Presentation Slides
to Accompany

Organizational

Behavior 10th Edition

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Chapter 16—Guiding Organizational Change

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Slide 16.1
Learning Objectives for Guiding
Organizational Change

- ❖ **Identify pressures for change, two types of change programs, and how to perform an organizational diagnosis**
- ❖ **Diagnose reasons for individual and organizational resistance to change and methods for overcoming it**
- ❖ **Discuss methods for promoting change**
- ❖ **Describe ethical issues posed by organizational change**

Slide 16.2
Pressures for Change

- ❖ The globalization of markets

- ❖ The spread of information technology and computer networks

- ❖ Changes in the nature of the workforce employed by organizations

Slide 16.3
Sources of Globalization Pressures

❖ Economic recoveries of Germany and Japan after their defeat in World War II

❖ Emergence of "newly industrialized" countries

❖ Dramatic shift from planned economies to market economies that has occurred to a greater or lesser extent in former communist block countries

❖ Emergence of new "power blocks" of international traders

Slide 16.4
Positive and Negative effects of Information Technology

❖ Positive effects
  ❖ Changing almost everything about a company
  ❖ Increasing the value of invisible assets
  ❖ Democratizing a company
  ❖ Increasing the flexibility of work
  ❖ Allowing companies to unify their global operations and to work a 24-hour day throughout the world

❖ Negative effects
  ❖ Increased vulnerability to sabotage, espionage, and vandalism
  ❖ Creation of new social divisions based on differences in computer literacy

Slide 16.5
Primary Changes in the Workforce

❖ **Increasing diversity in terms of gender and ethnicity**

❖ **Dual-career families are becoming the norm**

❖ **Continued growth in the contingent workforce**

❖ **Workforce is becoming better educated**

❖ **Workforce is becoming less unionized**

❖ **Changing values and expectations of the workforce**

Slide 16.6
Approaches to Change

MEANS	ECONOMIC	ORGANIZATIONAL DEVELOPMENT
Purpose	Profit	Develop employees' competencies
Leadership	Top-down	Participative
Focus	Structure and strategy	Culture
Motivation	Incentives lead performance	Incentives lag performance

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Slide 16.7
Initiatives Contributing to
Effective Change Management

- Motivating Change
- Creating a Vision
- Developing Political Support → Effective Change Management
- Managing the Transition
- Sustaining Momentum
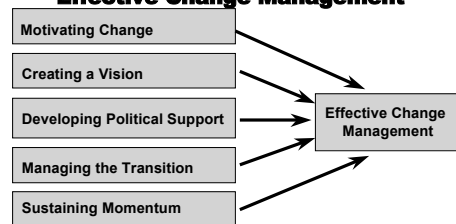
Source: Adapted with permission from Cummings, J. G., and Worley, C. G. *Organization Development and Change*, 7th ed. Cincinnati: South-Western, 2001, 155.
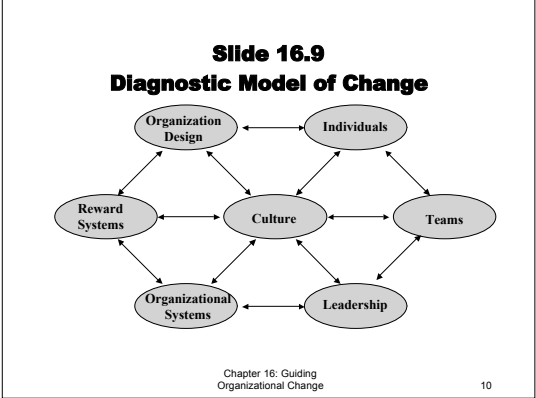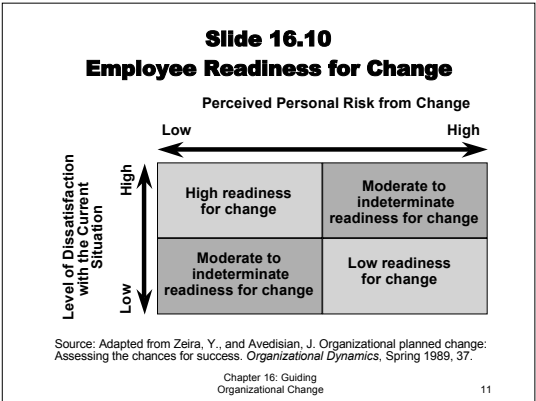

Slide 16.8
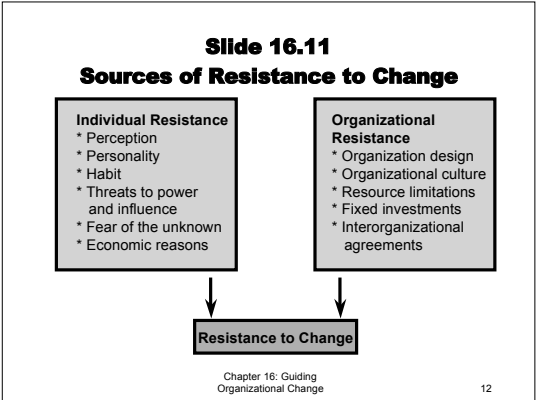**Essential Conditions for Carrying Out**
Effective Change Programs

- ❖ The organization's members must be the key source of energy for change
- ❖ Key members of the organization must recognize the need for change and be attracted by the potentially positive outcomes of the change program
- ❖ A willingness to change norms and procedures must exist

Slide 16.9
Diagnostic Model of Change

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  Organization                Individuals
    Design
                  Culture
   Reward                                Teams
   Systems

 Organizational             Leadership
   Systems
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Slide 16.10
Employee Readiness for Change

Perceived Personal Risk from Change

Low   High

	Low → High (Perceived Personal Risk)
High Level of Dissatisfaction with the Current Situation	High readiness for change	Moderate to indeterminate readiness for change
Low	Moderate to indeterminate readiness for change	Low readiness for change

Source: Adapted from Zeira, Y., and Avedisian, J. Organizational planned change:
Assessing the chances for success. *Organizational Dynamics*, Spring 1989, 37.

Slide 16.11
Sources of Resistance to Change

Individual Resistance
* Perception
* Personality
* Habit
* Threats to power
  and influence
* Fear of the unknown
* Economic reasons

Organizational Resistance
* Organization design
* Organizational culture
* Resource limitations
* Fixed investments
* Interorganizational
  agreements

Resistance to Change

Slide 16.12
Force Field Analysis

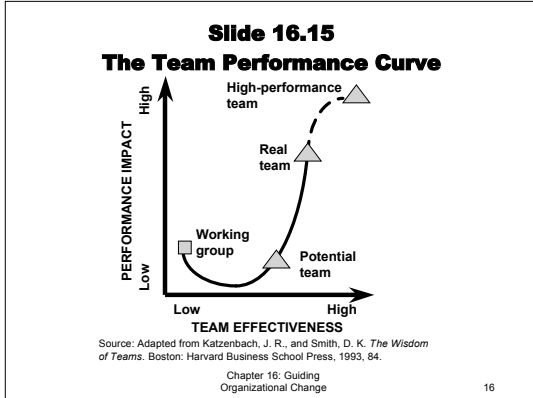| Driving forces		Resisting forces
High performance goals →	←	Group norms for output
New equipment →	←	Familiarity with present equipment
Competition →	←	Complacency
Employees with new skills →	←	Need to learn new skills
Desire for increased influence and rewards →	←	Fear of reduced influence and rewards

Current level of group performance ┈┈┈▶ Desired level of group performance

Source: Adapted from Zand, D. E. Force field analysis. In N. Nicholson (ed.), *Blackwell Encyclopedic Dictionary of Organizational Behavior*. Oxford, England: Blackwell, 1995, 181.

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Organizational Change   13

Slide 16.13
Lewin's Three-Step Change Process

❖ *Unfreezing*
  ❖ Usually involves reducing those forces maintaining the organization's behavior at its present level

❖ *Moving*
  ❖ Shifts the organization's behaviors to a new level

❖ *Refreezing*
  ❖ Stabilizes the organization at a new state of equilibrium

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Slide 16.14
Components of Successful Methods for Overcoming Resistance to Change

❖ *Empathy and support*
  ❖ To aid in understanding how employees are experiencing change

❖ *Communication*
  ❖ To reduce gossip and unfounded fears, thereby reducing uncertainty about the potential consequences of change

❖ *Participation and involvement*
  ❖ To increase employee ownership of and commitment to the change

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Slide 16.15
The Team Performance Curve

Source: Adapted from Katzenbach, J. R., and Smith, D. K. *The Wisdom of Teams*. Boston: Harvard Business School Press, 1993, 84.

Slide 16.16
Team Building Activities

- ❖ Contributing information concerning their perceptions of issues, problems, and working relationships
- ❖ Analyzing the information and diagnosing work-related problems
- ❖ Planning specific actions and assigning individuals to implement them
- ❖ Evaluating their plans and progress in achieving those plans

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Slide 16.17
Issues Addressed by Successful Cultural Change

- ❖ Capitalize on dramatic opportunities
- ❖ Combine caution with optimism
- ❖ Understand resistance to cultural change
- ❖ Change many elements but maintain some continuity
- ❖ Recognize the importance of implementation
- ❖ Modify socialization tactics
- ❖ Find and cultivate innovative leadership

Slide 16.18
Ethical Issues in
Organizational Change

❖ **Selection of a change approach**

❖ **Selection of a change target**

❖ **Managerial responsibilities**

❖ **Manipulation**