



A STUDY ON CHANGE MANAGEMENT THEORIES

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Abstract

In today's dynamic business environment, organizational changes and methods of addressing them are prevalent as we seek to stabilize and sustain transformation across locations. The way businesses manage change and how successful they are at it, depends largely on the nature of business, the change and the people involved. It is also dependent on how well the organization and people understand the need for the change and the process involved. Applying change management activities can be instrumental in realizing goals for planned and unplanned changes both internally and externally. It also helps diagnose problems associated with the transition before they become a crisis. Therefore, it is essential to first understand some of the theories and methodologies pertaining to change management. This paper primarily focuses on Change management and its impacts. Various change management theories and methodologies available. This paper focuses on theories (Lewin's,ADKAR,Kotter's)

Keywords : *Change , Theories ,Lewin's, ADKAR , Organisational Change.*

Introduction

Change management (CM) is an approach to transitioning individuals, using behavioural sciences, such as those published by PROSCI-Whereas organizational Change Management (OCM) considers the full organization and what needs to change- The subsequent Organizational Change Management principles and practices will include CM as a tool for only the people-side of change.

CM focuses on how people and teams are affected by an organizational transition. It deals with many different disciplines, from behavioral and social sciences and business solutions.

What Is Organizational Change?

Organizational change is both the process in which an organization changes its structure, strategies, operational methods, technologies, or organizational culture to affect change within the organization and the effects of these changes on the organization. Organizational change can be continuous or occur for distinct periods of time.

Defining Change Management

Understanding Change Management is a common buzz word in today's businesses. With constantly evolving business goals and strategies, change is inevitable and managing change is essential. Change management is also used as a catch-all for project activities that may otherwise be overlooked. It is thus important to understand what it is and how to use it to be effective in the discipline. Change management is a structured approach for ensuring that changes are thoroughly and smoothly implemented and for achieving lasting benefits of change. The change management focus is on the wider impacts of change, particularly on people and how they, as individuals and teams, move from the current state to the future state. The change could range from a simple process change to a major system change to achieve the organization's potential.

Why is Change Important in an Organization?

Any business in today's fast-moving environment that is looking for the pace of change to slow is likely to be sorely disappointed. In fact, businesses should embrace change. Change is important for any organization because, without change, businesses would likely lose their competitive edge and fail to meet the needs of what most hope to be a growing base of loyal customers.

Technology

Without change, business leaders still would be dictating correspondence to secretaries, editing their words and sending them back to the drawing board, wasting time for all involved. Change that results from the adoption of new technology is common in most organizations and while it can be disruptive at first, ultimately the change tends to increase productivity and service.

Technology also has affected how we communicate. No longer do business people dial a rotary phone, get a busy signal, and try again and again and again until they get through. No longer do business people have to laboriously contact people, in person, to find out about other people who might be useful resources - they can search for experts online through search



engines as well as through social media sites. Today's burgeoning communication technology represents changes that allow organizations to learn more, more quickly, than ever before.

Customers Needs

Customers who were satisfied with conventional ovens many years ago are sometimes impatient with the microwave today. As the world evolves, customer needs change and grow, creating new demand for new types of products and services -- and opening up new areas of opportunity for companies to meet those needs.

The Economy

The economy can impact organizations in both positive and negative ways and both can be stressful. A strong economy and increasing demand for products and services will mean that companies must consider expansion that might involve the addition of staff and new facilities. These changes offer opportunities for staff, but also represent new challenges. A weak economy can create even more problems as companies find themselves needing to make difficult decisions that can impact employees' salaries and benefits and even threaten their jobs. The ability to manage both ends of the spectrum are critical for organizations that want to maintain a strong brand and strong relationships with customers as well as employees.

Growth Opportunities

Change is important in organizations to allow employees to learn new skills, explore new opportunities and exercise their creativity in ways that ultimately benefit the organization through new ideas and increased commitment. Preparing employees to deal with these changes involves an analysis of the tools and training required to help them learn new skills. Training can be provided through traditional classroom settings or, increasingly, through online learning opportunities. Importantly, organizations need to do a good job of evaluating employees' capabilities and then taking steps to fill the gaps between current skills and the skills required to respond to growth.

Challenging the Status Quo

Simply asking the question "Why?" can lead to new ideas and new innovations that can directly impact the bottom line. Organizations benefit from change that results in new ways of looking at customer needs, new ways of delivering customer service, new ways of strengthening customer interactions and new products that might attract new markets. New employees joining an organization are especially valuable because they can often point to areas of opportunity for improvement that those who have been long involved in the company might have overlooked. But even existing employees should be encouraged to question why things are done a certain way and look for new ways to get work done faster, better and with higher levels of quality and service.

Types of Change

Changes in an organization can often be identified as one of four types, with the definite possibility of overlap among them:

- *Operational changes* affect the way the ongoing operations of the business are conducted, such as the automation of a particular area.
- *Strategic changes* occur in the strategic business direction, e.g., moving from an inpatient to an outpatient focus.
- *Cultural changes* affect the basic organizational philosophies by which the business is conducted, e.g., implementing a continuous quality improvement (CQI) system.
- *Political changes* in staffing occur primarily for political reasons of various types, such as those that occur at top patronage job levels in government agencies.

THEORIES

The Carnegie School Theory of Organizational Change

The Carnegie view of organizational change was developed in the late 1950s and early 1960s. It focused on studying sources of stabilization and change in an organization. The Carnegie School made three important contributions to organizational change.

Failure-induced change: The theory of fear-induced change is rather simple. An organization will change its strategies, technology, culture, and other features of the organization in response to failure in an attempt to reach its goals. For example, if your company's old computer systems are wreaking havoc on your company's productivity, you may upgrade the systems to reach productivity goals.

Routinization of organizational activity: According to the Carnegie School, standard procedures, programs, and routines provide stability to an organization. Organizational change occurs when these standards are changed. Standard routines and



processes can also help with organizational change according to the Dynamic Capabilities Approach to Management. Under this approach, processes and routines are used to help an organization facilitate and adapt to change. A classic example is a company's research and development department, which aids the company in keeping up in a competitive market.

Model of organizational learning: The Carnegie School also proposed a model for a learning organization. You should first note that learning is a different concept from change. You can learn without changing and change without learning; however, change, including fear-induced change, can influence learning. Learning can also increase the chance of effective organizational change. According to the model, organizational learning requires four components: knowledge acquisition, information distribution, knowledge interpretation, and organizational memory.

Kotter's 8-Step Change Model : Kotter introduced his eight-step change process in his 1996 book, 'Leading Change'. He suggests that for change to be successful, 75 percent of a company's management needs to buy into the change, and he introduces an actionable eight-step process for implementing successful transformations.

STEP 1: Establishing a sense of urgency : Help others see the need for change and they will be convinced of the importance of acting immediately.

STEP 2 : Creating the guiding coalition : Assemble a group with enough power to lead the change effort Encourage the group to work as a team.

STEP 3: Developing a change vision : Create a vision to help direct the change effort .Develop strategies for achieving that vision .

STEP 4 : Communicating the vision for buy-in : .Make sure as many as possible understand and accept the vision and the strategy .

STEP 5: Empowering broad-based action: Remove obstacles to change, change systems or structures that seriously undermine the vision Encourage risk-taking and non-traditional ideas and activities.

STEP 6 : Generating short-term wins : Plan for achievements that can easily be made visible Follow-through with those achievements and recognize and reward employees who were involved.

STEP 7 : Never letting up : Use increased credibility to change systems, structures, and policies that are not aligned to the vision Hire, promote, and develop employees who can implement the vision Reinvalidate the process with new projects, themes, and change agents.

STEP 8: Incorporating changes into the culture: Articulate connections between new behaviors and organizational success Develop means to ensure leadership development and succession.

Lewin's 3-Stage Model of Change : One of the cornerstone models for understanding organizational change was developed in 1947 by Kurt Lewin, a physicist and social scientist. His model, which still holds true even today, is known as Unfreeze–Change–Refreeze and refers to the three-stage process of change. He described organizational change using the analogy of the changing shape of a block of ice.

STAGE 1 : Unfreeze :

- Prepare the organization to accept that change is necessary
- Break down existing status quo to build up a new way of operating
- Develop compelling messages for why the existing way of doing things cannot continue
- Challenge the organizational beliefs, values, attitudes, and behaviors
- Expect uncertainty

STAGE 2 : CHANGE

- People begin to resolve their uncertainty and look for new ways to do things
- People start to believe and act in ways that support the new direction
- They take time to embrace the new direction and participate proactively in the change
- They need to understand the benefits of the change

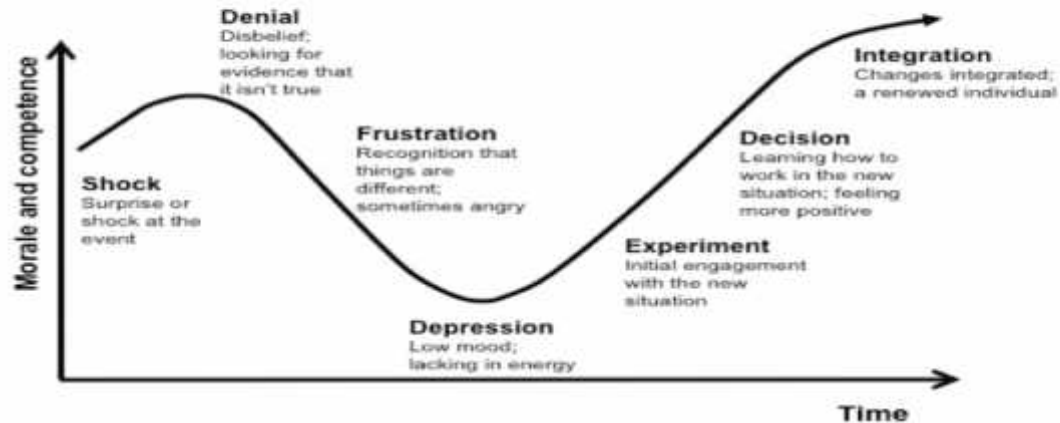
STAGE 3: REFREEZE

- Changes begin to take shape and people embrace the new ways of working
- Outward signs include a stable organization chart, consistent job descriptions, and so on
- Changes are internalized or institutionalized through incorporation into everyday business



The Change Curve The Change Curve is based on a model originally developed in the 1960s by Elisabeth Kübler-Ross to explain the grieving process. It is a powerful model to describe the stages of personal transition involved in most organizational changes. It helps understand how people will react to change, provide assistance for their own personal transitions, and make sure they have the help and support they need. Kübler-Ross proposed that a terminally ill patient would progress through five stages of grief when informed of their illness. She further proposed that this model could be applied to any dramatic life changing situation

The Kübler-Ross change curve



STAGE 1 : At this stage, people may be in shock or in denial. This is when reality of the change hits, even if the change has been well planned and you understand what is happening. They need time to adjust. Here, people need information, need to understand what is happening, and need to know how to get help.

This is a critical stage for communication. Make sure you communicate often, but also ensure that you don't overwhelm people. They'll only be able to take in a limited amount of information at a time. But make sure that people know where to go for more information if they need it, and ensure that you take the time to answer any questions that come up.

STAGE: 2

As people start to react to the change, they may start to feel concern, anger, resentment or fear. They may resist the change actively or passively. They may feel the need to express their feelings and concerns, and vent their anger.

For the organization, this stage is the "danger zone." If this stage is badly managed, the organization may descend into crisis or chaos.

So this stage needs careful planning and preparation. As someone responsible for change, you should prepare for this stage by carefully considering the impacts and objections that people may have. Make sure that you address these early with clear communication and support.

STAGE 3: This is the turning point for individuals and for the organization. Once you turn the corner to stage 3, the organization starts to come out of the danger zone, and is on the way to making a success of the changes. Individually, as people's acceptance grows, they'll need to test and explore what the change means. They will do this more easily if they are helped and supported to do so, even if this is a simple matter of allowing enough time for them to do so.

STAGE 4 : This stage is the one you have been waiting for! This is where the changes start to become second nature, and people embrace the improvements to the way they work.

As someone managing the change, you'll finally start to see the benefits you worked so hard for. Your team or organization starts to become productive and efficient, and the positive effects of change become apparent.



ADKAR Model:

Managing organizational change starts with understanding how to manage change with a single person. Among the tools available to drive individual change, the ADKAR model developed by Prosci, the world leader in change management research and content creation, is commonly used. ADKAR is a goal-oriented change management model that allows change management teams to focus their activities on specific business results.

- Awareness of the need for change
- Desire to participate and support the change
- Knowledge on how to change
- Ability to implement required skills and behaviors
- Reinforcement to sustain the change

William Bridges's Transition Model

The Transition Model was created by William Bridges and was published in his book *Managing Transitions*. This model focuses mainly on transition, not change. There is a subtle difference between the two: Change happens *to* us (like it or not). Transition is usually internal, happening to our thoughts as we go through change. Change can happen quickly and radically, while transition usually occurs more slowly.

The model highlights three stages of transition that people go through when they experience change.



1. **Ending, losing, and letting go:** In the first stage, when people are presented with change, there is often resistance and emotional upheaval because they are being forced to let go of something that they are comfortable with. Emotions may include anger, sadness, fear, denial, frustration, and/or uncertainty. It's important to accept people's resistance and understand their emotions.
2. **The neutral zone:** This stage is a period of chaos when those affected by the change are often confused, uncertain, and impatient. People may experience a higher workload as they get used to new systems and new ways of working. This phase acts as the bridge between the old and the new system -- people clinging to the old system while trying to adapt to the new.
3. **The new beginning**
In this stage, people embrace the new change initiatives and build the necessary skills to cope with the new way of working. This is a time of acceptance and energy, and people get to see visible proof of the effect of the changes.

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