

Organisational Change

Introduction to Organisational Change

Organisational Change is the long-term approach aimed at improving an organisation's ability to survive by changing its problem solving approach.

Types of Change

- Transitional, transformational, mechanistic and developmental
- Planned/Unplanned vs. Emergent/Unexpected
- Episodic vs. Continuous

Scale (Small to Large) of Change

1. **Fine-tuning:** Ongoing process of making minor alterations at departmental levels
2. **Incremental Adjustments:** Distinct modifications to organisation's structures and processes
3. **Modular Transformation:** Major realignment of departments rather than organisation
4. **Corporate Transformation:** Revolutionary change throughout whole of organisation

Scope of Change is the extent to which change affects the individuals involved.

Organisational Orientations to Change

- Sluggish thermostat organisations
 - Stable environment and low adaptation
- Satisficing organisations
 - Stable environment and high adaptation
- Reactive organisations
 - Dynamic environment and low adaptation
- Renewing organisations
 - Dynamic environment and high adaptation

Organisational Development

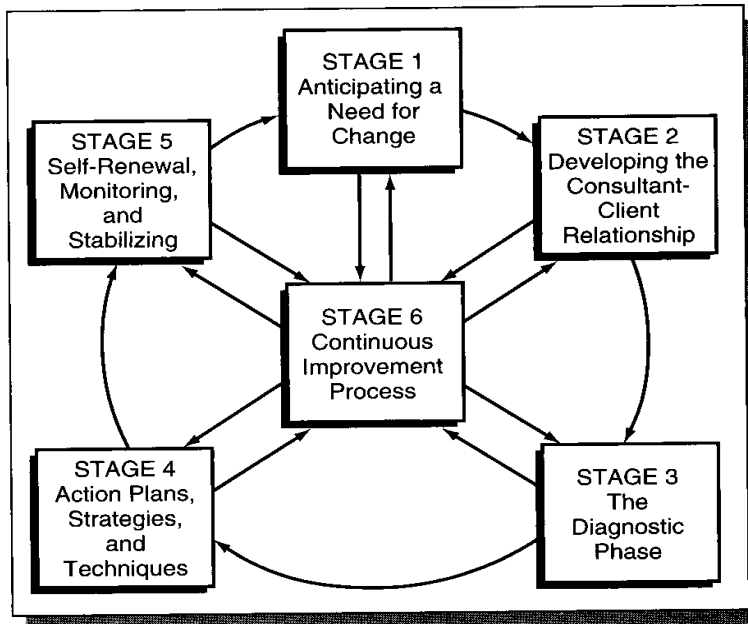
Organisational Development is a planned process of change in an organisation's strategies, structures and processes through the application of behavioural-science knowledge to improve organisational effectiveness.

- Encourages participation
- Uses external/internal consultants
- Emphasises problem detection and solving

Two Broad Approaches

Organisational Development	Strategic Management
Focus on the present and change process	Focus on the future and stakeholders
Focus on people (group dynamics, communication)	Focus on structure
Interventions in human relations (team building)	Interventions are to downsize and restructure

Stages of Organisational Development



1. Anticipating a need for change
 - State of disequilibrium
2. Developing the consultant-client relationship
 - Enhancement of trust
3. Diagnosis
 - Undertake data collection in collaboration with the client
4. Action plans, strategies and techniques
 - Maintain a systems-wide perspective as change in one part may lead to change in another
5. Self-renewal, monitoring and stabilising
 - Assess outcomes and employees' response to the change
6. Continuous improvement process
 - Avoid dependant relationships

Approaches to Planned Change and Sustainable Organisational Change

Change is a planned or unplanned response to internal or external forces.

- Planned Change
 - A problem to be solved or an opportunity to exploit
 - Goal is to maximise positive consequences
- Unplanned Change
 - Unanticipated disasters
 - Goal is to minimise negative consequences

'Big 3' Model

- Types of movement
 - Macro-evolutionary
 - Environment
 - Micro-evolutionary
 - Coordination
 - Political
 - Fight for power amongst stakeholders
- Forms of change
 - Identity
 - Changes in relationships between an organisation and its environment
 - Coordination
 - Changes in size and structure
 - Control
 - Changes in ownership and governance
- Roles in the change process
 - Change strategists
 - Leaders concerned with the organisation's overall direction
 - Change implementers
 - Members at the middle level concerned with project management
 - Change recipients
 - Members who are affected and react to change

Kurt Lewin's Change Model

1. Unfreeze
 - Recognising the need for change
 - Motivating members to engage in change process
2. Change
 - Shifting the organisation's behaviour to a new level
 - Intervening in structures, people and processes
3. Refreeze
 - Stabilising the organisation at a new state of equilibrium
 - Assessing results and making required alterations

Change Typology Model

		SOURCE	
		Internal	External
TYPE	Natural	Life-cycle model	Population ecology model
	Adaptive	Innovation Planned change	Resource dependence model Institutional theory of imitation

- *Life-cycle Model*: Organisations are born, grow, mature and eventually fade away
- *Population Ecology Model*: Focus on the natural environment and views are from a naturalistic perspective
- *Innovation*: Making changes to existing products and processes
- *Planned Change*: **Organisational Development**
- *Resource Dependence Model*: Ability to acquire resources from organisation's environments is the key to its survival
- *Institutional Theory of Imitation*: Managers imitate other organisations from the same environment

Four Change Strategies

		Scale of change	
		Small	Large
Style of management	Democratic	Participative evolution	Charismatic transformation
	Autocratic	Forced evolution	Dictatorial transformation

- *Participative Evolution*: Used when the organisation has time available to make minor adjustment and members favour change
- *Charismatic Transformation*: Used when the organisation has little time available and members support change