MS-25: Managing Change in Organisations

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1. What is Turnaround Management? Explain how turn around Management can
be

used for bringing change in organisations. Give examples.

Solution :

Turn around is when weak company is acquired it is rapidly subjected to turnaround
management. Also when a sound and profitable company has been purchased, it is
subjected
to some form of turnaround management, to realize the synergies so as to increase profits
and
shareholders value which goes with a major acquisitions. Peripheral noncore activities are
often sold out to concentrate on the organisation core business to enable the comany to
increase its market share. Turnaround is also confused with the downsizing are
restructuring

downsizing might be part of a turnaround plan, it does not, by itself, constitute around a turnaround downsizing cannot guarantee a sick company survival and prosperity. The term

turaround management primarily refers to companies or other organisations in distress. Organisations are normally sick when measured on different criteria. They often display life

threating symptoms and the urgent need for restoring them to health through a whole battery

of inteventions-both hard and soft. Arpi and mejke defined turnaround management as the

systematic and rapid implementation of a range of measure to correct a seriously unprofitable

situatios. It might include dealing with a financial disaster or measure to avoid the highly likely occurrence of such a disaster.

Turnaround management includes an element of crisis management. In medical parlance the

term company needing turaround management has usually reached a highly crucial and dicisive moment in its life, which could either be for better or for worse. The trnaround management usually reached a highly crucial and decisive moments in its life, which could

either be for better or for worse. The turnaround management is simply there to make sure

that the turning point it for the better. Turnaround activities are also triggered by acquisitions,

mergers and privatization. The activities most commonly initiated of late are.

(a) When a smaller company has been acquired.
(b) When two companies in the the same industry are merged.
(c) When a state hold company just been privatized.

The turnaround management can be applied in my organistion and the organisation which I refer are as following :

There is a broad spectrum of turnaround situations, which might occue. The anture situations,

which might occur. The nature and urgency of the situation in often influenced by certain key

parameters which include.
(a) the ownership structure of the company.
(b) The urgency of the crisais.
(c) Whether the company must be radically cost reduced.
(d) the management team presently in place.
(e) whether the turnaround manager would be the long term CEO or not.

(f) whether he is assisted by other or not
(g) the degree of freedom given to him.
(h) the time available to decide on priorities and actions.
(i) the suitability of networks and tools used.
(j) whether it is a trading company or services or manufacturing company.
(k) which industry it represents.
(1) The product structure
(m) the size in market share.
(n) reputation of the company.
(o) the competitor profile and position.

Step involved in turnaround management.

(i) Discussions before accepting the turnaround assignment is extremely important.
(ii) If the distressed company is not in the middle of a life and death fight.
(iii) The annual reports.
(iv) Accounting on other published material on the organization can be scanned through for a good insight.
(v) Establishing numerical benchmarks based on performance standard,
(vi) Cash is the first concern,
(vii) Cash flow.
(viii) Projections for the next one year,
(ix) Learning by systematically following a cross functional trail for business re engineering
becomes crucial,
(x) Business missions.
(xi) Blueprint for the future company would be arrived at based on the work done,
(xii) Future core business, one or more mission statements with a target description and strategy document. The action plans are also spell out in the process,
(xiii) Gaining acceptance. Formal approval,
(xiv) Turnaround plans fall in the next steps,
(xv) Implementating the plan,
(xvi) Designed bluepring with a full approval,
(xvii) The implementation phase would have a capable CEO a well designed blueprint with a
full approval.
(xviii) Monitoring
(xix) Monitoring the action plans are also spelt out in the process.
Inaddition to these factors and parameters influencing the fturnaround situation organisations
usually experience situations which could be described as given below :
(a) Many turnaround managers would be their homework first in a situation which faces an
immediate cash crisis.

(b) There is no time for extensive homework.

(c) An unprofitable subsidiary may also lead to a turnaround situations (SBUs) are keenly looked tfor turnaround situations before implementing any strategic changes in the company.

(d) Organisations also face situations where cost cutting and downsizing va volume improving or marging improving marketing solutions arise in the company. Cost cutting is not the way to improve the profits, new profit.

(e) Leadership crisis is one of the often repeated kinds of turnaround that organisation.

(f) Existing turnaround literature is very scare. The practice could be traced t the US. European turnaround also reflects a distinct turnaroud situation.

2. State the reasons for the change to occur in organisations and substantiate it with illustrations.

Solution :

Change is difficult, especially when it involves an entire organisation. When you"re making high-level changes, there are a lot of factors that need to be assessed. As well as plenty of things that can go wrong. Let"s look at the top reasons change fails and what HR should consider when developing a change strategy.

1. Lack of preparation – this is a critical step in the change management process. A strategy must be formed before change begins. When change is hastily implemented, important details will be missed and it will not receive the support necessary to make organisational change a success.

2. Change Comes from Outsiders– change must occur from within the organisation. Having the input and guidance of an outside consultant or a change expert can be beneficial for providing reassurance and credibility to the change project. But, in the end, people need to know that change is something the leaders of the organisation believe in and not just an outside consultant"s recommendation.

3. Change as an Option– leadership must commit to the change then guide the company through it. Change should be presented as a concrete plan, not an option, otherwise it will never happen.

4- No Change Management Team – have a designated team in place to make the decisions
involving the organisational change. Let someone from the team handle questions and guide employees through the change process. The team should be comprised of leaders and management who understand the necessity of organisational changeand are qualified to make change decisions.

5. No Employee Feedback– it‟s important to encourage the involvement of those who are
expected to implement the change. When employee input and feedback isn‟t taken into account
during the change process, it can create resentment and resistance. That will inevitably undermine the goals of the change.

HR plays an important role in the success of organisational change. The HR team should be
involved in developing the strategy for change because people are such an integral part of the
process. One of the tools HR professionals can use to help improve the change process is 360
degree feedback. 360 feedback can help identify future leaders, develop current leaders, and
collect valuable feedback throughout the change process.

What organizations can change fall into the following broad areas:

Mission, Vision, & Strategy: Organizations should continually ask themselves, "What is our business and what should it be?" Answers to these questions can lead to changes in the organization's mission (the purpose of its business), its vision for the future (what the organization should look like), and its competitive strategy.

Technology: Organizations can change their technology (for example the way they produce
whatever they sell) in order to increase efficiency and lower costs.

Human-Behavioral Changes: Training can be provided to managers and employees to provide
new knowledge and skills, or people can be replaced or downsized. As result of the recent
financial crisis, many organizations downsized creating massive unemployment that

continues to
this day.

Task-Job Design: The way work is performed in the organization can be changed with new
procedures and methods for performing work.

Organizational Structure: Organizations can change the way they are structured in order to be
more responsive to their external environment. Again to be more responsive to the marketplace,
this also includes where decisions should be made in the organization (centralized or decentralized).

Organizational Culture: Entities can attempt to change their culture, including management
and leadership styles, values and beliefs. Of all the things organizations can change, this is by far
the most difficult to undertake.

3. Explain the importance of interventions to be used in bringing about change in organisations. Describe any two interventions and their merits and demerits in the context of organisations.

Solution :

The term intervention refers to all the planned programmatic activities aimed at bringing changes
in an organization. These changes are intended to ensure improvement in the functioning of the
organization- in its efficiencies and effectiveness. The changes are brought through the
employees in the organization while consultants facilitate the change process. Any OD

intervention, therefore, involves close interaction between the consultants and the
client organization.

Intervention basically refers to an intended activity to bring change in the organization and the
consequent activities within the organization.

Who makes the interventions?
The intervention can be brought by an external consultant who acts in consultation with the
client members. A member with in the organization, acting as the in-house consultant can also

make the intervention. The organization itself could plan the intervention without employing
either an internal or external consultant. Where a consultant is employed, any intervention is a
collaborative activity between the client and the consultant.

Where does an intervention take place ? An intervention can take place at the task, process, and
system levels and their interface or at any hierarchy levels of an organization.

For example it can be at a task level as to how a decision is made or at the level of a series of
tasks to improve their interconnectivity, to identify an underlying problem or at a team level to
create a better synergy at work. The intervention can also relate to the whole organization as to
how to achieve better vertical integration /horizontal integration among all the different levels.

Organizations need to basically analyse where, how, when what etc. , to carryout an intervention
to improve their performance, which in other words, refer to „intervention strategy‟.

Interventions are carried to improve an organization from its current position to a
desired position and to achieve the desired change a number of techniques are used.

To quote, French & Bell Jr (1994), " intervention are sets of structured activities in which
selected organizational units (target groups or individuals) engage in a task or a sequence
of
tasks where the task goals are related directly or indirectly to organizational improvement.
Interventions constitute the action thrust of organization development; they "make things
happen" and "what is happening".

As suggested above a number of interventions can be carried out. They may be classified
as to
their focus and purpose and the intensity or depth.

The focus of intervention could be : individual, interpersonal, group or team(intra and inter-
group), system or subsystem, organization and the external environment.

The purpose of intervention could be to improve the process (for ex.
Process reengineering)

Action (ex. performance), and provide feedback (ex. Has the system produced the intended
results?).

The depth of intervention could be less intensive (setting up of a task force) or more intensive
(dealing with individual self and emotions)

Specific reasons for intervention could be :

• To provide feedback about task, individual, team and other aspects of organizational dynamics.
• To provide awareness of changing norms, to confront and deal with issues constructively
• To develop positive attitudes openness and improve interaction among people,
• To educate employees, improve theire knowledge and skills
• To bring constructive and desirable changes to improve individual and organizational performance.

ANY TWO INTERVENTIONS USED IN ORGANISATION :

1 - Intergroup Intervention :

Often two aor more independently working groups have to coordinate tasks, on either a temporary or permanent basis, to achieve the required organizational goals. This could give rises
to disagreement and conflict among groups affecting group morale and productivity. Where there
is competition among groups, it may give rise to tension and conflict and each group may perceive the other as an „enemy‟

To resolve such intergroup conflicts many strategies are adopted in our organization :

• Increasing the interaction and communication among the groups (increased interaction under
favorable conditions enhances positive feelings and sentiments)
• Identifying a „common enemy‟ (another group that both groups dislike, which brings the
groups closer together).
• Finding a super ordinate goal (a goal that both groups desire to achieve but that neither can
achieve without mutual support)
• Rotating the members of the groups and instituting some forms of training.

2 - Personal, interpersonal and group process intervention :

The central theme of these interventions is learning through an examination of underlying process. In Process consultation, which is generic to OD intervention, the focus is exclusively on the diagnosis and management of personal, interpersonal, and group processes. Third-party peacemaking focuses on interpersonal conflict and the dynamics of cooperation and competition among groups. Sensitivity training typically yields learning˝s about self, interpersonal relations, and group dynamics. Transactional analysis (TA) can be a form of psychotherapy. TA has also been used as a technique for team building. Behaviour modeling is a training technique designed to increase the effectiveness of the problematic interpersonal situations. Life-and career planning interventions are less process oriented than the other interventions and reflect more a systematic approach to a substantive area.

Process Consultation Intervention : Process Consultation (PC) is a method for intervening in an ongoing system. In this approach, a skilled third party (consultant) works with the individuals and groups to help them learn about human and social processes and learn to solve problems that stems from process events. This is an often used approach by many OD consultants and practitioners.

The process consultant helps our organization to solve its problems by making it aware of organizational processes, of the consequences of these processes and of the mechanisms by which they can be changed. It is to enable the organization to address its problems by itself.

In this the consultant works with the organization, in work teams and helps them to develop the skill necessary to diagnose and solve the process problems that arise. The organizational processes that are important to be dealt with, include- communications, clarifying the roles and functions of group members, group problem solving and decision making, group norms and group growth, leadership and authority, and inter-group cooperation and competition.

Sensitivity Training Laboratories : A T-group is an unstructured., agenda less group session
for about 10 to 12 members. A professional "trainer" acts as a catalyst and facilitator. The data
for discussion arises from the interaction of the group members as they strive to create a viable
society for themselves. What are discussed and analysed etc are the actions, reactions, interactions and feelings arising out of the member interactions. Conceptual material relating to
interpersonal relations, individual personality theory, and group dynamics also form a part of the
program. The „group experiences" form the fulcrum of learning.

This T-group is a powerful learning laboratory facilitates learning more about oneself as a
person, learning how other reacts to one"s behaviour, and learning about the dynamics of group
formation, group norms and group growth. It assists to improve one"s interpersonal skills.

These insights are coupled with growth of skills in diagnosing and taking more effective interpersonal and group actions that provide the participants the basic skills necessary for more
competent action taking up in the organization.

4. Differentiate between Transactional and Transformational leadership. Describe the

competencies and skills required for a leader in order to bring change in organisations.

Solution :

Transactional and transformational leadership are two distinct managerial styles that either seek
to maintain or change the organization. Transactional leadership is largely characterized by a
desire to maintain the company's existing culture, policies, and procedures. It uses a reward-and-
punishment based system to compel employees to perform certain behaviors. In contrast, the
transformational leadership style seeks to provoke change in the way the company operates.
Leaders who exhibit transformational leadership are often characterized as charismatic, inspiring,
and motivating.

Goals of Transactional Leadership
Transactional Leadership Characteristics
Goals of Transformational Leadership
Transformational Leadership Characteristics

The primary goal of transactional leadership is to promote stability in the organization by creating a give-and-take type of exchange between managers and employees. Specific performance objectives are determined and communicated to employees. They are then responsible for meeting those performance objectives, but either receive a reward or punishment
depending upon the outcome. Rewards are based upon meeting certain criteria, such as achieving
a sales quota. Mistakes are either actively or passively observed by managers and dealt with
accordingly. In active management by exception, leaders take swift corrective action against
performance deviations and actively look for mistakes.

The relationships between transactional leaders and their employees tends to be focused on the
successful completion of short-term tasks. Relations between the two groups are somewhat
impersonal and temporary. Quantitative results are emphasized and employees are expected to
follow the goals and directions of the leaders. The relationship is largely based on exchanges that
satisfy two separate sets of objectives. For example, an employee shows up to work to receive a
paycheck in order to maintain a certain standard of living. The manager wants the employee to ◆
show up to work to perform job tasks that he does not want to do himself.

The main goal of transformational leadership is to inspire change in an organization by exceeding prior standards and expectations. It does not rely on accomplishing objectives through
certain types of exchanges or a reward-and-punishment system. Transformational leadership
motivates employees to work towards a common objective, rather than seek out the fulfillment of
individual goals. It tends to take a more individualized perspective towards employees, capitalizing on individual strengths and talents. Transformational leadership fosters an environment of thinking, teamwork, and mutual admiration.

Transformational leaders seek to gain the trust of their employees. The relationship is built upon
the idea of establishing a long-term bond that encompasses more than just the company's
performance objectives. Leaders who exhibit a transformational style of leadership tend to
empower their employees to make decisions and contribute to the company's strategies. Values,
personal meaning, personal power, and ethics are emphasized. A long-term perspective is one of

the primary characteristics of the transformational leadership style. It fosters creativity,
challenge, and individual employee development.

Introduction

Leadership competencies are leadership skills and behaviors that contribute to superior
performance. By using a competency-based approach to leadership, organizations can better
identify and develop their next generation of leaders.2 Essential leadership competencies and
global competencies have been defined by researchers. However, future business trends and
strategy should drive the development of new leadership competencies. While some leadership
competencies are essential to all firms, an organization should also define what leadership
attributes are distinctive to the particular organization to create competitive advantage.

Essential Leadership Competencies

A focus on leadership competencies and skill development promotes better leadership.3
However, skills needed for a particular position may change depending on the specific leadership
level in the organization. By using a competency approach, organizations can determine what
positions at which levels require specific competencies.4 Researchers at the Center for Creative
Leadership have identified some essential leadership competencies that are consistent among
organizations. They divide the overall structure into competencies for leading the organization,
leading the self and leading others in the organization (see Figure 1).

When selecting and developing leaders, HR professionals should consider the competencies that
the individual possesses and compare those to the ones that need further development for success
in a leadership role. By looking at his/her current competencies and comparing those to the

skills necessary to fill a leadership position, organizations can make better informed decisions in
hiring, developing and promoting leaders.5

Leadership Competencies

Leading the organization:
- managing change
- solving problems and making decisions
- managing politics and influencing others
- taking risks and innovating
- setting vision and strategy

- managing the work
- enhancing business skills and knowledge
- understanding and navigating the organization
Leading the self:
- demonstrating ethics and integrity
- displaying drive and purpose
- exhibiting leadership stature
- increasing your capacity to learn
- managing yourself
- increasing self-awareness
- developing adaptability
Leading others:
- communicating effectively
- developing others
- valuing diversity and difference
- building and maintaining relationships
- managing effective teams and work groups
Global Leadership Competencies
Developing successful global leaders is a competitive advantage for multinational
organizations.6 In addition to essential leadership competencies, global leaders face special
challenges that require additional competencies. To clarify, a global leader is commonly defined
as someone that cultivates business in a foreign market, sets business strategy at a global level
and manages globally diverse and diffused teams.7 According to a Conference Board research
report, 73% of managers agree that domestic business leadership and global leadership differ in
the skills required. Some of the challenges that global leaders may face are managing a diverse
group of employees and business processes; adaptively approaching problems and

challenges;

adjusting to new values and cultures; and adapting to different types of business and personal

stressors.8

To address the unique challenges of global leaders, researchers have identified global leadership

competencies that can contribute to success. Among these global competencies, developing a

global mindset, cross-cultural communication skills and respecting cultural diversity are

paramount to succeeding in the global workplace.9 Morgan McCall and George Hollenback

studied successful global leaders and developed a list of common competencies specific to the

global leader HR practitioners can use global leadership competencies to support the development of leaders and thus the overall global business strategy.

5. Describe various steps involved in organisational change to occur. Briefly discuss the role of chief implementor in bringing change in organisations.

Solution :

Change is a word that generates uneasiness in most of us. But most would agree that we can

think of a time we had a good change in our lives. A marriage, the birth of a baby, moving into

a new home or a new job are examples of positive changes in our lives. So why is it so difficult

to swallow change at work?

For anyone who has ever gone into an organization and tried to change "the way things are"

understands the resistance employees can have against any kind of change effort. I worked with

an organization and facilitated a class on the book Who Moved My Cheese? An Amazing Way

to Deal with Change in Your Work and in Your Lifehttp://www.assoc-amazon.com/e/ir?t=thethrsmabus-20&l=as2&o=1&a=B000QYBD6K by Dr. Spencer Johnson.

It was sadly comical how resistant staff were to just the mention of change. There was a woman

who participated in the training that we later moved from a very small cubicle to a large shared

office, with privacy and new furniture. One would have thought she would have been excited

about what we thought would be a good change but she viewed it very differently. She

was very

upset and expressed that she didn't "like that we moved her cheese". Ironically, months later

she recognized the benefit of the move and thanked us.

This is just a simple example of how seemingly small things for some people are major upsets to

others. Some people get set in their ways, get comfortable and resist change because it causes

them to undo habitual processes in their lives.

However, successful organizations understand that doing things the same way will produce the

same result and that sometimes changing things is needed to take an organization to the next

level. So whether it is transitioning to a new software program, new procedures for processing

material, office change or a change in benefit plan, change needs to be managed to be successful.

So why do people resist change? Often it is fear of the unknown or perhaps how the change will

impact them. When people don't know all the answers they feel like they have lost control and

that makes them feel hopeless. Organizational leaders have the responsibility to manage change

efforts to minimize the negative impact on employees.

To effectively manage change efforts, it is important to help people understand what the change

will be and the reasons behind the change. The more detailed the communication about the

vision for the change, the better employees understand the need and the less resistant they will be

to the change.

Steps to implementing change:

1. Management Support for Change
It is critical that management shows support for changes and demonstrates that support when

communicating and interacting with staff. Employees develop a comfort level when they see

management supporting the process.

2. Case for Change
No one wants to change for change sake, so it is important to create a case for change. A case

for change can come from different sources. It can be a result of data collected on defect

rates,
customer satisfaction survey, employee satisfaction survey, customer comment cards, business
goals as a result of a strategic planning session or budget pressures. Using data is the best way to
identify areas that need to improve and change initiatives.

3. Employee Involvement
All change efforts should involve employees at some level. Organizational change, whether
large or small, needs to be explained and communicated, specifically changes that affect how
employees perform their jobs. Whether it is changing a work process, improving customer
satisfaction or finding ways to reduce costs, employees have experiences that can benefit the
change planning and implementation process. Since employees are typically closest to the
process, it is important that they understand the why behind a change and participate in creating
the new process.

4. Communicating the Change
Communicating change should be structured and systematic. Employees are at the mercy of
management to inform them of changes. When there is poor communication and the rumor mill
starts spreading rumors about change, it can create resistance to the change. Being proactive in
communications can minimize resistance and make employees feel like they are part of the
process.

5. Implementation
Once a change is planned, it is important to have good communication about the rollout and
implementation of the change. A timeline should be made for the implementation and should
make changes in the order that affect the process and the employees who manage the process.
An effective timeline will allow for all new equipment, supplies or training to take place before
fully implemented. Implementing without a logical order can create frustration for those responsible for the work process.

6. Follow-up

Whenever a change is made it is always good to follow-up after implementation and assess how
the change is working and if the change delivered the results that were intended. Sometimes
changes exceed target expectations but there are occasions that changes just don''t work as
planned. When this is the case, management should acknowledge that it didn''t work and make
adjustments until the desired result is achieved.

7. Removing Barriers

Sometimes employees encounter barriers when implementing changes. Barriers can be with
other employees, other departments, inadequate training, lacking equipment or supply needs.
Sometimes management also needs to deal with resistant employees. It is management''s
responsibility to ensure that employees can implement change without obstacles and resistance.
Unfortunately, sometimes employees need to move on in order to successfully implement a
needed change.

8. Celebrate

It is important to celebrate successes along the way as changes are made. Celebrating the small
changes and building momentum for bigger changes are what makes employees want
to participate in the process.
When employees understand why a change is made and are part of the process for planning and
implementing the change, it allows for a better chance for successful implementation.