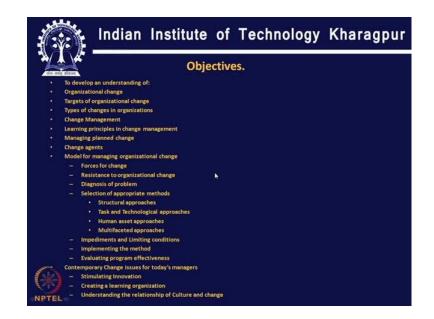
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Lecture - 39 Change and Innovation

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Welcome to the chapter 23 of the discussion today, which is on change and innovation. In this chapter we are going to learn about, what is change? What are the targets of organizational change, types of changes in the organization, change management learning principles in change management, managing plan change, what are the change agents, models for managing organizational change, forces for change, resistance to organizational change, diagnosis of a problem, selection of appropriate methods under which we will learn about the structural approaches task and technology approaches, human asset approaches, multifaceted approaches, we will also learn about the impediments and limiting conditions of change. How to implement the method of change and evaluate the program effectiveness?

We also try to visit some of the contemporary change issues for today's managers and like stimulating innovation creating or learning organization, and understanding the relationship of cultural change. So, to begin with what is the process of organizational change? It is like the change is a process by which, we move from the current state of being that we are in to future state of being, which in which some value addition is there. So, wherever we are improved and we have moved a state to a step which is like a step forward towards the goal that we want to attain for the organization.

So, it is moving forward from a present state of being to a desired state of being and that process is called change and when you take it in the context of organization, we tell it is organizational change, and it helps in increasing the improve in increasing our values in terms of improved ways of accessing the, and utilizing the resources that we have at hand, the a services of people, improved human resources, and how to know about their potential and utilize it for the better performance of the organization. And that is to an organizations capability of creating value, so this whole process is called organizational change.

Now, when like we can classify the changes taking place either in the human being or which you call changes in the human resources or in the like functions, functional aspect of the thing functional resources. So, when we are talking of changes in the human resources, it it is mainly focus towards like increasing the capability of the people, then of understanding their potential developing their competencies and like motivating them through a change in the cultural values, multi-cultural, if you are in a multi-cultural setup trying to motivate these people through changes in some norms and values.

Then investment by the organization in trading and development program, so that these view the potential of the people can be increased, that competencies can be increased, so socializing employees in to the organizational system, so that they get to know the organizational system in a better way. And like sometimes changing the composition of the top management team, which helps to change their vision that the people like the organization, have about the human beings, human resources and their utilization and thus changes are brought about in the organization.

So, these are like some of the changes which are brought about in the organization for better like development of the human resources. When we are talking of changes with respect to, like functionally resources then it is a change, that is brought about by transferring the resources to the system, where it is most needed, most valued based on the demands of the situation, demands from the environment. Then demands which have resulted from, demands which have resulted from environmental changes and the resources are transfer to that. Then functional values can be resources values can be increased also by bringing in changes in the structure, technology and culture and technology of the organization, so that functions, all the functions that you have discussed earlier of like management can be improved and we can utilize the resource in a better way. When we are talking of technological changes, technological changes are changes brought about by efforts which are intended to give the organization and effort, which is taking to give the organization to develop the organization.

The capacity to change itself by in order to exploit to the market opportunities, which are there and by adoption of the, adoption and use of new technologies which are present and developing new products and technologies. And like or changing the some aspects of the existing one and gaining the, gaining in to the technological capabilities as one of the core competencies of the organization. This is the way like we which like technologic and bring in the technological capabilities and the changes related to it can be brought about in the organization.

Next when we move, move to like the organizational capabilities changes it includes like the changing of the organizational design, changing of the like culture and structure, changing the strategy of the organization, and changes that the, may permit the entire organization. If these changes are brought about, then these are called like changes in the capability of the organization itself. So, types of changes in the organization can be classified into two aspects; one is called the evolutionary change and the other is called the revolutionary change. In evolutional change, what happens? This is a gradual change, slow change, which is focus towards the narrow aspect of the thing and you to to maintain equilibrium, and day to day processes are maintain and and it it is a brought through normal changes, in the structural structure, and in practices and technologies.

So, it is a very gradual change, which helps in the maintaining of the equilibrium of the organization. When we are talking of revolutionary change, these are sudden changes that happen based on sudden demands arriving from the environment and maybe we have to meet those demands, otherwise like or survival sometimes become statistic. So, and which is (( )) broadly, narrowly focus, but it is very broadly focused and it is involve some break through burst, it is like like breakthrough technologies sort of thing, new innovations come out, all these new product development, new technology development

and which creates a new market sort of thing, these type of changes are called revolutionary changes.

We can classify the developments in the evolutionary and the revolutionary changes. Now, when we talking of evolutionary changes, or day to day changes which you haves to maintain the equilibrium of the organization theories, which have guiding these type of changes are like social technical theories, which is like the which deals with the changing role of the people within the organization, and getting them adjusted with the organizations vision and mission. So, that both the employees and the organization grow together, so that part of the that system this this type of bonding and mutual change is called social technical theory of change, where that the importance, how the changing role and relationships, and the technical relationships in order to increase the organizational efficiency.

Next is another type of evolutionary change that we generally deal with are, all processes of total quality management. So, in vital, in which like we talk of quality circus which are form to check in to the quality of the things that is produce where the workers meet together, to analyze what work is to be performed in what way, how to maintain the quality of those things. So, or to discuss about new ways of doing things and next is like another is flexible work groups and work teams where, who assume response, these are people who assume responsibility for by performing operations, performing operations necessary for completing the task at hand.

And bringing in the final like the, they perform at a particular stage in the process of like when the whole thing is getting developed. So, and they they afflict this flexible work teams, they enter at a certain point of the product development and gave shape to the memories complexity of the work, that is done. And they enter at a specific stage of the manufacturing process, and these flexible work teams also take responsibility of the tequeering processes. So, quality circles flexible, work teams these are two examples of evolutionary processes of change.

We have examples of revolutionary processes of change also, in which we have like examples of like that of, re-engineering and here like re-engineering, e-engineering, restructuring, downsizing, these are examples of like when we talking of revolutionary changes. So, when we are talking of re-engineering

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Developments in Revolutionary Change
<ul> <li>Reengineering: involves rethinking and redesigning business processes to increase organizational effectiveness. Instead of focusing on an organization's functions, the managers of a reengineered organization focus on business processes. Business process is an activity which cuts across functional boundaries and which is vital to the quick delivery of goods and services, or that promotes high quality or low costs</li> <li>Guidelines for Reengineering</li> </ul>
<ul> <li>Three guidelines for performing reengineering successfully are:         <ul> <li>Organize around outcomes, not tasks</li> <li>Have those who use the output of the process perform the process</li> <li>Decentralize decision making to the point where the decision is made</li> </ul> </li> </ul>

Re-engineering involves re thinking and re designing business processes, to increase organizational effectiveness. So, instead of focusing the organizations functions, they focus on the managers focus on the business processes and and how to like change it, so that it becomes more effective. So, business processes an activity, which cross across functional boundaries and so that which is vital for it cuts across all the functional lines, so that it becomes important for quick delivery of the goods, when it is required. The guidelines for re-engineering are like, we should first try to organize around the outcomes and not the task like what we have to deliver that will be the first thing that we should focus on.

And then what we have to deliver and when, and then we will try to never other things to it, then have those who use the output of the process perform the process. So, if somebody is concern with the output of the process, it is involve them in the making all the process also, so that they know how to do it and at what time it is like, how it is done properly? Decentralization or the decision making process at the point where decisions are to be finally made, so that is another point of re-engineering. At this centralize it to the extend like decisions are made at the exact point where decisions require to be made. These are the three parts of make essentials of proper re-engineering.

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When you talking of e-engineering, it is the companies attempts to use information system to improve their performance. When you talking of restructuring it is the changing of the task and the authority relationship and revert designing organizational structure, and culture to increase organizational effectiveness. When when it is downsizing, it is the process of stream lining the organizational hierarchy, handling of managers and members and workers, so that to reduce that we are critic cost. And innovation is the process by which the organization use to the skills and resources to like, to develop new goods and services, or to develop new products and operating systems, so that they can better respond to the needs of the customers.

So, these are the two examples of like, when we are talking of the developments of the evolutionary change and the evolutionary change. Next, what we will come to discuss is about the change management. How change is mange, it is it is not only important to design like what what is the change, and how the change is to be like, weather it is a revolutionary or evolutionary change? The most important part of bringing in change in the organization is having proper change management process. So, that you have a smooth introduction of the change, acceptance of the change by the employees and also the smooth acceptance of the change and implementation of the change process in the, by ultimate implementation of the change process in the organization.

So, first we will try to focus in to some of the change management process and what route people take in to introduce the changes in the organization? So, first route that is taking in like, generally like it is management of change through power in this what happens, in like we forcefully try to introduce the change in the organization because some top management is higher in power hierarchy, what they may try to do is forcefully introduce the change in the organization by virtue of the power position, that they are in the organization.

And other people have to accept the change, they may not identify with the change they may be uncomfortable with the change, that is been introduce, but they have to accept the change because it is been introduced by the, so it is been forcefully introduced. Next way of introducing change in the organization is like, introducing change are, managing change through reason. Here, what is, they do not taken is the the change processes at discussed the like, what will happened after change, the outcome of the change and the process of the change is discussed with the people, who will be affected by the change, based on some logical thinking and reasoning.

And it is to to introduce the topic to them and think like and we think like this rational discussion with them, is going to make them logically reason, the proves that counts of the change process, and accept the change because it is been through well-reasoned process that we have discussed, this route is called managing change through reasons. And another route is through, managing change through re-education, wherever it it is happen. Here what what is done, next process of managing change is through the process of re-education. Here what we may find is that either in the process of power or in the process of rational approach to change, what may happen like in a power there is, we do not concern with the people and we introduce, we do not try to take their views in to consideration and we forcefully try to introduce the change in the organization.

When we talking of the rational ways of introducing change in the organization, what we try to like focus on or what we try to depend on is people making rational choices, and by dealing with the alternatives knowing the information in details they can make rational choices and decide on like, how to go for the change and accept it, or not. But these rational choices are sometimes colored by the peoples value system, interest levels and all these things. And rational thought process may be clouded, peoples rational thought process may be clouded, by these factors.

So, what is the other next technique, which is the middle of the path sort of technique, which is called introducing change through re-education. Like we will try to introduce change by bringing in some changes in the peoples thought process value system, ways of thinking ways of looking at certain things and they try to introduce the change slowly in the organization. So, these are three major ways of introducing change in the organization. The learning principal in change management are like first we have to unfreeze the own learning, which is there and by introducing new materials may be introducing a cognitive dissonance where people try to think, thinks in a different way.

And then after that unfreezing that moving people away from the status go, and introducing this dissonance and try making them think different like... So, that next process is like, we try to introduce the change, we try to introduce the new learning, so motivate for this new learning, and then after that process is over we try to see ,weather than refreezing that change through the process of practice and orientation. The new learning is getting in gaining the people and the it is it is stabilizing. So, these are the three processes of unfreezing, then introduction of the learning or the change phase and the third is the refreezing stage, so refreezing the learned behavior.

There could be like ways of managing a change, which is planned in nature when change is planning nature, so these are activities which are planned before hand. So, the, we know like we have to reach a goal, and how to reach the goal through certain changes is, what is known as planned changes through certain in processes of doing things, this part is called planned change. Now, goals of plan change are to improve the ability of the organization, to adapt to changes in the environment and changing the behavior of the people, within the organization. These are the two processes of planned change. Now, we have eight steps given by Cotter to, for like how to implement change in the organization. We will try to look in to these eight steps given by Cotter.

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The eight steps are as follows like, establishing a sense of urgency by creating a company vision for why the changes needed? Forming a collusion with enough power to lead the change, creating a new vision to direct the change and strategies for achieving the vision communicating the vision throughout the organization. And next is empowering others to act on the vision, by removing various to change and encouraging the risk taking and problem solving, creative problem solving. Planning for creating devout short term wings then move the organization towards the vision.

Consolidating improvements we assist changes and make necessary adjustments in the new programs Reinforcing the changes by demonstrating the relationship between new behaviors and the organization success. So, all these things is not like, these eight steps again you can arrange in to the unfreezing the learning phase and the refreezing state. Like when you are moving towards the first first few steps are for the unfreezing state, where you are find to create the urgency of by creating a compelling reason for why the change is required, or forming a collation with enough power to lead the change, these are the, these are the unfreezing state.

Now, when you are communicating vision through the organization or are empowering others to the act on the vision may removing barriers, this is how like you are learning through models, role models and your learning through your pears and so that is the learning phase, like how you want the learning about the organizational change. That you want to introduce is going to be like known to the people, for whom the change is directed. And last is the, when you are talking of consolidating improvements, planning for creating a revert system, re-enforcing the changes, this is a steps taken for refreezing the change process. So, these are the eight steps were implementing change.

Now, one of the key roles played for implementation of change process in the organization at the role played by the change agents. Now change agents are persons who act as catalyst and assume the role responsibility for managing change activities in the organization. So, a change agent can bring a new view point in the organization and which the manager was not able to see and and introduce it to a particular situation. So, one of the key major role is played by the change agents, while you are taking of implementing changes in the organization. Now, there are two types of change agents, one group is called the external change agents and the other is a internal change agents.

External change agents are agents, who are coming to the organization from outside and internal change agents are people who are present within a organization, and they are participating in the change process. Now, both like, both the change agents whether they are external in nature or whether they are internal in nature, like introduction of change agents either external or internal have its pros and cons for the organization. And we will try to discuss these two things separately over here. When we are talking of external change agents, these are change agents who are temporary employees of the organization, could be external consultants also; who are brought in to the organization like for, introducing and implementing changes in a particular changes in the organization.

So, they could be university professors, they could be private consultants, they could be experts, they could be like these type of people, who have considerable knowledge about the subject matter or they could be like temporary employees, who are brought in for the organization for a particular time, only during the change process. Next is they have a generally a good level of learning in this here, in the sense. They now the, they are exporting an area and they can introduce the change. They provide the prospective like as an outsider, what they can do?

They can look at the situation prevailing in the organization in a mood objective, unbiased way or other than insider, so are a like being insiders develop some sort of identity with the organization. And when it comes to critically evaluates the performance of the organization, sometimes insiders are not able to look at the organization in that unbiased way and give a critical interpretation of the facts and functions and suggest where changes are required and what way, which should be done? But being externals, who are not so much emotionally attached or having other like bindings in the organization, they they can evaluate the organization in more critical way, improve and by unbiased way and try to suggest the improvements required for its better performance.

So, these are the positive aspects, when we are talking of introducing change through external agents, but again you just got some criticism in the sense like some insiders. They suggest because they are come from outside and they do not know gone to say exact need of the organization. And how it is functioning and what it will like, how it is functioning? Then may be its not proper to judge only from outside and tell like this is the prescription required for you, only an insider who has been there in the organization and interacted with the organization knows the organization fully were in a position to suggest like, what is needed for the organization for its improvement.

That is the criticism that is faced, when we are talking about the role of external change agents in like, bring in organizational changes. Another group of change agents that we have is called internal change agents. Internal change agents are individuals, who like works in the organization and who have the necessary information for understanding the problem at hand and they try to identify the pockets where changes are required. And these people could be like a new manager, who is appointed and to who is given the role of finding out how changes can be brought in in the organization.

So, and how, what can be done to improve the present negative situations, present in the organization. Sometimes difficulties faced by these internal change agents at that, due to the fact like they identify with the organization so much, like like they are sometimes not able to see the problems or sometimes it overlook the problems also. And if they want to introduce certain changes and we, they are some are placed in the like middle of the hierarchy, and they may find difficulty the change getting introduced, if if it is not wholeheartedly supported by the top management, because if it is required that the people in the whole up and down chain requires to change.

Then there the status of that particular change agents in the organization, in the whole organizational setup like the hierarchy, which he or she may find it difficult for making people accept in suggestions or her suggestions and agree to like the things to be done. If not the change agent is given complete freedom support and like encouragement by the top management and a trust is there on the change agent. So, these could be the possible difficulties and by assist could be like some some of the proof of this whether this progress can be slow because as we discussed, there are some barriers in accepting the suggestions from internal people.

And people may think like they they are more biased towards one of the departments, are towards some people of the organization. So, these again could be hindrances of like the having only internal people as change agents and another possibility is that like when we are having internals only as change agents like, sometimes we do not get new ways of doing things. possibility could be like like when externals are coming in specifically from other organizations, other setups we get like, different ways of function which can be like analogy can be drawn from those settings and we try to see whether it is working in this our own particular setting or not. But when it is like the internals are the change agents, sometimes we miss on those experiences of the external change agents.

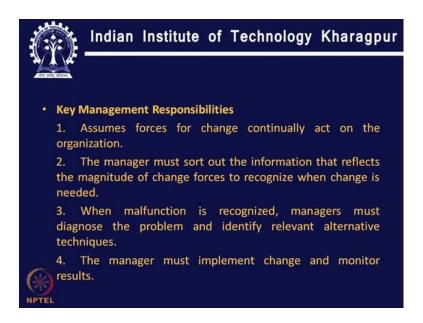
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So, what is done particularly is to, take a theme approach of both external and internal change agents, where like there, is a team approach which to intervene and develop the

program, which is both the internal and the external change agents. But it is what if if we have these type of teams, it seems to have the greatest greatest chance for success, because changes by more successful when we have these type of tips.

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So, what are the key management responsibilities? As for as change is concern is managers assume like, the forces for change are continuously acting on the organization. The managers much sort of the information that reflects the magnitude of change and it forces recognize when change is needed. When malfunction is recognize managers must diagnose the problem and identify relevant alternative techniques. Managers must implement change and monitor results.

So, so we can understand the key responsibilities of the managers are to like, help change happen and find out to take it for granted like, changes inevitable like, and it is continuously acting on the organization, and if the organization has to survive then it has to adapt to the changes, or or in other words may be introduce some new changes itself. So, based on that assumption the manager has to a seek information sort of information, which reflects the magnitude of the change forces which is to be for a stand, when there is a problem. What is a problem in the organization and identify the alternative solutions, and introduce change and monitor of the result. So, these are manager himself or herself has to function as a change agent. Next, we look on top of the steps for managing organizational change and there are few steps, six to seven steps of managing organizational change.

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The first step for managing organizational change are understanding the forces of change. And here what we understand is that, livings in three step change movement, there are two oppositely acting forces within an organization. One which is like forces for change and the another oppositely acting force, are forces making organizations resistant to change. So, when both these two forces, my forces for change and forces against change are balanced with each other, the organization is in a state of inertia. So, in to two inter diverse change in the organization, managers much either increase the forces for change or reduce the forces, which are resistant to change.

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The forces which are four change are, some of the external forces which are beyond managements control are three types of external changes like, market place change in the complete as actions, introduction of new products etcetera. Technological changes specially in the production technology and social and political changes. Changes in the business government relationship, international market etcetera.

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Others are like competitive forces which are organization must make changes to attempt to match or exceed it competitors either in terms of efficiency, quality, innovation or responsiveness to customers.

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The economic political and global forces affect organizations by forcing them to change, how they envoy their produce goes on services. So, here the answer is like the organizational structure has to be change to allow expansion in foreign market, sometime some the culture of the organization has to be change because you first that functioning different national cultures and help expect rates to adapt to the cultural changes, values of where they are located. There could be changes in the demographic of the work force and changes in the composition of the work force, and diversity of employees.

And here the in organization may find it difficult to manage such a diversity, if is not ready for it and the in there is an increase need to manage diversity in the organization. So, to introduce proper jobs for them to take care of their personal needs, to take care of their cultural differences, to a have a carrier path for them it is so and to have a proper plan of managing diversity within the organization.

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The ethical forces present are like these are important for organizations to take steps to promote ethical behavior like, introducing the post of ethics officer, promoting employees to report unethical behavior, these could be certain of the steps taken by the organization. Boundary functions are organizations in methods for bringing the gap between external forces and organizations unit and the boundary roles must hence changes in the external environment, these roles and at their musical boundaries also. And they try to report it back to the organization, and so that they organization becomes for upcoming changes in the external environment.

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Resistance to change in the organization are like under the situations, where changes based for the organization. Sometimes there is a fear anxiety and resistance, which lowers the organizations effectiveness and reduces its chances of survivor. So, forms of resistance to change could be overt and immediate like wising of complaints, engaging in job actions, and implicit differed like loss of employees loyalty and motivation, increase errors and mistakes, increased absenteeism and so on a so forth. So, there could be like resistance to change at different levels like, resistance to change at the individual level, resistance to change at the group level.

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And what we see over here is at the individual level, the sources of resistance to change at the cognitive biases, the uncertainty and insecurity people feel from these changes that are to be brought in. And due to the selective perception and retention, they are not able to interpret the change properly. At some for a, some people it is very habitual act to resist to anything that is suggested. So, these could be the sources of individual resistance to change.

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Sources of group level resistance to change are the group nouns, cohesiveness and group think and escalation of commitment, these could be barriers to introduction of new changes in the organization. Some groups are, so strict like they would not allow outside information to flow in to, disturb the status work the group. The pressure of the group the like, the pressure of majority of the group and how they think may color the group's decisions making and groups initial level of decision making me affects the, decision making at the other stages. So, these processes are called group think and escalation of commitment.

Sources of fictional level resistance to change are like differences in subunit orientation and power and conflict situations present within the departments, the in terms of like sharing of the resources. And sources of organizational resistance to change our structure culture and the strategy of the organization like a mechanistic structure, very digit culture in which are be bureaucratic organization in nature or like which which is a like strategy taken by the organization which is, it is too much rigid unless of flexibility. All these things will define the organization sources of resistance to change.

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Strategies for overcoming resistance to change are like there must be a reason to change, so we have to need people understand that reason, then like involve more people in the total plan, communicate on and on going bases and create a learning organization through open discussion, clear vision, stormy emphasis and inter dependence, clear goals and concept of performance acceptations, commitment to learning, improving personal group, curiosity to try for new method the experiment and accept failure, like concern for measurable results wherever possible.

See, acceptance of failure is one of the important points like if we have to introduce change because people resist to change mostly, because we do not want to see failures and because we have been like accustom to see success only. And that is why we do not want to take risk or see the unforeseen part of the thing like; what will happen after change, what will happen if this is not going to succeed, is the question which which which we face while introducing changes. What what if if this process is not going to work? So, acceptance of failure is one of the learning that people have to have, so that they become more open to change. Next, we have some tactics of introducing change, so tactics of dealing with change. These tactics are like proper education and communication that has to be done participation, then facilitation and support negotiation.

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Negotiating with the people like about the processes and then co-option if like, setting of a mutual goal and setting the targets in such a way like people have to communicate with each other, they bring in their own views try to share responsibilities with each other, as a result changes are brought in, in the initial way of doing things are helping reducing the conflict. Next, is selecting people who accept change and introducing change through their, on the last of process of course is it is change through, like dealing with the resistance to change through the process of coercion, these could be the possible processes. So, after dealing with this tactics for resistance to change, we are to deal with the other few steps of change processes like diagnosing.

How to diagnose the problem? Then how to select the appropriate methods, how to, what are the approve appropriate method? Which method is appropriate for which purpose? And we have to see some of the limitations of introducing change, impediments, barriers introducing change, we have to take of the course of as a discussion, how to implement change in the proper way? Then what are the recent trains and like when you talking of innovation and what are the responsibilities of the organizations regarding this. These whole set of discussion we will take up in the next lecture.

Thank you