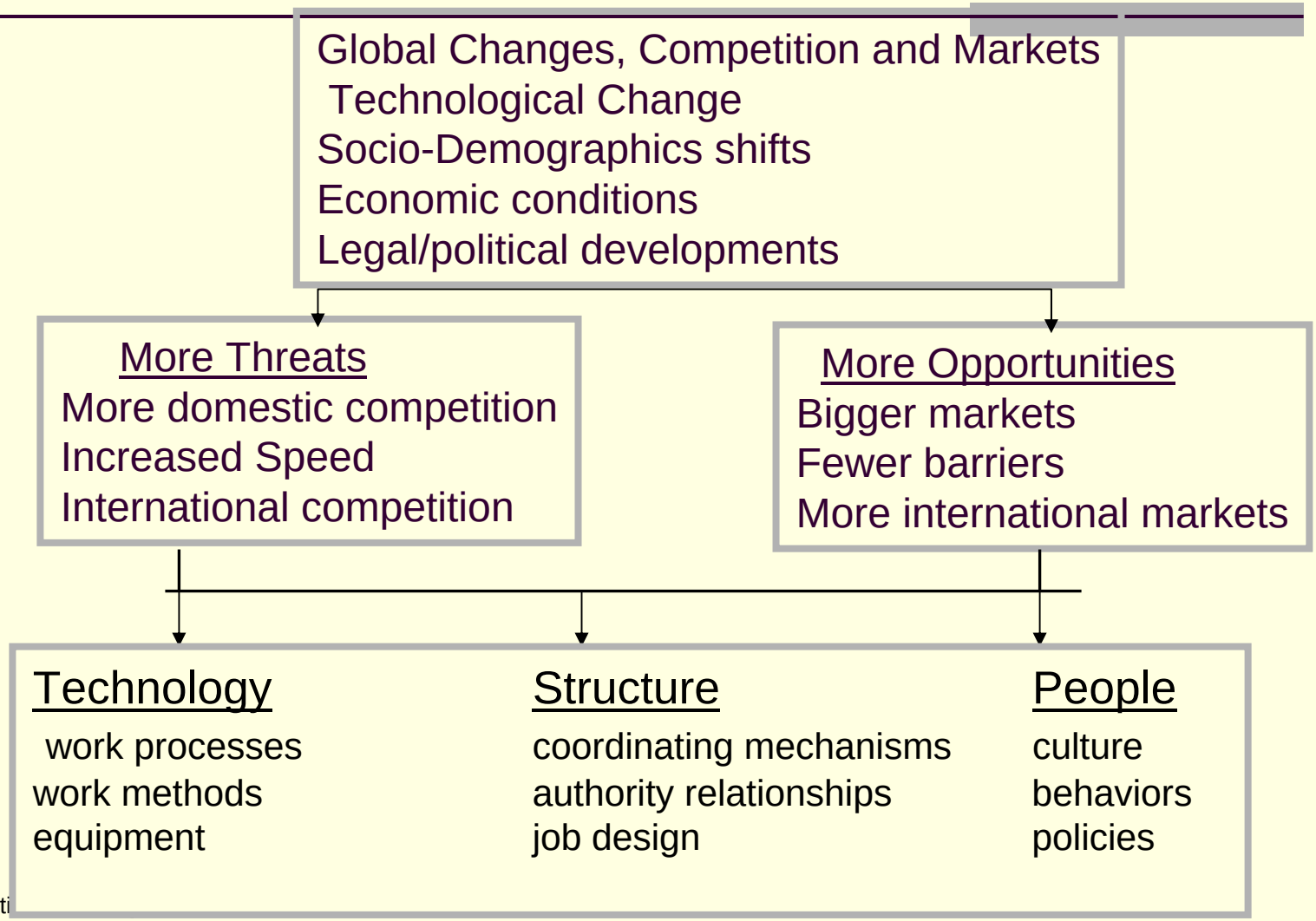
*"The world hates change, yet that is the only thing that has brought progress."*

- Charles Kettering

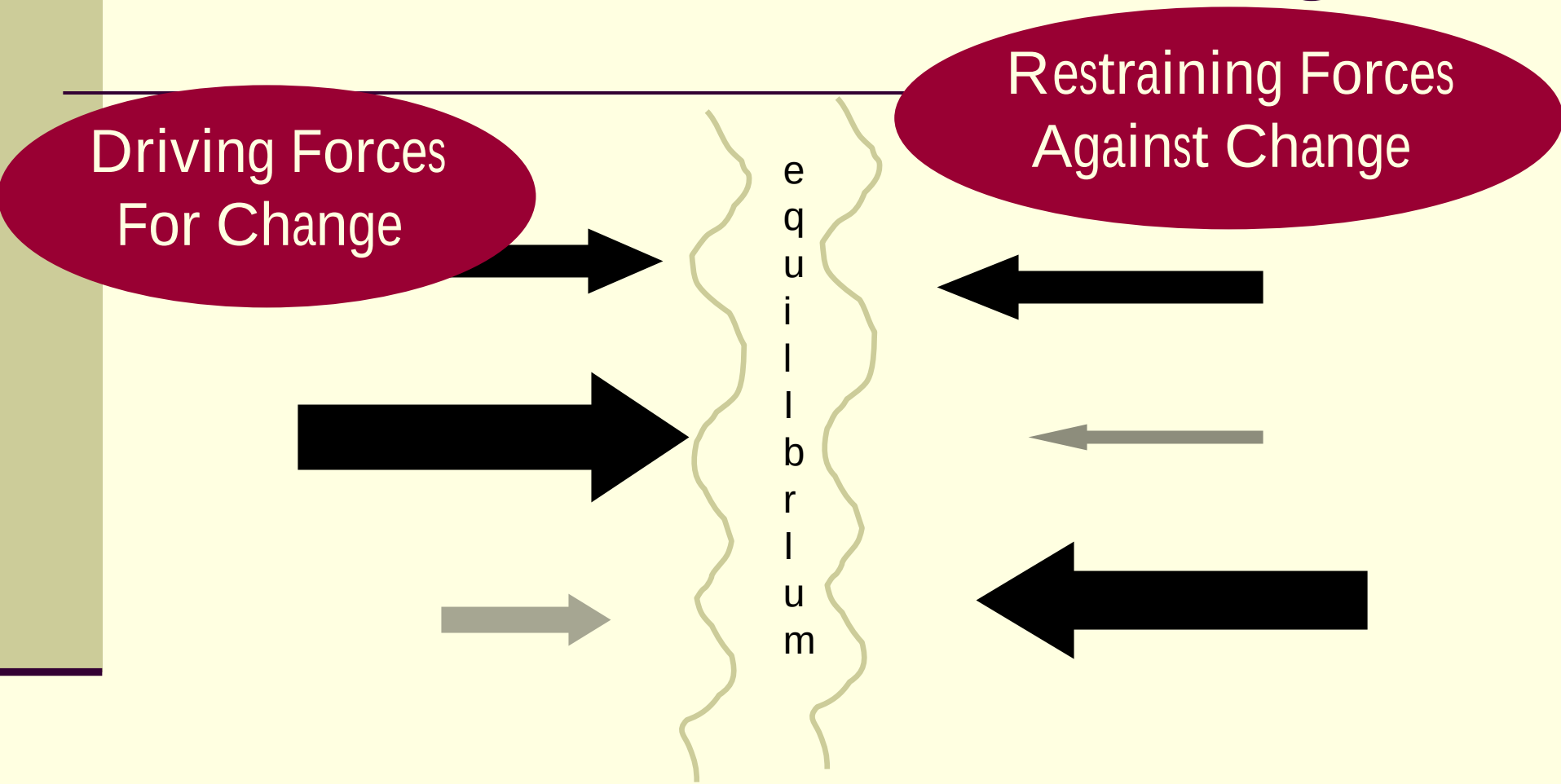
Charles F. Kettering Foundation

# Organizational Change

# External Forces Driving the Need for Major Organizational Change



# Force-Field Model of Change



# Forces FOR change

- External forces
  - Marketplace competition
  - Government laws and regulations
  - New technologies
  - Labor market shifts
  - Cycles in the economy
  - Social change
- Internal forces
  - Strategy modifications
  - New equipment
  - New processes
  - Workforce composition
  - Restructured jobs
  - Compensation and benefits
  - Labor surpluses and shortages
  - Employee attitudes

# Forces AGAINST change

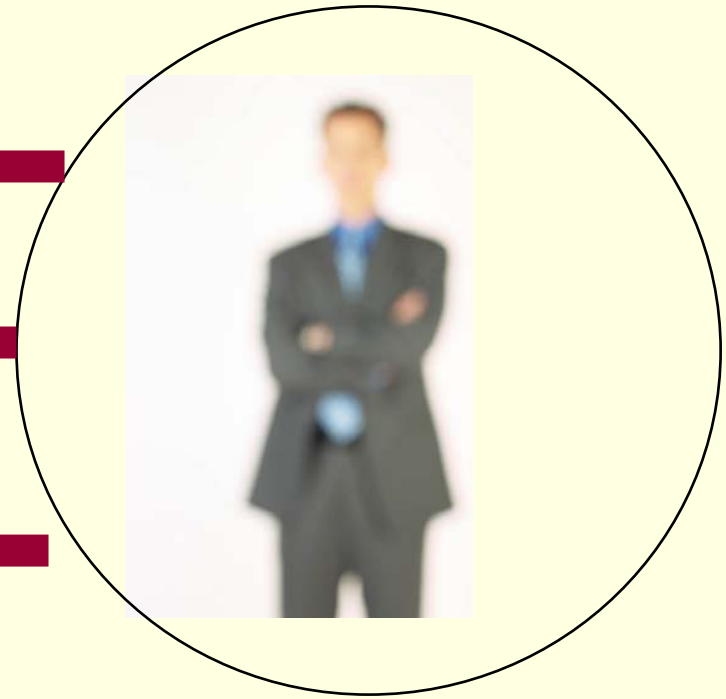
- Internal forces
- fixed assets not easily transferable
- limited information on internal processes
- trapped by own history
- internal/political constraints

- External forces
- legal/fiscal barriers to entry/exit
- availability of external information

INDIVIDUAL RESISTANCE

# Why do people resist change?

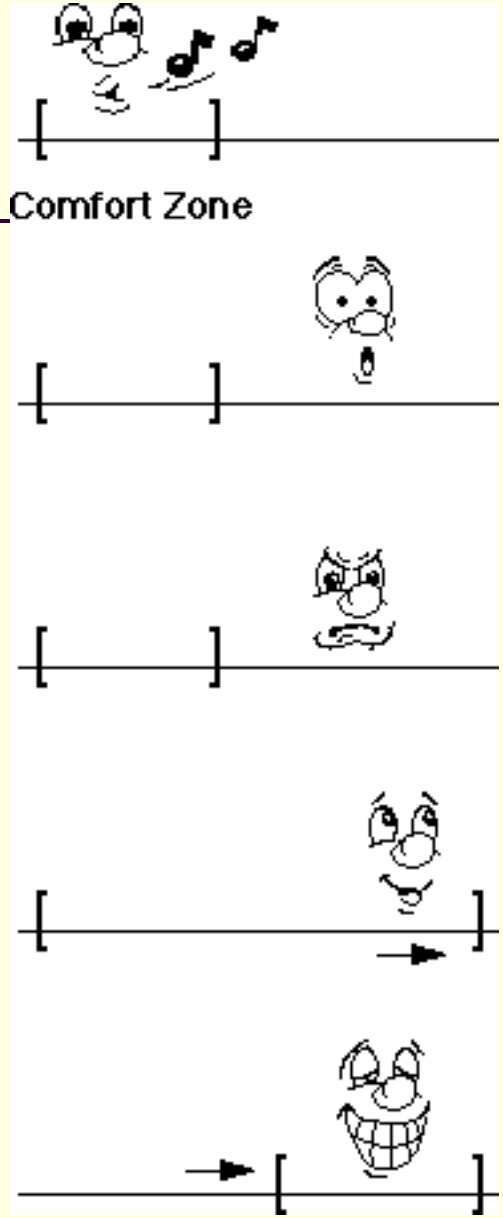
- Inertia
- Self-interest/fear
- Misunderstanding
- Different assessments
- Management tactics/mistrust



Koch and French: *Resistance to Change article*

# Change Happens In Stages

- Stability




**UNFREEZING**
(breaking from the old way of doing things)

- Encounter change
- Learn about situation

**MOVING**
(implementing the change)

- Problem solve / adapt

**REFREEZING**
(reinforcing and supporting the new ways)

- Reframe comfort zone

**UNFREEZING**
(breaking from the old way of doing things)

# Methods for Reducing Resistance to Change

| Approach | Commonly Used | Advantages | Disadvantages |
|---|---|---|---|
| Education & Communication | Where there is a lack of information or inaccurate information & analysis | Once persuaded, people will often help with the implementation of the change | Can be very time consuming if lots of people are involved |
| Participation & Involvement | Where the initiators do not have all the information they need, and where others have considerable power | People who participate will be committed to implementing change, and any relevant information they have will be integrated into the plan | Can be very time consuming if participators design an inappropriate change |
| Facilitation & Support | Where people are resisting because of adjustment problems | No other approach works as well with adjustment problems | Can be time consuming and expensive, and still fail |

**UNFREEZING**
(breaking from the old way of doing things)

# Methods for Reducing Resistance to Change

| Approach | Commonly Used | Advantages | Disadvantages |
|---|---|---|---|
| Negotiation & Agreement | Where someone or some group will clearly lose out in a change, and where that group has considerable power to resist | Sometimes it is a relatively easy way to avoid major resistance | Can be too expensive in many cases if it alerts other to negotiate for compliance |
| Manipulation & Cooptation | Where other tactics will not work, or are too expensive, particularly when the resisting group is powerful | It can be a relatively quick and inexpensive solution to resistance problems | Can lead to future problems if people feel manipulated |
| Explicit & Implicit Coercion | Where speed is essential and the change initiators possess considerable power | It is speedy and can overcome any kind of resistance | Can be risky if it leaves people angry at the initiators |

**MOVING**
(implementing the change)

# Implementing Planned Changes

- Organization development (OD)
  - An activity (*intervention*) designed to facilitate planned, long-term organization-wide change
    - Focuses on the attitudes and values of organizational members;
    - Is essentially an effort to change an organization's culture.

Process Consultation
Survey Feedback
Team Building
Intergroup Development

# Structural Variables Affecting Innovation

- Organic structures
  - Positively influence innovation through less work specialization, fewer rules and decentralization
- Easy availability of plentiful resources
  - Allow management to purchase innovations, bear the cost of instituting innovations, and absorb failures.
- Frequent interunit communication
  - Helps to break down barriers to innovation by facilitating interaction across departmental lines.

# Characteristics of an Innovative Culture

- Acceptance of ambiguity
- Tolerance of the impractical
- Low external controls
- Tolerance of risk
- Tolerance of conflict
- Focus on ends rather than on means
- Open systems focus

# Symptoms Of Stress

- Psychological symptoms
  - Increased tension
  - Anxiety
  - Boredom
  - Procrastination
- Behavior-related symptoms
  - Changes in eating habits
  - Increased smoking
  - Substance consumption
  - Rapid speech
  - Sleep disorders

# Reducing Stress

- Person-job fit concerns
  - Match employees to their jobs, clarify expectations, redesign jobs, and increase employee involvement and participation
- Employee assistance programs (EAPs)
  - Programs that help employees overcome personal and health-related problems
- Wellness programs
  - Programs that help employees prevent health problems