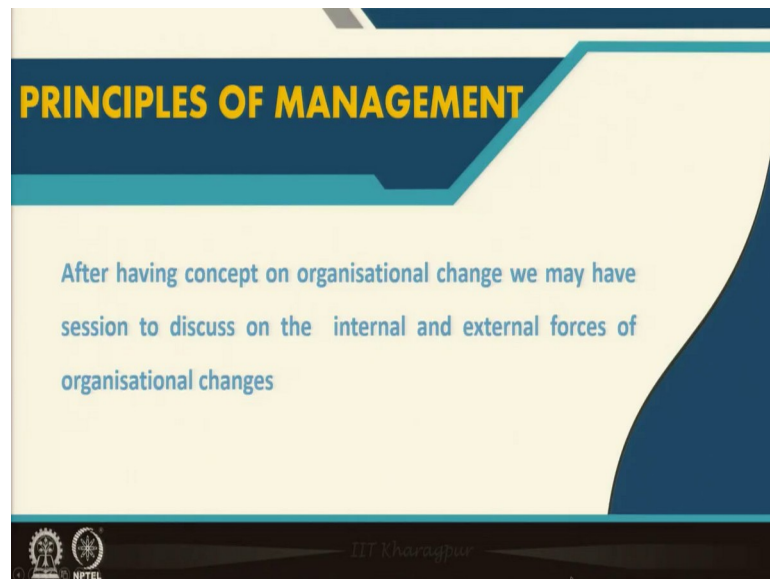


Principles of Management
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Module - 09
Lecture – 43
Forces and factors of organisational change

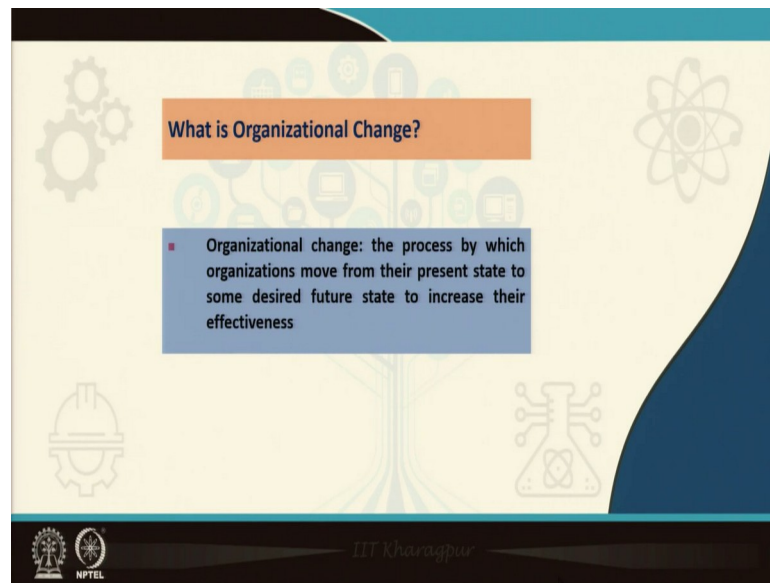
Welcome to the lectures on organisational change. Today we are going to discuss on the Forces and factors of organisational change.

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So, after having a concept of organisational change, so we may have to have a session on the discussion on the internal and the external forces of organisational change.

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So, we understand from the past lecture, like in order for a change to happen in a particular organization there are certain forces which is like acting on the organization, which is both from within the organization could be from external to the organization, which is like having an impact on the organization.

And the organization in order to adapt to the changing demands from the environment has to change itself. Like from its regular process and ways of thinking, ways of doing things in; it has to shift in order to answer to the demands and to keep oneself updated and survive.

So, what is organizational change? So, we can define organizational change as the process by which organizations move from their present state to some desired future state to increase their effectiveness.

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Targets of Change

- Four different levels
 - Human resources
 - Functional resources
 - Technological capabilities
 - Organizational capabilities

There are four target different levels of change which we call the targets of change. These four different levels are like the human resources, functional resources, technological capabilities, and the organizational capabilities.

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Human Resources

Typical kinds of change efforts directed at human resources include:

1. Investment in training and development
2. Socializing employees into the company culture
3. Changing culture in response to diversity
4. Reward systems
5. Changing top management team

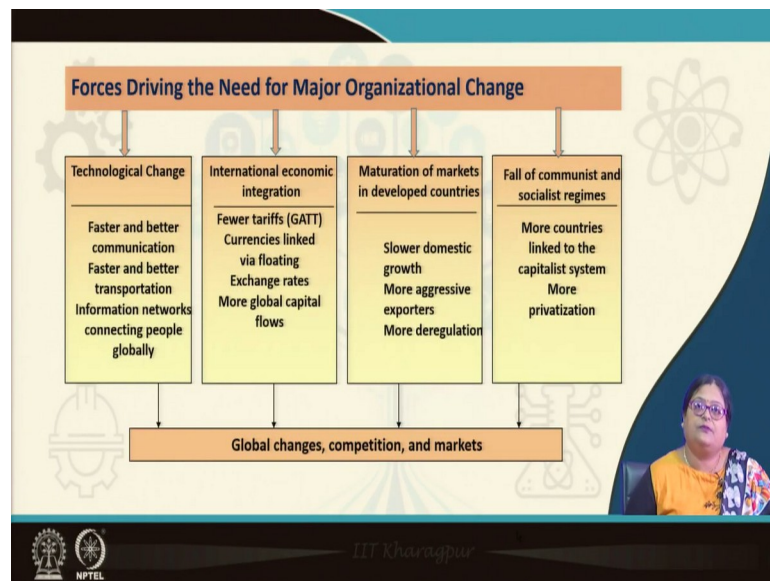
Human resources are the like major targets for organizational change. So, typical kinds of change efforts which are directed at human resources include; investment in training and development, socializing employees into the company's culture, so that they get to know about the expectations that the organization may have from the employees;

changing culture in response to diversity, reward systems, and the changing top management team.

So, these are the different efforts which are directed towards the, you change that, change efforts for human resource management system. And like we want to bring in the changes by bringing in changes in the rewards, like we have to sometimes like assimilate new things into the culture.

Then the if the top management team changes also then there could be a shift in the vision of how to run the organization, what is good for the organization, what the organization is going to do in future and those may bring in again a series of changes within the organization.

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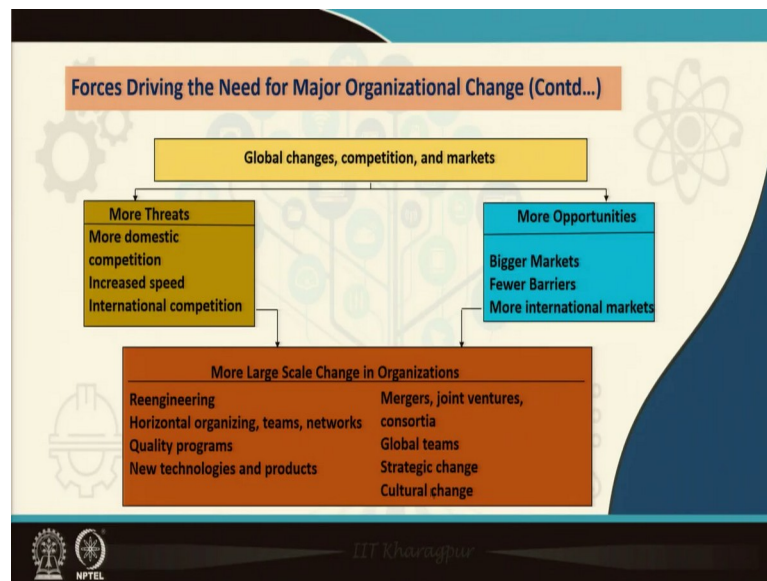
The forces driving the need for major organizational change are, as you can see like the technological change. So, which talks of the faster and better communication, faster and better transportation, information networks, connecting people globally. International economic integration like fewer tariffs, currencies linked, via floating exchange rates, more global capital flows.

Maturation of markets in developed countries; slower domestic, growth more aggressive exporters, more deregulation. Fall of communist and socialist regimes; more countries linked to the capitalist system, more privatization all these forces are forces in the

external environment which is guiding the global changes, competitions, and the markets.

So, like fall of communist and social regimes or the maturation of markets, international economic integration, then technological changes; all these are like affecting each other and in totality it is affecting the organization.

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So, when there are these global changes, competitions, and markets; it whether these changes are there. Now, whether you see it as a threat or you see it as an opportunity; depends on the like perception of the organization, depends on the competency level of the organization, depends on the state of readiness of the organization.

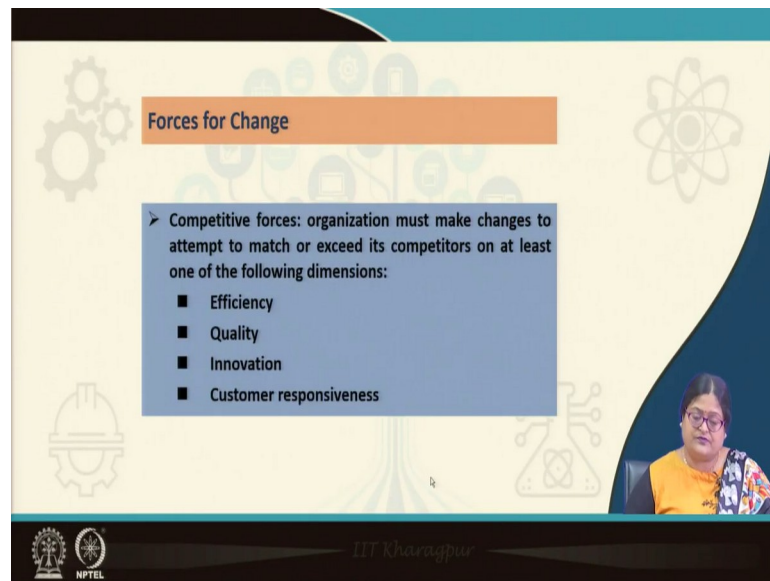
So, the same phenomena, the same happenings may be interpreted in two different ways by two different organizations. So, this global changes, competitions, and markets can be viewed as more threats, where more domestic competition, increase speed and international competition. It can be viewed as more opportunities also; like bigger markets, fewer barriers, more international markets.

This whether it is perceived as a threat by the organization or perceived as an opportunity by the organization is going to bring in major large-scale changes in the organization; like reengineering, horizontal organizing, team networks, quality programs, and new

technologies, and products. Or it may lead to like mergers, joint ventures, consortia, global teams, strategic change and cultural change.

So, how you see, what is that global changes? Whether you perceive it as a threat an opportunity, the way that you can monitor yourself and your state of readiness and competency, accordingly you will choose the level and the type of change and the scale of change that you want to bring in the organization.

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The slide is titled "Forces for Change" and is presented in a blue and white color scheme. It features a list of dimensions for competitive forces. The slide also includes a small inset image of a woman in the bottom right corner and logos for IIT Kharagpur and NPTEL at the bottom.

Forces for Change

- Competitive forces: organization must make changes to attempt to match or exceed its competitors on at least one of the following dimensions:
 - Efficiency
 - Quality
 - Innovation
 - Customer responsiveness

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Forces for change, competitive forces; organization must make changes to attempt to match or exceed its competitors on at least one of the following dimensions, either in efficiency, quality, innovation, or customer responsiveness.

All conditions become like remaining same; if one has to win the competition, then if you have to do certain things like better than your competitors, like either efficiency or you have to focus into the quality or you have to focus into the innovative nature of your products and services or you have to better your customer responsiveness.

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The slide features a title 'Forces for Organizational Change' in an orange box. Below it, a blue box contains a bulleted list. To the right, a small video feed shows a woman in a yellow top. The slide also includes logos for IIT Kharagpur and NPTEL at the bottom.

Forces for Organizational Change

- Economic, political, and global forces: affect organizations by forcing them to change how and where they produce goods and services
- Need to change organizational structure to:
 - Allow expansion in foreign market
 - Adapt in a variety of national cultures
 - Need to help expatriates adapt to the cultural values of where they are located

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The economic, political and global forces also affect organizations by forcing them to change, how and when they produce goods and services. All these likes, how to accommodate this change when it gets reflected in the organization. It is the change through organizational structure to allow expansion in foreign markets, adapt in a variety of national cultures, need to help expatriates adapt to the cultural values of where they are located.

So, if we have to adjust to the economic, political and global forces; then you have to bring in certain flexibility in your organizational structure, maybe make it more horizontal, make it more widespread.

So, that and like people, like you are allowed to expand into foreign markets; and then you have to like work in variety of national cultures. So, help, which will also and your cultural system, organizational culture has may need to be relooked into, so that expatriates adapt to the cultural values where they are located.

So, if you talk of introducing, how to introducing this change at the HR human resource level; maybe lot of training is required regarding like, when you are talking of adapting to new cultures and getting to know their language, getting to know their ways of communication etcetera.

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The slide is titled "Forces for Change" and is presented in a light blue and white color scheme. It features a list of two main points, each with a sub-point. In the bottom right corner, there is a small video inset showing a woman with glasses and a yellow top. The slide also includes logos for IIT Kharagpur and NPTEL at the bottom.

Forces for Change

- Demographic and social forces: changes in the composition of the workforce and the increasing diversity of employees has presented many challenges for organizations
 - Increased need to manage diversity
- Ethical forces: important for an organization to take steps to promote ethical behavior
 - Creation of ethics officer position
 - Encourage employees to report unethical behaviors

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The demographic and social forces of change. Changes in the composition of the workforce and increasing diversity of employees, has also presented many challenges for organization. This has brought in some new needs that is the increased need to manage diversity and also ethical forces.

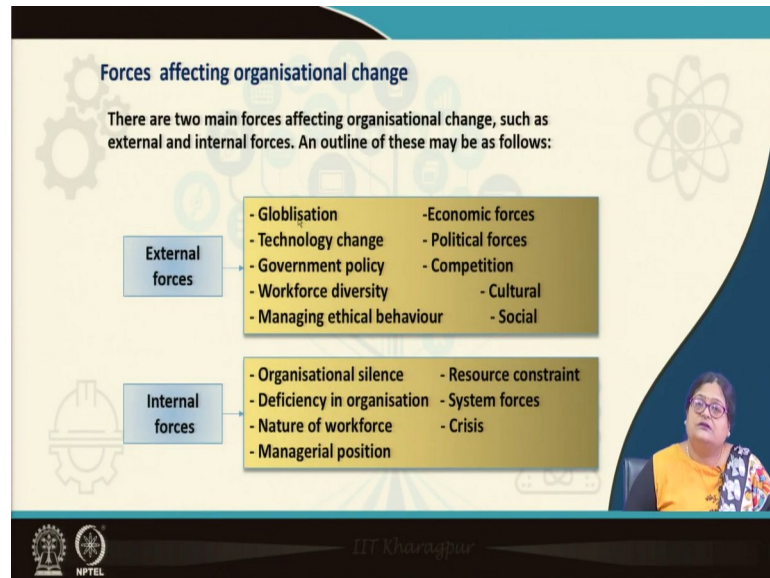
So, this is another way that, another force for change like you have to be ethical in nature; because now we are moving from the concept of shareholders to that of the stakeholders, where each one of the entities who get affected by your organizational functions is keeping like monitoring eye on you. Like, what you are doing, how you are doing things, whether you are doing things according to the accepted standards and your processes are correct or not?

So, ethics has become a very integral part of how you do your business. And of course, now if you have to be sustainable, if you have to survive; you have to assimilate ethics in the ways that you do things. And the related changes that helps you to assimilate ethics into your system is.

First is like creating, if you talk of through the, how you bring in through the change through the organizational structure; like creation of ethics officer position is one. And, if you talking of how to like introduce this change through the people; then you are talking of encouraging employees to report unethical behavior.

Similarly, like a lot of changes required in the culture also; the organization should be open to like to take in criticism, positive criticism and like open to learn and learn from its mistakes and change oneself.

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So, there are two main ways as we are talking of like forces of change; there are two main forces affecting organisational change, so, such as the external forces and the internal forces. The external forces as we have discussed some of them over here is like the; globalization, technological change, government policy, then workforce diversity, managing ethical behavior, and then economic forces, political forces, and competition.

The internal forces are internal to the organisation itself and talks of organisation silence; then deficiency in organisation, nature of workforce, managerial position, resource constraints, and systems forces, and any crisis which is there.

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Forces affecting organisational change

Continued...

The external forces like-

- **Globalisation:** : It has made the organisation to rethink its boundaries market and encourage their employees to think globally.
- **Technological changes:** When there is a change in technology in the organization's environment which affect the other organizations in adopting new technology so as to the existing organisation to adapt.
- **Workforce diversity:** It is powerful external force invoking change. Diversity make an organisation reposition itself from a brick-and-mortar to an e-commerce environment.
- **Managing ethical behaviour:** It is not always public and monumental. Employees face ethical dilemmas in their daily work lives. Organisation must create a culture that encourages ethical conduct.

The government policies, competition and scarcity of resources are also affecting the change

Dr. Khuram

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Now, we will discuss some of these forces in details, external forces in details. How the discussion is going to proceed is like? We are going to discuss on the forces of change and also, we are connecting it to the type of change that you have discussed in the few slides back like. If you have to introduce this change through a particular type of change; what are the steps that you are going to take?

So, the forces affecting organisational change; the external forces are like globalization. So, it has made the organisation to rethink its boundaries market and encourage their employees to think globally.

So, if you have to like assimilate this change; as we have already told that we may have to like, answer this problem in a multipronged way. It is not only introducing a change in the structure, not only training the people; but it has to be both, you have to bring a change in the structure and you have to train your people also.

Technological changes; when there is a change in technology in the organization's environment, which affect the other organizations in adapting new technology, so as to the or existing organisations to adapt. So, what happens?

If there is a major change in the technology and if you can sense from your external environment that other organisations are adapting to that; then maybe your organisation also needs to adapt to that changes, if it wants to survive in that competitive scenario.

Workforce diversity is another force which is affecting organisational change. It is a powerful external force which is invoking change. Diversity make companies, it adds to your reputation; it adds to your strength point also. And like whether you are; it helps to reposition its yourself also from like maybe a brick-and-mortar organisation to an e-commerce environment.

Because what happens? If you have a diverse kind of workforce, maybe and whenever you are talking of this diversity; this is not only in diversity as per gender or age or education is. When we talk of diversity is a very broad framework, where you have all these things; when you talk of age, gender, and education, maybe demography. But also, we have like diversities in your thought processes, diversities in your preferences of work; diversity maybe whether you love to work in the daytime or night time.

So, all these are really value addition, strength points for the organization to flourish; because if you have a diverse pool of people, they, who is there with you, you are strong enough to venture for different ways of doing things, different aspects of business, you can venture with your flexible work covers, flexible schedules.

Then different modalities of doing the work; because you know it is going to fit into the competency level or the personality pattern or the expectations of one set of people or the other set of people that we have within the organisation. So, workforce diversity is really is a strong point for the organisation, provided we realize and respect those diversity and encourage all people to flourish in the organisation. We respect the diversity, want them to maintain their diversity and like expect them to contribute in the way that they are.

So, when that is the attitude of the organisation with the workforce diversity; it is not that carving those diversity to make people fit into a particular template. But if we really respect the diversity; then having a diverse wake work force is very strong point for the organisation to experiment with different kinds of business, different locations of doing business, like doing business in different ways and many things.

Managing ethical behavior. So, here what happens, sometimes it is always not public and it is not very huge; but what happens, like employees may face ethical dilemmas in their daily work lives. So, organisations may or rather must create a culture that encourages ethical conduct. The government policies, competitions, and scarcity of resources are also affecting organisational change.

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The slide is titled "Forces affecting organisational change" in an orange box at the top. Below the title, it says "Continued.." and "Governmental policies have been described below which determine the need for organizational change:". There are three bullet points: 1. "Suspension agreements: Suspension agreements are the agreements which are finalized between the governments to waive off anti-dumping duties." 2. "Protectionism: Due to the growing competitive pressures, most of the governments try to enforce certain regulations or intervene for safeguarding their threatened industries. For example, by enforcing certain trade barriers, the Indian government protects the local industries such as Handicrafts and Textiles" 3. "Anti-trust laws: Anti-trust laws are enforced by most of the governments for restricting/curbing unfair trade practices. For example, these restrictions have been enforced in India by enacting an act called Monopolies and Restrictive Trade Practices (MRTP), 1971." In the bottom right corner of the slide, there is a small video inset showing a woman with glasses and a yellow top. At the bottom of the slide, there are logos for IIT Kharagpur and NPTEL.

We are going to discuss government policies in details over here; because government is one of the major forces, we talk of two, three important actors in the field of business. And government is definitely one of the important actors who has a like power to; either enter into partnership with the business or oversee, whether the business is doing things according to the standards of the society.

And whether it is giving back to the society, certain things in terms of like; because they are taking their sources from the society, they owe their debt to the society, and whether they are giving back something positive to the, contributing something positive to the place or to the country where they are doing their business or not.

So, when you talk of certain agreements. So, what are the policies which may determine the or need for organizational change like suspension agreements? Suspension agreements are the agreements which are finalized between the governments to waive of anti-dumping duties.

Protectionism, due to the growing competitive pressures, most of the governments try to enforce certain regulations or intervene for safeguarding their threatened industries. For example, by enforcing certain trade barriers, the Indian government protects the local industries such as that of handicraft and textiles.

Anti-trust laws, anti-trust laws are enforced by most of the governments for restricting or curbing unfair trade practices. For example, these restrictions have been enforced in India by enacting an act called Monopolies and Restrictive Trade Practices MRTP 1971. So, what we can see over here?

The government can see the situation from a very holistic perspective, interrelated perspective can see the situation from a like top and get to see how the business of one country is getting affected by the business or the attitudes of the other country.

And what they can, where they can pitch in to; either with some restrictive measures or some like promoting measures in order for the business to flourish within their country. So, somewhere you will see like somewhere they are going to give you some relaxations which is going to invite, encourage or motivate people to do business; some are really fine like they are giving some regulations, some restrictions and, so that they are able to protect the threatened industries and they are like acting in a very paternalistic way.

So, government should also if you see according to the need of the situation; the way that it is going to act, so that the best interest of the, like organizations within the country are like answer to. So, accordingly the government also change its techniques, its steps in ways of creating laws, regulations or encouraging business to happen, so that the ultimate aim is to help the business within the country to grow and flourish.

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Forces affecting organisational change

Government forces ... Continued...

- **Deregulation:** Deregulation is associated with decentralization of power or economic interventions at the state level or lessening of the governmental intervention in the economy. For example, as an outcome of deregulation few sectors/industries like insurance, banking, petroleum and many others which were previously under the direct control of the government, are now being handed over to the private players or companies.
- **Foreign exchange:** Foreign exchange rates directly affect the international trade, as the variations in the exchange rates influence the currency payment structure. Issues or constraints with the foreign exchange rate may compel the government in moving ahead with the imposition of import restrictions on selected items or deregulating the economies for attracting the foreign exchange for investment purposes.

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Other forces are deregulation. So, deregulation is associated with decentralization of power or economic interventions at the state level or lessening of governmental intervention in the economy. For example, as an outcome of deregulation; few sectors or industries like insurance, banking, petroleum and many others which are previously under the direct control of the government are now being handed over to the private players or companies.

So, these why these were originally under the government; because sometimes these are very essential, like when you talk of petroleum, when you talk of banking these are very essential services or commodities. So, if the private players are not ethical in nature are not very like, are not very responsible in nature and they are very, they are looking only for making profits and money; they do not have a service orientation in mind.

Then at large the; if you are giving everything in the hands of this kind of private players; the interest of the citizens at large may be suffering. So, government used to keep certain regulation, certain restrictions and on the functioning of these private players and try to keep these things with itself, so that you it could monitor the smooth processing and distribution of these like services.

And, but with the changing time. So, when we see like some ethical trustworthy players are also coming into the field of private players. Now, the government is slowly going towards deregulation. Foreign exchange, foreign exchange rates directly affect the international trade as the variations, in the exchange rate influences the currency payment structure.

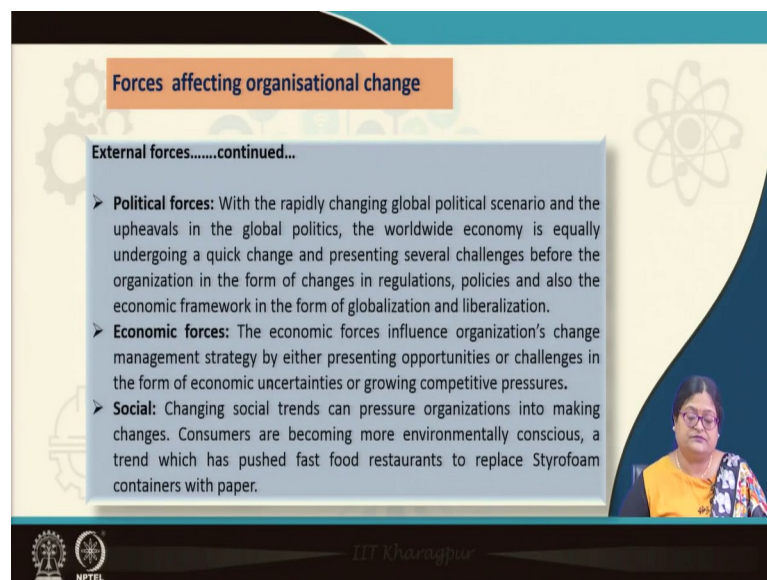
Issues and constraints with the foreign exchange rate may compel the government in moving ahead with the imposition of import restrictions on selected items or deregulating the economies for attracting the foreign exchange for investment purposes.

So, whether you try to regulate, whether you try to deregulate, whether you make some constraints or whether you make some relaxations; depends on the nature of item that you are looking into. And finally, the effect it is going to have on the growth and survival of the industries, in the country, which is again affecting at large the like quality of life of people.

If more industries are there, then there are more jobs are created and people get to have like well very good standard of living. So, it is a like very well thought of dynamic kind of decision that the government has to take; like regarding each of these subheadings that is mentioned, like when to relax, when to tighten, like then when to promote, when to prohibit and accordingly it takes its steps.

And it has to review also; like once done and forgotten is not the thing that the way that it is done. Once a step was taken, we need to have a regular feedback on it; take a review on it to find out to have a cross check on the steps that were taken, whether it is like giving out the expected results or the results that is coming in so different. So, in that case, again we have to rethink on how we need to answer these problems.

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The slide is titled "Forces affecting organisational change" and is part of a presentation. It features a light blue background with a white box containing text. The text is organized into a list of external forces. At the bottom of the slide, there is a small inset image of a woman speaking, and logos for IIT Kharagpur and NPTEL.

Forces affecting organisational change

External forces.....continued...

- **Political forces:** With the rapidly changing global political scenario and the upheavals in the global politics, the worldwide economy is equally undergoing a quick change and presenting several challenges before the organization in the form of changes in regulations, policies and also the economic framework in the form of globalization and liberalization.
- **Economic forces:** The economic forces influence organization's change management strategy by either presenting opportunities or challenges in the form of economic uncertainties or growing competitive pressures.
- **Social:** Changing social trends can pressure organizations into making changes. Consumers are becoming more environmentally conscious, a trend which has pushed fast food restaurants to replace Styrofoam containers with paper.

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The other political or the external forces are of course, the political forces. So, it is like worldwide economy is going a change, and presenting several challenges before the organization in terms of its regulation, policies, and economic framework for the purpose of globalization and liberalization.

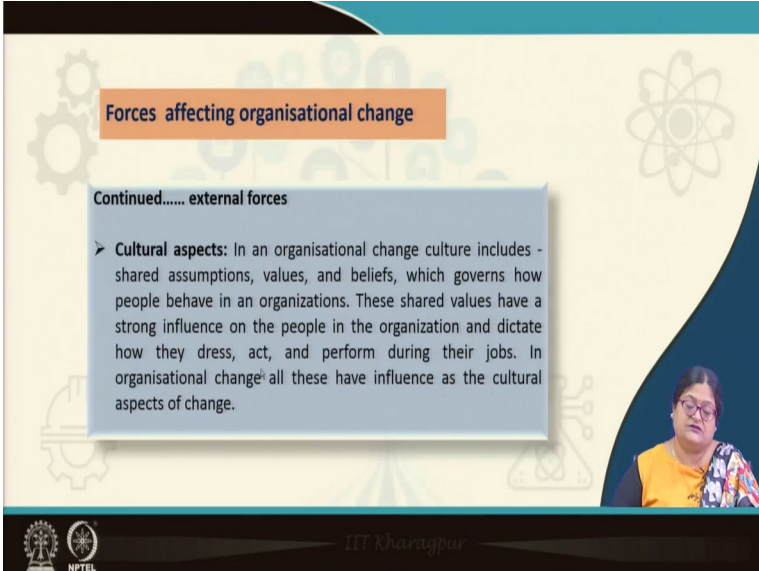
So, economic forces also as we are discussing, influence the organizational change management by either giving them opportunities or challenges in the form of economic uncertainties or the growing competitive pressure. Whatever it is, it requires very importantly the environment scanning capability of the organization.

And to see like whether to be proactive in nature; to find out based on self interest like what are the upcoming changes, how it is going to affect me, what I can do to answer to these changes. Or it can be do active in nature also, but reactive in nature is like waiting for others to act and then I will act accordingly; to somewhere maybe because, there is some ambiguity at the start you are not able to understand.

Then you are taking your, like may well measured steps, so that maybe there is a less risk of committing error and being wrong. So, you can take your own strategies, the organization can take its own strategies based on how it interprets the environment and what is its risk-taking ability and like competencies also.

The changing socials like and trends can also pressure organizations into making changes. So, as consumers are also becoming very environmental conscious so which is like affecting fast food restaurants to replace some the foam containers with papers. So, this it is a voice, large voice of people which is creating the force and it is forcing you to make a change. So, these are the social forces which affect the organisational change.

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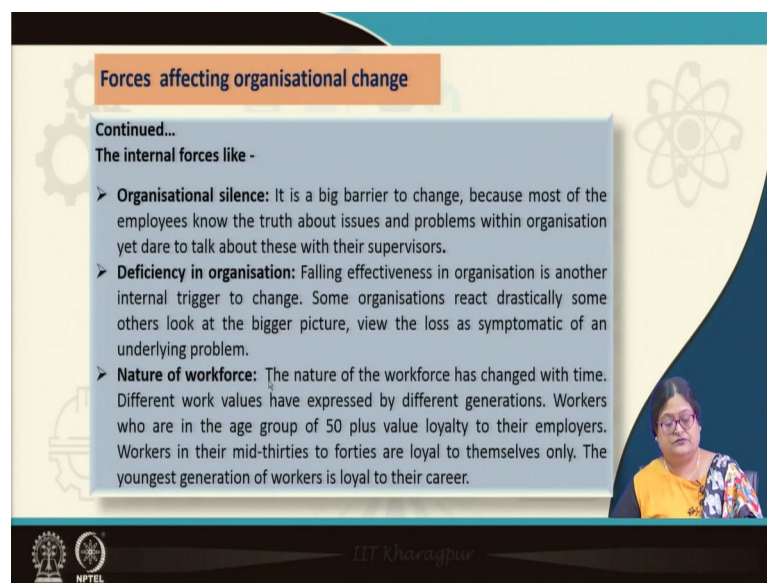
The slide features a title box at the top with the text "Forces affecting organisational change". Below it, a text box contains the heading "Continued..... external forces" followed by a bullet point: "➤ **Cultural aspects:** In an organisational change culture includes - shared assumptions, values, and beliefs, which governs how people behave in an organizations. These shared values have a strong influence on the people in the organization and dictate how they dress, act, and perform during their jobs. In organisational change, all these have influence as the cultural aspects of change." The slide also includes a small video inset of a woman in the bottom right corner and logos for IIT Kharagpur and NPTEL at the bottom.

The cultural aspects are also very vital part when you are talking of the forces affecting change. So, it is an organisational change culture it includes; like shared visions, assumptions values and beliefs, so which governs how people behave in a particular organization.

So, if these shared values have a very strong influence on the people in the organization and it can like tell like how you should dress, how you should talk, how you should act; it can dictate these terms of the organization and its people also.

So, while being in the job, how you really have to represent the organization through your dress, through your like body language, through your communication, through your like ways of acting etcetera, through your dress that you wear the uniform. So, in organisational change, all these have influence as the cultural aspects of the change.

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The slide is titled "Forces affecting organisational change" and is part of a presentation. It features a light blue background with a white text box containing the following content:

Continued...
The internal forces like -

- **Organisational silence:** It is a big barrier to change, because most of the employees know the truth about issues and problems within organisation yet dare to talk about these with their supervisors.
- **Deficiency in organisation:** Falling effectiveness in organisation is another internal trigger to change. Some organisations react drastically some others look at the bigger picture, view the loss as symptomatic of an underlying problem.
- **Nature of workforce:** The nature of the workforce has changed with time. Different work values have expressed by different generations. Workers who are in the age group of 50 plus value loyalty to their employers. Workers in their mid-thirties to forties are loyal to themselves only. The youngest generation of workers is loyal to their career.

The slide also includes a small inset photo of a woman in the bottom right corner and logos for IIT Kharyapur and NPTEL at the bottom.

Now, when, we talk of internal forces which are there within the organisation. So, which may affect the organisations change. So, here one part is organisational silence is where like sometimes employees knows like certain things are not going correct in the organisation. But due to the fear that they are not able to speak up, protest or make others or seniors aware of the like maybe discrepancies that they are watching in the organisation at present.

And which are very vital to be removed in order to bring back the organisation to the correct track. So, these phenomena of keeping quiet; because you do not know how your boss is going to take, if you are going to tell like something is going wrong, who is going to take the responsibilities again; because you are maybe sometimes overloaded with work itself.

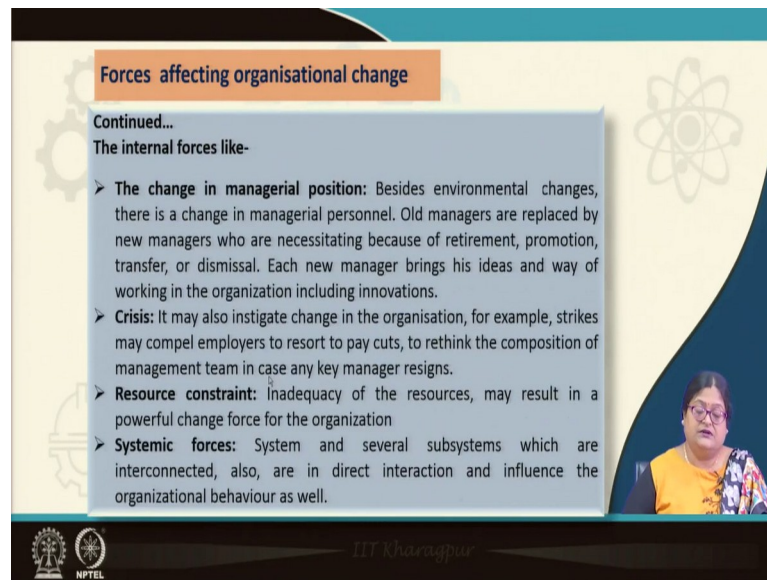
So, the whole this process is called organisational silence; keeping quiet in spite of knowing that something is not happening in a proper way and it is not adding any value to the organizations progress.

Deficiency in organisation. So, falling effectiveness in organisation is another trigger for change. So, when there is a falling effectiveness; then what happens? So, some people again have different ways of looking at things. So, some organisations react drastically; some others look at the bigger picture and then try to find out why this loss, what could have been done to do something in a different way, how we can make up for the loss and other things.

The nature of workforce is also very important force which itself has undergone change through many with time. So, they have different work values have expressed through different generations. So, workers who are in the age group of the 50 plus, generally value loyalty to their employees like; and workers in the middle thirties to forties are loyal to themselves only the youngest generation of workers is loyal to their career.

So, for the youngest generation, the concept of psychological contract has more importance than the concept of organisational contract or the employee contract; because they are committed to their profession, they are committed to their competency, they have committed to the things that they have learned. And they know like be it any kind of organisation; if I go and start performing over there, definitely I am going to add certain value to that company.

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The slide is titled "Forces affecting organisational change" and is presented by Dr. Khanna. It lists several internal forces that can affect an organization:

- Continued...**
- The internal forces like-**
 - > The change in managerial position:** Besides environmental changes, there is a change in managerial personnel. Old managers are replaced by new managers who are necessitating because of retirement, promotion, transfer, or dismissal. Each new manager brings his ideas and way of working in the organization including innovations.
 - > Crisis:** It may also instigate change in the organisation, for example, strikes may compel employers to resort to pay cuts, to rethink the composition of management team in case any key manager resigns.
 - > Resource constraint:** Inadequacy of the resources, may result in a powerful change force for the organization
 - > Systemic forces:** System and several subsystems which are interconnected, also, are in direct interaction and influence the organizational behaviour as well.

The slide also features a small video inset of the presenter, Dr. Khanna, and logos for IIT Khanna and NPTEL at the bottom.

Next to the changes in managerial position. So, besides environmental changes; there are certain changes in the within the organization like all people are replaced by new managers who are because this; this is a regular process which happens because of the maybe their retirement, because they are dead, because their promotion transfer or dismissal. So, it is very natural phenomena that the old employees are or the old managers are getting replaced by the newer ones.

So, now in this process what happens? As a person is going in the other person is coming in this phase; lot of new ideas, the new manager brings in and he or she also tries to have a complete overall relook into how things are happening in the particular organization, and whether things may be changed to include some innovations. Because he is also very or she is also very energized about contributing something positive to the organizational growth.

So, generally the past situations are revisited and reviewed. And if there are any chances of like the organization to be suffering; then they try to like suggest, like how this position can be improved through the like bringing in changes in the ways of thinking, ways of doing things and like maybe bringing trying to go for newer innovations.

Crisis, so any crisis in the particular organisation may also instigate a change in the organisation. So, like having continuous strike may compel an employer to go for pay

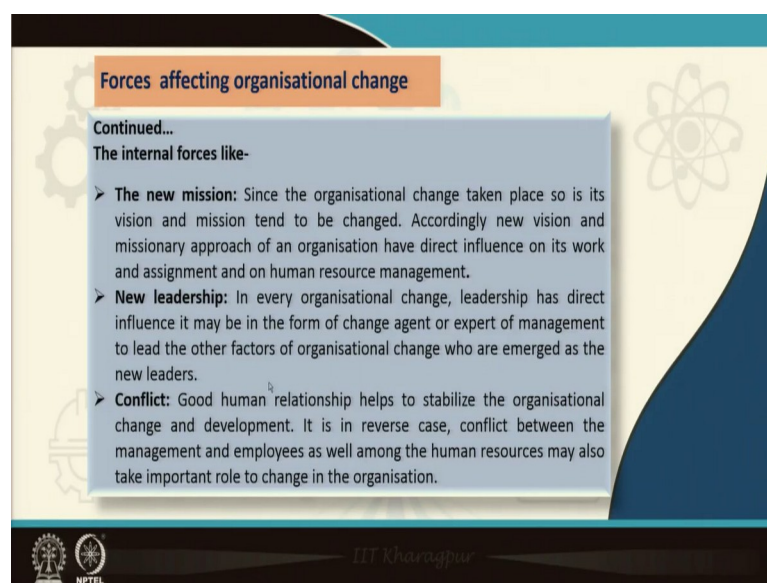
cuts or to like if during this period some key management team, key manager resigns; then they have to rework about the composition of the team also.

Sometimes there are resource constraints which you call the inadequacy of resources are there and it may result in a powerful change force for the organization; because if there is a resource constraint, we know certain things we are capable of doing certain things. But if we are due to resources; we are not able to do it, it will compel people to think in a different way.

And like how to like thing differently, how to do things differently and this can be a seed for a creative thinking, innovation and a source of powerful change in the organization. Systemic forces are those forces like the various subsystems which are linked to one another interconnected. So, and which are also like are in direct interaction with each other and which influence the organizational behavior are called systemic forces.

Like it is very important that the people within the organization or in the system, the subsystems within a system need to communicate with each other, so that they get to know each other's like viewpoints and they have to, they can complement you know do a compliment to reactivity in like helping the other person with the knowhow and other things. So, the systemic forces are also very important instruments for introducing change.

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Forces affecting organisational change

Continued...

The internal forces like-

- **The new mission:** Since the organisational change taken place so is its vision and mission tend to be changed. Accordingly new vision and missionary approach of an organisation have direct influence on its work and assignment and on human resource management.
- **New leadership:** In every organisational change, leadership has direct influence it may be in the form of change agent or expert of management to lead the other factors of organisational change who are emerged as the new leaders.
- **Conflict:** Good human relationship helps to stabilize the organisational change and development. It is in reverse case, conflict between the management and employees as well among the human resources may also take important role to change in the organisation.

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The internal forces also have the new mission. So, when your organisational change takes place; the vision and mission tend to be changing also, you need to revisit it. Accordingly, new vision and missionary approach of an organisation may have direct influence on its work and assignment and on human resource management.

New leadership as we have already discussed; may bringing new ways of doing things, newer expertise, newer look like and new suggestions, hence they are important factors for transformational change.

Conflict is also very important, like good human relationship is important; it helps to stabilize organisation and development. But also, conflict is important, because if we are having a positive conflict; then you can get to see different viewpoints emerging. And it is like if there is a healthy conflict between the management and employees regarding how things should be done and what are the changes to be brought in.

Then the employees and if the employees are given a platform; similar platform to think and contribute, they can also play an important role in the change of the organisation.

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The slide is titled "Forces affecting organisational change" in an orange box. Below the title, it says "Internal forces..... Continued....". The main content is a list of factors affecting planned internal changes, starting with "There are some other factors affecting to planned internal changes such as -". The list includes two items: "Changes in the services or the products" and "Changing the administrative systems". The slide also features a gear icon on the left, an atom icon on the right, and logos for IIT Kharagpur and NPTEL at the bottom.

Forces affecting organisational change

Internal forces..... Continued....

There are some other factors affecting to planned internal changes such as -

- **Changes in the services or the products:** An organization usually goes ahead with the decision of a Planned Internal Change, if the management decides to diversify it's range of business. Such a planned internal change will require a fair amount of pre-planning, effective coordination and resource distribution as well for meeting the objectives of change.
- **Changing the administrative systems:** Changes in the administrative systems are implemented or enforced by an organization for enhancing administrative efficiencies, or for improving the company's image or for gaining the advantage of being a political power within an organization. The pressure to change the administrative systems comes from the top level of the management (top-down approach)

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So, changes can be planned change or it can be unplanned change, which is suddenly comes in and we are not prepared for it. But when there are some factors which are there, which are affecting planned internal changes are changes in the services or of the products; when I am going to planning to introduce new services or products, so how to

phase off the old one, how to bring in the new one all these requires a lot of preplanning effective coordination and resource distribution for meeting the objectives of change.

Changing the administrative system, so, sometimes administrative systems are getting changed. So, to improve the company's image or to gaining advantage, being in a political power within the organization; so, it come, it is a top-down approach. When the top level introduces some administrative changes; it is mainly to bring in new thought processes of having a relook into how things are being done and whether it can be done in a different way or not.

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The slide features a light yellow background with faint icons of gears, a lightbulb, and a network diagram. A dark blue wave-like shape is on the right side. At the bottom, there are logos for IIT Khargpur and NPTEL.

Forces affecting organisational change

Internal forces..... Continued....

planned internal changes such as –

- **Changes in the organizational structure and size:** Organizational restructuring or changes in the hierarchical framework is introduced in an organization for the realization of pre-defined objectives or goals. Most of the organizational changes are implemented in a planned manner for achieving the specific objectives or goals.

So, planned changes can also be introduced through the changes in organizational structure and size. So, bringing in changes in the hierarchical system, making it flat or making it like product based or your service based; it all depends on, really depends on what are your challenges and what are you going to achieve through it. So, we have to connects the process of change, the ways of bringing in change with the challenges and the expected results out of it.

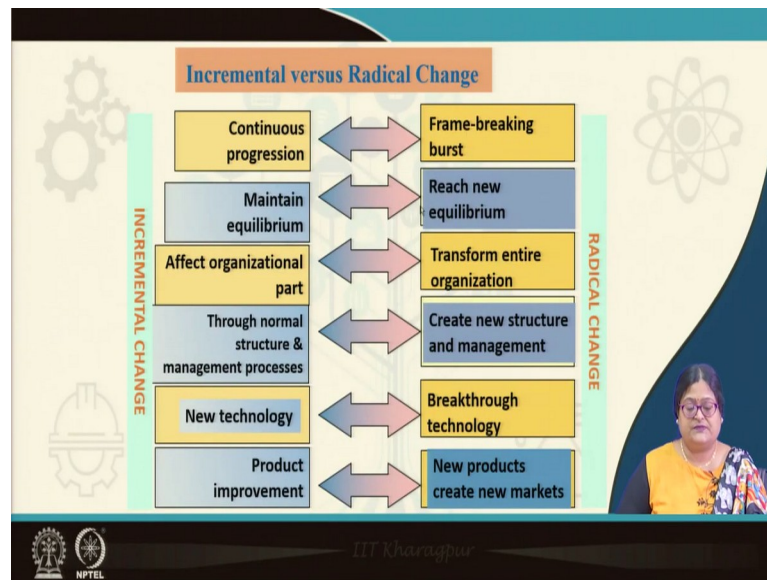
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Forces for Change	Resistances to Change
Competitive Forces	Organizational Level
Economic Forces	• Structure
Political Forces	• Culture
Global Forces	• Strategy
Demographic Forces	Functional Level
Social Forces	• Differences in Subunit Orientation
Ethical Forces	• Power and Conflict
	Group Level
	• Norms
	• Cohesiveness
	• Groupthink
	Individual Level
	• Cognitive Biases
	• Uncertainty and Insecurity
	• Selective Perception and Retention
	• Habit

So, we have these certain forces of change like the competitive forces, economic forces and political forces; and we have global forces as you see are listed on this side, and we have certain resistances to change also at the organizational level, functional level, group and individual level. We will be discussing more on resistance to change in the next upcoming lectures.

This is just an introduction for you to notice like, if there are forces for change; simultaneously there are different kinds of resistance to change also. And we need to see how these forces of change like is going to affect the organization and how what are the resistance to change it also the oppositely acting forces and how we need to balance each of these two things.

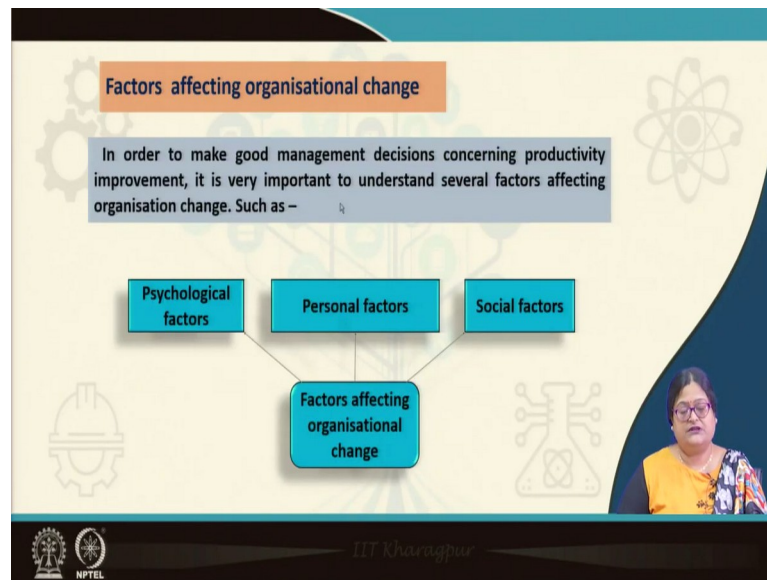
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So, we have different kinds of change also like incremental versus radical change, where we find like whether it is a continuous progression, maintain equilibrium and whether it is like through normal structural processes, new technology, or product improvement, slow changes are coming. Or like whether it is a certain radical change; like which is going to transform the entire organization through technology, new product and bringing in new equilibrium, it is a frame breaking type of change.

What you can see both are changes, but the pace at which it changes, the things that how it is done it is different. So, in few upcoming lectures, we will revisit again this; here we are just sensitizing you to the different types of change. In the upcoming lecture, we will again revisit these concepts; when you are going to discuss with how to bring in those changes and the what are the resistance to change and how to overcome it.

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So, these are also some of the factors affecting change, like the personal factors, social factors and the psychological factors which are there and on each of these factors, we are going to have a detailed discussion.

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Factors affecting organisational change

Continued... factors...

- **Psychological factors** : One of the most important psychological factor affecting attitudes is the individual reaction to stress. Some employees are rather comfortable under stress but some people cannot bear stress and seek a calm environment.
- **Personal factors** : One of the most important personal factor is experience. People who have faced similar changes in the past draw the results on the basis of those changes and evaluate the current change i.e. some people are flexible to change but other may not be.
- **Social factors** : Social factors refers to the individuals work group. If the change is as per the norms and values , the group will accept the change. If management attempts to bring about organisational changes that will breakup the group , the member will resist to change.

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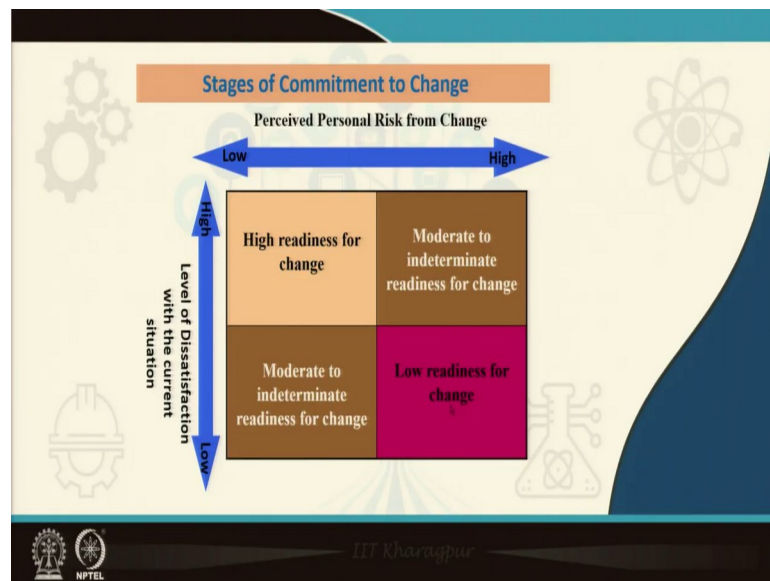
So, when we are talking of the factors affecting organisational change; we see like these are the psychological factors, which are like one of the most important psychological factors is the as we are talking of the attitude of the people towards the change in

individual reactions to stress. Some employees are rather comfortable under stress; some people cannot bear stress and take a and try to seek a calm environment.

There are personal factors also like experience and people; what we find people who are faced with similar kind of changes in the past, draw the results based on those changes and evaluate the current change. So, it is the past experience sometimes helps you to deal with new changes which is coming in.

Social factors are the factors which are referring to the work group. So, if the change is as per the norms and values, then the group will accept the change; but if it in any case management attempts to bring about organisational changes that will break up the norm, the member will try to resist to change.

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So, all these will again affect, like the whether the incremental or the radical change. So, also, we have like the stages of commitment to change. So, whether we find like there are perceived personal risk from change is high or it is low or high and whether the level of dissatisfaction with the current situation is high or low is going to determine whether the person is like ready for change and committed to change.

So, you will find over here high readiness for change, when we talk of like the; when your perceived personal risk from the change is low and your dissatisfaction with the current situation is high. You will find it is moderate to intermediate readiness for change

is when the personal risk is high from the change is high and your level of dissatisfaction is also high.

But when you see like the level of dissatisfaction with the current situation is again low and the perceived personal risk from the change is also low; there is again moderate to intermediate readiness for change. But when the level of dissatisfaction is with the current situation is low and the personal risk perceived personal risk from the change is very high, there is a low readiness for change.

So, you may want to introduce a change in the organization either at the through by bringing in changes through the technology, bringing in changes through the structure, bringing in changes through the policies. So, that you can like bring in an; because there are certain forces in the environment or force internal forces acting on the organization, and you may try to bring in an incremental or the like radical changes.

But ultimately like the people within the organization has to accept the change; like you change oneself with these changing demands and after the change is introduced have to commit to the change and move forward and be productive also. So, at whatever level you may try to introduce the change.

So, the entity which ultimately has to like live with the change and perform under the change situation is the employees within the organization; because they have to assimilate the change and like give get themselves committed to it and adjust within the situation and move forward after the change is introduced and implemented.

So, the whenever we are discussing organizational change situations, organizational change management; then we will be discussing the forces, will be discussing the types of change, we will be discussing the levels of different change definitely. But the main discussion will of course, be revolving around the individuals; how their personality patterns, their perceptions, their readiness for the change.

How they, how the organization can take steps to introduce a change in a proper way, how the leadership should take steps to introduce change in a proper way, how the team should help to assimilate the change, what are the expected team behaviors in the change situation; because ultimately it is the people in the organization who will be taking in the changes and moving forward with it.

So, with this we will conclude in this lecture; in the next session we will come up with further discussions on organizational changes and the personal factors which are there centering around the organizational change.

Thank you.