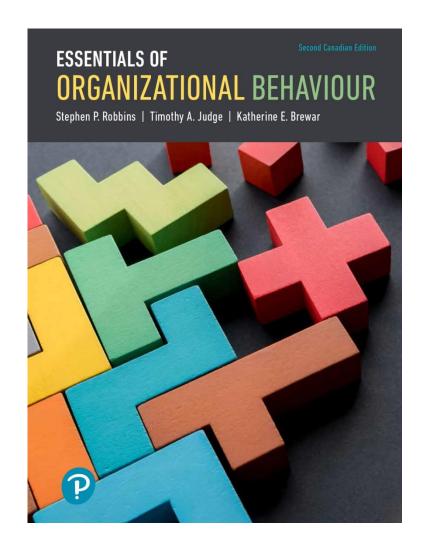
Essentials of Organizational Behaviour Second Canadian Edition



Chapter 17

Organizational Change and Stress Management



Learning Objectives

After studying this chapter, you should be able to:

17.1 Identify forces that act as stimulants to change.

17.2 Describe the sources of resistance to change.

17.3 Compare the three main approaches to managing organizational change.

17.4 Explain how to create a culture for change.

17.5 Identify the potential sources and consequences of stress.

17.6 Describe techniques for managing stress and assess the suitability of those techniques based on relevant situational factors.



Nature of the workforce

Technology

Economic shocks

Competition

Social trends

World politics

Forces for Change



Resistance to Change

People tend to resist change, even in the face of evidence of its benefits.

Not all change is good.



Sources of Resistance

Individual

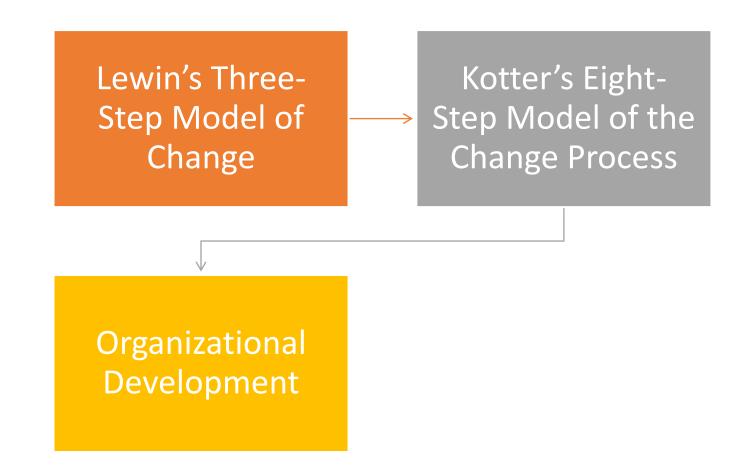
- Habit
- Security
- Economic factors
- Fear of the unknown
- Selective information processing

Organizational

- Structural inertia
- Limited focus of change
- Group inertia
- Threat to expertise
- Threat to established power relationships and resource allocations



Approaches to Managing Organizational Change





Lewin's Three-Step Model



EXHIBIT 17-2 Lewin's Three-Step Change Model



Unfreezing the Status Quo

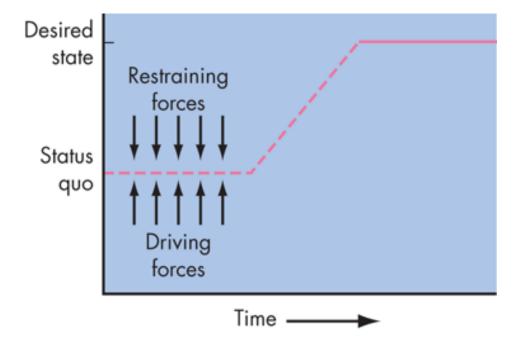
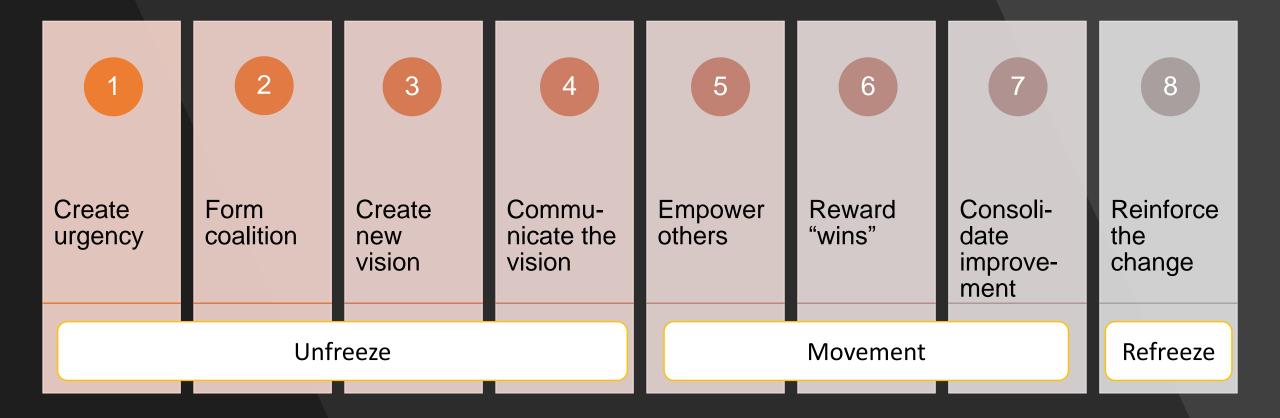


Exhibit 17-3 Unfreezing the Status Quo



Kotter's Eight-Step Plan





Change methods that try to improve organizational effectiveness and employee well-being

Based on humanistic-democratic values

- Respect for people
- Trust and support
- Power equalization
- Confrontation
- Participation

Organizational Development



OD Interventions

- Survey Feedback
 Gather data and acting on it
- 2. Process Consultation
 Use outside consultants
- 3. Team Building
 Increase trust and openness
- 4. Intergroup Development
 Change attitudes, stereotypes, and perceptions
- **5. Appreciative Inquiry**Discover what the organization does right

Stimulating a Culture of Innovation

Innovation: A new idea applied to initiating or improving a product, process, or service Sources of innovation include:

- Structure
- Culture
- Human resources



Managers who actively and enthusiastically promote an idea, build support, overcome resistance, and ensure that innovation is implemented

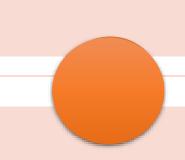
- High self-confidence, persistence, energy, and acceptance of risk
- Use inspiration and vision to gain commitment
- Have decision-making discretion



Dynamic condition in which an individual is confronted with an opportunity, demand, or resource related to what is desired and for which the outcome is perceived to be both uncertain and important

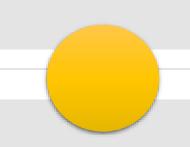


Types of Work Stress



Associated with workload, pressure to complete tasks, and time urgency

Challenge Stress



Comes from obstacles to achieving goals

Hindrance Stress



Usually stress is associated with demands and resources

Demands & Resources



Consequences of Stress

PHYSIOLOGICAL SYMPTOMS

PSYCHOLOGICAL SYMPTOMS

BEHAVIOURAL SYMPTOMS





Managing Stress

Individual

- Time management
- Physical activity
- Relaxation techniques
- Social support network

Organizational

- Employee selection
- Training
- Goal-setting programs
- Job redesign
- Organizational communication
- Wellness programs

Implications for Managers

You are a change agent for your organization.

Your management practice determines the degree the organization learns and adapts to changing environmental factors.

Some stress is good.

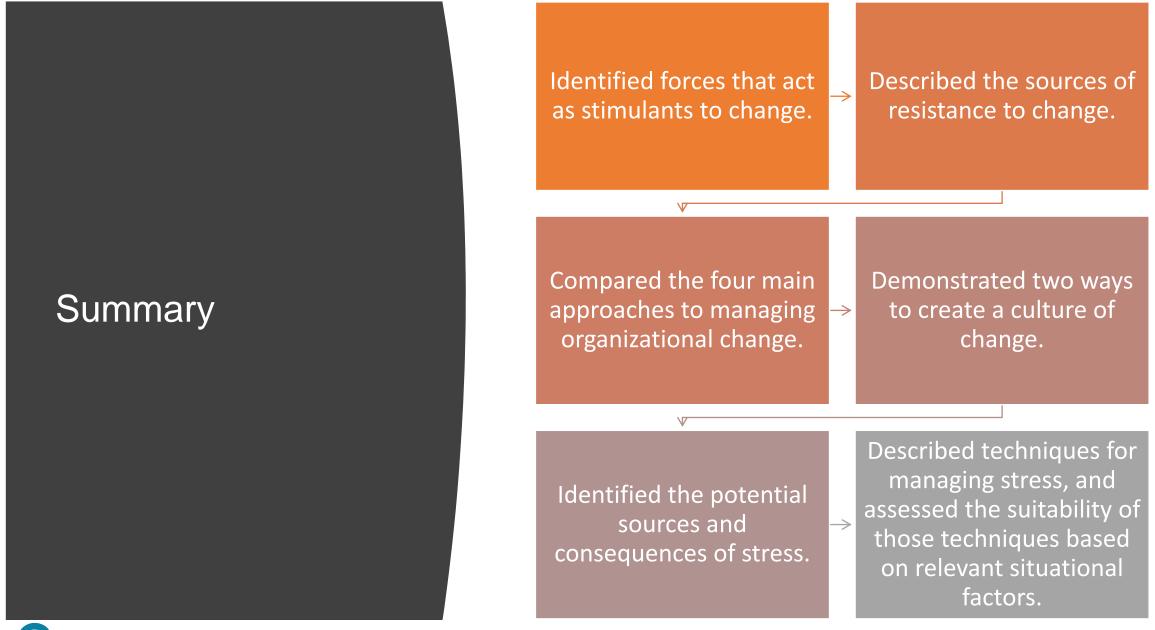
Alleviate harmful workplace stress by matching workloads to employees, providing employees with stress-coping resources, and responding to their concerns.

Identify extreme stress when performance declines, turnover increases, health-related absenteeism increases, and engagement declines.



Keep in Mind...

- Organizations and their members tend to resist change
- It is unlikely that any one approach to managing change is best in every situation
- Change is often stressful, but not all stress is harmful



Mini Case: Stressed in Software

Discussion Questions

- 1. What contributes to Kaitlyn's stress? Of those contributing factors, which can she control and which does her employer control?
- 2. If she stays with this company, what might Kaitlyn do herself to better manage stress? What could her employer do?
- 3. What do you think would happen if Kaitlyn continued on her current course, unchanged? Explain your answer.
- 4. If you were Kaitlyn, what would you do next and why?

Mini Case: Make Way for Innovation

Discussion Questions

- 1. Does Michael's strategy represent best practices in fostering innovation? Why or why not?
- 2. Propose an alternative structure and incentive system that might help foster innovation at this company. What form would it take? Be as specific as possible.
- 3. If Michael were to change his tactics, how should he introduce that change with his team to maximize buy-in and acceptance? Explain your answer.