

Organizational Change

Why Study Change?

- “adapt or perish”
 - Global competition
 - Social & demographic trends
 - Shifts in government policy
 - Geo-political events
 - New technologies
- Failure to adapt appropriately & timely implies organizational failure

“That this is an age of change is an expression heard frequently today. Never before in the history of mankind have so many and so frequent changes occurred.

These changes that we see taking place all about us are in that great cultural accumulation which is man’s social heritage. It has already been shown that these cultural changes were in earlier times rather infrequent, but that in modern times they have been occurring faster and faster until today mankind is almost bewildered in his effort to keep adjusted to these ever increasing social changes.

This rapidity of social change may be due to the increase in inventions, which in turn is made possible by the accumulative nature of material culture [i.e., technology].”

Triggers of Change

- “disorganizing pressure”
 - Outside or inside the organization
 - Indicating that current practices are no longer effective
- External
 - Technology developments
 - Changes in customer’s tastes
 - Activities of competitors
 - New legislation
 - Changes in economic conditions...
 - Changes in social & cultural values
- Internal
 - Low performance & morale
 - New senior manager/top management team
 - Inadequate skills
 - Office & factory relocation
 - Recognition of problems...

Challenges in Studying Change

- Problematic to establish cause & effect
- Different, interrelated, levels of analysis
- Process!
- Many stakeholders affected, problems of common criteria

Depth of Change

Shallow	Fine tuning
↓	Restructure
↓	Reallocate resources
↓	Improve business planning
↓	Change leadership
↓	Change organization's def. of success
Deep	Change the mission, vision, values, philosophy
Deepest	Paradigm shift

Change and the Individual

Is the following true or false?

“People have a natural resistance to change”

“People get bored with routine and seek out new experiences”

“Older people are more resistant to change”

- Limit to the amount of change individual can handle
 - Future shock
- Dealing with change:
 - Coping cycle

The Coping Cycle

(Carnall 1990)

- Denial
- Defence
- Discarding
- Adaptation
- Internalization

Denial

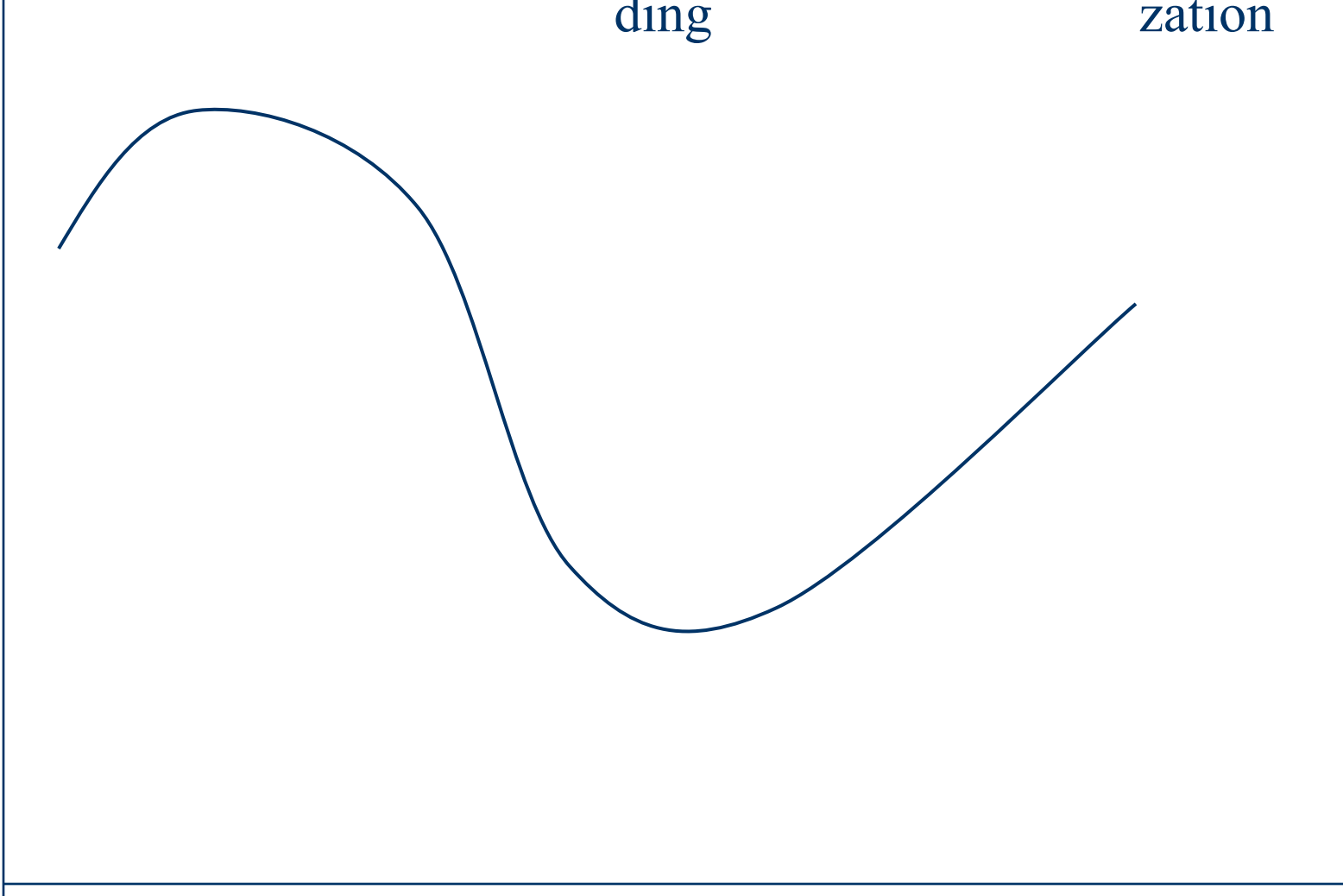
Defence

Discar-
ding

Adaptation

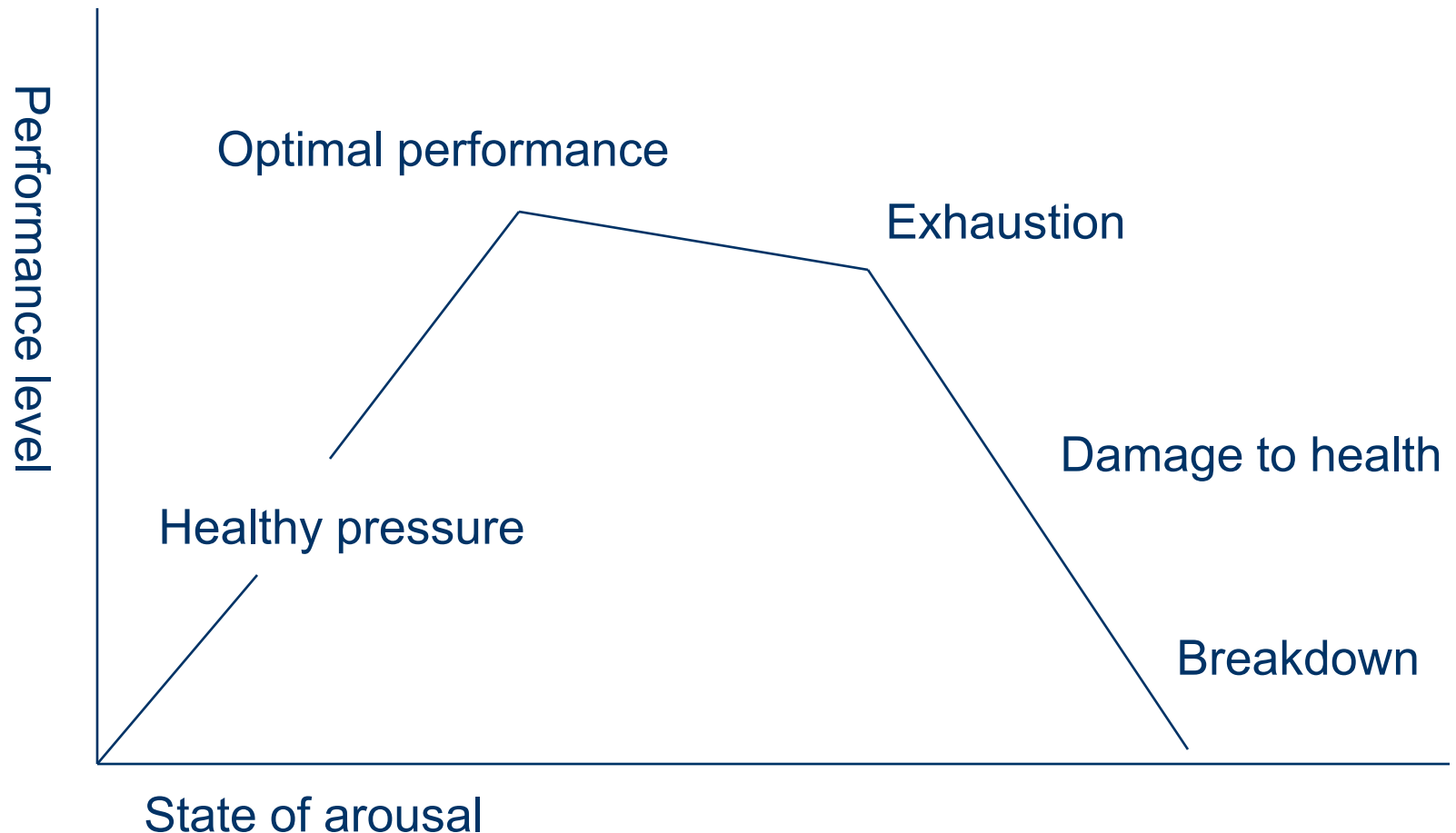
Internal-
ization

Perf.



Time

How Much Pressure Can We Take? The Yerkes-Dodson Law



How Much Pressure Can We Take Cont.

- Restrictions
 - Optimal point depends on individual!
 - Appropriate levels of stimulation depend on difficulty of task!
- Can organizational change push pressure beyond the optimal point?
 - If change initiatives are frequent!

Measuring Level of Pressure

- Ask directly
- 'proxy' - measures:
 - Unexplained absences
 - High rates of sickness
 - Labour turnover
 - Customer complaints
 - Employee grievances
 - Accidents & mistakes
 - Physical appearance of employees
 - Interpersonal relationships

Resistance to Change

- Positive & negative aspects of change
 - Experiment & creation of something new
 - Discontinuity & destruction of familiar structures & relationships
- Def. Resistance:
“Inability or unwillingness to discuss or accept organizational changes that are perceived in some way damaging or threatening to the individual”. (H & B)

Causes of Resistance to Change

(Bedeian)

- Parochial self interest
 - Protection of pleasant status quo
 - Change can mean loss of power...
- Misunderstanding & lack of trust
 - Resistance more likely when reason not understood
 - Way in which change is introduced is resisted
- Contradictory assessments
 - Personal values determine which changes are welcomed & which fail
 - Resistance can lead to more effective forms of change!
- Low tolerance for change
 - Personal level of tolerance for ambiguity & uncertainty

Organizational Resistance to Change

- Organizations are by their nature conservative & actively resist change
- Sources
 - Structural inertia
 - Group inertia
 - Threat to expertise
 - Threat to established power relationships
 - Threat to established resource allocations

Preconditions for Successful Change

- Pressure for this change
- Clear & shared vision of the goal & direction
- Effective liaison & trust between those concerned
- Will & power to act
- Enough capable people with sufficient resources
- Suitable rewards & defined accountability
- Identified actionable first steps
- Capacity to learn & adapt of the organization

Management of Resistance to Change

- Stakeholder analysis
 - Not everybody responds in the same way to change proposals
 - Anticipating responses useful
 - Understand stakeholders concerned!
 - Partners, allies, fellow travellers, fencesitters
 - Loose cannons, opponents, adversaries, bedfellows
 - Voiceless
- Process
 - Draw list of stakeholders affected
 - Establish what each will gain/lose
 - Use potential benefits to strengthen support
 - Find ways to address concerns of those who lose

Management Techniques

- Kotter & Schlesing (1979): Six methods
 - Education and commitment
 - Participation and involvement
 - Facilitation and support
 - Negotiation and agreement
 - Manipulation and cooptation
 - Implicit and explicit coercion
- Can be used in combination

Contingency-approach to Change Implementation

	Incremental change strategies	Transformative change strategies
	<i>Participative evolution</i>	<i>Charismatic transformation</i>
Collaborative-consultative modes	When organization needs minor adjustment, where time is available, key interest groups favour change	When organization needs major adjustments, little time for participation, support for radical change
	<i>Forced evolution</i>	<i>Dictatorial transformation</i>
Directive-coercive modes	When minor adjustments required, time available, but key interest groups oppose change	Major adjustments, no time for participation, no internal support, but necessary for survival

The Change Agent

- Definition: “...can be any member of an organization, seeking to promote, further, support, sponsor, initiate, implement or deliver change...” (H & B)
- Essential skills (Moss-Kanter, 1989)
 - Ability for independent working
 - Effective collaborator
 - Ability to develop high-trust relationships
 - Respect for process & content of change...
- What can they change?
 - Structure
 - Technology
 - Physical setting
 - People

Literature

- H & B chapter 18
- Robbins chapter 18