CHAPTER-III
CULTIVATING CHANGE

The landscape of organizational life suggests change has become a way of life. There are numerous sources. There is the emergence of new technologies. There is global competition. Values and lifestyles are continuously changing.

Change has also changed. Change is continuous and discontinuous. Change is accelerating. Change is like rafting in white water. Change is rapid and complex.

With the change in change, there have been numerous change and organizational improvement processes. There have been great successes. However, there have been countless failures.

"But in a period of upheaval, such as the one we are living in, change is the norm. To be sure, it is painful and risky, and above all, it requires a great deal of very hard work. But unless an organization sees that its task is to lead change, that organization--whether a business, a university, or a hospital--will not survive. In a period of rapid structural change the only organizations that survive are the "change leaders." It is therefore a central 21st-century challenge for management that its organization become a change leader"1.

It's difficult to know the reasons why people resist and why change fails. There can be numerous reasons. Resistance can be multi-dimensional. The reasons can be conscious and unconscious. The proposed cure for dealing with resistance may even poison the change process.
Change happens. And while we can't control much of the world changing around us, we can control how we respond. We can choose to anticipate and embrace changes or resist them. Resisting change is like trying to push water upstream. Generally we're quick to point to others who resist change. It's much harder to recognize or admit to our own change resistance. It is always right to talk of change, but the fact remained that people do not like to accept change. Therefore, they have to be motivated and one has to go into the feelings and various things.

Some people call change "progress" and celebrate the improvements that it brings. Others curse those same changes and wish for the good old days. Same changes, different responses. The choice is ours: We can be leaders, or we can be followers.

"Success will come to those who love chaos- constant change- not those who attempt to eliminate it. The flee-of-foot, value-adding, niche market creator thrive on the very uncertainty that drive others to destruction. Stability and predictability are gone for good-and therefore must not be the implicit or explicit goal of organizational design, the layout of factory or operations center, pay schemes, strategic planning, objective setting exercise, accounting systems, or job evaluations. Victory will go to those who master instability by constantly working on responsiveness-enhancing capabilities."3.

3.01: Overview of the Change Process

There are many models of change; Richard M. DiGeorgio and Associates employs a variety of models to help clients understand and address change. The model below is eclectic, drawing on many of the best thinkers in the field of change management:
William Bridges, John Kotter, Kurt Lewin, Tom Peters, and Douglas Smith, among others.

Change is nothing new to leaders, or their constituents. We understand by now that organizations cannot be just endlessly "managed", replicating yesterday's practices to achieve success. Business conditions change and yesterday's assumptions and practices no longer work. There must be innovation, and innovation means change. (Richard M. DiGeorgeio & Associate, Washington, U.S.A.)

MANAGING CHANGE

Preparing for Change

Major Issues:
1. Why do we need to change?
2. What is the present state like?
3. What will the future state be like?
4. What is going to change?
5. What is not going to change?
6. Where are we most vulnerable in making this change work?
7. What will be the key success factors in the future state?

Beginning the Change

Major Issues:
1. What is our change strategy?
2. How do we best operationalize changes?
3. How do we best use our change levers?
4. How do we facilitate change or a challenge?
5. How do we minimize impact of losses experienced by those most affected by change?

Competing the Changes in Place

Major Issues:
1. Ensure that change levers are used effectively.
2. Ensure that schools are aligned with changes.
3. Ensure that all involved:
   - Understand the purpose of change.
   - Have a picture of desired outcomes.
   - Play a part in planning and implementing change.
   - Acquire new behaviors.

CHANGE LEVERS

- Clear understanding of the need for change
- Quality of leadership
- Commitment of sponsors
- Clear vision of future (Vision & strategy)
- Change structure
- Education and training
- Infrastructure
- Skilled change agents
- Measurement systems
- Reward systems aligned
- Organization structure aligned

MAXIMS TO LIVE BY

- Communicate, communicate, communicate
- Continuous improvement is critical to survival
- We'll keep trying until we get it right
- Celebrate successes
- Think outside the box, experiment
- Create ownership/involvement
- Walk the talk
- Hold people accountable

FIGURE-3. 01
3.02: Embrace Change

To embrace change, we need to concentrate on five areas.

1. **Focus on a vision.** Our vision or imagination guides everything we do. Helen Keller once said, "Nothing is more tragic than someone who has sight, but no vision." We can't leave the incredible magnetic power of vision unharnessed. Our thoughts often pull us toward the reasons why we can't succeed rather than the many reasons we can. To increase our effectiveness, we need to consciously attract into our lives what we truly want. We need to ensure the picture of our future is what we prefer, not the dark images of our fears, doubts, and insecurities. Personal, team, or organizational improvement starts with "imagineering".

We find what we focus upon. Our vision is led by a set of core values. They are plaques and poster all over in a company to assure that every employee keeps them up-front. Without a strong set of core values, passion is weak and commitment is soft. We're more likely to lead ourselves from the outside in, rather than the inside out. Core values provide a context for continuous growth and development that takes us toward our dreams. Our core values project forward to become our vision. How we see the world is what we project from ourselves.

One of the most difficult challenges in management is developing a sense of value and vision. Stanford Hal Levitt calls this part of the manager's job "path finding" and he distinguishes the thought process it requires from the way a manager thinks when he is making decisions or carrying them out. The path finding part of managing is the homeland of the visionary, the dreamer, the innovator, the creator,
and the entrepreneur. Path finding that leads to vision, value, and stability. By finding a way to give the organization a sense of pride.

2. **Choose Outlook** : We reach another milestone in our growth when we accept responsibility for our emotions. We choose to lose our temper. We choose to become jealous. We choose to harbor hatred. It's much easier to give in to the victimitis virus. It's less painful to believe that anger, jealousy, or bitterness are somebody else's fault or beyond our control. But that makes us prisoners of our destructive emotions. We hold grudges, let resentments build, and become cynical. We must take responsibility for our actions in response to circumstances for which we are not responsible. The only thing one can control is one self, so when we choose our thoughts we are choosing our future.

3. **Seek authenticity** : To create something we must be something. For example, becoming a parent is easy; being one is tough. We can't teach our kids self-discipline unless we are self-disciplined. We can’t help build strong teams unless we are strong team players ourselves.

This timeless principle applies to every facet of our lives. We can't help develop a close community if we do not having good relationship with our neighbors. We can't enjoy a happy marriage if we do not love our partners. We won't have a supportive network of friends or colleagues until we're a supportive friend or a collaborative colleague. David Whyte writes, “All things change when we do”. Good intentions are useless if they are put action. One big difference between most people and authentic leaders is action. Real leaders make it happen.
4. Commitment to discipline: A key difference between real leaders and those who struggle to get by is self-discipline. As Confucius wrote, “The nature of people is always the same; it is their habits that separate them”. Successful people have formed the habits of doing those things that most people don't want to do.

Good and bad habits are tiny daily choices that accumulate. Like a child that grows a little each day, our tiny choices accumulate without much notice. By the time we realize we have either a good or a bad habit, the habit has us.

Most of our daily choices are made automatically without even thinking about them. To change our habits, we first need to be aware of them. Then we need to work backward from the habit to the daily practices that form it. To change the habit, we need to change those practices.

If discipline is a key to success, the fact is that most people would rather pick the lock. Less successful people cannot give up instant gratification in favor of some prospective benefit. It's much easier to live for the moment and let tomorrow take care of itself. But it takes discipline to forego the immediately pleasurable for an investment in the future.

Discipline means having the vision to see the long-term picture and keep things in balance. A Chinese proverb teaches: “If you are patient in one moment of anger, you will escape a hundred days of sorrow”. We all want more patience - and we want it now! Most of us would like to be delivered from temptation, but we’d like it to stay in touch.
5. Continually **grow and develop** : Most people see others as they are; a leader sees them as they could be. Leaders see beyond the current problems and limitations to help others see their own possibilities. This is a key part of their own growth and development.

We continue to grow when we help others grow and develop. The cycle of growth and development has two parts, and the first is our own growth and development, since we can't develop others if our own growth is stunted. These two parts depend upon and support each other. We develop ourselves while we're developing others. By developing others, we develop ourselves. It's a growth cycle that spirals forever upward.

Another part of the growth process is seeking to be more effective. As the pace of change quickens, it's easier to fall into the trap of confusing "busyness" with effectiveness. Like the woodcutter who's too busy chopping to stop and sharpen his axe, we get caught up in a frantic pace that may be taking us to the wrong destination. Reflecting on our progress is as rare as a proud man asking for directions. But to be more effective, we need to step back, take time out, and assess our direction. It will help us grow and keep up with change.

3. 03: **Making Choices** :

Change forces choices. If we're on the growth path, we'll embrace many changes and find the positive in them. It's all in where we choose to put our focus. Even change that hits us on the side of the head as a major crisis can be full of growth opportunities - if we choose to look for them.
Many people who have weathered a serious crisis look back to the years later and try to point out that event as a significant turning point. Most would rather not go through that pain again, but it was a key part of their growth.

Crisis can be a danger that weakens or destroys us. Or crisis can be a growth opportunity. The choice is ours. Whichever we choose, we're right about that crisis. We make it our reality.

The point is change is life. Successfully dealing with change means choosing to grow and develop continuously. Failing to grow is failing to live (Jim Clemmer).8

Change happens. And while we can't control much of the world changing around us, we can control how we respond. We can choose to anticipate and embrace changes or resist them. Resisting change is like trying to push water upstream. "Understanding change and staying alive means adapting to and influencing the specific business environment within which you operate"9.

3. 04: Why Change Happens:

From the experiences it is evident that past does not help us to predict the future. One has to chart a new future as one proceeds. As the time progresses the things start changing. No one can put a barrier to that. The history of transition during last two decades had been cataclysmic. A tremendous change has taken place through out the globe in every aspects of life. So, business being only a part of the whole process has seen many dramatic changes in it. In India we have observed and experienced the kind of change that never had been experienced in the past. The changes that was introduced with a process of economic structural reform in 1991
and thereafter the whole business and economic structure had gone through a total shake out which has given rise to a new paradigm. We may simply note few major causes of recent changes.

Politics: Politics is no doubt is the major reason for all changes that are taking place today. The political factor may influence local, national and international arena significantly. The nature of influence and its impact may vary time-to-time and event-to-event. For instance the structural reform process was initiated in 1991 in India so as to meet the adverse impact of balance of payment crisis. But root cause of this crisis was the oil shock that the entire globe had to face due to the Iraq War between U.S. allies and Saddam Hussain in 1990. What happened thereafter in 1991 is a part of history. India introduced structural reform in its economy which has brought about many changes, and which has totally changed the structure of economy and the conduct of business in India.

Globalization: The process of globalization has given rise to a new situation, which has impacted all nations and economies throughout this world. Now every business owners and managers shall have to spend a part of his quality time thinking about the environmental impact on business and formulating strategy to counter them. This was not so even a few years back. The difference between the local and global business has vanished within no time.

Technology: There is no doubt about the fact that the way the things are being done has changed totally. The major reason being, advent of new technology. There have been major inventions and innovations during past two decades. Above all technology itself has made available every thing at our doorsteps. Once we pay for
the technology it is available to us without any disparity. This situation has given rise to further new situation, which is beyond all imagination of an ordinary human being. Under the circumstances one shall have to develop some new strategy, and acquire new skills to tackle this situation. For example development of information technology has changed the entire arena of human communication system. Now, no one wherever he or she might be is out of touch but is accessible at all time.

**Technological Disruption Changes:** From countries to companies, HBS Professor Clayton Christensen sees disruptive technologies upsetting applecart all over the globe. In his talk at the HBS Global Alumni Conference 2001, Christensen discussed how disruptive technologies could change forever the health field, Microsoft, and even the Harvard Business School. Disruptive technologies such as the personal computer have the ability to sink market leaders, who are focused on their existing and most profitable markets and don't see the threat coming from below. The death of Digital Equipment Corp., along with a string of other minicomputer firms, was taken by surprise by the PC revolution.\(^\text{10}\)

**Knowledge:** The development and explosion of knowledge during last two decade and dominance of knowledge in doing the things has totally changed the type and structure of business. As the knowledge is growing the people are learning and they have acquired new capabilities and competency to perform their tasks. Knowledge driven people are far better motivated, efficient, autonomous, innovative and creative in their approach. This has created a situation to change the traditional organizational structure to accommodate knowledgeable workers. In the 21st century organizations are flat, lean, sleek and responsive. More than anything else
the organizations are living organizations. While the people are knowledgeable and learning continuously the organizations are also responsive to learning process.

**Communication:** Another factor that has changed and affected the change is the process of communication. The system of communication in the late 20th century and in 21st century has totally changed the human civilization beyond any doubt. We have already mentioned about IT and its impact. As the mobile technology is growing day by day the system of convergence has created a new situation and new paradigm. No one has to wait even for a moment to find or track a person. Therefore, we are in a situation of continuous touch and communication. On the other when knowledge is growing within people and communication barriers are eroding, people are looking to communicate freely and more so directly. In other words, in 21st century people are far more communicative than ever before. This new paradigm has given rise to a situation for looking at new skill and competency.

**Innovation:** Classical business structures that specialize work and fragment processes are self-perpetuating because they stifle innovation and creativity in organization. As the other things are changing organizational bureaucracies are crashing down, and knowledgeable people are looking for opportunity to express themselves as such there bound to be some situations where more innovation and creativity will take place. Thus it will create or develop new product, process or services for use of customers and community. These types of situations will lead to creation of new market and this may further cause development, innovation and creativity. Such situations have led the change beyond all previous human imagination. Under such circumstances, in order to survive and remain competitive
one cannot just react to such situation. One has to be a leader to understand and anticipate the change. One shall have to be a change leader\textsuperscript{12}. Above all, to sustain change — particularly change requiring new organizational capabilities and collective intelligence — senior executive must do two things: develop personal learning strategies, and understand the context in which they work\textsuperscript{13}.

\textbf{W.T.O. and other Trade related Issue :} World Trade Organization and other trade related issues like bilateral pact between two nation, signing of free trade agreements (FTA), development of trade blocks between a group of nations, and many other recent developments have changed the business structure totally. The business leaders had to change their vision and ways of doing business under pressure of such changes that are taking place. For example, breaking of old Soviet Block of nation had a very adverse impact on tea trade on India. Soviets, who used to be the major importers of Indian Tea once, totally vanished from market. This development had caused a tremendous hardship for Indian Tea industry. Assam being the largest tea producing state in the country, its tea industry was limping quite a bit for a period. Definitely, these sort of developments had an impact on the economy of Assam. The impact was much more far reaching than what is evident to us normally.

\textbf{Regulations and Law:} New law and regulations have its impact on the way one does business. Many new laws introduced or regulations brought about made various changes in the structure, strategy or management of business. Some times such changes are quite predictable. However, on some occasions they are totally unpredictable, which caught the business planners quite unprepared. For example, growing concern for environment and its awareness amongst the general mass has
made the lawmakers to formulate new statutory provisions. As a result of this industries had to change or some times they were even made to shut down the operations so as to meet the environmental norms. For e.g. presence of pesticides in soft drinks like Coca Cola, Pepsi more than the permissible limits, a few years back had brought the business of these major soft drinks manufacturers to the situation of total collapse.

3.05: Strategic planning often means strategic change

The outcomes from an organization's strategic planning process can be wide, varied and invariably far reaching within the organization. For some, the results of the process are to stay the current course but for others their strategy requires a more significant change.

Yet many of the organizations that pursue strategies that require a more significant change fail to deliver. The main reasons these strategic changes fail include:

1. Lack of key stakeholder support for the new strategy.
2. Inappropriate strategy.
3. Lack of on going Board support during the implementation of the strategy.
4. Lack of internal management skills.
5. Ineffective or no change management process is used.

Points 1 & 2 can be addressed by using the correct process in the development of the organization's strategy. To increase the probability that these two points are addressed the process should include:
• Stakeholder analyses to ensure that all key stakeholders are identified.

• Allow key stakeholders to provide input that they feel is meaningful.

• A facilitated process that enables the participants to test underlying assumptions and the status quo.

• Development of different strategic scenario's around key assumptions that the key stakeholders have ample opportunity to discuss.

• A defined and accepted process for the decision-making group to reach decisions.

Points 1 & 2 are usually handled well during the strategy development process by most organizations. A more difficult task is to keep the Board's ongoing commitment to the strategy. This is especially so if the short-term results are not favorable.

There are essentially three things that need to be done: communicate, communicate, and communicate. This communication should include:

• A discussion at the initial strategy session about the realistic results associated timing and key assumptions. It is important to help the Board understand that any significant change in strategy may have a short term detrimental impact upon results but will better position the organization for the future.
• Communicate this strategy often and help Board members realize what that means regarding their action and its impact on the organization. It can also be beneficial to explain the impact on the organization if you don't follow the strategy.

• Ensure that the Board doesn't get any surprises. It can be difficult enough to keep a Board's support during times of change without having them surprised with negative news. Communicate early and often.

Points 4 & 5 are related. The two key skills that the organization's senior management requires during times of significant strategic change are communication and change management. Introducing a simple change management process to the Board during the final presentation of the strategic plan will help them understand how the strategic plan will be implemented and how the changes will be introduced and managed, the Board's role in the process and the potential impacts upon staff and key stakeholders.

3. 06: Building Culture For Change

The processes of change as we have already discussed and organization’s reaction to any kind of change could be understood from the way the organization function and its broad culture. In other words adoptability of change and sustaining with changes is related to the culture of the organization.

No Quick Fix: willingness for change cannot be created overnight. It takes many positive experiences of change before people learn not to be frightened, to take risk, to let go of the past and to trust that change will take them somewhere o better. If
people have previously had negative experiences of how change has been handled in the organization, then one cannot do a abrupt change on the day when it is decided to launch a new strategic or organizational initiative. Creating a culture for change mean one has to do a through work by which the organization inculcate a system through which the change process initiated will be accepted by all and everyone will subscribe to it, rather than it has been bolted on it an extra piece.

**Creating an Internal Market:** The change that may be proposed for the organization may create an extra external market. It must create some more additional space or sold externally. But it should also be sold internally if organization is to mobilize commitment to change. In another word, the change initiated must be acceptable within the organization. The leaders of the organization first test the attitude of the people inside the organization. They should understand about the internal perception, commitment, potential causes of resistance to the proposed change initiated. Simply going into the process without knowing the mind and acceptance from the people of the organization may simply create unnecessary hurdle that may cause failure of entire process.

**Investing in Training:** we have already discussed that the change is inevitable. It is constant and one cannot stop change but one can lead the change. But the rate of change and the type of change that has sweeping through all parts of the organizations during last two decade were so rapid and so large that simply accepting change or creating a positive attitude towards it is not sufficient. The organization shall have to create right strategy to accept and implement change as well as develop some programs for the people to educate them about how to meet
the challenge of change. Any such program that is designed for the people of the organization shall have to be broad based, clear to the objectives and core purpose of the organization. The sheer scale of changes which affects every parts of organization- strategic, structural, system, education, culture, attitude. All such programs so designed to bring about change shall have to take all these into consideration.

**Alignment with Strategy of Business:** Business strategies are formulated to get desired success in business. Changes are focused to receive strategic advantage in terms of price, cost, market presence, market share, competition, etc., etc. Therefore, any change process that is suggested must be part of broad strategic business plan. It should not be initiated just for the sake of change. In other words it must aligned to core objectives of the business.

**Shared Vision:** Vision provide the future map of the organization which it aspire to achieve or the activities that the organization would like to subscribe if future to achieve its broad objective. Vision in order to become effective and encompassing it must be consistent to the core values of the organization. Also it must be consistent to the desire and aspiration of the people one who work or perform for the organization. The vision of the leader of the organization should not collide with the desire and expectations of its people. Once these factors are considered adequately and due weightage is give to respective issues and process the vision become encompassing and shared by all. After the shared vision the vision of the change process must also get aligned to vision of the organization.
Spelling out the changing requirement: An effective organization under changing paradigm should be responsive to deal effectively with market situation and needs. It should adopt and react with sensitivity of urgency to all challenges it faces. Under the circumstance the people in the organization shall have to be communicated about their desirable role with utmost care and clarity. The organization must draw out strategic and tactical plans to get commitment of the people. If necessary people may have to be stretched to bring out the best out of them. Finally, all action must be evaluated with in terms of business goals and the scope of their decision-making and performance.

Coaching and Cultivating to sustain with Change: as we have seen change process is continuous. It is without interruption. It is gradual. If one does not change with situation than change will take him on. Yet changes have to be realized and organization shall have to have a program for making change process smooth and acceptable.

In this changing situation every epitaph of human achievement whether that of education, technology, creativity, innovation, knowledge, wisdom, performance, the systems, the organizational structures, etc. are constantly challenged and questioned. In other words what ever is acceptable today may not be adequate for tomorrow. Thus, every thing that is available today has to be renewed constantly. Therefore, changed initiative is required to be developed and coached through human resource development (HRD) program. When we talk about HRD it is to be interpreted as a program for the whole organization encompassing every structure and every individual in the organization. A systematic process of HRD program can create
positive attitudes towards change. It can help the people to understand the change, and value the change and can help to take advantage of positive aspect of change.

In this downsized, outsourced world with resources stretched thin and performance expectations high, HR must exert leadership to prove its worth as a business partner and show that it can provide incalculable value to the organization. Paradoxically, this requires HR to act as both stabilizer and champion in the midst of the storms of change. The rest of the organization looks to HR to provide needed structures, processes and approaches to support change. And most importantly, to see that change efforts deliver enduring results.

HR can deliver these impressive results through a powerful combination of two new paradigms; a principle-based approach to change which simultaneously promotes stability and the management of the organization’s embedded polarities. Adopting this combined approach will enable HR to accelerate the pace of sustainable change, increase commitment to needed changes, and develop greater capacity for future change in the organization. At the same time, this dual approach will provide increased stability needed in the midst of the change process.

Increasingly, an organization’s ability to respond and adapt quickly while providing increased stability in the midst of change is a great leverage point for achieving sustainable competitive advantage. But this is not about predicting or riding trends; change needs to be a lot more than that. Organizations can get caught in pendulum swings from one trend to another. Sometimes Human Resources professionals are responsible for flavor-of-the-month initiatives; other times they may be trapped by flawed strategies advanced by senior executives15.
3. 07: Role of HR in Integration Process

There is a critical need for HR to be involved in the execution and integration phase when change process is executed. One of the first critical areas that HR can be involved is in assessing of things such as leadership style, mission, team strength, performance and reward management systems, customer focus and organizational capabilities.

3. 08: The Role of HR in the Due Diligence Phase

Due diligence process must catalog all risk and differences and then estimate the difficulty and expense of rationalizing and aligning these practices to successfully motivate the workforce all about the new changes. Due diligence helps to identify the risks and assess the actual price of the deal, which enables the organization to determine whether, it will purchase the change. A successful due-diligence process uncovers issues that must be proactively managed during integration like any liabilities, labor problems, and unfounded benefits, etc. The due-diligence process can also illustrate where new situation converge or diverge on aspects of leadership, communication, training, performance management etc. This enables the integration manager and others to make informed decisions about where to direct their integration focus and resources.

3. 09: Leadership

Effective leadership is crucial to provide clear direction into an uncertain future. Senior management must be involved throughout in the integration process so as to facilitate the change process. Unfortunately, however, sometimes leadership is often
derailed in change process. When two new groups of people come together there is a great possibility of them getting embroiled in politics. When employees see top managers jockeying for position rather than focusing on the new business, its customers and its employees, the seeds of a failed integration are sown. This makes it more difficult for people to get a solution for the problem: issue that generates so much uncertainty and low moral.

3.10: Implementation

Measurable goals and objectives let people know what a successful integration will look like and how long it would take. Synergy targets, integration time frames, specific deliverables and due dates all drive a faster, smoother integration. Many organizations fail to establish sufficient mechanisms for tracking and reporting of change. One of the key roles for HR professionals in the implementation stage is coordination and communication to staff. They should play an important role in making the people aware of the new mission and vision of the organization so that they know where to focus and what to achieve to maximize productivity and shareholder satisfaction.

3.11: Integration

During the integration phase, HR is required to deliver on the planes developed during the planning phase as well as respond to unexpected and new requirements, which are often many and unpredictable. Essentially through any change process, employees want to know “what is in it for me?” This could include such issues as; will I have a job? Who will I report to? What is the media saying? What will be my
future role and responsibilities? These questions need to be answered effectively to the employees or the ambiguity may impair their performance and productivity. Timely release of consistent, transparent information is an important factor to facilitate the change process. In addition other issues that have to be taken into consideration are:

- Aligning business strategies with people practices,
- Managing cultural and organizational change,
- Providing training and development and imparting new skill,
- Assisting with restructures, job descriptions, job values and organizational structure,
- Assisting in organization and process redesign,

After the firm has been integrated and the initial stress of the change has died down another important phase emerges where the HR plays an important role is a review of the achievements of the change process against the original or revised objectives. In maximizing the engagement of the human capital in the new organization, it is important that this review process is conducted and appropriate remedial action is identified and taken to ensure the successful outcome of the integration.
These distinctly different businesses exist within the enterprise simultaneously. There is a natural tension among these businesses, Drucker noted, with each vying for budget and human resources. Managers within the traditional business typically defend the present against those anxious to pursue new opportunities within the transitional and transformational businesses. Managers within these latter businesses, in turn, struggle for the resources necessary to capitalize on short- and long-term opportunities. In tough economic times, many enterprises concentrate almost exclusively on the traditional business; in the long run, however, without new inputs supplied by the transitional and transformational businesses, they will run down.
3.12: Strategies For Change

What strategies can managers within transitional and transformational businesses use to garner sufficient resources to capture new opportunities and, accordingly, sustain the enterprise long-term?

These strategies can help managers across industries survive and even thrive in today's demanding business environment.

1. Sell continuously to the group of decision-makers that matters most.

The first rule is to identify the key decision-makers—the senior executives who can make or break your budding transitional or transformational idea. "They're the people who are going to make it happen." Others at the table suggested expanding the scope of any internal communication effort to other stakeholders in nascent initiatives, such as key customers and partners.

2. Associate the change effort with a currently successful product or service.

The intent of this strategy, of course, is to present the risks associated with the change effort as negligible. One may find more success by offering ideas that slightly branch from, but remain tied to projects closer to the company's core competencies. Once these projects are achieved, that can be leveraged them to branch out even farther.
3. **Detail how the change effort will deliver a compelling consumer benefit.**

A powerful strategy for getting the necessary corporate buy-in for transitional or transformational ideas is to show strong consumer demand. The evidence can consist of traditional market research and/or a more intimate approach to proving consumer interest. Jay Heuer of Whirlpool Corporation talked about his company's now-scaled-down plans for a suite of Web-enabled appliances in the context of this principle.

Sometimes, the structure of the enterprise hinders decision makers' abilities to recognize the market opportunity inherent in a newly relevant or heightened consumer need. According to management guru, Russel Ackoff: companies are typically organized by products, geography or customer segments. “If you're not organized by customers, then it's probably not going to work”, he said. “That's the link between divisions or busine groups – customers”.

4. **Sell the change effort, in part, on an attractive (and realistic) assessment of the revenue opportunity.**

There was considerable discussion about the degree to which revenue opportunities should be quantified as part of a business plan in order to get buy-in from the relevant decision makers. Some argued for developing a plan that detailed the revenue opportunities, but stopped short of a full-fledged business plan. Regardless of roundtable participants' preferences about the degree to which new initiatives should be wrapped up in revenue projections, at minimum, participants agreed, the
proponents of change initiatives ought to have worked out at least one viable business model.

Even though all of the numbers typically associated with a business plan may not be in place, at least one viable model must be thoroughly worked out, with the tacit understanding that it will undergo changes in accordance with market developments.

Some, particularly those managing initiatives at consumer goods companies, noted the difficulty of getting senior executives to think beyond "selling boxes" to make the current quarter's numbers.

5. **Attract decision-makers with the revenue opportunity, but also describe the opportunity cost of competitors capitalizing on it first.**

This principle may be considered the converse of the second; instead of nurturing new initiatives under the guise of enhancing existing businesses, this principle stipulates appealing to decision makers' desire for new revenue streams and their fear of losing out on heretofore untapped opportunities.

The leaders are masters of change. One of the most significant essentials for success during transition is team building. Leaders that can challenge, motivate, and empower their teams through change are successful. Most change disrupts teamwork. The leaders who can keep their work teams focused during changes will have organizations and businesses thrive.
Change is nothing new to leaders, or their constituents.

Understanding the transition process is a requirement for almost any senior executive. However, it is when the organization is in transition that leaders themselves often need help. They are so close to the changes that have been launched that they may fail to

- Remember that they themselves took some time to come to terms with the necessary change -- and that their followers will need at least as long to do so.
- Understand why anyone would not embrace change, and, so believe that their followers are ignorant, rigid, or outright hostile to the new direction
- See that it is the transitions, not necessarily the changes themselves, that are holding people back and thereby threatening to make their change unworkable.

Most leaders come from backgrounds where technical, financial, or operational skills are paramount, and those skills provide little help when it comes to leading people through transition. Such leaders may be pushing the limits of their understanding of the future, and they need perspective and advice. That is where a trusted colleague, confidant, coach, or consultant can offer valuable counsel to the leader. This person's background or professional affiliation can vary widely; what matters is that she or he understands how to help people through transition. It is a role that is far more interpersonal and collaborative than is played by most consultants or trainers accustomed to teaching a skill or prescribing a solution.
No training program can prepare a leader for managing a transition. Yet no leader can effectively lead change -- which is what leadership is all about -- without understanding and, ultimately, experiencing -- the transition process. What leaders need, instead, is individualized assistance whereby they learn. In their famous article “Leading Transition: A New Model for Change” by William Bridges and Susan Mitchell have described a very radical and practical model of change transition that a corporate may adopt.  

- Create plans to bring their followers through the particular transition that they face -- not through generic “change”. A trainer can teach leaders a generalized approach (“The Ten Steps...”), but a good coach can help the leaders to discover their own best approaches.
- Work with their own goals, limitations, and concerns to create a development plan that prepares them for the future.

Times of transition are becoming the rule rather than the exception. Yet few leaders know how to prepare for the changes that lie ahead. Transition leadership skills must be congruent with, must capitalize and build on, the leader's own strengths and talents. They cannot be found in a set of theoretical leadership skills.

The transition adviser works collaboratively with each leader to assess the leader's place in the three-part transition process, the strengths the leader brings and how to leverage them, and what the current situation demands. It is a personal and completely customized process.
3. 13: A Method to Managing Transition

A leader in order to bring about changes has to know the transition process. Although the details of a transition management plan are unique to each situation, there may be the following essential steps:

1. To learn to describe the change and why it must happen, and do so succinctly -- in one minute or less. There are numerous situations when many leaders cannot do that.

2. To be sure that the details of the change are planned carefully and that someone is responsible for each detail; that timelines for all the changes are established; and that a communications plan explaining the change is in place.

3. To understand (with the assistance of others closer to the change) just who is going to have to let go of what -- what is ending (and what is not) in people's work lives and careers -- and what people (including the leader) should let go of.

4. It is to make sure that steps are taken to help people respectfully let go of the past. These may include "boundary" actions (events that demonstrate that change has come), a constant stream of information, and understanding and acceptance of the symptoms of grieving, as well as efforts to protect people's interests while they are giving up the status quo.

5. To help people through the neutral zone with communication (rather than simple information). By emphasizing:

    The purpose: Why one has to do this
The picture: What it will look and feel like when one reach its goal

The plan: Step-by-step, how one will get there

The part: What one can (and need to) do to help to move forward.

6. To create temporary solutions to the temporary problems and the high levels of uncertainty found in the neutral zone. For example, one high-tech manufacturer, when announcing the closing of a plant, made interim changes in its usual reassignment procedures, bonus compensation plans, and employee communications processes to make sure that displaced employees suffered as little as possible, both financially and psychologically.

7. To help people launch the new beginning by articulating the new attitudes and behaviors needed to make the change work — and then modeling, providing practice in, and rewarding those behaviors and attitudes.

3.14: Coaching for Change

The ability to manage transition is tied to the realities of an actual leader in an actual situation; mutual trust between adviser and leader is essential. Only then can leaders be honest enough to bring their fears and concerns to the surface quickly, hear what the situation is really. By “saying” or imitating on a program that a consultant is trying to sell, without gaining the personal insight and awareness of the transition process that may cause trouble in the future.

Because this transition management relationship is a close and ongoing one, the adviser gets to know the leader's situation well and follows it as it changes.
Understanding the dynamics of transition is far removed from the kind of leadership training most organizations provide. Traditional trainers and consultants seldom possess such intimate knowledge of their client. Whatever personal coaching they provide is usually subsumed to the teaching of a generic skill or body of knowledge. And because the relationship is time-limited, there is a natural pressure to produce quick, clear results.

However, because transition advisers work within the context of the situation at hand, their focus is not on how to “be a leader” or even how to “change an organization” but on how to provide the particular kind of leadership that an organization in transition demands. For that reason, the results of the relationship are very specific: the development of new skills and behaviors geared to the needs of the unique time and circumstances in which the person leads. A fundamental sense is a coach, and the leader can best learn that role by being coached.

3.15: Four Ways to Create Lasting Change

Managers and employees often dismiss change initiatives as the new flavor of the month. In this Q&A, Professor Michael A. Roberto and Senior Researcher Lynne C. Levesque discuss new techniques to make change stick.

Many managers know that even when their firm launches a change initiative with great fanfare, it is tough to make the changes last. More often than not, employees warily dismiss the initiative as another management fad. Soon enough, processes and behaviors revert to their old, comfortable selves.
Professor Michael A. Roberto and Senior Researcher Lynne C. Levesque discuss new techniques to make change stick they have explained the barriers and catalysts for successful institutionalization of these programmatic change efforts. These processes fell into four major categories: chartering, learning, mobilizing, and realigning.

Chartering refers to the process by which the organization defines the purpose and scope of the initiative, as well as the way people will work with one another on the program.

Learning refers to how managers develop, test, and refine ideas through experimentation prior to full-scale rollout.

The mobilizing process entails the use of symbolism, metaphors, and compelling stories to engage people's hearts as well as minds so as to build commitment to the project.

Finally, the realigning process consists of a series of activities aimed at reshaping the organizational context, including a redefinition of roles and reporting relationships as well as new approaches to monitoring, measurement, and compensation.

These four processes represent critical up-front work that a change team must undertake to build commitment, energize employees, and insure that the components of the initiative become part of the firm's core systems and procedures. In many instances, such as the first CSE initiative, firms do not do this foundational work,
and they plunge ahead with a "program of the month" without thinking about how to sustain behavioral changes over time.

3.16: Winds of change

With globalization and competition challenging the corporate world, HR managers can no longer play just the traditional administrative and welfare role. They are expected to be effective change leaders, working at the center of each business rather than at the fringes of the action. Today HR helps define the business case for change, it communicates a vision of the future, shapes a sound implementation plan, and follows through to achieve sustained results. Changing times call for different and innovative strategies — and a catalyst called technology. With footprints in various geographies, IT leader Tata Consultancy Services (TCS) created systems for managing the future. The need was to deploy employees in a seamless and integrated manner. The innovative solution it engineered to meet these challenges is called Ultimatix. Designed in-house, it digitized the whole organization in real time through the web. Every single employee was connected through this platform across the globe. Ultimatix has also been successful in cutting through layers of decision-making within TCS. “Ultimatix has become our single employee-service window”, says S. Padamnabhan, executive vice president and head - Global HRD, TCS. “It has ensured that employees get their services without much difficulty. They can log in with their claims, loans or even leave applications for processing. All approvals are done online. To that extent, we are a paperless organization”.

To a population that is highly mobile, virtual HR is a godsend. With deployment
being a challenge to companies with the size and spread of TCS, it is a major time saver. Besides its HR policies, the organization has taken its appraisals and employee satisfaction surveys online. It does not end here. The survey findings, along with implemented suggestions, are also posted online. Rising employee satisfaction scores endorse the popularity of these initiatives.

3.17: Change agents’

Recent economic trends have compelled companies to tighten the belt and adhere to fiscal responsibility. Companies are returning to improve efficiencies, streamline processes, make intelligent choices, ensure profitability and strengthen the corporate fiber in order to be more competitive. Change is crucial. But the Jamshedpur-based Tata Motors' commercial vehicles division (CVD) has discovered that managing people to manage change is even more important. Its department for productivity services has been the change agent to achieve the dual task of employee involvement and waste elimination. Says A. K. Dua, deputy general manager, Productivity Services, Tata Motors, “We have tried to be innovative in each of our initiatives”. For instance, the first thing that the team addressed was the need to create champions and opinion leaders from various divisions within CVD. Under the Total Productivity Model, the division started using a system under which an individual would be the owner of a machine. It would be this person's responsibility to improve its performance and to keep it clean.
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