if there are any questions may be I will take the questions otherwise we go to the next part of today's lecture. Yes, in the chapter on motivation participation yeah, we have discussed some of those issues yes.
(Refer Slide Time: 53:39)

Role of Leadership in change

- Transformational leadership

So, the role of leadership reading briefly a thought I will stretch up on one major aspect, the role of leadership all of us understand now we have done a leadership and we have looked at on the leaderships of many types and we have seen that the auto critical leadership it does not work perhaps anymore unless that is a very emergency situation and number of other factors we have discussed in addition to that we had a discussion on the participatory leadership, empowering leadership.

Which perhaps will also be related to the transformation leadership. So, if you want to really manage change transformation leadership is the best type of leadership style that you will have to prepare yourself with. Then you could manage change very effectively to the best benefit of your organization and perhaps yourself. So, to get you thinking

(Refer Slide Time: 55:00)

To get you thinking...

- Can you cite any famous case of change management in an organization? In the light of this discussion ,please identify the 'why', the 'what' and the 'how' of the management of change in the organization you wish to analyze.

I am talking to you about that can you really cite some of the examples about some famous case on the management of change in organizations, in the light of the discussions that we have had. So, you can identify some of the issues about 'why', 'what', and 'how' of the management of

change in the organization that you wish to analyze. At this point let me give you an analogy that how change happens, that how change occurs and then what happens?

See you are standing near a silent pond and you put a pebble there. I am sure as a child you must have played like that and there are ripples. Okay, these ripples are small okay, and then become larger and larger and larger. So, this is a change process which creates ripples in your organization and that another pebble you put again it ripples again there are you know, there are reactions.

So, every moment perhaps in on there is a pebble in the silent pond and the ripples are there and then finally you can see that these ripples get larger and larger, get intend mingled and give raise to, I mean again in a few ripples. So, like the silent pond we are not really, we cannot remain silent like the pond cannot remain silent and the ripples are there and we have seen these the natures of these ripples, as the change process in the earlier discussion as the internal factors, external factors, the forces that you have in the organization.
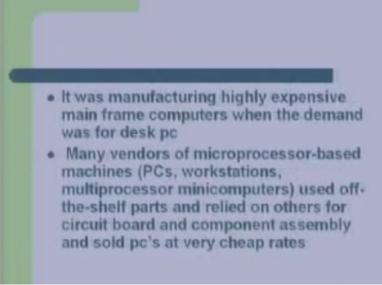
Yes, so the process of change we have discussed and at this point we have to remember when I say, get into thinking and giving you an assignment to prepare a study yourselves about management of change. So, we have to understand at this point that management of change is an inventible aspect of managing. Whether you like it or no change is coming and very few organizational changes will be really statistic changes.

These will all be dynamic, most of these I am saying, most of these dynamic changes and dynamic that means if one element changes it has no impact on the other elements also. Why? Because the individuals mind is dynamic entity, society ids dynamic entity and organization too is dynamic. So, when you are manage, trying to manage an organization you must not forget that one of the important factors is management of change for which the inputs we have given in the earlier lectures.

Now before we close I will just talk to you about another case study, the IBM story very briefly let ,me just try to make you understand that how an organization manage change and how effectively that achieved success sand results. So, we

(Refer Slide Time: 59:07)

The IBM Story

- IBM-the top IT player slips down 42 positions on the fortune 500's most admired companies list, incurring losses on its 75th birthday(1990)
- The company had long been so successful that even its logo had become near-icon, a symbol of American managerial and technological excellence
- Reason explained by analysts-It failed to adapt to the changing demands of the market

Move on to IBM story, you can see that IBM the one of the top IT player. There was a time when there was a requirement for change and very quickly I am going through this IBM story, okay not reading and narrating every line of what I am seeing. You can look at the aspects of the IBM story. Yeah, and how it changed itself and then I the competition it has really
(Refer Slide Time: 59:51)

- It was manufacturing highly expensive main frame computers when the demand was for desk pc
- Many vendors of microprocessor-based machines (PCs, workstations, multiprocessor minicomputers) used off-the-shelf parts and relied on others for circuit board and component assembly and sold pc's at very cheap rates

Survives so in the IBM story, okay it was manufacturing light perhaps in our, some of the equipment that it had been manufacturing. Okay, and so the computer and the other things as you know the history of the company. Okay, and they were many competitors also so, there were many vendors also for the microprocessor-based in our desk pc company
(Refer Slide Time: 1:00:28)

- Pc's liberated people from the main frame computers. Profitability moved from the mainframe sector to the pc and particularly to software producers as Microsoft

And here these pc's were derivate from the main frame computers and that time I am talking about I mean long time ago today we have you know very, that must developed in the IT industry and the pc's. so, but this case studied you know, slightly old but just to make you understand I am trying to repeat this okay, now things are changing as you can see from those days you know,

IBM has not changed into a world class okay, and the one of the best organizations. So, you can see that hoe they have tried to manage change. And they change
(Refer Slide Time: 1:01:14)

- The changed dynamics of building and buying computers opened the door wide to a host of firms that prospered mightily in the 1980s. Compaq Computer and Sun Microsystems were good examples. Ten years ago neither company existed. In the early 1990s, both were multi-billion dollar businesses.

Change dynamic that they used of building and buying the computers and that opened the door you know for the wide set of activities and business and 10 years ago some change took place.
(Refer Slide Time:1:01:34)

- Meanwhile, while IBM had its hands full with domestic U.S. competitors, there was trouble brewing across the Pacific. In 1989, Japan's eight largest electronics companies rang up computer sales in excess of $60 billion, approximately equal to IBM's revenue. This impressive achievement, the result of a decade of double-digit growth, made the Japanese electronics companies a team of major league players.

And so meanwhile IBM found that they have to make change and this is the way they have gone about making the change. At this point I will just go slightly faster. Okay, we will just because we have to close. And so the IBM finally face the competitors. You can see and then finally it became uneffective organization using the strategies of management of change. Now from management of change we are going to discuss the organization development in management development strategies which will take up for our next discussion.

INDAIN INSTITUTE OF TECHNOLOGY DELHI
TECHNOVISION