

Organizational Change and Stress Management

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Lecture 7



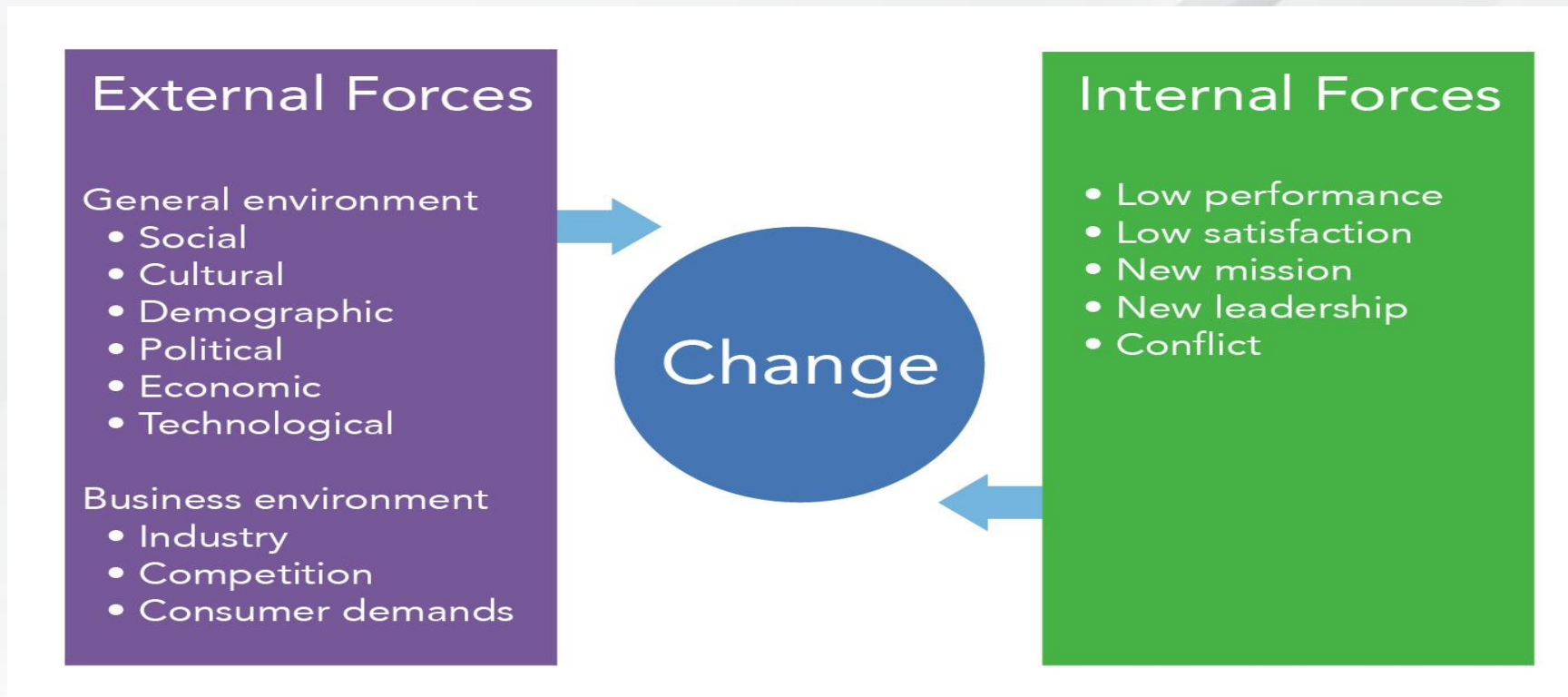
Organizational change management and Stress management

stress and resistance are not inevitable reactions to organizational change. Rather, what makes organizational change stressful or susceptible to resistance of employees is the way people are treated during implementation of the change.

Forces for Change

Forces for change

call for businesses and employees to be responsive to the needs around them and then require the organization to adapt to meet those needs. Successful organizations understand the need to adapt and change with the times.



Forces for Change

TABLE 16-1 Forces for Change

Force	Examples
Nature of the workforce	More cultural diversity Aging population Many new entrants with inadequate skills
Technology	Faster, cheaper, and more mobile computers Online music sharing Deciphering of the human genetic code
Economic shocks	Rise and fall of dot-com stocks 2008 recession Record low interest rates
Competition	Global competitors Mergers and consolidations Growth of e-commerce
Social trends	Internet chat rooms Retirement of baby boomers Rise in discount and 'big box' retailers

Planned Change

Change

- Making things different.

Planned change

- Activities that are proactive and purposeful: an intentional, goal-oriented activity.
- Goals of planned change:
 - Improving the ability of the organization to adapt to changes in its environment.
 - Changing employee behavior.

Change agents

- Persons who act as catalysts and assume the responsibility for managing change activities.

Resistance to Change

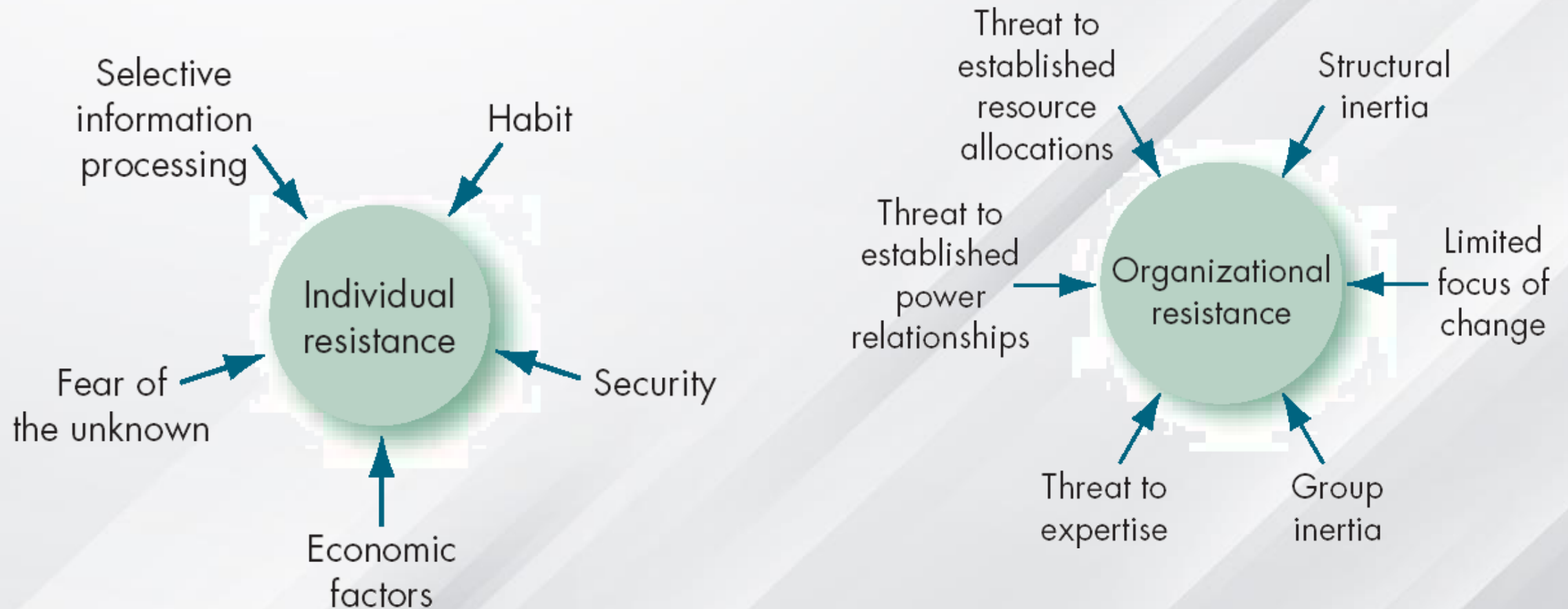
Resistance to change appears to be a natural and positive state.

Forms of resistance to change:

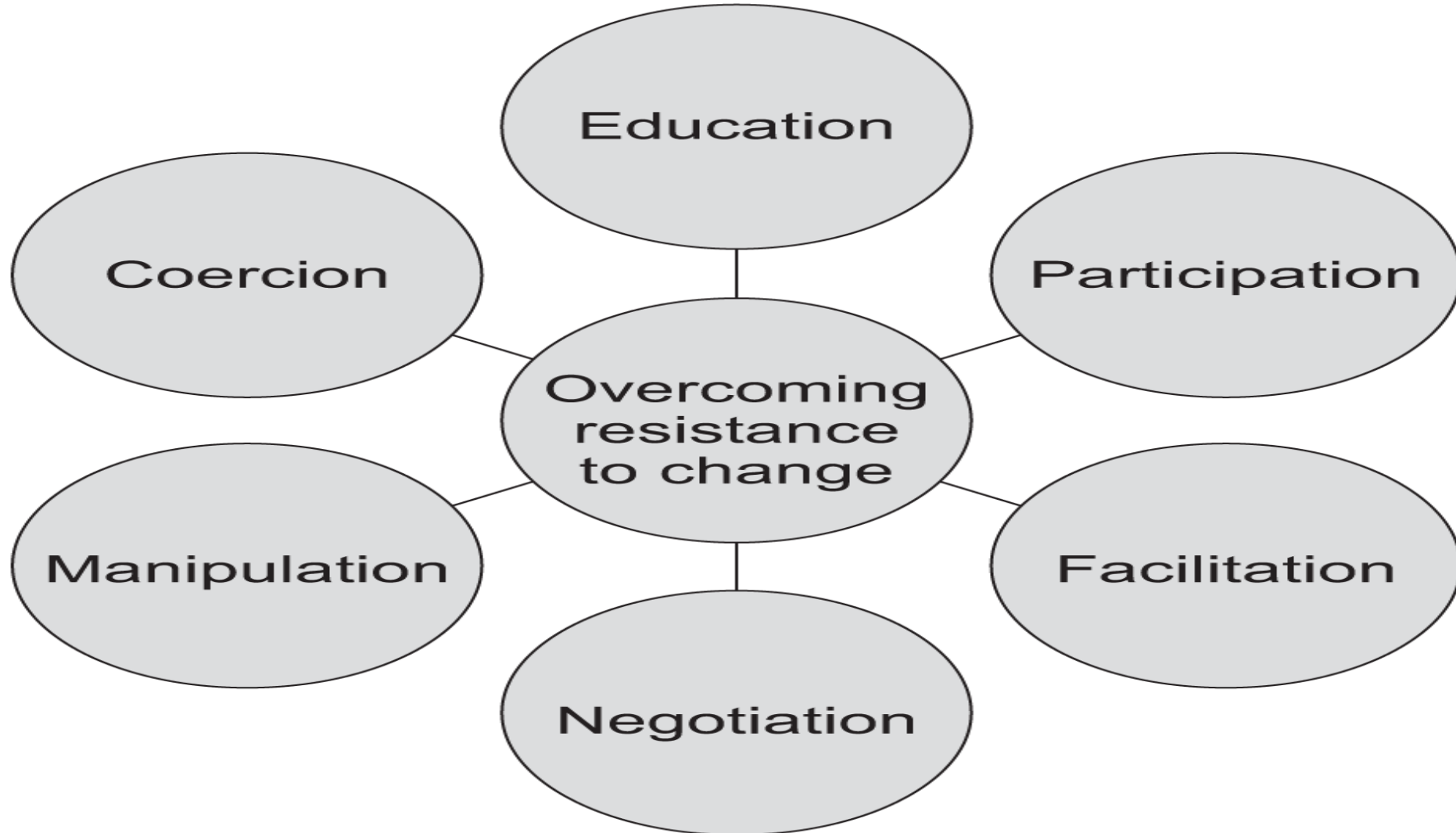
- Overt and immediate
 - Voicing complaints, engaging in job actions.
- Implicit and deferred
 - Loss of employee loyalty and motivation, increased errors or mistakes, increased absenteeism.
 - Deferred resistance clouds the link between source and reaction.



Sources of Resistance to Change



Tactics for Overcoming Resistance to Change



Tactics for Overcoming Resistance to Change

- Education and communication
 - Show those effected the logic behind the change.
- Participation
 - Participation in the decision process lessens resistance.
- Building support and commitment
 - Counseling, therapy, or new-skills training.
- Implementing change fairly
 - Be consistent and procedurally fair.

Tactics for Overcoming Resistance to Change (cont'd)

- Manipulation and cooperation
 - ‘Spinning’ the message to gain cooperation.
- Selecting people who accept change
 - Hire people who enjoy change in the first place.
- Coercion
 - Direct threats and force.

The Politics of Change

- Motivation for change is likely to come from outside change agents, new employees, or managers outside the main power structure.
- Internal change agents are most threatened by their loss of status in the organization.
- Long-time power holders tend to implement incremental but not radical change.
- The outcomes of power struggles in the organization will determine the speed and quality of change.

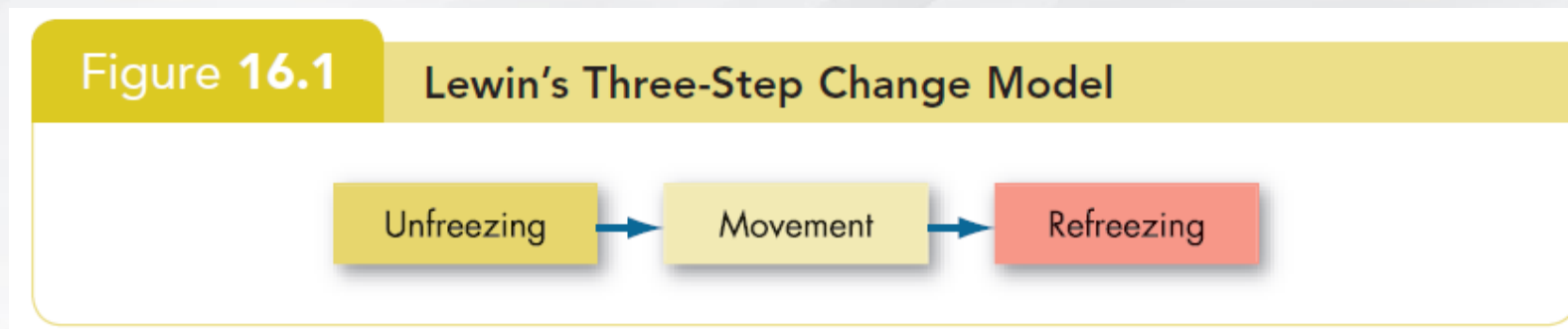
Lewin's Three-Step Change Model

Unfreezing

- Change efforts to overcome the pressures of both individual resistance and group conformity.

Refreezing

- Stabilizing a change intervention by balancing driving and restraining forces.



Lewin's Three-Step Change Model

Unfreeze

1. Determine what needs to change
2. Ensure there is strong support from senior management
3. Create the need for change
4. Manage and understand the doubts and concerns

Change

1. Communicate often
2. Dispel rumors
3. Empower action
4. Involve people in the process

Refreeze

1. Anchor the change into the culture
2. Develop ways to sustain the change
3. Provide support and training
4. Celebrate success

Lewin: Unfreezing the current situation

Driving forces

- Forces that direct behavior away from the status quo.

Restraining forces

- Forces that hinder movement from the existing equilibrium.

Lewin: freezing the current situation

freezing (sometimes refreezing) the new ways of being into place, to establish a new mindset. During this phase, people adapt to the changed reality. They start to find ways to take advantage of the opportunities it offers. Alternatively, they decide to opt out of the change and move on.

Kotter's Eight-Step Plan



Action Research

- A change process based on systematic collection of data and then selection of a change action based on what the analyzed data indicates.
- Process steps:
 1. Diagnosis
 2. Analysis
 3. Feedback
 4. Action
 5. Evaluation
- Action research benefits:
 - Problem-focused rather than solution-centered.
 - Heavy employee involvement reduces resistance to change.



Organizational Development

- Organizational development (OD)
 - A collection of planned interventions, built on humanistic-democratic values, that seeks to improve organizational effectiveness and employee well-being.
- OD values:
 - Respect for people
 - Trust and support
 - Power equalization
 - Confrontation
 - Participation



Six OD Techniques

1. Sensitivity training

- Training groups (T-groups) that seek to change behavior through unstructured group interaction.
- Provides increased awareness of others and self.
- Increases empathy with others, listening skills, openness, and tolerance for others.

2. Survey feedback approach

- The use of questionnaires to identify discrepancies among member perceptions; discussion follows and remedies are suggested.

Six OD Techniques (Cont'd)

3. Process consultation (PC)

- A consultant gives a client insights into what is going on around the client, within the client, and between the client and other people; identifies processes that need improvement.

4. Team building

- High interaction among team members to increase trust and openness.

Six OD Techniques (Cont'd)

5. Intergroup development

- OD efforts to change the attitudes, stereotypes, and perceptions that groups have of each other.

6. Appreciative inquiry

- Seeks to identify the unique qualities and special strengths of an organization, which can then be built on to improve performance.
 - Discovery: recalling the strengths of the organization.
 - Dreaming: speculation on the future of the organization.
 - Design: finding a common vision.
 - Destiny: deciding how to fulfill the dream.

Creating a Culture for Change

1. Innovation

Stimulating a culture of innovation

- **Innovation:** a new idea applied to initiating or improving a product, process, or service.
- Sources of Innovation:
 - Structural variables: organic structures
 - Long-tenured management
 - Slack resources
 - Interunit communication
- Idea Champions: individuals who actively promote the innovation.

Creating a Culture for Change

2. Learning

Learning Organization

- An organization that has developed the continuous capacity to adapt and change.
- Learning Types
 - Single-Loop: errors are corrected using past routines.
 - Double-Loop: errors are corrected by modifying routines.
- Characteristics:
 - Holds a shared vision
 - Discards old ways of thinking
 - Views organization as system of relationships
 - Communicates openly
 - Works together to achieve shared vision

Creating a Learning Organization

2. Learning (cont'd)

- Overcomes traditional organization problems:
 - Fragmentation
 - Competition
 - Reactiveness

How to manage learning

- Establish a strategy.
- Redesign the organization's structure:
 - Flatten structure and increase cross-functional activities.
- Reshape the organization's culture:
 - Reward risk-taking and intelligent mistakes.



Work Stress

Stress: a dynamic condition in which an individual is confronted with an opportunity, constraint, or demand related to what he or she desires and for which the outcome is perceived to be both uncertain and important.



Work Stress

Types of stress

- Challenge stressors
 - Stress associated with workload, pressure to complete tasks, and time urgency.
- Hindrance stressors
 - Stress that keeps you from reaching your goals, such as red tape.
 - Cause greater harm than challenge stressors.

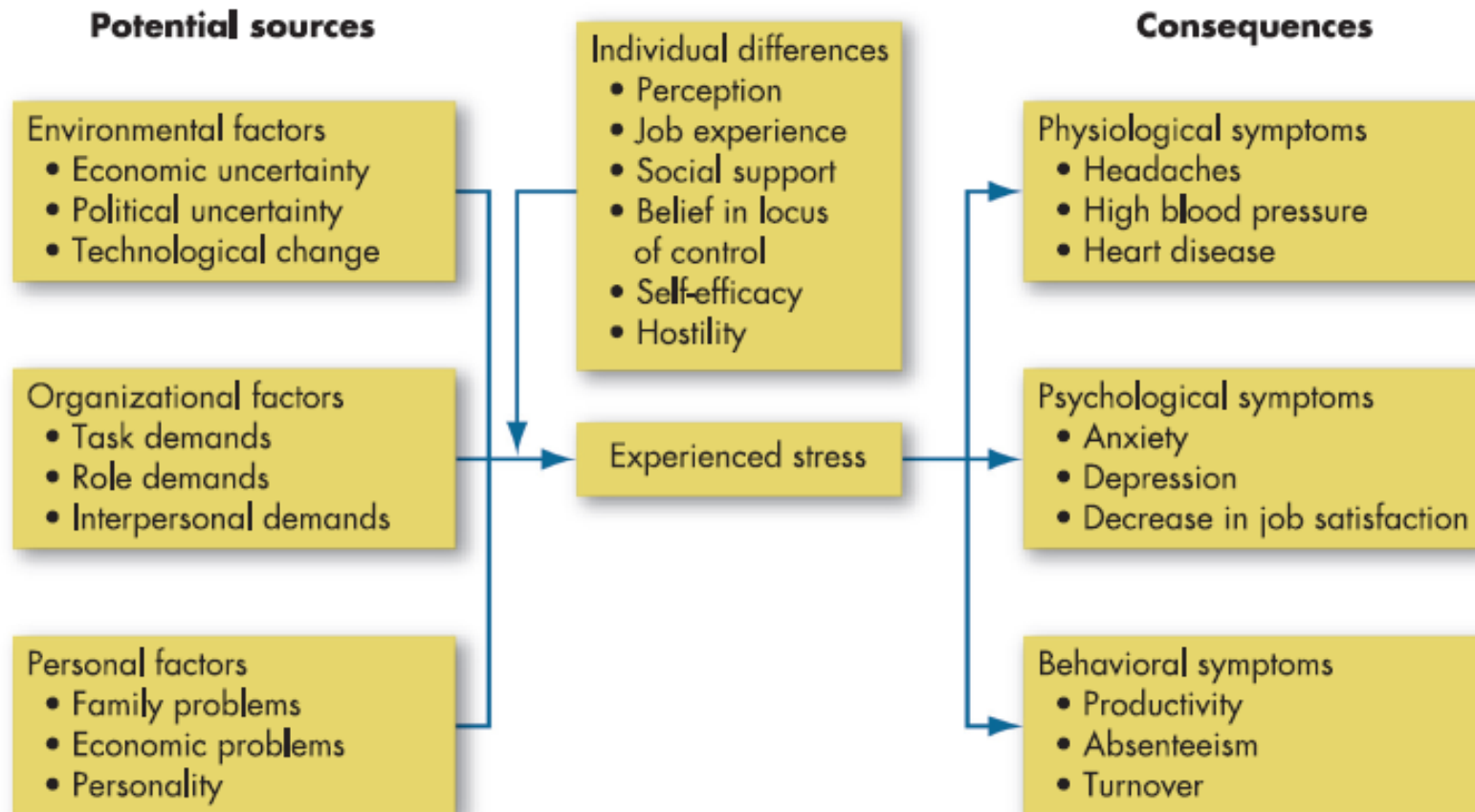
Demands–Resources Model of Stress

- Demands
 - Responsibilities, pressures, obligations, and uncertainties in the workplace.
- Resources
 - Things within an individual's control that can be used to resolve demands.
- Adequate resources help reduce the stressful nature of demands.

A Model of Stress

Figure 16.2

A Model of Stress



Potential Sources of Stress

Environmental factors

- Economic uncertainties of the business cycle.
- Political uncertainties of political systems.
- Technological uncertainties of technical innovations.

Organizational factors

- Task demands related to the job.
- Role demands of functioning in an organization.
- Interpersonal demands created by other employees.

Personal factors

- Family and personal relationships
- Economic problems from exceeding earning capacity.
- Personality problems arising from basic disposition.

Individual Differences

- Some people thrive on stressful situations, others are overwhelmed.
- Four variables affect an individual's response:
 - Perception
 - Job experience
 - Social support
 - Personality



Emotional Intelligence (EI) and Stress

Emotional intelligence is:

- the ability to detect and to manage emotional cues and information.
- the ability to perceive, control, and evaluate emotions.
- the ability to succeed in coping with environmental demands and pressures.

Emotional Intelligence can equip individuals to cope with stress, by achieving a state of balance, calm energy, alertness and focus.

Consequences of Stress

High levels of stress can lead to the following symptoms

- Physiological
 - Blood pressure, headaches, stroke.
- Psychological
 - Dissatisfaction, tension, anxiety, irritability, boredom, and procrastination.
 - Greatest when roles are unclear in the presence of conflicting demands.
- Behavioral
 - Changes in job behaviors, increased smoking or drinking, different eating habits, rapid speech, fidgeting, and sleep disorders.

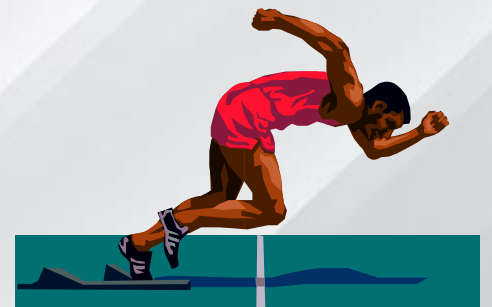
How do you handle stress in work?

- 1.Track your stressors. Keep a journal for a week or two to identify which situations create the most stress and how you respond to them. ...
- 2.Develop healthy responses. ...
- 3.Establish boundaries. ...
- 4.Take time to recharge. ...
- 5.Learn how to relax. ...
- 6.Talk to your supervisor. ...
- 7.Get some support.



Not All Stress Is Bad

- Some levels of stress can increase productivity.
- Too little or too much stress will reduce performance.
- This model is not empirically supported.



Managing Stress

Individual approaches

- Implementing time management
- Increasing physical exercise
- Relaxation training
- Expanding social support network



Managing Stress (cont'd)

Organizational approaches

- Improved personnel selection and job placement
- Training
- Use of realistic goal setting
- Redesigning of jobs
- Increased employee involvement
- Improved organizational communication
- Offering employee sabbaticals
- Establishment of corporate wellness programs



Thank You