Idhaya College for Women Kumbakonam

PG & Research Department of Commerce

I -MCom

ORGANIZATIONAL BEHAVIOUR - P16MCE2A

Unit – V

Mrs. T. Panchavarnam,
Assistant Professor of Commerce,
Idhaya College for Women,
Kumbakonam.

UNIT - V

Contrast the forces for change and planned change.

Identify the internal and external forces creating change on the part of organizations.

Understand the benefits of organizational Change

Understand how organizations respond to changes in the external environment.

Understand why people resist change.

Describe ways to overcome resistance to change.

Understand the basic theories upon which the field of Organizational Development is based.

Discuss the Technique of Organizational Development.

Describe the elements of organizational culture.

Demonstrate ways of creating a culture for change

▸ *change is a part of life and provides opportunity for growth.* Change is the alteration of status quo or making things different than before.

Organisational change

Organisational change refers to the alteration of structural relationships and roles of people in the organization.

<u>Organisational Change</u>

is defined as "When an organisational system is disturbed by some internal or external force, change frequently occurs. Change as a process, is simply modification of the structure or process of a system. It may be good or bad, the concept is disruptive only".

CHANGE

Making things different.

PLANNED CHANGE

Change activities that are intentional and goal oriented.

Organisational Change 2 Major Types

Reactive Changes:

Reactive changes occur when forces compel organization to implement change without delay. In other words, when demands made by the forces are compiled in a passive manner, such a change is called reactive change.

Proactive Changes:

Proactive changes occur when some factors make realize organization think over and finally decide that implementation of a particular change is necessary. Then, the change is introduced in a planned manner.

Process of Organizational Change

Identifying need for change

⬇

Determining elements to be changed

⬇

Planning for effective change

⬇

Assessing change forces

⬇

Actions for change - Unfreezing, Changing, Refreezing

⬇

Feedback and Review

Forces of Organisational Change

EXTERNAL FORCES

1. Government Rules and Regulations
2. Competition
3. Technological Advances
4. Change in People Requirements

INTERNAL FORCES

1. Change in Leadership
2. Introducing New Technology
3. The Domino Effect
4. For Meeting Crises
5. Organizational Life-Cycle

Classification of Resistance to Change:

Individual Resistance

Individual sources of resistance to change inside in basic human characteristics such as perceptions, personality and needs

Organisational Resistance

Resistance may also be present at organizational level.

Individual Resistance

A. Economic Reasons

      Obsolescence of Skills

      Fear of Economic Loss

B. Personal Reasons

      Ego Defensiveness

      Status Quo

      Fear of Unknown

C. Social Reasons

      Social Displacement

      Peer Pressure:

Organizational Resistance

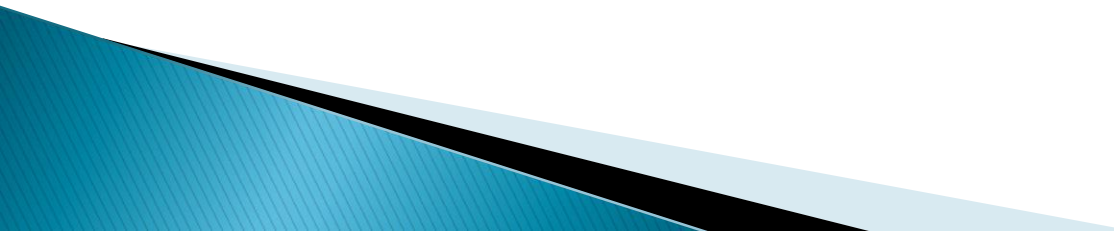Threats to Power and Influence

Organizational Structure

Resource Constraints

Sunk Cost

Organization Change Management framework

Strategies to overcome resistance to change

- Expect Resistance
- Nix Generational Prejudices
- Encourage Camaraderie
- Identify the Root Cause of Resistance
- Involve Executive Leadership
- Communicate Effectively
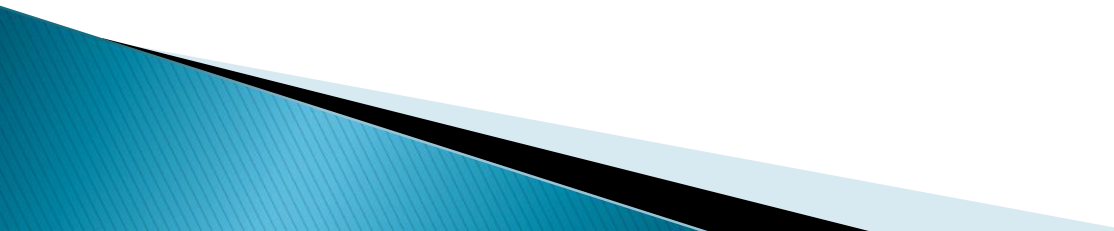- Do Change Right the First Time
- Leverage the Right Technology
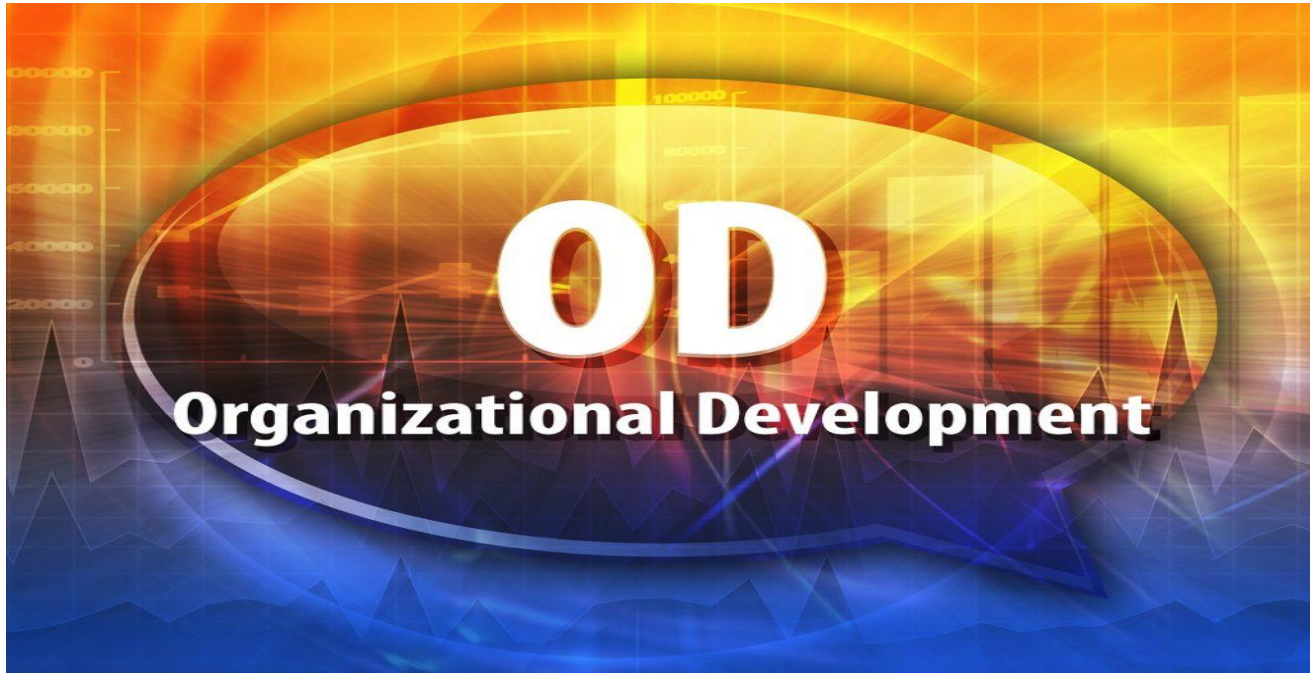
Organizational development is a technique used for bringing change in the entire aspect of the organization, rather than focusing attention on the individuals. So that change is readily absorbed.
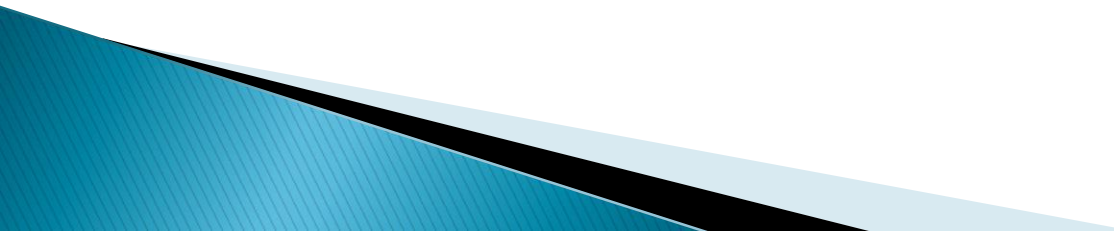
Organizational Development

is defined as *"Organizational development is a long range effort* to improve an organization's problem-solving and renewal processes, particularly, through a more effective and collaborative management of organization culture with special emphasis on the culture of formal work teams with the assistance of a change agent or catalyst and the use of the theory and technology of applied behaviour science, including action research".
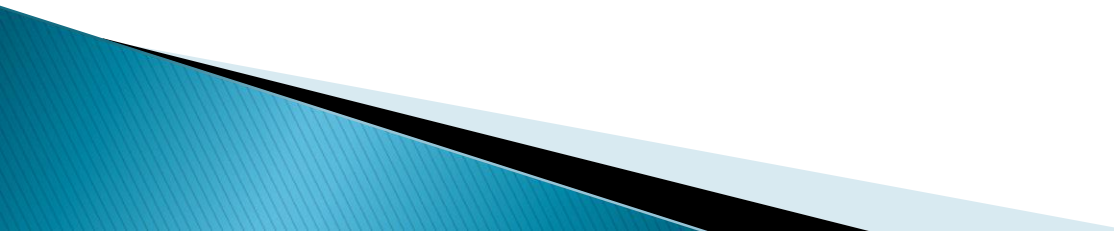
Organizational Development Process

- ➢ **Initial Diagnosis of the Problem**

- ➢ **Data Collection**

- ➢ **Data Feedback and Confrontation**

- ➢ **Planning Strategy for Change**

- ➢ **Intervening in the System**

- ➢ **Team Building**
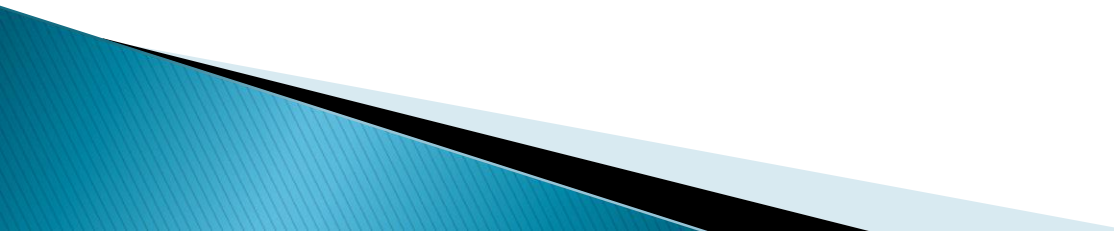
- ➢ **Evaluation and Follow–Up**

OD Objectives . . .

- ❖ To increase openness of communication among people.

- ❖ To increase commitment, self-direction and self-control.

- ❖ To encourage the people who are at the helm of affairs or close to the point of actual action to make the decisions regarding their issues through collaborative effort.

- ❖ To involve the members in the process of analysis and implementation.

- ❖ To encourage confrontation regarding organisational problems with a view to arriving at effective decisions.

- ❖ To enhance personal enthusiasm and satisfaction levels.
- ❖ To increase the level of trust and support among employees.
- ❖ To develop strategic solutions to problems with higher frequency.
- ❖ To increase the level of individual and group responsibility in planning and execution.

Importance of OD

- It is need to bridge the gap between the existing and required abilities.

- It improves the processes, systems, people and management capabilities.

- Performance of the organisation as a whole improves.

- The quality and quantity of products improves as per demand of the customers.

- The sales and revenue of its products and services go high.

- The profitability of the company goes high.

- The financial position of the company improves.

- The market share of the company improves.

- The company gets competitive advantage over their arch rivals in markets.

- The reputation of the company as a whole improves.

Technique # 1. Sensitivity or T-Group Training
Technique # 2. Management by Objectives
Technique # 3. Grid Development
Technique # 4. Organisational Redesign
Technique # 5. Work Design
Technique # 6. Job Enrichment
Technique # 7. Team Building

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Organizational culture …….

"Culture is how organizations 'do things'." —Robbie Katanga

 In large part, culture is a product of compensation." — Alec Haverstick

"Organizational culture is the sum of values and rituals which serve as 'glue' to integrate the members of the organization." — Richard Perrin

"Organizational culture is civilization in the workplace." — Alan Adler

"Culture is the organization's immune system." — Michael Watkins

"An organization [is] a living culture… that can adapt to the reality as fast as possible." — Abdi Osman Jama

High-Performing Culture

C	Creative
U	Unlocking
L	Leveraging
T	Team-based
U	Uniting
R	Rewarding
E	Energizing

1000ventures
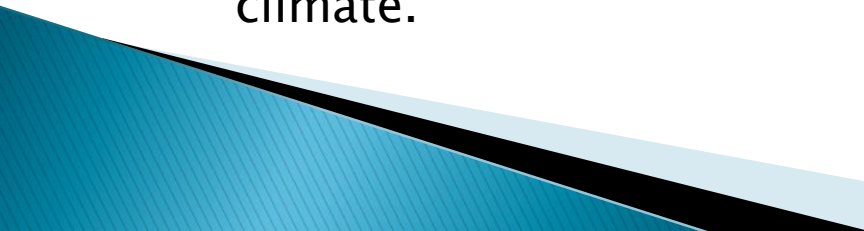
Organizational Culture - Concepts
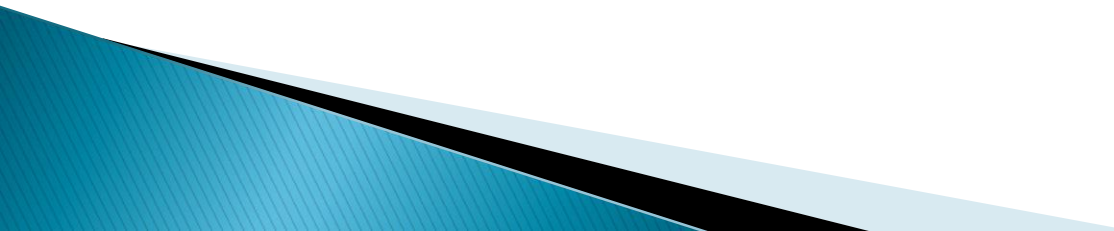
- Dominant Culture,

- Sub-Culture,

- Strong Cultures,

- Weak Cultures,

- Mechanistic and Organic Culture, Authoritarian and Participative Cultures

Ways of improving organisational culture

- ✓ Training and development of employees in the right way is an important step towards improving the organisation's work culture.

- ✓ Analysing the existing culture and comparing it with the expectations and perceptions of employees brings changes accordingly.

- ✓ Create a diverse team of enthusiastic people, who are interested in working as a team and improving the work atmosphere as a whole.

- ✓ Healthy communication, good leadership with strategies adopted to build an attractive culture.

- ✓ Handling conflicts by way of creating an unbiased, transparent and impartial conflict resolution mechanism.

- ✓ Team-building along with synergy is a must to attain the organisation's objectives to build effective culture. Synergetic and cooperative teamwork is manifestation of a healthy organisational climate.

Important Types of Organizational Culture

Type # 1.   Mechanistic Organisational Culture
Type # 2.   Organic Organisational Culture
Type # 3.   Authoritarian Organisational Culture
Type # 4.   Participative Organisational Culture
Type # 5.   Management Systems Culture
Type # 6.   Entrepreneurial Organisational Culture
Type # 7.   Paternalistic or Familial Organisational Culture
Type # 8.   Altruistic Organisational Culture

Organizational Culture

1. Value:

This is revealed by sincerity, humanitarian approach, steadfastness (firmly needs of management and employees to achieve the goals of the organisation.

2. Selflessness:

This exactly means that people who work for the organisation should identify themselves with the organisation. Self-centered people ruin the firm. This indicates the degree of dedication of people who work for the organisation and level of organisational consciousness they possess.

3. Faith:

This refers to the extent of belief that employees have about practices in the organisation. Both top management and employees should believe each other to develop overall organisational culture. Good faith is indicated by win-win situation.

4. Knowledge:

People in organisation should have the knowledge of work and on other organisational aspects. This will help them to work with devotion and dedication to produce quality work. Knowledge worker can understand the situation and works. This leads to the development of good culture. This also tunes the behaviour of worker/manager/ top management in organisations.

5.Problem Sharing:

Every organisation at every stage is confronted with several problems. The good culture of the organisation in such problem situations is that management should share the problems with employees and together come out with a workable solvation.

6.Risk Taking:

Organisations have to take risk to achieve business goals. The culture of an organisation is also governed by the level of calculated risk taken by management and challenges faced by the workforce of that unit. The tasks to be performed by workers look like routine matter. But in each task, disturbing factors come on the way. Employees should face these challenges and drive the organisation to attain good result. To such an extent the employees should have confidence, courage, commitment and conviction.

7. Management Perspective:

One of the cultural indicators is that the top management should have a healthy perception of keeping the morale of employees on a higher side by developing in them the feeling of security, safety, warmth, feelings of being superior, etc. The cultural aspect is to adapt the principles of equity and justice. This prompts the workers to be more productive.

8. Employee Satisfaction:

This aspect is much discussed in previous indicators of culture. It is an established plain truth that employees contribute more to productivity of organisation, if they are fully satisfied with working atmosphere and individual job satisfaction.

9. Stability:

Stability factor of culture says that whatever rules and regulations framed by the management should not hinder the progress of the organisation. This means operational rules should be positive and encourage the workers to stay on in the organisation to have stability in operations. It is a good culture.

Organizational effectiveness

can refer to the efficiency and effectiveness a variety of business areas.

Strategies for Organizational Effectiveness

We have listed down the various strategies followed to bring organizational effectiveness. You can choose the one most relevant to you and list down the goals for the same

Clarity of Organizational Vision

Wild West
› Clear vision
› Producing results with little structure/ integration
› Feels like **"no boundaries"**

Growth/ Synergy
› Strong leadership that pulls together the vision, support, integration & execution
› Feels like **"winning"**

Lean Start Up

Slowly Dying
› Lack of strong vision & direction: however
› Everything is organized & predictable
› Feels like **"comfortable"**

Stable- Aging
› Productivity & excitement in many directions
› Teams are pulling together to get things done
› Feels like **"good machine"**

Effectiveness of whole Organizational