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ЭЛЕКТРОННЫЙ УЧЕБНО-МЕТОДИЧЕСКИЙ КОМПЛЕКС ПО УЧЕБНОЙ ДИСЦИПЛИНЕ

«Управление изменениями в организации/Change management in the organization»

для специальности 7-06-0412-01 «Менеджмент»

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Belarusian National Technical University
Faculty of Management Technologies and Humanitarization
Department of Management

APPOVED BY Head of the Department Икана I.N. Kandrichina 31.03 2025 г.	APPOVED BY Dean of the Faculty _______________ G.M. Brovka 31 03 2025 г.

ELECTRONIC EDUCATIONAL AND METHODICAL COMPLEX ACCORDING TO THE ACADEMIC DISCIPLINE

Change management in the organization
for the specialty 7-06-0412-01 "Management"

Compiled by Irina N. Kandrichina, Elena G. Bogdanovich

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Перечень материалов

1. Теоретический раздел (конспект лекций по учебной дисциплине «Управление изменениями в организации»)
2. Практический раздел (вопросы для обсуждения, тематика докладов и рефератов, задания для самоконтроля и повторения, практические упражнения).
2. Блок контроля знаний.
4. Вспомогательный раздел (учебная программа по учебной дисциплине «Управление изменениями в организации»).

Пояснительная записка

Целью разработанного ЭУМК является формирование специальной компетенции, позволяющей будущему магистру применять методы научного познания (анализ, сопоставление, систематизация, абстрагирование, моделирование, проверка достоверности данных, принятие решений и др.) в самостоятельной исследовательской деятельности, генерировать и реализовывать инновационные идеи, а также разрабатывать и реализовывать программы организационного развития, снижать сопротивление инновациям.

К основным задачам ЭУКМ относятся следующие:

– активизация познавательной деятельности магистрантов на основе использования интерактивных методов обучения;
– ориентация на оптимальное достижение учебных целей;
– повышение эффективности традиционной методики обучения на базе использования современных информационных технологий;
– повышение готовности и интереса магистранта к будущей профессиональной деятельности;
– взаимосвязь образовательного процесса с научно-исследовательской работой обучающихся;
– профессиональная направленность образовательного процесса с учетом специфических условий и потребностей организаций - заказчиков кадров;
– предоставление возможности магистрантам заниматься самообразованием за счет эффективного управления самостоятельной работой по овладению учебным материалом.

Разработанный ЭУМК способствует не только удовлетворению индивидуальных образовательных потребностей обучающихся и повышению качества образовательного процесса в целом, но и созданию условий для формирования нравственно зрелой, интеллектуально развитой личности будущего специалиста, которой присущи социальная и исследовательская активность, гражданская ответственность, стремление к профессиональному самосовершенствованию, активному участию в научной, экономической и социально-культурной жизни страны.

Особенности структурирования и подачи учебного материала

ЭУМК содержит четыре раздела: теоретический, практический, контроля знаний и вспомогательный. В теоретическом разделе представлен лекционный материал в соответствии с основными разделами и темами учебной программы. Практический раздел содержит вопросы и ситуационные задачи, необходимые для закрепления лекционного материала. Раздел контроля знаний включает перечень вопросов к зачету. Во вспомогательном разделе находится программа по учебной дисциплине «Управление изменениями в организации».

Рекомендации по организации работы с ЭУМК

ЭУМК по дисциплине «Управление изменениями в организации» для магистрантов дневной формы получения образования предназначен как для аудиторных занятий, так и для самостоятельной работы обучающихся.

List of materials

1. Theoretical section (lecture notes on the academic discipline "Change management in the organization ")

2. Practical section (questions for discussion, topics for reports and essays, tasks for self-control and revision, practical exercises).

3. Knowledge control unit.

4. Auxiliary section (academic programme for the academic discipline "Change management in the organization").

Explanatory note

The purpose of the developed EUMK is to develop a special competence that allows the future master to apply methods of scientific knowledge (analysis, comparison, systematization, abstraction, modeling, verification of data reliability, decision-making, etc.) in independent research activities, generate and implement innovative ideas, as well as develop and implement organizational development programs, and reduce resistance to innovation.

The main tasks of the EEMC include the following:

– activation of cognitive activity of undergraduates based on the use of interactive teaching methods;

– focus on the optimal achievement of educational goals;

– improving the effectiveness of traditional teaching methods based on the use of modern information technologies;

– increasing the readiness and interest of a graduate student for future professional activity;

– the relationship of the educational process with the research work of students;

– the professional orientation of the educational process, taking into account the specific conditions and needs of organizations - customers of personnel;

– providing an opportunity for undergraduates to engage in self-education through effective management of independent work on mastering educational material.

The developed EEMC contributes not only to meeting the individual educational needs of students and improving the quality of the educational process as a whole, but also to creating conditions for the formation of a morally mature, intellectually developed personality of a future specialist, who is characterized by social and research activity, civic responsibility, striving for professional self-improvement, active participation in the scientific, economic and socio-cultural life of the country.

Features of structuring and presentation of educational material. The EEMC contains four sections: theoretical, practical, knowledge control and auxiliary. The theoretical section presents lecture material in accordance with the main sections and topics of the curriculum. The practical section contains questions and situational tasks necessary to consolidate the lecture material. The knowledge control section includes a list of questions for the test. In the auxiliary section there is a program on the academic discipline "Sociology of management".

Recommendations for the organization of work with EEMC. The EEMC on the discipline "Change management in the organization" for full-time undergraduates is intended for both classroom classes and independent work of students.

CONTENT

1. THEORETICAL SECTION

Lecture notes on the discipline

Topic 1. ORGANIZATION AS AN OBJECT OF CHANGES (2 academic hours)

1. The concept of an organization. Its socio-economic essence. Typology of organizations.

2. Organization as a system. Internal and external environment of the organization.

3. Organization and management.

1. The concept of an organization. Its socio-economic essence. Typology of organizations

Every person is connected with organizations in one way or another throughout his life. It is in organizations or with their assistance that people grow, study, work, overcome illnesses, enter into diverse relationships, develop science and culture. Within their framework, human activity is carried out everywhere. There are no organizations without people, just as there are no people who do not have to deal with organizations.

What is an organization?

There are various interpretations of the term "organization".

Organization as *a process* and organization as *an object*.

Organization as a process is the activity of ordering all the elements of a certain object in time and in space. Organization is one of the key functions of management. In other words, this is a type of activity that includes the distribution of functions between team members, ensuring interaction between people, monitoring the implementation of orders and orders of senior officials, the distribution of material and monetary funds.

Organization as a social object

There are various definitions of an organization as a social object.

The simplest: <u>An organization is a group of people whose activities are consciously coordinated to achieve a common goal or goals.</u>

To be considered an organization, a certain group must meet the following requirements:

1. The presence of at least two people who consider themselves part of this group.

2. The existence of at least one goal (i.e., the desired final state or result), which is accepted as a common goal by all members of this group.

3. The presence of group members who intentionally work together to achieve a goal that is valuable for everyone.

From the point of view of management, it is more correct to use the following definition:

Organizations are (1) social objects that (2) are aimed at achieving a goal, (3) are created as specially structured and coordinated systems of activity, and (4) are connected to the external environment.

Organizations in which people work together to achieve common goals are socio-economic institutions that have the following *main features*:

1. *Mission and goals* reflecting their purpose and the types of services they produce to meet the needs of society*;*
2. *The material base of the organization*
3. *Personnel or employees* who have the qualifications, knowledge and skills necessary to achieve the set goals*;*
4. *Division of labor*, carried out in accordance with the professional and qualification characteristics of each employee and ensuring rational structuring of work and tasks*;*
5. *Communication, i*.e. various types of connections necessary in the process of performing joint work*;*
6. *Formal rules, procedures and controls established to ensure that organizations function as integral entities;*
7. *Levels of authority and responsibility* that establish the sphere of power for different positions in the organization.
8. *Position in the market segment* (in the industry)

Typology of organizations

All organizations can be divided into 2 types: formal and informal.

An informal organization is a community of people that arises spontaneously (and not purposefully), who regularly interact with each other to achieve certain goals. The relations between the members of such a group are formed on the basis of personal sympathies. The members of the group are connected by common views and interests.

A formal organization is a group of people whose activities are consciously coordinated to achieve a common goal or goals.

Formal organizations are divided into commercial and non-commercial

Commercial organizations are organizations whose activities are aimed at systematically obtaining profit from the use of property, the sale of goods, the performance of works or the provision of services.

Non-profit organizations are organizations that do not have profit extraction as the main goal of their activities and do not distribute the resulting profit among the participants.

Organizations can be classified according to the following criteria:

- organizational and legal form;
- form of ownership;
- intended purpose;
- breadth of the production profile;
- the nature of the combination of science and production;
- number of production stages;
- location of the enterprise;
- ownership of capital.

2. Organization as a system. Internal and external environment of the organization.

Any organization is a complex and multidimensional system, it combines a variety of elements and systems of a lower level: people, technologies, management processes, etc.

The main characteristics of an organization as a system:

1. *Integrity* – relative independence from the external environment. It manifests itself in the possibility of a long-term existence of an organization with significant changes in the external environment for it. (for example, in a crisis).

2. *The presence of elements with specific features*. The features of the system as a whole cannot be reduced to a simple sum of the properties of its elements.

3. *The presence of different types of connections between individual elements.* The types of connections determine the functional properties of the system as a whole.

4. *The presence of hierarchical relations between the elements*

The hierarchy in the organization is distinguished by different criteria and grounds. The simplest options are: company-division-workplace or structuring by management levels: upper-middle-lower levels.

5. *The presence of the purpose of the existence of the system*.

Any organizational system exists and works to fulfill its main target function: the production of products of a certain range and a given quality, the provision of services, etc.

6. *The presence of a control subsystem or a self-management mechanism*.

Organized systems, due to their complexity and the need to maintain an orderly functioning, always have a control subsystem. It ensures the stability of the organization's existence in a complex environment.

Internal and external environment of the organization

The key success factors of any organization are in two areas:

- *Internal;*
- *External*.

The *internal environment* of an organization is that part of the overall environment that is located within the organization. It has a constant and most direct impact on the functioning of the organization.

The main elements of ***the internal environment*** of the enterprise are:

1. *Production* (in foreign economic literature – operations management): volume, structure, production rates; product range; availability of raw materials and materials, the level of reserves, the speed of their use; available equipment fleet and the degree of its use, reserve capacity; production ecology; quality control; patents, trademarks, etc.;

2. *Personnel*: structure, qualifications, quantitative composition of employees, labor productivity, staff turnover, labor cost, interests and needs of employees;

3. *Management organization*: organizational structure, management methods, management level, qualifications, abilities and interests of top management, prestige and image of the enterprise;

4. *Marketing,* covering all processes related to the planning of production and sale of products, including: manufactured goods, market share, distribution and sales channels, marketing budget and its execution, marketing plans and programs, sales promotion, advertising, pricing;

5. *Finance* is a kind of mirror in which all the production and economic activities of the enterprise are reflected. Financial analysis allows you to uncover and assess the sources of problems at the qualitative and quantitative level;

6. *The culture and image of the enterprise* are poorly formalized factors that create the image of the enterprise; a high image of the enterprise allows you to attract highly qualified employees, encourage consumers to buy goods, etc.

External environment

The organization is an open system that constantly interacts with the external environment.

The external environment is the factors and environmental conditions that affect the functioning of the organization and require its appropriate response. The external environment is characterized by uncertainty, complexity and mobility.

The factors of the external environment of the organization are divided into two groups: direct impact, indirect impact.

The direct impact environment, or micro environment, contains factors that directly affect the business and have a direct impact on the activities of the organization. These are primarily competitors, consumers, commercial banks, suppliers of raw materials, components, materials, infrastructure that is necessary for business, municipal and state organizations and authorities, the international factor.

The environment of indirect influence, or macro-environment, includes factors that may not have an immediate direct impact on the organization, but somehow affects its functioning. We are talking about scientific and technological progress, the state of the economy, political and socio-cultural changes in society, demographic and natural-geographical indicators.

3. Organization and management

The enterprise management system is a multi-complex organism consisting of a managing and managed subsystem.

The first of them includes the administration, managers and the information department that ensure the work of the management. The managing part of the general system is called the "administrative and managerial apparatus".

The second-the managed part-consists of many structural divisions, each of which performs certain production functions. The type of production directly affects the information entering and leaving the controlled part.

The management system of the organization ensures its functioning, determines the development strategy and the achievement of the set strategic goals, affecting the result of its activities in the external environment.

General management principles are the rules that guide the management of objects of various industry affiliation or specifics, i.e. they are inherent in all management systems, therefore they are called general. This group of principles reflects the requirements for management systems and, in general, for management activities.

The basic principles of modern management *include the following:*

- the principle of unity of politics and economics;
- scientific knowledge;
- consistency and complexity;
- the principle of unity of command in management and collegiality in decision-making;
- the principle of centralization and decentralization;
- the principle of proportionality in management;
- the principle of unity of management in management;
- the principle of saving time;
- the principle of priority of management functions over the structure when creating an organization and vice versa, the priority of the structure over the management functions in existing organizations;
- the principle of delegation of authority;
- feedback principle;
- the principle of economy;
- the principle of efficiency;
- the principle of motivation.

The implementation of the management principles is carried out by applying various methods.

Management methods are a set of techniques and methods of influencing a managed object to achieve the goals set by the organization.

In the practice of management, as a rule, various methods and their combinations are used simultaneously. One way or another, but all management methods are organically complementary to each other and are in constant dynamic equilibrium.

Administrative methods are a way of implementing managerial influences on personnel and are based on power, discipline and penalties.

Economic methods have an indirect nature of managerial influence. Such methods provide material incentives for collectives and individual employees; they are based on the use of an economic mechanism.

Socio-psychological methods are methods of implementing managerial influences on personnel, based on the use of the laws of sociology and psychology. The object of influence of these methods are groups of people and individuals.

Conclusion

The central aspect of the organization is the coordination of people and resources to collectively achieve the desired goals.

Organizations consist of people and their relationships with each other. An organization exists when people interact with each other to perform important functions that help achieve goals.

An organization is an open system.

The organization has to adapt to the environment in which it exists. It also generates changes in the external environment, developing and releasing new products and technologies on the market, which become dominant and are widely distributed.

One of the main problems of managing a modern enterprise or organization is their fast development and change in accordance with modern market principles of functioning and the growing requirements of society. The external conditions of the functioning of a modern organization relate to various indicators of its activity, require the flexibility of the management system, and therefore an effective organizational structure-as one of its most important elements.

Topic 2. THEORY OF ORGANIZATIONAL CHANGE MANAGEMENT (2 academic hours)

1. The concept of changes and their role in the overall concept of management of the organization
2. Classification of organizational changes
3. Reasons for changes
4. Basic principles of change process management
5. Stages of the organizational change management process
6. Areas of organizational change

1. The concept of changes and their role in the overall concept of management of the organization

Development and change are integral components not only of public life, but also of the life of the organization. Any organization, being an open system, combines two objectives - the desire to survive (to preserve oneself, to have a certain stability, to function optimally) and the desire to develop (to change itself, to improve). In other words, each organization at every moment of time and existence represents a certain balance of processes of change and relative stabilization.

What does the term "*Organizational change*" mean?

Currently, there are many definitions of the concept of "organizational change", but each of the authors puts his own meaning into this term. Here are the most common approaches to the definition of this concept:

1. "A change in an organization means a change in how an organization functions, who its members and leaders are, what form it takes and how it distributes its resources."

2. "Change is the empirical observation of a difference in the form, quality or condition of an organizational element over time. An organizational element can be the work of a specific employee, a working group, an organizational strategy, a program, a product, or the entire organization as a whole."

3. "Organizational change is the transformation of an organization between two points in time."

These interpretations of the term "organizational change" contain two important components - the content (what has changed?) and the process (how did it change?).

Richard L. Daft, Professor of Management at the Owens School of Management at Vanderbilt University, combined these components in his proposed definition. According to him, organizational changes are defined as the development of new ideas or behaviors by the company.

As a result, we can say that "*change management*" is a structured process whose task is to propose and implement changes in accordance with the technical and economic capabilities of the organization. This process should be consistent and strengthen or weaken depending on the needs and results.

The inevitability of changes is now recognized by all managers. It is the pace and unpredictability of events in the external environment that dictate the need for rapid changes in the organization.

As a result, some *key factors of change* can be identified:

1. More demanding buyers - Intense competition in most areas means that buyers receive better service, better quality and a wider range of goods and services.

2. Globalization - competition is taking place on a global scale, buyers are increasingly able to purchase any goods around the world. Goods and services move freely around the world, and sources of supply have expanded significantly.

3. Technology - information technology seriously affects how goods are produced and services are provided, how management is carried out within organizations and the delivery of goods and services to the market.

4. Other, non-informational, technologies also have a profound impact on products and markets. In particular, biotechnology allows the production of previously unknown goods and has a unique effect on markets.

5. People are increasingly becoming a factor distinguishing the goods and services of the organization in the eyes of buyers. The need to attract, retain and stimulate employees becomes very important.

All of these factors create an unstable and unpredictable environment. This means that organizations are in a state of constant change. And even if things are going well, the organization still needs to be updated if it wants to achieve or maintain a leading position in its field. Therefore, the process of updating is, in fact, continuous and is one of the most important objects of management.

The transformations taking place in the organization can be viewed from a variety of points of view.

First of all, organizational changes can be planned and unplanned. The first are carried out within the framework of evolutionary development. Unplanned often have to be carried out in unexpected situations.

Transformations can be one-time or multi-stage, which is largely determined by their scale, available time, internal flexibility of the organization, its ability to withstand the shock caused by changes.

Each type of change is caused by changes taking place in the external environment, as well as the strengths and weaknesses of the organization itself.

The goal of organizational change is to better implement organizational strategy. If the change only indirectly affects the strategy, then serious doubts arise about its necessity and usefulness.

The ideological precondition for renewal is the introduction into the consciousness of the members of the organization of the understanding that this process is a sign of normal, healthy development of the organization, and people should be constantly ready for it. Changes do not necessarily indicate that the organization has fallen into a critical state, but they should not be carried out for their own sake, but for the benefit of all employees.

2. Classification of organizational changes

Changes can be classified into the following types:

1) current and prospective;

2) significant and insignificant;

3) general and local;

4) reversible and irreversible;

5) formal and informal;

6) managed and unmanaged;

7) multifunctional and monofunctional;

8) obvious and unobvious;

9) sudden and gradual;

10) expected and unexpected.

Changes can be both positive and negative. Negative changes can lead an organization to a crisis, positive ones, as a rule, strengthen it and provide better conditions for life compared to the previous period.

Each type of change plays a role in the management of the organization. Sometimes some changes are eliminated by introducing others. Often the changes are reactive, but in some cases they are preventive.

The main examples of organizational changes include: restructuring of existing processes, revision of the company's strategy, merger of two or more companies, downsizing, improving the quality of products or services, updating corporate culture, etc.

Changes occurring in organizations can also be classified according to the following criteria:

1) depending on the sources that generate changes, there are changes: generated by environmental factors; generated by factors of the internal environment of the organization.

2) depending on the probability of events, unforeseen (spontaneous) and planned (purposeful) changes are distinguished;

3) depending on the direction of the action of changes in time, changes are divided into strategic, tactical, operational and stabilization;

4) depending on the approach to change management, there are evolutionary (gradual) and revolutionary changes (cardinal, rapid, involving complete renewal, for example, reengineering);

5) depending on the element orientation in the organizational management system, there are changes focused on: goals (usually implemented in management by goals); tasks (management by results); organizational structure (structural management); technology (technological management, most clearly manifested in the sociotechnical management model); personnel behavior (management of organizational behavior); experience (management through control comparisons - benchmarking);

6) depending on the shape, there are changes: frontal; group; individual;

7) depending on the direction of the management process, there are changes related to: planning (diagnostics, modeling, programming); the function of organizing the management process (preparation for implementation, regulation, coordination);

control (accounting, analysis, correction); motivation (needs, incentives, satisfaction); communications (feedback, information transfer, group and teamwork, delegation); decision-making technology (preparation, acceptance, report, control, centralization/decentralization);

8) depending on the functional orientation of the organization's management, there are: production and technological changes; changes in financial management; changes in marketing management; changes in personnel management; changes in foreign economic activity management; changes in innovation management;

9) depending on the radicality and depth of transformations, there are: changes related to the restructuring of the organization (assume a fundamental change in the organization affecting its mission); radical changes (the organization does not change the industry, but at the same time radical changes occur in it, caused, for example, by a merger with another organization); moderate changes (changes in one or more management functions: in production management, marketing, etc.); partial (weak) changes;

10) depending on the quality and results of the transformations, there are: progressive changes; regressive changes.

To identify the features of change management in economic systems, the following typology of changes can also be proposed:

- changes as a reaction to the crisis;
- changes as a process of implementing a new strategy;
- "quiet" changes that arise mainly as a result of personnel reshuffling under the influence of personal characteristics of personnel (these are changes in the socio-psychological climate in the team, unspoken rules of behavior, organizational culture, management priorities that can significantly affect the development strategies and results of the organization's activities).

Thus, it should be noted that there is a fairly wide variety of classifications of organizational changes.

3. Reasons for changes

It is traditional to distinguish between external and internal causes of changes. External causes are caused by the influence of environmental factors on the organization's activities, internal - by factors of the internal environment of the organization.

The most significant *external causes of changes* are:

1) market reasons: competition; market share; customer requirements for product quality; demand for products;

2) economic reasons: cost-effectiveness of production; profitability of production; production costs; the state of the resource base; logistics costs of the

organization; economic policy pursued by the state in the raw materials and energy sectors of the economy;

3) social reasons: availability of social programs (education, medicine, housing, ecology, etc.); availability of social benefits; unemployment and staff turnover;

4) technological reasons: scientific and technical achievements in the field of production and technological activities of the organization; the evolution of information systems; the possibility of using new communication links;

5) political reasons: inconsistency between official statistics and information from official governing bodies to real phenomena; stability of the state political course; change of political state leaders; government resolutions and presidential decrees affecting the interests of the organization's sphere of activity;

6) environmental and natural causes: natural disasters; accidents in the organization's energy supply system; requirements of regional authorities to improve the environmental safety of the organization's activities; changes in the usual environmental and natural infrastructure of the organization; changes in the standards of environmental activities of the organization, etc.

The internal reasons for the changes include:

1) changes caused by the correction of strategic, tactical and operational goals and objectives of the organization;

2) changes caused by the inconsistency of the organizational structure, policies, procedures and rules with the goals and objectives of the organization - the stage of its life cycle;

3) the contradiction between the technological support of the production process of the organization and its tasks;

4) violation of the conditions of rationalization of technological processes;

5) inconsistency of operational and tactical objectives of the organization's strategy;

6) the inadequacy of the personality of the leader, his "I-concept" to the goals, objectives and the management model adopted in the organization;

7) the inadequacy of the types of power and leadership styles used to the goals and objectives of the state of the organization's life cycle;

8) inconsistency of the "I-concept" of subordinates with the goals, objectives, culture and ideology of the organization;

9) the contradiction between the experience and the operating conditions of the organization;

10) the discrepancy between the main functions of the management process and their subfunctions: forecasting, modeling, programming, regulation, coordination, accounting and control;

11) the discrepancy between the management functions and the management process functions of the organization's management system;

12) the discrepancy between the functions of the management process and its subfunctions;

13) the contradiction between the subfunctions of the management process.

The determination of external and internal reasons for organizational changes is usually carried out on the basis of SWOT analysis, POST-analysis and determination of the strategic positioning of the organization.

4. Basic principles of change process management

There are several principles of managing the process of change, which you must definitely know and remember.

First, it is necessary to coordinate the methods and processes of change with the usual activities and management processes in the organization.

Secondly, management should determine in which specific activities, to what extent, and in what form it should directly participate. The main criterion is the complexity of the actions performed and their importance for the organization.

Thirdly, it is necessary to coordinate with each other the various processes of restructuring the organization. It may be easy in a small or simple organization, but in a large and complex one, significant difficulties may arise..

Fourth, change management includes various aspects - technological, structural, methodological, human, psychological, political, financial and others. This, perhaps, most complicates the responsibilities of management, since specialists are involved in the process, who often try to impose their limited view on a complex and multifaceted problem.

Fifthly, change management includes decisions on the application of various approaches and methods of intervention that help to properly start, systematically conduct work, cope with resistance, seek support and implement the necessary changes.

As a result, it is possible to group the principles of organizational change management as follows:

1. Make only necessary and useful changes.
2. Employees should be ready for constant changes, mastering new skills.
3. Carry out evolutionary transformations.
4. Develop an adequate action to counteract each source of resistance.
5. Involve employees in the process of implementing changes, which will reduce resistance.
6. The changes carried out should be beneficial to employees.
7. Consider the process of changes in the organization as long-term, pay attention to the stages of "defrosting" and "freezing".
8. Identify the problems that could not be solved in the process of changes.

5. Stages of the organizational change management process

There are many theories about how to implement changes. Many of them were developed by John Cotter, an authority in the field of leadership and change management, who, as a professor at Harvard Business School and a world-renowned expert on change, proposed an 8-stage model of change management in his book published in 1995, "Ahead of Change".

Stage 1: Increase Urgency

To implement changes, it is important that the whole company really wants them. It is necessary to evoke a sense of urgency, contributing to the appearance of initial motivation, so that everything moves from the dead point.

Stage 2: Build the Guiding Team

Convince people of the need for change, which often requires strong leadership and tangible support from key figures in your organization. It is not enough to manage changes; you need to be ahead of them. Effective change management managers can be found in your organization – their authority does not necessarily have to obey the standard organizational structure of the company. To lead the changes, it is necessary to assemble a coalition or a team of influential people whose authority is based on a variety of different grounds, including position, social status, qualifications and political weight.

Stage 3: Get the Vision Right

A clear vision of change allows everyone to understand why you are asking them to do something. When people see for themselves what you are trying to achieve, the instructions they receive make more sense to them.

Stage 4: Communicate for Buy-In

What you do with the vision after it is created will be crucial in achieving success. A proposal for a change can meet serious opponents in the course of everyday communication in the company, so it is necessary to regularly convey your vision of change to others and implement it in all types of activities. It is also important to "back up your words with deeds." Your behavior plays a more important role – and it is more plausible - than words. Behave the way you would like others to behave.

Stage 5: Remove Barriers to "Empower Action"

If you follow this path and reach this stage of the change implementation process, you will talk about your vision and seek commitment at all levels of the organization. Hopefully, the staff will want to take action and achieve the benefits that you advertise.

Stage 6: Create Short-Term Wins

Nothing inspires more than success. Let the company feel the taste of victory already at the first stages of the process. It is important that in a short time (a month or a year, depending on the nature of the change) there are results that the staff can see.

Otherwise, criticism and opponents can significantly affect the progress in implementing changes.

Stage 7: "Don't Let Up"

Cotter believes that many change implementations projects have failed due to the fact that victory is announced too early. Real changes are deeply rooted. A quick victory is just the beginning of what needs to be done to achieve lasting change. Each success provides an opportunity to improve the right approach and identify areas to be improved.

Stage 8: "Make Change Stick"

As a result, it is necessary to consolidate the change, for which it must become part of the core of your organization. Corporate culture often determines what needs to be done, so the value of your vision of change should be felt in your daily work.

6. Areas of organizational change

Organizational changes, if they are carried out correctly, are systemic in nature, because of this they affect all sides of the organization. Nevertheless, the following main areas of organizational change can be distinguished: strategy, business processes, structure, technology, personnel, etc. At the same time, the changes taking place in these areas are directly interrelated with each other.

Areas of organizational change:

- the main structure can include: the nature and level of business activity, legal structure, ownership, sources of financing, international operations and their impact, diversification, mergers, joint ventures;
- tasks and activities: product range and set of services provided, new markets, customers and suppliers;
- applied technology: equipment, tools, materials and energy, technological processes, office equipment;
- management structures and processes: internal organization, labor processes, decision-making and management processes, information systems;
- organizational culture: values, traditions, informal relationships, motives and processes, leadership style;
- people: management and service personnel, their competence, motivation, behavior and efficiency in work;
- the effectiveness of the organization: financial, economic, social and other indicators to assess the relationship of the organization with the environment, the fulfillment of its tasks and the use of new opportunities.

Conclusion

"Change management" is a structured process whose task is to propose and implement changes in accordance with the capabilities of the organization.

It should be noted that there is a fairly wide variety of classifications of organizational changes.

Any change is a very complex process. It is impossible to give simple instructions on how to manage organizational changes. There are no special templates for making changes, and there are no ready-made solutions to problems. The implementation of changes is a joint work of the leader, managers and employees of the organization.

The key to the success of the transformation is to follow the principles of managing the process of change. Their overall focus is to help employees understand organizational changes and ensure their positive participation in their implementation.

It can be concluded that organizations, being a complex organism, can confidently develop when they have a well-thought-out strategy and effectively use resources. They are rebuilt when they no longer meet the chosen goals. In order to maintain competitiveness, better customer service and ensure the proper technological level, organizations need to implement changes more often, and often more radical than ever before. The modern organization operates in increasingly uncertain conditions. Unexpected phenomena occur very quickly, which is why organizations must respond quickly to them.

Topic 3. THE ORGANIZATION'S LIFE CYCLES
(2 academic hours)

1. The organization's life cycles: introduction
2. The main models of the organization's life cycle
2.1 The classic model of the company's life cycle
2.2 Richard L. Daft‘ model of the company's life cycle
2.3 Larry Greiner’ model organization's life cycles
2.4 Ichak Adizes’ model organization's life cycles

1. The organization’s life cycles: short introduction

Any company is a "living" organism: it is born, develops, reaches the peak of its growth and fades, in other words, goes through certain stages of its life cycle. Management theorists believe that any business is predictable in its development, and offer us a clear management plan for the company at different stages of the enterprise life cycle. Knowing the stage at which the business is currently located, the manager can choose the right method of managing the company, take into account all the necessary risks and make the right decisions.

There are a large number of life cycle models. There is no single point of view on the classification of the stages of the organization's life cycle. The common thing that unites all approaches is that the stages correspond to the life cycle of a person.

Let's briefly consider the main concepts of the organization's life cycle, which have gained the greatest popularity in the field of strategic management of the company.

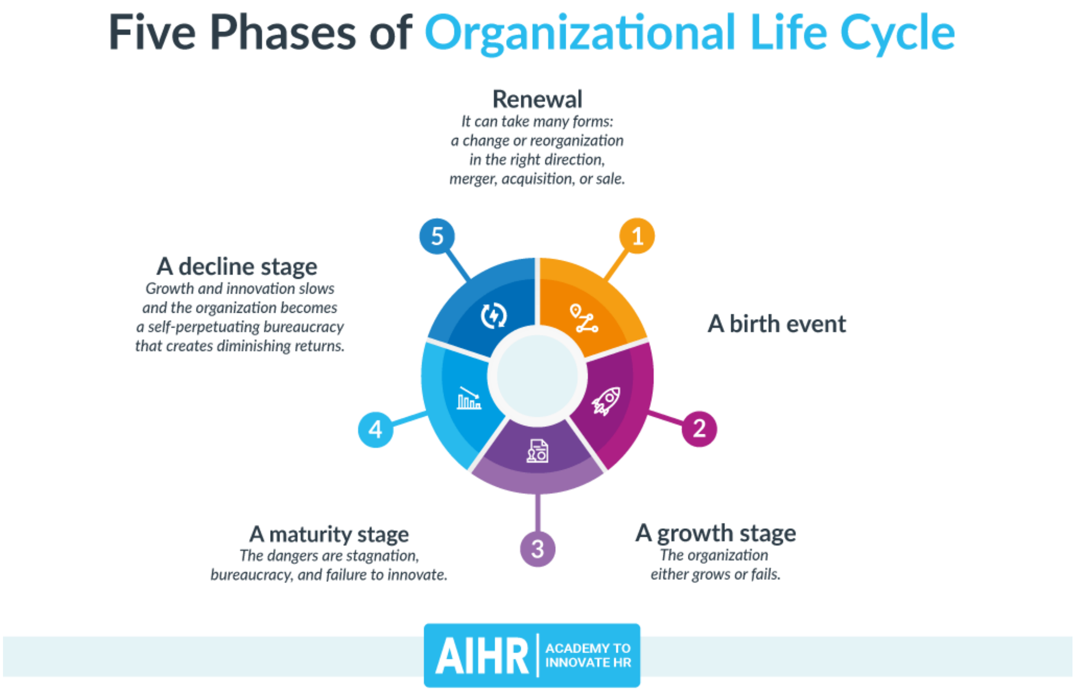
2.1 The classic model of the company's life cycle

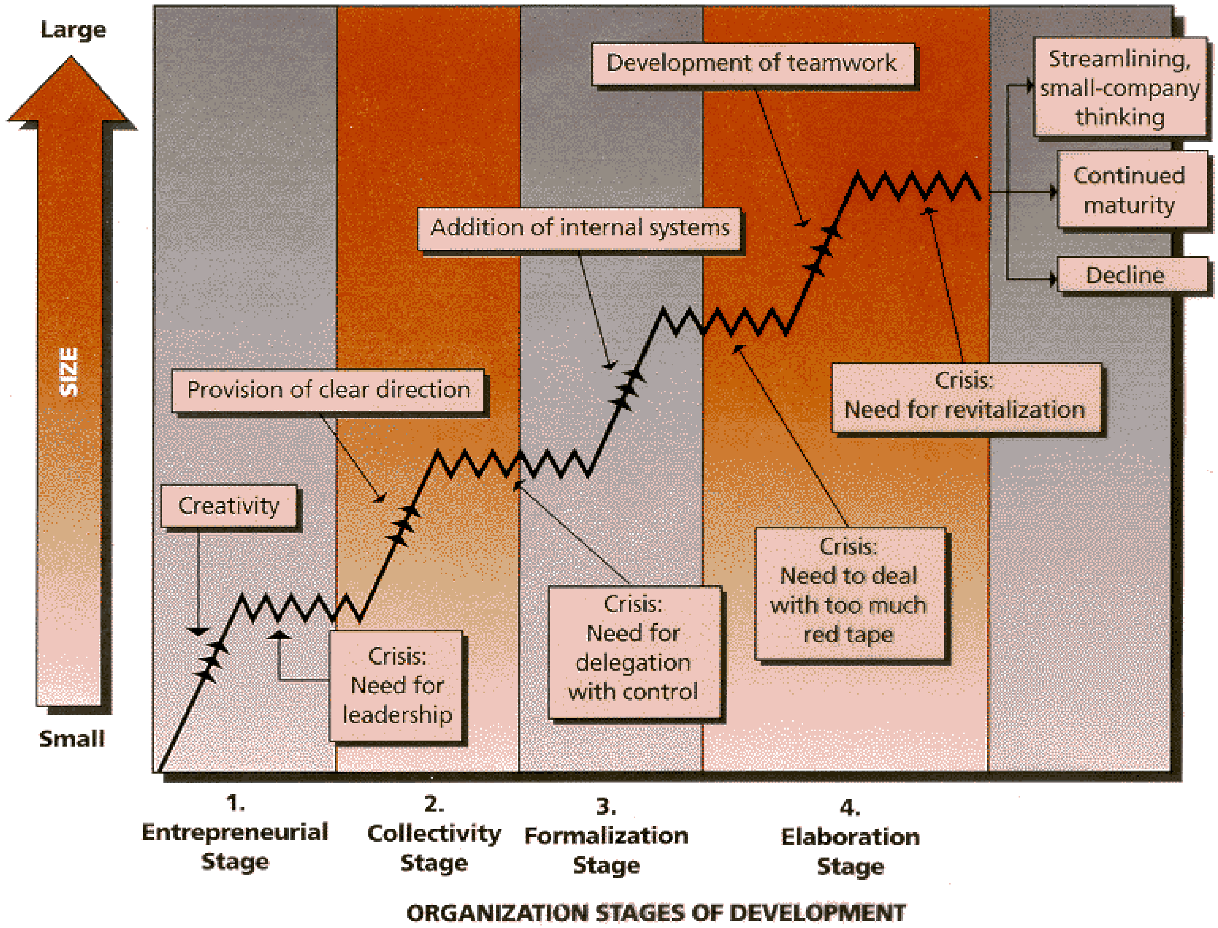
In 1950, the American sociologist and economist Kenneth Boulding first proposed the concept of "the life cycle of an enterprise". Since that time, all the theoretical schools of management, marketing, sociology, psychology, and public administration have begun to discuss and develop this theory.

The classical, simplest model of the organization's life cycle includes only 5 stages (implementation-startup, growth, maturity, fall-decline and renewal-rebirth). Each stage of the company's development has its own characteristics, opportunities and risks, and therefore the best management option. The classical concept of the life cycle of an organization is very similar to the theory of the product life cycle and speaks of 5 main sequential stages of business development: startup (a birth event), growth, maturity, decline and rebirth (renewal) of the company.

Each phase of the organization's life cycle requires a specific organizational structure and management tools.

Let's look at each period of the development of the organization's life cycle in more detail.





Organizational Life Cycle

Stage One "Start-up" (a Birth Event)

At the startup stage, all companies have a very simple organizational structure with centralized authority. All decisions are made by the founder of the business. The main tasks of the company at the startup stage are to create a product that will fit into the market (will be in consumer demand and have repeat sales). At the startup stage, companies often choose a market niche competition strategy in order not to enter into direct confrontation with major industry players.

When a company's product becomes successful and can provide a stable profit stream, the company grows. New departments are emerging, processes within the company are becoming more complicated, which requires more complex and formalized management methods.

Stage two - "Growth"

At the stage of growth, the company begins to increase the range of its products, captures new segments and markets. There is an increase in sales. The company does not try to produce major innovations, but rather carry small changes and product improvements. At this stage, the company reaches a profit level that allows it to do without external financing.

At the stage of growth, the company's management system changes: the business owner moves away from solving tactical tasks and begins to engage in strategic planning, and part of his/her authority is delegated to middle managers. All processes in the company begin to take a formalized form.

The growth stage is coming to an end when the sales growth rate slows down.

Stage three - “Maturity"

At the maturity stage of the organization, the sales level stabilizes, growth slows down. This situation is caused by a high level of competition and saturation of the market. At the maturity stage, companies can also bring a good level of profit if they have a properly balanced product portfolio. The main task of the business is to maximize profits.

At the maturity stage, the delegation of power decreases, conservatism in decision-making appears and the company structure becomes bureaucratized. The decision-making process slows down.

Stage four - "Decline"

At the stage of decline, the company loses competitiveness, its sales and profits decrease. The lack of innovation reduces the profitability of the company. All decisions become very conservative. The company refuses any innovations and does not even take minimal risk.

Stage five - "Renewal"

This stage of the organization's development occurs when the company realizes that it is losing its competitiveness. If a company has the strength and capabilities, it begins to fight for its existence and moves to a strategy of business diversification, innovation development and new obtaining.

The company is starting to invest in creating absolute innovative solutions.

The revival stage can be both successful and not lead to an increase in sales.

1.2 Richard L. Daft‘model of the company's life cycle

Richard L. Daft, professor at Vanderbilt University, refers to the organizational life cycle as something similar to the life cycle of humans, “Organizations are born, grow older, and eventually die” (Daft). According to Daft, the organizational life cycle contains 4 key stages: Entrepreneurial, Collectivity, Formalization, and Elaboration. Each stage contains a main point in the growth, or death, of the organization. Crises correspond to them: need for leadership; need for delegation; too much red tape; need for revival.

Entrepreneurial Stage

The first stage is known as the entrepreneurial stage, and the name fits quite well. At this point, the organization is small, there is little hierarchy, and employees work in many different parts of the organization. Supervision is limited, and employees are trusted with the completion of their tasks.

This stage of the life cycle is easy to see when looking at new start-up companies.

The biggest issue with the Entrepreneurial stage is the lack of leadership.

Collectivity Stage

Once leadership is established and the employee base has increased, the organization goes into what is known as the Collectivity Stage. At this point the organization has begun to develop clear goals and direction. Creativity and flexibility still exist, but now there are boundaries. Divisions begin to emerge and employees start to focus on more related, and specific tasks. Communication is still open and informal.

The collectivity stage starts to run into problems once the organizational size becomes too big for upper management to handle. It becomes extremely difficult for a single person to manage multiple groups closely and effectively.

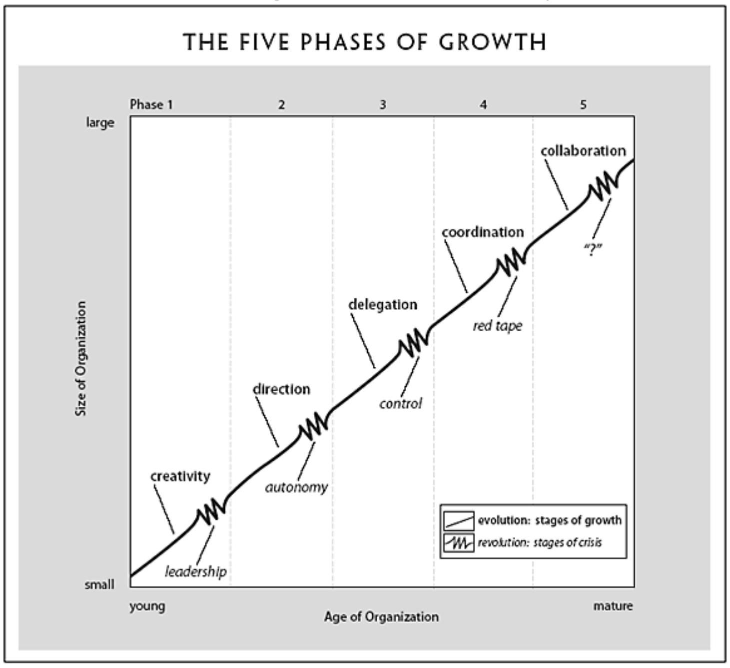
Formalization Stage

This is the stage where an organization transitions from an informal environment, to a more formal, regulated environment. Multiple layers of management are created, causing communication to naturally become more formal. Employees are generally constrained to their section of the organization, and lower/middle management handles communication between groups.

Elaboration Stage

The elaboration stage is often the "do or die" stage for most organizations. The organization is forced to change or the lack of innovation and communication will eventually destroy the business. Management is forced to flatten, while also giving development groups more decision-making freedom. In many cases management either has to change their management style or leave the organization.

2.3 Larry Greiner' model organization's life cycles



The model of Harvard Business School Professor Larry Greiner is one of the most cited works on the life cycle of an organization. Greiner's model was first published in the Harvard Business Review in 1972. Greiner believed that during its existence in the industry, the company consistently goes through *5 stages of growth*: growth through creativity, through direction, through delegation, through coordination and through collaboration.

Each stage of the company's growth has 2 clear phases: evolutionary development and revolutionary development. During the period of evolutionary development, the company's sales and profits grow gradually, without strong jumps. During the period of revolutionary development, internal conflicts occur in the company, which are the reason for the discrepancy between the tasks and the management style of the company, sales and profits may temporarily decrease, but then return to the growth curve. The task of management at the stage of revolutionary business development is to quickly select and implement new management tools.

Let's look at each of the 5 stages of the organization's life cycle according to Greiner in more detail.

Phase 1: Creativity

At the first, initial stage of its growth, the company only creates its product and defines the boundaries of its market. The rapid growth of the business at this stage leads to a leadership crisis. The bigger the company becomes, the higher the competencies of the management staff should be. The manager must monitor and improve the productivity of a growing number of employees.

Phase 2: Direction

The company is growing, new departments and new management personnel are forming. The increase in the size of the business is the cause of a new crisis - the crisis of autonomy. The need to coordinate a decision with a higher management, the inability to make a decision on their own slow down important processes in the company.

Phase 3: Delegation

When all the delegation processes are set up, the company continues its evolution. The growth of the company is provided primarily by the motivation of the staff. Employees begin to make decisions quickly, which helps to strengthen the business, capture new markets and expand the range. As a result of this growth, there is another crisis in the company - a crisis of control.

Phase 4: Coordination.

Thanks to the adoption of coordinated decisions, the company again enters the sales growth line. Now all decisions are correlated with the overall mission of the company and with the overall goals of top management, the risk of mistakes becomes minimal. But the emergence of new control points in a large company leads to the development of red tape. Procedures prevail over the decisions and tasks of the company. There is a crisis of borders. The overall innovativeness in the company decreases, the flexibility and speed of decision-making significantly decreases.

Phase 5: Collaboration

At the final stage of its growth, the company is reviewing the constraction of relationships within the company. This stage is characterized by the emergence of teamwork to solve tasks, corporate staff is reduced, formal management systems are simplified, the number of discussions in the form of open conferences is increasing, a staff training system appears within the company.

2.4 Ichak Adizes' model organization's life cycles

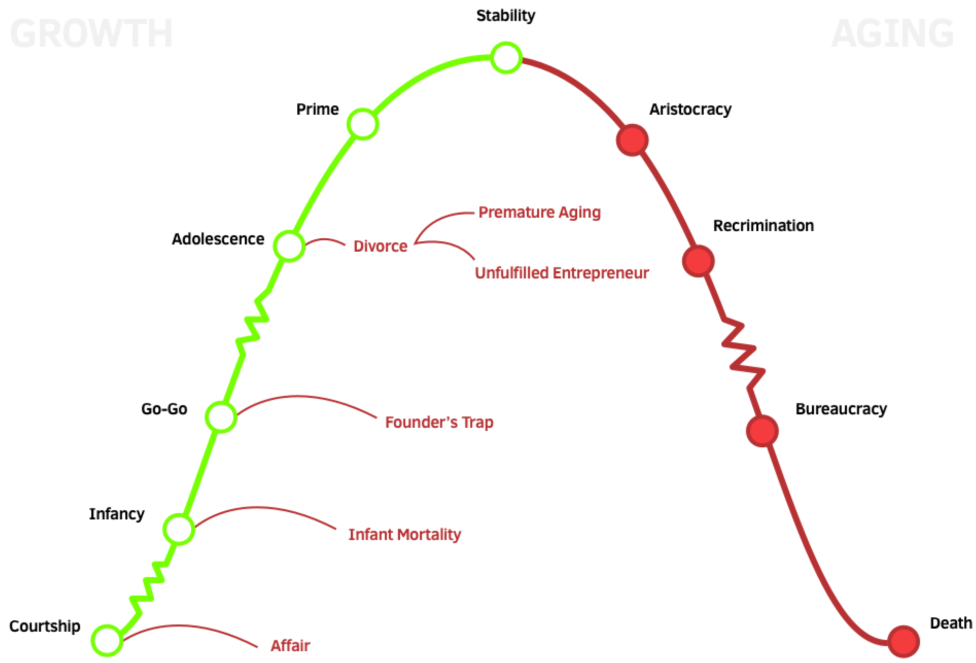
One of the most popular concepts of the organization's life cycle belongs to the American scientist I. Adizes

The basis of the allocation of stages (phases) of the life cycle of the Adizes organization is the relation of *two parameters of the organization's activity - flexibility and controllability*.

Flexibility is the ability of an organization to adapt to external and internal changes, as well as the ability of management to act outside hard frameworks, rules and norms.

Controllability is the degree of regulation of the activities of an organization and its members, as well as the hardness of coordination and control mechanisms.

The ratio of flexibility and manageability determines the stages of the organization's life cycle.



According to the Adizes model, ten regular stages can be selected in the process of the organization's life.

"*Courtship*" (engagement) - the stage of creating an organization. The founder(s) had a business idea, he is burning with enthusiasm. Moreover, for some reason, he believes that everyone around should also light up as soon as they hear about his idea and contribute in every possible way. The danger that can ruin the business at the very beginning is that, wanting to realize his idea, the entrepreneur does not sufficiently consider the real state of affairs in the market. He is blinded by the charm of innovation itself.

"*Infancy*". A time of selfless efforts to realize a dream. The stage is characterized by the informality of official relations, the absence of hierarchy ("everyone calls each other by their first names"). There is no system of hiring - there is a union of like-minded people. There is no system for evaluating the work done, because the decision on what to do is made rapidly, the organization goes from crisis to crisis, fighting for survival. Every crisis overcome is a common victory, every mistake is an incentive to overcome the crisis.

"*Go-Go"*. Relative financial stability, sales growth. This is a new stage of the internal responsibility of the organization. The situation is dangerous because survival looks like prosperity, although this stage is still far away. The installation "We can do everything!" can lead to the death of the company. The prospect of expanding the field of activity is too tempting. Therefore, I. Adizes defines the main organizational task of this stage "from the reverse": the firm must clearly define for itself what it should not do. The desire to embrace the vast, including the unknown to the company's employees, can destroy the organization at one moment. At this stage, the company is not internally structured yet: people decide, not positions.

"*Adolescence*" (youth). The rebirth of an organization is a long and painful process. Decentralization and delegation of authority are becoming necessary. Fundamentally, the appearance of the figure of a professional manager (executive director, vice president). The search for such a person is very difficult. He must perform functions that were previously absent or dispersed, that is, be able to do what those who work in the company are not able to do, and at the same time, both the founder and his associates are unwittingly looking for "their own", "similar to us". "Youth" is a time of conflicts. People begin to engage in themselves, ambitions manifest themselves. The relationship between founder and manager, manager and veterans, veterans and newcomers is contradictory.

"*Prime*" - this is the stage of balance between self-control and flexibility of the organization, this is knowledge and correlation of goals, opportunities and means of achievement. Theoretically, the "flourishing" can last indefinitely, provided the quantitative and qualitative growth of the organization - due to the influx of new forces, the creation of subsidiaries and, most importantly, the preservation of the spirit of entrepreneurship. The responsibility of managers and employees is expressed at this stage precisely in this, difficult to formalize quality of self-stimulation, understanding of the entrepreneurial nature of any socially useful and demanded business.

"*Stability*” characterized by an increased sense of security. The obvious stability of the company's presence in the market leads to the fact that resources for research are being cut in favor of spending on extrapolative development. This is the beginning of aging - the company is focusing more and more on its past. Financiers in the firm now mean more than developers and marketing specialists.

"*Aristocracy*". The transition to this stage is almost imperceptible, and this is a sure sign of aging, not growth. More and more funds are spent not on innovation and development, but on control, insurance and arrangement. The guarantee of the result completely displaces the options associated with risk. The company's image is conformity in treatment, behavior, and clothing. The interiors of conference halls should give the impression of inviolability, impressiveness.

“Recrimination” This stage is characterized, according to the formulation of I. Adizes, "managerial paranoia". They are looking for the culprits, those who cause problems. Work with the market, with the consumer has gone into the background. The "guilty" are removed. The result: entrepreneurs come and go, administrators stay.

"*Bureaucracy*". A bureaucratic organization has many systems with a weak functional orientation. Such an organization is self-directed, closed. The firm has a "cult of the written word". The discontinuity of the "information field" is characteristic. Each employee owns only a part of the information. The client is forced to assemble it in parts, breaking through narrow information channels, the company's divisions, too.

“Death” from the moment in which the company loses its purpose, it arrives at its Death. It is important to note that, unlike living beings, this last step can be avoided. This is because companies have the skills to solve the problems at each stage. Thus, practice confirms the existence of patterns in the development of organizations. All the models considered show that organizations develop confidently during their life cycle when they have a sound strategy and use resources effectively; they rebuild when they stop meeting their chosen goals and die when they are unable to fulfill their tasks.

Conclusion

As an organization moves from one stage of development to another, organizational problems accumulate. It is important for managers to understand whether these problems are the result of making incorrect management decisions, whether they can be resolved by minor adjustments to the management system, or whether they indicate the approach of the next stage of the life cycle, and, therefore, are associated with the need for organizational changes. And the effective and sustainable activity of an organization largely depends on how managers and employees understand, evaluate and take into account in their actions its life cycle and each of its stages.

Topic 4. STRATEGIC PLANNING OF ORGANIZATIONAL CHANGES (2 academic hours)

1. **The essence and specifics of the change strategy.**
2. **Choosing a change strategy.**
3. **Modern methods of transformation.**
4. **Reengineering of the organization.**

1. The essence and specifics of the change strategy

Change strategy is a characteristic of the deviation of a future strategy from the current one.

Unlike a traditional strategy, which should answer the question of what is needed to achieve its goals, a change strategy should primarily answer the question of what organizational changes are needed to achieve its goals.

The purpose of the change strategy is to ensure an effective response of the organization to an existing need or problem to adapt to changes in the external environment and the internal environment.

Principles for creating an effective change strategy:

1. The strategy is determined by the organization's vision of its future. The vision of the future contains the key principles of the company's activities, the meaning of the company's activities or its purpose, and the mission of the organization.

2. The strategy should promote the maximum use of the advantages that the organization possesses.

3. The strategy must be realistic. It must take into account internal constraints and external factors.

4. The change strategy should take into account the interests of all participants in the change process (the interests of the organization, the state, investors, consumers).

5. A change strategy should be developed with the participation of its future implementers. The higher the engagement, the more effectively the change strategy will be implemented.

Let's look at some of the most common business development strategies that have been verified by practice and widely covered in the literature. These strategies are usually called basic or reference strategies.

The first group of reference strategies consists of ***concentrated growth strategies***. These include those strategies that involve changing the product and market and do not affect other elements.

The specific types of strategies of this group are the following:

- *a strategy for strengthening market positions*, in which a company does everything to gain the best positions in a given market with a given product;

the market development strategy, which consists in finding new markets for an already manufactured product;

- *a product development strategy* that involves solving the problem of growth through the production of a new product that will be implemented in the market already mastered by the company.

The second group of reference strategies includes such business strategies that are associated with the expansion of the company by adding new structures. These strategies are called ***integrated growth strategies***.

There are two main types of integrated growth strategies:

- *the strategy of reverse vertical integration* is aimed at the growth of the company through the acquisition or already strengthening control over suppliers.
- *the strategy of advancing vertical integration* is expressed in the growth of the company through the acquisition or strengthening of control over the structures located between the company and the end user, namely distribution and sales systems.

The third group of reference business development strategies is ***diversified growth strategies***. These strategies are implemented when the company cannot continue to develop in a given market with a given product within a given industry.

The fourth type of reference business development strategies are ***reduction strategies***. They are implemented when a company needs to regroup its forces after a long period of growth or in connection with the need to increase efficiency, when there are downturns and drastic changes in the economy.

Change management strategies can be classified according to various criteria, but the main areas include: policy-making, participation and engagement, communication, training and development, as well as flexible strategies. Each of them has its own characteristics and is suitable for different situations in the company**.**

- *Directive strategies* imply clear guidance and control from top management.
- *Participation and engagement strategies* focus on activating employees and their participation in the process of change.
- *Communication strategies* focus on information and feedback.
- *Training and development* are aimed at improving the skills and adapting staff to new conditions.
- *Flexible strategies* involve adapting to changes in real time and being ready to adjust plans.

Directive strategies are often used in crisis situations when it is necessary to make changes quickly and decisively. They require clear planning and consistency of actions.

Advantages	**Disadvantages**	**Use cases**
Speed of implementation	Staff resistance	Merger of companies
Clarity of tasks	Low flexibility	Crisis management

The strategies of participation and engagement are aimed at maximizing the involvement of employees in the process of change, which increases their motivation and loyalty.

Effective communication is the key to the success of any change.

Communication strategies include regular meetings, feedback, and transparency of processes.

Training and development help employees adapt to new conditions and enhance their competencies, which is crucial for the long-term success of change.

Flexible strategies allow the company to adapt to changes as they occur, which is especially important in conditions of uncertainty and rapid market changes.

Advantages	**Disadvantages**	**Use cases**
Adaptability	The risk of insufficient control	Startups
Possibility of correction	The difficulty of planning	Technological innovation

Each change management strategy has its own strengths and weaknesses that need to be considered when choosing an approach.

• Directive strategies ensure quick execution, but may cause rejection among employees.

• Participation strategies promote engagement, but take longer to implement.

• Communication strategies improve awareness, but may not be effective without the support of other methods.

2. Choosing a change strategy

The process of choosing a change strategy includes the following steps: understanding the current strategy; conducting product analysis; choosing a company strategy and evaluating the chosen strategy.

Understanding the current situation is very important, because you cannot make decisions about the future without having a clear understanding of the state of the organization and what strategies it implements.

Product portfolio analysis is one of the most important strategic management tools. Product portfolio analysis provides a clear indication that the individual parts of the business are highly interconnected.

The company's strategy is selected by management based on an analysis of key factors characterizing the state of the company, as well as the nature and essence of the strategies being implemented.

The main key factors that must first be taken into account when choosing a strategy are the following:

1. Industry strengths and firm strengths can often play a crucial role in choosing a firm's growth strategy.

2. The goals of the company give uniqueness and originality to the choice of strategy in relation to each specific company.

3. The interests and attitudes of senior management play a very important role in choosing a company's development strategy.

4. The financial resources of the company also have a significant impact on the choice of strategy.

5. The qualifications of employees, as well as financial resources, are a strong limiting factor in choosing a company's development strategy.

6. The firm's obligations under previous strategies create a certain inertia in the company's development.

7. The degree of dependence on the external environment has a significant impact on the choice of a company's strategy.

8. The time factor must be taken into account in all cases of choosing a strategy.

The assessment of the chosen strategy is mainly carried out in the form of an analysis of the correctness and sufficiency of taking into account the main factors determining the possibilities of implementing the strategy when choosing a strategy. The whole procedure for evaluating the chosen strategy is ultimately subordinated to one thing: whether the chosen strategy will lead the company to achieve its goals. And this is the main criterion for evaluating the chosen strategy.

3. Modern methods of transformation

The processes of change in organizations can be considered in the order of their complexity: reorganization, reformation, restructuring.

Reorganization is a transformation that includes the restructuring of the organizational structure and management system of an enterprise while maintaining its fixed assets and production potential. It affects organizational and managerial aspects, restructuring, reorganization of a legal entity without liquidation of cases and property. The purpose of the reorganization is to obtain an emergent effect from changes in the capital structure, eliminate duplication of functions, reduce costs with an increase in production, etc.

The forms of reorganization include:

- merger - the merger of two (or several) organizations and the emergence of a new entity;
- joining – full transfer of rights and obligations from one organization to another;
- separation - transfer of rights and obligations from one organization to two others, in accordance with the separation balance;

- allocation – partial transfer of rights and obligations to another organization in accordance with the separation balance;

- transformation – full transfer of rights and responsibilities to a new person.

Reformation is a change in the principles of the organization's operation, considers the organization as an economic entity. The reform is aimed at changing the production and economic aspects, contributes to improving labor productivity, product competitiveness, reducing production costs, and improving financial and economic indicators.

Restructuring is a comprehensive optimization of the company's functioning system, in which all aspects of its activities are harmoniously combined and brought into line with the developed development strategy. Restructuring contributes to the fundamental improvement of the management system and methodology, increasing the efficiency and competitiveness of products, information systems and technologies.

Classification of types of restructuring:

1) *Anti-crisis (operational) restructuring and development* (strategic) restructuring are distinguished by cause-and-purpose. The first concerns the tangible assets and debt obligations of the organization and is aimed at financial recovery and prevention of bankruptcy. The second is aimed at further development and adaptation to changing environmental conditions.

2) *On the initiative of implementation*, restructuring may be voluntary, carried out on the initiative of senior management, and compulsory - carried out on the initiative of external bodies interested in improving the enterprise.

3) *According to the direction of structural changes*, there are:

- organizational and legal restructuring, which involves a change of ownership and business entity, expansion or reduction of spheres of activity;

- property restructuring, which is aimed at changing the volume and composition of the company's property;

- industrial restructuring, which involves significant transformations in the production cycle, technological re-equipment, modernization of equipment, cost reduction, etc.;

- management restructuring aimed at improving the management system by changing the management structure, personnel, functions and tasks related to the training and retraining of management personnel, etc.;

- economic restructuring, which should provide a new level of profitability of production and bring the enterprise in line with modern business conditions;

- financial restructuring, which contributes to the improvement of the financial strategy, means the formation of a balance sheet structure in which the liquidity and solvency indicators of the enterprise are brought into line with market requirements;

- reengineering is considered as a radical rethinking and redesign of business processes in order to achieve abrupt improvements in various performance indicators, achieve maximum flexibility and adjustability of the system to continuously changing conditions.

4) *According to the scale of structural changes*, there are complex and partial restructuring. Complex - involves a long-term and expensive process that affects all elements of the organization. Partial - makes changes to one or more elements of the enterprise.

The most optimal program of structural changes allows not only to solve the economic and financial problems of the enterprise in the short term, but also to ensure sustainable strategic development and growth in the long-term future.

4. Reengineering of the organization

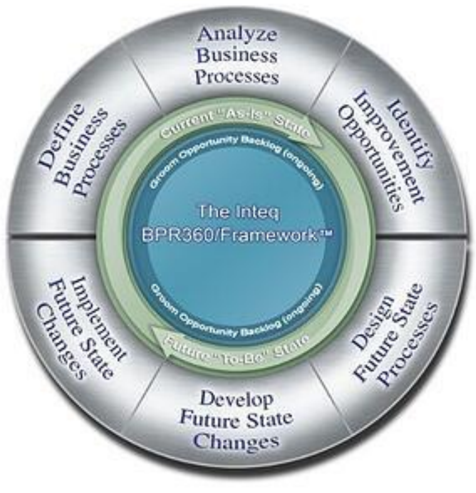
Reengineering is a type of radical changes in all business processes in an organization. It is used when there is a need to carry out comprehensive transformations, including the restructuring of the enterprise. If the principles and methods of applying this approach are followed, it is possible to achieve the desired results in updating all business processes.

The concept of reengineering includes a fundamental rethinking and redesign of the business to implement incremental improvements in the main indicators of the organization's performance: quality, service, growth rates, finance, etc. According to the author of this approach, M. Hammer, the key words characterizing reengineering are "fundamental", "radical", "cardinal", "process".

Business process reengineering is the act of recreating a core business process with the goal of improving product output, quality, or reducing costs.

Typically, it includes **six key steps**.

The Six Key Steps of Business Process Reengineering



1. *Define Business Processes*. Map the current state (work activities, workflows, roles and reporting relationships, supporting technology, business rules, etc.

2. *Analyze Business Processes*. Identify gaps, root causes, strategic disconnects, etc. in the context of improving organizational effectiveness, operational efficiency and in achieving organizational strategic objectives.

3. *Identify and Analyze Improvement Opportunities*. Identify, analyze and validate opportunities to address the gaps and root causes identified during analysis. This step also includes identifying and validating improvement opportunities that are forward facing – often strategic transformational opportunities that are not tethered to current state process.

4. *Design Future State Processes*. Select the improvement opportunities identified above that have the most impact on organizational effectiveness, operational efficiency, and that will achieve organizational strategic objectives. Make sure to select opportunities for which the organization has the budget, time, talent, etc. to implement in the project timeframe. Create a forward-facing future-state map that comprehends the selected opportunities.

5. *Develop Future State Changes*. Frequently overlooked (and a key root cause in failed BPR initiatives), this is where the above opportunities are operationalized before implementation. New workflows and procedures need to be designed and communicated, new/enhanced functionality is developed and tested, etc. Changes and opportunities cannot be implemented until they are operationalized.

6. *Implement Future State Changes*. Classic implementation based on dependencies among changes/opportunities, change management, project management, performance monitoring, etc.

Reengineering is accompanied by the introduction of new technologies; therefore, it requires the development of an information technology strategy. This strategy is a series of targeted and coordinated actions that allow the use of IT resources to create and maintain a sustainable competitive advantage of the organization.

The principles of the organization of processes formed as a result of reengineering include:

1. *the principle of integration* is the formation of a team of employees responsible for the joint implementation of a certain business process, in contrast to the traditional way of coordinating the work of personnel performing individual labor functions;

2. *the principle of horizontal compression* is the transition from the traditional organization of work to an increase in the number of functions performed by one person and a decrease in the number of employees due to this;

3. *the principle of decentralization of responsibility* (vertical compression) - performers get the opportunity to make independent decisions in many cases in which they traditionally turned to the top management;

4. *the principle of logic* – linear coordination and execution of work is replaced by the logical order of the process, which saves time on work*;*

5. *the principle of diversification of business processes* is a departure from the traditional standardized and detailed processes of mass production, which are too complex in terms of approval procedures;

6. *the principle of process variability is the development of different versions* of business processes depending on situations, inputs, market conditions and other conditions, which generally leads to simplification of their practical implementation.

7. *the principle of rationalization of relations includes*: 1) creation of such managerial links between departments that allow performing work where it is appropriate; 2) improvement of the organizational structure that minimizes the number of approvals in the chain of "company - customer";

8. *the principle of rationalization of management*: 1) reducing the number of controlling links, implementing them within the framework of expediency; 2) introducing the position of an "authorized manager" responsible for the entire process of building relationships with the customer, including solving his problems and answering questions; 3) using IT technologies in management that allow using centralized data and remote control.

Topic 5. TEAMWORK IN THE CONTEXT OF ORGANIZATIONAL CHANGES (2 academic hours)

1. The essence and principles of creating teams.
2. The effectiveness of the team. Theory of team roles (by M. Belbin)
3. The main stages of the development of the strategic change team.

1. Forming a team for organizational changes.

There are many different ways to bring people together to develop a strategy:

* the strategy is developed by the head of the organization, and all the necessary information is provided by the relevant departments, services and divisions. This process is typical for small and partly medium-sized organizations;

* the strategy is developed by a permanent group, for example, the board of directors;

• to develop a strategy, a group is created, headed by the head of the organization, which includes heads of departments and specialists;

* the strategy is developed by a team specially created for this purpose.

A team is a group of people who are highly qualified in a certain field and are as committed as possible to the common goal of their organization's activities, for which they work together, jointly coordinating their work.

A management team is a group of managers and specialists who share goals, values and common approaches to the implementation of joint activities, have complementary knowledge and skills, are focused on the overall result and take responsibility for its achievement.

***Team* management** is the creation and management of a team as the most effective form of collective interaction.

The choice of the work option — in teams or groups - depends on many internal and external factors.

It is preferable to work in teams:

• To solve complex tasks or "problems"

• When consensus is needed to make a decision

• When there is uncertainty and a multiplicity of solutions

• When high dedication is needed

• When a wide range of competence is required

* When an organization expects to use the results of teamwork to develop a strategy and vision

• When a universal approach is needed.

The process of forming a team is a task that requires high managerial competence. Its implementation requires not only the presence of properly selected, highly qualified specialists, but also people who want to work together, together, as a team.

The team formation process consists of the following stages:

1. Preparation.

2. Creation of working conditions.

3. Forming and building a team.

4. Assistance in work.

The first stage of creating an effective team is called "primaty". At this stage, it is especially important to correctly determine how much it is really necessary to create a team. Further, goals must be clearly set and a list of skills to achieve them must be defined. A decision is made in advance about the field of the team's competence: whether the teams will work only on an advisory basis of consultations on all current problems with the manager, or they can be given full independence in the execution of the task.

The second stage includes the creation of working conditions. Teams must be provided with resources, etc. If managers fail to cope with this task, the team's activities are doomed to failure.

The third stage includes the process of forming and building a team. In order to give the team a good start, you need to do the following. First, managers must clearly define the boundaries: who is and who is not a member of the team. Sometimes teams fail just because the membership of some individuals remains uncertain. Secondly, team members should share a common goal. If this does not happen, then there is a danger of failure. Thirdly, the management of the organization should explain to the team its task and the degree of responsibility for the functions performed — to make it absolutely clear what actions are expected of it. However, it is not necessary to explain exactly how to complete the task.

Will team members be responsible for planning and monitoring their work? If this is the case, then the areas of competence of each employee should be considered and clearly defined. And finally, the team that has started functioning must be provided with constant support from the management of the organization *(the fourth stage).*

Building a team that is able to successfully carry out organizational changes is one of the most difficult tasks.

In the practice of management, a systematic approach is used in the formation of a team, which is based on ***the following principles***:

1) the principle of fundamental values - the desire to subordinate their goals to a common cause is shared by all its members;

2) the principle of harmony — the distribution of roles in accordance with the personal competencies and professionally important characteristics of its members, the ability to come to a consensus, constructively resolve conflicts;

3) the principle of trust — each member of the team is open and honest with others, has access to strategic information important for obtaining a high-quality result;

4) the principle of equality — all team members obey the same rules and regulations and have equal rights, including to express their own opinion;

5) the principle of adaptability — the redistribution of roles, including the change of leader, in accordance with changes in the external environment, the preparation of successors;

6) the principle of complementarity — the weak qualities of one team member are overlapped by the strong qualities of another in the same aspect.

The creation of a team is not yet a sufficient condition for making changes. The team must act effectively, the task of managers is to evaluate its effectiveness and manage it.

2. The effectiveness of the team. Theory of team roles (by M. Belbin)

The effectiveness of teams is an indicator of how much the team implements its goals and is close to achieving them.

The team must act effectively — this is the key to the success of implementing changes, and it is the task of managers and managers to monitor and improve efficiency.

Teams are most effective in the following cases

* Strategy development in a highly uncertain environment;

* Uncertainty and multiplicity of criteria for selecting strategic options; simultaneous implementation of several strategies;

* The need to coordinate complex work;

* A wide range of expert opinions regarding the evaluation of strategic alternatives;

* Conflict of interests of the parties;

* A high degree of resistance to strategic changes.

The more uncertain the task, the more effective the team approach is, especially in cases where it is necessary to meet the different expectations of stakeholders. This is obvious when making government decisions or when developing technological and innovation policies, when the choice between alternative development options is based on a detailed study of a variety of data.

Conditions under which teamwork may be ineffective:

- team members are conformal and subject to pressure, in this case solutions will be worked out that suit everyone, and not optimal;

- team members do not have innovative thinking;

- the time for choosing solutions is limited, there is no opportunity to discuss solutions to problems.

It takes more time to develop a team decision than to make an individual one, since mutual contacts and finding consensus on the decision are assumed.

There are three main factors of effective team work:

- satisfaction of individual needs of team members;

- successful teamwork;

- solving the tasks assigned to the team.

The effectiveness of the strategic change team depends on:

• managing the quantitative composition of the team;

• managing the functional responsibilities of team members;

• distribution of functional and team roles.

By managing these types of teamwork, a manager can monitor the effectiveness of teams, increasing efficiency and achieving success in making changes. When people work as part of the same group or team, each of them performs two types of roles: functional, based on professional skills and practical experience, and team, based on personal characteristics.

The team role can be considered as a characteristic of the quality of the application of individual skills and experience that make up the content of the functional role performed.

Understanding Belbin's Team Roles Model

Belbin identified nine team roles and he categorized those roles into three groups: Action Oriented, People Oriented, and Thought Oriented. Each team role is associated with typical behavioral and interpersonal strengths.

Belbin also defined characteristic weaknesses that tend to accompany each team role. He called the characteristic weaknesses of team roles the "allowable" weaknesses.

The nine team roles are:

Action Oriented Roles

Shaper (SH)

Shapers are people who challenge the team to improve. They are dynamic and usually extroverted people who enjoy stimulating others, questioning norms, and finding the best approaches for solving problems. The Shaper is the one who shakes things up to make sure that all possibilities are considered and that the team does not become complacent.

Shapers often see obstacles as exciting challenges and they tend to have the courage to push on when others feel like quitting.

Their potential weaknesses may be that they're argumentative, and that they may offend people's feelings.

Implementer (IMP)

Implementers are the people who get things done. They turn the team's ideas and concepts into practical actions and plans. They are typically conservative, disciplined people who work systematically and efficiently and are very well organized. These are the people who you can count on to get the job done.

On the downside, Implementers may be inflexible and can be somewhat resistant to change.

Completer-Finisher (CF)

Completer-Finishers are the people who see that projects are completed thoroughly. They ensure that there have been no errors or omissions and they pay attention to the smallest of details. They are very concerned with deadlines and will push the team to make sure the job is completed on time. They are described as perfectionists who are orderly, conscientious and anxious.

However, a Completer-Finisher may worry unnecessarily, and may find it hard to delegate.

People Oriented Roles

Coordinator (CO)

Coordinators are the ones who take on the traditional team-leader role and have also been referred to as the chairmen. They guide the team to what they perceive are the objectives. They are often excellent listeners and they are naturally able to recognize the value that each team member brings to the table. They are calm and good-natured, and delegate tasks very effectively.

Their potential weaknesses are that they may delegate away too much personal responsibility, and may tend to be manipulative.

Team Worker (TW)

Team Workers are the people who provide support and make sure that people within the team are working together effectively. These people fill the role of negotiators within the team and they are flexible, diplomatic and perceptive. These tend to be popular people who are very capable in their own right, but who prioritize team cohesion and helping people get along.

Their weaknesses may be a tendency to be indecisive, and to maintain uncommitted positions during discussions and decision-making.

Resource Investigator (RI)

Resource Investigators are innovative and curious. They explore available options, develop contacts, and negotiate for resources on behalf of the team. They are enthusiastic team members, who identify and work with external stakeholders to help the team accomplish its objective. They are outgoing and are often extroverted, meaning that others are often receptive to them and their ideas.

On the downside, they may lose enthusiasm quickly, and are often overly optimistic.

Thought Oriented Roles

Plant (PL)

The Plant is the creative innovator who comes up with new ideas and approaches. They thrive on praise but criticism is especially hard for them to deal with. Plants are often introverted and prefer to work apart from the team. Because their ideas are so novel, they can be impractical at times. They may also be poor communicators and can tend to ignore given parameters and constraints.

Monitor-Evaluator (ME)

Monitor-Evaluators are best at analyzing and evaluating ideas that other people (often Plants) come up with. These people are shrewd and objective, and they carefully weigh the pros and cons of all the options before coming to a decision.

Monitor-Evaluators are critical thinkers and very strategic in their approach. They are often perceived as detached or unemotional. Sometimes they are poor motivators who react to events rather than instigating them

Specialist (SP)

Specialists are people who have specialized knowledge that is needed to get the job done. They pride themselves on their skills and abilities, and they work to maintain their professional status. Their job within the team is to be an expert in the area, and they commit themselves fully to their field of expertise.

This may limit their contribution, and lead to a preoccupation with technicalities at the expense of the bigger picture.

Knowledge of Belbin's Team Roles model can help to identify potential strengths and weaknesses within the team, overcome conflict between their co-

Studies have shown that each team member plays not one, but often two, even three or four team roles. In order for a team to make the most of the diversity of team roles, each member of it should be aware of the specifics of the team roles of their colleagues.

Belbin's Team Roles

Action Oriented Roles	Shaper	Challenges the team to improve.
	Implementer	Puts ideas into action.
	Completer Finisher	Ensures thorough, timely completion.
People Oriented Roles	Coordinator	Acts as a chairperson.
	Team Worker	Encourages cooperation.
	Resource Investigator	Explores outside opportunities.
Thought Oriented Roles	Plant	Presents new ideas and approaches.
	Monitor-Evaluator	Analyzes the options.
	Specialist	Provides specialized skills.

3. The main stages of the development of the strategic change team

In 1965, Bruce Tuckman, an educational psychologist developed one of the most influential models for team formation. Based on his observations of group behaviour in different settings and on literature study, he came up with a model representing the different phases groups need to go through to grow as a team.

The model initially consisted of four distinct stages of group formation: forming, storming, norming and performing. Later, a fifth stage was added, called ‘adjourning’ or ‘mourning’. They represent the necessary and inevitable stages from facing challenges, tackling problems, finding solutions and planning work to ultimately delivering results as a team.

Forming stage

The forming stage involves a period of orientation and getting acquainted. Uncertainty is high during this stage, and people are looking for leadership and authority. A member who asserts authority or is knowledgeable may be looked to take control. Team members are asking such questions as “What does the team offer me?” “What is expected of me?” “Will I fit in?” Most interactions are social as members get to know each other.

Storming stage

The storming stage is the most difficult and critical stage to pass through. It is a period marked by conflict and competition as individual personalities emerge. Team performance may actually decrease in this stage because energy is put into unproductive activities. Members may disagree on team goals, and subgroups and cliques may form around strong personalities or areas of agreement. To get through this stage, members must work to overcome obstacles, to accept individual differences, and to work through conflicting ideas on team tasks and goals. Teams can get bogged down in this stage. Failure to address conflicts may result in long-term problems.

Norming stage

If teams get through the storming stage, conflict is resolved and some degree of unity emerges. In the norming stage, consensus develops around who the leader or leaders are, and individual member's roles. Interpersonal differences begin to be resolved, and a sense of cohesion and unity emerges. Team performance increases during this stage as members learn to cooperate and begin to focus on team goals. However, the harmony is precarious, and if disagreements re-emerge the team can slide back into storming.

Performing stage

In the performing stage, consensus and cooperation have been well-established and the team is mature, organized, and well-functioning. There is a clear and stable structure, and members are committed to the team's mission. Problems and conflicts still emerge, but they are dealt with constructively. (We will discuss the role of conflict and conflict resolution in the next section). The team is focused on problem solving and meeting team goals.

Adjourning stage

In the adjourning stage, most of the team's goals have been accomplished. The emphasis is on wrapping up final tasks and documenting the effort and results. As the work load is diminished, individual members may be reassigned to other teams, and the team disbands. There may be regret as the team ends, so a ceremonial acknowledgement of the work and success of the team can be helpful. If the team is a standing committee with ongoing responsibility, members may be replaced by new people and the team can go back to a forming or storming stage and repeat the development process.

Though Tuckman presented the different phases as a linear model, it is important to realize that in practice, the phases are rather fluid and group formation is not always a linear process.

Having a way to identify and understand causes for change in the team's behaviour can help the team to maximize its process and productivity. This is especially the case when the Tuckman analysis is used as a basis for conversation instead of a fixed diagnosis.

Thus, the activity of a manager in building a team is more an art than a science, and requires him to understand the psychological characteristics of people, sensitivity and wisdom.

Topic 6. LEADERSHIP IN THE FACE OF CHANGE
(2 academic hours)

1. Leader of the strategic change team.
2. Typology of leadership (according to I. Adizes)
3. Main skills of an effective manager.

1. Leader of the strategic change team.

Taking care of team members and paying attention to personal relationships are important for the effectiveness of the strategic change team. Team leaders should be interested in their subordinates not only on duty.

Leadership is a complex socio-psychological process of group development, the result of which is the emergence, stabilization and development of the group structure, its optimization and improvement.

Modern theories and concepts offer various interpretations of the concept of "leadership" and an explanation of this phenomenon. It can be considered as a special position of an individual, as a certain quality of a person, or as a process of involving other people in any activity by one person.

The concepts of "leader" and "manager" are not the same.

The leader mainly regulates the relationship between people, and *the manager* builds official relations within the group, organizes the processes of business interaction. Leadership can arise spontaneously and be short-lived, while the manager is endowed with formal authority, and his/her position is more stable. The actions of the head are more complicated, they are mediated by many circumstances, his decisions are entrusted with great responsibility, and the scope of activity is wider. Different tasks require different qualities, both leadership and managerial. Therefore, effective organizations create conditions for the development of both components of effective leadership.

The concept of "spread leadership" has recently become very popular. Its essence is that effective management can be provided only by the joint efforts of team members. ***I. K. Adizes*** notes that it is impossible for one person to possess all the listed qualities that can be found when describing an effective leader. The nature of these qualities is contradictory, they are mutually exclusive and cannot be in the character of the same person. Individual characteristics are important, but other grounds are needed to determine the requirements for the personality of a modern leader. Such grounds may be indicators of the effectiveness and efficiency of the facility managed by them, both in the short and long term. This idea belongs to Izhak Adizes– one of the world's leading experts in the field of business consulting.

I. Adizes proposes a management methodology, the main idea of which is the formation of management teams based on mutual complementation and mutual compensation by leaders of each other's missing competencies (he calls such teams a "management mix").

2. Typology of leadership (according to I. Adizes)

The concept of "managerial roles" takes a central place in the methodology of I. Adizes:

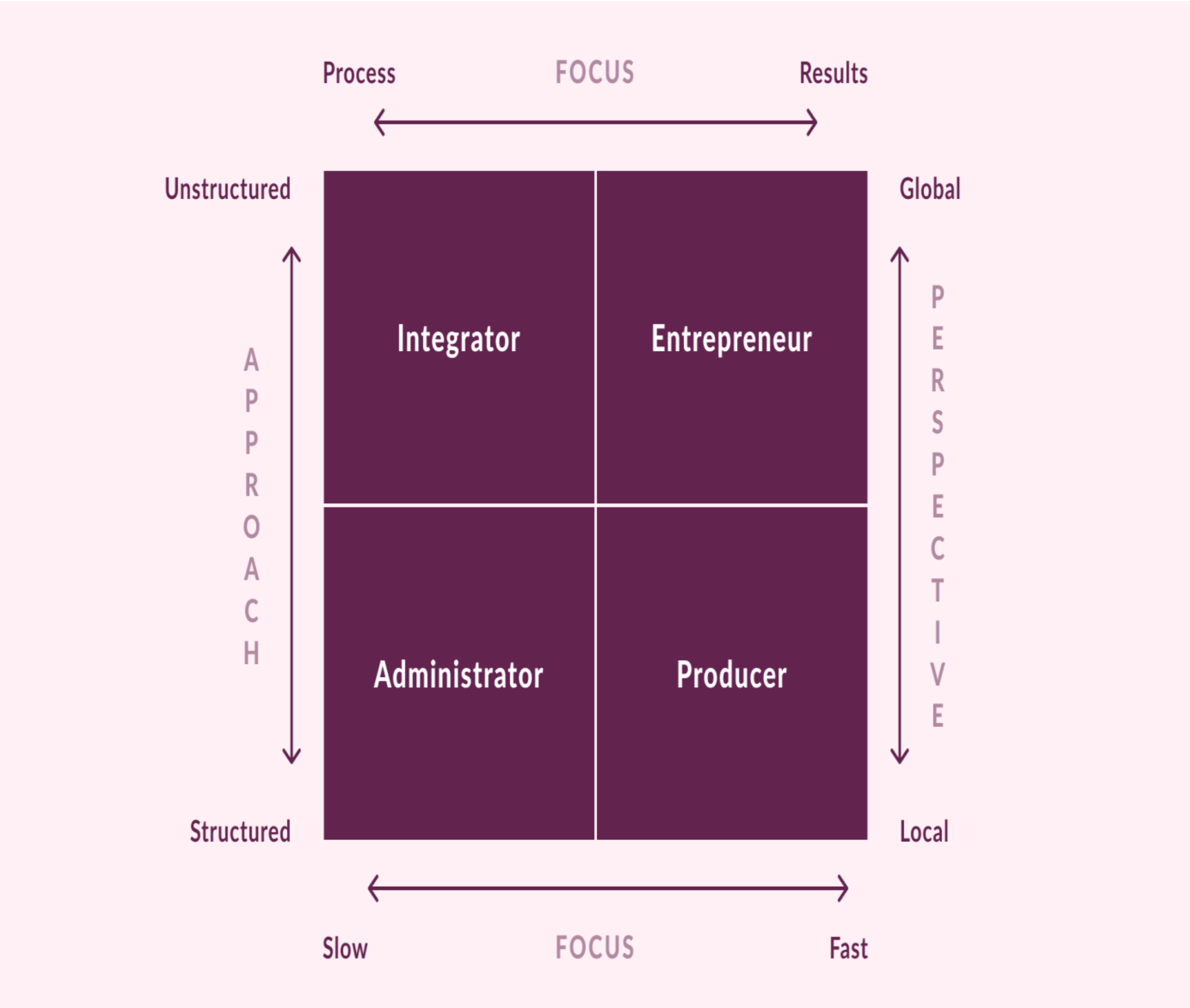
To ensure the viability and survival of an organization, it needs all types of leadership. However, according to Dr. Adizes, they cannot be present in one person at the same time. Strong managers are those who combine two roles, which provides them with a wider range of perception of reality, brilliant - three roles. At the same time, one of the functions always dominates. The management of the organization, according to this concept, should be carried out by a team of strong managers who compensate for each other's weaknesses.

PAEI styles comparison

In the picture, you can see the matrix of the leadership styles divided by the main aspects: Focus, Perspective, Speed, and Approach.

It is obvious that all the levels of these aspects are needed to manage an organization efficiently: you should think globally to plan a viable strategy but act locally to implement it. You need to achieve results but you cannot do it (at least you can't scale it up) without well-built processes, and so on.

Let's examine each style. Notice if you have traits of any of these styles.



Role #1 — Producer

The foremost role of any organization is to produce results. The results that satisfy customer needs are the basic reason why the organization exists. Therefore, the producer role is very important and necessary. It includes all the activities that focus on producing a product or service.

Who is a Producer?

The producer feels responsible for a final product or service that is delivered to a customer. Producers often work fast and have a tendency to focus on the end-result. Producers are very ambitious. The final product has to meet the expected results and the producer and their team work very hard to make that happen.

They are always very busy and overloaded. They are highly responsible and consider themselves irreplaceable, which leads to controlling every process themselves. That makes it difficult for them to delegate responsibilities, so they just distribute tasks and check all of them personally. Another issue coming from that is that they hire waterboys because this way it is easier to set small assignments and remain the most experienced in a company. Producers don’t like to spend time on team’s education, that distracts from work.

Recommendations for producers:

1. Stop working non-stop and thinking only short-term.
2. Pay attention to the words that are said to you. And to who said them.
3. Sometimes maybe is better than yes or no.
4. Be patient. Changing yourself or changing others doesn’t have to be under pressure.
5. The creakiest wheel is not always the most important and some problems can wait.
6. Pay attention not only to a solution but to a process.
7. If making decisions is difficult for you, do it more often.
8. Put the document on my table is not a solution.
9. Surrounding yourself with waterboys won’t make your life any easier.
10. The actual is not the same as required.

Role #2 — Administer

The Administering role focuses on *how* to do things. To administer an organization means to get things organized, planned, scheduled, systematized, and generally under control. Administration makes the organizational activities structured. This is especially important when the organization grows and the processes need to be scaled up.

Who is an Administrator?

An Administrator has strong analytical skills and a structured approach, and they develop systems to work efficiently and productively. Administrators are mostly interested in rules and instruction and they force a team to following procedures correctly. Organizations depend on administrators for developing processes and systems that ensure that everyone works efficiently and productively.

But if the administrator is a CEO, an organization can suffer from some issues. Administrators spend too much time to make a decision, they keep combining researches, always need more data, etc. And in the end, they lose the competition because they are lacking flexibility and waste time trying to make a fundamental decision once and for all.

They care more about doing things right than about doing the right things. That’s why the team spends more time working with memos, than actually producing results. If a new process emerges, the administrator starts developing the instructions to this process and from that moment all the staff must follow them even if the situation has already changed.

Too many rules, too much time for decision making, too little initiatives and ideas from the staff.

Recommendation for administrators

1. A function doesn’t necessarily follow a form
2. Not everything should become a system or be included in instructions.
3. First, speak, then think.
4. Are you aware of the value, while knowing all the costs?
5. Don’t think that everything that is not allowed is forbidden.
6. Concentrate on the actual and care less about the required.
7. Sometimes, success depends on giving a free hand, not on creating more and more instructions.
8. Approximately right actions are better than perfectly wrong.
9. If you reduce a number of meetings, you will do more.
10. Learn how to say yes to changes.

Role #3 — Entrepreneur

Entrepreneuring is the role, which facilitates an organization in the process of successful adaptation to change. Entrepreneuring is responsible for innovations, exploring new opportunities, and undertaking risks.

Who is an entrepreneur?

The entrepreneur is very industrious and full of ideas. The entrepreneur always has a sharp vision for the future which helps them to create strategies that are the best for an organization. Their insights allow to distinguish between opportunities and threats to the organization and be capable of taking calculated risks. Entrepreneurs are good at working with unstructured approaches to problem-solving and decision making.

The main issue of an entrepreneur is that people of this style are constantly pop up with new ideas and think that their team must be on each of them directly after they articulate it. But not every idea is that brilliant as it felt at the first sight. The other struggle of the organization with the entrepreneur as a leader is that the team is too confused because as the new ideas come out, their instructions and priorities change. So people simply don’t know what is a final decision of their boss and what they should do. And that’s why they might do nothing, which frustrates the entrepreneur a lot.

Recommendations for entrepreneurs

1. Do not generalize too much when you solve the issue, prove your idea with facts. Do not exaggerate. Speak specifically. Do not neglect details.
2. Do not talk about a problem if you are not ready to suggest a solution.
3. Provide your final decisions in writing in order to stop confusing people with your sudden insights.
4. Discuss problems only with those who actually can help solve them.
5. Learn how to deal with your anger. Write your feelings down and hide in a secret folder.
6. Bring all the processes to completion. Write down the answers to questions: what, how, when, who, and what not and how not.

7. Remember: even the best idea is useless if it's not realized.
8. Consider interests of the parties involved in implementation.
9. When disagree, no need to behave hostile.
10. You can't know it all. Consider judgments and estimations of others, learn from those who are different from you.

Role #4 — Integrate

The Integrating role focuses on the development of a bonded team that makes an organization efficient over a long term. Well integrated organizations have a strong culture of a mutual trust and respect.

Who is an Integrator?

The integrator creates harmony within a team a becomes a beating heart of an organization. This is the one who brings people together and builds trust and respect which we talked about.

The backfire of the integrator's empathy is that they never make a decision until everyone agrees. And this a very unlike situation especially if many people are involved. The integrator is always seeking for a compromise which delays the final decision and consequently implementation. Such delays can be fatal for the organization. The integrators are afraid of any conflicts even the constructive ones and they don't see the benefits of them. No change can happen without any conflict, therefore the organizations with integrators as leaders risk to stop growing and developing.

Recommendations for integrators:

1. People's feeling are important but there are even more important things
2. Those who go with the flow won't be leaders
3. Take a position, choose a side
4. Stop endless meetings, some decisions can be made without them
5. Consensus doesn't guarantee the best decision
6. It is not necessarily disagreeing behind an intense discussion
7. The task of a manager is not to be popular but to achieve results
8. When hire and promote people consider not only personal but also professional characteristics
9. A need for change is not always based on a wish of people
10. There is no change without a conflict, if you stop all the conflicts, the changes will stop as well

How to communicate with people with other styles

Let's finalize it and compare the styles. People with different styles perceive the same information differently.

Below you can see a table of many aspects that different styles feature. It can help you navigate among different features and see how different people will react to one statement.

DIMENSION	P	A	E	A
Time Focus	Immediate	Past	Future	Present
Task Focus	Result	Process	Result	Process
Coordination Of	Goals	Systems	Ideas	People
Scope	Individual	Systemic	Global	Local
Thinking	Concrete	Abstract	Possibilities	Relationships
Restraint	Unrestrained	Restrained	Unrestrained	Restrained
Regulation	Controlled	Controlled	Free	Free
Reasonin	Literal	Literal	Metaphorical	Metaphorical
Reference	Specific	Specific	Approximate	Approximate
Concerns	External	Internal	External	Internal
Positioning	Central	Peripheral	Central	Peripheral

3. Main skills of an effective manager

The specificities of the leader's activity are that his destination is to coordinate the joint efforts of people to achieve a common goal, unite the group around common interests and values. Therefore, the leader must take an active position, have authority, have trust, be able to ensure the achievement of the overall result with maximum efficiency.

Transformative managerial activity is the possession of special managerial "tools", the skillful selection of the necessary methods and techniques to ensure organizational order and effective communications. Based on external and internal information, the leader analyzes the condition of the object and makes decisions. The quality of his decisions depends on objectivity, ability to work with information, experience, thinking and competence.

Four groups of qualities of an effective manager can be distinguished as the main competencies:

- *intellectual qualities*, including such abilities as managerial and operational intelligence, as well as the ability to analyze, think systematically and make optimal decisions;

- *emotional and volitional qualiti*es: stress resistance, focus on results, self-confidence, resistance to criticism, adequate self-esteem, ability to influence others, etc.;

- *motivational-targeted*: purposefulness, focus on achievement, determination, striving for results, efficiency, environmental friendliness, morality, etc.;

- *communicative*: the ability to conduct a dialogue, to argue, to convince, to take into account the interests of the parties, to build constructive relationships with people, to manage conflict situations, etc.

The concept of Managerial Intelligence (Executive Intelligence) is based on three important categories: tasks, people and the head himself.

According to the selected categories, American Professor J. Menkes defined and developed criteria for evaluating Executive Intelligence and proposed methods for its development. From the author's point of view, Executive Intelligence is a set of qualities or groups of abilities that a person demonstrates in the process of working in three main areas of his activity: 1) problem solving, 2) managing people and relationships between them, 3) adequate self-assessment and self-management in accordance with this assessment.

Criteria of Executive Intelligence in the field of *problem solving*, according to J. Menkes, are the following:

- problem definition;
- foreseeing possible obstacles to achieving the goal;
- critical evaluation of hidden assumptions;
- evaluation of argumentation and methods of obtaining information;
- adoption of different points of view when solving problems.

Regarding interactions with other people:

- recognition of conclusions during the exchange of opinions;
- forecasting actions and determining the motivation of others;
- anticipating their possible reaction to their actions;
- taking into account the possible consequences of their own actions;
- definition of the essence and positions underlying the conflict;
- consideration of the interests of the parties.

In the sphere of self-attitude:

- encouraging feedback on your ideas and actions;
- the ability to recognize the presence of prejudices and limitations in their views, shortcomings in their own ideas or actions;
- the ability to argue and assert the strength of their position;
- understanding the appropriateness of opposing the objections of others.

Many managers, according to J. Menkes, have pronounced abilities in one of these categories, but those who are able to combine the qualities of all three categories become exceptionally successful. The author believes that Executive Intelligence depends to some extent on genetic predisposition, but it can be developed through training aimed at learning to think, not memorize information.

Despite the individuality of each manager-leader, they have one thing in common – determination to achieve high results through the mobilization of human resources, which is supported by a number of distinctive features:

Striving for excellence. Corporate transformation leaders are confident that the future of their company depends on the successful implementation of the transformation program. They regard the tasks they face as exciting, useful and absolutely necessary both for their own self-realization and for the prosperity of the corporation as a whole.

The ability to withstand failures. This quality develops in the face of conflict, setbacks, uncertainty, and risk. Of course, leaders would prefer to avoid failures, but they are not afraid of them. By demonstrating their ability to rise from the ashes, they infect everyone around them with their bravery.

Willingness to challenge established rules. These bright personalities willingly take on the task of solving an unexpected problem and are not afraid to cut the tangled knot, question the unshakable value of the status quo, look at what is happening from an unusual angle, etc. The emergence of the most difficult obstacles does not discourage them from trying to overcome them over and over again. They are quite sensitive to the aspirations of top managers and at the same time do not need to be pushed to take action.

A high level of motivation and the ability to infect others with it. A new type of manager transmits energy, inspiration, and momentum to other employees, and points the way to follow their example and take responsibility for the changes that are taking place. To strengthen subordinates' will to win in the arena of market struggle, they often use specific facts that characterize the preferences of the company's customers or the actions of its competitors.

Caring for people. Leaders have a sense of justice and a desire for everyone to succeed. They never manipulate people or exploit anyone – on the contrary, they are distinguished by their determination to help each employee achieve the maximum possible results.

Sense of humor. This quality often allows leadership managers to go through trials that others would have given up on long ago, and help others overcome confusion, frustration, and inevitable setbacks.

Any organization that has embarked on the path of transformation must follow a strict course towards creating a "critical mass" of leaders (identify and evaluate such personnel, promote their development, entrust them with key positions and increase their numbers). Emerging new types of managers represent the best source of future managerial power and talent.

Topic 7. IMPLEMENTATION OF THE ORGANIZATION'S STRATEGY (2 academic hours)

1. Strategies for implementing changes.

2. Models of change management systems.

3. Formation of a positive environment and creation of organizational conditions for carrying out transformations.

1. Strategies for implementing changes

There are different classifications of change strategies based on different foundations. In some cases, preference is given to the speed of the change, in others - the "softness" of the transition, minimizing conflicts and resistances. Sometimes changes are implemented "strictly", centrally and authoritatively, "top-down". Each strategy has its advantages and disadvantages.

For example, depending on the speed of innovation and the attitude to risks, there are ***three main types of change implementation strategies***: "big bang", "model studies", "parallel work".

Bing Bang Model assumes at a certain point in time the termination of the old system and the launch of a new one. For example, a new wage system is being introduced from such a period of time. This approach is associated with a large number of risks and unaccounted factors. That is why the "big bang" strategy is not suitable for every case, it should be used with caution and only when it is impossible to do otherwise. The positive characteristics of this strategy include minimizing resistance to change, since the resistance forces do not have time to coordinate in a short period to develop their own policy that prevents transformation.

This is a high-risk strategy, since even a minor miscalculation in the project of change can lead to fail.

This strategy is sometimes used by dishonest managers in order to "show off" — to report on the completion of a reform, a project, or the introduction of an innovation that has social significance and attracts public attention. And to do it in record time, having received the appropriate awards and honors. At the same time, the calculation is made on the fact that numerous problems, shortcomings that invariably follow them, and complaints from customers and the public can later be shifted to the shoulders of someone else, for example, project operators.

Model studies include "pilot" stages of making changes, which means at the initial stage testing changes on a reduced scale to check how it will work in practice. For example, to make a change in a separate department, and if the result is positive, apply it throughout the organization. The research model allows to study all previously unforeseen nuances and, if necessary, return to modifying plans.

The strategy allows to minimize risks and make the change more predictable. As a result, with a positive outcome of the local change, we can count on a significant strengthening of the driving forces of change. A variation of this method is a detailed study of the experience of implementing the same change in another organization of a similar activity profile, after which a decision is made to implement the change taking into account the data obtained as a result of such a study.

The strategy of parallel work includes parallel realization of two cycles of work – on the old and on the new system. For example, parallel use, along with the old ones, of new systems for collecting and processing information or new production standards. Such implementation of changes leads to an increase in costs. However, it has an undeniable advantage associated with a low degree of risk and high reliability: if the new system does not work, the damage to the organization will be minimal, since the functions of the new system can be quickly transferred to the old one.

For example, it is absolutely unacceptable to stop the functioning of the old operating room in a hospital at the very first moment of commissioning a new operating room equipped with the latest technology. It takes time for the staff to get used to new technologies, to be completely sure that the irreparable will not happen due to failures caused by insufficient training of people to work in new conditions. For the same reasons, when a new airport runway is introduced, the old one continues to function for some time, as if insuring the new one from surprises.

The strategy of parallel functioning seems attractive due to its focus on eliminating the risk of failure in the work of the organization, but in practice it is rarely used. The reason for its high cost is that large financial and material resources are required for the functioning of the old and new systems, the need for almost doubling qualified personnel is especially sensitive here, which is often impossible to do.

American researchers R. Thorley and J. Weirdenius proposed a classification of change implementation strategies based on the way the manager and subordinates interact. They differentiate ***five groups of strategies***.

1. ***Directive strategy*** - imposing changes by order (for example, work schedule, payment procedure);

2. ***Negotiation strategy*** - recognition of the legitimacy of the interests of other participants in the changes, the possibility of concessions in the process of their implementation;

3. ***Normative strategy*** - clarifying the general attitude to change, striving to achieve a sense of responsibility and interest of employees in achieving the goals of the organization (often carried out with the help of consultants);

4. ***Analytical strategy*** – a clear definition of the problem, collecting information, studying it, contacting our own experts from leading departments or consultants;

5. ***Action-oriented strategy*** – a general definition of the problem, but not as clear as in the analytical approach, more focused on the involvement of interested people than on analytical work.

It should be noted that each organization has its own preconditions and its own situation for choosing a particular strategy for implementing changes. The choice of strategy is often influenced by: the speed of change, the degree of resistance of people, the authority of the initiator of changes, the amount of information, risk factors. Therefore, the description of scientific models is rather conditional, private, individual differences can, under certain conditions, decisively change the course of implementation of the transformation strategy. The more complex the organization, the more extensive the changes in the coverage of people, the stronger the "disturbing" impact of the human factor is manifested.

2. Models of change management systems

The management system is considered as the main object of research in the science of management and as a factor determining the success of the development of the organization. In any management system, the main management functions are implemented - analysis, planning, accounting, control, organization, stimulation, etc. Each management model brings a particular function to the fore as a factor of success and special attention of the manager. The use of various models can be both the goal and the main direction of the implementation of changes in the organization, as well as a method of achieving strategic goals.

The most important models of change management are

- Management by Values,
- Management by Objective,
- Total Quality Management
- Knowledge Management

Management by Values (MBV)

Management* by values** *(MBV or **Value Based Management**)* creates the framework for today's leaders and managers. MBV method is important in the management of organizations in a complex environment. The issue of ***company* values** was previously considered "too soft" to be turned into a serious approach to management, now it turned into a central part in discussions about strategy and organizational changes. Focusing on the ***core values (key, most important values) has become necessary to carry out organizational change.

The values should be the focus on issues related to organizational change, as well as in the whole practice of management. In some of the world's emerging economies, management by values is quickly becoming a major force for the rebuilding of sustainable and competitive culture.

Managing by values can be defined as both a philosophy and practice of management, it focuses on the key values of the organization and their consistency with the objectives.

Scientific studies have confirmed that the key to understanding the behaviour of complex systems is to understand the values that each of them contains. System values are motivators that shape the behaviour of individuals, organizations and society.

Management by values for the employees involves working with the process of meeting the needs and their values at the same time. The company forms self-control teams and personal self-control environment. It raises the quality of work and increases the identification and loyalty to the company.

Managing by values uses following ***tools***:

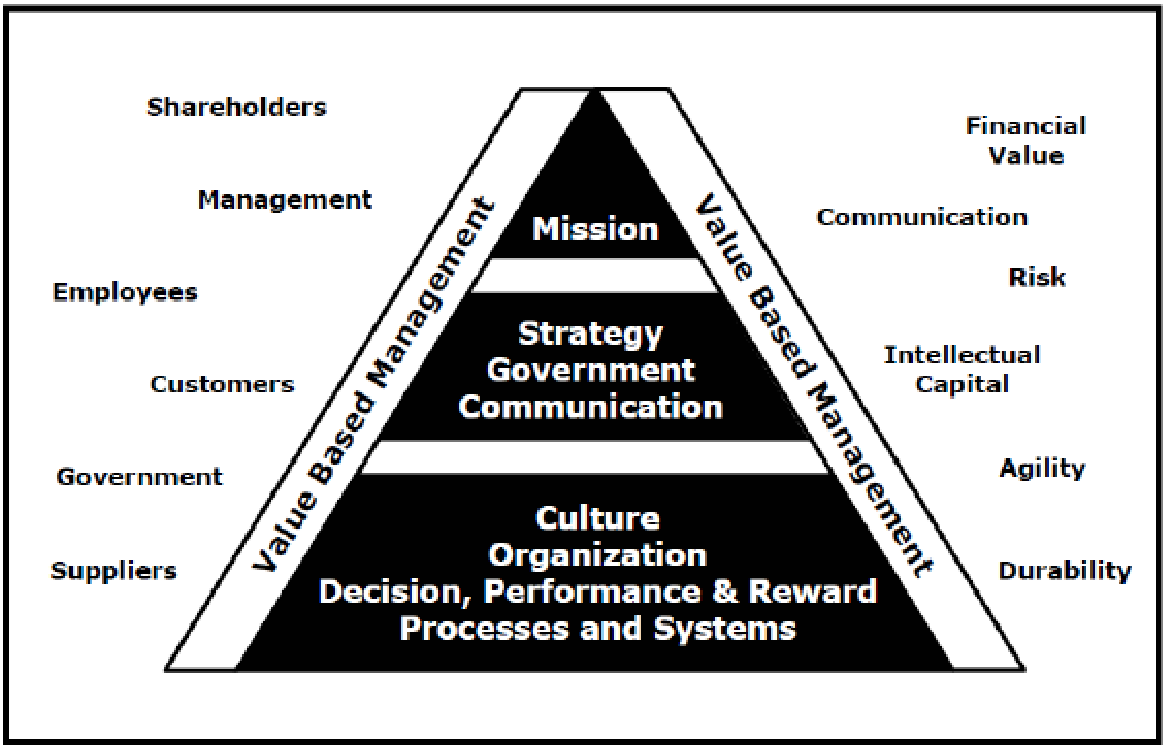
- company mission,
- vision,
- values important to the company - core values,
- code of conducts,
- identification and analysis of various ethical factors affecting business.

Fundamentals of management by values theory

The theory of management by values is based ***on three fundamentals***:

- Economic and pragmatic values are necessary to maintain and connect variety of organizational subsystems. These relate to: performance, performance standards and discipline. These values have an impact on activities such as planning, ensuring quality and accounting.
- Ethical and social values common to all employees determine how people behave in groups. This is related to human behavior, including relationships and social values such as honesty, respect, integrity and loyalty.
- Emotional and development values are the basis for creating new opportunities for action. These are related to: freedom, happiness and confidence. Examples of such values are creativity, creating of concepts, life, self-awareness, self-confidence, influence, adaptability, flexibility.

Three-axis model of value-based management focuses on finding the key organizational values. It offers a chance to build a culture in harmony with these values and strategic objectives.



The principles of value-based management are presented below.

1. *Conceptuality*. Development of a model of an ideological concept that forms a unique spirit, internal and external image, the feeling that there is something special in this organization that is unique to it. This feeling is created on the basis of "ideological texts" that arouse interest on the part of employees, inspiring them to work for the good of the organization.

2. *Implementation program*. It includes presentations, the development of symbols, can be implemented through seminars or strategic sessions.

3. *Distribution*. It is important that all levels of management are involved in the process of spreading corporate values – from top management to the lowest level of employees, including support staff.

4. *The behavior of managers*. The behavior of managers, especially senior managers, is an example to follow and an integral part of the dissemination of corporate ideology.

5. *Discussion*. New value orientations should be formed in the process of discussion, during discussions. The values imposed from above will not be shared by employees, the corporate ideology developed on this basis will remain alien to them.

6. *Communication*. Employees should feel that the management is nearby and will provide support at any time. For these purposes, it is necessary to organize regular meetings of top managers with ordinary employees.

7. *Using crises to develop new principles of corporate ideology*. In crisis situations, the willingness of participants to change is higher than in a situation of stability.

Management by Objective, MBO.

***Management by objectives (**also known as *management by planning*) is the establishment of a management information system (MIS) to compare actual performance and achievements to the defined objectives. Practitioners claim that the major benefits of MBO are that it improves employee motivation and commitment and allows for better communication between management and employees.

The term management by objectives (MBO) was first used by ***Peter F. Drucker*** in his 1954 book entitled ***The Practice of Management***.

In his book that coined the term, Peter Drucker set forth several principles for management by objectives. Objectives are laid out with the help of employees and are meant to be challenging but achievable. Employees receive daily feedback, and the focus is on rewards rather than punishment. Personal growth and development are emphasized, rather than negativity for failing to reach objectives.

Management by objectives outlines ***five steps*** that organizations should use to put the management technique into practice.

1. The first step is to either determine or revise organizational objectives for the entire company. This broad overview should be derived from the firm's mission and vision.
2. The second step is to translate the organizational objectives to employees. In 1981, George T. Doran used the acronym SMART (specific, measurable, acceptable, realistic, time-bound) to express the concept.
3. Step three is stimulating the participation of employees in setting individual objectives. After the organization's objectives are shared with employees, from the top to the bottom, employees should be encouraged to help set their own objectives to achieve these larger organizational objectives. This gives employees greater motivation since they have greater empowerment.
4. Step four involves monitoring the progress of employees. In step two, a key component of the objectives was that they are measurable for employees and managers to determine how well they are met.
5. The fifth step is to evaluate and reward employee progress. This step includes honest feedback on what was achieved and not achieved for each employee.

The use of MBO systematizes the management process, increases the effectiveness of the company's activities, and serves as an effective tool for setting up and maintaining a quality management system. This approach places high demands on the staff, the employee's accurate understanding of the goals set for him and motivation to achieve results. Management by goals is a special system of thinking and behavior of people in an organization, in which the main emphasis is on the motivation of human resources, the development of employees and the enrichment of labor.

For strategic planning and measurement of the achievement of strategic goals, the methodology of balanced indicators is used in combination with the performance monitoring system – ***A Key Performance Indicator*** (KPIs).

A Key Performance Indicator is a measurable value that demonstrates how effectively a company is achieving key business objectives. Organizations use KPIs at multiple levels to evaluate their success at reaching targets. High-level KPIs may focus on the overall performance of the business, while low-level KPIs may focus on processes in departments such as sales, marketing, HR, support and others.

These are control points in the process of achieving goals, characteristics of the effectiveness and efficiency of the employee and business processes in general. The employee's work plan for a month is formed in the form of a matrix (the MVO matrix) and is a list of performance indicators established in accordance with his official position. Each indicator has its own weighting factor of significance in the employee's activity. The sum of all weighting factors is 100%. The actual indicators are compared with the planned ones, which are set taking into account the trends of previous periods and forecasts of the development of the organization for the estimated period**.**

The *following types of key indicators* are distinguished:

1) result indicator – how much and what result was produced;

2) cost indicator – how many resources have been spent;

3) performance indicator – compliance of the process with the algorithm of its execution;

4) performance and efficiency indicators – production indicators (the ratio of the result and the time spent).

All indicators should have their own "meter", the set of indicators should contain the minimum necessary number of them to ensure full-fledged management of the business process. The cost of measurement should not exceed the management effect of using KPI.

The method of management by goals has many supporters, since it allows to increase the objectivity of personnel evaluation based on the results of their activities, linking them directly with the amount of remuneration. The rules of remuneration are becoming clearer and more transparent. The positive characteristics of the MBO method include such effects from its implementation as increasing the discipline and responsibility of employees, increasing their involvement in activities, job satisfaction, initiative and independence.

Total Quality Management", TQM

The method of "Total Quality Management" (TQM) was proposed by the Japanese theorist ***Ishikawa Kaoru***.

Mr. Ishikawa's philosophy of total quality management can be summarized by his 11 points:

1. Quality begins and ends with education.
2. The first step in quality is to know the requirements of the customer.
3. The ideal state of quality control is when quality inspection is no longer necessary.
4. Remove the root cause, not symptoms.
5. Quality control is the responsibility of all workers and all divisions.
6. Do not confuse means with objectives.
7. Put quality first and set your sights on long-term objectives.
8. Marketing is the entrance and exit of quality.
9. Top management must not show anger when facts are presented to subordinates.
10. Ninety-five percent of the problem in a company can be solved by the seven tools of quality.
11. Data without dispersion information are false data.

The main ideas embedded in quality management are that:

1) a person is able to improve his work, achieve better results if he is properly managed;

2) people are well aware of their work, its nuances and are able to make valuable suggestions to eliminate production errors;

3) a person is endowed with intelligence, knowledge, the ability to develop his skills in work, if he is taught responsibility for the quality of his work, he can show outstanding creative activity and benefit the organization;

4) quality management is a constant and continuous process aimed at improving the educational level of employees and the quality of their interaction with management personnel.

I. Kaoru proposed to call such ***a management system quality circle***. Quality management requires a change in the consciousness of managers, their orientations, a restructuring of thinking, for example, from short-term profit to product quality.

The tasks of quality management circles include:

1) assistance to the improvement and development of the enterprise;

2) creating a healthy, creative, friendly atmosphere in the workplace;

3) comprehensively develop the abilities of employees and focus on their maximum use in the interests of the organization.

The theory of quality management is associated with another name – the American scientist ***William Edwards Deming***.

His message was this: By improving quality, companies will decrease expenses as well as increase productivity and market share.

According to Dr. W. Edwards Deming, quality should be built in at every level of the business - from suppliers and production facilities to customer service and frontline staff - in order to achieve success.

To achieve this Deming created a 14-Point strategy (also known as Deming's 14-Point Philosophy) that organizations can use to improve quality across their business. It includes the following:

1. Create a constant purpose toward improvement.
2. Adopt the new philosophy.
3. Stop depending on inspections.
4. Use a single supplier for any one item.
5. Improve constantly and forever.
6. Use training on the job.
7. Implement leadership.
8. Eliminate fear.
9. Break down barriers between departments.
10. Get rid of unclear slogans.
11. Eliminate management by objectives.
12. Remove barriers to pride of workmanship.
13. Implement education and self-improvement.
14. Make "transformation" everyone's job.

Complex quality management helps to achieve defect-free production, it penetrates into the minds of people and helps to identify and eliminate the causes of marriage. This is due to open communication, assistance of employees to each other, skillful orientation to the changing preferences and tastes of consumers of products.

Knowledge Management

The classic one-line definition of Knowledge Management was offered up by Tom Davenport early on (Davenport, 1994): "***Knowledge Management** is the process of capturing, distributing, and effectively using knowledge."*

Knowledge management is the process by which an enterprise gathers, organizes, shares and analyzes its knowledge in a way that is easily accessible to employees. This knowledge includes technical resources, frequently asked questions, training documents and people skills.

Improving organizational efficiency and saving knowledge in an easily accessible form are the main goals of knowledge management. Knowledge management aims to put the right information in front of someone at the right time.

This is done by:

- capturing and organizing knowledge in a knowledge management system to address specific business tasks and projects;
- sharing knowledge with others who can benefit from it;
- improving processes and technology to provide easy access to knowledge; and
- promoting the generation of new knowledge for continual learning.

Knowledge management can reduce business operation costs and increase employee productivity. It does this in the following ways:

- *Less time recreating existing knowledge***.** This is possible because that individual and collective knowledge is now written down and stored in one place that is easily accessible to users.
- *Information at users' fingertips***.** Users no longer have to play a lengthy game of phone and email tag, asking multiple people for the same thing in hopes that they might know the answer to their question.
- *Fewer mistakes***.** As users share information, they work the kinks out of various processes, preventing the same mistake from being made twice.
- *Standardized processes.* A golden record of processes and procedures is stored in a system for all to access, which can improve employee onboarding and training. This also preserves information, preventing processes from getting muddled over time.
- *Increased collaboration***.** Now that users are sharing knowledge in a common space, it's more convenient to work together to improve processes.

Creating and implementing a knowledge management framework

It's necessary to have a plan before implementing a knowledge management framework. Businesses can take these steps to ensure a smooth business rollout:

1. *Establish program objectives***.** Leadership should identify what business processes -- such as training and onboarding -- need to be addressed and document short-term and long-term objectives.
2. *Include employees in implementation process***.** Employees need to learn

the new process and must rethink the way they share knowledge. Businesses should appoint knowledge management "champions" to assist with this change, motivating others to share knowledge and providing feedback to the implementation team.

3. *Develop detailed procedures*. This will include how businesses capture, organize and deliver knowledge. This step also includes creating knowledge management best practices.

4. *Determine technology needs*. Businesses can determine their needs based on their program objectives. They also need to understand what technology employees are currently using, what does and doesn't work, and why. Organizations should ensure that existing technology isn't already meeting business needs.

5. *Build a roadmap*. At this step in the process, the business should reconfirm leadership's support in this endeavor, along with program funding. This roadmap may span months, or even years.

6. *Implement the program*. Once businesses have processes and technology in place and addressed organizational culture, it is time to launch the program.

7. *Measure success and improve program*. Just because a knowledge management program is now live doesn't mean the work is done. Businesses need to measure the success of their program and make continual improvements for optimal efficiency. Businesses should create scorecards that address performance, quality, compliance and value. Benefits may not be immediately obvious, but the business will see results over time.

3. **Formation of a positive environment and creation of organizational conditions for carrying out transformations**

To carry out successful transformations, it is necessary to create a number of conditions – social, organizational, technical - that will contribute to the implementation of organizational development and be perceived by people as a natural part of their life activity.

The social environment should, on the one hand, promote people's awareness of the need for transformation, their participation in generating creative ideas and options for changes, on the other hand, an adequate perception of what is happening by employees. This is possible with the support of active, proactive employees who are ready to ensure the continuous development of the organization. First of all, professionalism, the necessary level of special knowledge and experience of employees in specific areas is of particular value. The higher it is, the easier changes are perceived and the easier it is to retrain employees. In addition, a certain level of personal development, breadth and consistency of thinking is important.

Another condition for the formation of a favorable social environment should be the appropriate attitude of people, their willingness to participate in the planned changes and, to some extent, initiate them. The motivation system of employees plays an important role here: their confidence in the future, at least, and the possibility of self-realization in the future.

The third condition for the formation of a favorable social environment is adequate informing of employees about the expected changes, strategies, plans, which in most cases removes uncertainty and reduces psychological stress in the team.

Organizational culture has a strong influence on the processes taking place in the organization. Changes are implemented more easily where the initiative of employees and their desire to participate in transformations is supported. The organizational culture should be based on the ideas of mutual assistance, cooperation and support of people for each other.

It should be noted that there are differences in the conditions of changes for organizations of mechanistic and natural types. Mechanistic structures work better in conditions of stability, they are characterized by strict regulation of rules and working procedures, a clear division of tasks between performers, centralization of control and hierarchy of management. In such organizations, a priori, there are more obstacles to transformation due to formalized management, the division of employees into divisions and the limitation of their activities by the scope of job descriptions. As a result, employees perceive their work as a list of prescriptions, deviation from which is unacceptable. In mechanistic organizations, the task of transformative management is to find mechanisms to eliminate contradictions between maintaining the established order and introducing changes that violate this order.

In natural-type organizations, there are other difficulties in the process of forming a favorable environment for transformation. Here, communications and the information environment are less formalized, as a result of which difficulties arise in the field of human relations and the psychology of perception of changes.

Thus, the formation of a transformative environment is not such a simple task and requires taking into account the peculiarities of organizational culture, formal structure, system of vertical and horizontal relations, etc. As ***tools for the formation of a positive environment*** can be:

1) training and professional development of employees as an opportunity to form an adequate perception of the planned transformations and involve them in the process of forming new ideas;

2) a motivation system that will reduce resistance to change;

3) the formation of new forms of behavior that contribute to transformation;

4) formation of an atmosphere of cooperation that will provide psychological support to employees;

5) search for the optimal combination of mechanistic and organic structures to eliminate obstacles in the interaction between workers both vertically and horizontally.

Topic 8. RESISTANCE TO CHANGE AND OVERCOMING IT
(2 academic hours)

1. Reasons for resistance to change

1.1 The attitude of the organization's personnel to changes

1.2 Characteristics of the main forms of resistance to change

2. Elimination of resistance to change

2.1 Basic approaches and methods of overcoming resistance to change

2.2 Technologies for the prevention of resistance to change,

1. Reasons for resistance to change

1.1The attitude of the organization's personnel to changes

The resistance of personnel to changes is the negative reaction of the system, groups and individuals, which complicates the process of making changes, threatening the culture of the organization and the structure of power.

Resistance is the first reaction to change, as people need time to assess the costs and benefits of change for themselves.

The main reason for resistance to change_is the contradiction between the stability of the system and its change. Innovation violates the stability of the system, causes internal tension in it.

According to foreign experts, the main reason for resistance to change is that people perceive significant changes as the destruction of their expectations about the future, as a loss of control over the situation.

The psychological basis of resistance is habits and inertia, fear of the unknown. It is difficult for people to give up old habits and learn new ones. Moreover, with any changes, there is a threat of changing the status of individuals, a threat to influential formal and informal groups, and often to the prospects of the entire organization.

Meskon M.H., Albert M., Hedouri F. in book “Fundamentals of Management” identified *the following reasons that cause individual resistance to change:*

- lack of professional knowledge and skills;
- feeling of loss (material resources, power, habitual methods of work);
- introduction of new formal procedures;
- inconsistency of employee values with the corporate value system;
- changes in the power structure;
- the conviction that changes will not bring anything good;
- lack of time to address strategic issues;
- lack of resources; uncertainty due to lack of information;
- the need for activities that do not meet the character, temperament.

However, ***the main reason for resistance***, according to the authors of this study, is the inevitable changes in the culture of the organization. The conclusion follows that it is possible to manage the process of resistance through the management of organizational culture.

Resistance may be associated not with the changes themselves, but with the methods of their implementation, when employees are dissatisfied with information restrictions, do not accept an authoritarian approach.

The reason for resistance is often the feeling of injustice by employees caused by the fact that the benefits of the changes they make are appropriated by someone else. Many people in the organization do not get involved in the changes until they really understand what their task is, why it should be done and what benefits they will get by working under the new rules. The reason for the resistance in this case is the lack of information about the changes being carried out in the organization.

The acceptable level of resistance to change is considered when: 30% of employees support changes; 50% do not define their attitude or remain neutral; 20% oppose changes and do everything possible to prevent their implementation. The attitude of employees to change can be considered as a combination of two factors: 1) acceptance or non-acceptance of the change; 2) open or hidden demonstration of attitude to the change.

Rejection of changes usually occurs when employees do not trust the management of the organization and the people involved in the process of implementing changes. Managers themselves should give confidence to employees by listening to their ideas and inviting them to participate in the process of organizational change.

Strong resistance is primarily due to the action of the following factors:

1. the initiative of change is brought from the outside;
2. isolation of corporate culture;
3. ongoing changes include major organizational or structural changes in the organization;
4. when making changes, the human factor is ignored;
5. the staff lacks information about changes;
6. when implementing changes, an authoritarian approach is used, which does not involve the participation of employees in the implementation of changes;
7. staff participation in changes is insufficiently motivated;
8. employees misunderstand the essence of the changes and have distrust of the persons making the changes;
9. the actions of the top management are not coordinated.

American researchers J. Kotter and L. Schlesinger combined ***the causes of resistance to change*** into four groups.

1. *Personal concerns*, meaning the desire to avoid the loss of something valuable to the individual - a position or status in the organization, material compensation, psychological comfort, informal connections.

2. *Misunderstanding and lack of trust* that arise if little effort has been made to explain the goals of the changes, the benefits they generate and to establish relationships with those people in the organization who will be directly affected by the change.

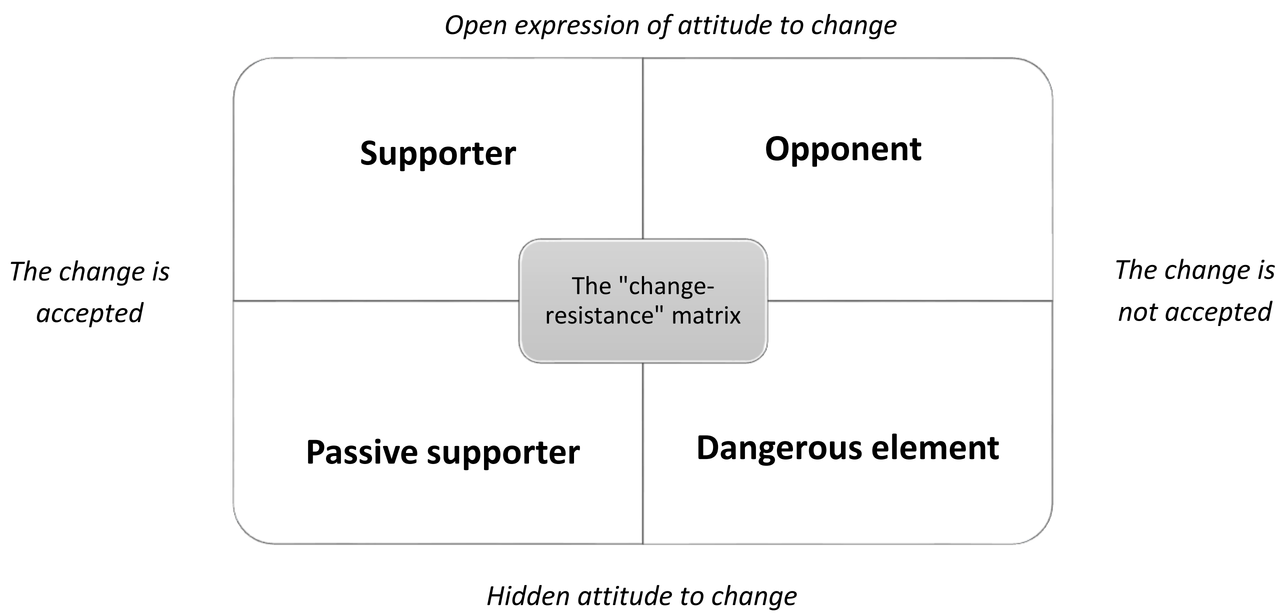
3. *Insufficient information about the change*. Management often does not understand how sensitive people are to information when rumors about upcoming changes are just beginning to spread. If at this moment you do not provide information about real plans, then rumors will form an attitude towards them, often distorting the real plan beyond recognition.

4. *Low level of readiness for change*, which depends on individual perception, learning ability and personal adaptive resource. Some people automatically resist everything that, in their opinion, is a compulsion that requires changing behavior, adapting to someone's norms and expectations. Many people genuinely cannot understand the benefits of innovation or see more losses than gains as a result of changes. The manager must understand that resistance to change may not be of a rational nature, but is only a reflection of a certain mental state of the individual.

1.2 Characteristics of the main forms of resistance to change

The typology of people's reactions to change can be represented in a space formed by a combination of states of two factors:

1) acceptance or non-acceptance of the change;
2) open or hidden demonstration of attitude to change.



The most dangerous elements are people who do not accept changes, but hide their true attitude to them. Their behavior is difficult to predict and choose the most appropriate ways to influence. Employees who openly protest the ongoing transformations, as a rule, are capable of dialogue and can hear arguments in favor of changes. The so-called "supporters" provide the greatest support to the manager, they openly support proposals for changes and can have a positive impact on other employees.

Resistance to change also has its positive side, as it is accompanied by meaningful criticism that requires attention to details that can lead to improvement of the project.

Classification of forms of resistance to change

The Basic Classification Feature	***the Form of Resistance***
The Level of Resistance	Individual, group, organizational
The Strength and Intensity of the Manifestation of Resistance	Open, hidden
The Degree of Reaction of employees	Active, passive
The Degree of Rationality of Personnel Attitudes	Rational objections, Emotional attitudes
The Level of Resistance	Individual, group, organizational

Levels of resistance to change. When a manager encounters resistance, first of all, it is necessary to determine at what level in the organization it manifests itself most intensively. This will give him the opportunity to focus his efforts in the right direction. Let's consider the features of resistance to change at the organizational, group and individual levels.

Organizational level. At this level, structural and cultural factors can provoke resistance to change and contribute to its spread. The existing organizational structure may hinder the implementation of changes if it affects the functional units. This may cause a protest from the heads of departments, for example, they may claim that this work does not correspond to their profile of activity**.**

Group level. Groups can also act in a consolidated manner against changes. They can take an open position of disagreement with changes or resist covertly, using "partisan" methods, while masking resistance with declarations of their commitment to change.

To reduce the resistance of the group, it will help to collect and use information about what really bothers people, how well their worries are justified. For this purpose, it is useful to hold meetings, group meetings with the opportunity to speak to everyone.

Ideally, it is necessary to achieve such a situation that all members of the group feel like "co-authors" of the changes and take part in its implementation.

Individual level. Some employees may harbor personal concerns about the impact of the change on their work practices, on their career aspirations and prospects for promotion. Reactions to changes will largely depend on the type of thinking of a certain person. Positive-type personalities are more likely to project a new situation onto their professional lives and solve emerging problems constructively. Individuals with a negative perception will most likely bargain about their position, try to complicate the communication process and prevent the implemented change from winning the sympathy of other people. To help an employee gain a new understanding of what is happening and reconsider their attitude to change, individual persuasion may be required.

According to the strength and intensity of the manifestation, resistance can be open and hidden.

Such forms of behavior can be attributed to open resistance, in which the employee's point of view is openly expressed and justified.

Latent resistance can include such behaviors that indicate the disagreement of employees:

- Guidance orientation
- Daydreaming
- Nervousness
- Easily makes promises and does not keep them.
- Discontent and gossip
- Passivity

According to the degree of reaction of employees, resistance can be active and passive.

Forms of passive resistance (inaction) can be:

- persistent public statements of concerns about new ideas, a favorable outcome of the transformation;
- their criticism;
- denial of the need for change in general;
- procrastination under various pretexts of making appropriate decisions and starting active actions;
- hiding or ignoring information about the benefits of changes;
- refusal or formal use of new methods of work;
- unwillingness to teach them to others and avoidance of improving their own qualifications;
- restriction of initiators' activities.

Active resistance can consist of the following actions:

- issuance of false information;

- linking the start of work in a new way with certain conditions;
- setting unclear goals, issuing intentionally erroneous, vague orders;
- introduction of a disincentive model of remuneration of participants;
- isolation of supporters of changes, violation of instructions, open resistance—- sabotage;
- diversion of resources for other purposes, their dispersion;
- artificial creation of a situation of confusion, fuss;
- intrigues aimed at splitting the collective.

Depending on the degree of rationality of personnel attitudes, resistance may be caused by *rational objections*, such as: some time is needed for adaptation; there is a possibility of creating undesirable conditions, for example, downgrading qualifications; changes entail significant economic costs; the technical feasibility of changes is not indisputable, etc.

Resistance is generated by the following *emotional attitudes*: fear of the unknown, inability to adapt to change, antipathy to management or other agents of change, disbelief in other people, the need for security, the desire to maintain the status quo.

Stages of resistance manifestation

Regardless of the reasons for resistance to change, the expression of discontent usually goes through six stages:

1. *Passivity*. People learn about new plans and react to them with restraint and uncertainty.

2. *Denial*. People are skeptical and deny the expediency of the proposed improvements. This is often expressed in comments like: "What a strange idea and who came up with it? We definitely won't succeed."

3. *Irritation*. If the plans remain in force, people don't like it, and they leave.

4. Negotiations. The dissatisfied are trying to reach a compromise through negotiations, they want to limit the scope of the proposed changes and agree with the plan only partially.

5. *Depression*. When it turns out that the plan will be fully implemented, people have to put up with it, but they give up, and they can fall into depression.

6. *Acceptance*. The changes become a reality, and people start saying, "Yes, it really makes sense. We should have done this earlier."

These different phases need to be recognized in time to be able to take appropriate measures. In the phases of passivity and depression, the management should show understanding and be open to the perception of a negative reaction. In the phases of denial, irritation and negotiations, the leadership should take a tougher position, using coercion.

It is important to understand as early as possible that the response of employees to changes has moved into a new phase, and to force the onset of the acceptance phase.

That is why it is necessary to involve those who fully support them in the implementation of organizational change projects.

2. Elimination of resistance to change

2.1 Basic approaches and methods of overcoming resistance to change

How to develop a strategy to overcome resistance to change? As a rule, it is not easy to answer this question. First of all, because as there are no two completely identical organizations, so there are no universal rules for overcoming resistance.

The main approach to change management is to inform the staff. The approach called "fair bargaining" recognizes the inevitability of resistance and encourages the creation of an atmosphere conducive to honest communication, solves the following problems of resistance management: recognizes the inevitability of resistance, therefore acts honestly and consistently with respect to resistance; takes into account that resistance can be expressed openly or covertly, and makes arguments in favor of open resistance so that problems surface; warns that it may be awkward for people to tell the true reasons for their resistance, and encourages the creation of an atmosphere conducive to honest communication.

According to Western experts, most managers forget the most important principle of change management: organizations do not change, people change. To implement long-term changes, you should transfer your initiatives to the participation of each employee affected by these changes. Transformation leaders need to be sure that all participants understand and support these changes as an opportunity for renewal and improvement.

Igor Ansoff identifies *four types of change management and staff attitude to changes:*

1. forced change management;
2. crisis management;
3. adaptive changes;
4. the method of controlled resistance.

The forced method of making changes involves the use of authority to overcome resistance. This method is used in conditions of time scarcity, its disadvantage is growing resistance and social tension.

The adaptive change method involves making minor changes over a long period. Resistance is overcome through compromises, there is a strong motivation to implement changes.

Crisis management is aimed at taking preventive measures to reduce resistance and generate support for change.

Controlled resistance is a method that allows you to introduce changes at different speeds, combining measures to reduce resistance depending on the requirements of the external environment.

John Kotter and Leonard Schlesinger suggest the following methods of overcoming resistance to change:

* Education & Communication;
* Participation & Involvement;
* Facilitation & Support;
* Manipulation & Co-optation;
* Negotiation & Bargaining;
* Explicit & Implicit Coercion.

*Education & Communication***.** One of the most common ways to overcome resistance to the implementation of the strategy is to inform people beforehand. Getting an idea of the upcoming strategic changes helps to realize the need for these changes and their logic. The communication process may include one-on-one discussions, group seminars or reports.

In practice, this is done, for example, by holding seminars by a manager for lower-level managers. A communication or information program may be perceived as the most appropriate if the resistance to the strategy is based on incorrect or insufficient information, especially if the "strategists" need the help of opponents of strategic changes in implementing these changes. This program requires time and effort if its implementation involves the participation of a large number of people.

*Participation & Involvement***.** If "strategists" involve potential opponents of the strategy at the planning stage, they can often avoid resistance. In an effort to achieve participation in the implementation of strategic changes, their initiators listen to the opinions of employees involved in this strategy, and subsequently use their advice.

Researchers have found that many managers take the issue of staff participation in the implementation of the strategy very seriously. Sometimes it is positive, sometimes it is negative, i.e. some managers believe that they should always take part in the process of implementing changes, while others consider it an absolute mistake. Both relationships can create a number of problems for the manager, since neither of them is ideal.

*Facilitation & Support***.** Support can be carried out as providing an opportunity to learn new skills, free time for employees to learn, just an opportunity to be listened to and receive emotional support. Help and support are especially needed when fear and anxiety are at the heart of resistance.

Experienced harsh managers usually ignore such types of resistance, as well as the effectiveness of this method of dealing with resistance. The main disadvantage of this approach is that it requires a lot of time, therefore, it is expensive and nevertheless often fails. If there is simply no time, money and patience, then it makes no sense to use support methods.

*Negotiation & Bargaining***.** Another way to combat resistance is to provide incentives to active or potential opponents of change. For example, a manager may offer an employee a higher salary in exchange for changing the work assignment, he may increase the pension of an individual employee in exchange for an earlier retirement date.

Negotiations are especially suitable when it is clear that someone loses as a result of the change, and nevertheless he has significant strength to resist. Reaching an agreement is a relatively easy way to avoid strong resistance, although it, like many other ways, can be quite expensive. Especially at the moment when the manager makes it clear that he is ready to negotiate in order to avoid strong resistance. In this case, he may become the object of blackmail.

*Manipulation & Co-optation***.** In some situations, managers try to hide their intentions from other people by using manipulation. Manipulations in this case imply the selective use of information and the conscious presentation of events in a certain order beneficial to the initiator of changes. One of the most common forms of manipulation is co-optation**.**

The co-optation of a person implies giving her the desired role in planning and implementing changes. Co-opting a team involves giving one of its leaders or someone the group respects a key role in planning and implementing changes. This is not a form of participation, because the initiators of the change are trying to get not the advice of the co-opted, but only their support.

Under certain circumstances, co-optation can be a relatively cheap and easy way to achieve the support of an individual or a group of employees (cheaper than negotiations and faster than participation). But it has a number of disadvantages. If people feel that they are simply being fooled so that they do not resist changes, that they are not treated as equals or they are simply being lied to, then their reaction can be extremely negative.

In addition, co-optation can also create additional problems if the co-opted use their opportunities to influence the organization and implement changes in a way that does not meet the interests of the organization. Other forms of manipulation also have disadvantages that may be even more significant. Moreover, if the manager continues to enjoy the reputation of a manipulator, he risks losing the opportunity to use such necessary approaches as education, communication, participation, and may even ruin his career.

*Explicit & Implicit Coercion***.** Managers often overcome resistance by coercion. Basically, they force people to accept strategic changes by means of a hidden or explicit threat (threatening to lose their jobs, benefits, promotion opportunities, etc.), or by actual dismissal, or by transferring to a lower-paid job. Just like manipulation, the use of coercion is a risky process, because people always resist the imposed change. However, in situations where it is necessary to implement a strategy quickly, and where it is not popular, regardless of how it is implemented, coercion may be the only option for the manager.

The most common mistake of managers is to use only one or a limited number of approaches regardless of the situation. This applies to a harsh boss who often resorts to coercion, and a manager focused on his employees who constantly tries to attract and support his people, and a cynical boss who always manipulates his employees, and an intelligent manager who relies heavily on education and communication, and, finally, a lawyer-type manager who tries to negotiate all the time.

Successful implementation of a strategy in an organization is always characterized by the skillful application of a number of these approaches, often in a variety of combinations. However, successful implementation is characterized by two features: managers use these approaches taking into account their advantages and disadvantages and realistically assess the situation.

2.2 Technologies for the prevention of resistance to change

Preventive measures should be implemented before a negative reaction of the company's personnel occurs, while doubts, fear of uncertainty, and actions of informal groups have not gained strength.

The technology of prevention of personnel resistance contains standard procedures necessary for the implementation of managerial impact:

- decision-making,
- appointment of responsible executors,
- study of the management object,
- development of measures indicating the means of their implementation,
- monitoring of results and
- development of recommendations for the future.

The technology consists of a sequence of procedures that allow the prevention of resistance to change.

The decision on the prevention of resistance is made by the management team responsible for the introduction of changes. By the time of the prevention of resistance, it is planned simultaneously with the actions to implement the changes or is somewhat ahead of them.

Creation of a commission for the prevention of resistance. In organizational terms, the system of stimulating the implementation of managerial changes should be based on the creation of a group of developers of measures to prevent and overcome resistance to change. Such a group should have the following characteristics: flexibility, awareness of shared responsibility, balance of the group's goals with the goals of the enterprise, creative approach to setting and solving tasks, quick and adequate response to changes in the external and internal environment.

Study of goals, directions and parameters of changes. The established commission for the prevention of resistance begins its work by studying the goals, strategies and parameters of changes.

Establishing possible causes of resistance. The development of measures for the prevention of resistance begins with the identification of possible causes of resistance. The formulation of possible causes is based on scientific research and statistics in the field of resistance management. Full-scale surveys of the company's employees that require additional time and funds are not conducted at the stage of resistance prevention.

Development of measures for the prevention of resistance. Based on the study of materials on the preparation of changes at the enterprise, as well as the determination of possible causes of resistance, measures for the prevention of resistance are being developed.

Determination of the expected results of the implementation of measures for the prevention of resistance. The main results of the implementation of the system of measures for the prevention of resistance can be evaluated at several levels: at the level of resistance to change, the level of reaction to changes, the level of acquired knowledge and skills, the level of behavior change and the level of effect. Each type of results is characterized by corresponding parameters.

Determination of means of implementation of measures for the prevention of resistance. This stage contains the selection of those means that can be used to implement a particular set of measures to prevent resistance to change.

Establishing a correspondence between the causes, measures, means and possible results of the implementation of measures. Data on the possible causes of resistance, the measures developed, the planned results from their implementation and the means necessary for this are brought together. The reasons for resistance underlie the choice of an event that can give certain results and requires the use of certain means.

Formation of a set of measures for the prevention of resistance. Depending on the alleged causes and the nature of the resistance of personnel in response to changes introduced at the enterprise, taking into account the expediency of using these means, the commission for the prevention of resistance forms a set of measures that will be implemented in order to achieve concrete results.

Calculation of the cost of measures to prevent resistance. The cost of the formed set of measures for the prevention of resistance is calculated based on the amount of costs for labor, information, material and other resources.

Assessment of the company's capabilities for the implementation of measures. It is necessary to assess the capabilities of the enterprise to implement a set of measures to prevent personnel resistance based on the resources available to the initiators of the changes.

Implementation of measures to prevent resistance. The Commission for the Prevention of Resistance organizes the implementation of the formed set of measures.

Determination of the actual results of the implementation of measures. At this stage, the values of the indicators selected at the stage of determining the results expected from the introduction of preventive measures are evaluated. To do this, survey methods and evaluation of relevant indicators are used.

Comparison of expected results with actual results. The comparison reveals discrepancies between the expected and actually obtained results.

Development of recommendations for further development of prevention of personnel resistance to changes. Based on the comparative analysis of the expected and actual results of resistance prevention, recommendations for improving prevention are being developed.

Carrying out resistance prevention allows you to mobilize employees to implement transformations. Preventive measures aimed at disseminating and explaining the necessary information about changes, involving employees in their development and implementation, training and training of personnel, contribute to improving the psychological climate in the team, significantly reducing the level of resistance and serve as an effective tool for promoting reforms in enterprises.

In generally it is proposed to group all the variety of possible preventive measures to prevent staff resistance into ***four blocks***:

1. informing about the progress of reforms;
2. staff training and development;
3. attracting staff to participate in changes;
4. management support.

To implement preventive measures, it will be necessary to attract various funds and resources of the enterprise. The result of the implementation of measures to prevent resistance to change is the achievement of various kinds of positive effects: improving the mood and psychological climate at the enterprise, reducing tension and resistance to innovation, obtaining information useful for decision-making on the implementation of changes, increasing labor productivity and other effects. The choice of measures is based on the established possible causes of resistance, taking into account the funds and resources available to the initiators of the changes, as well as the desired results.

2. PRACTICAL SECTION

Topics and situations for practical training

Practical lesson 1
Organization as an object of change.

Discussion questions:

1. Nature and properties of the organization.
2. Typology of organizations.
3. Internal sources and concept of development of the organization.
4. Interaction of the organization with the external environment.
5. External sources of development of the organization.

Topics of reports and essays:

1. Structure of the modern organization.
2. Organizational culture.
3. Management of the organization.

Assignments for self-monitoring and revision:

1. Link the following concepts into interrelated pairs and explain this relationship: organization, system, change, formalization, specialization, size of organization, external environment, organizational culture, specialization, hierarchy of power, crisis, technology, growth, organizational structure, contextual characteristics, individual preferences.
2. Write an essay on the topic "Trends in managing a modern organization".
3. Provide a detailed classification of organizations.
4. Determine the role and significance of the influence of environmental factors on the nature of the development of organizations.
5. What factors contribute to the implementation of changes, and which hinder them?
6. What are the main criteria for successful organizations?
7. Answer the proposed test questions:

    1. Link the following concepts into related pairs and explain the relationship: organization, system, change, formalization, specialization, size of organization, external environment, organizational culture, specialization, hierarchy of power, crisis, technology, growth, organizational structure, contextual characteristics, individual preferences.
    2. Write an essay on the topic "Trends in the management of a modern organization".
    3. Provide a detailed classification of organizations.

4. Determine the role and significance of the influence of environmental factors on the nature of the development of organizations.

5. What factors contribute to the implementation of changes, and which hinder them?

6. What are the main criteria for successful organizations?

7. Answer the proposed test questions:

1) The object of theoretical organization is
a) economic processes
b) social systems
c) political processes
d) socio-economic processes

2) Organization involves the formation of
a) feedback
b) direct connections
c) full connections
d) social connections

3) Regulated behavior is based
a) on the brute force and authority of the group leader
b) traditions and norms
c) self-regulation
d) self-preservation

4) Social organization is characterized by
a) unstable interaction of elements
b) heterogeneity of composition
c) clearly expressed homogeneity of composition
d) relatively high degree of cohesion

5) The integrity of social organization is ensured
a) by the behavior of employees
b) traditions and norms
c) mechanisms of its regulation
d) everyday relations

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10) The integrity of social organization is ensured by
a) behavior of employees
b) traditions and norms
c) mechanisms of its regulation
d) everyday relations

11) Specify the main types of regulators
a) target management impact
b) holistic impact
c) self-regulation and organizational order
d) self-preservation

12) The classification based on the principle of unifying people includes
a) voluntary organizations
b) technological
c) program-targeted
d) unitary

13) The classification based on the principle of unifying people by the nature of their activities includes
a) technological organizations
b) commercial
c) program-targeted
d) economic

14) The classification based on the principle of dividing social organizations by legal status includes
a) governmental organizations
b) voluntary
c) unitary
d) commercial

15) The disadvantages of a bureaucratic organization include
a) viewing a person as a means of production

b) inability to adapt to changes in the external environment
c) division of labor
d) functional hierarchy

16) An organic organizational system is characterized by
a) objectivity of the reward system
b) a high degree of formalization of relations
c) ambitious responsibility
d) blurring of management levels

17) The mechanistic model of the organization is characterized by
a) a high degree of formalization of relations
b) objective criteria for personnel selection
c) informal nature of relations
d) subjective reward system

18) The model of the organization determines
a) the structure of coordination of the organization's activities
b) the presence of vertical and horizontal relationships
c) mechanisms for coordinating the organization's activities
d) division of labor

19) The main elements of the organizational model are
a) a system of work
b) working groups
c) processes
d) functions

20) An organization is
a) a large accumulation of people
b) a targeted pooling of resources, while those created by a person (people) are characterized by the presence of a person as an active resource
c) a temporary gathering of people united in a closed physical space by common interests
d) a group of people

21) The main resources in the organization are
a) raw materials
b) material assets
c) culture
d) employees

22) The number of conflicts often increases
a) at the creation stage
b) at the growth stage
c) at the maturity stage
d) at the decline stage

23) The structure of the organization is stabilized
a) at the creation stage
b) at the growth stage
c) at the maturity stage
d) at the decline stage

24) The main components of the organization are
a) goals, relationships, product of the organization's activity
b) structure, goals, relationships
c) culture, internal environment
d) people, goals, management

25) Specify the elements of the organization's management system
a) structure
b) mechanism
c) functions
d) society

26) The organizational system is
a) a team of employees performing common work in strict accordance with the assignment received from the manager
b) a single formation of interacting links, intended for purposeful activity
c) a complex mechanism consisting of various parts and elements and performing various functions
d) no correct answer

27) The structure of an organization is
a) fixed relationships that exist between the divisions and employees of the organization
b) relationships that arise between the divisions and employees of the organization when the external environment changes
c) the ratio of production workers and management personnel
d) relations arising regarding property rights

28) A function in an organization is
a) the interconnectedness and interdependence of elements
b) an element of the production process
c) a set of rules (norms) that determine the mandatory mutual relations of people in the organization
d) a set of actions that are relatively homogeneous in some way, aimed at achieving a private goal and subordinated to the general goal of management

29) The functions carried out in an organization are divided into the following groups
a) production
b) social

c) management of production functions
d) management of management activities

30) The model of an organization determines
a) the structure of coordination of the organization's activities
b) the presence of vertical and horizontal relationships
c) mechanisms for coordinating the organization's activities
d) separation labor

31) The main elements of the organizational model are
a) the work system
b) work groups
c) processes
d) functions

32) Organizational culture is a set
a) the most important norms and values inherent in a given organization
b) common traditions, values, symbols, beliefs, formal and informal rules of conduct of the administration and staff, their relationships with each other and with the environment, which have stood the test of time
c) norms and values accepted by employees of a given organization in whole or in part
d) assumptions fully accepted by employees, embodied in the norms and values of the organization

33) Traditions, values, symbols, beliefs in organizational culture are
a) intangible
b) not measurable in quantitative indicators
c) measurable in quantitative indicators
d) tangible

34) According to the degree of influence, organizational cultures are divided into
a) dynamic and static
b) stable and changeable
c) external and internal
d) strong and weak

35) Types of communications within the organization
a) inter-level, horizontal, between manager and subordinate, between manager and work group, informal communications
b) information communications of various types and levels related to production issues
c) communications between managers and subordinates
d) interpersonal communications and informal connections

Practical exercises:

1. Practical exercise "Types of commercial organizations"

Make a table of the main types of commercial organizations using the following form:

Type of organization					
Founders					
Forms of constituent documents					
Management bodies					
Responsibility					
Authorized capital					
Advantages					
Disadvantages					

2. Practical exercise "Functioning of individual and group forms of organizations"

Make a comparative description of the positive and negative aspects of the functioning of individual and group forms of organizations. Describe the result in the table

Organizational form of organization	Features of operation	Advantages	Disadvantages
Single organizational forms of organizations			
Group organizational forms of organizations			

Practical lesson №2
Theory of organizational change management: subject, tasks, evolution

Discussion questions:

1. Concept, prerequisites, and significance of organizational change.
2. Classification of organizational change.
3. Basic principles of change process management.
4. Stages of the organizational change management process.
5. Areas of organizational change.

Topics of reports and essays:

1. Basic stages of the organizational change process according to K. Levin's model.
2. Options for personnel participation in the implementation of organizational

change in L. Greiner's model.

3. Comparative analysis of Theory E and Theory O on key aspects of organizational change.

4. Reframing and its elements in the business transformation model of F. Guillard and J. Kelly.

5. Four areas of transformation included in the organizational transformation model of F. Guillard and J. Kelly.

Questions for self-monitoring and review:

1. Determine the place of the concept of organizational change in management theory.

2. When and in connection with what did the concept of change management arise? What stages has this concept gone through during its evolution?

3. What is the specificity of domestic management of business enterprises in comparison with foreign trends and schools?

4. What factors contribute to and what hinder the adaptation of foreign management experience to reality?

5. Identify the specific features of the modernization of domestic management systems.

6. What factors determine the policy of changes in a company?

7. Answer the proposed test questions:

1) Name the missing group of basic philosophical theories: pessimistic theories, immanentist theories, platonic theories, transcendentalism and ________________________ .

2) What two groups are pessimistic theories divided into?

a) evolutionary theory of knowledge and epistemology genetic theory;

b) theories of skepticism and agnosticism;

c) physicalism and physiological reductionism.

3) To which group of basic philosophical theories does physicalism belong?

a) pessimistic theories;

b) optimistic theories;

c) immanentist theories;

d) platonic theories;

e) transcendentalism.

4) To which group of basic philosophical theories does the theory of epistemological coordination of the world of things and the world of ideas belong?

a) pessimistic theories;

b) optimistic theories;

c) immanentist theories;

d) Platonic theories;

d) Transcendentalism.

5) To which group of basic philosophical theories does subjective idealism belong?

a) Pessimistic theories;
b) Optimistic theories;
c) Immanentist theories;
d) Platonic theories;
d) Transcendentalism.

6) According to which theory, everything that a normal person perceives under normal conditions and describes in generally accepted language that corresponds to the facts is real?

a) Agnosticism;
b) Physicalism;
c) Nativism;
d) Naive realism;
d) Genetic epistemology;
e) Dialectical materialism.

7) In which philosophical theory is the main attention paid to the relationship between being and thinking and the most general laws of the development of being and thinking?

a) Agnosticism;
b) Physicalism;
c) Nativism;
d) Naive realism;
d) Genetic epistemology;
e) Dialectical materialism.

8) Which group of philosophical theories includes subjective idealism, immanent objectivism, and Platonic immanentism?

a) pessimistic theories;
b) optimistic theories;
c) immanentist theories;
d) Platonic theories;
d) transcendentalism.

9) Which methodological approach is not used at the specific scientific level of studying the problems of change management in an organization?

a) systemic;
b) complex;
c) integration;
d) situational;
d) marketing;

e) normative;
g) behavioral.

10) Gerald Salancik developed the main provisions of the theory of ________________________________.

11) Who formulated the main provisions of the theory of monopolistic competition?
a) J. Pfeffer;
b) G. Aldrich;
c) E. Chamberlin.

12) According to which theory, in the process of market exchange of goods, its participants are involved in various communications that require a lot of time and effort?
a) theory of monopolistic competition;
b) theory of resource dependence;
c) population-ecological theory;
d) theory of the formation of a viable structure;
d) theory of transaction costs;
e) theory of rational randomness;
g) theory of social partnership.

13) What is meant by the term "outstaffing"?
a) the transfer of non-core functions and activities outside the company;
b) the transfer of employees from the staff of the customer company to the staff of the contractor company;
c) the transfer of all functions to third-party organizations.

14) What is meant by the term "outsourcing"?
a) the transfer of non-core functions and activities outside the company;
b) the transfer of employees from the staff of the customer company to the staff of the contractor company;
c) the transfer of all functions to third-party organizations.

15) The main principle of which theory is the need to adapt to the external environment?
a) theory of natural selection;
b) theory of resource dependence;
c) theory of viable structure.

16) According to which theory should the organizational management structure change in accordance with the goals and objectives for the near future?
a) theory of "structure-5";
b) theory of natural selection;
c) theory of resource dependence.

17) According to which theory, in modern conditions, competition and

monopoly cannot be considered as alternative concepts?
a) theory of monopolistic competition;
b) theory of mixed economy;
c) theory of comparative costs.

8. Fill in the table, indicating the main provisions of the theories given in it.

Group name	Theory name	Basic principles of the theory
Pessimistic theories	Theory of skepticism	
	Agnosticism	
Optimistic theories	Naive realism	
	Reductionism	
	Physicalism	
	Physiological reductionism	
	Nativism	
	Evolutionary theory of knowledge	
	Genetic epistemology	
	Pragmatic epistemological theory	
	Dialectical materialism	
Immanentist theories	Subjective idealism	
	Immanent objectivism	
	Platonic immanentism	
Platonic theories of knowledge	Christian epistemology	
	Theory of epistemological coordination of the world of things and the world of ideas	
	Schelling's philosophy of identity	
	Hegelian panlogism	
Transcendentalism	Phenomenology	

Practical lesson №3
Patterns and models of the life cycle of an organization

Discussion questions:

1. The essence, properties and patterns of development of the organization.
2. The concept of "life cycle of the organization": a comparative analysis of existing scientific and practical approaches.
3. Features of managing organizational changes at different stages of the organization's life.

Topics of reports and essays:

1. The concept of the life cycle of the organization.
2. Life cycle models of A.I. Prigogine, I. Adizes, the model of organizational development of L. Danko, the model of development and crises of growth of the organization of L. Greiner.

3. Features of change management at the stages of the life cycle of the organization.

Questions for self-control and repetition:

1. What is the essence of the modeling method in the study of organizational relations and management systems?
2. Is it possible to jointly use the basic tools for assessing the stage of the life cycle of the organization - the models of I. Adizes and L. Greiner?
3. Name the general stages, principles and patterns in the five basic change models (K. Lewin's three-phase model, L. Greiner's change management model, M. Beer and N. Nohria's "E" and "O" theories, F. Guillard and D. Kelly's transformation model, D. Duck's change curve).
4. What factors determine the choice of a specific change model?
5. Name the limitations in using modeling as a change management method.
6. Describe the characteristic conditions of an organization's functioning at the following stages of its life cycle: birth; growth; maturity; aging.
7. Formulate the criteria for the state of the life cycle and the conditions for rational management of organizational changes by its stages and fill in the table.

Characteristic	Birth	Growth	Maturity	Aging
Stage objective				
Sales volume				
Profit				
Cash on hand				
Development of relationships				
Organizational culture				
Type of planning				
Change policy				
Management method				
Features of obtaining and using profit				
Manager requirements				

8. Suggest the most effective type of organizational structure in accordance with the stage of the organization's life cycle

Characteristic	Birth	Growth	Maturity	Aging
Purpose of the stage	Survival and Strengthening of Vitality	Profit at any cost, accelerated growth, survival through tough management	Sales growth, market segment capture, balanced growth, formation of the company's image, organizational culture, ideology	Maintaining the achieved results. Maintaining profits, maintaining the market segment
Type of organizational management structure				

9. Describe the conditions of the organization's functioning that are characteristic of the growth stage, indicate the reasons for potential changes at it and design an organizational management structure adequate to them.

10. Answer the proposed test questions:

1. Place the stages of the organization development process in logical chronological sequence:
a) activity planning and creating readiness for changes;
b) determining the need for change, diagnosis of the problem;
c) the implementation of changes, transition to a new state;
d) analysis of the functional zones of the organization and environmental factors.

2. According to what criterion are the changes divided into methegic, tactical, operational and stabilization?
a) the source of exposure;
b) the probability of events;
c) temporary depth;
d) approach to management;
e) management function;
f) the functional orientation of the processes of the organization.

3. Depending on the depth of the transformations, the following types of changes are distinguished:
a) restructuring;
b) changes focused on the organizational structure of management;
c) unforeseen changes.

4. If the leader cannot indicate the solutions to the problem, then when conducting changes should be applied:
a) analytical policy or sampling and error policy;
b) directive policy and negotiation policy;
c) a directive policy and a policy of achieving common goals.

5. What changes are distinguished depending on the probability of events?
a) unforeseen changes;
b) revolutionary changes;
c) changes focused on tasks;
d) frontal changes.

6. What group of causes does the "exacerbation of competition" belong to?
a) market causes of changes;
b) economic causes of changes;
c) political causes of changes;
d) technological causes of changes.

7. What changes are used to conduct rapid changes?
a) negotiation policy;

b) analytical policy;
c) directive policy;
d) sampling and error policy;
e) a policy of achieving common goals.

8. What policy of changes implies the leader to develop changes in the organization’s members, determining their role and responsibility for achieving goals?
a) negotiation policy;
b) analytical policy;
c) directive policy;
d) sampling and error policy;
e) a policy of achieving common goals.

9. What decision -making model involves the creation of coalitions of managers in the process of making managerial decisions?
a) Carnegie model;
b) a model of incremental decision -making;
c) the model of the "garbage box";
d) a model of gradual increase.

10. What model of changes control consists of the following elements: creating a vision; activation; support; implementation; security;
approval, recognition?
a) the transition period and gradual extension;
b) the model Easier;
c) the adkar change control model;
d) the model of control of John Cottter.

11. In what changes control model is the breakthrough method?
a) the transitional period;
b) a model of gradual increase;
c) model Easier;
d) Adkar changes control model;
e) a model of changes in John Cotter.

12. What model of changes in changes does the head use to detect spaces in the conducted process of changes, as well as for effective personnel training?
a) the transitional period;
b) the model Easier;
c) the adkar change control model;
d) the model of control of John Cottter.

13. What method of overcoming resistance to changes is used when the initiators of the change do not have all the information necessary for planning the change, and when others have significant forces for resistance?
a) informing and communication;

b) participation and involvement;
c) help and support;
d) negotiations and agreements;
e) manipulations and cooptings;
e) obvious coercion;
g) mobbing, bullying.

14. What is usually understood as collective psychological terror, persecution against any of the employees by his colleagues, subordinates or authorities, carried out with the aim of breaking the worker's resistance, up to the forces of his place of work?
a) bullying;
b) mobbing;
c) coopation.

15. What decision -making model is developed to explain the decision -making scheme in organizations whose activities are extremely uncertain?
a) Carnegie model;
b) a model of incremental decision -making;
c) the model of the "garbage box";
d) a model of gradual increase.

Practical exercises:

1. Practical exercise "Analysis of the L. Greiner model"

Conduct a comparative analysis of the stages of the organization's life cycle in the L. Greiner model. Present the result as a table:

Characteristics	Stage				
Management priority	Creation	Centralization	Delegation	Coordination	Cooperation
Organizational structure					
Management style					
Control system					
Stimulation					
Characteristics					

2. Practical exercise "Analysis of the model of I. Adizes"

Conduct a comparative analysis of the stages of the organization's life cycle in the I. Adizes model. Present the result as a table:

Stage	Determining goal	Limiting goal
1	2	3
Infancy		
Go-go (come on, come on)		
Youth		
Flowering		
Stability		

1	2	3
Aristocracy		
Witch's hunt (Salem City)		
Bureaucracy		

Fill out the last column of the proposed table below.

The content of the restraining force	The cause of the occurrence	Consequences
1. Egoistic interest	Waiting for personal losses as a result of changes	
2. Nesting the consequences of changes	Low degree of trust in managers setting out a plan of changes, lack of reliable information	
3. Various perception of innovations	Inadequate perception of plans; absence	
4. Loss of prestige	reliable information	
5. Violation of habits, traditions and values	The fear of people that the previous competence will remain	
6. The presence of past insults	Lack of actions to eliminate past misunderstandings	
7. Fear of surprises that may accompany changes	Inherent in people a sense of skepticism, a negative attitude to any changes	
8. Doubts about the technology of changes	Distrust of the competence of the initiators of changes	
9. The desire to maintain friendly relations that can be violated as a result of changes	Adherence to the informal group	
10. Unexpected situations	The unexpected influence of one event on another	

2. Practical exercise

Having merged into groups of 6-8 people, choose the most informative and understandable model of the life cycle (organizational change). Justify your answer.

Practical lesson № 4
Design of organizational changes

Questions for discussion:

1. The meaning and objectives of organizational design.
2. Stages of designing organizational changes.
3. Strategies for the implementation of changes.
4. Choosing a change strategy.

The subject of reports and essays:

1. Theoretical aspects of the study and design of changes.
2. Methodological aspects of research and design of changes.
3. Models for choosing the organization’s development strategies.

4. Classical model of strategic analysis and planning (ADL/LG model)
5. Hofer - Shendel
6. Model added economic value EVA

Questions for self -control and repetition:

1. Describe the following stages of organizational design methods:
– identification of elements of the control object;
– identification of elements of the management subject;
– study of the elements of the production system;
– study of the elements of the control subsystem;
– assessment of the compliance of the control subsystem of the production subsystem;
– development of goals and criteria for improving the production activities of the organization;
– technical and economic justification of the improvement of the enterprise;
– development of technical specifications for the project;
– development of a project for the introduction of innovations in production, schemes of the production structure, a project for changing its elements, taking into account their relationship;
– change in the elements of the control subsystem;
– development of the working documentation of the project;
– implementation of the project;
– monitoring the implementation of the project, calculating the actual economic effect, analysis of the results and the development of proposals for the further development of the organization.

2. What are the specific features of strategic planning in market and planned economics models?
3. What is the limit of possible deviations in forecasting changes?
4. How is the interconnected strategies of changes with the complex
5. Strategies of the organization?
6. What is the role of a strategic transformation map in planning changes?
7. What are the conditions for the effective restructuring and reengineering of business processes.
8. Study the main strategies of changes and fill out the table:

Type of strategy	Approach	Methods of implementation	Situations
Directional			
Based on negotiations			
Normative			
Analytical			
Focused on actions			

Practical exercise

1. Practical exercise "Business Mission"

Fill in the table by determining the business mission in various fields of activity:

Field of activity	Production approach	Marketing approach
1. Hotel		
2. Beauty salon		
3. Restaurant		
4. Economic magazine		
5. University		

Control questions:

1. What factors of the internal and external environment of the organization need to analyze and evaluate? Why?
2. How will the process of rebranding be reflected in the formulated missions?

Practical lesson № 5
Team formation for strategic changes

Questions for discussion:

1. The essence and principles of the creation of teams.
2. The effectiveness of the team.
3. The leader of the team of strategic changes.
4. The main stages of development of a strategic change team.

The subject of reports and essays:

1. The concept of managerial mentality and managerial culture.
2. The objective nature of state interest. Natural and artificial state interest.
3. Mechanisms for the development of state interest.
4. Team roles.

Questions for self -control and repetition:

1. What are the basic elements of the change control system.
2. How does the change strategy determine the configuration of the management structure?
3. What factors determine the choice of the style of changes in the company?
4. What are the basic team roles. What is determined by the role composition of the change team?
5. What is the difference between a group, team and team? When is group work preferable, and when is a team job?
6. What stages the team takes place in its development? How does its effectiveness and productivity of the company change?
7. Who is the leader of the changes? How is it related to the system of formal and informal relations in the organization?

Practical exercise:

1. Practical exercise "Team roles".

Study the strengths and weaknesses of the roles that the team members perform during the changes, and fill out the table:

Team Roles	**Strengths**	**Weaknesses**
1. Formal Leader		
2. Informal Leader		
3. Idea Generator		
4. Critic		
5. Practitioner		
6. Team Player		
7. Scout		
8. Controller		

2. Practical exercise "Change leader".

Study the main types of managers - change leaders and indicate what characteristics of the organization each type is focused on achieving and in what perspective they are effective:

Organization characteristics		Manufacturer	Administrator	Entrepreneur	Integrator
Functionality					
Systematicity					
Proactivity					
Organicity					
Productivity (performance)	In the short term				
	In the long term				
Efficiency	In the short term				
	In the long term				
Life cycle stage (according to I. Adizes)					

Study the “wrong” roles of a manager and point out their connection with the “right” ones:

What qualities, if accentuated, lead to the degradation of roles?

"Wrong" roles	"Correct" roles			
	Manufacturer	Administrator	Entrepreneur	Integrator
Lone hero				
Bureaucrat				
Arsonist				
Ardent supporter				
Dead stump				
Ideal manager				

2. Practical exercise "Distributing roles in a team"

Read the following statements:

1. Teams should consist of people with a reliable reputation in their organization. A team is not a dumping ground for losers, even intelligent ones.

2. A team needs a "rock" person who can raise objections that the team may have to face later when selling its ideas.

3. A team needs someone who can control ideas and make them available to everyone.

4. A team needs someone who can "make things happen" as planned.

5. A team needs someone who "has done it before."

Control questions:

1. Do you agree with these views? Explain your agreement or disagreement.

2. Does this say everything about team members?

3. Would you like to be on the same team with a person who expresses these views and why?

Practical lesson № 6.
Implementing organizational change (4 hours)

Discussion topics:

1. Approaches to implementing organizational changes.
2. Typical mistakes when implementing changes.
3. Making decisions when implementing changes.
4. Preparing and implementing innovations
5. Uncertainty factors when implementing changes.

Topics of reports and papers:

1. Methods of implementing organizational changes.
2. Mechanism for implementing changes.
3. Methods of implementing organizational changes.
4. The role of the HR service in implementing organizational changes

Questions for self -control and repetition:

1. What factors influence decision-making on the need to implement changes in an organization?
2. What types of strategic and matrix analysis are appropriate to use to diagnose the feasibility of implementing changes?
3. How does the life cycle stage determine the nature of changes, their model and sustainability?

4. Characterize the stages of diagnosing the feasibility of implementing changes according to the scheme "SWOT analysis - problems - goals - strategy - model".

5. Develop matrices for choosing an organization's development strategy in accordance with the following coordinates:

1) The state of the organization's life cycle; the organization's competitive position in the market; the intensity of market development.

2) The state of the life cycle; the level of government regulation of the economy; the state of innovative activity in the organization.

3) The state of the life cycle; the competitive position of the organization in the market; the state of innovative activity in the organization.

6. Answer the proposed test questions:

1. Which model of choosing an organization's development strategy states that a corporation's business portfolio, determined by the stage of the life cycle and competitive position, should be balanced?

a) the classical model of strategic analysis and planning (ADL/LG model);

b) the Hofer-Schendel model;

c) the added economic value EVA model.

3. The potential for change is:

a) the degree of readiness for change in the organization

2. Which model of choosing an organization's development strategy suggests identifying such principles on which the strategic planning process should be built as the separation of goal setting from strategic planning; division of the strategic planning process between two levels: the business level and the corporate level; inclusion of social and political analysis in the strategic planning process; mandatory planning for undesirable situations; exclusion of the budget planning stage and the plan for developing specific activities from the strategic planning process?

a) the classical model of strategic analysis and planning (ADL/LG model);

b) the Hofer-Schendel model;

c) the added economic value EVA model.

3. The potential for change is:

a) the degree of readiness for change in the organization and the degree of propensity for change that can be developed;

b) unrealized opportunities for change in the organization;

c) both answers (a) and (b) are correct.

4. The factors corresponding to high and low potential for change include:

a) the speed of change;

b) the level of trust in management, internal communication, organizational goals, strategy, type of structure and age of the company;

c) change processes.

5. According to American researchers J. Kotter, R. Kanter, B. Stein and T. Djik, the main elements of a change strategy should be:

a) justifying urgent changes, creating a coalition, developing a vision, facilitating the implementation of the vision;

b) delegating authority to achieve the vision to lower levels of management, establishing areas of individual responsibility in the change process, providing information and training personnel;

c) consolidating the first achievements and adopting new change projects, institutionalizing a new course of action, constantly checking the key parameters of the organization;

d) all of the previous answers (a), (b), (c) are correct.

6. If changes in an organization occur slowly and the potential for change is characterized as low, then which strategy of organizational changes, in your opinion, is advisable to use:

a) only a comprehensive one;

b) immediate or step-by-step;

c) structured;

d) any of the above.

7. A comprehensive change strategy includes:

a) conducting several change processes simultaneously and/or having strong interactions with external factors (trade unions, local authorities, impending bankruptcy, consumer and shareholder organizations, merger partners, etc.);

b) goals and actions;

c) goals, actions, and deadlines.

8. A strategy with a focus on coercion assumes:

a) on the basis of formally legitimate authority, the implementation of changes by order, accompanied by incentives or threats of sanctions;

b) that the organization's managers create programs of organizational and cultural changes based on the individual value concepts of personnel, group norms, and common goals:

c) other ____ .

9. Organizational change is defined as:

a) the company's adoption of new ideas and models of behavior;

b) any organizational change,

c) organizational learning;

d) there is no right answer at all.

10. Strategic planning includes the following stages:

a) qualitative analysis and modeling of the business of the future;

b) qualitative analysis, modeling of the business of the future, development of a functional program;

c) other ____.

11. Formation of an organization's development strategy based on a SWOT analysis includes the following stages:

a) analysis of strengths and weaknesses, opportunities and threats; determination of main goals; development of strategic activities;

b) development of strategic activities and construction of an organizational culture profile;

c) there is no correct answer.

Practical exercises:

1. Practical exercise "Signs of change (according to D. Tapscott)"

Don Tapscott describes the differences of the new society with the help of twelve interrelated signs. In his opinion, understanding the essence of these signs is the basis for effective transformation of the organization. Having considered the influence of these signs on the formation of the development paths of society, technologies and organizational relations, fill in the table:

Sign of change	New society	New technologies	New organization
1. Knowledge orientation			
2. Digital representation of objects			
3. Virtual nature of objects			
4. Molecular structure of business space			
5. Integration. Inter-network interaction			
6. Elimination of intermediaries			
7. Convergence			
8. Innovative nature			
9. Transformation of “manufacturer-consumer” relations			
10. Dynamism			
11. Global scale			
12. Presence of contradictions			

2. Practical exercise "Speed and complexity of changes"

Depending on the speed and complexity of changes, several change processes are distinguished. The combination of these characteristics leads to four types of change processes:

Complexity of change	Speed of change	
	Slow	Quick
Simple	1. Retraining of staff 2. 3.	1.Product modification 2. 3.
Complex	1. Разработка продукта 2. 3.	1. Goal setting 2. 3.

Consider the process of changing various aspects and variables of the organization's activities and fill in the matrix provided with two or three examples for each type of change process).

3. Practical exercise "Life cycle of an organization"

Conduct an analysis and characterize the stages of the life cycle of a domestic and foreign manufacturing or transport enterprise. Present the results of the analysis in the form of a table:

Dynamics of the indicator	Stage of the organization's life cycle						
	Birth	Growth	Development	Maturity	Saturation	Decline	Decomposition
Market growth rate							
Product growth rate							
Market development rate							
Technological process development rate							
Dynamics of the indicator							
Market segmentation							
Key success factors (competitive advantages)							
Basic functional units							
Organizational culture							

4. In groups of 6-8 people, come up with several examples (at least two) of each type of change process in an organization and fill in the table below.

Characteristic	Slow change	Rapid change
Simple change		
Complex change	Not considered because a complex situation almost always requires speed	

Practical lesson № 7.
Control over change management

Discussion questions:

1. Control tasks as a management function.
2. Control features in change management.
3. Evaluation of organizational change management effectiveness.

Topics for reports and essays:

1. Control points in the change management process.
2. Control over change implementation and response.
3. Balanced scorecard for assessing organizational change management effectiveness.
4. Methods for assessing organizational change management effectiveness.

Questions for self-assessment and review:

1. What is the change control process?
2. What is the control function? What are the main control tasks?
3. What types of control do you know? What are the differences between them?
4. What control tools does a manager have?
5. Name the main areas of control.
6. List the main characteristics of an effective control system and explain their content.
7. There are three control methods. Name these methods and indicate their advantages and disadvantages.
8. What are the features of control in change management?
9. List the tasks of control and the person performing it at different stages of change management.
10. Who can perform change management control? Which option is preferable in your opinion? Why?
11. What is the assessment of the effectiveness of organizational change management?
12. What approaches to assessing the effectiveness of organizational change management can be applied?
13. Name the main indicators characterizing the process of change in various subsystems of the enterprise.

Practical lesson № 8.
Overcoming staff resistance to changes in the organization: basic approaches and methods (4 hours)

Discussion questions:

1. The attitude of the organization's personnel to change.
2. The main forms of resistance to change.
3. Technologies for preventing and overcoming resistance to change.
4. Motivation and communications in change management.
5. Managing group behavior in the context of changes in the organization.

Topics of reports and essays:

1. The role of the HR service in implementing changes.
2. HR management in the context of organizational changes.
3. Causes of resistance to change.
4. Methods for overcoming resistance to change.
5. Managing changes in organizational culture.

Questions for self-monitoring and review:

1. Link the concepts below into interrelated pairs and justify this relationship:
   - reason for resistance;
   - selfish interest;
   - misunderstanding of goals;
   - personal barriers;
   - organizational barriers;
   - threat to established social relations;
   - need for guarantees;
   - lack of involvement;
   - past negative experience; inertia of complex organizational structures;
   - resistance;
   - co-optation;
   - manipulation;
   - force field analysis.
2. Give a definition of the concept of "resistance to change"?
3. Name the types of resistance
4. What factors determine the resistance of the organization's personnel to change?
5. List the methods for overcoming resistance to change.
6. Name the reasons for employee resistance to change.

7. What is the role of organizational culture in the formation of personnel conservatism?

8. Characterize the two areas of work of HR services (tactical and strategic).

9. Tell about the resistance of personnel to change using the example of a real organization.

10. Try to name and characterize the most common classification of types of resistance to change by level of manifestation.

Practical Exercises

1. Practical Exercise “Forces and Causes of Resistance to Organizational Change”

Study the restraining forces and causes of change and fill in the following table:

Restraining forces	Causes	Consequences
Egoistic interest		
Misunderstanding of the consequences of change		
Different perceptions of innovations		
Violation of habits, traditions and values		
Presence of past grievances		
Doubts about the technology of change		
Desire to maintain friendly relations		

2. Practical exercise “Methods for overcoming resistance”

Match the methods for overcoming resistance to change with the situations in which it is appropriate to use them:

Method	Situations
Information and communication	
Participation and involvement	
Negotiations and agreements	
Manipulation and co-optation	
Mobbing, bullying	

3. KNOWLEDGE CONTROL UNIT

KNOWLEDGE TEST

A list of control questions to prepare for the final test

1. Organization as an object of change.
2. Prerequisites for organizational change.
3. External causes of organizational change.
4. Internal prerequisites for organizational change.
5. The relationship between organizational change and the organization's strategy.
6. Conditions for effective organizational change.
7. Priority areas of change in modern organizations.
8. Levels of organizational change.
9. Spheres of organizational change.
10. L. Greiner's concept of phase transformation of business.
11. I. Adizes's life cycle model.
12. Stages of organizational change.
13. Characteristics of K. Levin's model of organizational change.
14. Types and causes of resistance to organizational change.
15. Methods of overcoming resistance to organizational changes.
16. Restructuring the organization.
17. The concept and main ideas of reengineering.
18. Managing organizational culture in the process of preparing and implementing organizational changes.
19. Models of organizational culture.
20. Formation of a knowledge management system as a condition for the effective implementation of organizational changes.
21. General characteristics of the concept of a learning organization. Signs of a learning organization by Senge.
22. Using benchmarking in the change management process.
23. Indicators of an organization's readiness for change.
24. Methodological approaches to assessing the effectiveness and efficiency of organizational changes.
25. Taking into account social consequences when implementing organizational changes.
26. Creating an effective team to implement changes in an organization.
27. The role of a leader in change management.
28. Control over change management.
29. Peculiarities of personnel management in the context of organizational changes.
30. Managing changes in the organization’s business processes.

4. AUXILIARY SECTION

CHANGE MANAGEMENT IN THE ORGANIZATION

The program of a higher education institution according to the academic discipline for the specialty 7-06-0412-01 «Management»

EXPLANATORY NOTE

The curriculum for the academic discipline "Change Management in Organization" has been developed for the specialty 7-06-0412-01 "Management".

The purpose of studying the academic discipline is to form systematized knowledge on the design and management of changes, on making management decisions related to changes.

The main objectives of the academic discipline are to master the basic concepts of change management; study modern approaches to managing organizational changes; study the theoretical and practical aspects of change management; study methods for diagnosing changes at various stages of the life cycle of organizations; develop skills for developing strategies and plans for implementing organizational changes; analyze the causes of resistance to change and study approaches to overcoming resistance.

The academic discipline is based on the knowledge gained from studying such disciplines as: "Fundamentals of Management", "Organization Management", "Psychology of Management", "Personnel Management".

The knowledge and skills acquired by master's students while studying this discipline are necessary for mastering the special disciplines: "Strategic Management", "Theory and Technologies of Innovations", "Anti-Crisis Management Based on Innovations".

As a result of studying the academic discipline "Change Management in Organization", the master's student should:

know:

- basic concepts and categories of change management;
- basic theories and models of organizational changes;
- theoretical and methodological approaches to the implementation of change projects;
- principles and methods for implementing the change management strategy;
- models of organizational change management;

be able to:

- plan the process of organizational changes;
- determine promising areas of organization development;

- develop programs for the implementation of organizational changes, evaluate their effectiveness and consequences;
- actively interact in a team;

have the skill of:

- using modern tools for managing the change process in an organization;
- designing measures for organizational changes;
- using the main theories of change to solve management problems;
- assessing the consequences of organizational and managerial decisions.

Mastering this academic discipline ensures the formation of the following competencies:

UK-1. Be able to apply methods of scientific knowledge (analysis, comparison, systematization, abstraction, modeling, verification of data reliability, decision-making, etc.) in independent research activities, generate and implement innovative ideas.

SK-9. Be able to conduct, develop and implement organizational development programs, reduce resistance to innovations

For full-time education

According to the educational program for full-time higher education of the II stage, only 90 hours are allocated for the study of the academic discipline, of which 36 hours are classroom hours.

The distribution of classroom hours by courses, semesters and types of classes is shown in Table 1.

For full-time education				
Semester	Lectures, hours	Laboratory research, hours	Seminars, hours	Current certification form
2	16	–	20	Credit (Test)

THE CONTENT OF THE TRAINING MATERIAL

Chapter I. THEORETICAL FOUNDATIONS OF ORGANIZATIONAL CHANGE MANAGEMENT

Topic 1.1. Organization as an object of changes

The nature and features of the organization. Organization as a system. Typology of organizations. The internal and external environment of the organization. Management of the organization.

Topic 1.2. Theory of organizational change management: subject, tasks, evolution

The concept, preconditions and meaning of organizational changes. Classification of organizational changes. Basic principles of managing the change process. Stages of the organizational change management process. Areas of organizational change.

Topic 1.3. Patterns and models of the organization's life cycle

The essence, features and patterns of the organization's development. The concept of the "life cycle of an organization": a comparative analysis of existing scientific and practical approaches. Specifics of managing organizational changes at different stages of the organization's life

Chapter II. STAGES OF ORGANIZATIONAL CHANGE MANAGEMENT

Topic 2.1. Designing organizational change

The importance and tasks of organizational design. Stages of designing organizational changes.

Strategies for realization of changes. Choosing a change strategy.

Topic 2.2. Forming a team for strategic changes

The essence and principles of creating teams. The effectiveness of the team's work. Leader of the strategic change team.

The main stages of the development of the strategic change team.

Topic 2.3. Implementation of organizational changes

Approaches to the implementation of organizational changes. Typical faults in the implementation of changes. Decision-making when implementing changes. Preparation and implementation of innovations. Uncertainty factors in the implementation of changes.

Chapter III. RESISTANCE TO ORGANIZATIONAL CHANGES AND METHODS OF OVERCOMING THEM

Topic 3.1. Overcoming the resistance of personnel to changes in the organization: basic approaches and methods

The attitude of the organization's personnel to changes.

The main forms of resistance to change.

Technologies for preventing and overcoming resistance to change.

Motivation and communication in change management. Managing group behavior in the context of changes in the organization.

List of literature

1. Alvesson Mats, Sveningsson Stefan. Changing Organizational Culture: Cultural Change Work in Progress 2nd edition. — Routledge, 2015. — 210 p.
2. Burnes B. Managing Change . 7th edition. — Pearson, 2018. — 673 p.
3. Carnall Colin. Managing Change in Organizations
4. 5th ed. — England: Financal Times Management Publ., 2007. — 365 p.
5. Harvard Business Review. Change Management. HBR's 10 Must Reads. Sixth part. - Boston: HBR, 2011. – 64 p.
6. McCabe Darren. Changing Change Management: Strategy, Power and Resistance Routledge, 2020. — 228 p.
7. John Hayes. The Theory and Practice of Change Management. Fourth edition. - published 2014 by Palgrave Macmillan. – 548 p.
8. Kotter, John P., and Dan S. Cohen. The Heart of Change. Boston, MA: Harvard Business School Press, 2002. 190 p.
9. The Dance of Change: The challenges to sustaining momentum in a learning organization by Peter M. Senge, Richard Ross, Art Kleiner, Charlotte Roberts, George Roth, Bryan Smith, Richard B. Ross Paperback, 608 pages Published March 16th 1999 by Crown Business.

Topics of essays

1. The concept of changes and their role in the general concept of managing the development of the organization.
2. Understanding of the need and initiation of changes.
3. Features of change management at different stages of the organization's life cycle.
4. Reducing risks when implementing a change strategy.
5. Organizational development as an tool of evolutionary organizational changes.
6. Personnel management in the context of organizational changes.
7. The model of the life cycle of the organization of I. Adizes.
8. K. Levin's model of changes.
9. The PDCA cycle as the basis of continuous changes.
10. The concept of organizational change management by L. Greiner.
11. Typical mistakes when making changes in the organization.
12. Choosing a change strategy.
13. Managing changes in the structure of the organization.
14. Managing changes in the organization's business processes.
15. Features of personnel management in the context of organizational changes.
16. Organizational culture as an object of change.
17. Reasons for resistance to organizational changes.
18. Methods of overcoming resistance to change.
19. Training organization: general characteristics. The concept of P. Senge.
20. The role of a leader in change management.
21. Change management in the organization (using examples of real companies).

List of Presentation Topics
(for independent work)

1. The organization as an object of changes.
2. Preconditions for organizational changes.
3. External reasons for organizational changes.
4. Internal preconditions for organizational changes.
5. The relationship between organizational changes and the organization's strategy.
6. Conditions for effective implementation of organizational changes.
7. Priority directions of changes in modern organizations.
8. Levels of organizational changes.
9. Areas of organizational change.
10. L. Greiner's concept of phase transformation of business.

11. The life cycle model of I. Adizes.
12. Stages of organizational changes.
13. Characteristics of K. Levin's model of organizational changes.
14. Types and reasons of resistance to organizational changes.
15. Methods of overcoming resistance to organizational changes.
16. Restructuring of the organization.
17. The concept and main ideas of reengineering.
18. Management of organizational culture in the process of preparation and implementation of organizational changes.
19. Models of organizational culture.
20. Formation of a knowledge management system as a condition for effective organizational changes.
21. General characteristics of the concept of a learning organization. Signs of a learning organization Senge.
22. Using benchmarking in the change management process.
23. Indicators of the organization's readiness for changes.
24. Methodological approaches to assessing the effectiveness and efficiency of organizational changes.
25. Taking into account the social consequences when carrying out organizational changes.
26. Creating an effective team for making changes in the organization.
27. The role of a leader in change management.
28. Control over change management.
29. Features of personnel management in the context of organizational changes.
30. Managing changes in the organization's business processes

List of practical training topics

1. The organization as an object of changes.
2. The theory of organizational change management: subject, tasks, evolution.
3. Patterns and models of the organization's life cycle.
4. Designing organizational changes.
5. Create a team for strategic changes.
6. Implementation of organizational changes.
7. Control over the management of changes.
8. Overcoming the resistance of personnel to changes in the organization: the main approaches and methods.
9. Organizational culture as an object of change and a tool for the development of the organization.