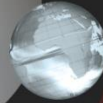


GLOBAL
EDITION



Management

THIRTEENTH EDITION

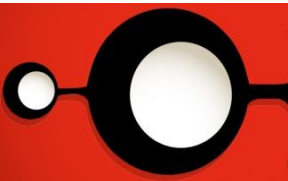
Stephen P. Robbins • Mary Coulter

MANAGING CHANGE AND INNOVATION

7

LEARNING OBJECTIVES

1. **Compare** and contrast views on the change process.
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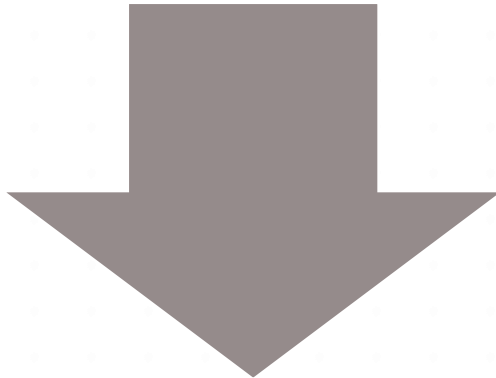


TWO VIEWS OF THE CHANGE PROCESS



The Calm Waters Metaphor

- Lewin's description of the change process as a break in the organization's equilibrium state.
- **Unfreezing** the status quo
- **Changing** to a new state
- **Refreezing** to make the change permanent



White-Water Rapids Metaphor

- The lack of environmental stability and predictability requires that managers and organizations continually adapt (manage change actively) to survive.

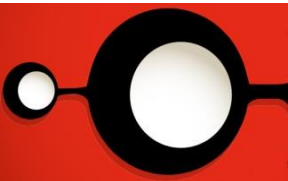


EXHIBIT 7-1

EXTERNAL AND INTERNAL FORCES FOR CHANGE

External

- Changing consumer needs and wants
- New governmental laws
- Changing technology
- Economic changes

Internal

- New organizational strategy
- Change in composition of workforce
- New equipment
- Changing employee attitudes

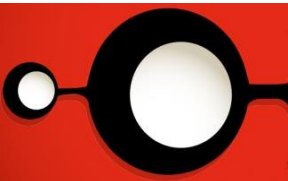
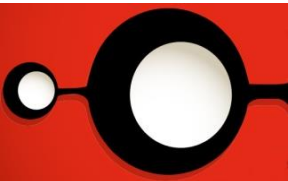
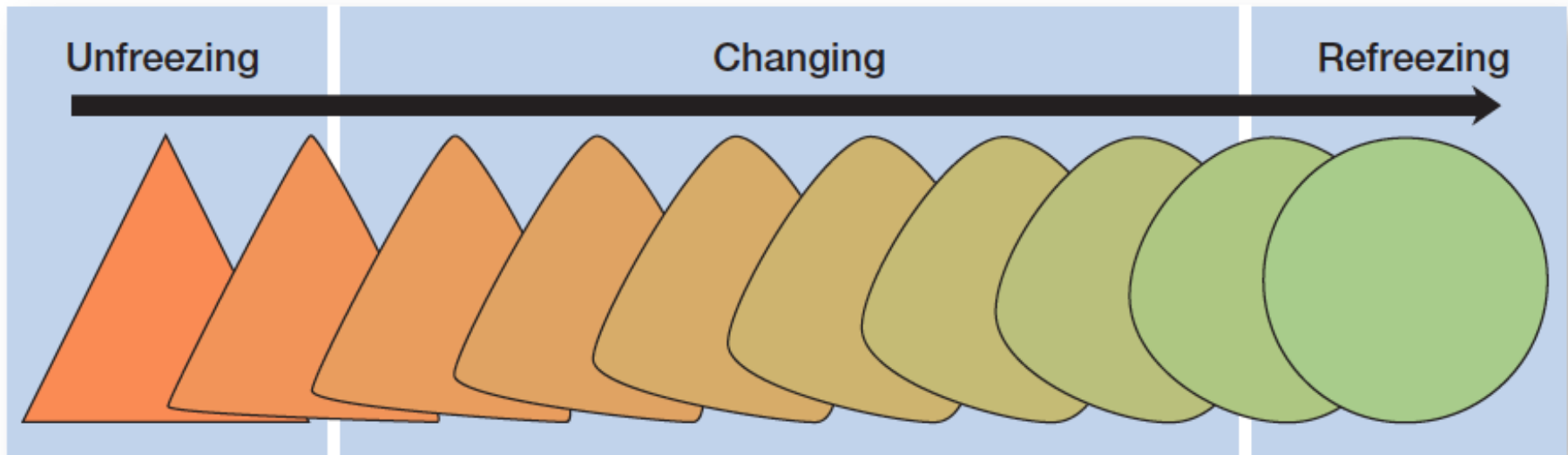


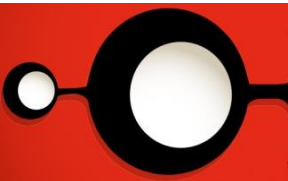
EXHIBIT 7-2

THE THREE-STEP CHANGE PROCESS



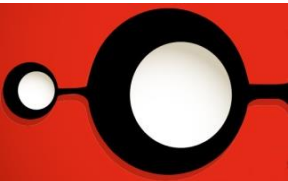
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WHAT IS ORGANIZATIONAL CHANGE?

- ▶ **Organizational Change** – any alterations in the people, structure, or technology of an organization.
- **Change Agents** – persons who act as catalysts and assume the responsibility for managing the change process.



TYPES OF CHANGE

- **Structure**

- Changing an organization's structural components or its structural design

- **Technology**

- Adopting new equipment, tools, or operating methods that displace old skills and require new ones
 - Automation – replacing certain tasks done by people with machines
 - Computerization

- **People**

- Changing attitudes, expectations, perceptions, and behaviors of the workforce

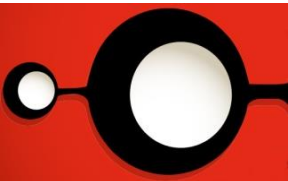
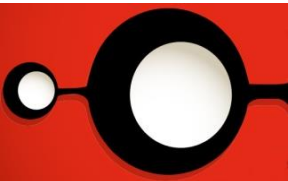
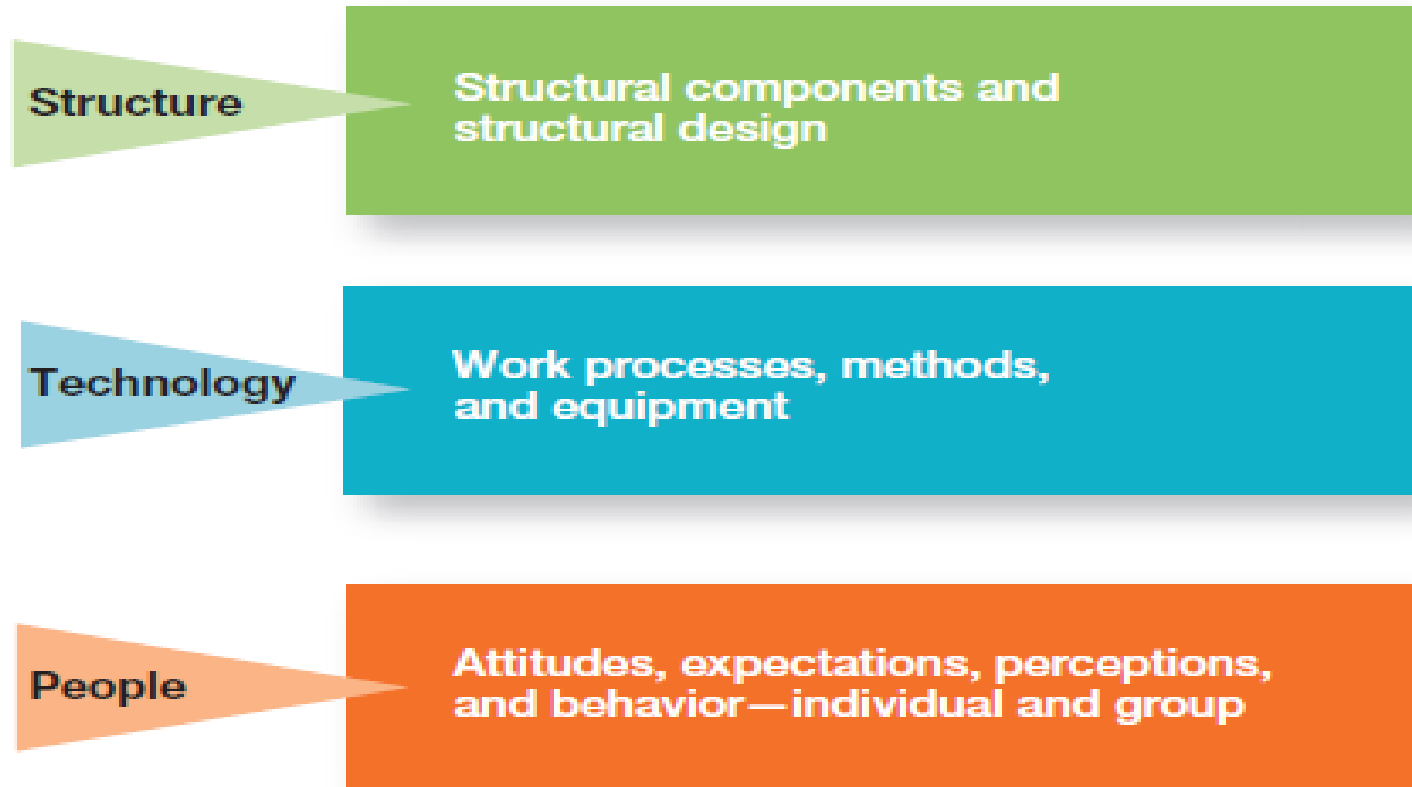


EXHIBIT 7-3

THREE TYPES OF CHANGE



CHANGING PEOPLE

- **Organizational Development (OD)** – techniques or programs to change people and the nature and quality of interpersonal work relationships.
- **Global OD** – OD techniques that work for U.S. organizations may be inappropriate in other countries and cultures.

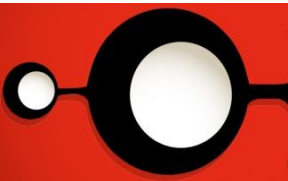
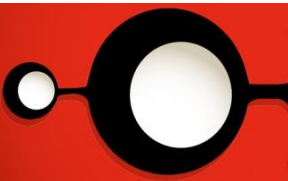
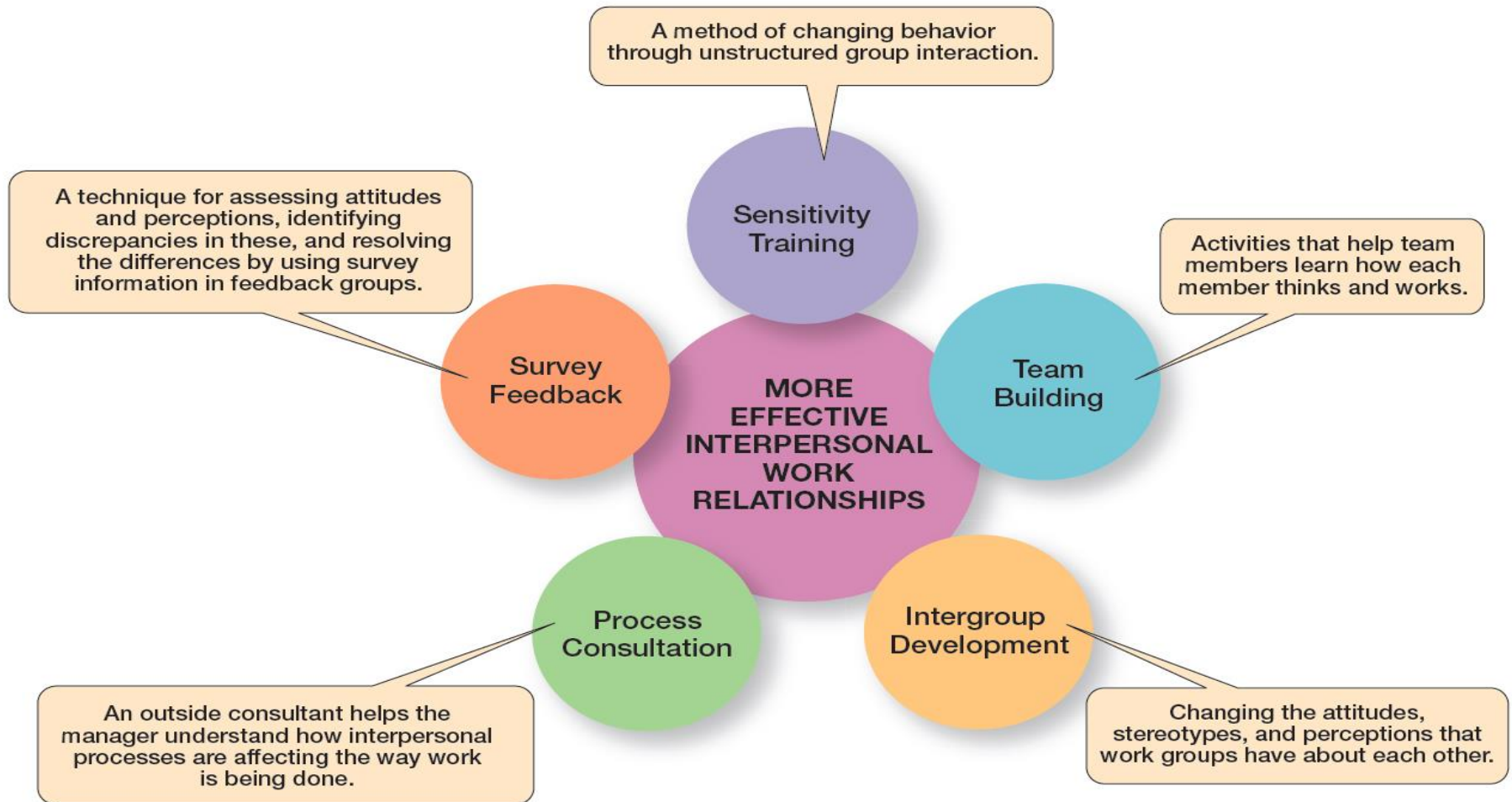


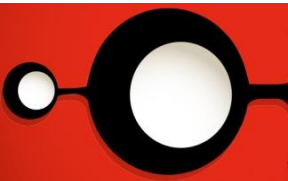
EXHIBIT 7-4

POPULAR OD TECHNIQUES

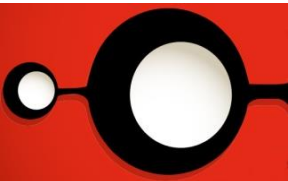
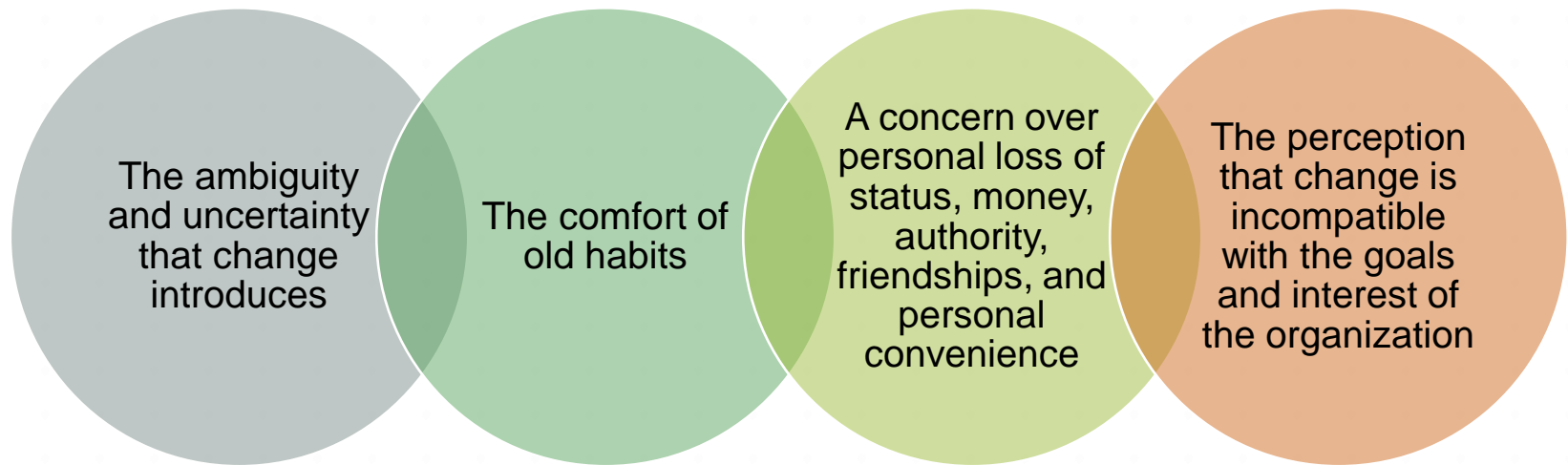


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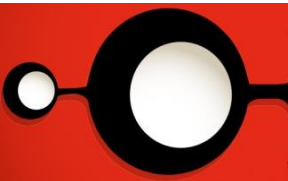


WHY DO PEOPLE RESIST CHANGE?



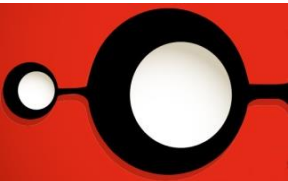
TECHNIQUES FOR REDUCING RESISTANCE TO CHANGE

Technique	When Used	Advantage	Disadvantage
Education and communication	When resistance is due to misinformation	Clear up misunderstandings	May not work when mutual trust and credibility are lacking
Participation	When resisters have the expertise to make a contribution	Increase involvement and acceptance	Time-consuming; has potential for a poor solution
Facilitation and support	When resisters are fearful and anxiety ridden	Can facilitate needed adjustments	Expensive; no guarantee of success
Negotiation	When resistance comes from a powerful group	Can “buy” commitment	Potentially high cost; opens doors for others to apply pressure too
Manipulation and co-optation	When a powerful group’s endorsement is needed	Inexpensive, easy way to gain support	Can backfire, causing change agent to lose credibility
Coercion	When a powerful group’s endorsement is needed	Inexpensive, easy way to gain support	May be illegal; may undermine change agent’s credibility



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CHANGING ORGANIZATIONAL CULTURE

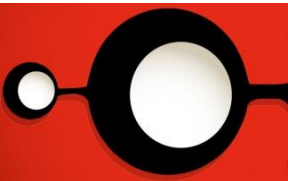
- Cultures are naturally resistant to change.
- Conditions that facilitate cultural change:

The occurrence of a dramatic crisis

Leadership changing hands

A young, flexible, and small organization

A weak organizational culture



UNDERSTANDING THE SITUATIONAL FACTORS

- **Dramatic Crisis** – an unexpected financial setback, the loss of a major customer, or a dramatic technological innovation by a competitor.
- **Leadership changes hands** – new top leadership can provide an alternative set of key values.
- The organization is **young** and **small**.
- Culture is **weak**.

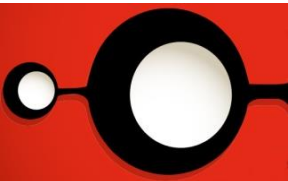
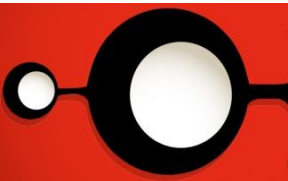


EXHIBIT 7-6

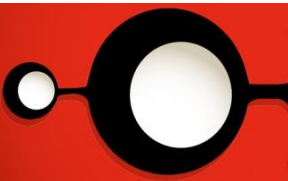
CHANGING CULTURE

- ***Set the tone through management behavior***; top managers, particularly, need to be positive role models.
- Create ***new stories, symbols, and rituals*** to replace those currently in use.
- Select, promote, and support employees who ***adopt*** the new values.
- ***Redesign socialization processes*** to align with the new values.
- To encourage acceptance of the new values, ***change the reward system***.
- Replace unwritten norms with ***clearly specified expectations***.
- ***Shake up current subcultures*** through job transfers, job rotation, and/or terminations.
- Work to get consensus through ***employee participation*** and creating a ***climate with a high level of trust***.



EMPLOYEE STRESS

- **Stress** – the adverse reaction people have to excessive pressure placed on them from extraordinary demands, constraints, or opportunities.
 - **Stressors** – factors that cause stress.



WHAT CAUSES STRESS?

Organizational Stressor

Task Demands

- factors related to an employee's job such as working conditions and physical work layout

Role Demands

- **Role Conflicts** – work expectations that are hard to satisfy.
- **Role Overload** – having more work to accomplish than time permits.
- **Role Ambiguity** – when role expectations are not clearly understood.

Interpersonal Demands

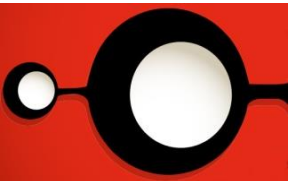
- pressures created by other employees.

Organization Structure

- excessive rules and an employee's lack of opportunity to participate in decisions

Organizational Leadership

- the supervisory style of the organization's managers.



PERSONAL FACTORS THAT CAN CREATE STRESS

Family Issues

Personal Economic Problems

Inherent Personality Characteristics

- **Type A Personality** – people who have a chronic sense of urgency and an excessive competitive drive.
- **Type B personality** – people who are relaxed and easygoing and accept change easily.

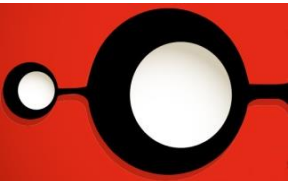
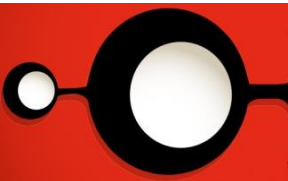
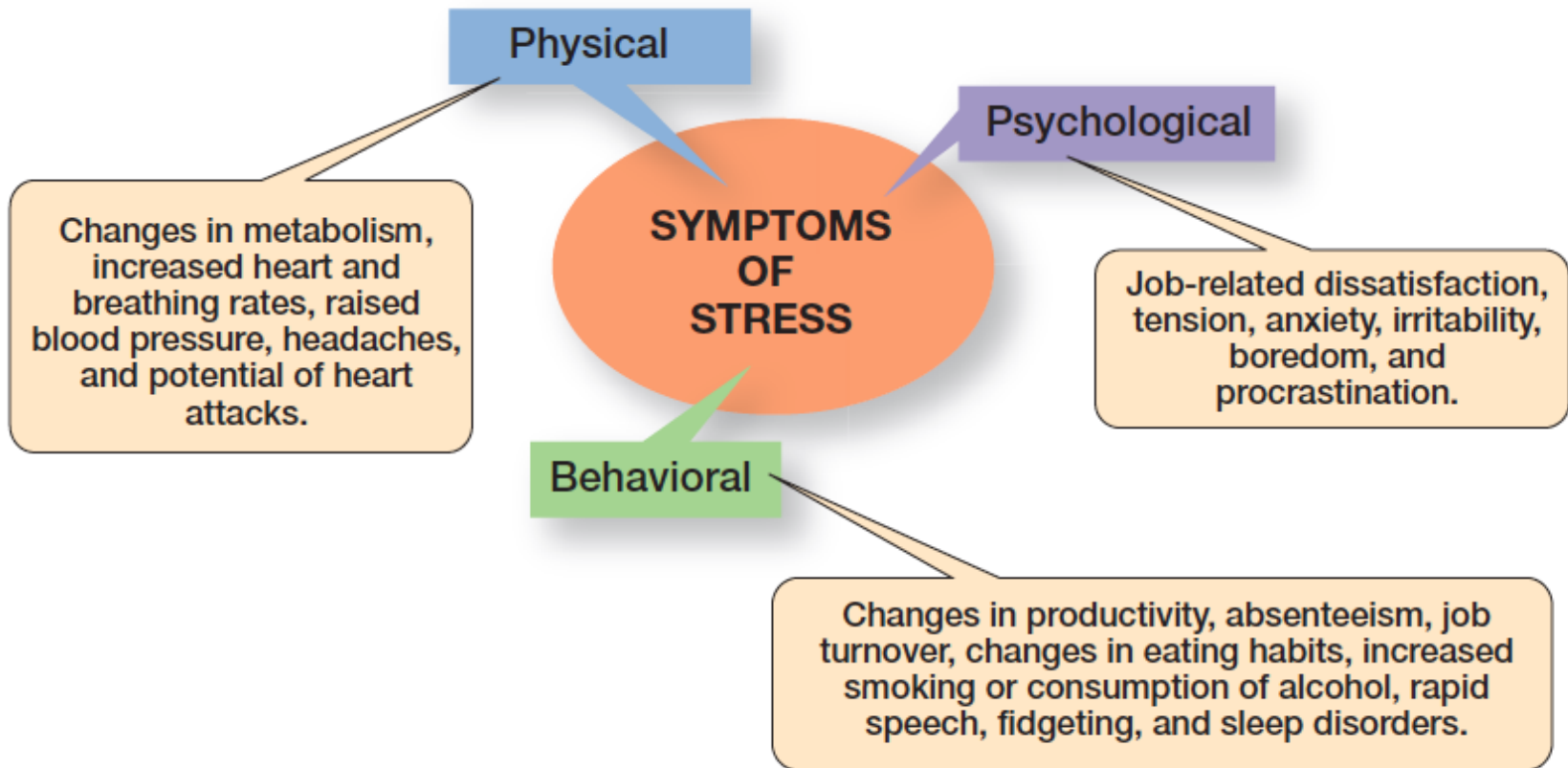


EXHIBIT 7-7

SYMPTOMS OF STRESS



HOW CAN STRESS BE REDUCED?

- Job-related factors begin with **employee selection**.
 - A realistic job preview during the selection process can minimize stress by reducing ambiguity over job expectations.
 - Performance planning program such as MBO (management by objectives) will clarify job responsibilities, provide clear performance goals, and reduce ambiguity.

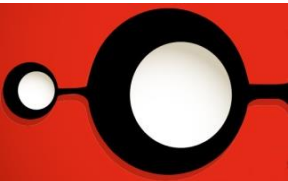
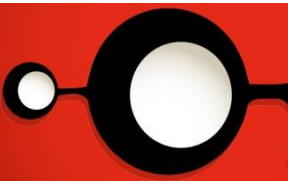


EXHIBIT 7-8

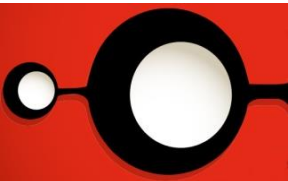
CHANGE-CAPABLE ORGANIZATIONS

- **Link the present and the future.** Think of work as more than an extension of the past; think about future opportunities and issues and factor them into today's decisions.
- **Make learning a way of life.** Change-friendly organizations excel at knowledge sharing and management.
- **Actively support and encourage day-to-day improvements and changes.** Successful change can come from the small changes as well as the big ones.
- **Ensure diverse teams.** Diversity ensures that things won't be done like they've always been done.
- **Encourage mavericks.** Because their ideas and approaches are outside the mainstream, mavericks can help bring about radical change.
- **Shelter breakthroughs.** Change-friendly organizations have found ways to protect those breakthrough ideas.
- **Integrate technology.** Use technology to implement changes.
- **Build and deepen trust.** People are more likely to support changes when the organization's culture is trusting and managers have credibility and integrity.
- **Couple permanence with perpetual change.** Because change is the only constant, companies need to figure out how to protect their core strengths during times of change.
- **Support an entrepreneurial mindset.** Many younger employees bring a more entrepreneurial mindset to organizations and can serve as catalysts for radical change.



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STIMULATING INNOVATION

- **Creativity** – the ability to combine ideas in a unique way or to make an unusual association.
- **Innovation** – turning the outcomes of the creative process into useful products, services, or work methods.

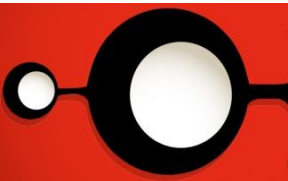
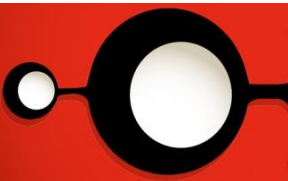
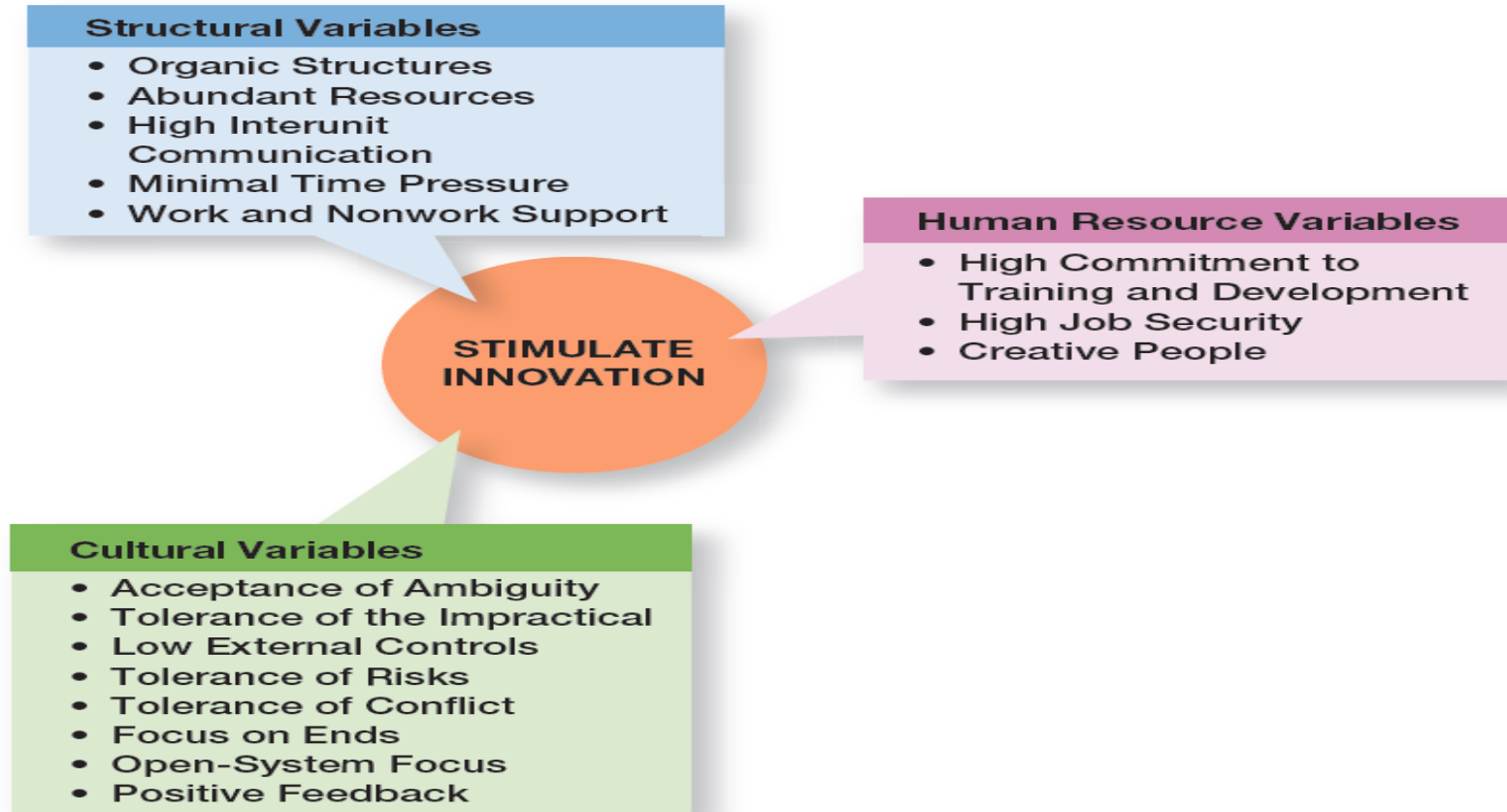


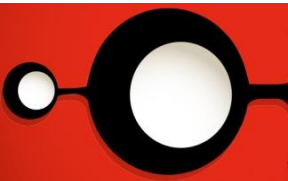
EXHIBIT 7-9

INNOVATION VARIABLES



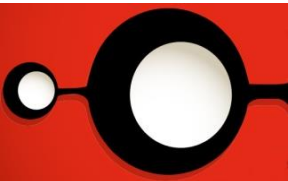
STRUCTURAL VARIABLES

- An organic-type structure positively influences innovation.
- The **availability of plentiful resources provides** a key building block for innovation.
- **Frequent communication** between organizational units helps break down barriers.



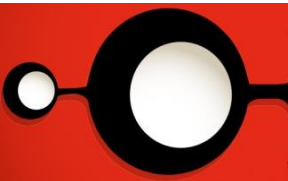
STRUCTURAL VARIABLES (CONT.)

- Innovative organizations try to minimize extreme time pressures on creative activities.
- Studies show that an employee's creative performance was enhanced when an **organization's structure explicitly supported creativity.**



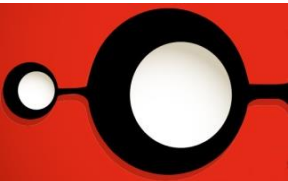
CULTURAL VARIABLES

- **Accept ambiguity** – too much emphasis on objectivity and specificity constrains creativity.
- **Tolerate the impractical** – what at first seems impractical might lead to innovative solutions.
- **Keep external controls minimal** – rules, regulations, policies, and similar organizational controls are kept to a minimum.



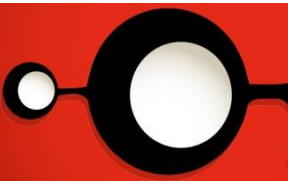
CULTURAL VARIABLES (CONT.)

- **Tolerate risk** – employees are encouraged to experiment without fear of consequences should they fail.
- **Tolerate conflict** – diversity of opinions is encouraged.
- **Focus on ends rather than means** – individuals are encouraged to consider alternative routes toward meeting the goals.



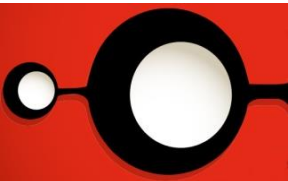
CULTURAL VARIABLES (CONT.)

- ***Use an open-system focus*** – managers closely monitor the environment and respond to changes as they occur.
- ***Provide positive feedback*** – managers provide positive feedback, encouragement, and support.
- ***Exhibit empowering leadership*** – leaders let organizational members know that the work they do is significant.



HUMAN RESOURCE VARIABLES

- **Idea champion** – individuals who actively and enthusiastically support new ideas, build support, overcome resistance, and ensure that innovations are implemented.



INNOVATION AND DESIGN THINKING

- A strong connection exists between **design thinking and innovation**.
- With a design thinking mentality, the emphasis is on getting a deeper understanding of what customers need and want.

