“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

Global Changes, Competition and Markets
- Technological Change
- Socio-Demographics shifts
- Economic conditions
- Legal/political developments

More Threats
- More domestic competition
- Increased Speed
- International competition

More Opportunities
- Bigger markets
- Fewer barriers
- More international markets

Technology
- work processes
- work methods
- equipment

Structure
- coordinating mechanisms
- authority relationships
- job design

People
- culture
- behaviors
- policies
Force-Field Model of Change

Driving Forces For Change

Restraining Forces Against Change

equilibrium
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

Bus. 311 – Introduction to Management
Module 5.2
Change Happens In Stages

**UNFREEZING**
(breaking from the old way of doing things)
- Stability
- Encounter change
- Learn about situation

**MOVING**
(implementing the change)
- Problem solve / adapt

**REFREEZING**
(reinforcing and supporting the new ways)
- Reframe comfort zone

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Module 5.2
## Methods for Reducing Resistance to Change

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

<table>
<thead>
<tr>
<th>Approach</th>
<th>Commonly Used</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education &amp; Communication</td>
<td>Where there is a lack of information or inaccurate information &amp; analysis</td>
<td>Once persuaded, people will often help with the implementation of the change</td>
<td>Can be very time consuming if lots of people are involved</td>
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<tr>
<td>Participation &amp; Involvement</td>
<td>Where the initiators do not have all the information they need, and where others have considerable power</td>
<td>People who participate will be committed to implementing change, and any relevant information they have will be integrated into the plan</td>
<td>Can be very time consuming if participators design an inappropriate change</td>
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<td>Facilitation &amp; Support</td>
<td>Where people are resisting because of adjustment problems</td>
<td>No other approach works as well with adjustment problems</td>
<td>Can be time consuming and expensive, and still fail</td>
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<td>Negotiation &amp; Agreement</td>
<td>Where someone or some group will clearly lose out in a change, and where that group has considerable power to resist</td>
<td>Sometimes it is a relatively easy way to avoid major resistance</td>
<td>Can be too expensive in many cases if it alerts other to negotiate for compliance</td>
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<tr>
<td>Manipulation &amp; Cooptation</td>
<td>Where other tactics will not work, or are too expensive, particularly when the resisting group is powerful</td>
<td>It can be a relatively quick and inexpensive solution to resistance problems</td>
<td>Can lead to future problems if people feel manipulated</td>
</tr>
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<td>Explicit &amp; Implicit Coercion</td>
<td>Where speed is essential and the change initiators possess considerable power</td>
<td>It is speedy and can overcome any kind of resistance</td>
<td>Can be risky if it leaves people angry at the initiators</td>
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</tbody>
</table>
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.
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