MANAGERIAL PSYCHOLOGY:

AN OVERVIEW

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ORGANIZATIONAL CHANGE AND DEVELOPMENT

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CHAPTER GOALS

After reading this chapter, readers are expected to:

- gain wide in-depth understanding of organizational change and development,
- develop broad, generally appropriate perspectives needed to analyze organizations in transition,
- be equipped with skills to identify the need for change in an organization,
- understand the interrelated nature and applications of organizational change and development concepts,
- grasp change implementation and change resistance management techniques
- be able to evaluate change management strategies,
- appreciate the role of cross-cultural and ethical issues in contemporary change management processes, and
- understand contemporary change models.

INTRODUCTION

Organizational change and development knowledge is important to leaders of governments, communities, and corporations in every nation around the world. Change and development are a form of learning, which individual employees and organizations will continue to experience in their lifetime. In most organizations, of course, all forms of learning take place simultaneously and they interrelate in complex ways – affecting who is doing the learning where and how it is taking place (Hayes, Pisano, Upton, and Wheelwright, 2005).

THE CONCEPT OF ORGANIZATIONAL CHANGE AND DEVELOPMENT

The concept of organizational change, when used in business and management literature, usually refers to planned, organization-wide change. Still, the concept can seem so broad and general in nature that it somewhat becomes difficult to comprehend. Change entails an organization's partial or total movement from a present state to a future desirable or even undesirable state. Change involves alteration in employees' attitudes, behaviour and dispositions. Change also encompasses alteration or modifications of methods, techniques, use of resources, relationship with employees, customers, the general public and other stakeholders in a business, organization or project.

Organizational development (OD), is an all-important primary process, through which individual and organizational growth can, through time, achieve its fullest potential. According to Bateman and Zeithaml (1990), in addition to instituting challenging corporate strategy, technology, and structure, companies often attempt to positively change the attitudes and behaviour of its people directly or indirectly. These go hand in hand with a strategic change, introducing a new technology, and other changes in the work environment. A number of formalized techniques exist for changing people. Organizational development (OD) is the umbrella term covering most of the techniques.

OD is a process of change that uses behavioural science and techniques to influence goal of facilitating organization effectiveness. The techniques of OD aim at changing people. Bateman and Zeithaml (1990) identify major families of OD techniques to include:

1. Diagnostic activities - assess the current state of the organization, i.e. strengths and weaknesses, problem, identification, employee attitudes, performance levels, etc. Data are collected and analyzed. Questionnaires, interviews, objective evidence, and group meetings are typically used.
2. Educating and training activities improve people's knowledge, skills, and abilities. They range from classroom-style lectures on technical and management topics to group training laboratories (historically called T-groups), in which people try to gain deeper insight into their own and others' attitudes and behaviours. One famous approach is sensitivity training, in which people share their feelings and perceptions about each other. Sensitivity training aims to help participants learn more about themselves and improve their interpersonal relations.
3. Team building involves a number of activities designed to improve work groups performances. Performance goals and norms, group cohesiveness, individual work roles, and interpersonal relationships are initially analyzed and then improved through

discussion and training. Team building can be applied at all organizational levels, from operative-level work groups to top-management.

4. Inter-group activities deal with relationships between groups that sometimes work together. These often aim to resolve conflict between the groups and may include an independent third party that tries to reconcile differences between the groups and highlight their common organizational interests.
5. Life-and career-planning activities help people identify their life and career objectives. These activities also focus on personal; strengths and weaknesses and strategies for achieving personal goals.
6. Grid organization Development, developed and popularized by Robert Blake and Jane Mouton, is a six-phase model of change that involves the entire organization. The phases are i. improve individual managers' leadership styles; ii. conduct team-building activities; iii. improve inter-group relations; iv. enhance corporate planning; v. Develop tactics of change implementation, and vi. Evaluate the effectiveness of the change. This approach begins with individuals, moves to groups, and then designs, implements, and evaluates organization-wide change.

Daft (1995) also notes that OD uses knowledge and techniques from behavioural sciences to improve performance through trust, open confrontation of problems, employee empowerment and participation, the design of meaningful work, coorporation between groups, and the full use of human potential. OD practitioners believe that the best performance occurs by breaking down hierarchical and authoritarian approaches to management. OD interventions, Daft (1995) notes, are survey feedback, team building and inter-group activities, etc.

It has been observed that education is the major contributor to any development process, because it directly and continuously affects the formation, not only of knowledge and abilities, but also of character and of culture, aspirations and achievements. According to Hitt, Ireland, Hoskisson, Sheppard and Rowe (2006), training is the short-term, systematic process through which an individual is helped to master defined tasks or areas of skill and knowledge to pre-determined standards. As such, there is the need for a coherent and well-planned integration of training, education and continuous development in the organization if real growth at individual and organizational levels is to be achieved and sustained.

In the words of Bennis (1969), organizational development (OD) “is a response to change, a complex educational strategy intended to change the beliefs, attitudes, values, and structure of organizations so that they can better adapt to new technologies, markets, and challenges, and the dizzying rate of change itself.” Some of the more common OD interventions include: change management, coaching, organizational design, visions, missions, values, and teambuilding. Every change has its drivers, which are referred to as the forces driving the change. Fitzroy and Hulbert (2005) identify these drivers to include new customer demands, rising customer demands, rising consumer expectations, and technological innovation. Others are developments in communication and transport, and political changes resulting from increased global economic integration.

In order to lead effective organizations, managers must develop such organizations in such a way that the organizations will be able to respond quickly and effectively to environmental change, what Haeckel refers to as sense-and-respond organizations. Hence, change management must become a core competence of the firm if it is to survive and deliver value to stakeholders. It is better to anticipate and manage a change than not to be prepared and react to change (Fitzroy and Hulbert, 2005).

In contemporary global society in which time changes dramatically, businesses must not only change but must also be amenable to change in order to remain viable and withstand competition. Most (if not all) organizations today are facing the fact that to keep up with competitors, change is constant and must be accepted. The accelerating pace of change is noticed in the structure of competition, in the shifts of consumers’ preferences, in the employee relations, developments in new technology (products and processes). In a similar vein, the ageing of buildings, equipment, and machines brings about changes in the life of an organization.

The working population in developed countries is aging while the population in the developing countries is increasing but becoming unproductive due to diseases, poverty and other socio-economic and political factors. People’s abilities and skills also become outdated. For these and other reasons, there is no doubt that changes can affect all aspects of the operation and functioning of the organization. To survive or stay afloat, organizations must properly prepare to face the demands of internal and external changes.

As implied in the foregoing, organizational changes could stem from within (internal), from without (external) or both. Similarly, change and development come in both noticeable and unnoticeable ways. It is on the basis of the foregoing that, in passing through change, organizations should diagnose organizational performance as well as discover opportunities which improve and facilitate solutions.

In every nation around the world today, organizational change and development knowledge is important to leaders of governments, communities, and corporations. Indeed, few persons in the contemporary global "village" can avoid having to deal with constant changes in technology, environments, governments, businesses, communications, neighborhoods, workplaces, economies, and social institutions. These realities are compelling and provide the basis for studying the dynamics of organizational change and development.

IDENTIFYING THE NEED FOR CHANGE

It is generally said that failure to plan is plan for failure. Identifying the need for change goes to the heart of effective leadership (Flamholtz, 1986). In the present era of scientific management of organizations, planned change processes often work, if conceptualized and implemented properly. Unfortunately, however, every organization is different from another in structure, function and purpose of existence. Owing to uniqueness of organizations, most organizational changes are expectedly caused by different factors. For many organizations, however, change comes from the need to respond to opportunities or demands presented by external environment. These externally propelled opportunities or demands include unsatisfied needs of customers, a compelling need to meet customer satisfaction standards, which are increasingly established by today's global competition and reductions in international trade barriers and growth of foreign competitors largely as a consequence of globalization. They also include rapid growth, change and transferability of technology, growth of environmental protection activism, political pressure for higher value of money as well as public sectors financial constraints. Others include increasing privatization of public sector and unprecedented wave of ownership changes through acquisition by another company.

Other externally-induced opportunities are growth of disposable income especially in developed countries, phenomenal growth of service industries and the noticeable decline of manufacturing industries, fluctuating interest rates and increase in money supply, changing trends in the Gross Domestic Product (GNP) of countries and increasing rates of obsolescence, etc.

There are equally some factors that necessitate organizational changes, which relate to the organization's workforce. These factors include replacement of knowledge and skills by competencies, shortage of workers in some key work areas, the need to increase the number of skilled, more educated workers (especially in developed countries). Such factors as increasing involvement of women in paid work activities, rising levels of unemployment and increased importance attached to the quality of working life are also workforce-related factors that trigger changes in organizations.

Factors directly affecting organizations also trigger changes. These factors include shrinking size of an organization or, conversely, a growing size due to acquisitions. Changes in the organization's environment, such as new laws or regulations, rapidly increasing competition, or an unpredictable rate of inflation, may also require an organization to seek a change in its mode of operation. New product development or product selection resulting from the availability of improved technology, changes in competition in the industry, or unusual requirements of a new client may also affect the organization and result in change.

Reduced productivity, product quality, satisfaction, commitment, or increased turnover or absenteeism may call for changes in intra- or interdepartmental relations. Frequently, one or two specific events external to the organization precipitate the change. It occurs when a change ignores the needs, attitudes, and beliefs of organizational members.

Whether internal or external, change-causing factors or driving forces have profound impacts on organizations. It is precisely for this reason that organizations should consider what major key environmental influences are particularly important, and what are the impacts of those to the organization. In today's organizations, resourcebased management is giving way to knowledge-based management. Sustaining knowledge-based management definitely requires good leadership. In slow changing organizations, identifying the need for change may involve environmental scanning as well as clarifying what the institution needs to do to keep abreast of sectoral developments and best practice. In fast changing organizations it can be more about deciding what not to change and managing the multiple changes with multiple dependencies.

Knowing the area in which one is operating sufficiently is very important for identifying the need for change. Identifying the need for change in turn calls for clearly knowing an organization's values. Gilliland, Steiner, and Skarlicki (2003) noted that Organizational values are important, especially during periods of acquisition (when values are first acquired), maintenance (times when values remain relatively stable) and change (phases when values vary). Owing to competition in organizations' operating environments, managers should ensure that they bring something new and unique to their organizations. There are quite a number of ways in which managers can scan the environment to be able to bring about a formidable and desirable change. Among these are formal visits to individuals or organizations involved in the same or similar line of business, networking with professional associations and practitioners and informal networking. Nevertheless, experiences have shown that, it is often disastrous for managers or organizations to wholesomely import the perceived good practice into their own organization.

The reasons for exercising caution about wholesome importation are obvious. First, cultures in which organizations operate are not the same. Second, key personnel also differ just as micro-politics of organizations is far from being the same. In the same vein, managers and organizations should, as a matter of necessity, always consider the obvious differences in their resources while contemplating change. This will provide them with better platform for tailoring their change to be in line with local needs and circumstances.

As change plans are sorted out, it is important for managers to get employees and interest groups that are likely to be most affected by the intended change to review the proposed good practice and identify how it can be adapted to meet local needs. By visiting areas of perceived good practice and seeking views on alternatives while discussing implementation and possible barriers, managers create room for further identification of change areas. This method offers even more advantages when key staff of the organization are involved in the decision-making process as well as reviewing of related policy documents. Piloting and testing what has been done at this level before rounding off the need identification process similarly offers tremendous positive outcome.

CHANGE IMPLEMENTATION AND MANAGING RESISTANCE TO CHANGE

Change is a transition and the responsibility for managing change lies mostly with management and much less with employees. Sherman (2005) has identified four stages involved in change. These include:

1. **The stage of shock:** This is a stage in which people experience impending change as threat. They shut down thinking and as many systems as possible. This stage is characterized by low productivity and inability to think properly.

2. **The defensive retreat stage:** This is characterized by holding on and attempting to maintain old ways. There is a great deal of anger as well as refusal to let go the past. People and organizations can get stuck here or find their way back to stage 1 as each element of change is introduced.

3. **Acknowledgement stage**: This is a stage at which people initially resisting change have sense of grief and sadness over loss. Letting go, they begin to see the value of what is coming, and look for ways to make it work by considering the pros and cons. Risk taking by those who initially resisted change begins at this stage and there is exploration of new ways of looking and doing things.

4. **Adaptation stage:** This is the stage at which what is coming has actually arrived. Here, all stakeholders in the change process are ready to establish new routines and to help others. Risk taking fully comes into play at this stage.

Transformational changes also occur in organizations in four ways. These are changes in what drives the organization, such as marketing or production; changes in the relationship between parts of the organization; changes in the way work is done and changes in the basic culture. According to Buggeman (2004), managers, in initiating and dealing with any form of organization change, should hold on to a relevant organization theory that answers two questions. The first question is what are the most relevant elements in our framework? The second is how do these elements ‘fit’? Critical domains involved in answering these two questions, (Buggeman, 2004 notes) are challenge, structure (formal organization) and behaviour. These are basic elements of organizational design. Each of the three domains – challenge, structure and behaviour – intersects with the other two, and the relationship between any two elements is dependent on the third.

No unit is an island and changes planned for one part of an organization invariably have knock-on effects on the other parts. It is therefore crucial that in planning any changes, change agents should be aware of the likely impact of those changes on other parts of the organization. If a change has unanticipated effect on a unit, a considerable amount of resistance to the change will develop. For this reason, it is better to consider the effects of any change with all the units concerned and to plan change in consultation with them to minimize the adverse effects.

People who are or would be involved in organizational change and development are, along with other factors, very instrumental to the success or failure of change. This fact presupposes that in the course of identifying the need for change, managers should also obtain at least preliminary information about those involved in the change situation. Overall, the broad steps involved in identifying need for change include problem definition, further goal specification, and an evaluation of the resources available to deal with change when it eventually comes. Quite importantly also, the change agent and client should generate alternative strategies for meeting the objectives of the change. That is not all because, as the change occurs, the change agent is expected to collect data about the nature and effectiveness of the change. That enables him or her to plan for continuing the change into the future or for knowing when the change will end.

It is difficult for change to occur unless without stakeholders’ commitment to change in the organization. Therefore, it is important that managers consider how such commitment can be achieved. Although managers adopt different approaches, including use of hierarchical authority or a coercive style, it has been observed that in most cases, the participative style of management is more likely to be effective. Hersey and Blanchard (1988) have observed that with participative change cycle, a significant advantage is that once the change is accepted, it tends to be long lasting. Since everyone has been involved in the development of the change, each person tends to be more highly committed to its implementation.

The disadvantage of participative change is that it tends to be slow and evolutionary – it may take years to implement a significant change. An advantage of directive change, on the other hand, is speed. Using position power, leaders can often impose change immediately. A disadvantage of this change strategy is that it tends to be volatile. It can be maintained only as long as the leader has position power to make it stick. It often results in animosity, hostility, and, in some cases, overt and covert behaviour to undermine and overthrow. It can be deduced from the foregoing that the effective management of change must be based on a clear understanding of human behaviour at work.

In his highly regarded books 'Leading Change' (1995) and the follow-up 'The Heart of Change' (2003), John Kotter identified eight steps to successful change. These include increasing the urgency of the change, building the guiding team, getting the vision right, involving as many people as possible and communicating the essentials, empowering action and creating short-term wins. Others steps are motivating partakers in change not to give up and making change stick through reinforcement of the change values and aspirations. These principles when properly adopted minimize the resistance that comes with change.

While identifying the process of implementing change to include diagnosing the organization’s current state, designing the future state, and actually implementing the change, Bateman and Zeithaml (1990) suggest the following ways of managing change effectively:

1. The organization is moved from its current state to some planned or expected future state that will exist after the change

2. The functioning of the organization in the future state meets expectation; that is, the change works as planned.
3. The transition is accomplished without excessive cost to the organization.
4. The transition is accomplished without excessive cost to individual organization members.

Daft (1995) also suggests seven techniques for successful change implementation. These include diagnosing a true need for change, finding an idea that fits the need, getting top management to support the change and design change for incremental implementation. Other techniques are creating change teams, fostering idea communication and planning to overcome resistance to change. The latter consists of alignment with needs and goals of change users, communication and education, participation and involvement as well as forcing and coercing.

Barriers to Organizational Change

Resistance to change is a common phenomenon. In spite of the positive outcomes they bring, changes are often resisted at both the individual and the organizational levels.

Individual Resistance

Pinpointing the exact reasons for resistance to change is certainly not easy. Nevertheless, Daft (1995) broadly identifies personal or individual barriers to change as including uncertainty avoidance and fear of loss. It has been observed that selective perception plays a role in change resistance considering the fact that each individual has his or her own image of the real world. Individual unionists, for instance, may see all managers as being untrustworthy and therefore oppose any reforms. Individuals resist change when they lack specific information about the change; they may not know when, how, or why it is occurring. Similarly, individuals may not perceive a need for change because they may feel that their organization is currently operating effectively and profitably. In these cases, change often is neither voluntary nor requested by organizational members.

In the view of Bateman and Zeithaml (1990), the following general reasons inform an individual's resistance to change: inertia (unwillingness to disturb status quo), timing, surprise, peer pressure. There are also some change-specific factors which cause individuals to resist change. These factors include self-interest, misunderstanding with management or co-workers, and subjective assessment of change situations. Also, the nature of the relationship between individual employees of an organization and the agents of change also determines the former's acceptance or rejection of change. Organizational members frequently develop a "we - they" mentality that causes them to perceive the change agent as their enemy and consequently resist the change. This is especially so when representatives of a distant corporate headquarters or of an outside consulting firm are given the mandate of imposing the change. It is also not unusual for members of an organization to view change as a threat to the prestige and security of their supervisor. For instance, they may perceive the change in procedures of policies as a commentary that their supervisor's performance is inadequate.

People tend to respond to situations in an established and accustomed manner. These habits serve as means of comfort and security, and as a guide for easy decision-making. Any proposed changes to habits may be well resisted. Indeed, changes, which confront employee with unknown, tend to cause anxiety and fear. In other words, people find a sense of security in the past and therefore resist new ideas and methods.

Moreover, human beings have a fear of loss of freedom, and if the change is seen as likely to prove inconvenient, make life difficult or result in increased control, there will be resistance. Also, employees are likely to resist any change, which is seen to reduce either directly or indirectly their pay or other rewards, requiring an increase in work for same level or pay or is seen as a threat to the job security.

Organizational resistance

According to Daft (1995), excessive focus on costs, failure to perceive benefits, too high a risk, lack of coordination and cooperation and incompatible systems constitute barriers to change at the organizational level. Diverse range of stakeholders makes up organizations. Therefore forging common ground or establishing mutual gains and common understanding is unlikely to be a straightforward process. Typically, organizations tend to feel comfortable operating within structure, procedures and policies, which they have formulated in the past. This is in spite of the fact that organizations have to adapt and respond to their environment,

One of the major barriers to change in an organization is the organizations' culture. People want to stick to the way "things are done here." Over a period of time, organizational routines become institutionalized and become the "ways we do things here." An organization, which becomes especially used to routines no doubt achieves some level of efficiency. Nevertheless, the risk is that same routines prevent organizations to change. An organization may become imprisoned by its own success. In certain circumstances and times, changes require large resources, which already are committed in other areas. Motivational reason for resistance also accounts for resistance to change. In this circumstance, organizations (or individuals) are unwilling to take risks.

Dealing with resistance to change

There are several tactics, which can be helpful in dealing with resistance to change. Generally, they have to do with recognizing legitimate resistance and changing tactics based on it, using effective leadership to enroll people in the vision of change, and using employee participation. A useful technique to systematically identify areas of resistance and deal with them is what Brager and Holloway (1992) call a force field analysis. Kurt Lewin (1935) originally developed this technique as an assessment tool for organizational change. It involves creating driving forces, which aid the change or make it more likely to occur. In doing this, restraining forces, which are points of resistance to change are also eliminated.

A manager doing a force field analysis starts by identifying the change goal. He or she represents this change goal by drawing a line down the middle of a piece of paper. Slightly to its left, she draws a parallel line, which represents the current state of the organization. The change process involves moving from the current state to the ideal future state. To the left of the second line (the current state), the manager lists all forces (individuals, key groups, or conditions) which may assist in the implementation of change (for instance total quality management or TQM). These forces may include environmental pressures leading to reduced funds, staff who may like to be more involved in agency decision making, and the successful applications of the change elsewhere. On the other hand, the manager or change agent lists restraining forces, which will make the change implementation more difficult. Examples may be middle management's fear of loss of control, lack of time for line workers to take for TQM meetings, and skepticism based on the organization's poor track record regarding change.

The analysis of the force field involves looking at which driving forces may be strengthened and which restraining forces may be eliminated, mitigated, or counteracted. If it appears that, overall, driving forces are strong enough to move back restraining forces, adoption of the change would be worth pursuing. The change plan would include tactics designed to move the relevant forces. According to Brickley, Smith, and Zimmerman (2003), marketing a change proposal goes a long way in preventing change resistance and, where resistance still arises, managing it better. Change proposal marketing entails doing careful analysis and groundwork, relying on reputation and emphasizing a crisis, i.e. making the status quo appears worse or less attractive. Bennis and Nanus (1985) devised another way to address resistance to change. This involves getting all employees on the same side, in alignment towards the same goal. Doing this requires effective transformational or visionary leadership.

Packard (1995) reports that a powerful way to reduce resistance to change is to increase the participation of employees in making decisions about various aspects of the process. Their participation makes them committed to the change process as they feel a greater stake or sense of ownership in what is decided. Brickley, Smith, and Zimmerman (2003) suggest organizational restructuring as a way of gaining employees' support for change. This ensures flexibility, commitment and easing of employee pain.

In the view of Beckhard and Harris (1987), change agents need to understand that, overall, change will occur when three factors (dissatisfaction with the status quo, desirability of the proposed change, the practicality of the change) added together are greater than the "cost" of changing (time spent in learning, adapting new roles and procedures, et cetera. Beckhard and Harris (1987) mathematically represents the above statement thus:

C = (A + B + D) > X

C = Change

A = Level of dissatisfaction with the status quo

B = Desirability of proposed change

D = Practicality of the change

X = Cost of changing

It is the view of Beckhard and Harris (1987) that conditions favouring change may be created by modifying the variables shown in the above equation. Also, as a way of convincing employees and other stakeholders resisting change, the change agent may try to demonstrate to the change resisting audience how bad things are, or amplify others' feelings of dissatisfaction and then present a picture of how the proposed change could solve current problems. In a further step of modifying the equation, the change agent convinces people that the change process, while it will take time and effort, will not be prohibitively onerous.

Bateman and Zeithaml (1990) reason that managing resistance to change entails doing the following:

1. Educating and communicating the changes before they occur. Communicate both the nature and the logic of the change. Use one-on-one discussions, presentation to groups and memos.
2. Participation and Involvement: Listen to the people affected by change. Involve them in the change's design and implementation. When feasible, use their advice.
3. Facilitation and Support: Make the change as easy as possible for employees. Be supportive of their efforts. Facilitation involves providing the necessary resources employees need to carry out the change and perform their jobs under the new circumstance. This step often involves decentralizing authority. Offering support is more psychological; it involves understanding and listening patiently to problems.
4. Negotiation and rewards: When necessary, offer concrete incentives for cooperation with change.

5. Manipulation and cooptation: This means co-opting the leader of a resisting group.
6. Coercion: Some managers apply punishment or the threat of punishment to make people comply with their wishes.

Leadership is a key element in successful implementation of large-scale change (Cohen and Brand, 1993): the leader shows the need and sets the vision, defining the basic purpose, goals, and parameters or requirements of the change. The leader needs to take a long-term perspective, and must be able to motivate others to stick with the process during early stages when resistance and obstacles may seem insurmountable. According to Cohen and Brand (1993), the preferred leadership style needed here is the participative one, so that staff may be involved in the design of the specific system elements. Prior to a change decision, of course, the manager should study the change process, talk to others who have used it, and perhaps attend a preliminary training session. This will be necessary in establishing an organizational culture, which is compatible with the change, nurturing and reinforcing continuous quality improvement.

In designing a comprehensive change process, the leader must acknowledge the existing organizational culture (norms and values, managers' leadership philosophies and styles at all levels) to ensure a good fit. Change also needs to be congruent with or aligned with other organizational processes, including reward systems, financial and information systems, and training systems.

To manage a transition to a new system, Beckhard and Pritchard (1992) have outlined that the following basic steps be taken: identifying tasks to be done, creating necessary management structures, developing strategies for building commitment, designing mechanisms to communicate the change, and assigning resources. Task identification encompasses a study of present conditions (assessing current reality), assessing readiness, such as through a force field analysis and creating a model of the desired state. Creating a model of the desired state includes the implementation of the change, announcing the change goals to the organization, and assigning responsibilities and resources. Assigning responsibilities and resources ought to include securing outside consultation and training and assigning someone within the organization to oversee the effort. This should be a responsibility of top management. Developing mechanisms beyond existing processes will definitely help in communicating the change just as special all-staff meetings attended by executives may be used to kick off the change process.

Some organizations introduce the publication of newsletters to make communication of ongoing change activities and accomplishments known to employees. If and when change management consultants are needed, these should be chosen based on their prior relevant experience and their commitment to adapting the process to fit unique organizational needs. While consultants will be very useful with initial training of staff and change system design, employees (management and others) should be actively involved in change implementation. By getting involved after receiving training in change management, consultants and managers can then pass on to other employees. A collaborative relationship with consultants and clear role definitions and specification of activities must be established.

There are quite a number of reasons why organizational change efforts fail. Among them are improper implementation of a sound plan, organizational politics and not enough organizational commitment. The heart of the problem as far as inadequate organizational commitment is concerned is that the organization never had a culture of change in the first instance. The values, beliefs, and attitudes of the members of the organization were not touched by the change efforts. Furthermore, planned organizational changes are often set up to fail by the very change methods used. Since strong resistance to change is often rooted in deeply conditioned or historically reinforced feelings, patience and tolerance is required to help people in these situations to see things differently. For most (if not all) changes, a bit by bit or gradual staged process is advised.

The personal characteristics of people who are involved in change also matter. People who welcome change are not generally the best at being able to work reliably, dependably and follow processes. It is partly for this and other reasons that change agents need to be mindful of people's strengths and weaknesses, bearing in mind that not everyone welcomes change. This presupposes carefully understanding the people one is dealing with, and how and why they feel like they do, before an action is taken.

Dynamic environments such as the ones in which most organizations operate today require dynamic processes, people, systems and culture. This need for dynamic processes is especially pertinent for successful change management of organizations that are responding to market opportunities and threats. Elements for success include the following: broad planning for long-term results, establishment of forums and communication methods to enable immediate review and decision-making and empowering people to make decisions at a local operating level. Others are removing from strategic change and approval processes and teams any ultra-cautious, ultra-autocratic or compulsively-interfering executives. It is also important to realize that encouraging, enabling and developing capable people to be active in other areas of the organization is also an important element for successful change management. The same goes for scrutinizing and optimizing information and communications technology systems to enable effective information management and key activity team-working. The use of workshops as a vehicle to review priorities as well as adjusting recruitment, training and development are no less important elements for successful management of change.

Based on the foregoing, it is pertinent that while implementing change, managers or change agents should, as a matter of necessity, identify roles of people connected with change, ensure unambiguous communicating and build support while recognizing barriers and building bridges. Monitoring is also an activity which change agents cannot ignore if the change they are seeking to bring about must succeed.

EVALUATION OF CHANGE MANAGEMENT STRATEGIES

Evaluating change management strategies presupposes that managers of the change should first decide exactly what the change is supposed to accomplish (Bateman and Zeithaml, 1990). This action will facilitate objective measure of the impact of the change. Measures of change effectiveness could be collected before, during or after the change programme. Bateman and Zeithaml (1990) suggest useful change effectiveness measures to include productivity, quality, costs, job satisfaction, turnover and whatever variable the change was intended to improve. These measures should be collected at the appropriate levels: individual, group, department, division, or corporation. In doing this, both validity and reliability should be ensured.

In evaluating the merits of an organizational change such as restructuring, it is important to assess its costs in addition to its benefits (Brickley, Smith, and Zimmerman, 2003). There are direct and indirect costs of change. Direct costs may arise when an organization's new architecture has to be designed and communicated. Direct costs also come in form of changes in reporting structure and performance systems as well as accounting systems. Indirect costs come in form of negative attitudes of employees and the incentives that may be given to employees as a way of persuading them to accept a change.

In almost all organizations, what the employers want of their employees might be categorized under business orientation, commitment to organizational objectives, and the use of initiative, individual responsibility and willingness to change, among other considerations. Also in many organizations, there are some identifiable styles of managing change. However, the appropriateness of different management styles depends on contexts and circumstances. For instance, when the organization is facing a crisis or state of confusion, where shortage of time or other overriding factors demands, the use of coercive (exploitative authoritative) style may be most successful. In those circumstances, decisions are imposed on subordinates.

In some other organizational contexts, a directive style might call for the use of managerial authority to support clear direction about change, which is typically established by top management. This kind of change management can rightly be tagged top-down management. The advantages inherent in this are speed and clarity. Nevertheless, there is the risk that the change might be rejected or ill conceived. Transformational change situations typically call for this kind of change.

Some organizations also adopt the intervention (manipulation) approach, depending on their situations. In such circumstances, the authority of change remains with the initiator (manager), but aspects of the change process are delegated. Here too, the advantage is that it involves members of the organization in the partial implementation of solutions. Likely problem is that some members may perceive it as manipulation. This could be very useful in incremental or non-crisis transformational change.

Equally, some organizations adopt a consultative approach, which has the advantage of increasing ownership of decision and commitment to it. Leadership in consultative approach involves trust and confidence in subordinates. There is participation and high degree teamwork and communication. Expectedly, this approach may improve quality of decisions, but it may be time consuming. Its use is best required when long-time horizontal transformational organizational change is needed. When, however, change is to be managed on the basis of misinformation or lack of information, many organizations adopt education method. This approach is also typically very time consuming and sometimes the direction which the organization is going may be unclear.

The success of any change implementation process depends largely on the extent, which an organization creates an environment of trust and shared commitment. This relates to an organization culture in which employees perform maximally in the belief that their employer will look after their interests. A supportive organizational culture leads to commitment, job satisfaction and a willing contribution from employees.

According to Schein (2004), a key determinant of organizational culture is leadership and the way the chief executive and other top management operate. The sorts of things that a chief executive and top management pay particular attention to, the kind of behaviour they reward, the management system they set up, the sort of people they promote, and how they respond to crises and to mistakes also determine organizational culture. The idea behind having rich and favourable organizational culture for sound learning, development and innovation to take place. It is important to bear in mind that a lack of clear information flow within the formal structure can give rise to uncertainty and suspicion, and the "grapevine" takes on an important role.

Timing is of essence in change management strategies. In many organizations, there may be times when it is easier to promote change. During acquisitions and mergers, for instance, most people are more willing to change. So also is the arrival of new Chief Executive, the arrival of a major competitive threat or the introduction of new products. All these scenarios may present "windows of opportunity" where more significant changes can be done than normally. However these "windows of opportunity" may be short and the change agent need to take decisive action during that time.

During change processes, it becomes obvious that appropriate organization cultural frameworks are expected to be in place. Indeed, the cultural goal must be determined before any steps are taken in a planned organizational change. The values, beliefs, and attitudes wanted in the desired or ideal organization should be the criteria for deciding which organizational method is used. For planned organizational change to be effective, it must be viewed as a cultural revolution carried out through behavioral modelling. The change approach that matches the desired organizational effectiveness culture prepares the membership to accept the new culture. In the course of implementation, therefore, organizational members begin to or are expected to behave in the ways needed in the desired or ideal organization. Decisions are made in the change process using a value and belief system similar to the desired culture. Success criteria are the same in both the change process and the desired culture.

ORGANIZATIONAL DEVELOPMENT EFFECTIVENESS

Organizational change and development effectiveness is better cautiously analyzed (Bateman and Zeithaml, 1990). An aspect of organizational change and development may help individuals to grow and develop but with out necessarily improving organizational performance. A good example that Bateman and Zeithaml (1990) have given in this regard is sensitivity training. No single technology will solve all problems; however, once problems are accurately identified through careful diagnosis, solutions that fit the problem can then be chosen. Also, OD and other change techniques must be carefully planned and executed, not carried out haphazardly. Similarly, every programme must be evaluated during and after its implementation

Any organization that wishes to become or remain successful in today's fierce competition has to produce and offer highly differentiated services and goods based on customers' needs. Customers want increasingly high quality products and services and they want to know that the latest technology is available at lowest price. And these products and services need to be continually improved.

Organizational Development requires a planned approach to change in meeting the needs of both the people and the organization. A planned approach enables an organization to keep up with contemporary trends in today's business world. Mozenter (1999) has identified some contemporary trends that affect organizations today and how they are perceived to affect companies in the future. These forces include changes in technology, constant change in other areas of operation, partnerships and alliances, changes in structure of work, increased diversity in the work force, and shifting age demographics. According to Mozenter (1999), these factors have shaped and will continue to shape organizational development trends.

Changes in technology have particularly been of interest to students of organizational change and development. In today's world, technology is evolving at a faster rate than any other time in history (Willis, 1997). Organizations constantly have to adapt to new technology. Changes in technology are seen by most observers as not only the biggest macro force in the present business world, but also the cause of many of the other forces, particularly constant change and change in the structure of work. Whole new industries, companies, markets, and distribution channels are springing up as a direct result of changes in technology. Some jobs have appeared and replaced or modified others (Cairncross, 1997).

Changes in technology have, however, caused problems such as creating physical barriers between workers, and creating elements of distractions like Internet and, in particular, e-mail, which contributes to work avoidance. In Nigeria and other developing countries, for instance, many companies install new technology, but do not prepare the workforce and the systems for the appropriate changes. But the success of every technology initiative depends on overcoming resistance to change (Puccinelli, 1998). Contrary to what is obtained in the past, organizations can no longer depend on what they do today to be successful tomorrow. Organizations are facing changes on many frontiers such as increased competition and more complex business models. Drucker (speaking 1998), observes that the fifth business challenge for today's managers is dealing with the uncertainty resulting, because we cannot predict the future in a constantly changing environment.

ORGANIZATIONAL DEVELOPMENT AND COPING WITH COMPETITION

As previously mentioned in this chapter, competition in the business world has reached an all-time high. Companies are realizing that it is not efficient or profitable to own all of the stages in their value chain. Thus, companies are forming new types of relationships with each other to obtain stages of the value chain that they choose not to own. Partnerships and alliances are two of these types of relationships. Though beneficial to those involved in it, cultural integration brought about by partnerships and alliances presents many challenges to companies. This is even more noticeable when one considers the fact that diversity in the workforce has increased overwhelmingly in modern work environment.

As the world moves further into the new millennium, societal demographics are also changing in a significant manner that is having major influences on organizations. Changing demographics is becoming a powerful macro force due to the following factors: the serious decline in birth rates in the developed world, the aging of the population of older people and their consequent retirement. Other factors are the values of younger generations conflicting with those of their predecessors, and the rise of ethnic minorities into leadership positions. The population of young people is going down while the population of old people is going up, especially in developed countries, which are increasingly experiencing the problem of social security (Drucker, 1998).

Other changes on the world business scene include the collapse of the Soviet socialist state with its attendant boost of capitalism and the emergence of strong Asian economies such as those of China and Taiwan. Mergers and acquisitions are also shaping the contemporary organizational trends a great deal. Mergers and acquisitions are when multiple companies financially combine and are then owned by the same shareholders. It has been suggested that mergers are a defensive maneuver for those companies in declining industries who want to take advantage of economies of scale (Drucker, 1998). More than ever before, companies are dealing with increased customization which is associated with competition, the need to be flexible and cope with uncertainty, the ability to create an environment of constant learning, adapting to new technology and globalization, and developing new management competencies.

Dertouzos (1998) observes that constant change is forcing companies to become more competent at change management. This constant change is also burning employees out, which is forcing companies to focus on the quality of work life in order to retain their best employees. The level of competition is increasingly high due to changes in technology and globalization. Since companies can quickly access the same information through technology and benchmarking, often the competitive advantage rests in the ability of an organization’s employees to analyze, utilize, and capitalize on information.

Porter (1998) believes that in tomorrow's business environment, competitive advantage lies increasingly in knowledge, relationships, and motivation that distant rivals can not replicate. This has led to the thinking that in the future, corporations need to focus on making the lives of their employees better, having the willingness to change, and developing self-confidence in their people.

Combining traditional "hard" business competencies and organizational development is another emerging trend that has been identified in contemporary organization management and leadership. Today, business managers manage and lead their units on a day to day basis using organizational development skills such as implementing an active mission, vision and value system, managing change, and providing an atmosphere for continuous learning and employee empowerment. This has created a great opportunity for organizational development practitioners to transfer their competencies through coaching and training, in addition to the existing collaborative consulting approach. All these have brought about the need for today's managers to continue learning without ceasing.

Ethical Issues in Change Implementation

Effective management and leadership involves a great deal more than just developing an appropriate strategic vision for the company – it is also critical to motivate people to implement that vision. A discussion of leadership and organizational change must also address the question of corporate ethics. These have to do with codes of conduct. Leadership is the process of persuasion by which an individual induces a group to pursue objectives held by the leader or his or her fellows. Some people are more receptive to change than others and people are likely to support a change that increases their well being. For instance, proposals that seem to increase the likelihood of layoffs will be resisted (Brickley, Smith, and Zimmerman, 2003).

More often than not, change agents confront issues of integrity in their interactions with individuals in organizations. Quite a number of ethical dilemmas normally come into play, however, only five have been mentioned here. These include misrepresentation of facts and collusion with people who are hell bent on bringing about a change regardless of consequences, misuse of data in the process of effecting change, manipulation and coercion, value and goal conflict as well as technical ineptness.

Some managers may implement their personal change agenda at the expense of solid diagnosis of the organization's needs. Still others may promise more than they can deliver. When engaged, some change consultants fail to build ways of institutionalizing the change into their processes so the organization can continue to rely on (and pay) them. In a way, they place themselves in “indispensable” positions. In Nigeria, many unscrupulous change agents embezzle money and derive other personal gains from change situations. Organizational leaders, as well as internal and external consultants, should ensure that the selection and implementation of change strategies respond to well-documented organizational and individual needs. They must also ensure that the change process respects the rights of individuals in the workplace.

For effective change to take place, management must timely recognize and address danger signs that are inimical to change. For instance, routinely ignoring or violating internal or professional codes of ethics could be a danger sign of unethical behaviour. Looking for or being satisfied with quick fixes could be another. The same thing goes for lack of procedures or policies for handling ethical problems, lack of mechanisms for internal whistle-blowing, lack of clear lines of communications, sensitivity only to shareholder needs and demands as well as encouragement of employees to ignore their personal ethical values.

Cross-cultural concerns in Organizational Change and Development

Organizations have never been as diverse as they are presently. This cultural diversity has posed a great challenge to organizations especially when such organizations are going through a process of change and development. Languages differ and contextual issues in organizations too are not the same. The same goes for such important issues like belief system, motivational patterns, attributions, and social organizations. Whereas African, some Asian groups and South Americans have been known to be collectivist societies, most western societies are individualistic in outlook. All these differences have overbearing influences on organizational change and development processes.

Jones and Jackson (2003) investigated perceptions and attitudes of Australian, Chinese, Indian and South African managers to managing people and organizations. After making comparisons between managers and organizations from the said countries, Jones and Jackson (2003) found that significant cross-cultural similarities and differences exist. While similarities exist with other Anglo countries there are exceptions, including significant differences between the direction of Australian management commitment and China, India and South Africa. The implications of these differences for business growth and development as well as international joint ventures were explored.

More specifically, the results of Jones and Jackson's study suggested that Australian organizations are less control oriented than Chinese and South African organizations, and compared to their Chinese and South African counterparts, Australian managers believe less control is ideal. However, they perceive little change to the prevailing situation in the future. Australian organizations are also more people oriented than Chinese organizations, and compared to Chinese and Indian respondents, managers perceive a stronger people orientation as ideal. Australian organizations, Jones and Jackson further noted, appear to be moving toward both a greater people and results orientation in the future, in contrast to Indian organizations. There are some differences between private and public sectors. Across the national groups, managers indicate that the public sector is generally more control oriented, fewer people and less results oriented. All these seem to have great influence on organization development and change processes.

The authors drew conclusions from their findings based on what they call operational characteristics of the organizational practices in the countries studied. These operational characteristics include constraints and influences, operating features, style of organizational management, internal dynamics and management expertise.

CONCLUSION

Organizations have common characteristics such as system, rules, roles, hierarchy, norms, similarity among employees, status, networks and organizational culture (Richmond, McCroskey, and McCroskey, 2005). Nevertheless, there are remarkable differences among organizations too. The occurrence of organizational change and development is a continuous phenomenon, which management of organizations must be prepared to face at all time. Changes could be deliberate and planned for. But some changes are spontaneous and thus take both the organization and its workers by surprise. For both planned and unplanned changes, resistance is bound to occur. As a way of catching up with competition and meeting the aspirations of stakeholders, organizations need to periodically identify the need for change in their organizations. In doing so, they need to plan for change implementation and also devise effective ways of handling resistance to change.

It is imperative that employees are trained to embrace change while also being carried along in all change and change implementation decisions. Furthermore, the costs and benefits of every change need to be ascertained just as it is imperative to work out reliable and valid ways of measuring the effectiveness of change. It is by carefully considering the above and other change-related issues that organizations will continue to satisfactorily meet their aspirations and the aspirations of their employees in the 21st century.

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