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**Chalimbana University**

**Integrity.Service. Excellence**

**DIRECTORATE OF DISTANCE EDUCATION**

**BCM 3102: CHANGE MANAGEMENT**

**FIRST EDITION 2019**

Chalimbana University

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Zambia

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**Acknowledgements**

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# MODULE OVERVIEW

PREREQUISITE: BHR 2102

##

## INTRODUCTION

This module will introduce you to Change management; the course has eight units which are expected to be studied in about 24 hours. This includes personal study time and contact hours. This is a course which will enable you to have an in-depth understanding of Change Management. The course will equip students with skills needed in changing management. Change management is a new phenomenon and in modern Human Resource Management, it is a term for what had been traditionally referred to as Management of change and Administration. The field of human resource management now has a wide scope of operation function, as it articulates and understands the aspiration of customers and this makes it effective Seti (2014).

##

## RATIONALE

This course is born out of the market demand for fully fledged human resource executive; a tailor made course to meet the demand a step in the right direction in implementing the industry demand for Change management.

The module will create the discrete opportunity for students to analyse the nature and context of organisational change. They will examine variety of approaches to the management of innovation and change. Students will analyse change promoter and change inhibitors in the context of organisation effectiveness. The module will also examine the role of the individual leaders in instigating and achieving change.

Students will consider the concept of the learning organisation in sustaining strategic change and they will have the opportunity to examine the establishment of effective criteria and methodology for the evaluation of change.

Additionally, the need for competent managers, innovative entrepreneurs, and visionary business leaders in Zambia and the world over is a compelling reason for embarking on such a course.

## AIM

This course provides student with knowledge in Change management for effective Organisation management, to examine the nature of innovation and change in an organization, to consider strategies for introducing and sustaining innovation and change, to analyse factors conducive to and resistant to change, to evaluate the effectiveness of a range of approaches to change and innovation and to examine methods of evaluating the impact of change.

**DESCRIPTION**

This module is designed to allow the students to study in great detail the challenges of managing in a changing environment. The module is designed to enable students to understand the interactions and drivers of change and its effects on management. It will also identify and explain the strategic choice open to managers to respond to the environment.

**LEARNING OUTCOMES**

At the completion of the course, students should be able to show:

* An awareness of the general and specific skills appropriate to managing change.
* Understand the skills appropriate for managing change.
* The development of transferable skills such as self-appraisal and reflection on practice, planning and managing learning, problems solving, communication and presentation skills.
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**TABLE OF CONTENTS**

1. The Nature of Organisation, culture and Change……………………….….5
2. Nature of Change, Dynamics for Individuals and Groups………………....34
3. The learning Organisation……………………………………………….......47
4. Organisation planning for Change……………………………………….…67
5. Change promoters and Inhibitors …………………………………………..78
6. Leadership of Change….………………………………………………….96
7. Approaches and Intervention Strategies……………………………………105
8. Organisation Development……………………………..…………………..109
9. Revision questions………………………………………………………..126
10. References…………………………………………………………………127

## METHOD OF TEACHING

Teaching strategies that focus on learner centeredness will be used in order to ensure effective transfer of knowledge, skills and positive attitudes to the trainees. Such methodologies will include the following:

* Group and pair work
* Research
* Field trips
* Presentation
* Observation
* Inquiry
* Problem solving
* Role play/ Drama
* Modelling
* Demonstration

## METHOD OF TEACHING

3 lecture hours per week.

1 Tutorial per week

## ASSESSMENT

**Continuous Assessment 50%**

2 Assignments/project 30%

Tests: 20%

**Final Examination 50%**

**Total 100%**

## PRESCRIBED READING

Noe, Raymond A., et al (2007) *Fundamentals of Human Resource Management,* McGraw Hill

Dessler, G., Chhinzer, N., & Cole, N. D. (2015) *Management of Human Resources: The Essentials 4*th ed. Toronto, ON: Pearson Education Canada,.

Torington, D., Hall, L., Taylor, S., and Atkinson, C. (2011) *Human Resource management 8thed*, London; Pearson Education

RECOMMENDED READING

Lussier, R. N. and Hendon, J. R. (2010) *Human Resource Management: Functions, Applications, Skill development*, Sage Publications.

Armstrong, M. (2012) *A Handbook of Human Resource Management Practice* 12thed,

London, Kogan page.

## Study skillsSTUDY SKILLS

As an adult learner, your approach to learning will be different to that of your school days: you will choose when you want to study, you will have professional and/or personal motivation for doing so and you will most likely be fitting your study activities around other professional or domestic responsibilities.

Essentially you will be taking control of your learning environment. As a consequence, you will need to consider performance issues related to time management, goal setting, stress management, etc. Perhaps you will also need to acquaint yourself with areas such as essay planning, searching for information, writing, coping with examinations and using the internet as a learning resource.

Your most significant considerations will be *time* and *space* i.e. the time you dedicate to your learning and the environment in which you engage in that learning.

It is recommended that you take time now —before starting your self-study— to familiarise yourself with these issues. There are a number of excellent resources on the web. A few suggested links are:

<http://www.how-to-study.com/>10/10/18

The “How to study” website is dedicated to study skills resources. You will find links to study preparation (a list of nine essentials for a good study place), taking notes, strategies for reading text books, using reference sources, test anxiety.

<http://www.ucc.vt.edu/stdysk/stdyhlp.html>10/10/18

This is the website of the Virginia Tech, Division of Student Affairs. You will find links to time scheduling (including a “where does time go?” link), a study skill checklist, basic concentration techniques, control of the study environment, note taking, how to read essays for analysis, memory skills (“remembering”).

## TimeTIMEFRAME

You are expected to spend at least 24 hours of study time on this module. In addition, there shall be arranged contact sessions with lecturers from the University during residential possibly in April, August and December. You are requested to spend your time judiciously so that you reap maximum benefit from the course.

## HelpNEED HELP?

In case you have difficulties during the duration of the course, please get in touch with your lecturer for routine enquiries during working days **(Monday-Friday)** from 08:00 to 17:00 hours on **E-mail:** adsikalumbi@gmail.com**; website:** [www.chau.ac.zm](http://www.chau.ac.zm)**.**You can also see your lecturer at the office during working hours as stated above.

You are free to utilise the services of the University Library which opens from 07:00 hours to 20:00 hours every working day.

It will be important for you to carry your student identity card for you to access the library and let alone borrow books.

**UNIT ONE**

**The nature of organisation, culture and change**

# Introduction;

Organisations are everywhere in our society and in other societies. From birth to death we find ourselves involved with them - we work in them, we buy our goods and services from them, we join them for social and sporting pursuits, etc. But what are they?

In this first unit we shall consider the nature of organisations and key aspects which condition the way in which they function and change. In doing so, we shall be introducing a number of concepts and themes to which we shall return throughout the rest of the course - in particular, organisational goals, culture and structure as well as considering the central role of management change in all these features.

**Learning outcomes**

**By the end of this unit learners should be able to:**

* Define an organisation
* Discuss organisation behaviour and change
* Explain the organisation’s environment
* State organisational goals for various institution

**Time Frame**

Six hours (6 hours)

**A. What is an organisation?**

When people gather formally and agree to combine their efforts for a common purpose an organization is a result. Organizations are social arrangements for the controlled performance of collective goals. Such social arrangements control their own performance through the use of coordinated efforts and have a boundary separating them from their environment. Basically, an organization is a group of people intentionally organized to accomplish an overall, common goal or set of goals. An organization can therefore be defined as;

Organizations are social arrangements for the controlled performance of collective goals (Buchanan and Huczynski, 1985)

A cooperative social system involving the coordinated efforts of two or more people pursing a shared purpose (Kreitner, 2007)

Firstof all, then, an organisation is, essentially, a socialentity. It involves two or more people **-** but the actual number, and the way in which they are organised into groups, vary from one organisation to another.

In the secondplace, it is generally agreed that organisations can be distinguished from other social groupings by virtue of the fact that they exist to achieve certain goals.

This is, obviously, a matter of degree, for not all members may know - or agree on - what the goals are. The more explicit and specific the goals of a social grouping are, the more likely it is to be considered an organisation.

The thirdcharacteristic of an organisation is that it involves specialisationand requires coordination.The activities of people are organised into specialized groupings. Labour is divided up in ways that are believed likely to facilitate the achievement of organisational goals. Yet, this splitting-up creates a need for mechanisms to co-ordinate and put back together the various specialised activities. Once again, we must remember that the degree of specialisation and the ways of achieving co-ordination vary a great deal between different organisations

A fourth point is that organisations have some degree of permanence,in the sense that they usually have more than a momentary existence or, even, an existence tied to the achievement of one objective. Occasionally, organisations are created (such as a pressure group to resist the building of an airport in a particular location) which have only limited objectives and, once these are achieved, the organisation ceases to exist. On the other hand, some organisations which start out with similar limited objectives continue to exist after they have been achieved, as they develop new objectives.

We can, therefore, come to a general definition as follows:

*"Organisations comprise two or more people engaged in a systematic and co-coordinated effort, persistently over a period of time, in pursuit of goals which convert resources into goods and/or services which are needed by consumers.*

**B.UNDERSTANDING ORGANISATION BEHAVIOUR AND CHANGE**

We noted above that the first characteristic of organisations is that they consist of people. In understanding organisational behaviour, then, we are basically considering the behaviour of people in organisations. There are a number of aspects to this.

It is the way in which people interpret the world - how they learn, process information, form different attitudes and opinions to change, etc. -that condition, among other things, their attitudes towards work and the organisation. The aspects of psychologyhelps understand the nature of the individual as a basis for better understanding the behaviour of people at the individual level in organisations.

However, although the individual is the basic building block of organisations, people spend most of their time interacting with other people. Indeed, they vary in nature of an organisation being co-ordinated implies that the ways in which people interact with others in groups are fundamental to the functioning of the organisation. Under this, aspects of social psychology and sociology helps understand the nature of social interactions and how they impact on, and may be influenced by, the organisation itself.

The types and degrees of specialisation, grouping of activities and co-ordination and control of these activities have become the province of organisational change and organisation behaviour. The concept of organisation structure encompasses the relatively permanent patterns of relationships between individuals and groups within organisations. The ways in which these are constructed and maintained and the effects they have on the functioning of the organisation and on the attitudes and behaviour of its members, constitute a central area of organisational theory and research. This is also related closely to the subject of management,to which we shall see briefly later in the unit.

However, not all the features of organisationsare there because they were designed into the organisation deliberately. The intended, or formal,aspects of organisations are only one part of them.

The departments, change rules, procedures, rewards and punishments, and values that constitute the formal organisation, are interrelated with the informalaspects of organisation.

These interactions affect people's attitudes and behaviour, and they are part of the province of organisational change. One of the failings of many of the early attempts to improve the management of human resources in organisations was the failure to take sufficient or, in some cases, any account of factors outside the formal (intended) organisation. Telling people what they should do to make organisations work better, without trying to discover what the consequences of such changes might be on those involved, is a sure way of failing to achieve improvements in organisational functioning.

Organisations and, in particular, business organisations invariably have other resources as well as people - technical equipment; buildings; machinery; raw materials; money; and so on. These technical, financial and other resources are integrated with the human resources to a greater or lesser extent and are directly linked to change dynamics.

The achievement of the goals of organisations, whatever they might be and whoever may define them, is largely dependent on how effectively the various resources are combined together. Hence, in order to try to understand the behaviour of people at work and to try to influence that behaviour, it will not be sufficient to focus solely on the people dimension, and to deal with it in isolation. Although the "people-based" disciplines can contribute much to the understanding and management of organisational behaviour, they need to be combined with other disciplines and functional areas as shown in Figure 1.1 below,

***Organization***

 People

Tasks

Management

Organisations do not exist in isolation. They are part of the wider fabric of society in general and as such are influenced by and may, to some extent (depending upon the type of organisation), influence - the environment within which they operate.

One way of illustrating the relationship between organisations and their environment is to consider the organisation as a system - taking inputs from the environment (raw materials, staff, etc.) and using them to produce outputs in the form of goods and services which are fed back in some way into the environment. Thus, we can see that an understanding of the environment is very important to organisational functioning. For example, the following factors might be identified as impacting on the organisation:

* Political factors affecting the requirements placed on organisations arising from the actions of national (and international) governments and governmental agencies, including legislation, and the general political dimension which issues and activities may assume.
* economic factors affecting the financial functioning of the organisation such as the potential for growth or for retrenchment in the economy at large in relation to the market for the organisation's products, or the value of money as it impacts on rewards systems; and
* social factors affecting the supply of labour, such as demographic changes in terms of the age profile of the working population, numbers of people in the job market, etc., and changing cultural norms of behaviour and attitudes in society at large which influence people's expectations and behaviour at work;
* technological factors affecting the processes of production, such as changes in computer technology and communications, and the implications of new manufacturing processes;

We can illustrate these factors as follows:

THE ORGANISATION

p

The environment

 Social factors

 Political factors

Goods and service

Resources

 Technological factors

Economic factor

**THE ORGANISATION**

People

Processes

Functioning

g

## Figure 1.2: The organisation in its environment

## Note that all four aspects of the environment act on and influence the inputs, nature of the organisation change and its outputs.There are a number of characteristics of the environment which are likely to affect organisations and change.

## Instability

## Environments are not constant, but are subject to change. When change is rapid, we talk of a "turbulent environment" i.e. the environment is changing so rapidly that it has become unstable and unpredictable. Clearly, an organisation trying to function in a country undergoing a violent political revolution would be in such an environment, but it is also possible that the pace of technological change may constitute extreme turbulence.

Instability and turbulence are not necessarily harmful to all organisations they can be beneficial. Turbulence can throw up many new opportunities and some organisations will take advantage of these to expand and develop. On the other hand, some organisations will be incapable of coping with rapid change and do not survive in such times.

Turbulence may arise from rapid changes in any of the four sectors of the environment. For example, social changes can give rise to dramatic twists and turns in taste and fashion - we need only look at youth culture to see a continuing revolution in buying habits. The economic environment can become turbulent when there is rapid inflation. The technological environment can become unstable when new products and processes are developed in the short space of time. Finally, the political environment becomes turbulent when governments actively intervene in the way organisations are run.

# (b) Constraints

All sectors of the environment can place constraints on organisations. These are most often seen in respect of the availability of inputs or the market for outputs - so there may be shortages of raw materials or restrictions on the type of acceptable energy sources used (technological factors), a falling birth rate restricting the market for children's clothes (social), a trade slump or high unemployment affecting markets in general (economic). Constraints from the political sector may more directly affect the organisation itself by the issuing of new legislation on working practices, such as the length of the working week or a minimum wage.

When constraints from the environment are very tight and are generally seen as detrimental to the efficient running of an organisation, we refer to the environment as "hostile".

# (c) Complexity

Environments can be extremely complex. Again we can see this in all four areas - the large number of very different types of people which make up the market for a given product or service, the diversification of technology and the wide range of possibilities which it opens up, and the increasing complexity of the political-economic environment as characterised by the rise of international institutions as diverse as such as the European Union, international trade forums and agreements and multinational companies.

All these factors mean that organisations must constantly monitor their environments and assess the impact that they will have on their operations.

## C. ORGANISATIONAL GOALS

If we go back and dissect our original definition of "organisation", we can identify two implied features:

* the members of the organisation are involved in activities in a co-ordinated and on-going fashion;
* they are seeking to achieve a particular purpose or purposes.

In fact, these are the wrong way round. The reason that the members of the organisation are engaged in systematic effort is to achieve the defined purpose. The purpose comes first and provides the rationale for the activities.

It is a characteristic of all organisations that they have a purpose or an end. These are more commonly called the organisation's "goals" and/or "objectives", and we need to spend a little time considering these here.

A useful definition of a goal is that provided by Amitai Etzioni:

*"a goal is a future state of affairs which the organisation attempts to realise ".*

As we noted previously, though, most organisations have several such goals.

Goals are fundamental to activity they provide the focus for change action. If they are to provide that focus, they need to be specific. They need a clarity which allows people to share understanding and put their co-ordinated effort to a common purpose. They also need to provide some indication by which those undertaking the activity can assess whether they are successful. The ideal goal, therefore, is one which contains the following elements:

* it is challenging, but achievable - research clearly indicates that goals are more effective when they represent a challenge to the user, but there is no point in setting goals which, however worthy they may be, cannot be attained;
* it is clear and relevant - stating exactly what is required to be done in a way which is understandable to the user;
* it includes a standard or target against which achievement may be measured that standard or target either being quantitative or qualitative (the former being a lot easier to measure);
* it includes some form of time constraint - stating clearly by when it must be achieved. These elements provide an unambiguous statement of requirements, progress towards the attainment of which can be measured. However, certainly the last two elements are not that easy to meet in defining goals for many organisations.

#  Types of organisation goals`

Most organisations have several "future states of affairs" which the organisation is seeking to achieve. These are not necessarily all of the same type. There are in fact many different types, although the term "organisational goal" is often used as a catch-all for the totality, and it is useful to follow this rather than continually have to refer to each different element. One approach towards classifying goals is to postulate that there is a hierarchy of purposes in most organisations, involving progressively more specific statements of what the future state of affairs looks like. This raises the vexed question of terminology again, in defining what we call these different types of statement-usually "mission", "goal" and "objective". Another approach is to classify goals by what they deal with.

# (a) Missions, goals and objectives

The organisation is likely to have a range of future states of affairs which it is attempting to realise. Often, however, these are pretty vague and more specific definition is required if they are to serve as a target for organisational performance. Hence the notion of a hierarchy of expressions of purpose:

## •Mission

An organisation's mission is a generalised statement of its main purposes, often encompassing the key values which underlie those purposes and the way in which it seeks to achieve them. Many organisations now distribute their "mission statement" widely among staff and customers (and, indeed, among the public in general) in order to promote understanding of and sympathy with their overall purposes and ethos. A good example of this is the following from a local education authority:

"The education department strives to promote and maintain equality and quality in education, social, justice and economic regeneration.”

Whatever you think of this, it is certainly a worthy statement of intent. However, in terms of giving those who work in the education department, or those who use its services, some clear expectations of exactly what the service will provide and how it will be provided, it is not that helpful.

## •Goals

Goals build on the mission statement and provide the long-term targets for organisational change activities. They are likely to be specified for each organisational unit and sub-unit: thus for a manufacturing company, there will be goals for each division R and D, production, marketing, personnel, etc. and possibly for each part of, say, marketing (sales, advertising, etc.).

Note that they are "targets" as opposed to the generalised statements of intent characteristic of the mission, and are usually measurable.

## •Objectives

These derive from goals to provide detailed, short-term targets, generally in the form of guidelines for action in a specified time span. They are almost always measurable and thus act as both planning aids and the criteria for performance review.

These are much more meaningful to staff in that they define exactly what is expected of them and what it is their performance may be judged against (whether formally through some form of appraisal system or simply on an informal basis). They are, however, likely to be too detailed for those outside, and their wider distribution may even be seen as representing a hostage to fortune, an unnecessary stick with which the organisation may be subsequently beaten with. Since objectives take the broad goals of an organisational unit and give them actionable expression, they are capable of being developed to provide targets for individual workers or groups. Indeed, a widely used technique known as "management by objectives" (MBO) extends objective setting to the level of the individual manager and/or operational sub-unit, thus integrating individual and organisation goals.

## Value and Functions of Goals

Defining goals and objectives are crucial elements of the planning and decision making process, and also have a crucial role in the review and measurement of performance.

Their clear definition can promote understanding of the organisation's purposes both within and outside its confines, and can also provide the basis for determining priorities for action. Goals therefore represent a positive resource to the organisation.

Mullinsprovides a succinct summary of the functions of goals, as follows:

* To provide a standard of performance, by focusing on the activities of the organisation and the efforts of its members.
* To provide a basis for planning and management control.
* To provide guidelines for decision-making and the justification for actions taken, reducing uncertainty in decision-making.
* To influence the structure of the organisation and help determine the nature of the technology employed.
* To help to develop commitment from individuals and groups towards the activities of the organisation.
* To give an indication of what the organisation is really like, both for members and the organisation's stakeholders.
* To act as a basis for the evaluation of change and the development of the organisation.
* To serve as a basis for the objectives and policies of the organisation.

# Problem of goals

Although they serve a key function in organisations, that is not to say that goals are not without their problems. These tend to revolve around three areas:

# (a) Formulation

Many non-commercial and service organisations have traditionally had considerable problems with defining goals. This has much to do with the ethics of the provision of certain services (for example, health) in the past which saw such provision as being the domain of the professional and his/her judgment as being paramount. There was, therefore, considerable reluctance to prescribing goals and objectives which would limit professional autonomy. In addition, there is a real problem in ascribing quantifiable and measurable statements to the work of providing particular services - for example, exactly how do you quantify the outputs of a school? Firstly, there is little agreement about what it is that schools are trying to achieve (examination pass rates are one, measurable yardstick, but many would maintain that there are other, more important but more nebulous aims such as enabling children to develop to their potential or providing an appropriate learning environment); secondly, even if there was agreement on certain goals, the ability of a particular school to meet them may depend on many factors beyond their control, such as available resources and the quality of the pupil intake in any one year. The same arguments are true in health services and many charitable organisations where much of the work is concerned with issues about the quality of life of individuals or families.

# (b) Change

The second problem of goals is that, once set, they may come to be seen as tablets of stone containing the final word on the purposes of the organisation. That cannot be so. Goals are part and parcel of the planning process and need to be reviewed regularly if they are to have any on-going meaning. All organisations have been subject to massive changes in their environment over the last thirty years - in terms of the available resources, the changes in technology, requirements placed on them by governments, the demands of the public and the changing nature of society that they operate in. The purposes of any organisation change over time, whether it is the type of car that needs to be produced or the type of services that a finance department is required to provide. The organisation's goals - mission, goals and objectives need to change to reflect this. If they do not, there is an ever present risk of conflict between what the organisation is seeking to achieve (that future state of affairs) and the expectations of those with whom it deals - its consumers, the markets in which it operates its own staff, etc.

# (c) Goal conflicts

We have noted that organisational are likely to have multiple goals, reflecting the varied nature of their operations. Inevitably there will be conflicts between them - between the imperatives of, say, marketing and production departments, or the roles of teaching and research in universities. In setting goals, there must be mechanisms to minimise these potential conflicts and their effects, and the concept of corporate planning and management goes some way to achieving this. However, these conflicts exist anyway, whether a system of goal setting is inplace or not. Goals can help clarify the problem areas and provide a framework for tackling them. The process of resolving conflict can be healthy for organisations as it concentrates attention on purposes and priorities, which may in turn facilitate change in line with new or developing circumstances and situations.

Finally, in our original definition, we saw that goals are a statement of a future state of affairs that the organisation seeks to attain. We have generally assumed that the definition of what this future state of affairs should be is made by management - probably at the top of the organisation and then progressively "handed down" through the various levels. This would be the accepted way of doing it, particularly in large generally bureaucratic organisations. The ability of the organisation to be successful in attaining such goals depend on the commitment of the members of the organisation to that statement of purpose - their willingness to work together to achieve it. That in turn depends on two things:

* a common understanding of what it is that is being sought - and this requires that the goals are clear and unambiguous, something that is not always true; and
* a common agreement to pursue these goals - and it is seldom the case that the organisation's own objectives are the only ones being pursued at the workplace, nor are they necessarily the prime imperative to the workforce.

**D. ORGANISATIONAL STRUCTURES AND CULTURE**

# • Organisational culture

The culture of an organisation refers to the deep-seated values underpinning the organisation. It is manifested through a number of features (as discussed below) and it is increasingly being recognised that the culture is fundamental to the success or failure of organisations in meeting their goals.

Organisational culture is not something that is written down or, necessarily, is easily stated. Rather, it is an intangible mixture of rules, relationships, values, customs, etc. which, taken together, describe the distinctive "feel" of the organisation. It is within this culture that individuals work and from which they learn the norms and values to which they are expected to subscribe.

# • Organisational structure

This is the arrangement and inter-relationship of the component parts and positions of an organisation. Whereas culture is hidden, structure can be seen and drawn in organisation charts. Structure may reflect culture.

## Characteristics of Organisational Culture

We can recognise a number of characteristics from which it is possible to develop an understanding of an organisation's culture, as follows.

* The organisation's goals - particularly its mission statement -and the extent, to which they are clear, communicated to and embraced by all levels of the organisation.
* The dominant behaviour patterns applying to the interaction within the organisation and between the organisation and its stakeholders (its existing and potential customers, investors, owners, etc.) - in respect to both what is expected and whether actual behaviour lives up to these expectations.
* The distribution of authority and decision-making through the organisation - basically along a continuum from it being concentrated at the top or spread downwards to teams working close to customers by the empowerment of employees.
* The structure of the organisation is closely related to the distribution of authority and may be easier to identify through the use of organisation charts, etc.
* The nature of leadership which refers to the way in which power and authority is exercised, again along a continuum from authoritarian to democratic.
* The values of the organisation terms of its responsiveness to the needs and aspirations of its own staff and to those of its stakeholder e entrepreneurial spirit of the organisation, as revealed by the degree of enterprise, innovation, competitiveness, flexibility and drive for excellence of the organisation.
* Its receptiveness to embrace change arising from changes in its environment - particularly whether it is proactive (anticipating and planning for change) or reactive (coping with change as and when it arises).

## Classifications of Culture.

A number of writers have analysed organisational culture and we shall consider two approaches here.

# (a) Handy’s four cultural types

Handy’s classification identifies four types of culture power, role, task and person which are closely related to the organisational structure that is adopted by senior/top management. He believes that organisation have a system of beliefs and values that form the basis and foundation of its culture.

**Entrepreneurial structure and power culture**

The first structure identified by Handy is the entrepreneurial structure this structure places an emphasis on centralisation and central power. Such power exudes from the core of business and the figurehead is seen as a very powerful and influential individual, with the power and authority to allocate and control resources and to do this based on the fact that his/her position gives him/her carte blancheto do what he/she wants.

Handy suggests that the culture dominant in this type of structure is the power culture**,** and we can characterise such organisations as being like a web with a ruling spider. Those in the web are dependent on a central power source.

Rays of power and influence spread out from a central figure or group. There may be a specialist or functional structure, but central control is exercised largely through appointing, loyal key individuals and on interventionist behaviour from the centre. Such control may be exercised on whim and through personal influence rather than, necessarily, on procedures or purely logical factors.

Effectiveness is judged on results and, for the central figure, the ends can be held to justify the means. Individuals succeed as long as they are power oriented, politically minded and risk taking with a low need for security. The power of members is based on control over resources and personal influence with the centre.

This type of structure can be found in small and medium-sized organisations that are evolving (growing), are organic by nature and responsive to change.

## • Bureaucratic structure and role culture

The bureaucratic structure is based on logic and rationality. It places an emphasis on roles within the organisation, rather than one central figure, and relies heavily upon the distribution of power, authority, tasks and responsibilities. Handy indicated that the culture that is dominant in this structure is the role culture**.**

## • Independence structure and person culture

The focus of the independence structure is on the individual. Individuals within this structure are far more autonomous, but meet together to make decisions that affect them as a whole. This structure is present in small companies such as consultancies, doctors' surgeries, law firms, etc., where individuals have their own objectives and skills and, in some cases, are largely responsible for their own income-generation. Handy suggested that the culture that dominates the independence structure is the person culture**.** The structure exists only to serve the individuals within it. It has no superordinate objective.

# (b) Peters and Waterman - Rational and Excellence models

The management experts Peters and Waterman have provided a comparative classification of what they see as the two main types of organisational structures and cultures found in modern society. They term these the rational modeland the excellence model**.** The rational model derives its structure and culture from the ideas of classical and scientific management theory; whereas the excellence model is based on Peters own excellence theory together with the work of Senge(on learning organisations) and Deming (Japanese ideas). We shall examine these theories in detail in the next unit.

**The Rational Model**

The characteristics of this model are as follows:

* Organisations are large, so that they can reap the economies of scale.
* Low costs and cheapness of product or service are seen as the way to success.
* All activities are carefully analysed and controlled - for example, strict budgets, cash flow analysis, etc.
* All targets are firmly set in numerical terms.
* Low range forecasts are produced in detail.
* Orthodox thinking is encouraged and rewarded.
* The manager's job is decision-making, and subordinates implement these decisions.
* Organisational structures are complex, with detailed organisation charts and job descriptions.
* People are treated as factors of production.
* They use money as a motivator, and productivity is rewarded by bonuses.
* They dismiss staffs who do not achieve performance targets.
* They use inspection to achieve quality control.

Financial targets and their achievement are seen as the essence of business profits must be generated at once. The organisation must continue to grow.

A useful way to remember the cultural and structural values characterised by the rational or traditional model of an organisation is by using the acronym **THROB:**

**T. Tall.** This means there are many layers of management, ranging from junior managers through middle management to top management. The many layers of management and supervisors mean that there is a narrow span of control, i.e. relatively few subordinates for each immediate superior. A tall organisation offers a long ladder for promotion as individuals move up the structure.

**H. Hierarchic.** This refers to clearly defined layers of power and authority, with instructions flowing downward from top to bottom, and information and feedback of results being reported upwards through the layers of management.

**R. Rigid.** The structure of the organisation is based on a clear set of principles which can be applied to all organisations under all conditions.

**O. Organised.** There is a strict division of labour allocating people to specific jobs, which are organised into departments, each of which has a specific function to perform and concentrate upon to the exclusion of anything else.

**B. Bureaucratic.** The organisation is run by a strict set of rules, is formal and impersonal, and work roles are clearly defined. There is a ladder of promotion that may be climbed by gaining qualifications and by long service.

**The Excellence Model**

The excellence model is quite different from the rational model in that it has the following Characteristics:

* An emphasis on quality and value rather than purely on price.
* A search for new products or services.
* A distrust of over-reliance on numerical analysis, because it leads to a fixation with costs.
* A belief in the innovative qualities of staff.
* The long view should replace short termism in organisational decisions.
* The main assets of an organisation are the people who work in it.
* People should not be afraid of making mistakes as they strive to improve the organisation.
* Management and organisational structures should be flexible.
* There is a stress on values instead of merely profits.
* Parts of the organisation are encouraged to compete against each other.
* Management should have vision and motivate others to share this vision.
* Managers should realise that people are not always rational.

Organisational structures should be as simple and "flat" as possible.

You can remember the excellent or flexible model of an organisation by using the acronym **FELT.**

 **F Flat.**This refers to there being few levels of management.

**E Empowered.** This means that workers have greater control over decisions which affect their work, making the culture more democratic.

**L Lean.**This refers to keeping stock-holding to a minimum by having just in time (JIT) deliveries and also to outsourcing all new core activities.

**T Teams.**This refers to the replacement of conventional departments with multifunctional teams. Within the teams, work roles are, flexible and individuals are encouraged to learn and deploy new skills.

## Organisational Structures

The structure of an organisation is the formal pattern or framework of interactions and coordination designed by management to link the tasks of individuals and groups in the achievement of organisational goals. In this respect, they are very much a part of the organisation's culture - perhaps even being seen as an embodiment of certain aspects of it. The traditional approach to specifying organisational structure is to distinguish between two aspects - the infrastructure and the superstructure. This approach has its origins in the organisational principles underpinning rational cultures as discussed above.

# (a) Infrastructure

This refers to the structure through which authority is distributed in an organisation and where decisions are made. There are a number of possible patterns, including the following:

* Rigid or flexible

Organisational structure may be rigid and bureaucratic, characterised by behaviour being governed by a strict set of rules which state how the organisation is to be run, the criteria for promotion, etc. On the other hand, the structure may be flexible and open to change to meet new challenges. Such organisations are not overburdened by rules and precedents.

* Centralised or decentralized

In a centralised structure decisions are taken at the top and passed down through the layers of management. A decentralised structure spreads much of the decision-making to various parts and levels of the organisation.

Some modem organisations have gone beyond decentralisation and are deploying the concept of empowerment. Empowerment means freeing employees from the close control associated with decisions about their work being taken higher up in the organisation. Empowerment allows employees to make decisions at the point where work is being carried out, although these decisions will be guided by the core values of the organisation, e.g. "quality" or "customer care".

##  • Tall or flat

A tall organisational structure has many layers of management; in contrast a flat organisation has relatively few layers between top management and the front-line operators of the organisation. Many modern organisations are using the technique of delayering (i.e. the stripping out of layers or levels of management) to convert traditional tall structures into flat structures.

# (b) Superstructure

The superstructure refers to the way staff and tasks are deployed and grouped into various departments, sections and teams. Such an arrangement can be an ingredient to change. Again, there are a number of possible patterns of superstructure that may be adopted by organisations.

# Mintzberg’s Model

This model, developed by the American Henry Mintzberg, identifies five key elements to an organisation's structure. Figure 1.3 combines these with the link to customers/clients, a link which is considered crucial by many experts.

|  |
| --- |
|  (1) **STARTEGIC APEX** (Senior Management)  |

 (2)

**MIDDLE LINE**

 (Middle Manger)

 Sale marketing

(5)

**SUPPORT STAFF**

Finance Functions Legal

functions Administration

Press and Public

Relations

 (4)

**TECHNOSTRUCTURE**

Quality Control

maintenance work study

Human Resource

Mana

g

ement

 (3)

**OPERATING CORE**

## Figure 1.3: Mintzberg's model of organisational structure

The elements which make up this structure are as follows.

1. Strategic Apex:Senior management takes the ultimate decisions for the organisation. They establish the core values which are made manifest in the mission statement of the organisation.
2. Middle Line:This reflects the authority structure (infrastructure) linking senior managers through middle managers/supervisors to the workers in the operating core. Information flows both ways along this line.
3. Operating Core:This consists of the people who make the goods and/or perform the services. In small organisations this may be most of the organisation.
4. Technostructure:The function of this element is the co-ordination of the work of the organisation. A key technique for this is Total Quality Management(TQM) standardised high quality production is the objective.
5. Support Staff:The function of this element is to provide the indirect services required by the organisation. Here are found the legal, financial, press and publications experts and professionals

**UNIT TWO:**

**The nature of change, dynamics for individuals and groups**

# Introduction

Organizations are dynamic entities. They are changing all the time - in at least very small ways as they develop their operations and outputs in the pursuit of efficiency and effectiveness.

The management of change is concerned with how change is effected in organizations and the principles and processes are essentially the same whether applied to the redesign of the working practices of one section or the re-specification of the whole organisation and management structure.

The process starts with the recognition of a need to change. This is dependent upon an understanding of the implications of the environment for the present organisation's position its organisation, management, methods of operation and/or outputs (mainly its products). As we have seen before, the environment includes the general and specific external environments as well as key factors in the internal environment. Pressure comes from these environments for the organisation, as a whole or in respect of particular parts of it (individuals or collective units), to adopt a new position. The organisational response on recognition that change is require will be to define that new position by means of new goals, strategies and objectives, and hence new activities and methods of operation. Essentially this means specifying:

* New working practices in respect of the existing output or to accommodate new outputs; and/or
* New management structures, involving changes to the way in which authority and responsibility is distributed through the organisation; and/or
* New standards for the way in which people do their jobs - in terms of both operational activities and management decision-making.

In theory, it is management's prerogative to introduce and impose the new position. However, this would require complete compliance from the workforce affected and this is highly unlikely. People are, in general, resistant to change where they do not see it as offering greater satisfaction than the present position, particularly where there is any uncertainty about the outcome. For change to be effective, the people affected must accept the new position before they will amend their working practices and behaviours to that required.

This unit starts by considering the dynamics of change in organizations through the concept of Lewin's force field analysis which focuses attention on the pressures for change emanating from the environment and the forces in the organisation which act to restrain the enactment of that change.

**Learning outcomes**

By the end of this unit you should be able to:

* Explain aspects of a learning organisation
* Explain the dynamics of change
* Discuss the learning process
* Describe characteristics of learning organisation
* Explain the importance of feedback

**Time Frame**

Four hours (4 hours)

# A. THE DYNAMICS OF CHANGE

A good point to start is Lewin's force-field analysis developed in the late 1940s. Simply put, this states that all organisations are subject to competing forces in respect of change:

* **"**driving forces"compelling change which arise mainly from the external environment of the organisation (both general and specific), but also from the internal environment in terms of performance results and aspects of the organisation's resources; and
* **"**Restraining forces"which seek to resist change and maintain the *status quo,* and here we can identify such features as organisational inertia, vested interests of groups and the fears of individuals, etc.

Lewin maintained that the present state of any situation is equilibrium between the forces for change and the forces resisting change. This represents the *status quo.* This position may be shown diagrammatically as follows, with the strength of the forces represented by the length and thickness of the arrows.

Figure 2. 1 force field analysis

S

T

A

T

 Driving force

Restraining Force

U

S

Q

U

O

To change the status quoto the desired condition, it is therefore necessary to increase the driving forces, to decrease the restraining forces, or to do both. Although managers tend to think in terms of increasing the driving forces, such increases, according to Lewin, are likely to provoke a corresponding increase in the resistance forces. Hence, movement towards the desired state is achieved more easily by reducing the resisting forces*,*rather than by increasing the driving forces. In other words, the best way to get the change accepted is to identify those things/persons which are resisting and look for ways of satisfying their needs etc.

Note, though, that the pressures for change may be of such strength that continued resistance threatens the very existence of the organisation itself. Where the driving forces are strong, accentuating them may be an effective strategy for overcoming resistance.

The identification of all the forces, their strengths and how they may be modified provides a diagnostic tool which can help in developing the key actions which need to be taken in order to solve the problem of introducing the change.

# The Driving Forces for Change

The impetus for change comes about as a result of a change in strategy. As we have seen earlier in the course, strategy is essentially determined by organisational goals and policies, and changes in these are likely to be a reflection of pressures originating in the environment of the organisation - both external and internal.

The extent to which these pressures act as driving forces for strategic change will be a function to two forces within the decision making structures of the organisation.

* The strength of the threat posed to the existing goals and strategy and/or the strength of the opportunities presented for furthering the existing goals.
* How these are recognised by decision makers - the threats and opportunities need firstly to be recognised, but also, crucially, they need power backing within the decision making structure such that they are converted into driving forces.

Thus, understanding the pressures requires effective environmental analysis ***and*** action within the decision making structures to effect a change in strategy.

## (a)Pressures from the external environment

The external environment encompasses both the general external environment - which we can examine through PEST analysis - and the specific environment of the market within which the organisation operates.

###  • Political / legal pressures

These arise from changes in the direction of government policies - which affect the way in which regulations are interpreted (for example in relation to planning permission), the pattern of public expenditure and the economic climate - and from changes in legislation.

Legislative changes have had a considerable direct impact on organisations in recent years, principally through regulation of employment practices such as the introduction of a national minimum wage and rights in respect of maternity and parental leave.

### •Economic pressures

These arise from changes in the economies of the countries that organisations operate in. In the past this might only have constituted the home economy but as business becomes increasingly globalize, organisations are more affected by economic changes around the world. The economic and financial crisis that arose in the economies of the Far East in the winter of 1997 and the spring of 1998 is a good example of this - creating knock-on effects on stock exchanges around the world which affected investment decisions, and for organisations who exported to and imported from those countries the effects of changing exchange rates had a major effect on their competitiveness.

To some extent economic changes interact with political changes, in that governments determine national economic policy such as interest rates and taxes which have an effect on economic activity affecting businesses.

### • Social / demographic pressures

These arise from changes in such factors as birth and mortality rates, social tastes and fashions, and public attitudes. For example, the "baby boom" generation which resulted from the high birth rates after World War II are now in their fifties and have a high disposable income, whereas the fall in the birth rate in the 1960s and 1970s led to a shortfall of young people coming into the labour market in the late 1980s and early 1990s. Such changes have affected product and marketing decisions so that many businesses are now targeting the affluent 50-somethings or "dinkies" (dual income, no kids) who have the most money to spend on non-essential products, and also have an impact on the characteristics of the labour force available.

Changes in social tastes are often quite subtle and difficult to notice as they are frequently evolutionary, but nevertheless they affect all aspects of the business. Foster's Menswear, a fashion chain specialising in its own brand clothes for young males, went into liquidation because of the change in preferences towards "designer" clothes among its customers.

Public attitudes towards "green" issues and ethics in business have also affected consumer tastes. Also, attitudes towards the treatment of different sections of the population - in particular, women, racial minorities and disabled people - have changed radically in recent years and these need to be reflected in employment policies, internal interactions and the presentation of products.

### • Technological pressures

This has been the area in which most change has taken place in the last thirty years and it exerts tremendous pressure on working methods and products. Continual innovations in communications and information technology provide the means to improve efficiency and open up new approaches to the conduct of business. Thus, not too many years ago organisations were staffed with an army of typists in a “pool", whereas today the prevalence of PC and end-user computing has vastly reduced the need for such services. The changes in communications technology, which have included e-mail, intranets and the World Wide Web, have changed the ways in which business is done, opening up worldwide markets and increasing its speed.

These types of environmental changes often seem to be the most difficult to keep up with because of the speed of change and the potentially revolutionary and radical effects the new technologies can have on jobs, skill requirements, and keeping up to date with competitors.

### • Market pressures

These arise principally from customer demands and the competitive environment. Organisations must react to these pressures and maintain at least some foothold in their markets, or they will cease to exist.

**(b)Pressures from the internal environment**

Assessment of the way in which the organisation is currently operating - as evidenced by performance in respect of existing objectives - will exert its own pressures in the form of the identification of strengths and weakness. Change will be required to build on strengths and resolve weaknesses. In addition, though, there are other forces at play in the organisation which may drive the organisation to change. These are in respect of the demands of employees and the forces of innovation.

##  • Performance

The extent to which an organisation is currently achieving its objectives will naturally be a driver for change. This is most clearly felt in respect of under-performance, indicating that the current operational strategies and plans are not effective in delivering the required results and, therefore, that some change is needed - either in respect of the strategy and objectives or, if these are sound, in the way in which operations are designed to achieve them. Note too, though, that over-performance may also be significant in that it shows particular strengths which it may be possible to apply in other areas to achieve similar results. Successful performance is often related to critical successfactors,which relate objectives to the key areas of competition. For most organisations, achievement of their critical success factors will need constant review of their organisational capabilities, and at least incremental changes to ensure that they remain compatible with the business strategy.

According to Roger Bennett**,** the most common critical success factors, and hence those areas in which performance needs to be studied most closely, include the following.

1. Fast and reliable delivery
2. Product quality and customer care
3. The ease with which a product can be modified, has appealing features, fulfils a clear need and has multiple uses
4. The rate of expansion of the market and whether it is concentrated in accessible areas
5. Brand images and the location of products in their life cycles
6. Low-cost installation, maintenance and repair of equipment
7. Technical advice

##  • Employee demands

The employees of an organisation are an important stakeholder group and their interests, and particularly the way in which they may be expressed and promoted, represent significant pressure which needs to be responded to. The interests of employees are often thought of purely in financial terms, through demands for increases in pay, but there are also strong demands for changes in working conditions and activities which are seen as basic to their satisfaction. The commitment and motivation of staff may well be seen as a critical success factor in themselves and attention needs to be paid to these pressures.

##  • Innovation

Innovation may be defined as the development of new ideas or products which have an impact on the operational procedures and practices of the organisation and its outputs. These may develop inside the organisation itself - perhaps through a research and development division - but most often occur outside of the organisation and are taken up internally through the identification of new applications to the organisation's own circumstance .

This is slightly different to the reaction to competitive pressures and refers to the capability of the organisation to develop its own innovations which will provide competitive advantage. Not all such innovation is the deliberate searching for new products, but may arise naturally from the actions and concerns of staff in identifying possibilities.

Not to react to environmental threats could amount to corporate suicide, and examples in The UK, the motor cycle industry, once the world leader, did not react to the superior quality and technical innovation of the Japanese manufacturers in the 1960s and 1970s, and was almost obliterated.

**C.Resistance to change**

The restraining forces essentially derive from the internal environment of the organisation, although there may be some resistance to change within the external market, particularly in respect of equipment (vii) Technical advice sterling customers and suppliers being reluctant to accept new practices and products where these do not fit with their expectations and existing patterns of behaviour.

We can characterize the obstacles to change in two ways:

1. Organisational inertiahis is particularly strong in bureaucracies where the scale of operations and interrelationships make radical change very difficult, but it may be overcome by rational planning and managerial will.
2. People and cultural barriersAllchange in organisations affects the people who work in them, both on an individual and group level, and people are very strong resistant of change. This resistance derives from three key areas:
	* the challenge it represents to the core attitudes, beliefs and established patterns of behaviour which we can characterise as the cultureof the organisation; the challenge it represents to the existing power relationships within the organisation and thus to the vested interestsof individuals and groups in their control over what goes on; and
	* thefears of 'individualsarising from insecurity over the uncertainties of a future in which existing jobs, procedures and practices are threatened.

The extent to which these potential barriers to change act as restraining forces will be determined by the following factors.

* + The degree of satisfaction with the existing position of the organisation - culture, power relationships and the satisfaction of individual needs.
	+ The degree to which the proposed alternatives are seen as more or less desirable and/or feasible.
	+ The extent to which these are felt by strategic decision makers, either by the individuals themselves or in respect of the power and influence they may be able to exert (for example, in relation to employees withdrawing their labour or customers no buying the products).

Much of the focus of the management of change is on overcoming resistance, so an understanding of the operation of the restraining forces is clearly critical to the success of the process.

## (a) Culture as a constraint

As we discussed earlier in the course, an organisation tends to build a paradigm for itself- a way of seeing itself which encapsulates the values and beliefs of its stakeholders. This has the effect of limitingwhat may, or may not, be readily changed in terms of strategy. Once established, the paradigm tends to be self-perpetuating since members of the organisation are reluctant to change their core beliefs or routines.

The paradigm is preserved within what Johnson has described as ***a*** cultural webof the organisation's actions, in terms of:

* Stories of its past events - often exaggerated into myths and legends.
* Its rituals and routines - methods for being promoted etc. are related to "the way we do things around here".
* Symbols of status - reserved car parking spaces, the key to the executive washroom, etc.
* Control systems - head office inspections, for example.
* The organisational structure - hierarchical, bureaucratic, informal, etc.

## (b) Vested interests in the status quo

This may be seen in relation to both the formal and informal organisation where proposed changes represent a potential loss of the power to influence organisational direction and/or the behaviour of people. We tend to think of this in relation to the middle and lower management levels, and to the role of employee representatives, but it may also be a restraining factor at the senior, strategic level in the organisation.

Perhaps the first thing that is shown by a study of resistance to change is that it is not found exclusively at one level or within one area of an organisation.

Among the groups which resist change are those who consider themselves "guardians" of the organisation - employees of longstanding who know its importance to their family and their area and who do not want, for example, to see "a new MD ruining it".

## (c) Fears of individuals

Specific reasons for individuals resisting change can be identified by reference to the Maslow's analysis of needs as the motivating force for behaviour. You should be familiar with this important concept and the way in which people are deemed to have multiple needs which are arranged in the form of a hierarchy as follows:

 Figure 2.2 Maslow’s needs pyramid

 Self – actualization

Self – esteem

Belonging and Acceptance

Safet

y

andSecurit

y

and

The model asserts that, when a particular level of need is adequately satisfied, it ceases to dominate and influence behaviour. The next level of need then becomes the important motivating factor.

* The most basic human needs, such as hunger, thirst and sex, must be satisfied first.
* Once satisfied, people turn their attention to safety and security needs, such as providing shelter to protect themselves from the elements or other dangers.
* The next level relates to satisfying social needs, such as belonging to and being accepted by a social or work group.
* Once these needs are met, they are replaced with a need for self-esteem, such as the desire for high status within a peer group.
* The ultimate need resides at the top of the hierarchy - the need for self-actualisation, which refers to the need for a person to fulfil his or her potential.

Any change in the circumstances of the individual may alter the needs that are being met and thus cause lower levels of need to come to dominate behaviour. This has considerable implications for organisational change in terms of the effectupon the individual.

When faced with change, individuals will see the change as either an opportunity or a threat to achieving their needs.

* At its worst, the proposed change may threaten the security of an individual's job or the maintenance of existing levels of income. Even though there are safety nets in society generally, though state benefits and redundancy pay, and often within the organisation through protected levels of pay, this may be felt to threaten the family's physiological and security needs. The very uncertainty over the future that change necessarily involves to some extent will contribute to this.
* The proposed change may also involve disturbance to the individual's working group and relationships, particularly when organisations are restructured. This may have an effect on the individual's belonging and acceptance needs, as a new set of social relationships will have to be formed.
* Changes to working practices will almost inevitably involve the acquisition of new skills and an individual's sense of self esteem may be threatened by the fear of not being able to cope with learning the necessary skills. In addition, it is possible that new structures will displace traditional pecking orders, affecting the individual's status with the organisation and role and recognition within his/her social groups. Finally, here, personal resentment may be felt at the implied criticism that existing methods are inadequate.
* At the level of self-actualisation, there is the fear that the new conditions will represent less opportunity for personal fulfilment through the challenges of the job, as well as a lack of control over the future, causing resentment over the inability to participate in planning and implementing changes which affect the individual personally

D.**Interpersonal and Group-Based Organisational, Dynamics**

T-groups, or sensitivity training groups,are designed to provide members with realistic experiences, in the areas of group dynamics, leadership, and interpersonal relations. If the group's purpose is to help members gain deeper personal knowledge and development, then the group is referred to as an encounter group. While pure encounter groups are not as common today as they used to be, their legacy is the wide array of support groups currently available in the United States. Support groups are typically problemfocused groups. Examples of support groups are Alcoholics Anonymous, groups composed of divorced parents, and groups of parents with handicapped children. Such groups continue to provide important forms of support and encouragement to their members.

T-groups focus on a blend of improved personal understanding of group processes and enhanced personal awareness. They are generally composed of 10 to 15 members who may or may not be strangers. Individuals from the same firm may be organized as "cousin" or "family" T-groups. Cousin groups are composed of people from different functional areas and from different hierarchical levels in an organization. A family group represents a superior and his immediate subordinates.

A facilitator works with the T-group. A facilitator is defined as a resource person for the group to use who does not take a leadership role. Accordingly, group members define the processes and agenda for the group. This usually confuses members who typically try various roles and interpersonal styles as ways to create structure for the group. Some members often resist attempts by other members to take over the group. Eventually, the focus of the group becomes "the here and now" versus discussion of problems in members' work organizations. From time to time, the facilitator makes interventions that deepen personal understanding or encourage analysis of group processes.

The T-group's emphasis on the here-and-now coupled with candour and support encourage participants to develop improved work relationships through caring about and understanding the feelings of others. These new skills and understanding are supposed to have considerable "carry-over" to the organizational setting.

**T-groups and their organisational effects**.

The results of the T-group approach are mixed. Research indicates that;

T-groups have little impact on decision-making processes, productivity, efficiency, and absenteeism. T-groups can improve group processes but that they have minimal impact on the organisational culture. The lack of cultural impact is probably owing to the reluctance of managers to support widespread use of T-groups.

The effectiveness of T-groups in organisations depends on three factors:

The T-group must be structured (i.e., problem focused) so learning can be explicitly transferred back to the organizational setting.The use of T-groups should be tied to an ongoing organisational development intervention. The culture of the organization must support the use of T-groups. The third factor means that employees must believe that conflict can be managed (versus avoided or suppressed), that information is readily shared, and that openness is supported.

## Team building

Normally defined as a task-oriented method of group process improvement. It is a method accepted much more readily by organisations than the T-group method, because team building emphasizes the solving of real organizational problems. Some typical objectives of team building shall be looked at in the later stages of this module.

While considerable variation occurs in the use of team building, it is useful to consider a typical program in a large industrial organisation. Such programme would enable the following conditions;

l. Team skills workshop. Structured group exercises help unfreeze attitudes and get the groups ready to accept change.

1. Data collection. Team members fill out a questionnaire that measures organizational climate, leadership patterns, and job satisfaction.
2. Data confrontation. Consultants present the teams with the results of step 2. Using group problem solving, consultants help the teams develop recommendations for change.
3. Action planning. The teams develop specific plans to bring about the changes isolated in step 3.
4. Team building. Barriers to team effectiveness are isolated and methods for removing them are developed.
5. Intergroup team building. Teams with interdependent goals meet to establish collaborative methods for handling joint activities.

Team building is a process widely accepted by organisations. Much of this acceptance occurs because people are comfortable with the values and procedures associated with teamwork. Most organizations possess cultural values that promote these goals; Team building does not generate anxiety or tension among managers and employees to the same extent as T-groups.

**summary**

**summary**

In summary, organisations are dynamic entities and therefore should be indeed be flexible to changes that come their way. Understanding the implications of the environment, the (individuals, groups and the collective units) would lead to a new dimension and perspective to responses of change. Techniques aimed at interpersonal and group relations represent the starting point for the field of organisational change and development.

**Activities**

1. Discuss the learning theory in details bringing out all the important aspects.
2. Explain why it is important to give feedback to employees?
3. Describe the aspects of a learning organisation.

**UNIT THREE:**

#  The learning organisation

**Introduction**

The concept of the "learning organisation" is based on the need for organisations to develop a capacity to do this - to learn from the environment and from operational problems such that they are able to recognise the change imperatives and how they may be responded to. Thus, rather than simply responding to problems or failures by corrective action in respect of existing operational practices and procedures, the learning organisation will consider the context which is leading to such problems and failures. It will question the operating practices and procedures, and explore the policy, cultural, attitudinal, etc. constraints which underlie them. Only if this is done, will there be a lasting improvement in performance.

One that facilitates learning of all its members and continuously transforms itself.Peddler draws attention to the fact that a learning organisation is more than the sum of the learning individuals who work in it, crucial though those individuals are. A learning organisation must have a culture and a structure suitable for learning to take place.

Learning organisations, then, bring together ideas of culture, structure and leadership. The idea of learning organisations is a logical follow-up to organic theories which compare organisations with human bodies. Organisations are made up of functioning parts which should act in harmony. They adapt to and can influence their environments. Learning theorists go one step further by talking about listening and learning organisations. Learning assists organisations to survive and develop.

**Learning outcomes**

* Describe planning for change
* Describe the identification and involvement process of those who will be affected
* Draw up and implement detailed plans for effecting the required changes
* Review and evaluate the effectiveness of the process

**Time Frame**

Four hours (4 hours)

#  A. Aspects of a Learning Organisation

* The culture of a learning organisation should be liberating for those who work in it. Employees should be empowered**,** they should be involved in decision-making, and there should be bottom-upcontributions to the development of the organisation.
* Excellence theorists like Peters emphasise the importance of encouraging staff not to be afraid to make mistakes. There should not be a culture of blame. The emphasis is on continuous experiment and improvement**.**
* Another approach to culture is the suggestion to view and treat employees as customers**.** The root of this idea is found in stakeholder theory which sees customers as the dominant stakeholder; the learning approach brings employees to the centre of attention, they should be encouraged to learn from their work.
* Learning theorists argue that a flat structure making use of multifunctional teams linked by efficient IT and open communications is conducive for organisations to learn. Many of the ideas of excellence theorists on flat, flexible structures can be used to guide a learning structure. The culture and structure of learning organisations are quite different from those of tall, bureaucratic, authoritarian organisations.
* Leadership should be democratic/participative, sharing a vision of the way forward. Leaders should set an example of risk-taking and learning from mistakes. Leaders should be enablers, helping staff to learn and develop.

In order to create a learning organisation, management must recognise the need for change. The areas where change may be needed are: leadership; structure; culture; empowerment of employees; and an obsession with improving quality.

## Criticisms of the Concept

Despite the popularity of the learning organisation concept, there are critics of this approach. From the outset there have been problems with defining a learning organisation. Some definitions focus on individuals learning how to learn, while others emphasise the culture and structure of the organisation.

-Perhaps the most frequently voiced criticism is that managers only pay lip service to the concept of a learning organisation; they make only cosmetic changes, e.g. they introduce carefully controlled organisational development (OD) schemes.

-Radical critics, like R. Harrison, argue that many managers jealously guard the control of learning. If the distribution of power remains in the hands of top management, the culture of the organisation cannot be conducive to learning.

-Finally, critics argue that it is difficult to measure the degree to which a given organisation is a learning organisation.

In summary, to make the learning organisation effective idea measurable changes must take place in leadership, structure and function. In addition individuals need development, encouragement to be risk-takers, to be obsessed with quality and above all to embrace change and learning with enthusiasm. An assessment of the success of a learning organisation may be obtained by benchmarking against other excellent organisations in similar spheres of activity.

**B. The learning process**

Learning is the acquisition of new skills, knowledge or attributes which can be demonstrated by a relatively permanent change in an individual's capabilities and/or behaviour.

Examples of learning include operating a piece of machinery such as a word processor (manipulative skills), knowing the disciplinary process of the organisation (knowledge) or having the ability to negotiate a change in working practices with staff representatives (interactive skills).

Another way of viewing the corporate/individual distinction is to consider it as the separation of job-centred or occupational needs as opposed to employee-centred needs. The corporate approach focuses purely on the needs of the job irrespective of the individual filling it.

The individual is, therefore, viewed collectively with others doing the same job. For example, it may be determined that time management should be an obligatory programme for all staff in the finance department, regardless of their age, experience and actual performance (and whether or not they had attended a similar programme with a previous employer). Some participants might, therefore, consider it money unwisely spent, but the needs of the department as a whole are considered to outweigh that.

**Knowledge, Skills and Behaviour**

Once training/development needs have been identified, the particular form of activities which will enable them to be met must be considered. In order to do this, it is important to be clear about exactly what outcomes are expected - i.e. what are the knowledge, skills and behaviours which needs to be developed.

The relevant questions are set out below.

* **What do employees need to know in order to perform their jobs well?**

This may range from background information about the organisation to very detailed technical knowledge about the individual work tasks;

* **What skills or competences are required, and to what level?**

In many instances, knowledge by itself (for example, the theory of a technical process) is not enough to secure acceptable performance and there is a need to develop the necessary practical skills to be used in the job;

* **What behavioural characteristics are needed?**

Although the general attributes of interest, commitment and enthusiasm are important for all jobs, for a training needs analysis this aspect needs more specific attention. There may, for example, be a need for some employees to develop a particular type or set of attitudes towards customer service, technical standards, work flexibility, costconsciousness or even working together effectively.

# C. Characteristics of learning organisation

Peddler, Burgoyne and Boydell identify the following characteristics in their vision of a learning organisation

## Learning approach to strategy

The organisational development process (or strategic process) must be designed as a learning process. There must be opportunities for experimentation and feedback mechanisms must be built in. An environment where mistakes are valued rather than criticised is a clear requirement.

## Learning climate

This describes how the function of management changes to that of supporting rather than controlling or leading and encourages the direct involvement of all workers in a more participative style *of* management. For example, if there is a problem with the distribution process, those most knowledgeable about that process are likely to be those actually operating it. By actively seeking and encouraging participation from those people by providing support, problems can be quickly and accurately identified and solved.

## Self - development

Training and development has a high priority as it increases the flow of information and ideas and develops the skills which can make use of them. In Motorola, for example, senior executives take part in a scheme which involves mentoring younger managers, particularly in less developed areas of the world. In effect, the senior managers are being used as role models to educate young managers and pass on their experience and knowledge to the next generation of managers.

## Inter-company learning

Inter-company learning involves looking at best practice within the industry generally and adopting and developing techniques and systems for use within the organisation. For example, Motorola discovered as part of a study in South Africa that one organisation was able to explore difficult ideas and concepts with the workforce through the use of theatre and drama. This concept was developed and used to good effect in the Philippines, where national cultural effects made it difficult to encourage workers to offer constructive criticism (as culture within the Philippines promotes a deferential attitude towards those senior or older). By using theatre and drama, workers were encouraged to exchange their views in an environment located deliberately outside the normal working environment and where workers felt they could talk freely.

## Informating

Peddler, Burgoyne and Boydell use this term to describe the use of information as a resource rather than a control mechanism.

## Enabling structures

This concept views organisational structures as temporary rather than fixed, able to change and respond to changed conditions and exploit opportunities.

## Environmental scanning

Monitoring opportunities within the environment is not just the role of a specialist department but encouraged throughout the organisation. Thus if one department deals with a particular internal or external customer, any opportunity to develop that opportunity elsewhere within the organisation is identified and passed on to the appropriate department. For example, a service engineer might learn from a service visit that a customer is seeking to replace equipment which the organisation is able to supply. The service engineer should be encouraged to pass this on to the relevant sales department of the organisation, which is in a position to act upon the information.

This idea is also based upon the concept of the internal customer, which is commonly found in customer service environments. Peddler *et al* refer to this as internal exchange.

The idea is that each department (or even individual) views other departments/individuals as customers whose needs must be identified and satisfied.

## Participative policy in making

You may be more familiar with this idea under the heading of stakeholder influence. In effect, all those with an interest in the organisation (the term `interest' being widely defined) should have a right to participate in the policy setting of the organisation.

## Reward flexibility

In a learning organisation there is a flexible and open approach to reward systems. Changing the rewards offered to participants (workers) and making the rationale behind the reward system open, the balance of power within the organisation shifts away from salary as an indicator of power.

Senge, who has been one of the principle architects of the concept of the learning organisation, identifies five disciplines that underpin organisational development.

## Systems thinking

This is the ability to see particular problems as part of a wider whole, and to devise solutions to them which are appropriate.

## Mental models

These are ingrained assumptions which determine what individuals think. They may be incorporated into mission statements or slogans and set the scene for the way in which people within the organisation think. As an example, Honda used the slogan `lets gamble' to motivate designers in the 1970s. The slogan generates the idea that experimentation and innovation are welcomed.

## Personal learning and growth

Individuals should be encouraged to acquire new skills and knowledge in order to encourage the concept on an organisational scale. Personal development plans, performance appraisals and access to training are ways of encouraging personal learning.

## Shared vision

A common goal is essential to organisational learning but should not be so rigid as to stifle innovation or creativity.

## Team learning

Group dynamics can impede learning. Teams should be trained to learn as teams rather than groups of individuals.

The same themes are picked out again by Motorola's experience of implementing organisation development processes. They concluded that they had to encourage and institutionalise the following key features.

* A systematic problems solving approach by adopting a scientific method of diagnosing and resolving problems. This means that problems are addressed by looking for solutions, testing out potential strategies, refining results and using evidence rather than intuition or guesswork to assess results.
* Experimentation by looking for innovative approaches to problem solving. The use of theatre to deal with business problems is an example of how an experiment encouraged an innovative approach.
* Learning from past experiences by conducting post-incident reviews and encouraging reflection, not as a means of allocating blame or bouquets, but with the intention of identifying the success or failure factors in experiences from which to learn.
* Learning from others by looking at best practice and using bench marking, and by exploring learning opportunities offered by customers, suppliers, etc.
* Disseminating knowledge throughout the organisation through education and training programmes, and a shared approach to information.

 **D. Learning Theory.**

There have been a number of different approaches to trying to resolve the question of "how do we learn?”

* Behaviourism evolved through experimentation with animals. The stimulus-response theory (classical conditioning) was advocated by Pavlov (1927). He observed the way dogs salivated at the sight of food and found that the dogs could be conditioned to respond to a ringing bell. Operant conditioning was developed by Skinner (1953) whose research into rats identified that their behaviour could be altered by using positive and negative reinforcement. Positive reinforcement (or rewards) was given to the rat to promote responses, and negative reinforcement (taking the food away) was applied when the rat displayed non-compliant behaviour.
* Cognitive theory (Gestalt theory) revolves around the belief that learning is a holistic process and that it involves the mind, body and spirit. Cognitive theorists or humanists believe that humans have the ability to learn and think, store this learning and thinking, and then apply it to specific situations.
* Experiential learning was developed initially by Carl Rogers (1967). He believed in learning as a holistic process and advocated the importance of experiential learning (learning by doing) being adopted in the workplace because it is one of the most powerful ways in which individuals learn. Kolb (1974) built on the work of Rogers and formulated the experiential learning cycle.

Kolb's experiential learning cycle reflects the fact that learning is an ongoing and continuous process. This approach is now widely used as a means of managing learning. It stresses the need to learn from practice and feedback, so that the process comprises, rather than a sequential series of events, a continual series of circular patterns based on experience.

The classic model of this process is that defined by psychologist David Kolb, as illustrated by Figure 3.

**Figure**.3: **Kolb’s experiential learning cycle.**

 Concrete experience

Applying /testing the

 Observation and reflection

Implications of concepts in

New situations

 Formation of abstract concepts and generalization

The elements of the cycle are as follows

**Experience**

Concrete experience is the basis of the cycle. We use experiences that we have had in the past, or take experiences which are new to us, in order to further our learning. These experiences may be structured and planned, or may be "accidental", in that they happen to us in the course of our work or our everyday living. They may be experiences which happen to us on our own, or involving others.

## Reflection

Having been through an experience, the next stage of the cycle is about examining it in order to be able to identify what actually happened, what we became aware of, and how we felt about it. It is at this stage, also, that we begin to make an attempt to understand what the experience might mean for us, in terms of its significance, whether good or bad, if the experience seems to be something which tends to happen to us frequently, and what this means in terms of our learning to deal with it.

Sometimes you will be able to go through this stage by thinking things through, consciously or unconsciously, on your own. At other times, you may find it helpful to talk your ideas over with another person.

## Conceptualization

Having made the experience "coherent" through reflection, we then go into the phase of conceptualisation. Here we generalise from the individual experience to start to look at how it can be used in other ways - in terms, perhaps, of principles and trends. Can any of the ideas which emerge be applied to similar situations? What common behaviour patterns might we begin to see emerging'?

## Application

We are now ready to test out our analysis of the experience by applying the ideas and principles identified. Application is active experimentation by modifying our behaviour after making decisions about how this might best be done and, then, in a sense, beginning the learning cycle again, by putting ourselves in the position of experiencing a situation afresh.

This cyclical process needs to be completed in full for effective learning to take place. If, for example, one is tempted to jump from stage two to stage four without fully analysing and conceptualising the experience, it is unlikely that any new behaviour will be effective or helpful - there will be no true understanding of why things happened as they did, and no sense will be made of the data which the experience generated.

The learning cycle is a concept upon which modern adult training is based and in particular it provides a model for professional development. It is therefore just a small step to translate this idea into organisational development - i.e. taking knowledge and information available within the organisation as a whole and using it to develop new concepts and ideas which the organisation as a whole uses.

There are clear implications for managing the process of encouraging the exchange of knowledge and information amongst management and staff, and for developing the ability to transform knowledge and information into actual behaviour. It is highly dependent upon group behaviours, rather than the efforts of the individual and implies a co-ordinating role on the part of management.

A fundamental underlying principle in Kolb model is the responsibility of the person who is learning, to identify what stage of the process he/she is at and, hence, to consider what seems to work best for moving forward. The answer to this is going to be very different for each of us, as our individual personalities, strengths and weaknesses are brought to bear in the learning situation.

#  E. Learning Styles

In this section, we will explore the idea that individuals have particular learning styles which they tend to adopt most naturally. Kolb *et. al.* assert that:

*"As a result of our hereditary equipment, our particular life experience, and the demands of our present environment, most people develop learning styles that emphasise some learning abilities over others.”*

Consideration of your own learning styles will provide you with a useful tool for your own personal growth and enable you to set up the best possible learning experiences for yourself. You may also be able to develop strategies which help you to become stronger in styles which are less natural to you.

The work of Kolb *et. al.* has been refined by Honey and Mumford (1986) to develop four categories of learning styles:

* the activist;
* the reflector;
* the theorist;
* the pragmatist.

The four styles are described below in terms of the general characteristics associated with people of each type. Note that these are "ideal types" - generalised statements applying to persons who might fit the style perfectly. Such ideal types can rarely be applied to individuals in their entirety. Rather, you will probably find that different aspects of each apply to you as an individual. The value of this methodology lies in its ability to develop understanding of behaviours (in this case, learning) by classifying them into broad groups.

Honey and Mumford also developed a comprehensive "learning styles questionnaire" which is designed to enable individuals to identify their preferred natural learning style. However, even without completing this, it is possible to give careful consideration to the four styles, and to consider yourself in relation to each one.

## • Activist

Activists absorb themselves fully in new experiences and tend to jump in at the deep end. They are open-minded, enthusiastic, gregarious, flexible and thrive on challenge. The down side to this approach is that they act first and consider the consequences afterwards. They have "butterfly" attention spans - they get bored quickly and want to move on to the next activity.

## • Reflector

These people like to stand back and take it all in. They may take a minor role in discussions but will assimilate other people's ideas readily. They are likely to be thoughtful and methodical and will demonstrate good listening skills. The weaknesses of this approach are that they are reluctant to participate, may be cautious and are endlessly revisiting the past.

## • Theorist

These people are able to integrate their observations into theories or patterns. They will be logical, rational, objective and disciplined. The disadvantages of this style are that theorists will have a low tolerance for chaos. They will probably have a tendency towards perfectionism and an intolerance of intuition and subjectivity.

## • Pragmatist

Pragmatists like to apply theories and concepts to practice. They like new ideas and seek them out and test them. These people are likely to be practical and realistic. The weaknesses could be that these types are task-oriented and like to get on with things without always testing the options.

So can you identify your preferred natural learning style, and how can this help you?

The first thing to note is that there is no "best" style. Each has its merits and they relate to different aspects of the learning process. For example, you may have already begun to make some connection between the four learning styles and the four stages of the experiential learning cycle:

* the activist will be most comfortable, and derive most learning, from the experience stage of the cycle;
* the reflector will be effective in the reflection stage (obviously!);
* the theorist will be most able to generalise and draw conclusions in the conceptualisation stage; and
* the pragmatist will be most effective in taking action in the application stage.

People develop by building on their strengths and tackling their weaknesses. Understanding your strengths and weaknesses in how you learn can enable you to identify those situations in which learning is most naturally effective, and those where you need to work harder at ensuring that learning takes place.

For example, as you work through this course (or any other studies or new experiences), you will encounter knowledge and skills which have to be learned. Appreciating your learning style means that you should be aware of what approach works best for you and which methods and opportunities best facilitate your learning.

In addition, you may now, or at some time in the future, be involved in facilitating learning for others. This may be in the formal role of a trainer, but it can also be an almost unconscious part of management. It is important, therefore, that you are able to identify the way in which others learn most comfortably so that you can provide the best learning opportunities for them.

For example, you may be in the position of advising someone on the kind of training or further study he/she could undertake. There are a range of options about the types of programme available, and a key question will be about how the programme is delivered - the bias towards theory or practice, the degree of research necessary, the amount of interaction involved, etc. Awareness of learning styles can help in considering the most appropriate approach.

A skill is the ability to do something at a high level of performance.

It is invariably used to describespecialist movements or techniques - for example, dancing, operating machinery, or horse riding. However, it is not confined to practical activities such as these. It can also mean mental reasoning skills, skills with the senses (and we will be looking at listening in particular later in the course), or interpersonal skills such as social interaction, working in groups, presenting information, asking questions, etc.

## • Practice

We need to try and re-try in order to become proficient at most skills. It can take a lot of practice over a long time to master some skills. Some we may never learn completely, no matter how hard we try (such as playing the piano), so whilst we may be able to do it to some level of performance, we might not claim it as one of our skills. It is also invariably the case that, if we don't do something - practice the skill - for a while, our technical proficiency decreases.

## • Feedback

We have to have feedback to know whether we're getting things right. We need to check our performance. Sometimes this is quite obvious - if the thing you are trying to do doesn't work, or is not working in the way in which it should, then there is negative feedback. You have to try again. Sometimes, though, we need help from others to tell or show us where we are going wrong. Without this, we can incorporate mistakes into our performance, which can then be very difficult to unlearn.

## Motivation to Learn

Apart from the question "how do we learn?” we also need to ask "why do people learn?".

If you ask yourself why you are studying this course, I expect you may use terms such as "want", "wish" or "need". In other words, you see it as a means to an end. We each want things which provide us with satisfaction or pleasure, and we turn away from things which are offensive and cause us displeasure or pain. We can see then that **motivation** is a key factor in the learning process.

What this means for a teacher is that it is necessary to provide conditions that will lead people to want to direct their efforts towards the objectives which have been set. For a learner it means looking for a good reason to learn.

Motivation to learn can take two forms:

1. Intrinsic **-** where the motivation does not depend on a reward outside the activity, but just the successful completion of the activity itself. Examples of intrinsic motivation include:
	* The satisfaction of our curiosity over something that is unclear or unfinished, such as the completion of a crossword puzzle.
	* The achievement of competence - in general we become good at those things which interest us, for example we set ourselves targets to achieve, such as a "personal best" time for a race or other sporting event.
	* A means of knowing how well we are doing - watch the players around a pinball machine.
2. Extrinsic **-** where a reward is supplied from outside the activity. Examples of extrinsic rewards include:
	* Praise or criticism.
	* Financial rewards at work - although this type of reward is not easy to assess, many surveys on why people stay with a particular organisation and work hard while they are there have found the pay factor is commonly placed 6th or 7th, after such rewards as security, interesting work, welfare and co-workers.

## Individual and Group Learning

## (a) Individual Learning

In developing individuals, the teaching role is rather that of coach or counsellor. One-to-one training is usually carried out on-the-job by someone who is expert at a task instructing someone else who is trying to learn it - often referred to as "sitting next to Nellie".

In order to carry this out successfully we need to consider what this involves. Coaching is essentially the process of setting tasks, monitoring performance, reviewing and learning from performance:

* Setting tasks involves having a learning target, or objective, which is appropriate to the learner's current ability and needs.
* Monitoring progress entails having regular meetings to discuss progress being made towards achieving the target.
* Reviewing and learning from performance includes reviewing when tasks have been completed and carrying out a post-mortem to decide:
	1. Why things went well
	2. How it might be possible to improve on this in the future
	3. How anything that did not go well might be avoided in future

## (b) Group Learning

In group learning, the process is generally controlled by a professional teacher or trainer. It invariably takes place "off the job".

Methods which encourage learning in the group situation include:

* Discussions **-** it is vital that people should learn to express themselves orally in a controlled manner within a working group. In a discussion group the experience of members is regarded as important. The group functions to encourage members in speaking, listening and clarifying thinking. The role of the group leader is to inspire, guide, involve and summarise.
* Syndicate work **-** for this the group is divided into small sub-groups, each of which is given a definite task or topic to explore and to report back on later to the whole group. This can involve reading, discussing, interviewing, role-playing and the provision of a written report.
* An extension of this method is project work**,** where a project is undertaken by the group, with each member performing some specific task(s), their respective findings being coordinated before the completed project is presented.
* Case history methods **-** a situation or incident is described up to the point where a key person or persons is about to take some action. At this point the group is asked to decide what they would do in this situation.
* Role-playing **-** group members are given particular roles to play and are then required to act out their parts, behaving in the way they think these characters would. Following this, points arising are discussed. This type of activity is particularly useful in the field of human relations training.
* Tutorials **-** where small groups are allowed a good interchange of questions and answers in an informal setting.

#  The Importance of Feedback

We have mentioned that we all need to know how well we are performing, and this is especially true in any learning situation. Indeed, one of the potential disadvantages of group learning can be the lack of feedback to individuals in the group. It is essential that all learners know a channel of communication is available should they require help or advice.

Feedback on progress is itself a powerful motivator to continuing learning. When you submit a report, for example, you expect to get a quick and useful response, giving you an assessment of your efforts and encouragement.

* Extrinsic feedbackis information that the teacher gives to the learner about the effectiveness of their performance. If, for example, you were teaching someone oral presentation skills, it might be necessary to tell them to speak more slowly, or to restrict the movement of their hands, in order to be more effective.
* Intrinsic feedback,on the other hand, is that which the learner obtains through their own actions, as for instance if you carry out a cross-total check on a table of figures and find that it is correct. Here you do not need someone else to tell you it is right. In skills learning, as we move, say, from the stage where a typist knows the positions of the keys and which fingers to use on which parts of the keyboard, to where they reduce their errors to less than 1% and begin to increase their typing speed rapidly, they need to rely less on extrinsic feedback and more on intrinsic. At this point the skill learning becomes self-evaluative.

## F. TRAINING METHODS

The choice of various methods of training is a key feature of effective employee development. Some skill is required in identifying which method, or combination of methods, is suited to a particular situation.

The basic distinction is between on-the-job methods and off-the-job methods. On-the-job Methods

Learning on the job provides trainees with experience which is a combination of work based knowledge and the development of skills. As the trainee gains experience, the range and complexity of tasks which he or she can undertake without detailed guidance increases. This process of learning can be improved by several means.

## (a)Demonstration

A preliminary to much learning by experience is for an experienced instructor to demonstrate to trainees how to carry out a particular task. Demonstration is an essential preliminary to operating most machines and equipment.

Such training is sometimes referred to as "sitting by Nelly"and the attachment of trainee managers to a more senior manager - observing negotiations or interviews, etc. is a similar approach.

**UNIT FOUR:**

**ORGANISATION PLANNING FOR CHANGE.**

**Introduction.**

The problem for many organisations is not that they need to change, but that they do not see the need for change. This is especially true for organisations which have been successful in the past and cannot see why they should change what they see as a winning formula that everyone has become safe and comfortable with. John Gardner says of this phenomenon that:

*"Most organizations have developed a functional blindness to their own defects. They are not suffering because they cannot solve their problems, but because they cannot see their problems."*

And John Kenneth Galbraith, the famous economist, comments that:

*"Faced with the choice between changing one's mind and proving that there is no need to do so, everybody gets busy on the proof."*

Thus one of the most typical initial effects on organisations of change is to deny that it is necessary. However, sooner or later the organisation has to react to the changes in the business environment and make internal changes. This will almost always necessitate changes to administrative systems, structures and procedures.

The recognition of the need for change, then, is the first step in a process which has a number of key features.

# Planning for Change

As we have seen, change presents a threat to the status quo and powerful forces will exist in any organisation to resist the implications of this. Management needs, therefore, to treat change in the same way as other decisions and adopt a systematic approach to considering all its aspects before implementing the agreed strategy in a planned manner.

**(a) Identify the required changes**

Organisational change is a response to new goals or strategies, themselves arising as a response to changes in the environment. This will give the direction to change, but that general direction needs to be made specific through three stages.

* Re-specification of objectives to provide the basis for planning. This will involve setting timescales within which the changes are required to be completed, such that the new goals and strategies may be fulfilled.
* Careful analysis of the current position and identification of the factors/elements which are no longer appropriate in meeting the objectives. This may be in terms of activities, methods of decision making or in the behaviours of staff.
* Specification of the new position - the outcomes of change in relation to those aspects of the current position which are no longer appropriate. This will involve drawing up detailed plans for revised operational activities and management structures, and establishing the exact requirements in terms of behaviours.

## (b) Identify and involve those who will be affected

Organisations are made up of people and, as we have seen, change will affect them in many different ways. It is generally agreed that staff have the right to know of changes which will affect their working lives at the earliest opportunity which it is feasible to do so. This may be constrained by issues of confidentiality and sensitivity, and concern over what form resistance may take. However, staff will have to know in the end and it is more than likely that the informal channels of communication (the grapevine) will carry elements of the news anyway.

It is, therefore, beneficial in the long run for management to establish open communication with those affected, keeping them informed and seeking their ideas and suggestions for strategy and implementation. In this respect, this stage may run parallel to the first stage and certainly continues through those that follow.

## (c) Identify and select the best overall strategy for change

Management needs to consider the best way of implementing the changes - the means by which the operational outcomes identified may be brought about. Initially, this will involve agreeing strategies which will overcome any resistance to change and there are a number of models and approaches available to draw on in developing the overall parameters for a plan of implementation. (We shall consider these in the next section.)

**(d) Draw up and implement detailed plans for the effecting the required changes** within the agreed strategy, the exact means by which the change to the new position is to be achieved must be established. This will involve decisions on the length of the changeover period and the programmes necessary to train staff in the required activities and behaviours. Control of this process is essential since the credibility of management may be affected by the way in which plans are implemented.

The financial costs need also to be addressed. Change can be expensive, but is rarely an area in which savings may be made, since the costs of not implementing change effectively - both financially and in terms of goodwill among staff and external stakeholders - are likely to outweigh them.

## (e) Review and evaluate the effectiveness of the process

As in any process there should be a review stage in which effectiveness is evaluated.

Here there are two aspects.

* The effectiveness of the new position in achieving the required objectives.
* The effectiveness of the process itself in enabling a smooth transition with minimal disruption to operations and the morale of staff.

Note that this "rational" model of the change process is similar to the overall approach to planning that we discussed earlier in the course and, as such may be criticised on the same basis - that it does not reflect the reality of incremental change and the emergence of change strategies, rather than their deliberate planning. However, again, it provides a useful structure to understand the different elements involved in the process and is also, perhaps, a more valid description of what actually happens (at least at the operational level) than was the case with strategic planning.

# The Three Areas of Designed Change

We noted above that organisational change will impact in three areas:

* The activities
* The structure
* The people

## A. Modifying activities

This is concerned with the operational practices, procedures and tasks which make up a system within the organisation. For example, the way in which invoicing is carried out may have been identified as needing to be changed due to problems with late delivery or non-receipt under the current arrangements.

Once the new activities have agreed and properly specified, the process of implementation usually follows a set path:

* Testing of the system to iron out any problems ("bugs");
* agreement on a date for implementation and the method of changeover with all the personnel who will be involved in it;
* full training of users in how to operate the new procedures;
* provision of information about the implementation of the system, and its implications where necessary, to all those outside the immediate section who will be affected by the change;
* thorough documentation of the new processes and procedures as a reference;
* Provision of detailed support (usually by the analyst) in the initial stages of implementation, together with recovery procedures and back-ups to restore the old system or procedures in the event of any failure.

## B Modifying decision making structures

Structure invariably follows strategy and new goals and strategies for the organisation, or particular parts of it, may well lead to a need to alter the current structure of responsibilities and authority - for example, in relation to the degree of centralisation and autonomy within the decision making process, or the grouping of jobs into particular specialist divisions.

Whilst structural change may not necessarily affect tasks or technology and may, therefore appear more straightforward and less costly than changes to activities, it has far reaching implications in respect of individuals and the organisation's culture. When introducing such changes, care must be taken that all individuals affected are consulted and areas of responsibility are strictly and clearly defined. A positive attitude toward such changes must be adopted and senior management must be committed to the successful introduction of the revised structure.

Note again that the management structure can be viewed as one system within the organisation and, as such, any changes are likely to impact elsewhere - on other systems within the organisation and also externally. External impacts are not under the control of the organisation and so, for example, a valued customer may be less than sympathetic as the changes may cause complications with *his* existing lines of communication.

### C Modify attitudes and behaviours

This is arguably the most difficult aspect of change, but is often central to it. Any attempt to change the way in which staff conduct themselves in the carrying out of their duties and responsibilities implies that their previous behaviour was, in some way, unacceptable. This is almost guaranteed to generate resentment and resistance unless handled with the utmost sensitivity.

It is essential that staff understand the basis of change where it may require a change in behaviour and that they accept the need for that change. They also need to understand clearly what is required of them. If this does not happen, they are likely to become highly resistant to the changes and also become demotivated and less committed to the organisation's goals.

There are two fundamental processes involved in this.

### Consultation

The drivers for change need to be discussed with staff and agreement reached on both the need for change and the general directions in which that change should take place. This will provide the commitment on which the second process is based.

### Training

When individuals are required to change their patterns of behaviour, then training must be very high on the change schedule.

Training has been defined as the process by which the unknown is explained to the unaware. Training should also inspire confidence - and confidence leads to satisfaction and productivity. There are a wide variety of different types of programme available to develop new attitudes and behaviours - using role play techniques, group exercises, individual mentoring, etc.

# Organisational Analysis (OA)

OA is a well-established approach to developing organisational and management structures in line with strategic changes in objectives and operations, technology, size, etc. It employs a systematic approach to the specification of the new position, involving four stages:

* the assignment of responsibility for OA to a senior manager or management team (without involving outside facilitators);
* the collection and analysis of information on the present functioning of the organisation - performance details, staffing records, management and authority structures, key jobs, etc.;
* the development of alternative organisation plans appropriate to the changed objectives and/or conditions;
* implementation of the most effective organisation structure, and monitoring its operation so that modifications may be made if necessary.

Thereare four major methods through which the present functioning is investigated:

* the use of questionnaires and interviews to establish the functions of managers, assistants, supervisors, noting the responsibilities and the amount of delegation which is taking place (often a very revealing exercise in itself, showing the considerable difference in pressure between one management post and another);
* drawing together all the job descriptions of those involved in the running of the organisation/area;
* the use of organisation charts to show the lines of authority and how the various positions relate to each other;
* drawing all the above information together into an organisational manual, which relates the present structure to the objectives of the organisation.

The major advantage of OA is that it focuses senior management attention on the specification of the changes required and challenges the often innate conservatism found at the top of organisations. As a result of this, OA also:

* facilitates a comprehensive review of management functions against objectives to be carried out;
* consciously matches authority, accountability and functional relationships to both objectives and management needs;
* Provides a formal statement of management structures which is easily recognisable to employees.

On the other hand, there are a number of weaknesses to OA as a technique for implementing change:

* the concentration on formal management structures ignores the important informal organisation of work groups, leaders, interpersonal relationships and communication, thus possibly limiting its impact;
* the definition of a new organisation manual runs the risk of creating a new rigid management and organisation structure to replace the old one, and the search for such a definitive structure may not allow more flexible organic structures to be considered;
* the undertaking of OA by existing management may result in old ideas, prejudices and vested interests being carried forward into new plans, and inhibit the development of fresh ideas and approaches to organisation;
* OA does not overtly address the issue of organisational culture, which is likely to limit its long term effectiveness;
* there is a danger that change emanating from OA will be imposed on lower levels of management with little understanding of its basis.

Thus, whilst organisational analysis may be an appropriate method of specifying the changes required in the area of management structures, it does not offer a process whereby those changes may be put into effect.

# The Pace and Timing of Change

Change may sometimes be forced upon organisations by a sudden change of circumstances, but in most circumstances there is some control over the pace at which change occurs. As far as a general approach to introducing change goes, there are two basic possibilities:

The earthquakeapproach where changes are made in the shortest possible period of time. The spread approach - where change is staged and each new function/process is allowed to settle in before the next one is introduced, thus spreading the whole change over a relatively long period.

The earthquake approach is quite common, usually coinciding with the appointment of a new manager, a merger of two companies, or a move to a new site. The main advantages of this approach are that it minimises uncertainty about the future and enables all the problems inherent in change to be addressed together. Also, when carefully managed, it can create a dynamic and exciting environment, provided that the organisational culture for innovation and dynamism is already present. If not, it can easily destroy harmonious and productive relationships. Rapid changes are often perceived as threatening and although the timescale may leave little room for the build-up of resistance, in the longer term resentment and suspicion may lead to future problems.

# Pilot Projects

This approach to the process is based on the gaining acceptance through experience over a period of time, taking advantage of the concepts of both participation and slow pace. Pilot projects involve the introduction of change on an experimental basis and for a defined period, on the understanding that the experience will be evaluated at the end of the period. Subsequently, permanent changes may be made if the project was successful, incorporating any amendments which become apparent in the review process.

The advantages of this method are:

* It solves unforeseen snags.
* It reassures less confident people that the scheme works before they are committed to it.
* Anticipated problems may not arise.

The disadvantages are:

* It is unwise if employees are to participate in the final decision.
* The time of tension and uncertainty is prolonged.
* It usually involves closer supervision.
* Employees may sabotage the trial.
* What worked in the trial may not work when the plan is extended.

summary

**UNITS FIVE:**

**CHANGE PROMOTERS AND INHIBITORS**

**Introduction**

We can take it that imposing change, whilst available as a strategy, is unlikely to be successful except in conditions where the change imperative is so strong that that unless the restraining forces are immediately overcome, the very existence of the organisation will be threatened. Imposing change will represent a direct challenge to the restraining forces and, as such, is likely to strengthen the. Thus, change strategies tend to focus on overcoming the forces of resistance and identifying the key levers for gaining acceptance of the desired new state.

**Learning outcomes**

By the end of this unit you should be able to:

* Describe overcoming resistance to change
* Explain psychological factors in the acceptance of change
* Methods for dealing with resistance to change

# Overcoming Resistance to Change

Resistance will be overcome when it is accepted that the new position of the organisation, after the changes, will provide satisfaction of the needs of those interests, groups and individuals who feel threatened by the change. The development of this acceptance is, therefore, the driving force for strategies of change.

In order to achieve acceptance, people have to fully understand the requirements of the new position - new objectives and their organisational implications - in terms of both what it means in respect of new activities, relationships and behaviours, and how those new activities, relationships and behaviours can result in the satisfaction of their needs. The key to this process lies in involvement. People need to feel that their interests are valued element in the change process and that there is an opportunity to have those interests heard at all stages in the process of change.

Although change is generated by senior management, successful change comes through a participative approach. Listening to people's concerns and acting upon them, and providing the support, advice and assistance to enable people to cope with the change will all help to ensure motivation and acceptance.

It is important that participation is genuine and not (as Rosabeth Kanter described it) "something the top orders the middle to do from the bottom". For participation to be successful there has to be genuine support from all levels and a prevailing culture of participation. Donald Kirkpatrick, in How to Manage Change effectively,stressed the importance of a two-way communication process, i.e. listening to feedback from people, not just telling them about the proposed change.

An argument against participation is that it is a long, slow process and adds enormously to the timescale. It needs flexibility in the plan and a willingness to change original ideas. To make a major change usually seems to take about 18 months. However, it has been argued that people will take this time to adjust to change anyway. If you change fast, without consultation, you will go through 18 months of frustration, conflict, low productivity, absenteeism etc.

# Kotter and Schlesinger's Model of Change

In a well-known article in Harvard Business Review (March/April 1979), John Kotter and Leonard A. Schlesinger suggested a model of managing change that related managerial strategies to the source of the resistance to the change.

Kotter and Schlesinger suggest that a contingency approachshould be adapted to every change management situation - that is to say, there is no one way of managing every change, but the manager has to select an appropriate way of acting which fits the particular situation. For each type of source of resistance, an appropriate strategy for change and management style should be selected.

The basic elements of the model are as follows.

|  |  |  |
| --- | --- | --- |
| Reasons for Resistance to the Change  | Strategies for Change  | Appropriate Management Style  |
| Parochial self-interest Misunderstanding and lack of trust Different assessments Low tolerance to change  | Negotiate Educate Participate Force and support  | Collaborative Directive or consultative (Time'?) Consultative, collaborative, or delegative  |

**Four basic reasons are advanced as to why people resist change**.

## 1. Parochial self-interest

This is the fear of people that they will lose something that they value - such as power, status, money, etc. Kotter and Schlesinger suggest that the way of lessening such resistance is to negotiate something in return; this is often when a strategy of "buying out" the old practices is used. The style here has to be to involve and collaborate with the other parties in "making a deal".

## 2. Misunderstanding and lack of trust

This is when the people affected do not understand the real reasons and benefits of the change and mistrust the management who are introducing the change. They often do not believe what the management says and believe that they have secret ulterior motives. This may be because the management has access to different or greater information than the people affected. This scenario is common in organisations which have traditionally been organised on antagonistic industrial relations lines and have developed an "us and them"culture.

Nowadays, most organisations try to engender a harmonious spirit which sees everyone as having a common interest, but for organisations which have a long history of conflict this is not something which is easily changed. Kotter and Schlesinger suggest that the best strategy in this situation is to educate and communicate with the people affected so as to increase their understanding of the need for changes and increase their trust that the management is acting in the organisation's interests. Such strategies normally involve mass written and oral communications in letters, newspapers, meetings, courses and presentations.

## 3. Different assessments

These arise where both the originators of the change and those affected have the same information, but see its significance in different ways and make different personal assessments of it. Some may therefore see it as advantageous to change, while others may see it negatively. An example in the, political arena was the referendum in Northern Ireland and the Republic of Ireland on whether to accept the terms of the Good Friday agreement reached by the politicians of all parties.

Kotter and Schlesinger suggest that where different assessments arise, the parties should participate together to discuss their differences and understand the other's position better, in order that a solution can be arrived at by compromise and respect for the other's position. The appropriate management style in this scenario would be consultative or collaborative, or even possibly delegative by leaving those with the disagreement to work out a solution for themselves. Kotter and Schlesinger are perhaps overoptimistic about the chances of success here. Where attitudes are fixed and long-held, they are notoriously difficult to change.

## 4. Low tolerance for change

This is where those affected by the change do not adapt to change well by the very nature of their personality, or feel that they cannot cope with the changes that will affect them. An example might be the introduction of a new technology; there will be some people who feel that they will be unable to learn the new skills, or that they will never understand it, particularly if they have worked on a manual system for many years. In this case, research has shown that many people can, indeed, adapt to the new technology provided that their fears can be proved to be unfounded. The only way to do this, say Kotter and Schlesinger is to force them into the new situation so that they realise for themselves that they can cope and there was really nothing to worry about.

 This strategy looks high-risk - a kind of "sink or swim" approach, but Kotter and Schlesinger state that it will only be successful if those affected are appropriately supported by the management. This might take the form of counselling, coaching, further training, or time to learn and adjust. To take the "sink or swim" analogy further, it might mean pushing someone into the deep end but providing flotation aids or an experienced swimmer alongside them! Management style in this strategy should be a combination of directive and supportive.

This model can be very useful for identifying the different types of resistance to change and helping us to understand that different sources of resistance require different strategies and management styles, but in practice people often resist change for a combination of the reasons indicated by Kotter and Schlesinger, and therefore a combination of strategies may be needed.

# Lewin's 3-Step Model of Change

Kurt Lewin has worked on assessing the extent to which organisational change might be resisted by members, as we saw earlier when considering force field analysis. In addition, his work on group dynamics has resulted in what is known as Lewin's 3-Step model, which is frequently used in change programmes.

Introducing a programme of change into an organisation tends to arouse expectations in those involved; thus a subsequent failure to "come up with the goods" can lead to a state worse than it was before the innovation, because of these hopes and expectations not being realised. Thus, Lewin considered that attention should not simply be focussed on the change itself, but should address what happens both before and after. The three steps involved may be described as follows:

## Step 1 - Unfreezing

The first step is to create the motivation for change in the workforce. This part of the process is often neglected and is associated with breaking old patterns of behaviour - the existing culture -so that new patterns can be established. People should know why they are required to change and be committed to it (or at least understand the need for change) before they can be expected to implement change.

To "unfreeze" the resistance to change, managers must increase the tension and dissatisfaction with the present, and enhance the desirability and feasibility of the alternative. It is, therefore, associated with the communication process and should incorporate such matters as

The reason for the change

The benefits to the organisation likely to accrue from the change Whois involved?

• The benefits to individuals from the change.

## Step 2 - Changing

Change is concerned with identifying what the new behaviour/process/procedure is or should be, and encouraging individuals and groups to adopt the new behaviour etc. It involves the development of new responses by staff, based on the new information being made available to them, and moving them towards the new culture as necessary to fit the strategic requirements of the organisation.

## Step 3 - Refreezing

This final stage encompasses consolidation or reinforcement to integrate the changes made and stabilise the new culture in order to prevent people slipping back into the old one. Ideally, reinforcement should be positive in the form of praise or reward for adapting to the new circumstances but occasionally negative reinforcement such as sanctions applied to those who fail to comply, may be imposed.

Some of the ways this may be done include:

* Setting up employee suggestion schemes.
* Giving staff a greater input into the decision-making process.
* Implementing schemes which reward good effort, such as `staff of the month'.
* Creating team spirit through company identification schemes such as logos, advertising T-shirts etc.
* Producing company newsletters.
* Making managers more visible, for example by "open door" policies.

The process as a whole is achieved through leadership, communication, education and training. The hearts and minds of employees can only be won over by good leadership and training. Effective training can be used to create a major change in the attitude of employees, which must then be made permanent by creating the necessary structures, procedures and incentives to support the new culture.

Lewin's model has been developed by Edgar Schein through the integration of the latter's perception of the response to change involving seven stages. This is known as the "threeconditions"change model, as follows.

|  |  |
| --- | --- |
| Condition  | Characteristic  |
| *Unfreezing* 1. Inactivity
2. Denial
3. Frustration
 | Awareness of the need to change Benefits of change accepted Existing attitudes "thaw out" Readiness to learn, change, etc.  |
| 4*Movement to Change* Acceptance1. Testing
2. Application *(beginning)*
 | Experimentation /implementation of: New behaviours New systems New processes  |
| *Re-freezing* 1. Application *(finishes)*
2. Integration
 | New ways to become comfortable Benefits of change observed Rewards are instrumental in refreezing  |

## Top Down and Bottom up Strategies

The focus of Tom Lupton's work is the needs of the people affected by change. The individual is not only an instrument to be organised, but also *a* decision-maker *-* someone who submits to organisational demands, someone who reacts emotionally to them and other social stimuli, and a rational being who decides about things.

He argued that workers at the lower levels in an organisation were more resistant to change than were their managers, because their opportunities for decision-making were more restricted and this encouraged them to develop a common culture in order to cope with a working environment over which they had little control. Allowing these workers to exercise more autonomy can act as a remover of this resistance to change.

With respect to change being introduced by a top-down strategy, Lupton acknowledged that, since top management is responsible for what happens to an organisation, it is part of their role to impose change. He made the point that even the human relations school of McGregor, Blake and Likert saw the need for managers to be skilled in getting subordinates to commit themselves to the organisation's goals.

Lupton argued, however, that the theory of top-down management is inadequate and that it denies the organisation the total skills of those closest to the job. He suggested away forward to release these skills by means of the consultative process. Ultimately a new working structure, with its own culture, would evolve to replace the old culture which was based on "us and them" attitudes. The framework for this was identified as the socio technical system framework.

Support for the view that change can be implemented from the bottom up as well as the top down is supplied by Pugh, who argues that managers who are themselves prepared to change are likely to consider ideas initiated at the shop floor level. Carrying out a survey of subordinates' ideas for improvement has often surprised managers, because of the quality of proposals made. One of the rules Pugh suggests as a means of successfully implementing change is to initiate it through informal discussion, in order to obtain feedback and encourage participation.

**Change Agents**

In every situation in which a change is desired, some person or group must be designated as the catalyst for change. That person or group is called the change agent**.**

The change agent is the individual who is responsible for taking a leadership role in managing the process of change. The individual, group, or organization that is the target of the change attempt is called the client system**.** Change agents can be members of the organization or they can be consultants brought in from outside. For complex and lengthy change programs, it is often desirable that an outside change agent manage the process, since specialized expertise and skills may be required, freedom from distraction by day-to-day operating responsibilities may be essential, and the prestige of being an outsider can be helpful. Outsiders with no vested interests in the organization are often more likely to be confided in, listened to, and able to form objective judgments.These may be classified into three groups.

New blood or new ideasdriven the development of new ways of thinking and approaches by the introduction of forces for innovation into the organisation. This can be achieved through promotion or retraining of staff and training is likely to be an important element of any change programme, by bringing in people from outside by recruitment into key roles or by the use of external consultants. Change agents can also be the formation of task groups made up of existing staff (with or without external advisers), quality circles, etc. The practice of "downsizing" - reducing staffing numbers - can also have this effect in that new opportunities are opened up and new power relationships develop.

Structural or systems changedriven - the reorganisation of existing functions, processes and procedures. This has been a preferred technique by central government in respect of certain parts of the public sector - notably in the reorganisation of the health service and the imposition of compulsory competitive tendering in local government. Increasingly, decentralisation and outsourcing are being seen by management as the keys to change in the pursuit of effectiveness, involving a breaking down of existing decision making processes and power relationships. This is the approach taken by business process engineering, as discussed below.

Resource allocationdriven - the application of financial constraints (usually) or "pump priming" to effect a reorientation of focus in particular operational areas. Again, this has been a feature of central government action, not only in the general constraints on public expenditure but also in the areas of developing spending, either on broad service areas (for example, law and order) or in particular parts (such as youth training).

# Psychological Factors in the Acceptance of Change

Do some people find it easier to accept change than others? If so, what sort of people'?

If we understand the traits of people in respect of their response to change it may be possible to predict the outcomes of change on them. Denis Pyrn carried out seven detailed research studies into how people at all levels in an organisation respond to change. The identification of certain traits among both workers and managers in respect of how well they adapted to change suggests that strategies should concentrate on certain types of people as levers for change and direct attention to other types as the focus of resistance. The two typologies of personality traits identified were:

* A set of responses typical those individuals who coped with and performed successfully in periods of organisational change in relation to four characteristics -- orientation to their environment (personal and work), "sentiments" towards decision making and action, work aspirations and leisure interests.
* A set of responses typical those managers who coped with and performed successfully in periods of organisational change in relation to four characteristics - view of the location of expertise ("technical skills"), view of the approach to and dimensions of leadership, relationships with subordinates and superiors, and approach to decision making.

Pym found that, in general, people who had mechanistic views and rigid personalities tend to react to change in one of two ways. They cling to old habits/procedures more strongly, promote likeminded people and close ranks to make innovations fail; or they grasp any innovation as a "magic" answer. The responses are summarised in the tables below

## Individual characteristics associated with more or less successful performance in organisation change

|  |  |  |
| --- | --- | --- |
| **Less Successful**  | **Individual Characteristic**  | **More Successful**  |
| Towards equilibrium Deficiency motivated, concerned with safety and security  | Orientation  | Towards growth Enthusiastic for change, new experiences, risk-taking  |
| PBelief in a "one best way" id ith | Sentiments  | GOpen to more than one t tt ti t d course  |
| Regularity/order, financial security, prestige/status  | Work aspirations  | Freedom to be responsible, concern for achievement, interesting work |
| Limited and conventional  | Leisure interests  | More diverse and less conventional  |

## Managerial characteristics associated with more or less successful performance in organisation change

|  |  |  |
| --- | --- | --- |
| **Less Successful**  | **Managerial Characteristic**  | **More Successful**  |
| Boss is "expert" on subordinate's job  | View of technical skills  | Boss no longer expects to be,nor is regarded as, the  |
| Efficiency and humanrelations are separate features of  | View of dimensions of leadership  | Efficiency and human relations are merged  |
| b hDirective and authoritative i | Relations with subordinates  | Equality in relations with others, authority according to contribution  |
| Submissive  | Relations with superiors  |
| Decisions are of a serial kind, i.e. based upon assumptions that previously successful solutions can be applied tonew problems  | Decision-making  | Less dependence on experience and more on evaluation of the evidence  |

## METHODS FOR DEALING WITH RESISTANCE TO CHANGE

1.Education and communication which involves;

* Explaining the need for and logic of change to individuals, groups and even tire organizations.it is commonly used when;
* There is a lack of information or inaccurate information and analysis• Once persuaded, people will often help implement the change however,
* Can be very time consuming if many people are involved.
1. Participation and involvement
	* Asking members of organization to help design the change. Common when;
	* The initiators do not have all the information they need to design the change and others have considerable power to resist.
	* People who participate will be committed to implementing change and any relevant information they have will be integrated into the change plan. but
	* Can be very time consuming if participators design an inappropriate change
2. Facilitation and support which involves;
	* Offering retraining programs, time off emotional support and understanding to people affected by the change. very common when;
	* People are resisting because of adjustment problems
	* No other approach work as well with adjustment problems but it can also become time – consuming, expensive, and still fail.
3. Negotiation and agreement that involves ;
	* Negotiating with potential resisters, even soliciting written letters of understanding. Very common when;
	* Some people or group with considerable power to resist will clearly lose out in a change
	* Sometimes it is a relatively easy way to avoid major resistance but can also becometoo expensive if it alerts others to negotiate for compliance.
4. Manipulation and co-optation involves;
	* Giving key persons a desirable role in implementing change process, common when; others tactics will not work, or are too expensive.
	* It can be a relatively quick and inexpensive
	* It can be a relatively quick and inexpensive solution to resistance problems but
	* Can lead to future problem if people feel manipulated.
5. Explicit and implicit coercion involves ;
	* Threatening job loss or transfer , lack of promotion, etc used when ;
	* Speed is essential and the change initiators possess considerable power. It is speedy and can overcome any kind of resistance but can be riskily if it leaves people angry with the initiators

SUMMARY

ACTIVITIES

# UNIT SIX:

# LEADERSHIP OF CHANGE

## Introduction

Pressures for change may also arise from a number of sources within the organization, particularly from new strategies, technologies, and employee attitudes and behaviour. For example, a top manager's decision to seek a higher rate of longterm growth will affect the goals of many departments and may even lead to some reorganization.

 The introduction of automated equipment to perform tasks that previously required human labour may call for a complete change in work routines, training programs, and compensation arrangements. The entrance of more women and minorities into the work force may also force managers to consider the merits of flexible work schedules, innovative benefits like day care, and more substantial employee-training programs. Finally worker dissatisfaction, as manifested in high turnover rates or strikes, may lead t changes in management policies and practices.

External and internal forces for change are often linked. The link is particular strong when changes in values and attitudes are involved. Persons with new attitude enter the organization and cause it to change from within. Many of the changes described in earlier chapters-such as job enrichment programs and the trend toward greater subordinate participation in decision making-represent in part a response changes in people's attitudes toward authority and expectations of work satisfaction.

**Learning outcomes**

**By the end of this unit learners should be able to:**

* Describe the leadership of change
* Explain the managing of conflict
* Discuss the organisational culture and change
* State the roles and task cultures of organisation.
* Discuss the three change approaches to organisation

**Time Frame**

Five hours (5 hours)

## Leadership for change: A manager’s response to pressure for change

Managers can respond to pressures for change in ways that are ultimately destructive for example, by denying that they exist, resisting them, or avoiding them. Companies that have lost millions of dollars in lawsuits because of flagrant violations of social issues. Companies forced to close down due to competition or to unwise financial manoeuvres during the course of restructuring clearly had avoided responding in an adaptive or constructive way to changes in the environment.

The role of the manager in providing the vision and leadership within his/her group to support change.

## Providing Leadership

Change is not something that can be imposed, except in exceptional circumstances, and we have seen that the successful change comes through a process of involvement and participation such that staffs feel their needs and interests are appropriately addressed. When combined with the organisation's own requirements for achieving efficiency and effectiveness in the new position, this emphasises the need for managers to provide leadership which is characterised by both strong task and relationship orientations.

As you will remember from your studies of leadership, task orientation refers to the degree of emphasis given to the organisation's goals through getting the job done, decision making, work organisation and control, etc., whereas relationship orientation refers to the degree of concern for group and individual goals expressed by the leader through interaction with members of the group. Giving equal emphasis to each would see the manager seeking to accomplish change by a committed staff, where workers' and the organisation's goals are the same.

* Concern for the task will be expressed through a vision of the outcomes of change for the efficient and effective functioning of the organisation and a focus on the imperatives of change and the development of effective strategies for achievement of new objectives.
* Concern for the group and individual goals of staff will he expressed through involvement and participation in the process by which those strategies are developed and the incorporation into them of the needs of staff in respect of both the outcomes and the process.

## Managing Conflict

There are four main types of reaction to change:

Acceptance, acceptance of change does not necessarily have to be enthusiastic, but it does recognise that the change proposed is going to take place and the individual agrees to or accepts his/her role in the process.

Indifference, where change does not directly affect an individual, indifference may be the result. The individual appears apathetic and lacking in interest in the proposals.

Passive resistance, here the individual does not co-operate and may refuse to learn the new technology or ways of working and deliberately stick to the old work patterns. Sometimes passive resistance can be hard to identify, but on examination the individual may be continuing with behaviour that reinforces the old ways of working. Typical examples might include procrastination, for example, where an individual is unhappy with accepting increased responsibilities.

Active resistance, common examples of active resistance include absenteeism, strikes, sabotage or deliberate errors. Such active resistance does not have to be malicious in nature but will reflect a deliberate attempt to avoid or reverse the proposed change.

In any change situation, a negative reaction will generate conflict. Our traditional view of conflict is that it is something bad; something to be avoided and the result of management failure. There is, however, an alternative view - that conflict is inevitable in organisations and may even help the process of change and be beneficial.

The view that conflict can actually help an organisation comes from the idea that it brings out into the open the need of the organisation to change and the issues involved. Handy's work provides a basis on which to address this. He differentiates between disagreements which may be constructive (what he calls "argument" and "competition") and those which are destructive in nature ("conflict"):

Argumentis where differences are resolved by discussion. For argument to be effective, the arguing group must have a challenging task and be able to work as a team, and the issues under discussion must concentrate on available information. Those taking part must be able to do so in an environment of trust and openness.

Competition is the "healthiest" form of conflict as it can be used to set standards, motivate people and reward high achievers.

Conflict, on the other hand, can be destructive in nature as it diverts attention away from the task, can encourage defensive behaviour and result in the breakdown of the group.

Handy suggests two types of strategy for turning conflict into competition or argument:

**(a)** Environmental strategies create conditions in which the group is better able to interact. Examples of environmental strategies might include:

* agreeing shared objectives
* establishing a group culture
* providing feedback on progress
* establishing an appropriate structure
* providing appropriate communication channels.

**(b)** Regulation strategies are associated with controlling conflict, and might include:

* establishing rules and procedures for debate
* separating the conflicting parties - appointing an arbitrator to settle disputes
* Using confrontation to sort out differences.

There are three stages to the process of negotiation:

* + The pre-negotiation stage when a meeting is set and an agenda agreed. At this stage, the parties will determine for themselves what would represent an ideal outcome, an expected outcome and the minimum acceptable outcome.
	+ The negotiation stage itself, when the parties put their case and argue against the case of the other side. Elements of common ground should be sought here and the parties should be prepared to compromise or concede minor points.
	+ After an agreement has been reached, a programme for implementation should be established. At this stage it may be necessary for the negotiators to "sell" the agreement to those who have not been directly involved in the negotiations.

There is a presumption which suggests that parties to the negotiation are on an equal footing, but you will appreciate that this is not always the case. There are also factors outside the negotiation process which can affect its outcome and of which parties to the process have to be aware:

* + Negotiations between different levels in an organisation's hierarchy will be affected by the relative position within the hierarchy of the participants. Junior staff may be less confident because of their relative subordinate position when negotiating with senior managers. To counteract this, junior managers may rely on relative expertise in a subject or alliances outside the immediate negotiation process to strengthen their case.
	+ Negotiation is very much a personal matter and the quality of the outcome may be affected by factors such as interpersonal skills or poor working relationships. Poor communicators are at a disadvantage, whatever the strength of their argument, and some individuals may view the negotiation process as a means of settling personal grudges.
	+ Trade Unions still have an important part to play in workplace negotiations, particularly where change is involved. A formal negotiating process established by trade union formalities can reduce the need for lengthy pre-negotiation discussions, as a framework is likely to be established for such matters as the setting of the agenda, who is to take part, chairing the meetings, etc. Negotiations with trade unions are strongly influenced by precedents. Generally, trade union agreements are binding until a set future date or until new agreements are reached.

A pro-active approach to conflict may be adopted whereby potential areas for conflict are identified as part of the change strategy adopted and steps taken to "manage" those areas, by targeting individuals and/or groups to ensure their commitment to change. This process can involve targets both inside and outside the organisation. For example, some organisations deliberately cultivate good relations with major' customers when planning change by ensuring they are kept well informed of the changes proposed and the likely benefits that will accrue from them.

CULTURE AND CHANGE

Much of the attention in managing change is devoted to the three areas we considered previously activities, structure and behaviour. However, all of these are closely related to the concept of an organisation's culture and any changes which are sought will have, therefore, to be effected within the constraints of the existing culture or, directly or through the workings of the change, seek to change the culture.

**Role and Task Cultures**

One of the central problems here is the nature of the bureaucratic form. The rigidity of the structures and role culture make radical change very difficult, and limit flexible responses to changing requirements. So, for example, centralised power and decision making are too removed from the point of impact of decision and associated tall organisational structures mean inefficient and often poor communication, the dominance of rules and procedures constrain action to established practice, clear delineation of discretion and responsibility limit broader based responses (at individual and departmental levels), reward patterns discourage initiative and risk taking, short term horizons constrain planning and innovation, etc.

This type of organisational form works very well in times or areas of relative stability, but has great problems coping in periods of change. Accordingly, attention is increasingly being focussed on the development of forms and cultures more appropriate to the turbulent environment of modem society. In particular, more flexible and responsive structures and cultures are seen as both a means of effecting change and of ensuring a more adaptive internal environment for the future.

The model for the more adaptive and responsive organisational form is generally held to be that of Japanese organisations. These are typified by flatter structures, more participative decision making and collective involvement, and a longer term view which must be the envy of many Western organisations.

A constant feature of change strategies is the need to break down rigid organisational structures and introduce more flexible forms. The degree to which such forms are successful is, however, dependent on the change of culture and orientation which goes with them. **Effecting Cultural Change**

Changing an organisation's culture is, though, a notoriously difficult thing to do. Culture is difficult to define and even more difficult to distil out into parts which can be changed. Furthermore, an organisation's culture is reflected in its recruitment policies, so that individuals who conform to the old culture will have been recruited in the past, perpetuating and strengthening the very cultural aspects which subsequently have to change. Most research has shown that it can take between three and eight years to change an organisation's culture.

Establishing new patterns of behaviour and norms demands a consistent approach which addresses the following areas

* Top management commitment
* Managers must be seen to adopt the new patterns of behaviour, not just directing others to do so
* There must be positive support for new behaviours, preferably including recognition (perhaps through an appraisal system) and/or rewards for adopting new patterns of behaviour

 - Recruitment and selection procedures and policies may require reviewing to ensure individuals conforming to the new patterns of behaviour are recruited

* The new behaviours must be clearly communicated to existing employees and to new employees via an induction programme - Training is almost always required.
* These requirements suggest the need for a pattern of change which is not simply focussed on a response to a particular change event, but one which takes an overarching view to the capacity of the organisational culture to accommodate change in any circumstances. This approach may be affected through the process of organisational development.

**UNIT SEVEN:**

**APPROACHESAND INTERVENTION STRATEGIES**

### Introduction

In the previous sections, we described how the impetus for change develops in an organization and how the change process can be carried out. In this section, we will discuss the various elements of the organization to which the change process can be applied. Specifically, we will try to answer the question: What aspects of the organization can be changed?

Harold J. Leavitt states that an organization can be changed by altering its; structure, its technology, and / or its people.'

* Changing the organization's structure involves rearranging its internal systems, such as its lines of communication, work flow, or managerial hierarchy.
* Changing the organization's technology means altering its equipment, engineering processes, research techniques, or production methods.
* Changing the organization's people involves changing the selection, training, relationships, attitudes, or roles of organization members.

 Our main focus will be on change efforts aimed at the people in the organization; in particular, we will emphasize organizational development (OD) programs, which attempt to change the ways people work together to achieve the organization's and their own objectives.

### Interdependence of the Three Approaches

Organizations are made up of interacting, interdependent elements under the influence *r,* of common forces; that is, organizations are systems. The three elements cited structure, technology, and people-are therefore highly interdependent. A change in one is likely to affect the other elements as well. Thus, an effective change program is likely to be one that acknowledges the interaction of these three elements and attempts to change all three, as necessary.

### Structural Approaches

Leavitt divides structural efforts to bring about organizational change into three areas;

Classical organizational design seeks to improve organizational performance by carefully defining the job responsibilities of organization members and by creating appropriate divisions of labour and lines of authority. Managers can still improve the performance of their organizations by changing management spans, job descriptions, and areas of responsibility, reporting relationships, and the like.

Decentralization creates smaller, self-contained organizational units that increase the motivation and performance of the members of those units and help them to focus their attention on the highest-priority activities. Decentralization also permits each unit to adapt its own structure and technology to the tasks it performs and to its external environment.

Modifying the flow of work in the organization and careful grouping of specialties may also lead directly to an improvement in productivity and to higher morale and work satisfaction.

### Technological Approaches

Frederick Taylor, through "scientific management" attempted to analyse and refine the interactions between workers and machines to increase efficiency in the workplace. Through time and motion studies, setting piece rates, and other efforts to redesign work operations and reward systems, Taylor and later industrial engineers tried to improve organizational performance.

Technological changes are often difficult to implement successfully and may prove incompatible with an organization's structure. For example, Trist and Bamforth found that decreased satisfaction and performance followed the introduction of technological innovations in a mining operation. The miners, who had performed a variety of tasks in small, closely knit work groups, were forced to work on more specialized tasks in a much larger, less cohesive group when the technical changes were implemented. The result was low productivity, more accidents, and a high turnover rate.

**Combining Technological and Structural Approaches**

Techno structural approaches to change, often calledsociotechnical approaches, attempt to improve performance by changing some aspects of both an organization's structure and its technology. For example, in the mining operation mentioned, many of the original small work groups were eventually reintroduced in ways that would be compatible with the new mining machinery and led to dramatic improvements in morale and productivity.

Job enlargement and job enrichment programs are other examples of techno structural approaches to change. In these programs, the tasks that make up a job, the ways the tasks are performed, and employee relationships are altered to improve employee satisfaction and perhaps to increase productivity. In job enrichment, some activities from a vertical slice of the organization are combined in one job to make it more challenging (thereby stimulating the jobholder's sense of responsibility). Under job enlargement, various tasks at the same level of the organization are combined to provide employees with greater variety on the job and increase their sense of work involvement.

### People Approaches

Both the technical and structural approaches attempt to improve organizational performance by changing the work situation- a factor which should cause employee behaviour to become more productive. The people approaches, on the other hand, attempt to change the behaviour of employees directly by focusing on their skills, attitudes, perceptions, and expectations. Improvements in these may lead to more effective job performance and to employeeinitiated changes in the organization's structure and technology.

###  THE THREE CHANGE APPROACHES

CHANGE

Organizational

AGENT

performance

Change in Structure

Organization Redesign

decentralization modification

Techno structure

approach

Redesign of Structure and

work operations

Change in

Technology

Redesign of structure and

work O

p

erations

Change in People

Change in Skills attitudes,

expectations Perceptions

**UNIT EIGHT:**

**ORGANISATION DEVELOPMENT**

### Introduction

Activities that focus especially on changing behaviour and attitudes are referred to as organizational development (OD). Organizational design is a structural approach to change, while organizational development is a social process approach to organizational change.

Organizational development is relevant to organizational culture and climate. These organizational properties are frequently the targets of organizational development efforts.

**Learning outcomes**

By the end of the unit, learners should be able to:

1. Explaining the meaning of the organisational development
2. Discuss organisational outcomes of organisational development
3. Describe organisational development process
4. Explain organisational development and management development
5. Demonstrate the organisational outcomes of the organisation development

**Time Frame**

Three hours (3 hours)

**The Meaning of Organizational Development**

They advance the following definition of organizational development: A system wide application of behavioural science knowledge to the planned development and reinforcement of organizational strategies, structures, and processes for improving an organization’s effectiveness”

Organization development rests on a belief in the application of humanistic principles to organizational behaviour so the organization functions in a participative way. It focuses also on the growth seeking tendencies of individuals. In other words, organizational development programs typically increase the intrinsic rewards available to employees. Most programs therefore try to increase the opportunities for employees to satisfy their higher order needs.

In many respects, organizational development takes an optimistic view of human nature in the work setting. In essence, the field tends to promote the contemporary view that all employees are capable of assuming more responsibility, and to promote the belief that under the proper conditions all employees can make lasting contributions to the organization.

Organisational development (OD) is a generic term covering a wide range of intervention strategies designed to promote organisational health and adaptability to change. It aims to create the conditions of organisational functioning that will enable it (the organisation) to develop naturally and harmoniously. As such, this is a long-term process, which makes it difficult to evaluate its success in bringing about specific improvements in performance.

There are five operational objectives of the OD process:

* to develop a flexible, self-renewing system that can organise in a number of different ways depending on the tasks at hand;
* to create or improve feedback mechanisms which continuously monitor the external and internal environments in respect of the need for change;
* to encourage high collaboration and low competition among interdependent parts of the organisation;
* to create conditions in which conflict among members is brought out into the open and managed rather than covered up;
* to reach the point where decision making is based on the authority of knowledge rather than organisational position.

OD believes that lasting change cannot be imposed. It must come from a general acceptance of problems and the need to adopt different approaches. Two basic premises derive from this:

* that the organisational culture must be altered to one that promotes trust, helpfulness and cooperation with others only then can questions of the proper content of jobs, flexibility of labour, allocation of responsibility and authority, distribution of resources and organisational structures be resolved amicably;
* that there should be a participative culture based on the medium of groups rather than individuals and, thus, there is a great accent on group problem solving and the development of effective teamwork.

# Organisational Outcomes of OD

What are the characteristics of an organisation with a well - developed process of OD? Again we can draw parallels with the concept of the learning organisation.

Whilst there are different views on what constitutes the outcomes which organisational development seeks to embed, there are a number of generally accepted features. The organisation should be

* open and reflective, looking outward to the environment and its potential impact rather than inward to the constraints;
* accepting of the uncertainty of a changing environment, rather than attempting to ignore it or mould it back to the certainties of the past, and recognises that errors and failures are an inevitable result of that uncertainty;
* willing to explore different approaches and accept the risks of failure;

Avoiding the imposition ofrigid pre-determined goals and objectives, recognising that there needs to be flexibility in response

# The Organisational Development Process

Unlike many other management techniques, OD does not comprise a series of stages, but rather an all embracing process of "action research". As the term implies, this involves the collection and analysis of information about the organisation - its problems and present functioning (structures, culture, communication, etc.) as a basis for identifying and implementing change. As important as this process is the way in which it takes place - through groups.

In terms of the process of action research, there are four elements as follows:

* data collection assembling information about what is going on in the organisation, including performance indices, the formal and informal organisation, employee perceptions of functioning and their orientation to the organisation, etc.
* problem diagnosis - the identification of problems in performance and organisational functioning, arising from the collection of information, and the analysis of underlying causes as the basis of action;
* feedback the sharing, discussion and further refinement of information about performance, functioning and problems, which will help to develop wider understanding and acceptance of the present situation and the need for change;
* Action - generating solutions to problems and developing more appropriate behaviours, interactions and commitment to support change.

In fact, these four elements can merge into one integrated process through the technique of team or group development. OD invariably takes place by a conscious process of action research within teams or groups, based on the work group. Preferably it will include all members of the work group, but this may make it unwieldy and smaller groups may be necessary, however, if that is the case, a means of involving excluded members into the discussions and development of action must be found if the outcome is not to be imposed on them.

There are a number of approaches to team or group development including:

* problem solving - where the focus is on the generation of solutions to specific problems;
* workshops - where the focus is on the application of teamwork processes;
* Sensitivity training (T groups) - where the focus is on members understanding themselves and the way they relate to the team.

All these approaches have both content and process orientation - allowing the group to generate useful new practices or methods of working, and at the same time developing mutual understanding and support.

# Organisational Development and Management Development

These two processes are often confused, but are essentially separate. As with the concept of organisational analysis, management development is essentially focussed on resolving "problems", rather on developing the organisational capacity to absorb change without it developing into a problem.

That said, programmes of management development may be established as part of the organisational development process in order to embed the individual managerial competences which are needed as part of the process. The table on the next page contrasts the focus of the two.

Research into the phenomenal success of Japanese industry in the last few decades has suggested that success is based less on the communication of information and knowledge, than the use of that information and knowledge to generate ideas and embed new ways of thinking and behaviour. The process of using knowledge and information to create new ideas and concepts is sometimes referred to as a learningcycle

Distinction between the focus of organisational development and management development

|  |  |  |
| --- | --- | --- |
|  | **Management Development**  | **Organisation Development**  |
| ***Target***  | Individual manager or group of managers  | System or subsystem of organisation  |
| ***Typical goals***  | Developing a manager's full potential  | Increasing effectiveness of work  |
| *Symptoms addressed*  | Poor performance by manager. Lack of "ready-made"managers in Succession plans. Need to train new managers | Ineffective performance of organisation in response to change imperatives. Lack of flexibility in  |
| ***Strategy***  | Planned programme of development through, forexample, external courses and suitable on | Problem-solving for workgroups  |
| ***Process of intervention or activities***  | Courses, training managers, coaching on-site, secondment to other companies, reading  | Team building, confrontation meetings, survey feedback, intergroup interfaces  |
| ***Key initiators and*** ***managers of******effort***  | The manager being developed. Personnel and training executives. Manager's immediate | Top management. Personnel and training executives. OD practitioners (including  |
| ***Evaluation***  | Regular appraisal interviews between manager and his | Establishment of feedback system  |
|  | I |  i bj i b i |
| ***Problems and criticisms***  | Transfer of learning. Organisation must have right climate for applying new Knowledge. Manager must retain his motivation  | OD requires willingness to take risks. Changes might antagonise workers  |

 **ASSUMPTIONS ETHICS AND VALUES**

Organizational development is not value-neutral. There are a number of ethical assumptions and values which most OD practitioners share and which determine the kinds of changes they suggest.

On the personal level,OD change agents assume that individuals have a natural desire for personal development and growth and that most employees are willing and able to make a greater contribution to the organization. They also believe that satisfying human needs and aspirations is an important purpose of organizational life. Therefore, they are concerned with individual self-fulfilment and try to overcome organizational factors discouraging personal growth.

On the group level,OD practitioners assume that it is important for people to be accepted by their work group and that most groups do not encourage the open expression of feelings. However, OD practitioners believe that hiding feelings has a negative effect on group members' willingness and ability to solve problems constructively, on job satisfaction, and on job performance. Therefore, they encourage the awareness and development of feelings as an integral part of organizational life.

On the organizational level,OD practitioners assume that the links between work groups influence their effectiveness. For example, there will be more coordination and cooperation between work groups when all group members can interact, less when just the managers communicate. A second assumption is that the policies and methods of managers of large groups will affect the way smaller groups operate. Finally, OD practitioners assume that strategies based on one group or department winning at the expense of another will not be successful in the long run. Organizations should rely instead on approaches acceptable to all the groups involved.

OD change agents also value the equalization of power within an organization, arguing that it is necessary or the long-term health of the organization. In most cases, power equalization means increasing the influence of subordinates. In some organizations, however, such as universities, hospitals, and city administrations, lower-level people may possess too much power. The solution then is to enhance the power of the administrators at the top.

1. **Sensitivity training** an early personal growth technique, at one time fairly widespread in organizational development efforts, that emphasizes increased sensitivity in interpersonal relationships.
2. **Transaction analysis** an approach to improving interpersonal effectiveness sometimes used in organizational development efforts that concentrate on the styles and content of communication.
3. **Process consultation,**a technique by which consultants help organization members understand and change the ways they work together.

Team building**,** a method of improving organizational effectiveness at the team level by diagnosing barriers to team performance and improving inter team relationship and task accomplishment.

**OD Techniques in Close up**

We will take a more detailed look at two widely used OD techniques -survey feedback and team building-each for specific reasons. Survey feedback exemplifies the action research concept, and research suggests it is particularly effective. Team building is employed in many large-scale OD programs; it was chosen for a closer look because OD has historically had a group focus and has stressed the importance of the small group.

Survey Feedback**,**Survey feedback uses a familiar tool-the questionnaire-but does more than simply collect data. The collected data are returned to managers and subordinates so that the survey results can be employed as a basis for change.

 The survey feedback process as described by French and Bell consist of five steps:

* *Step 1:* Organization members at the top of the hierarchy are involved in the preliminary planning.
* *Step 2:* Data are collected from all organization members.
* *.Step 3:* Data are fed back to the top executive team and then down through the hierarchy in functional teams. .
* *Step 4:* Each superior presides at a meeting with his or her subordinates in which the data are discussed and in which

 (a) Subordinates are asked to help interpret the data,

 (b) Plans are made for making constructive changes, and (c) plans are made for the introduction of the data at the next lower level.

* *Step 5:* Most feedback meetings include a consultant who has helped prepare the superior for the meeting and how serves as a resource person.

Team building, a fundamental unit of an organization, the team or working group can be a logical focus for improving the effectiveness of the organization. OD teambuilding activities can improve the performance of teams and the sense of participation among members. Team building can be directed at two different types of teams or working groups: first, an existing or permanent team made up of a manager and his or her subordinates, often called a, family group, and second, a new group that may have been created through a merger or other structural change in the organization or formed to solve a specific problem, which we will call the special group.

For both kinds of groups, team-building activities aim at diagnosing barriers to effective team performance, improving task accomplishment, improving relationships between team members, and improving processes operative in the team, such as communication and task assignment.

Diagnostic meetings may involve the total group or several subgroups and require only a brief time-a day or less-to identify strengths and problem areas. Actualteam building requires a subsequent longer meeting, ideally held away from the workplace.

## Evaluating OD

Evaluation of OD programs is hard because of their complexity, scope, and long-term nature. Even limited activities, like a team development project, may be difficult to evaluate because of inability to prevent changes in membership and to control related organizational activities. In addition, a variety of approaches to team development may be used, so evaluation of one type of team development effort may not tell much about how a different approach will work. In response to different kinds of pressures, Honeywell Information Systems and Southwestern Bell have adopted different approaches to the problems of change and organizational development. As the Management Application box entitled "Change at Southwestern Bell and Honeywell" indicates, comparative evaluation of different approaches is difficult.

The existence of organizational politics can also make objective assessment difficult. The individuals with the greatest commitment to the program may also have to play a leading role in the evaluation. And, as in any change in an organization, the " results following an OD program may be due to other causes-for example, when changes in the economy lead to changes in the turnover rate. For these reasons, efforts to evaluate OD programs frequently yield ambiguous results."

Although the evaluation of OD programs that have clearly failed has provided some insight into just what conditions are necessary for an OD program to succeed, it is important to remember that the conditions influencing failure may be qualitatively different from those conducive to success-that is, the conditions for success are by no means necessarily the opposite of the conditions for failure.

## Organizational Development Terminology and the Role of the Change Agent

A change agent is someone who precipitates change in theorganization; the individual usually has had training in the methods of organizational development. If the change agent is an employee of the organization seeking change, then she is referred to as an internal change agent. If an external change agent is hired, then the organization pays him a fee for servicesrendered. Client organizations frequently require internal change agents to work with external change agents on organizational development intervention.

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| **Organizational Development Qualities**  |  **Implications**  |
| 1.Organizational development focuses on an entire organization unit (work group, department , division , or the entire organizational  | * Changing the management information system does not constitute organizational development
* Individual employee counselling programs are not organizational development.
* Organizational development focuses on the social and behavioural aspect of organizations
 |
| 2.Organizational development is based on behavioural sciences knowledge at both the micro and macro levels  | * Organizational development does not emphasize the technological or engineering aspect of the organizational
* Leadership , group dynamics , organizational design and organizational strategy are components of organizational development
 |
| 3.Although organizational development is concerned with planned change, it is not associated with business planning or forecasting.  | * Organizational development plans are flexible and can be altered as circumstances require.
* Organizational development program always begin with diagnosis of the organization’s problem
 |
| 4.Organizational development involves the creation and reinforcement of organization.  | Organizational development goes through the phases of diagnosis change, and stabilization of the organization in anew mode of functioning  |
| 5.Organizational development in involves strategy structure, and process changes in the organization.  | Organizational development programs can focus on individual behaviour, on the way in which work is designed, or on how the organization is set up and coordinated (i.e. organizational design.  |
| 6.Organization development has as its primary goal improving organizational effectiveness  | * Effective organization are better able to solve problems
* Effective organizations are better able to attract and hold effective employees.
 |

In addition to competence, the most important skill that the change agent has isability togenerate trust. If trust does not exist between the client organization and the change agent, the organization is not likely to follow through on the change agent's recommendations. Trust thus becomes an important prerequisite to successful intervention.

### Why is trust so important in the relationship between client organizationand change agent?

Interventions occur in less than ideal organizational circumstances. For example, many organizations undertake interventions only after top management perceives a serious threat to the internal health of the organization. Many of these programs are therefore started during periods of considerable employee uncertainty and confused expectations. Change agents first conduct an organizational diagnosis to identify the true causes of poor organizational functioning. An organizational diagnosis is a full scale audit of all behavioural, attitudinal, and performance information inherent in the organizational environment. The two primary diagnostic tools are interviews and questionnaires. Employees often fear these tools and are concerned that their questionnaire responses may be used to make termination decisions.

Another important quality of the change agent is ability to act as a catalyst for change**.** This ability is defined as the change agent's using himself as an instrument for change in the organization. When a change agent functions in this way, he does not have his personal values or beliefs changed; rather, he triggers change in those who are in the client organization. In the opening dilemma, Susan Ramsey functioned as a catalyst for change at Tentex when she implemented her intervention.

A major problem associated with the change agent role involves the catalyst function**.** Strict adherence to this role means that the change agent does *not* function as an outside expert who suggests solutions to the problems of the client organization. The change agent instead facilitates the development of an internally generated solution that has been suggested and refined by employees. Many change agents find this a difficult position to occupy, for they are often pressed to take the role of expert advisor (i.e., the typical consultant role), which involves recommending specific solutions to the client organization.

## Action Research in Organizations

If an intervention is to be effective, some of the diagnosis must be based on employee perceptions of organizational problems and on employee recommendations for improving effectiveness of the organization. Action research is defined as a process for the systematic collection of data related to a client organization's problems, the feeding back of data to facilitate solution planning, and the evaluation of results in terms of collecting and analysing more data. The foregoing is actually a simplified definition of a very complicated process.

The appeal of action research is that the process is objective, since theprocess uses actual company data, the diagnosis tends to be bothsystematic and pertinent, and the change agent and participants in the intervention get a much clearer picture of current organizational conditions.

|  |  |
| --- | --- |
| ***Question the change agent should answer***  |  ***Answer the change Agent should give.***  |
|  1. Who am I?  | The change agent has a professional responsibility to get to know those employees who will be asked to provide diagnostic data  |
| 2. Why I am here and what am I doing?  | The change agents should define the goals of the diagnosis and adapt gathering activities  |
|  3. Who do I work for?  | This answer addresses the questions of who hired the consultant and who does the change agent report to in the organization. This relationship should be clearly explained and well understood by all parties  |
|  4. What do I want from you and why?  | The answer should specify how much tine and effort employees are expected to contribute to generate meaningful and valid data. The fact that participation is voluntary also should be specific.  |
| 5. How will I protect your confidentiality?  |  This question is key to reducing employee concerns about data use. Employees should be confident that they will not be punished for giving honest answers.  |
|  6. Who will have access to the data?  | Employees should be told who will see the data and then should be shown their own results.  |
|  7. what’s in it for you  | This answer should explain the benefits of the program in terms that employees fully understand.  |
|  8. Can I be trusted?  | This is the ultimate question that must be answered to the satisfaction of participants. The best way to answer this question is through the consultant‘s actions. The change agent must be available to address employee concerns  |

Action research is an especially powerful procedure for installing planned changes in the organization. The procedure does, however, have some pitfalls, which are as follows:

1. Top management gives permission to make changes in the organization but does not get personally involved in the process. This leads to the employee perception that top management is not committed to the intervention.
2. The change agent does not gain employees' trust, so the intervention is shallow and superficial. Employee satisfaction deteriorates even further as a result.
3. The key client groups do not do a good job of managing the expectations of employees who will be affected by the intervention. Uncertainty about intervention goals thus leads to tension and anxiety among employee groups.
4. The change agent has a favourite technique for improving the organization, so the diagnostic phase of action research is not done properly. For example, the change agent might advocate job redesign as a solution to any type of organizational problem.
5. The organization may not be willing to commit the time or money necessary to make a thorough problem diagnosis, or the organization may not want to reveal the data generated in diagnosis to employee groups. These organization responses can create further tension and anxiety in employee groups.
6. Management may think that they already understand what the problems are, so they conclude that diagnosis is not necessary.

The problems confronting action research have some key features. First, they cluster in the early phases of the research. This is the time when any intervention is the most vulnerable, because commitment to the process and its goals are not widely distributed in the organization. Second, all of the problems are related to diagnosis. The diagnostic portion of the research is always most vulnerable for several reasons. Diagnosis is expensive and time consuming, and it is supposed to occur before any action is taken to solve organizational problems.

 These diagnostic properties run counter to traditional management values, which promote decisive action and prompt problem resolution. In other words, managers and owners tend to be so action oriented that they want to leap directly to the solutions once the decision has been made to attack the organizational problems. Haste and impatience are thus the two major enemies of methodical diagnosis. Lastly, the change agent also may prefer to de-emphasize diagnosis because he is getting direct pressure from the client or because he favors particular techniques for handling all organizational problems (e.g., job redesign or leadership training).

## System wide Process Change

The most common system wide organizational development method is survey feedback. The survey feedback approach is based on the action research model. The process consists of collecting questionnaire data from organization members, summarizing the data, feeding it back to employee groups, and then using the groups to diagnose problems and develop action plans to solve them. The basic steps in the survey feedback method are as follows.

1. Top management assists an external consultant in setting up a steering committee (temporary project team) composed of highly respected employees. This group helps the consultant compile an acceptable organizational survey.
2. The organizational questionnaire is pilot tested, modified by the consultant and the steering committee, and then given to all employees.
3. The change agent analyses the data away from the organization (to protect confidentiality of employees who participated voluntarily in the survey).
4. Survey results are fed back to top management, the steering committee, and all department heads and employees who participated in the survey.
5. Department heads top management, and other relevant employee groups are brought together to develop action plans that address problems identified by the survey. For example, survey results might have revealed a need to focus on improved productivity, job satisfaction, rewardsystem design, or performance appraisal system design.
6. The change agent develops a list or organizational priorities for change and presents them to top management and the steering committee. Target areas for change are identified and relevant action plans implemented.

**SUMMARY**

In summary, the action research model is an important process aimed at improving organizational effectiveness and developing new knowledge that can be relevant in other organizational settings. The use of sequential activities (i.e., general problem identification, consultation with a behavioural expert, data gathering, and so forth) helps ensure that the process for changing employee behaviors and expectations is methodical. Although problems can occur in the action research cycle, if the change agent develops employee trust and uses employee participation effectively, the organizational should benefit from the action research process.

**Activities**

1. Discuss the meaning of the organisational development
2. Describe the organisational development and management development
3. Explain in details the assumptions, ethics and values

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