UNIT 3: CHANGE MANAGEMENT

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3.1 INTRODUCTION

Change is inevitable and is bound to occur in a routine manner from time to time. Customarily, any change is resisted and therefore, the management of change is a vital task for the managers or the change agents. In the process of change management, the manager or the change agent adopts several process, models and strategies. In the previous unit, you learned about the process of change. Now, in this unit, you will learn about the change management process, strategies and models.

After going through this unit, you would be able to

- define change management
- discuss various change management processes and strategies
- implement change management strategies
- explain skills required for change management
- handle project change management

3.2 THE MEANING OF CHANGE MANAGEMENT

Change is the order of the day and, in fact, it is inevitable and bound to occur. Change is of two types: unplanned change, and planned change. Change which is spontaneous, or occurs at random is called unplanned change. Change which may be initiated by a change agent, to deal with some identified gap, is called planned change.

As change is imperative, it has to be managed. Change management is a systematic approach to deal with change from the perspective of an organization, and from the view point of change agent. In other words,
change management is about enabling organizations or individuals to successful adoption to change. Managing change is a matter of moving from one state to another, that is, from the problem state to the solved state. At the heart of change management lays the change problem, that is, some future state that is to be realized, and some current state that is to be left behind. It requires some structures or organized process to facilitate the transformation from one to another.

3.3 THE PROCESS OF CHANGE MANAGEMENT

The change management process consists of a sequence of steps or activities that a change management team or project leader would follow to manage the change. The process of change management consists of three aspects such as phases of change management process, the psychology of transition and steps in change management.

1) Phases of Change Management Process

The three important phases of change management are Phase I Preparing for Change

Phase II Managing Change

Phase III Reinforcing Change

Phase I Preparing for Change

The change manager, or the change agent, has to prepare change management strategies on how to deal with the change. The preparation for change means that one has to define the change, access its dimensions and intensity, and develop strategy to deal with the change. Second, it requires the preparation of change management, and last a model to deal with the change. Thus, preparation for change management is the stepping stone of the change management process.

Phase II Managing Change

The management stage includes detailed planning and implementation of the change management plan. In a real life situation, a lot depend on the skills of the change manager.

Phase III Reinforcing Change

In the reinforcing stage, detailed data are collected, analyzed, and gaps are identified. Here, the resistance is also identified. After that, corrective measures are implemented.

i) The Psychology of Transition

We will better understand the change management process with the help of a figure (Figure 3.1) on psychology of transition/change. There are three stages in the psychology of transition; the first stage is called stage of topsy turvy, or the stage of uncertainty, or confusion. The second stage is the stage of consistency called, “the neutral zone”, It is the stage of implementation. The third stage is the stage of the ‘New Beginning’, where people mostly adopt the change and it is reinforced.
II) **Steps in Change Management**

Various steps followed in the change management process are as follows:

**Step 1:** Preparation for change
As a first step, in the preparation stage, the change manager has to focus on the following aspects
- identification of the required change
- determine the major issues
- identify the obstacles
- determine the degree of risk involved, and the cost of change
- try to understand why change is resisted
- recognize the need for change, identify current position, devise a suitable method.

**Step 2:** Building a Vision
The second step, in the change management is building a vision. In this stage, the following aspects have to be taken into consideration
- Develop a clear vision
- Make people understand what a change involves
- What is the proposed change
- What action is required
- What will be its effect
- How to manage the change

**Step 3:** Plan the change
In the planning stage, the following aspects have to be taken into consideration.

1) Devise appropriate strategy to introduce change
2) Design the change
3) Discuss the need for change, and the full details of what is involved
4) Involve people in planning the change
5) Communicate the plan to all who are concerned
6) Devise a time scale for change
7) Produce an action plan for monitoring change
8) Understand why change is resisted.

**Step 4: Implementing the change**

The activities involved in implementing the change follow

- Implement the strategy on change management
- Check and record the progress in implementing the change
- Make sure that change is occurring and is permanent
- Improve on the weak areas and identified gaps
- Overcome resistance to change
- Involve all people who are affected by change
- Devise an appropriate reward or incentive system
- Ensure that all strategies involved in the change are adoptable

**Step 5: Monitoring and Reviewing Change**

The activities involved in monitoring and reviewing change follow

1) Recording and monitoring the change
2) Measuring progress against set targets
3) Ensuring that the desired results are achieved
4) Has the process been successful
5) Monitoring how those affected by change feel about the new situation
6) How can those who do not respond to change are to be helped
7) Sustaining the change, preventing any back sliding

### 3.4 MODELS OF CHANGE MANAGEMENT

Different academicians and organizations have developed various models for change management. Here, we will discuss two change management models.

**I. ADKAR Model**

It is a simple change management model to help to all those who are involved in the management of change. It is used as a resistance management tool and an assessment device which help the change management team to effectively organize their work.

This model helps the change management team to answer following questions like

- Why is communication important during change?
- Why do people resist change?
- Why do people become perturbed and distracted during the implementation of change?
Dynamics of Change

- How do you identify the barriers to change?
- How can one manage resistance to change?

The ADKAR model is given in Fig. 3.2 and Table 3.1.

![ADKAR Model](image)

**Table 3.1: ADKAR Model**

<table>
<thead>
<tr>
<th>A</th>
<th>Awareness</th>
<th>Recognize the need for change</th>
</tr>
</thead>
<tbody>
<tr>
<td>D</td>
<td>Desire to change</td>
<td>Want to change and ready to participate in the change process</td>
</tr>
<tr>
<td>K</td>
<td>Knowledge</td>
<td>Knowing about the change, what to change and how it can be done</td>
</tr>
<tr>
<td>A</td>
<td>Ability</td>
<td>Able to change with required skills and behaviour</td>
</tr>
<tr>
<td>R</td>
<td>Reinforcement</td>
<td>Consolidating and strengthening change. In other words, sustaining change</td>
</tr>
</tbody>
</table>

II) CRET Model

The Centre of Reengineering and Enabling Technology (CRET) has emphasizes three focuses while dealing with change. Those are process, people, and technology. The CRET has developed a “blended process” by integrating Business Process Reengineering (BPR) methods, and Change Management (CM) methods. The CRET model had five phases given in Table 3.2.

**Table 3.2: Phases of CRET Model**

<table>
<thead>
<tr>
<th>Phases</th>
<th>CRET Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clarification</td>
<td>• Defining the change.</td>
</tr>
<tr>
<td></td>
<td>• Assessing the current organization or groups readiness for change.</td>
</tr>
<tr>
<td></td>
<td>• Identifying the approach</td>
</tr>
</tbody>
</table>
| Analysis | • Developing and confirming.  
|          | • Organizational readiness to change.  
|          | • Determine communication needs and planning |
| Transition Planning | • Building capability for identifying and managing change.  
|          | • Integrating them in to an integrated management plan |
| Transition Management | • Implementation of change plans.  
|          | • Tracking and reporting of actual Vs planned results |

Source: http://www.crethq.com/

### 3.5 THE STRATEGIES OF CHANGE MANAGEMENT

Several strategies are adopted for the management of change. The three broad strategies widely adopted are

i) **Force Coercion Strategies**: Under the force coercion strategy, the team leader or the change agent uses the power bases of legitimacy, rewards, and punishments as primary inducements to change. The outcomes of force coercion strategies are immediate and are followed, either because of fear, or because of allurement, but, with little commitment. The force coercion strategy may be applied directly and indirectly. Direct strategy involves the exercise of formal authority or legitimate power that is either, by offering special rewards, and / or threatening punishment. In the indirect strategy, the change agent resort to bargaining, obtaining, control of important resources, or getting small favours in return, or IOUs. In both versions, the force coercion strategy has limited results. Although, it can be done quickly by using force, yet the usual result is temporary.

ii) **Rational Persuasion Strategies**: The change agent adopts the persuasion strategy to bring about change. They try to persuade people through their knowledge by citing empirical data and case studies. This is one type of informational strategy adopted, with the presumption that rational people will be guided by the factors of reason and self interest in deciding whether or not to support a change. Accomplishing change through this strategy depends on the persuasive skills of the change agent. The change agent can also take the help of an outside consultant in order to adopt this persuasion strategy. A successful rational persuasion strategy helps unfreeze and refreeze a change situation. As compared to force coercion strategy, the impact of rational persuasion strategy last longer.
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iii) **Shared Power Strategies:** The shared power strategy is also called re-educative strategy. This approach is based on empowerment and is highly participatory in nature. A shared power strategy identifies or establishes values and assumptions from which support for a proposed change will naturally emerge. Here, the power is shared by the change agent and other persons as they work together to develop new consensus to support the needed change. Managers or change agents, by using the shared power strategy, implement change. They also need to have reference power and the skills to work effectively with other people in group situations. They must have the willingness to share and allow others to participate in making decision affecting the nature of change and its method of implementation. The process is slow but its result is long lasting and change is internalized.

### 3.6 FACTORS INFLUENCING THE STRATEGIES OF CHANGE MANAGEMENT

There are many change strategies and the change agent has to select one by reading the situation and its relevance. A number of factors guide the change agent in selecting a particular change strategy. A few important factors are as follow:

i) **Degree of Resistance:** The change agent has to read the degree of resistance to change. Strong resistance may require a coercive strategy. Otherwise, it will be less effective, and, sometimes, even counter productive.

ii) **Target Population:** Both the number and nature of population are important for adopting a particular strategy. A large population requires a different strategy from a small population. Further, if there are a large number of qualified persons, it may require a different strategy compared to a large number of illiterate people.

iii) **Time Frame:** Time is very important in selecting a change strategy. If the change has to be adopted in a shorter period it requires a different strategy than a longer period change. For instance, if some employees are to be shifted for a short period to an office away from headquarters, it requires a different strategy than if they have to be shifted for a longer period on permanent basis.

iv) **Expertise:** Adopting a particular type of change requires expertise available with the organization. Implementation of change depends on the skills of the change agent. It is always more difficult to handle the mind of a man than a machine. Therefore, expertise is important.

v) **Stakeholders:** Stakes argue for a mix of all four strategies. When the stakes are high, no change agent can be taken to adopt change.

In these sections, you have studied about the meaning of change management, the processes of change management, models of change management and the strategies of change management. Now, answer the questions given in Check Your Progress 1.
Check Your Progress 1

Note: a) Answer the following questions in about 50 words.

b) Check your answer with possible answers given at the end of the unit.

1. What do you mean by change management?

2. What are the factors one has to take into consideration while selecting a change strategy?

3.7 IMPLEMENTATION OF CHANGE MANAGEMENT STRATEGIES

Not only is the selection of strategies important, the implementation of strategies is significant for change management, too. Hersey and Blanchard devised three approaches for designing and implementing change strategies. These are

- Force Field Analysis
- Patterns of Communication
- Change Cycle

Force Field Analysis

Force Field Analysis, a technique for diagnosing situations was given by Kurt Lewin. According to Lewin, in any situation of change, there are two forces such as driving forces and restraining forces. First, driving forces are those forces which visualize forces affecting a situation that are pushing in a particular direction and keep it going. For example, to enhance productivity, incentives like minimum support price and subsidies on farm inputs may be called the driving forces. On the other hand, restraining forces are those forces which act to restrain or decrease the driving forces. For example, restraining forces countering to restrain production are lack of subsidies, strikes, old and obsolete machines. An equilibrium of these two forces will be reached when the sum of these two forces are equal in magnitude. This is given in figure 3.3.
Dynamics of Change

Source: Hersey, P and Blanchard K (1993), Management of Organizational Behavior: Utilizing Human Resources; Prentice Hall of India, New Delhi

Before finalizing a change strategy, the change agent should identify the factors that help the change effort (the driving forces), and take note of factors that will work against the change effort (the restraining forces). If the change agent starts implementing a change strategy without such an analysis, he, or she, may face a number of difficulties. The force field analysis will be helpful when the change agent wants to review and know the discrepancy between what is actually happening and what would likely happen.

Pattern of Communication

Communication is another important strategy to implement change. Communication customarily means the transfer of information from one entity to the other. According to Luthans, communication has a behavioural component and the only means by which one person can influence another is by behaviour; that is, the communicative exchanges between people provide the sole method by which influence or effects can be achieved. The Business Dictionary.com defines communication as a “two-way process of reaching mutual understanding, in which participants not only exchange information but also create and share meaning.”

Hersey and Blanchard have devised two types of communication structure for the implementation of change strategy.

These are:

i) The Star Communication
The Circle Communication

i) The Star Communication pattern, the leader, or the star, as given in figure-3.4 is the main communication person with whom all other members, could communicate. At the same time all other members cannot communicate with each other. This is an autocratic structure of communication. For example, in the figure- 3.4, the star communicator may be the departmental or unit head with whom each member communicates, and, later on, he or she communicates with others. Thus, the star communication is authoritative in nature and provides less opportunity to team members to jointly share their views with the team leader.

On the other hand, in circle communication, as given in figure-3.5, every person can communicate with one another.
Dynamics of Change

ii) **The Circle pattern of communication** is democratic in nature, where each group member has the freedom to communicate with each other. There is no supreme boss who commands the group members. Thus, the selection of a participative and directive change strategy depends on the use of the communication pattern. It is, therefore, important that the change agent, before implementing a change, should know the existing communication pattern. The change agent has to be well understood and receptive to the ideas of the people, for which, he or she has to be a good listener.

**Listening**

Listening is an active communication process, where one must be an active participant in the communication process. The listener must be active when the speaker is speaking so that he, or she, can respond. There are four different types of listening:

i) Appreciative listening

ii) Discriminative listening

iii) Critical listening

iv) Emphatic listening

i) **Appreciative Listening**: is the type of listening, where the listener gains pleasure or satisfaction out of listening. He also appreciates the speaker so that the communication takes place in a congenial manner.

ii) **Critical Listening**: in critical listening, the listener is critical about the speaker and doubtful about the credentials of the speaker. The listener is also suspicious about whether the message that has been given is logical, or, whether he, or she, is being manipulated. This kind of communication is not healthy communication.

iii) **Discriminative Listening**: in this case, the listener is able to distinguish what the speaker communicates to him, so that he, or she, can pinpoint the strength and weakness of the talk.

iv) **Emphatic Listening**: here, the listeners’ emphasis is on understanding the speaker’s feeling and is supportive.

The effective listening follows certain cycle which is called HURIER. The expanded version of HURIER is as follows:

H = Hearing

U = Understanding

R = Remembering

I = Interpreting

E = Evaluating

R = Responding
v) **Hearing**: Change agent for change management must attentively and carefully listens to what is said by the members. A fault in hearing will affect the decision making process.

vi) **Understanding**: The change agent should properly understand what is being said. Understanding is fundamental to appropriate decision making. Only clear understanding of the problem of the manager will enable him or her to take right kind of decision. The resistance to change requires clear understanding of the pros and cons of the problem.

vii) **Remembering**: Remembering what is being said. Some time after understanding even the frivolous attitude towards the listener by the change agent will lead to poor remembering of the things what is said. Poor remembrance will sometimes lead to faulty interpretation.

viii) **Interpreting**: The change agent should interpret what is heard properly. Faulty interpretation will create confusion and, possibly, strong resistance from problem raisers. The change agent, therefore, should have accurate interpretation skills.

ix) **Evaluating**: The change agent should evaluate what is heard before passing judgment. Proper evaluation of what is being said, and, thereafter, passing judgment will add value to the judgement of the manager. A good manager is a good evaluator.

x) **Responding**: The change agent should respond after going through all these stages. Response is the end product of all these previous activities. If the change agent does not respond to the questions and problems raised by the workers, then they may think negatively. They may perceive the change agent as being either adamant or callous towards the issues raised by the employees, or people.

Friedman has given the following six steps for better listening.

i) Decide to be a better listener and have a personal commitment to become a better listener.

ii) Welcome the client; be friendly, so that the speaker feels that he or she is interested and actively listening.
Dynamics of Change

iii) Concentrate on listening. This will make it more interesting and will prevent distractions from listening.

iv) The listener must have an open mind, be amenable, patiently hear them out completely, and avoid jumping into conclusion.

v) Give the feedback that you are listening. Too much silence will give impression that you are not listening.

vi) Make a note while you are listening, so that you can review it and recall it while analyzing the communication.

Besides listening there are other essentials of effective communication which a change manager needs to adopt for effecting change. These are listed, below.

- Communicate consistently, frequently through various channels, such as writing, audio video, focus group discussions, use of internet, etc.
- Clearly communicate the vision, the mission, and the objectives of the change management effort.
- Give sufficient time to people to ask questions and make a sincere effort to answer their questions and queries.

Change Cycle

The change cycle is also an important approach to change management. The change cycle aims at modifying or changing the employee’s knowledge, understanding, behaviour and values which are vital to change management. It is people who resist change. Therefore, management of people is critical to change management. There are two types of change cycles: the participative change cycle and the directive change cycle. In the participative change cycle, the change agent involves the group leader or members in gaining their support for the change. This is done with an assumption that the group will accept the change and develop a positive attitude towards change. The change agent at the outset imparts knowledge and then work on attitude. Then the change agent works on individuals, and last, on group. Harshey and Balachard have presented participative change in the form of a diagram (diagram 1).

![Diagram -1: Participative Change Cycle](image-url)
Diagram-2: Directive Change Cycle

From Bottom to Top Approach
On the other hand, in the directive change cycle, the change agent tries to manage change by giving direction. This is more autocratic and authoritative in nature, as compared to participatory change cycle which is more democratic in nature. The directive change cycle is given in diagram-2.

Top to Bottom Approach
In the directive change cycle, direction is given from above, while in participative change cycle it goes from below. The change agent has to adopt the strategy according to the need of the situation.

The merits of directive change cycle are
- it is very useful where there is need for quick decision making
- it is more workable in a small organization having a few number of employee
- it is less expensive

The demerits of the directive change cycle are
- sometimes, the decision will be autocratic
- it is less democratic and does not take into account the views of the people
- it will lead to resentment in a bigger organization

The merits of the participative change cycle are
- it is democratic in nature
- the solution provided would be long lasting
- there will be less resistance from people

The demerits are
- it more time consuming
- it sometimes lead to groupism among the employee, which could create problems for the managers
3.8 CHANGE MANAGEMENT: SKILLS REQUIRED

The manager, or the change agent, must possess or acquire certain skills for the management of change. A few skills required for change management are

- skill in clearly communicating a strategic vision
- system skills
- marketing Skill
- Skills in consensus driven management

i) **Skill in clearly communicating a strategic vision**

The change agent must clearly communicate the short term and long term goals and strategic vision to people. Besides, he or she must clarify the role of change to the people. The change agent must spell out the role of change to achieve the vision. A clear cut understanding will face fewer obstructions.

ii) **System Skills**

The change agent must not only make people aware about the vision, but also make the employees aware about the system. There are ‘hard system’ and ‘soft system’ skills. The hard system is the maintenance of data of the organization, while the soft system generally refers to compensation systems, appraisal systems, promotion systems, and reward or incentive systems.

iii) **Marketing Skills**

The manager or the change agent must posses marketing skills. He has to keep close eye on what is happening outside and appraise the people. He or she must have the skill to market ideas. In this globalized and competitive world, marketing skill occupies a prominent place for adopting and managing change.

iv) **Skills in Consensus Driven Management**

Census driven management, or, the shared vision, is the key to success. The change agent must have talent and skill to pull his/her team together. Gaining a consensus takes time and commitment, but, later on, it makes thing easy for better management of change.

3.9 PROJECT CHANGE MANAGEMENT

Project change management is a systematic way of ensuring that the changes are introduced in a controlled and coordinated manner to achieve the strategic vision. The project change management is important for following reasons.

i) The projects seldom run according to formulated plan. If it is does function properly, then achieving the project goal becomes difficult.

ii) The project management enables the manager to identify the problem on time, so that corrective measures are taken.
iii) The project manager, through project management instrument, would be able to know, from time to time, what we are doing and what is required.

Thus, project change management encompasses all the processes necessary to determine where we are, as compared to where we planned to be, and to initiate actions required to get back on track.

**Phases of Project Change Management**

The five important phases of project change management are given below.

i) Project change definition

ii) Project change planning

iii) Project change execution or implementation

iv) Project change monitoring

v) Project change evaluation

vi) Feedback.

i) **Project Definition:** The first step in managing a project is to define its scope in terms of mission, aims, and objectives, constraints and performance measures. The manager has to involve the team for developing the objectives, identifying its constraints and observing its resources and environmental factors. The participatory approach is best suited in this phase.

ii) **Project Planning:** During the project planning phase, the project manager has to take into consideration several aspects such as project overview, network development, network integration, and identification of specific performance indicators.

iii) **Execution/Implementation:** In this phase, the project is implemented as per the plan and sequence and the targeted beneficiaries.

iv) **Monitoring:** The project mechanism must put in place necessary monitoring system. The monitoring mechanism needs to be one of the integrated aspects of project formulation. It will ensure effective implementation of the plan.
v) **Evaluation:** The project must put into place necessary evaluation system. This will take into consideration all the activities undertaken initiating from the input, processes and output of a change intervention.

vi) **Feedback:** In this phase, the manager or the change agent has to see that the following events have occurred.

   a) See that a change needs to occur, has occurred.
   b) Documents the deviants.
   c) Follow the approved process for documenting and approving requested changes.
   d) Provide feedback so that only approved or planned changes are implemented.

Thus, project change management helps the manager to effectively implement change. By following the above mentioned procedure, he or she can effectively plan, implement, monitor, and provide feedback to see that the planned changes have taken place.

In these sections you studied about implementation of change strategies, the change management-skills required and project change management. Now, answer the questions given in Check Your Progress 2.

**Check Your Progress 2**

**Note:**

a) Answer the following questions in about 50 words.

b) Check your answer with possible answers given at the end of the unit.

1. What is a change cycle?

2. Project change management is an integrated process- Illustrate

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**3.10 LET US SUM UP**

In this unit you have learnt the importance of change management and various processes to be adopted for the management of change. The two different change management models such as ADKAR model and CRET model, and the change management strategies have been discussed in this unit. This unit also discusses the skills required for effective change management. Project change management has been presented in the last
section of the unit, which provides insights to the project manager on managing a project.

3.11 REFERENCES AND SELECTED READINGS


http://www.tech-faq.com/change-management.shtml

http://www.indianmba.com/Faculty_column/FC186/jc186.html

http://tutor2u.net/business/strategy/change-management-implementation.html

3.12 CHECK YOUR PROGRESS - POSSIBLE ANSWERS

Check Your Progress 1

1. **What do you mean by change management?**

   **Ans.** Change management is a systematic approach to deal with change from the perspective of an organization, and from the viewpoint of the change agent. In other words, change management is about enabling the organization or individual to successfully adopt to change. Managing change is a matter of moving from one state to another, that is, from the problem state to the solved state.

2. **What are the factors one has to take into consideration while selecting a change strategy?**

   **Ans.** One of the factors that the change agent has to take into consideration while selecting a change is the degree of resistance to change. Strong resistance may require a coercive strategy. Otherwise, it will be less effective and sometimes even counter productive. Second, when the target population is large, it requires a different strategy from one that is appropriate for a small target population. Third, the timeframe: if the change has to be adopted in a short period it requires a different strategy from that which requires a longer period.

Check Your Progress 2

1. **What is a change cycle?**

   **Ans.** A change cycle is an important approach to change management. The change cycle aims at modifying or changing the employee’s knowledge, understanding, behaviour and values which are vital to change management. It is people who resist change. Therefore, management of people is critical to change management. There are two types of change cycles: the participative change cycle and the
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directive change cycle. In the participative change cycle, the change agent involves the group leader or members in gaining their support for the change.

2. **Project change management is an integrated process-Illustrate.**

*Ans.* Project change management is an integrated process. The five important phases of project change management are:

(i) project change definition;

(ii) project change planning;

(iii) project change implementation;

(iv) project change monitoring;

(v) project change evaluation; and

(vi) feedback.

All these phases are integrated and separation of one will create problems in project change management, and it will be difficult for the manager to manage the project effectively.