2.1 INTRODUCTION:

The literature available on the subject may be categorized broadly into the following heads:

1. Understanding “Change”
2. Forces Affecting Change,
3. Strategies for managing Change
4. Change Process in the Steel Industry

2.2 UNDERSTANDING “CHANGE”

Though the nature and dynamics of the change process finds expression in the contemporary thought propounded in the last few decades, the earliest views on the change process go back to the classical Indian thought which has explained the phenomenon of change quite eloquently.

The Classical Indian Philosophical Viewpoints as expressed in the Vedas, Upanishads, Bhagavad-Gita, Buddhism and Jainism explain Change as a cosmic process (Dr S Radhakrishnan, 1958). The ancient Greek civilization and medieval Western philosophical proposed by Heraclitis, Plato, Aristotle, Hobbes, Hegel and Marx gave expression in their work. The idea of change assumes the idea of permanence, since, however much an object changes, there must be some part of it that does not or we would be compelled to speak not of a changed, but of an entirely new object (C L Wayper, 1979). Contemporary theorists have also defined Change in various ways. Swami Vivekananda, Sri Aurobindo, and Shri J. Krishnamurthy, have all described the phenomenon of Change as happening due to external causes. Change is produced by something exterior to a thing or within itself which is more powerful than the surroundings. Change implies a movement from what is something
different...Change is not a movement from the known to the unknown (Shri J. Krishnamurthy (1987). Sri Aurobindo also gave the same theory of change and unchangeability (Nani A Palkhiwala, 1994). Change is an alteration in the existing field of forces, which tend to affect the equilibrium (Richard Weaver, 1955, inevitable (Richard Kostelanetz, 1968, Robert Oppenheimer, 1955, Alvin Toffler, 1970 and Morgan, 1972) and a necessity (Richard Lennoy, 1974). Peter F Drucker (1995) emphasizes the process of change as an ever-continuing phenomenon with man trying to synchronize to the times to attain success.

2.3 THE DYNAMICS OF CHANGE

Change is, and has always been a part of our lives (Alvin Toffler, 1970 and Katz and Georgopoulos, 1971). It can be proactive or reactive (Sadler, 1995). It can be unpredictable and dynamic. It produces spin-off results. Many spin-offs are non-technical even though the engines of those changes were basically technical. The spin-offs come with accelerating acceleration as years pass. As time passes, the spin-off changes tend to broaden into developments with social and long-term qualities. In contrast, the original change usually has some narrow, short-term purpose (Morgan, 1972). However, as time goes by, the rate of change increases (John Nasbit and Patricia Aberdene, 1991, Sir Geoffrey Vickers, 1972). Accelerations of the rate of change have failed to deter human urge to explore hitherto unknown vistas, to invent, to overthrow, and to upset inherited patterns of existence and comfort in the security of the future. With the pace of change being speeded at this rate, the world can look forward - with excitement or trepidation - to even more fantastic developments in the remaining part of the twentieth century than it has witnessed in the last half century.

Organizational changes occur at primarily at four levels i.e. technological, methods, structure, and people level. Organizations that do not Change or keep pace with the changing environment suffer from entropy and soon become defunct (Bennis, Benne and Chin, 1961).
All change, however, is not planned change and that change has to be planned. It provides a paradigm in which he has described different species of change (Bennis, 1964).

Also, not all change is negative, even though it may create uncertainty. Not all sharing of power implies loss; it can also lead to bigger gains. Not all turbulence is a mere distraction from business; it may lead to useful new inventions (Rosabeth Moss Kanter, 1984). Change can be exhilarating, refreshing— a chance to meet challenges, a chance for organizational rejuvenation. It means excitement when it is considered normal, when people expect it routinely - known - bringing a set of new messages - unknown. Change brings opportunities when people have been planning for it, is ready for it, and have just the thing in mind to do when the new state comes into being. They will be able to acquire and use power to produce innovation. Change also provides a chance for entrepreneurs to offer "change management" products and services-turning confusion into profitable business (Rosabeth Moss Kanter, 1984). Jerome H Want (1995) said, "Personally my greatest concern about change and its impact on the business world is the tendency of executives to eliminate people from the change equation." He further adds, "Change is inherently about people".

2.4 FORCES AFFECTING CHANGE:

If change is a dynamic phenomenon, then multifarious forces interacting in the business environment affect the process of change. These are as follows:

2.4.1 Environment and its Impact on Change:

Today, the whole world is becoming increasingly difficult owing to the mounting changes taking place in the environment and the only way to surmount them is to be sensitive to the fast changing scenario of the environment and respond adequately (Naisbitt and Aberdene, 1991). The need, therefore, is for one additional concept, "the causal texture of environmental harmony (Emery and Trist, 1965). The evolution of an organization depends
upon the potential lawful connection between the organization and its environment (Edgar Schein, 1969). The relationships between the organizations and their environments are complex. Thus, to understand this complex phenomenon of change it is useful to understand the organization as such. Consequently, it is in constant interaction with its environment and working continuously to attain its pre-desired goals. The multiple links between the organization and its environment make it difficult to specify clearly the boundaries of any given organization. Ultimately, a concept of organization is perhaps better given in terms of the stable process of import, conversion, and export, rather than characteristics such as size, shape, function, or structure.

Because of the tremendous changes in the business environment in the recent years, the very definitions of existence, growth and sustenance are changing. As a result, the rate of change in the market is clearly outstripping the pace of change in the organisations (George Day, 1990). The forces for change may come from the environment external to the organization, from within the organization, or from the individuals themselves. Organizations might be in a state of equilibrium, with forces pushing for change on the one hand and forces resisting change by attempting to maintain the status quo on the other (Heinz Weihrich and Harold Koontz, 1993). W Warner Burke, Janet L Spencer, Lawrence P Clark, and Celeste Coruzzi (1995) endorse the views of Day in stating that the emergence of global markets, deregulation, increasing competition, move from manufacturing to services—it seems that the only constant in today’s business scenario is change. Stanley F Slater (1995) describes the nature of change by stating that organizational change should be viewed as a continuum that runs from genesis, where there is little stability and the change effort, seeks to create or fundamentally orient the firm’s strategic architecture towards a dynamic balance, where stability is highly valued. He also says that Market driven learning is the best strategy for an unpredictable environment. Arie De Geus
(1997), discovered that the secret of longevity of such companies as sensitivity to the environment, cohesion, tolerance and judicious use of financial resources.

2.4.2 Culture and Change:

There is therefore the need for cultural change to bring about strength to the organizations (Marshall, 1991). It is time to stop perpetuating the myth of simplicity. The system of organization invented by mankind generates complex problems that cannot be solved by simple solutions. The only alternative is to develop a truly integrated approach a complete programme for managing today's organization (Ralph Kilman, 1986). Ralph Kilman, Jossey Bass and San Francisco (1991) also talk about organizational culture, define organizational culture, explain the foundation of a good organizational culture, and explain the theory of William G Ouchi with respect to organizational culture. He also refers to *In Search of Excellence* by Tom Peters and Robert Waterman in this respect and suggests ways to manage organizational culture effectively. Benjamin Schneider, Sarah K Gunnarson and Kathryn Niles-Jolly (1994) talk about their research in 3M and state the need to reinforce organizational culture, need for innovation, and the keys to service excellence. Kotter and Heskett feel that corporate culture and creation of a performance enhancing culture.

2.4.3 Technology and Change:

Victor Thompson (1963) acknowledges the inevitability of the change process and ascribes it to the change in technology. He reiterates that technological gaps created by change have to be understood and managed. Change was a natural corollary of technology of the times Dubin (1965), Morgan (1972) and Bennis (1970). Bennis (1971) writes that, "In the last century, we have increased our speed of communication by a factor of $10^7$, speed of travel by $10^2$ and our speed of data handling by $10^6$, our ability to control diseases by $10^2$. These Changes came over the last one hundred years. Morgan says that more Changes have occurred in our life since 1900 than in the previous 1900 years. In the future, even more dramatic
Changes appear likely. This speed (of change) is visible not only in the significant shifts in the economic and value patterns of our society, but in the technological arena as well. All organizations face a period of trouble and turmoil because of these changes. To master change, and not be mastered by it, we must “hasten the controlled, selective arrival of tomorrow’s technologies (Alvin Toffler, 1970). Technology is the primary engine of change. By technology is meant the sum of the ways in which a social group provide themselves with the material objects of their civilization. While technology propels change in organizations and threatens to overwhelms us with its volume, complexity and speed, most organizations are either unable to appreciate its impact or simply deny or denigrate its importance in society. However, if an organization is to survive the onslaught of technological changes in the environment, it must be prepared to learn about this phenomenon and at the same time, must be prepared to manage it successfully. He also refers to other eminent authors in this context. In Megatrends Naisbitt (1982) talks about the major shifts of the 1980’s having definite influence on the future times. Amongst the 10 major trends that he elaborates are Industrial society and Technical upheaval. Analysing the nature of change further, Edgar Schein (1969) views change as a sequence of activities which begin with some change in the internal or external environment and end with a more adaptive dynamic equilibrium for dealing with the change is the organization’s adaptive coping cycle. He states the stages of this cycle and says that this may have certain pitfalls. He explains that reasons for the same also and suggests methods to cope with it in an effective manner. George Day (1990) considered technological changes as important trigger for growth of the industry.

2.5 THE CHANGE PROCESS:

Kurt Lewin (1959) expressed this phenomenon in his field force theory, which suggests that equilibrium is maintained by driving forces and restraining forces. In initiating change, the tendency is to increase the driving forces. This might produce some movement, but might also
increase resistance by strengthening the restraining forces. Another approach is to reduce or eliminate the restraining forces and then move to a new level of equilibrium. In organizations, therefore, a change in policy is less resisted when those effected by it participate in change.

Changes can occur in the organization due to internal conditions as well as external conditions and refers to the Five Forces—namely-industry competitors, suppliers, buyers, substitutes, and potential entrants having a direct repercussion on the survival of industries, but also determines the scope and intensity of its change (Michael Porter, 1980). Intensification of competition has a definite impact of change process. A company seeking to maximize return on capital employed by positioning itself as the lowest cost producer in a given market may find its prices being undercut by a new entrant or by an existing competitor which has become more efficient at controlling costs. Such a company might tend to keep to its purpose and stick with its competitive strategy, seeking to re-establish itself as the lowest cost producer by such organizational changes as streamlining its structure or improving its production procedures and cost control systems (Philip Sadler, 1995).

2.6 STRATEGIES FOR MANAGING CHANGE:

Innovative companies are especially adroit at continually responding to change of any sort in the environments (Peter and Waterman, 1979). Christopher A Barlett and Sumantra Ghoshal (1990) suggest that for building an organization, a shared vision is necessary along with development of human resources, and other related aspects of organization structure and its efficacy. Core competence and strategic fit must also be a necessary concomitant for change (Gary Hamel and C K Prahalad, 1994). Deitger Hahn says that the changes within the companies will create new pressures and require new management concepts. Companies will need to resolve conflicting demands to innovate and yet maintain traditional forms and values; to provide scope for individual development and for participation to meet demands for employees participation and to decentralize and provide autonomy but also to integrate and
coordinate activities in different parts of the organization. He talks about the strategic tasks in the 1990’s as upholding corporate culture, defining corporate goals and identifying opportunities.

In his research Pradip Khandwala (1992) studied the magic of successful turnaround of 69 companies all over the world including British Steel (UK), Steel Authority of India (India) and USX (formerly US Steel (USA). He reports reasons for their downfall and analyses the strategy for their turnaround. Andral E Pearson (1992) identifies the seven most commonly occurring maladies that organizations suffer from and suggests remedies to eliminate them. There have been a number of authors who have advanced valuable thoughts on formulating strategies for managing change. Hans H Hinterhuber and Wolfgang Popp say that there is a dire need to be a strategist to understand the changing environment and formulate strategic moves to overcome them. Other works like that of the one by John G Michel and Donald C Ham (1992) suggest diversification as a necessity for competing with the market forces, and some like Brian Dumaine (1992) feels that the areas of intervention are affected by the big size of organization, and quotes from US giants and says that there is a need of having small organizations for efficient working. Charles J Fombrun (1992) talks about strategic changes, deciphering environment, reasons for companies resisting changes, revising strategic postures, cultivating synergy, strategic networks, mobilizing for action, re-shaping corporate culture and reinventing future. In the paper Beating Tomorrow’s Mack Hannan (1992) describes the central theme of making business competitive by making the business of customers more competitive Competition. Derek F Abell (1993) talks about being market driven, more participative, with effective communication and with motivation, to achieve corporate goals, wherein the distinct competitive styles and their impact on company growth are evaluated.
Senior managers of today’s large enterprises must move beyond strategy, structure and systems to a framework built on purpose, process and people (Christopher Barlett and Sumantra Ghoshal, 1994). HR activities as a critical element for managing change is gaining increasing importance these days (Rohinton D Aga, 1994) What is important might range from corporate planning to quality management and various issues like Growth despite constraints, value adding activities, and synergy integration of activities for achieving excellent performance. The emphasis for the need to go beyond restructuring and reengineering, and ways to bring about organizational transformation is also necessary along with leveraging resources and strategies for different products at different stages in the life cycle and gain competitive advantage (Adrian J Slywotzky and Benson P Shapiro, 1994).

2.7 COMMUNICATING CHANGE:

If change is constant, the resistance to change need not be constant. A possible solution could be the acceptance of change is partly a problem of communication; and that if employees were told about the imminent and its possible impact, half of the resentment and anxiety about the possible insecurity of the unknown future could be eliminated (Morgan, 1964). The necessary prerequisites to this were a learning climate, creativity of people, and able leadership. The need for Interpersonal support during change might also necessary (Erving Goffman, 1964). Also, any organization, in order to survive and achieve success, must have a sound set of beliefs on which it premises all its policies and actions and must abide by that firmly (Thomas Watson Jr, 1986). The change processes should therefore be made while preserving the core character that lasts (Alan Wilkins, 1989). Organizational changes and market pressures have a curvilinear relationship and that efforts should be made to contain the pressures of the market by enhancing the change process in organizations on a continuous basis (Terry McNulty, Richard Whittington, Richard Whipp, 1995).
2.9 CONCLUSION:

The review of the literature touches upon the concept, process and strategies for managing change quite vividly and indicates several important aspects where there is a scope for further exploration. It is also found that the information about change management is available in bits and pieces and reflects only a certain viewpoint on the subject at a certain place. It is with this basic premise that the study has been done and an attempt made to explore deep into the various facets attached to this important subject and integrate the revelations for use by students and practitioners of this subject.
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