

# Organizational Change and Development

## Unit 6

# Organizational change

## Concept

- ❖ Change is making things different.
  - ❖ Change may be reactive or proactive.
  - ❖ Change in any part of the organization affect the whole Organization.
- “Change is any alternative in the work environment that affects the ways in which employees must act”-Newstrom and Davis
- ❖ Organizational change refers to a modification or transformation of the organization's structure, processes or goods.
  - ❖ Organizational change is the process by which organization move from their present state to some desired future state to increase effectiveness.
- “Organizational change is any substantive modification to some part of the organization”- Ricky W. Griffin

# Forces of organizational change

## A. Internal forces

1. Change in owners
2. Change in goals, plans and strategies
3. Change in board of directors
4. Change in Organizational resources
5. Change in organizational structure
6. Change in work environment
7. Change in job technology

## B. External forces

### i. General forces

1. Change in economic forces
2. Change in political forces
3. Change in legal forces
4. Change in socio-culture forces
5. Change in technology

### ii. Task forces

1. Customer
2. Suppliers
3. Competitors
4. Financial Institutions
5. Government
6. Pressure Groups
7. Strategic alliance

## **Resistance to Change**

- ❖ Resistance consists of employee behavior designed to delay or prevent the implementation of change.
- ❖ Employees resist change.

# Sources of Resistance to Change

## Individual Resistance

1. Habit
2. Security
3. Economic factors
4. Fear of unknown
5. Selective information processing

## Organizational Resistance

1. Structural inertia
2. Limited focus on change
3. Group inertia
4. Threat to expertise
5. Threat to established power relationship
6. Threat to established resource allocation

## **Areas of Organizational Change**

1. Structure
2. Technology
3. Physical setting
4. People

# Approaches to Managing Organizational Change

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graph TD; A[Approaches to Managing Organizational Change] --> B[Lewin's Three Steps Model]; A --> C[Action Research]; A --> D[OD Interventions];
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## Lewin's Three Steps Model

1. Unfreezing
2. Changing
3. Refreezing

## Action Research

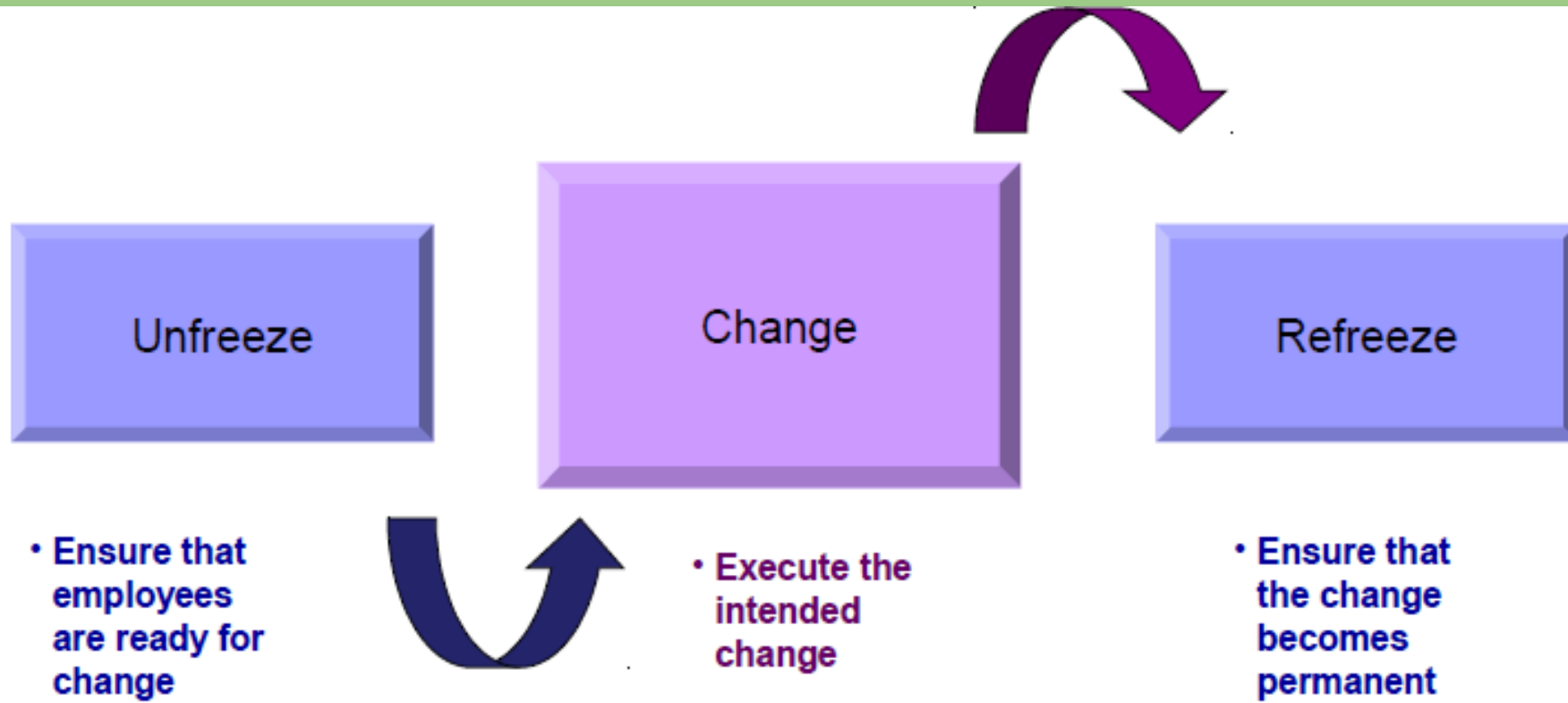
1. Diagnosing
2. Analysis
3. Taking action
4. Evaluation

## OD Interventions

1. Survey feedback
2. Process consultation
3. Sensitivity training
4. Team building
5. Counseling and coaching
6. Inter-group relationship

## A. Lewin's Three Steps Model of change

- ❖ This model was developed by psychologist Kurt Lewin.
- ❖ This model argues that change in organization should follow three steps of unfreezing, changing, and refreezing.





## **1. Unfreezing**

- ❖ It is the initial stage of change process.
- ❖ In this stage, situation is prepared for change.
- ❖ Unfreezing stage provides awareness among employees to accept change.

## **2. Changing (moving)**

- ❖ All the employees consider that change is reality.
- ❖ During the changing period, people begin to learn the new behaviors, processes and ways of thinking.
- ❖ The attitudes and practices are learnt.
- ❖ This step designs and implements actual change.

### **3. Refreezing**

- ❖ This is permanent stage in which change interventions are stabilized.
- ❖ All employees accept new changes in the organization and change can be implemented effectively.

# Organizational Development

## Concept

- ❖ It is the process of improving organizational efficiency through planned change.
- ❖ Organizational development is a collection of change methods that try to improve organizational effectiveness and employee well-being.

“Organizational development is a systematic means for planned change that involves the entire organization and is intended to increase organizational effectiveness.”- Middlemist and Hitt

# Characteristics of Organizational Development



1. Long –term plan
2. Broad based
3. Dynamic process
4. System perspective
5. Focus on behavior
6. Research based
7. Empowered process
8. Team work

Thank You