

Organizational Change

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ABSTRACT

In today's competition environment, organizations are forced to change according to the pressures of the outside environment and also from its core. A process can be observed in each type of change in the organization. In this article; the phases, barriers and variables that affect the change are described and discussed. Change can be made through individuals, groups and organizations. If the aim is to have a successful change, a consideration of key factors of the culture of individuals / organizations should be taken into account. The determinants of the successful key factors are shown so that each method of the organizational change can be compared.

Keywords: Change, motivation, group, team, organization, culture, success

Örgütsel Değişim

ÖZET

Günümüzün rekabet ortamında, organizasyonlar dış çevreden ve kendi çekirdeğinden aldığı baskılar sonucunda değişime zorlanmaktadır. Organizasyonun her değişim türünde bir süreç gözlemlenebilir. Bu makalede; değişimi etkileyen aşamalar, engeller ve değişkenler tanımlanmış ve tartışılmıştır. Değişim; bireyler, gruplar ve organizasyonlar arasında gerçekleştirilebilir. Eğer amaç başarıya ulaşan bir değişim yaparsa, bireylerin/ organizasyonların sahip olduğu kültürün ana etmenleri göz önüne alınmalıdır. Organizasyonel değişimin metotlarının her birinin karşılaştırmasını yapabilmek için başarılı ana etmenlerin çıkarsamaları gösterilmiştir.

Anahtar Kelimeler: Değişim, motivasyon, grup, takım, organizasyon, kültür, başarı

1.Introduction

The topic of organizational change has a rich and varied history. It is the domain of the entire discipline of organizational development and has featured prominently in discussions of organizational behavior and organization theory throughout their respective histories. Typically, the concept of organizational change is in regard to organization-wide change, as opposed to smaller changes such as adding a new person, modifying a program, etc. Examples of organization-wide change might include a change in mission, restructuring operations (e.g., restructuring to self-managed teams, layoffs, etc.), new technologies, mergers, major collaborations, "rightsizing", new programs such as Total Quality Management, re-engineering, etc. Some experts refer to organizational transformation. Often this term designates a fundamental and radical reorientation in the way the organization operates. Successful change must involve top management, including the board and chief executive. Usually there's a champion who initially instigates the change by being visionary, persuasive and consistent. A change agent role is usually responsible to translate the vision to a realistic plan and carry out the plan. Change is usually best carried out as a team-

wide effort. Communications about the change should be frequent and with all organization members. To sustain change, the structures of the organization itself should be modified, including strategic plans, policies and procedures. This change in the structures of the organization typically involves an unfreezing, change and re-freezing process.

The best approaches to address resistances are through increased and sustained communications and education. For example, the leader should meet with all managers and staff to explain reasons for the change, how it generally will be carried out and where others can go for additional information. A plan should be developed and communicated. Plans do change. That's fine, but communicate that the plan has changed and why. Forums should be held for organization members to express their ideas for the plan. They should be able to express their concerns and frustrations as well.

2. What is change?

Change is generally a response to some significant threat or opportunity arising outside of the organization. According to Pettigrew (Daft,1983):

“Changes within an organization take place both in response to business and economic events and to processes of managerial perception, choice and actions. Managers in this sense see events taking place that, to them, signal the need for change.”

In this sense it is important that an organization continually monitors what is happening around it ; that is, it develops a sense of awareness which stems from realizing the need to set in motion changes that will keep it in, or ahead of, the game.

It is evident that for the organization to survive, let alone thrive, change needs to be considered by management at all levels. It is necessary to consider what the causes of change are and what actually needs changing. The main causes of change that give rise to change programmes being initiated can be classified as follows (Wilson,1994: 164-184):

- **External causes of change** can be as a result of changes in the level of technology used, market place changes, customer expectations, competitor activities, quality and standards, government legislation or political values, as well as changes in the economy. Depending on their current situation and aspirations, different companies will react to these external stimuli in different ways.
- **Internal context of change** relates to management philosophy, structure, culture and the system of power control.

2.1. The Change Process

Lewin proposed a change model, which describes the necessary stages for successful change to occur.(Gilgeous, 1997: 15-35)

2.1.1. The Three-step Model of Change

1- **Unfreezing** the present level requires confrontation meeting or a process of re-education, which might be achieved through team building.

2- **Moving** to the new level requires developing new behaviors, values and attitudes.

3- **Refreezing** the new level seeks to stabilize the organization at a new state of equilibrium to ensure that the new ways are safe from regression.

A feature of this model is that it recognizes, and takes into account, the important fact that, with many change programmes, things may revert back to what they were, unless permanence of the new level is included in the objective.

2.2. The stages of the change process

Managers wanting to introduce change should recognize that change occurs slowly and moves through a series of stages. In the first instance, the need for change must be recognized. Then it is necessary to define where the company stands relative to the problem, where it wants to be, and how it is going to get there. With respect to the way the change process needs to be managed, Lewin's three-step model can be expanded to show that the following sequential set of activities needs to take place:

- 1) Recognizing the need for change
- 2) Defining the problems
- 3) Identifying where the company is relative to the problem
- 4) Searching for alternatives
- 5) Defining goals (identifying where the company wants to be after the change)
- 6) Preparing for change
- 7) Unfreezing (loosening the organization so that it can change)
- 8) Moving (consciously managing the process of change)
- 9) Arriving (realizing when the goals have been met)
- 10) Refreezing (stabilizing and reinforcing the change)

2.3. Phases of Planned Change

Based on a review of over 30 models of planned change, Bullock and Batten show that change activities, of the type listed above, fall into four phases. They are (Dalton, 1970):

1- **Exploration phase:** becoming aware of the need for change; deciding whether to make specific changes and commit resources to planning the changes; searching for a consultant or facilitator to assist with planning and implementing the changes; establishing a contract with a consultant which defines each party's responsibilities.

2- **Planning phase:** understanding the organization's problem or concern; collecting information in order to diagnose the problem; establishing change goals and designing appropriate actions to achieve these goals; getting key decision makers to approve and support the proposed changes.

3- Action phase: implementing the changes derived from the planning, including arrangements to manage the change process, evaluating the implementation activities and feeding back the results to make any necessary adjustments.

4- Integration phase: consolidating and stabilizing the changes so that they become part of normal everyday operations; reinforcing new behaviors through feedback and reward systems and gradually decreasing reliance on the consultant.

2.4. Main Change Factors

Before embarking on a change program, one needs to obtain an overview of the situation. Wilson suggests that this can be done by considering the following broad parameters (Tosi, Rozzi & Carroll:1990):

Scale. What is the scope and size of the program? Is it a pilot study in a section or department? Perhaps you have selected a particular unit, or maybe your plans entail changing the whole organization.

Investment. Change can rarely take place without considerable investment. How it is defined in monetary terms will depend on the organization. Is the sum to be spent the annual change budget figure or does it include additional money?

Timescale. How long the total change process will take? Will the time spent on research and planning the change program be included? How will the end of the program be determined – when the operation is working to target or when a change of philosophy and culture has taken place?

Changes. The nature of the changes that are taking place needs to be appreciated. These may range from a change in current operating methods through to a complete change of organization philosophy. The approach required and the investment needed will be different for each level of change.

Impetus for change. The reasons for embarking on the change program need to be known, since these will determine, to some extent, its direction and style. Is the change to do with organization survival or development, since the implications of the strategy adopted can be quite different?

Strategy. What is the nature of the strategy driving the change process? Is it, for example, revolutionary in nature, happening to a very short timescale with many casualties? Or does it have a much longer timescale and grow organically with the full support and co-operation of the organization's employees? Perhaps it is neither of these and change is introduced piecemeal or on a project-by-project basis.

3. APPROACH TO CHANGE

There are various ways in which change can be introduced and it is necessary that managers should appreciate what these are so that they can carefully attempt to choose the most useful one. A description of the available

alternatives that arise from the choice of four types of variable can be provided as (Wilson:1994:74-93):

1. the amount of time required
2. the degree of planning
3. the type of involvement
4. the use of power

The four variables, depicted in Table 1, illustrate the range of extremes in managing operations and change. In making the choice between the extremes, the effect of the tactics chosen needs to be appreciated. For example, a manager adopting the approach indicated on the right-hand side of the Table 1 would introduce change slowly in a very controlled and thoroughly planned manner. This is an *evolutionary* approach and explicit is the need to be comfortable with each new situation before moving on to the next stage. Typically, with an evolutionary approach, many people will be involved in planning and implementing the change program, taking great care to be patient, get people involved an minimize resistance. Consequently, much investment and effort would be put into education, problem-solving training, organizational development, supervisory retraining and teambuilding to achieve this.

Table 1. Strategic options for the management of change.
(Woodcock&Francis:1994)

Revolutionary Change	Evolutionary Change
Rapid Changes	Slow Changes
Pace	
Clearly Planned	Not clearly planned initially
Structure	
Little involvement of others	Lots of involvement of others
Involvement	
Overcome resistance	Minimize resistance
Approach to resistance	

The left-hand side of the table depicts changes which are more *revolutionary*. Such changes are often planned by a few people and implemented in a rapid manner by those who agree with the changes or those who are coerced to do so. At first, the rapid changes may excite the doubters and induce them to help make change work. However, there is a great chance here that the situation may become unsavory, involving conflict and casualties, since those who resist will suffer.

3.1. Key situational variables

Between the endpoints of each of the change continuums there is a range of approaches, any of which a manager may adopt. The key situational variables that can help a manager decide which approaches to take are:

- The amount and type of resistance that is anticipated
- The position of the initiators vs the resisters, in terms of trust, power, etc.
- The locus of the relevant data for designing the change and the energy needed for implementing it.
- The stakes involved.

Therefore, in attempting to manage effectively all of the stages in the change process, different managers will adopt different change styles, and managers wishing to embark on a change program need to understand the change process and adopt a style that will increase the change of being successful.

4. BARRIERS TO CHANGE

4.1. Barriers that impede the change process

Those managing the change must be aware of the nature of the resistance they will face by other managers as well as workers. The cause can often be traced back to difficulties in the organization – its structure, its power centers, its culture. These difficulties must be addressed before unfreezing can take place. People may become stubborn and defend the status quo. They may aggressively challenge the credibility of any change proposals. Alternatively, they may feign co-operation while covertly seeking to jeopardize the change program.

14 categories of blocks are identified (Woodcock & Francis:1994):

1. Unclear aims
2. Unclear values
3. Inappropriate management philosophy
4. Lack of management development
5. Confused organizational structure
6. Inadequate control
7. Inadequate recruitment and selection
8. Unfair rewards
9. Poor training
10. Personal stagnation
11. Inadequate communication

12. Poor teamwork
13. Low motivation
14. Low creativity

4.1.2. Organization Culture and Power

The organization culture helps to maintain stable behavior patterns in organizations. **Culture** is self-reinforcing and a potentially significant barrier to change. After all, the very nature of change will lead to a modification of the organization culture and the power structure.

The change efforts will not work unless they are compatible with the organization culture and the power structure – this is a very well- documented reason why many change efforts fail. Quite often, a senior manager decides to introduce a program to improve worker participation, such as a quality of work life program which requires a climate of trust and willingness to delegate. In an organization that has a long history of adversarial relationships between workers and management, lack of trust, and strong, centralized decision making, such programs will not work unless the conditions are also changed.

Table 2. Many thoughts that caused perceived barriers to change.

- | |
|---|
| <ul style="list-style-type: none"> • Performance measures will kill us if we do these things. • The union will never hear of this. • The consultant doesn't have hands-on manufacturing experience. • Does management understand all that implies? • What does this do to our existing capital spending plans? • The supplier is unreliable. • Marketing can't forecast well enough. • Engineering and schedule changes won't permit zero inventories. • Our equipment won't meet a zero defects requirement. • How can we deal with 'their' mindset? • Management has no real manufacturing understanding or appreciation. • They'll never accept all this disruption. |
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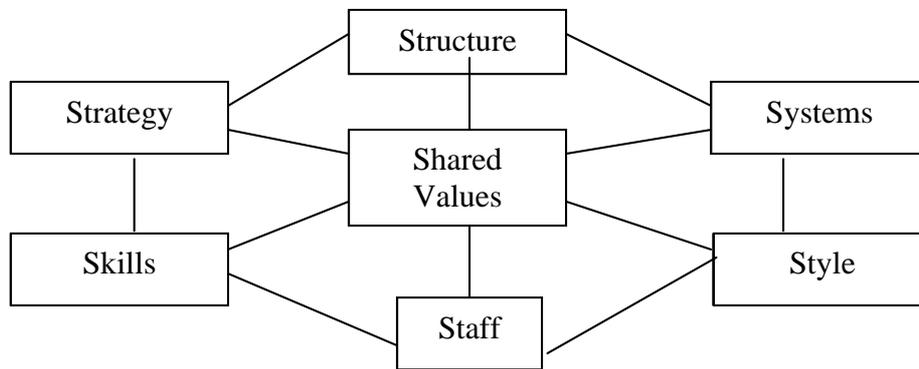
4.1.3. Change interdependencies.

Interdependence is another barrier to change. Change programs often focus on changes in tasks, people, technology, or structure. In task changes, the duties assigned to individuals are changed. In people changes, an attempt is made to alter individual behavior, attitudes, or skills. Technological change focuses on the machinery, procedures, work flows, or materials. Structure rearrangements focus on changing the way that organization members are grouped together or on the systems and procedures that the organization employs to guide and direct interactions. To change any of these, the other basic organization components

may often be affected as well. These **change interdependencies** may cause a change to fail, even though the desired change in the organization target has taken place.

A recent formulation of key interdependencies is the McKinsey 7-S system. The interdependencies consist of seven factors that many consider to be major determinants of organizational success. The structure of an organization, whether it is organic or mechanistic, must fit the style of management (directive vs. democratic), the shared values of organization members (toward collaboration, innovation), and the staff (abilities of people). The strategy of the organization (market focus) must be congruent with the organization's skills (unique organizational abilities) if the organization is to be successful. The systems employed by the organization (reward, control) must be congruent with the type of people employed and their characteristics as well as being compatible with the way people are grouped together by the organization's structure. When one of these related systems is changed, so must the others be. (Tushman & Anderson:1997: 122-154)

Figure 1. The McKinsey 7-S Framework



4.2. Other Barriers To Change

Although the barriers described above can have an effect on the change process, it is necessary to understand the factors that lie behind resistance to change. Beckhardt lists these as being (Corwin,1969:35-49)

- 1- The existence of a credibility gap between top management's statement of philosophy, values, and practices and its actual behavior.
- 2- The use of canned solutions or pieces of a change program that are not based on specific change goals. Comments like 'We need a CAD/CAM system because everyone else has one' are not likely to occasion productive change. In other words, is it imitation or innovation?
- 3- A short time perspective or an unrealistic expectation of short-term results.

4- An over dependence on or improper use of external and internal consultants. This is buying expertise, being unwilling or unable to develop it, and can be a major barrier.

5- A lack of communication and integration of change efforts among various levels of the organization.

6- The search for quick solutions or cookbook prescriptions for organizational effectiveness.

Three important additions to the above list need referring to. First, the culture of the organization may pose a barrier to change. For example, a 'no mistakes allowed' culture may prevail. This may be symptomatic of a risk – avoidance strategy on the part of the managers. The effect is that it will adversely limit the plans and actions of many in the organization. Experimentation and innovation should be accepted as a natural part of the change process. Peters and Waterman noted that risk-taking and occasional failure often accompany successful change: *A special attribute of the success-oriented, positive, and innovative environment is a substantial tolerance for failure.*

Second, the hierarchies in which people manage can separate them from a common sense of purpose. Communications from top to bottom and from bottom to top may be infrequent, inconsistent, and give rise to misunderstandings. Finally, the barrier to change can lie within every person. The individualism of the West may spurn innovativeness, which is an essential asset in many market places, but the spirit of the East, which accepts teamwork and group goals, certainly underpins bringing such assets to the market.

5. Pressures For Change

Pressures for change may be external or internal to the organization. When organization performance is unsatisfactory, for example, pressures may come from **stakeholders** (groups with a stake in the success of the organization) at once. These pressures are often conflicting. For instance, stockholders may demand improved earnings and dividends at the same time that environmental protection groups want the firm to focus more on costly antipollution activities.

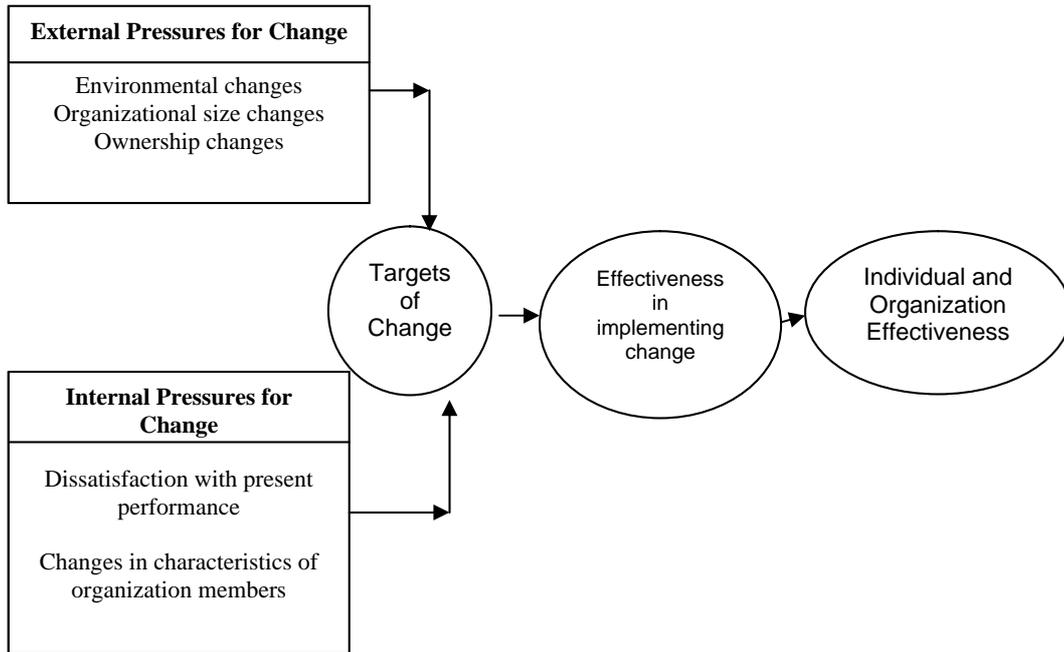
Pressures to change come from the various environments of the organization, more so in recent years since many changes have occurred in the economic, technological, political, and social environments of organizations.

Organization growth also leads to change. Managerial styles, organization structures and systems, and the procedures that were appropriate for a small organization may be quite inappropriate for a larger one. Such changes are not simple, either. Small, centralized firms may become decentralized as they grow, then more centralized, and finally, as they become very large, they must decentralize all over again, although in a somewhat different way. Over time, managers at the top of a large organization have to change their focus from entrepreneurship and innovativeness to efficiency and cost control, and finally to a political emphasis that aims at achieving some organizational coordination or harmony among the many diverse interest groups in the organization. Often these

changes are so drastic that some people leave and are replaced by others with a perspective that fits with the company's current growth stage. (Woodcock & Francis, 1994: 184-207)

Change in ownership also includes organization change. Thousands of mergers and acquisitions have taken place in U.S. industry in recent years. Typically in such takeovers the acquired organization must adopt the management styles, philosophies, systems, and procedures of the acquiring organization, often in a very short period of time.

Figure 2. Pressures for Change



Perhaps the most common internal change pressure is dissatisfaction with performance. Undesirable levels of outcomes as quantity of units produced, revenue, cost of operations, or quality can all trigger pressure to change. Dissatisfaction with employee behavior or failure may also instigate change efforts.

Internal pressure also arises when changes occur in characteristics of organization members. Coming into a firm, new managers may have quite different performance expectations, goals, and values than former managers. The present management systems, styles, or procedures may not be accepted by the new organization members.

5.1. Targets of Change

Sometimes pressures to change may focus on a single individual. When the individual is the target, the goal is usually to improve his or her performance or to change attitudes.

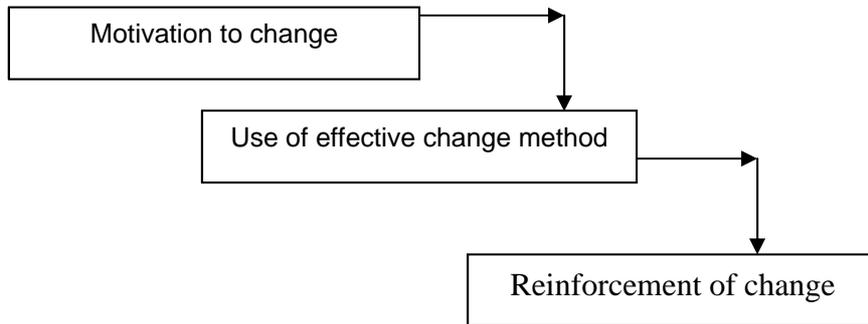
The focus of attention may also be the group or the unit. In order to obtain better performance from a unit, it may be necessary to have the unit function differently. Suppose a research and development unit has a disappointing record of new product ideas. Change efforts could help to make it more innovative. Perhaps the unit’s members aren’t cooperating enough. This can seriously hinder the effectiveness if interdependent tasks are required to solve challenging technical problems. Sometimes the problems of change are the relationship between two or more units, as when a marketing department is not working effectively with a personnel unit.

Finally, the target of change may be the organization. It may focus on an organization-wide factor, such as the budget system, or on organizational goals and strategies. Here the change efforts might move from the individual level to the group level on a planned and systematic basis.(Daft, 1983:169-185)

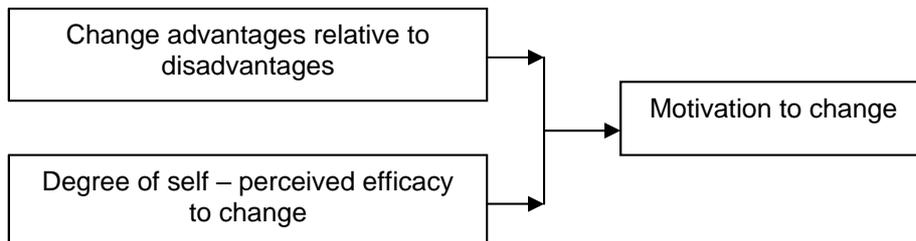
6. Key Stages of Successful Change

Successful change depends on getting through the key stages of the change process in a systematic manner.

Figure 3. Key stages in Effective Change



1) The first stage is the development of motivation to change among those who are initiating the change and those who are implementing it. Motivation to change depends on two basic questions: Is it worthwhile to change? Can the change be successfully carried out? In determining whether it is worthwhile to change, a calculation, at least in a rough sort of way, must be made of the positive and negative outcomes associated with changing.

Figure 4. Determinants of Motivation to Change

Motivation to change also requires that the individual group or organization must believe that it is possible to change and that a change effort will be followed by success. Increasing the motivation to change involves building **self-efficacy**; the degree to which an individual believes it is possible to achieve a particular performance level or behavioral standard. Self-efficacy can stem from a variety of personal experiences. One source is someone's actual performance achievements. When a task is performed successfully, the person gains a sense of **enactive mastery** and will feel capable of performing that way again.

One way to facilitate self-efficacy is to arrange the organizational situation to ensure that the individual has an opportunity to gain enactive mastery and observe him or herself performing successfully. Self-efficacy can also develop from vicarious learning, or modeling. In organizational change programs, appropriate models should demonstrate the desired behaviors to the targets of change. Verbal persuasion and other types of social influence may contribute to a heightened sense of self-efficacy for change by convincing the change targets that they are capable of engaging in desired behaviors.

2) The second key stage, when sufficient motivation to change exists, is use of an appropriate **change method**. To identify a change model, the situation of the organization must be examined and a decision should be given for the change type.

6.1. Analysis of both change and resistance forces to identify an appropriate change path

Programs based primarily on the change drivers, ignoring the forces of resistance, are as prone to failure as those dealing primarily with the forces of resistance, ignoring the change drivers. What is needed is the choice of a change path based on a diagnosis of both the forces of changes and resistance. Three basic forms of change forces can be identified (Strebel & Välikangas, 1991:69-83)

- Established trends in socio-political, economic, technological, competitive, and organizational environments.
- Turning points that reflect the limits to the established trends (limits to the existing resources, capacity investment, growth) and the stimuli promoting new trends (innovation, life cycle shifts, new players)

- Internal change drivers in the form of the organizational shifts, new managers, and change agents.

The forces of resistance, which are the response of the company's internal and external stakeholders to the change requirements, he identifies as four basic forms:

- Rigid structures and systems reflecting organizations, business technology, and stakeholder resources that are not consistent with the forces of change
- Closed mindsets reflecting business beliefs and strategies that are oblivious to the forces of change
- Entrenched cultures reflecting values, behaviors and skills that are not adapted to the forces of change
- Counterproductive change momentum driven by historical or other change drivers that are not relevant to the most urgent forces of change.

6.2. The change path diagnostic

If the forces of change are strong, the change is called **reactive change**. The reactive change consists of four types of change paths. These are:

- Resistance:** The forces of change can be rolled back. But change forces don't represent opportunities.
- Renewal:** The forces of change can be rolled back. Also change forces represent opportunities.
- Revitalization:** The forces of change can't be rolled back. Time that can/is made available is significant.
- Restructuring:** The forces of change can't be rolled back. Time that can/is made available is very little.

If the forces of change are weak, the change is called **proactive change**. The proactive change consists of four types of change paths, too. These are:

- Corporate realignment:** The forces of change can be easily identified. But the organization of the corporate is closed to change.
- Cascading implementation:** The forces of change can be easily identified. The organization is open to change.
- Focused re-engineering:** The forces of change can't be easily identified. The organization is closed to change.
- Bottom-up experimentation:** The forces of change can't be easily identified. The organization is open to change.

3) The third key stage in successful change is **reinforcement of change**. New behaviors, working relationships, procedures, and so forth must result in rewarding, not negative, outcomes. Otherwise the individuals, groups or organizations will revert to previous conditions or look for new ones. (Strebel & Välikangas, 1991:102-127)

7. Individual Change

Many change methods are directed at individuals. Of course, if enough individuals change, a unit and the organization itself could change. If the individuals targeted for change are important in the organization, then only a few may need to be changed to improve an entire unit of organization.

7.1. Creating Motivation to Change in Individuals

Individuals may receive negative evaluations from others or suffer failure. They recognize that present performance is unsatisfactory and should be changed to avoid adverse consequences.

Both formal and informal **performance feedback** provide individuals or groups with information about how their performance compares with some preciously developed standard. First, formal feedback facilitates good performance by reminding the individual or group of the performance standard. Often poor performance results because organization members simply do not know what is expected of them.

Second, feedback facilitates performance because it has reinforcing properties. Reinforcement can be self-administered when employees see that they are making progress toward a goal. Feedback systems can be designed to allow for self-monitoring. (Carroll, Olian & Giannantonio, 1986:45-54)

7.2. Methods of Individual Change

Many different approaches for individual change have been developed over the years. Indeed, programs for changing individuals in terms of their health (mental or physical), their habits (eating, alcohol consumption, etc.), and their competencies for careers are a major industry in US. In organizations, common individual change programs include training, coaching and mentoring, and individual counseling. (Katzenbach & Smith, 1993:78-114)

Training. Much training is directed at changing individuals after they have been in the organization and their behavior has been observed. Of course, not all performance deficiencies can be changed through training. Sometimes a person cannot perform tasks because of innate capacities, a handicap or personality and values.

Coaching and mentoring. One informal type of training is **coaching**; a superior provides advice and guidance on job-related issues to subordinates. Another is **mentoring**. A mentor is an older and more experienced organization member who helps a younger, less experienced person in the organization learn to navigate in the world of work. This older person doesn't have to be the direct supervisor of the younger person. Some organizations have a more formal mentoring program in which mentors are assigned to younger people, but most mentoring arrangements are informal and carried out so as to meet the needs of the two parties.

Counseling. **Employee counseling** has been used as an individual change method for many years. Counseling is a problem-focused interaction

process with the object of the stimulating learning, growth and changed behavior. It is facilitated by the counselor's conveying genuine feelings of warmth and spontaneity, tolerance and sincerity. Outside the work setting, counseling is often used to deal with emotional problems. In the work setting, it is usually directed at helping employees in handling work-related issues, such as relationships with superiors, salary issues, and absenteeism.

Counseling may lead to different outcomes that can help achieve change for the person :

1- *Advice.* The counseling interaction can result in a course of action that may help an employee deal with his or her problem. Acceptance of the advise is obviously the critical difficulty.

2- *Reassurance.* The counseling interaction can build the employee's self-confidence or sense of efficacy for coping with most difficulties.

3- *Communication.* Counseling can reveal organizational causes of employee problems that have not been noticed by the managers. In this sense, counseling is a form of upward communication that may result in change because of the information provided to the organization by the employee.

4- *Release of emotional tension.* Emotional release from the tensions and frustrations can result from counseling. This may be an important first step in personal problem solving.

5- *Clarified thinking.* The problem may be the result of an individual's emotions not being congruent with the facts of the situation. The counselor may be able to help the employee realize that minor incidents are being unrealistically magnified and that the employee's perceptions or conclusions in the problem situation are not warranted by the facts.

6- *Reorientation.* The counselor can help an employee change his or her basic goals and perceptions, perhaps by recognizing personal limitations. The employee can adopt a more realistic assessment of his or her personal reality.

Individual change is more likely when counselors exhibit certain behaviors and have certain skills. Quite often managers can help in solving conventional work problems. When a firm wishes to use them as counselors they should be trained so that they understand the counseling role and the scope of the problems they should work with. When counseling is used for therapy in cases of severe emotional disturbance, a counselor must be professionally trained.

There are three different styles of counseling. In **directive counseling** the counselor listens to an employee, decides what should be done, and then actively directs the employee to do it. Although this approach can produce useful results, it can lead to dependency. The subordinate's feeling of self-confidence in solving his or her own problems in the future is not enhanced. In **nondirective counseling** the counselor listens to an employee's problems. By expressing them, the employee eventually begins to understand them. The non-directive counselor's role is to motivate the employee to solve his or her own problems. This occurs if the counselor can act as a reflector of the employee's problem. This approach may take much time and require counseling skills that the average

supervisor does not have. **Cooperative counseling** involves a mutual and cooperative exchange of ideas between a supervisor and a subordinate to solve problems.

Counseling need not necessarily take place in a formal, planned manner. It can be done during any interaction between supervisors and subordinates. Thus a supervisor and a subordinate may schedule a meeting for a performance appraisal interview or it could occur informally, as when they meet by accident in the cafeteria at lunch.

Counseling will work when it results in the individual wanting to change, if it builds the individual's confidence in his or her ability to change, when the counseling method is appropriate for the type of problem, and if the counselor provides reinforcement in the desired directions of change.

7.3. Reinforcement of change

Reinforcement of individual change is often a planned component of the change process. For example, in counseling, coaching, or mentoring, praise for progress may be consciously given. Reinforcement can also be intrinsic, resulting from the actual performance success of the individual.

8. Group change

Sometimes the focus is on changing entire groups. These groups may be intact organization units such as departments and project teams, or organization levels such as first-line supervisors.

8.1. Definition of Group and Team

It is rather unfortunate that organizations can adopt a teamwork philosophy without ever really understanding how to define a team or the conditions necessary for it to operate successfully. As the old adage goes, 'If you can't define it, you can't measure it'. Many arrangements of people which purport to be teams are in fact merely groups. There is a very large difference between groups and teams. (Woodcock & Francis, 1994, 24-29)

8.1.1. Groups

A group is generally defined as: '*A number of persons associated together in work or activity*'.

According to Hunt, groups are: '*Any number of people who are able to interact with one another, are psychologically aware of one another, and who perceive and are perceived as being members of a team*'.

Groups appear within organizations through the specialization of functions, through the establishment of teams to handle projects, or naturally in order to satisfy social needs. They may be formally established by management or may informally arise amongst workers themselves. Management will establish formal groups in order to carry out specific tasks such as decision taking, project completion, problem solving, communication etc. Informal groups emerge as

employees simple intermingle in working situations. Customs and social relations are established among the workers. Patterns of behavior, informal rules, relations and working methods, which are not typical of the organization, appear and become entrenched.

The Human Relations school of thought first appreciated the importance of the group. Notably, Elton Mayo and the Hawthorne Experiments brought to light the importance of groups, group values and norms, and the influence of groups on behavior at work. Exponents of the systems approach brought to light the importance of groups within the social-technical system, and the likes of the Longwall experiments highlighted the importance of groups in influencing behavior at work. (Belbin, 1996: 38-43)

8.1.2.Teams

The study of teams and teamwork originates from the study of groups, and interest and research into teams has been popularized by the likes of R. Meredith Belbin who developed a theory of successful team composition. The team is one of the main mechanisms for bringing about change in organizations. Many change initiatives are based on a teamwork philosophy in which the team becomes the central unit of the organization.

8.1.2.1.Definitions of Teams

Katzenbach and Smith make the following definition of a team, distinguishing it from a mere group people with a common assignment:

A team is a small number of people with complementary skills who are committed to a common purpose, performance goals and approach, for which they hold themselves mutually accountable.

Nolan states:

A team is a group of people working together to achieve common objectives and willing to forgo individual autonomy to the extent necessary to achieve those objectives.

According to Bennett:

A team is a special sort of group.

According to Bursic, teams have a general purpose which is aimed at improving the overall efficiency and effectiveness of various organizational processes and / or improving the quality of work life within the organization.

One of the many similar differentiations between teams and small groups is that teams have well-defined positions and tackle a variety of tasks over and above group problem-solving exercises and, broadly speaking, the difference between the two lies in the presence of teamwork, which is, itself, somewhat difficult to define. However, in many instances, the terms 'team' and 'group' are used interchangeably. Another difference between groups and teams is that team members voluntarily co-operate and co-ordinate their work in order to achieve their objectives. Members of the team are interdependent and must, to some extent, interpret the nature of their particular role. Each team is led by someone

who may or may not have been appointed by higher management and his / her authority is fully accepted by all team members. The leader represents the team and is formally answerable for the team's behavior. Within each team there should be a high degree of group cohesion, interaction, mutual perception of issues and members who are willing to help and support each other.

8.2. Reasons for organizing work into teams

- The increased need and emphasis on quality and the need for customer focus
- Significant changes in the nature of the workforce away from homogenous skills towards a multitude of employee perspectives.
- The trend towards participative rather than autocratic management styles and support for the idea that people support what they create
- Changes in the psychological contract between employers and employees as workers expect a higher quality of working life (QWL)
- Increased realization of the complexity of work (particularly manufacturing) to the point where one person cannot possibly plan and control contingencies.

8.2.1. America's best-run companies use teams

From their studies of America's best-run companies, Peters and Waterman received the message that small teams are 'beautiful' and they identified areas where teams can lead to gains. These are (Tushman & Anderson, 1997:36-89):

1- Internal competition. This is where the organization becomes the market environment in which teams compete. This competition can also occur at managerial levels, so managers feel they must constantly strive to improve. The idea of the competition is to force managers and team leaders to drive out any inefficiencies within the system and also to be innovative, which in turn will drive down costs and create a feeling of loyalty and commitment within the team.

2- Innovation through intense communication. The team structure in these excellent companies needs effective communication systems to aid the innovative process it creates. The techniques being used have implications for managers at all levels, but they are especially applicable to the manufacturing function.

3- Flexibility. Once established, teams can be moved from project to project with much more ease than conventional structures, and this is the theme that Peters and Waterman noticed in excellent companies.

8.3. The Benefits of Teams

- Improved performance in terms of quality, productivity, flexibility, speed and customer service
- Reduced costs

- Fewer and simpler job classifications
- Better job design (hence increased motivation and performance)
- Enhanced ability of an organization to attract and retain the best people
- Increased learning
- Reduced duplication of effort
- Increased co-operation
- An increase in innovative ideas produced
- Better decisions made
- Easier adaptation to change
- Increased commitment
- Reduced constructive conflict
- Improved intergroup and interpersonal relationships and communication
- Opportunity for employees to perform to the best of their abilities.

8.4. Teamwork culture

There are many cultural factors which may influence the effects of using teams. In manufacturing, organizational culture is an important aspect of the use of teams. Positive effects on organizational culture include:

- Increasing co-operation between departments
- Improving communications
- Changing outdated traditional procedures and processes
- Increasing employee involvement at various levels.

It is known that many of these factors contribute to an individual's motivation, and changes involving them fulfill some employee needs, such as recognition and responsibility, and will ultimately increase job satisfaction. Changes introduced by team programs may have a positive influence on job satisfaction and motivation among the organization's employees.

Any organization wanting to change to a culture based on teamwork needs first to develop change champions who are in favor of teamwork, and second to promote teamwork as one of its values, supported and continually reinforced by senior management. It may also be necessary to make structural changes to the groups of people in the organization so that they are able to operate as teams. (Wilson, 1994: 124-156)

Team leaders and members should be selected on the basis of two main criteria. The first is the technical or commercial skills required by the team to perform its function. If the team is required to perform an accounting function, for example, then it must have the correct blend of technical skills to do the job. The second criterion is teamwork skills. There should be a blend of team skills and abilities so that members co-operate and work to make the best use of technical skills for the benefit of the team, its members and the organization as a whole.

After the teams have been defined and selected, teamwork has to be developed by gradually training and educating everyone in the organization. This must form part of a carefully-constructed strategy which should contain the following elements: team training and team leader training.

8.5. Factors behind team success

Kazemek's ten general effectiveness criteria

- 1- Goals and objectives are understood and agreed.
- 2- Conflict is dealt with constructively.
- 3- Members share the leadership role.
- 4- People's abilities are used.
- 5- Communication is open and participatory and members know what is going on.
- 6- Members support the team's controls and procedures.
- 7- They have well-established problem-solving and decision-making approaches.
- 8- Experimentation and creativity are encouraged.
- 9- They evaluate their functions and processes regularly.
- 10- Members understand their roles, responsibilities and authority limitations.

Huszczko's seven characteristics

- 1- Goals should be clear and related to the wider organization, and members should be committed to the goals.
- 2- Teams should have sufficient talent to accomplish tasks and development of talent should be encouraged.
- 3- Members need to be clear about their roles in the team and what they should contribute.
- 4- Procedures need to be in place that allow effective interaction, problem-solving and decision-making.
- 5- Interpersonal relations skills need to be developed so that team members communicate and relate well and resolve conflict.
- 6- There is a need to reinforce effective behavior through recognition at the personal and organizational levels.
- 7- Care must be taken to build external relationships which other groups outside of the team, but which form part of the team's environment.

Logan's eight key ingredients needed in a winning team

- 1- Top management championship
- 2- The right product selected for focus
- 3- A five-to eight –member team representing all involved functions.
- 4- Management-team alignment on purpose and expectations.
- 5- Management provided resources
- 6- Results-oriented team technologies
- 7- Management implementation of team recommendations
- 8- A customer-centered culture that rewards teamwork

Bursic's broader view of what makes teams successful

- 1- Top management support
- 2- Definition of leadership
- 3- A facilitator
- 4- Clear objectives and goals
- 5- Early planning
- 6- Interdisciplinary teams
- 7- Definition of the team structure
- 8- Use of team building
- 9- The training of team members in problem-solving, measuring results

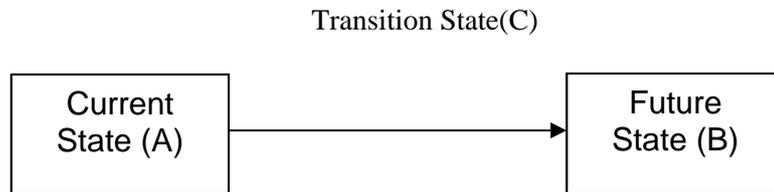
etc.

9. Change Through The Whole Organization

Change can also focus on the whole organization. Such efforts usually involve an attempt to change through an organization-wide program in which most workers, managers, and professionals participate.

During the past decade, there has been increasing interest in the subject of managing organizational change. One approach to thinking about change that many have found useful was originally proposed by Richard Beckhard and Reuben Harris. They saw the implementation of a change, such as a new organization design, as the moving of an organization toward a desired future state. They saw changes in terms of transitions.

Figure 5. Organizational change as transition.



At any time, an organization exists in a **current state** (A). The current state describes how the organization functions prior to a change. In terms of our congruence model, we can think of the current state as a particular configuration of the strategy, task, individual, and formal and informal organizations. A change involves movement toward a desired **future state** (B), which describes how the organization should function after the change. In a design, the full set of design documents (strategic design, impact analysis, operational design, and so on) provides a written description of the intended future state.

The period between the current state (A) and the future state (B) can be thought of as the **transition state** (C). In the most general terms, then, the effective management of change involves developing an understanding of the current state, developing an image of the desired future state, and moving the

organization through a transition period. In design, we deal with the first two of these steps. Implementation concerns the moving of the organization through the transition period. Typically, as much care needs to be taken in designing the future state – both are critical.

Several criteria can be used to judge the effective management of transitions. Building on the transition framework just presented, an organizational change, such as the implementation of a new design, can be managed effectively when:

1. The organization is moved from the current state to the future state – in which the design is actually installed or implemented.

2. The functioning of the organization design in the future state meets expectations, or works as planned. In the case of design, this means that the design in practice met the criteria that it was intended to satisfy.

3. The transition is accomplished without undue cost to the organization. This means that the design is implemented without significant disruptions to the business or damage to relationships with customers, suppliers, or regulators. While there is always some cost associated with implementation, the cost should be managed, predictable, and controlled consistent with the estimates done in the impact analysis. “Undue” cost is cost that is unplanned, unpredicted, or uncontrolled.

4. The transition is accomplished without undue cost to individual organization members. Here again, the key operative word is “undue” as defined by the original impact analysis. Much of the cost to individuals occurs more through the manner in which changes are made than through the change itself.

Of course, not every implementation of a new design can be expected to meet all of these criteria consistently, but such standards provide a target for planning implementation. The question is how to maximize the chances that the design will be implemented effectively.

9.1. Problems of Implementing Organizational Changes

What are the issues that must be addressed if managers are to implement effectively? On the broadest level, there are two basic issues – what the change should be and how the change should be implemented. Observations of changes seem to indicate that there are three types of problems encountered in some form whenever a significant organizational change is attempted.

1) The Problem of Power

Any organization is a political system made up of various individuals, groups, and coalitions competing for power. Political behavior is thus a natural and expected feature of organizations. Such behavior occurs during the current and future states. In the transition state, however, these dynamics become even more intense as an old design, with its political implications, is dismantled and a new design takes its place. Any significant change (and design changes clearly are significant in terms of power) poses the possibility of upsetting or modifying the balance of power among various formal and informal interest groups. The

uncertainty created by change creates ambiguity, which in turn tends to increase the probability of political activity as people try to create some structure and certainty by attempting to control their environment.

Individuals and groups may take political action based on their perceptions of how the change will affect their relative power position in the organization. They will try to influence where they will sit in the organization (both formal and informal) that emerges from the transition and will be concerned about how the conflict of the transition period will affect the balance of power in the future state. Finally, individuals and groups may engage in political action because of their ideological position with regard to the change – the new design, strategy, or approach may be inconsistent with their shared values or their image of the organization.

2) The Problem of Anxiety

Change in organizations involves the movement from something that is known toward something that is unknown. Individuals naturally have concerns, such as whether they will be needed in the new organization, whether their skills will be valued, and how they will cope with the new situation. These concerns can be summarized in the question that is frequently voiced during a major organizational change – “what’s going to happen to me?” To the extent that this question cannot fully be answered, individuals may experience stress and feel anxious.

As stress and anxiety increase, they may result in a variety of behavior or performance problems. For example, stress may result in difficulty in hearing or integrating information. It may lead people to resist changes that they might otherwise support or in the extreme, engage in irrational and even self – destructive acts. Resistance is a common occurrence, although in many large organizations people may not actively resist the change by openly refusing to implement the new organization design. What does occur is that people passively or subtly resist the change or act in ways that objectively do not appear to be constructive for either the individual or the organization.

3) The Problem of Organizational Control

A significant change in organization design tends to disrupt the normal course of events within the organization. Thus, it frequently undermines existing systems of management control, particularly those that are embedded in the formal organizational arrangements. An impending change may suddenly make control systems irrelevant or cause them to be perceived as “lame ducks”. As a result, it is often easy to lose control during a change. As goals, structures, and people shift, it becomes difficult to monitor performance and make correct assumptions., as one would during a more stable period.

A related problem is that most of the formal organizational arrangements are designed either to manage the current state (the existing design) or to manage the future state (the proposed new design), but those same designs may not be

adequate for the management of the transition state. In most situations, they are not appropriate for managing implementation, since they are steady state management systems designed to run organizations already in place. They are not transitional management devices.

9.2. Organizational Change Methods

The steps involved in a survey research change program are shown below. They are carried out in a firm by external consultants. The external consultant formed a system development group made up of managers from the highest organizational levels possible to work on the problem. This helped to ensure that the solution developed will have credibility. In this project, the system development group was the company's executive committee. One or two members of this group were designated as internal advisers to assist the external consultant in designing approaches to study the problem and to help implement the solution. Internal advisers are useful for their knowledge of the organization and its history. They can help ensure that changes are compatible with the organization's culture, history, personnel, and existing practices.

The external consultant then gathered data by interviews or structured questionnaires. When these data had been collected and evaluated, they were summarized and presented to the project system group. But while the data were being collected, the system development group was trained with respect to various policy issues involved in the change. They were shown what existing research, theory and practice suggested about the factors influencing the effectiveness of solutions. When the system development group members received the summarized feedback data about current problems, they then began developing solutions with the aid of the external consultant.

9.3. An Approach to Organizational Change

A. The organization or unit perceives it has problems with an existing system and calls it an external consultant.

B. Consultant forms a top management system task force (those with influence and motivation).

C. A group of internal advisers is formed (those with prestige and competence).

D. An organizational audit is conducted to determine current problems with the management system (e.g., communication, performance levels, motivation, intergroup relations, and leadership).

E. Top management group and internal advisers are trained.

a. Training for top management group focuses on broader aspects of program (e.g., long – range planning, policy implications, need for top management support).

b. Training for internal advisers focuses on implementation issues (e.g., training, answering questions users pose, superior – subordinate goal setting).

F. Results of audit in D above are provided to both top management group and internal adviser group.

G. Group of internal advisers is aided in developing a program tailored to organizational needs.

H. Internal advisers develop the program and communicate to top management group.

I. Top management task force forwards suggestions for change to internal adviser group.

J. Internal adviser group finalizes program with aid of external consultant and obtains approval of top management group.

K. Pilot testing, revision, orientation, and training program are conducted.

L. Program is put into effect. External consultant monitors top management program sessions and activities. Internal advisers monitor middle – and – lower – management program sessions and activities.

M. External consultant conducts organizational audit no longer than one year later and feeds results back to top management group and internal advisers.

N. Modifications in program are made by internal advisers and approved by top management.

O. Above steps are repeated at later time.

9.4. Using Culture To Promote Innovation and Change

To illustrate this perspective, consider the impact of the culture on innovation. It is obvious that organizations must be innovative to survive. At the same time, designing formal control systems to insure innovation is difficult, because by its very nature innovation involves unpredictability, risk taking, and nonstandard solutions. If there were a guaranteed way to promote innovation, such as there is to optimally schedule inventory or manage cash flow, most organizations would adopt it, and there would be little competitive advantage gained. It is precisely because of this uncertainty that a competitive advantage is possible for innovative firms. The intriguing issue raised in examples such as these is *How do they keep doing?* How is it that some firms sustain a competitive advantage based on innovation over long periods?

An important piece of the puzzle is in how they use culture or social control. Think about those norms, which if they were widely shared and strongly held in the organization would help promote innovation. What are the shared expectations about attitudes and behavior that would result in higher levels of innovation? This is the challenge we have investigated in our research for the past several years.

To answer this, we must first recognize that innovation is an outcome. We know innovation has occurred only because something has changed. The definition of innovation is “the successful introduction into an applied situation of means and ends that are new to the situation”. Note that this definition emphasizes that a new way of doing something has occurred. It does not mean

that something unique has happened, only that an idea that is new to the particular situation has been implemented. It includes ideas that may be old hat to some but are new to the specific context. This typically involves the invention, discovery, modification, or copying of an idea, technology, or process that is new to the organization, followed by the development and implementation of this approach. This means there are two component processes that underlie all innovation: (1) *creativity* or the generation of a new idea; and (2) *implementation* or the actual introduction of the change. Innovation occurs *only* when both components are present. Thus, to promote innovation in organizations requires that managers both stimulate new ideas and put these ideas into practice. Simply being creative is not a guarantee of innovation.

9.5. Organization Development

Organization development (OD) is concerned with planned change. In other words, change is to be anticipated, planned, and consciously designed rather than approached in a crisis mode of operation. OD practitioners often have training in the behavioral sciences. Because of their background, they also emphasize diagnosis and the use of specific therapies or behavioral technologies in helping individuals, groups, or organizations to reach a more successful mode of functioning. Evidence exists that OD efforts can work.

In organization development, the emphasis is placed on the use of **change agents**, who collaborate with organization members to produce a self – directed change. Often an attempt is made to produce new organization structures and cultures to support any new systems or approaches introduced. This is because in organization development approaches, it is assumed that all organization functioning involves a number of organization components working together, and to change any part of the system requires an adjustment of the entire system. OD change agents seek to enhance the capacity and motivation of those in the organization to learn, improve, and change through their own efforts in the future. They emphasize development through human growth and improvement.

9.6. Reinforcement of Organizational Changes

The final step in a program of planned change is to follow up later to ensure that the change has been effective. If any deficiencies in the new system are identified they should be corrected. Improved organizational results can be reinforced through feedback showing that revenues, costs, quality and quantities are better than before. The changes and solutions might also be reinforced by feedback from other organizations that have benefited from a particular solution. In several cases, project results were written up and widely disseminated. (Tosi, Rizzo & Carroll, 1990: 59-74) The firms were frequently visited by teams from other organizations wishing to improve their own systems with a similar solution. The recognition from these other organizations increased acceptance of the new system among the managers in the organization where the change was originally implemented.

In change programs, it may take several years and many modifications before a solution is effective.

10. Evaluating Change

To change individuals, groups, or organizations takes time and money. There will be hidden costs, such as political issues that make change and improvement difficult if they are not solved. For these reasons, it makes sense to try to determine whether or not the change program was effective.

Change programs can be evaluated in very sophisticated ways. These evaluations involve very complicated measurement techniques, statistics, and research designs. The manager can get help from such professionals when it is needed but can look at other factors as well. Beer has described a number of factors to be considered by a manager in judging the effectiveness of a change program and whether it was worthwhile. What is most critical and most important will depend on the organization's situation at the time. Those threatened with bankruptcy do not have the luxury of evaluating the effectiveness of a change by waiting to look at long-term performance improvements.

Conclusions

Organizations are subject to change pressures from the outside environment and from the inside the organization itself. From the outside environment there are pressures to change because of new regulations, new competition, ownership changes, and simply from organizational growth itself – systems and personnel that were appropriate at one time are no longer appropriate. A major pressure for change also comes from dissatisfaction with present performance. Other change pressures stem from changes in the characteristics of people and also changes in technologies or internal systems employed.

Organizational success affected by an organization's ability to change when this is required. Successful change requires having the necessary motivation to change, using an effective change method, and reinforcing the change after it occurs so that it stabilizes and endures.

There are many individual change methods. Two of the widely used and oldest are training and counseling. Over the years, a great deal of knowledge has been obtained on how to train effectively. Counseling programs can result in a number of positive outcomes, depending on individual needs in the particular situation.

Group change focuses on entire groups or organization units. In group training, the interdependencies among individuals in a group and the importance of any new behavior being reinforced and supported by other group members are recognized. Thus the whole group is trained together so that the members can support one another in their efforts to change.

Many organizations – wide change approaches focus on changing a particular system used throughout the entire organization, such as a performance

appraisal system or an inventory system. One widely used approach is survey research, in which organization members collaborate with outside experts in devising a new program to solve organizational programs.

Change is easier if the organization has a climate or culture that is generally supportive of change. Successful changes require effective communication, in which concerns and expectations flow easily up and down the organization. There should be a climate of trust in the organization, especially between workers and management, that will help them cope with the risk, uncertainty, and fear that often accompanies organizational change.

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