# Human Relations in Organizations
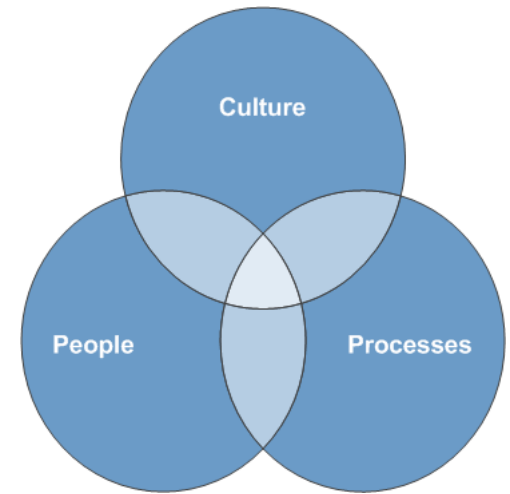
# Chapter Twelve

- Organizational Change and Culture

# Organizational Change and Culture

- Organizational change is an important management topic, because the ability to change is crucial to success in achieving a competitive advantage
  - Change is an ongoing and never-ending process of organizational life

# Types of Changes

- <u>Organizations are composed of four interactive variables – the four variables, or types of changes are</u>:

1. <u>Technological Change</u>
   - The machines and process used to get the task done

2. <u>Structural Change</u>
   - The way the firm is organized to meet its mission and objectives

3. <u>Task Change</u>
   - Behavior to complete the job to meet organizational objectives

4. <u>People Change</u>
   - Employees who complete the tasks

# People

- <u>It is people that create, manage, and use technology; therefore, people are the most important resource</u>
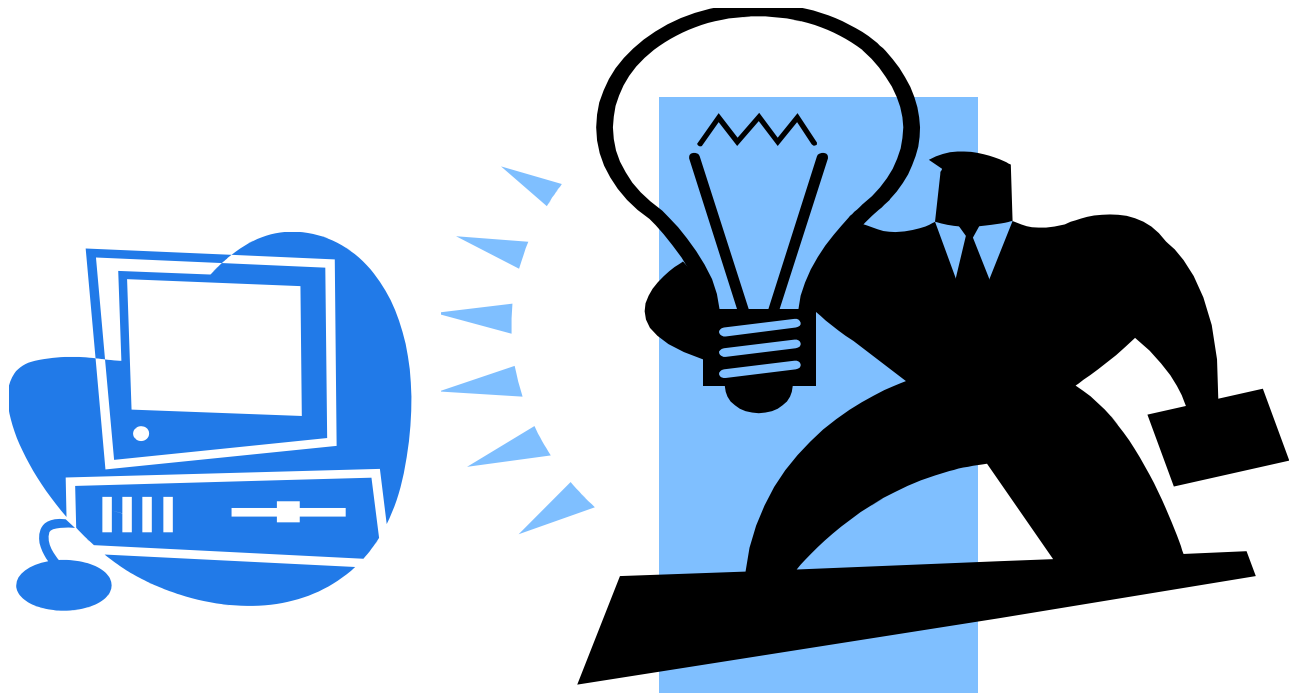
- <u>Most people go through four distinct stages in the change process</u>:

  1. <u>Denial</u>
     - When people first hear rumors through the grapevine that change is coming, they deny that it will happen at all, or to them

  2. <u>Resistance</u>
     - Once people get over the initial shock and realize that change is going to be a reality, they resist change

  3. <u>Exploration</u>
     - When the change begins to be implemented, employees explore the change

  4. <u>Commitment</u>
     - Through exploration, employees determine their level of commitment to making the change a success

# Resistance to Change

- <u>People resist change for a variety of reasons, some of which include</u>:

  - <u>Maintaining the Status Quo</u>
    - People like things the way they are now, view the change as an inconvenience, or don't agree that a change is needed

  - <u>Uncertainty</u>
    - People tend to fear the unknown and wonder how the change will affect them

  - <u>Learning Anxiety</u>
    - The prospect of learning something new itself produces anxiety

  - <u>Fear</u>
    - People often fear they may lose their jobs, that they will not be successful with learning new ways, or that they may lose control over how they do their jobs – their emotional fears can get in the way!

# Resistance to Change

- Before making changes, anticipate how people will react to or resist the change

- <u>Resistance to change involves the following variables, which together explain why people are reluctant to change</u>:
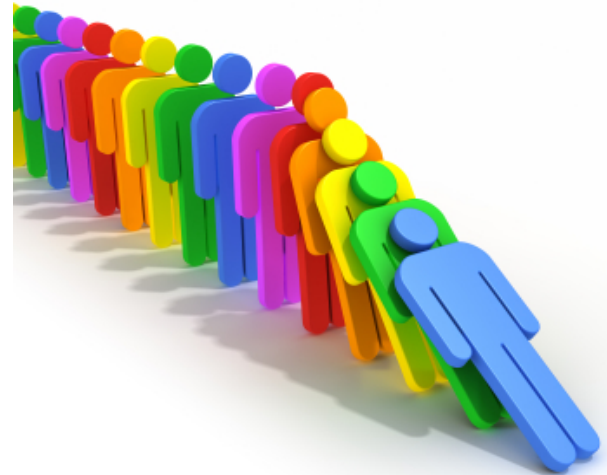
  - Intensity
  - Source
  - Focus

# Intensity

- As a manager of change, you should anticipate the intensity of resistance to change so that you can effectively overcome it

- <u>People often have four basic reactions to change</u>:

  - Acceptance
  - Tolerance
  - Resistance
  - Rejection
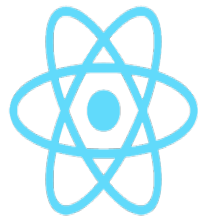
# Source

- People analyze the facts presented from all sources and determine if they believe the change is of value to them

  - When the facts are clear and logical and people believe the change is of value to them, they tend to have lower resistance to the change

- There are three main Sources of Resistance:

  1. Facts
     - Statements that identify reality

  2. Beliefs
     - Opinions that lead us to think and feel that a change is good or bad

  3. Values
     - We value what is important to us – worth pursuing or doing?

source

# Focus

- <u>There are three Focus of Resistance</u>:

  ○ <u>Self</u>
    - It is natural for people to want to know, "What's in it for me?"

  ○ <u>Others</u>
    - After considering what's in it for them, or when they are not affected by the change, people tend to consider how the change will affect their friends, peers (peer pressure), and colleagues

  ○ <u>Work Environment</u>
    - The work environment includes the job itself and the physical setting and climate

# Resistance

- **Understanding the reasons behind a person's resistance to change will help you anticipate and deal with those reasons**

  ○ Resistance may come from more than one source and focus



YOU CANNOT HOLD MY MIND

# Overcoming Resistance to Change

- <u>The eleven methods for overcoming resistance to change should be part of your plan for change</u>:

    1. Develop a Positive Climate for Change
    2. Encourage Interest in Improvement
    3. Plan
    4. Give Facts
    5. Clearly State Why the Change is Needed & How it Will Affect EE's
    6. Create a Win-Win Situation
    7. Involve Employees
    8. Provide Support
    9. Stay Calm
    10. Avoid Direct Confrontation
    11. Use Power and Ethical Politics
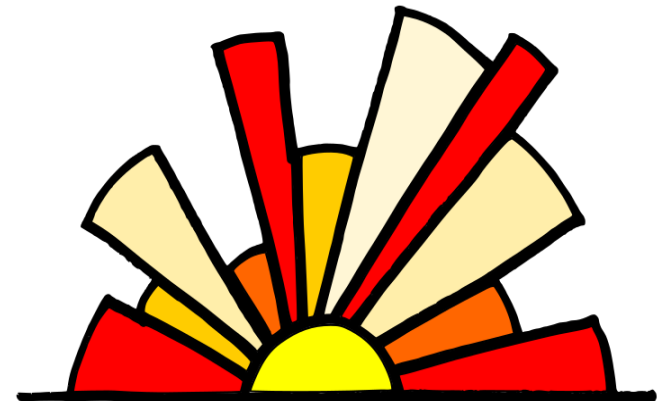
# Responding to Resistance

- ## The Blocker
  - "I don't want to do it that way."
    - Manager – "What are your objections to the Change?" "How would you prefer to do it?"

- ## The Roller
  - "What do you want me to do?"
    - Manager – "I want you to..." (Be specific and describe the change in detail; use communication skills. Don't let them give up easily)

- ## The Staller
  - "I'll do it when I can."
    - Manager – "What is more important?"

# Responding to Resistance

- ## The Reverser
  - "That's a good idea." (But he or she never does it)
    - Manager – "What is it that you like about the change?"

- ## The Sidestepper
  - "Why don't you have (x) do it?"
    - Manager – "I asked you to do it because…"

- ## The Threatener
  - "I'll do it, but the guys upstairs will not like it"
    - Manager – "Let me worry about it. What are your objections?"

# Responding to Resistance

- ## The Politician
  - ○ "You owe me one; let me slide."
    - ✗ Manager – "I do, but I need the change.  I'll pay you back later."
- ## The Traditionalist
  - ○ "That's not the way we do things around here."
    - ✗ Manager – "This is a unique situation; it needs to be done."
- ## The Assaulter
  - ○ "You're a…"
    - ✗ Manager – "I will not tolerate that type of behavior." or, "This is really upsetting you isn't it…?"

# Lewin's Change Model

- <u>Lewin viewed the change process as follows</u>:

1. <u>Unfreezing</u>
   - This step involves reducing forces maintaining the status quo

2. <u>Moving</u>
   - Employees learn the new desirable behavior, values, and attitudes

3. <u>Refreezing</u>
   - The desirable performance becomes the permanent way of doing things - This is the new status quo

# Lussier Change Model

- ## Define the Change
  - Clearly state what the change is
    - Is it a task, structural, technological, or people change?
- ## Identify Possible Resistance to the Change
  - Determine intensity, source, and focus of possible resistance
- ## Plan the Change
  - Plan the change implementation
  - Use appropriate supervisory style for the situation
- ## Implement the Change
  - Follow the 11 guidelines to overcome resistance to change
- ## Control the Change
  - Implementation, Reinforcement, Maintenance
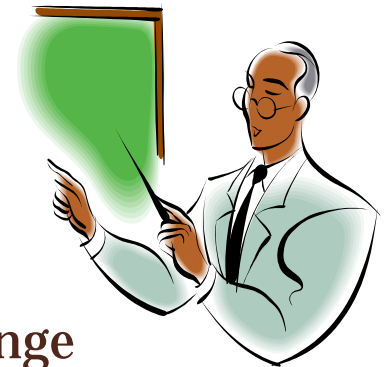
# Organizational Culture

- Organizational Culture consists of the shared values and assumptions of how its members will behave

  - Organizational values are important

    - Management needs to be specific about the values and behaviors it expects

# Innovative Culture

- **Creativity and innovation are important to success**

  - As a result, many organizations develop innovative cultures

# Learning the Organization's Culture

- **When hiring, an important consideration is matching the person to the culture**
  - Newcomers need to learn and be integrated into the organization's culture, & those who don't fit are often let go
- **Culture is learned through observing and interacting with employees, events, and training**
  - If you hear expressions such as, "That's not how we do things here," or "This is the way we do things here," you are learning the org. culture

# Learning the Organizations' Culture

- <u>**Five ways that employees learn the organization's culture**</u>:

1. <u>Heroes</u>
   - Heroes such as founder Sam Walton of Walmart and others who made outstanding contributions to their organizations

2. <u>Stories</u>
   - Stories often about founders and others who have made extraordinary efforts, such as Sam Walton visiting every Walmart store yearly or someone driving through a blizzard to deliver a product or service

3. <u>Slogans</u>
   - Ford - "Quality is Job One," etc...

4. <u>Symbols</u>
   - Symbols such as logos, plaques, pins, and jackets, etc. used to convey meaning – Mary Kay's pink Cadillac

5. <u>Ceremonies</u>
   - Ceremonies including rituals such as awards dinners for top achievers

# Strong and Weak, Positive and Negative Cultures

- <u>The two dimensions of an organization's culture are strong and weak, positive and negative:</u>

  - <u>Strong and Weak Cultures</u>
    - Organizations with clear values that are shared to the extent of similar behavior have strong cultures

  - <u>Positive and Negative Cultures</u>
    - An organizational culture is considered positive when it has norms that contribute to effective performance and productivity
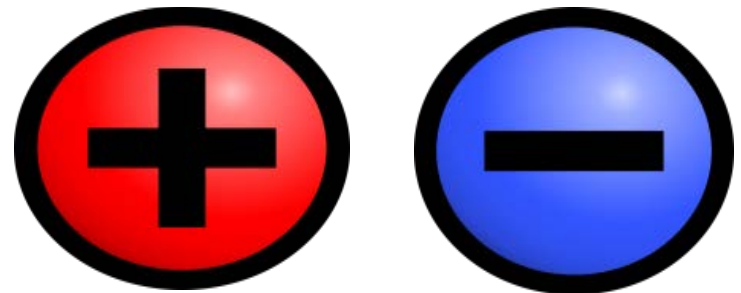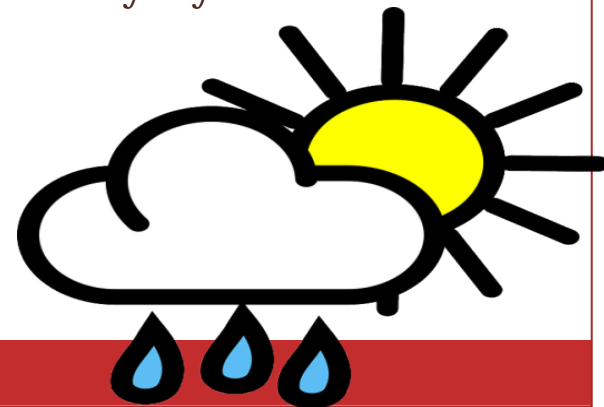
# Organizational Climate

- Climate is the employee's perception of the atmosphere of the internal environment, which is important to organizational success.

- <u>The difference between Culture and Climate</u>:

  - <u>Culture</u> is based on shared values and assumptions of "how" things should be done (ideal environment)

  - <u>Climate</u> is based on shared perceptions of the "way" things are done (intangibles of the actual environment)

    - Poor climate leads to low performance.
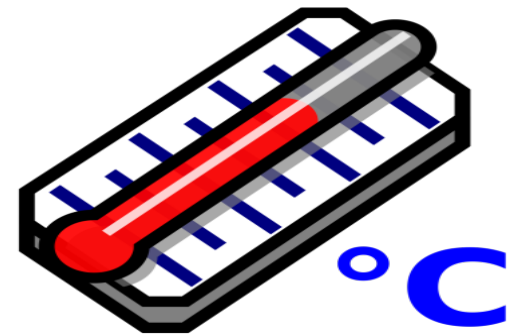
# Dimensions of Climate

- <u>Structure</u>
  - Degree of constraint on members: the number of rules, regulations, and procedures
- <u>Responsibility</u>
  - Degree of control over one's own job
- <u>Rewards</u>
  - The degree of being rewarded for one's efforts and being punished appropriately
- <u>Warmth</u>
  - The degree of satisfaction with human relations
- <u>Support</u>
  - The degree of being helped by others and of experiencing cooperation
- <u>Organizational Identity and Loyalty</u>
  - The degree to which employees identify with the org. and their loyalty to it
- <u>Risk</u>
  - The degree to which risk-taking is encouraged

# Organizational Development

- Organizational Development is the ongoing process of change used as a means of improving the organization's effectiveness in solving problems and achieving its objectives

  - The first step is to diagnose the problem.
  - Then, train and develop staff.
  - Build a strong Team.

# Performance Appraisal

- **Performance appraisal is the ongoing process of evaluating employee job performance**

  - The performance of employees is appraised according to two sets of objectives:

    1. Developmental Objectives are used as the basis of decisions to improve future performance
    2. Evaluative Objectives are used as the basis of administrative decisions to reward or punish past performance
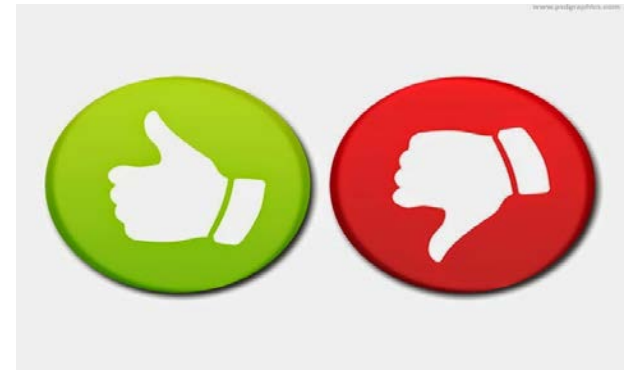
# Performance Appraisal Steps

- <u>The organization's purpose, strategic and operational objectives, and plans are influenced by the performance appraisal steps (and vice-versa)</u>:

    1. State Job Responsibilities
    2. Develop Standards and Measurement Methods
    3. Conduct Informal Performance Appraisals – Coaching
    4. Prepare for the Formal Performance Appraisal Interviews
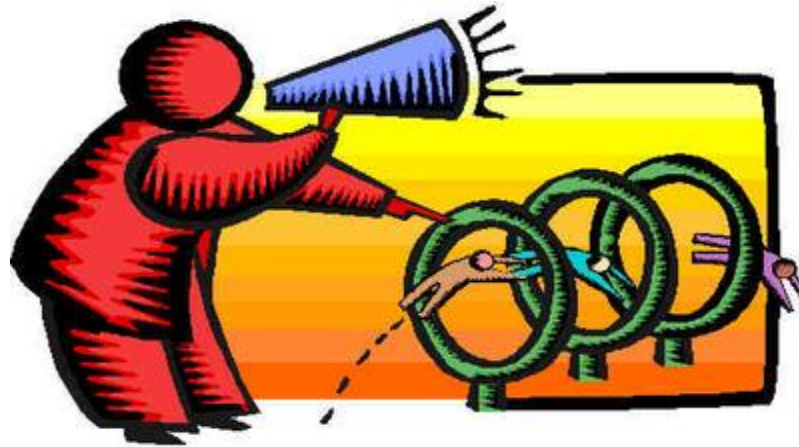    5. Conduct the Formal Performance Appraisal Interviews

# Coaching

- Employees need regular informal feedback on their performance

- The coaching model is designed for use in improving ability and for dealing with motivation problems
  - It is important to coach low performers - they distract and drag everyone down

- During the discussion with the employee, preferably near the end, give positive reinforcement while correcting performance
  - Being positive helps motivate the employee to make the necessary change
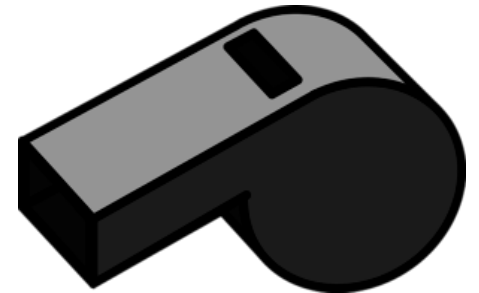
# The Coaching Model

1. Refer to Past Feedback
2. Describe Current Performance
3. Describe Desired Performance
4. Get a Commitment to the Change
5. Follow-Up

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