MANAGEMENT OF CHANGE

Need of MOC

- Organizations change for a number of different reasons, so they can either react to these reasons or be ahead of them. These reasons include:
  - Crisis
  - Performance Gaps
  - New Technology
  - Identification of Opportunities
  - Reaction to Internal & External Pressure
  - Mergers & Acquisitions

What is Management of Change(MOC)?

- Management of change (MOC) is a systematic approach to organizational changes with the aim of ensuring the continued safety of the workforce throughout the process.

- These systematic processes ensures that the change is distributed within a proactive fashion.

- Usually change agents try to minimize it by imposing some order on the change process.

- Change become orderly when it is planned and implemented in a systematic way.

What is Management of Change(MOC)?

- The process of planned change comprises the following steps:
  - Identify the need for change.
  - Diagnose the problem
  - Plan the change
  - Implement the change
  - Follow-up and feedback

Identify need for change

- Manager should identify the forces demanding the change.
- These forces may be internal or external.
- Internal forces include:
  - Employee turnover
  - Change related role conflicts
  - Mounting problems from its growing size
  - Any other internal change like introduction of new department due to expansion in slaes,production etc…

Identify need for change

- External forces may include
  - Technological change
  - New marketing strategies
  - New production techniques

Diagnose the problem

2. **Diagnose the problem:** This step involves the identification of the root cause. "Most organisational problems have multiple causes, seldom is there a simple and obvious cause and seldom does only one perspective need to be considered." Several techniques may be used, therefore, for diagnosis, e.g. interviews, attitude surveys, team meetings, questionnaires etc. Where the problem can be traced to a single department, the focus of diagnosis is limited to that area. If the problem has wider implications and affects a large number of departments, organisational analysis is required. Organisational analysis includes exhaustive study of organisational goals, principles, practices and performance at a macro level. After such an exhaustive analysis, the change agent would be in a position to identify the areas where modifications have to be made. It must be realised here that a change in one part may affect other parts of the organisation (as shown in Figure 30.2 through the arrows connecting the type of change). A new product may require changes in technology, and a new technology may require new people, skills or a new structure.

Diagnose the problem
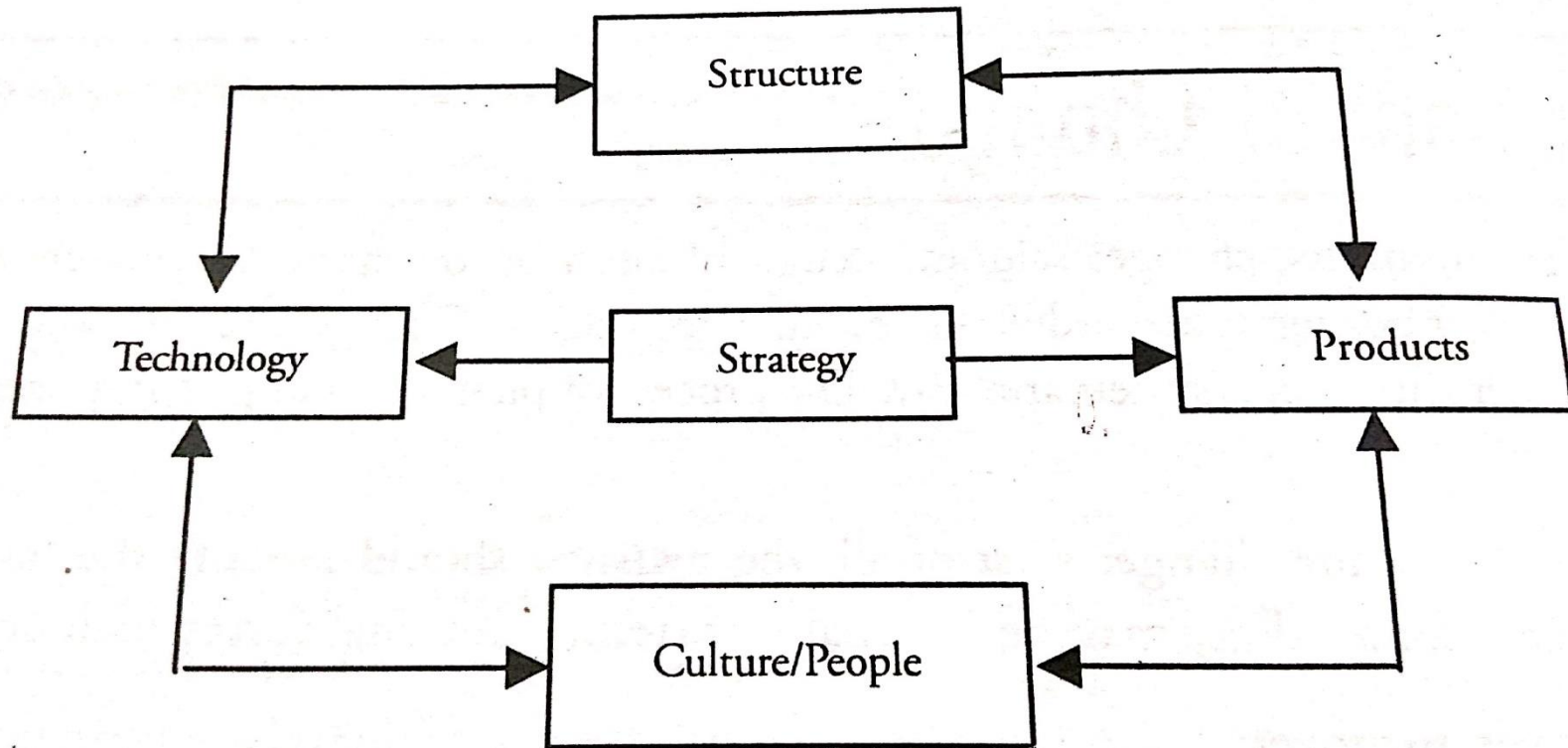
Plan the Change

3. **Plan the change:** This is a crucial step in the management of change. It involves answering three important questions (i) when to bring the change (timing) (ii) how to bring the change (methods) and (iii) who will introduce the change (change agent). While introducing change, reactions from people must be carefully assessed. People affected by change must be consulted; the likely impact should be explained patiently; sufficient time to pick up new skills should be given and adequate rewards to those who follow change should be indicated. As a rule, individuals should get information that will help them answer the following change - related questions (Kotler).

Plan the Change

- Will I lose my job?

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- Will my old skills become obsolete?

- Am I capable of producing effectively under the new system?

- Will my power and prestige decline?

- Will I be given more responsibility than I care to assume?

- Will I have to work longer hours?

Implement the change

Implement the change: While implementing any change programme, managers encounter three programmes (Nadler and Tushman) - resistance, power and control. As explained previously, there is the problem of resistance to change. Again, change may undermine the balance of power in the organisation and disrupt the existing control system.

Implement the Change & Feedback

Implementation of Change: Action Steps

Problem	Implication	Action Steps
Resistance	Need to motivate	• Invite participation from people. • Offer appropriate rewards. • Encourage open communication. Explain why change is essential.
Control	Need to manage the transition	• Use multiple and consistent leverage points. • Develop organisational arrangements for transition. • Build in feedback machinations.
Power	Need to shape the political domain	• Assure the support of key groups. • Use leader behaviour to get support of change. • Use symbols and language.

Source D. Nadler, "Concepts for Management of Organisational Change."

Regardless of which approach is used (to change technology, design, task or people) the ability to sustain change depends primarily on how well the organisation reinforces newly learned behaviours during and after the change effort. A combination of money, pats on the back, and stimulating job/growth opportunities help create a climate that reinforces new behaviours. Where the rewards are perceived to be fair, employees commit themselves to the 'new ways of doing things' wholeheartedly.

5. **Follow-up and feedback:** Management of change is incomplete without proper follow-up. Organisation must evaluate the effects of change. Objectives must be present and be compared with the performance to see the degree of success in change. End results should be operationally defined and measurements must be done both before and after the implementation of change. This enables change agent to compare the performance after the introduction of change with the one prior to it. The change agent must make sure that the change is implemented in such a fashion as to maximise the benefits to the organisation by the effective changes.