



An Accredited Institution of the University of Westminster (UK)

# •Lecture 8: Managing Change and Innovation

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# Agenda

- Changes in the work place
- Categories of change
- Change and managers
- Forces of change
- Facilitating change
- Change agents
- Lewin's process
- Types of change
- Organisational development
- Stress factors
- Sources of innovation



# Changes in the Work Place

- Today's organizations need to continuously adapt to new situations if they are to survive and prosper
- One of the most dramatic elements is the shift to a technology- driven workplace
- Ideas, information, and relationships are becoming critically important



# Categories of Change

## Categories of Organizational Change

### Structure

Authority relationships  
Coordinating mechanisms  
Job redesign  
Spans of control

### Technology

Work processes  
Work methods  
Equipment

### People

Attitudes  
Expectations  
Perceptions  
Behavior

- Organizational Change
  - Any alterations in the people, structure, or technology of an organization
- Characteristics of Change
  - Is constant yet varies in degree and direction
  - Produces uncertainty yet is not completely unpredictable
  - Creates both threats and opportunities

Managing change is an integral part of every manager's job

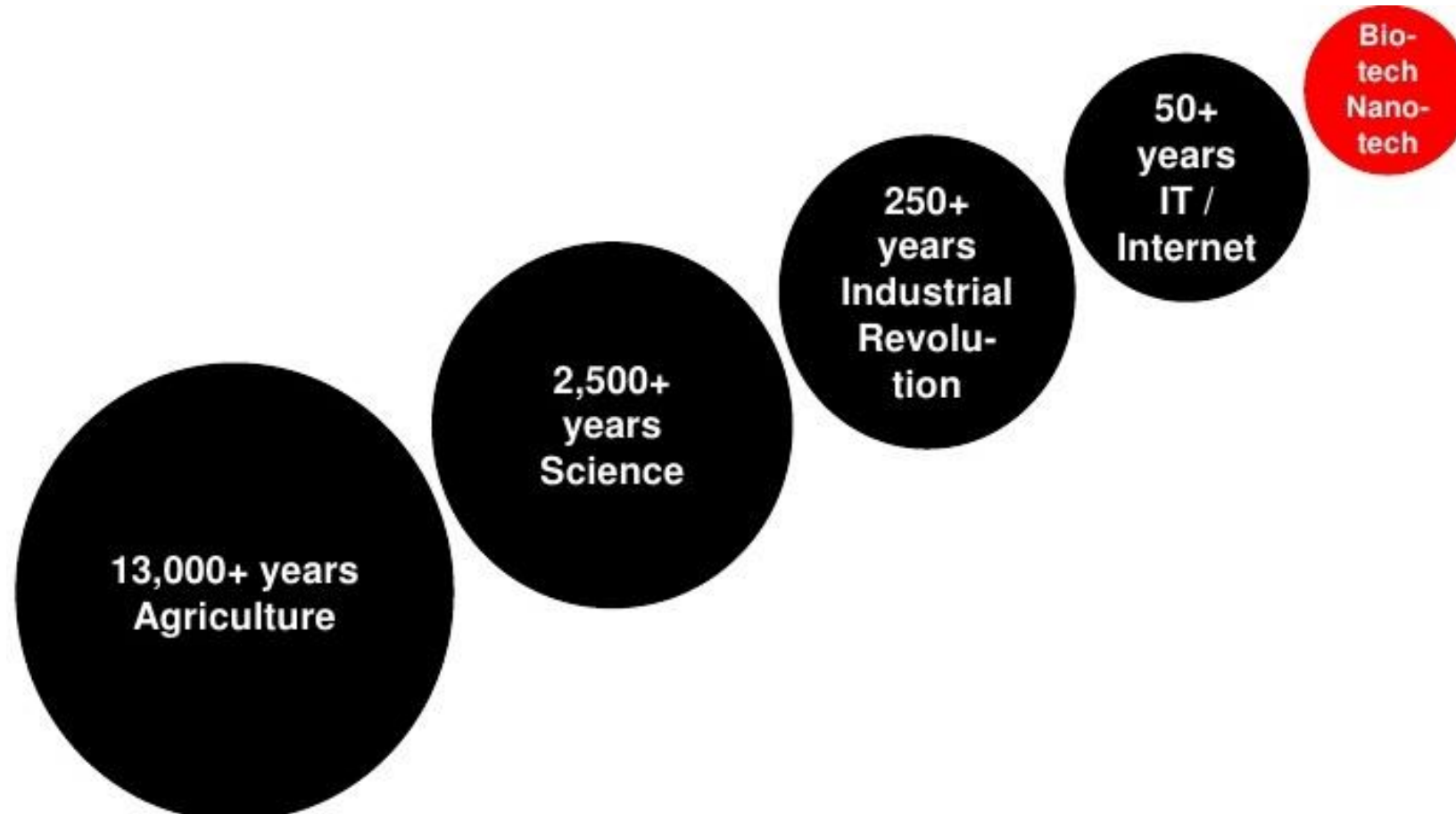
## External forces

- **Marketplace**
- **Governmental laws and regulations**
- **Technology**
- **Labor market**
- **Economic changes**

## Internal Forces

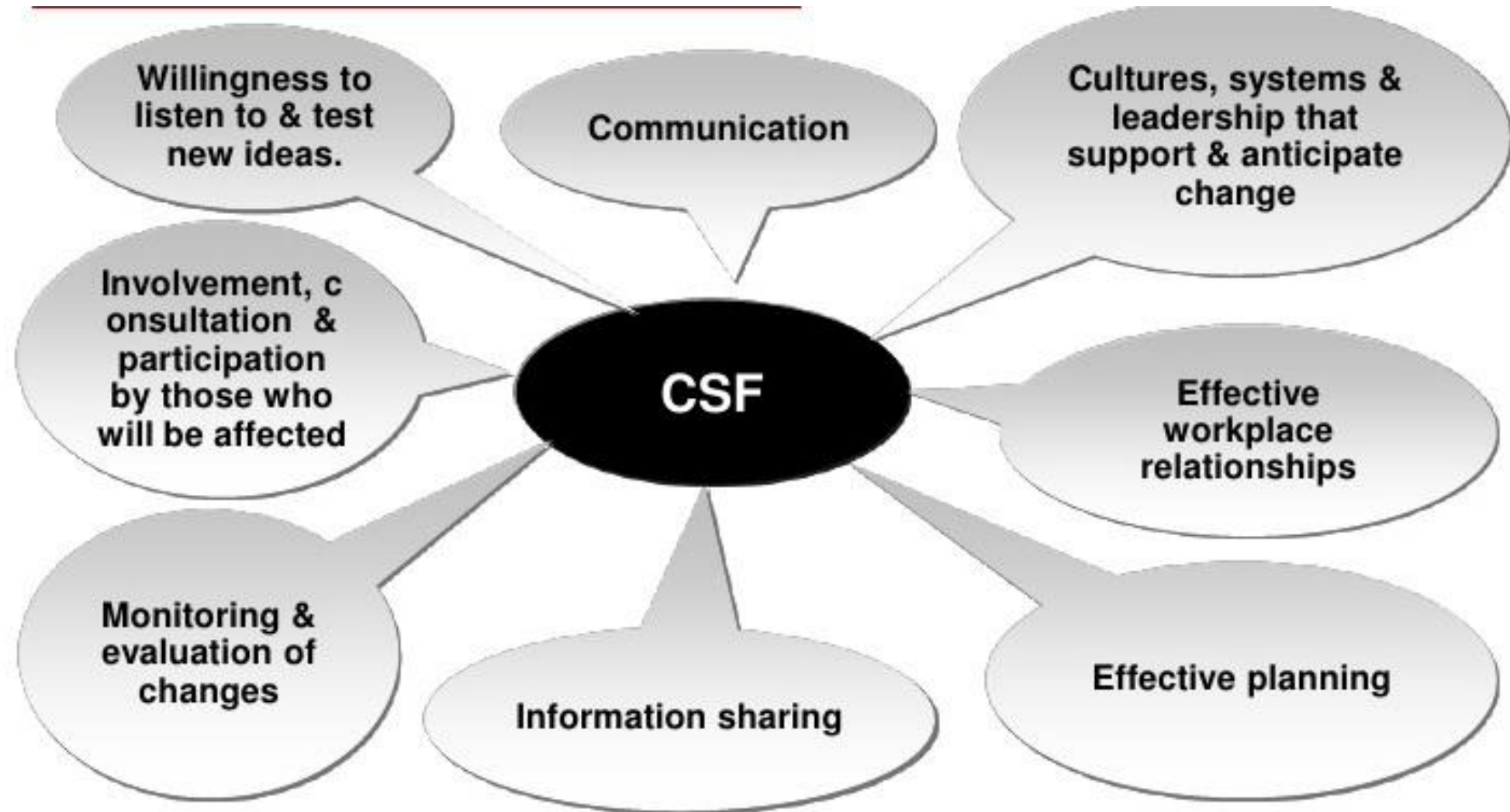
- **Changes in organizational strategy**
- **Workforce changes**
- **New equipment**
- **Employee attitudes**

# Pace of Change

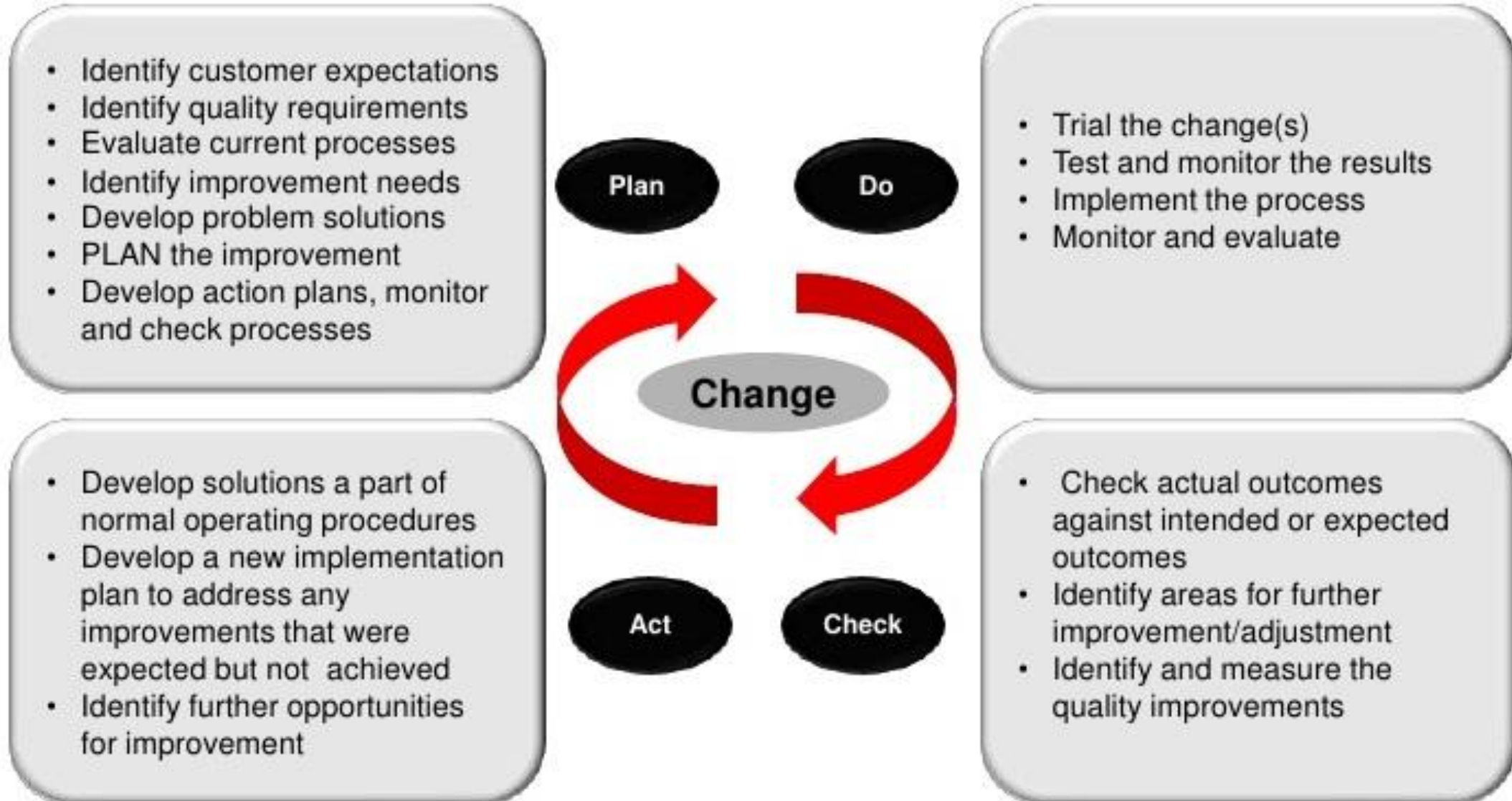




# Facilitating Change



# PCDA & Incremental Change



## The Manager as Change Agent

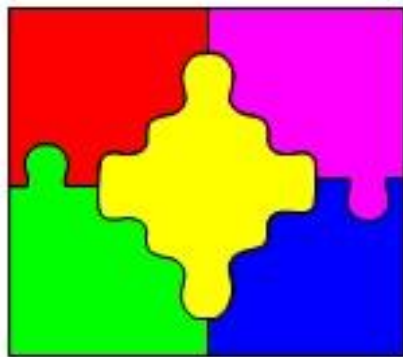
### Change Agents

- People who act as catalysts and assume the responsibility for changing process are called change agents.

### Types of Change Agents

- Managers: internal entrepreneurs
- Nonmanagers: change specialists
- Outside consultants: change implementation experts

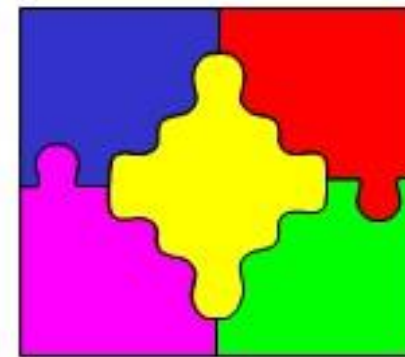
## Lewin's Three-Step Process



Unfreezing



Changing



Refreezing

## The "Calm Waters" Metaphor



## 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.

## Structural

- Changing the organization's structure or its structural components

## Technological

- Adopting new equipment or operating methods that displace old skills and require new ones

## Automation

- Replacing certain tasks done by people with machines

## Workforce

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

# Organisational Development

- **Intergroup development**
- **Process consultation**
- **Survey feedback**
- **Team building**



- Survey feedback
  - A method of assessing employees' attitudes toward and perceptions of a change
- Process Consultation
  - Using outside consultants to assess organizational processes such as workflow, informal intra-unit relationships, and formal communication channels



- Team-Building
  - Using activities to help work groups set goals, develop positive interpersonal relationships, and clarify the roles and responsibilities of each team member
- Intergroup Development
  - Activities that attempt to make several work groups more cohesive

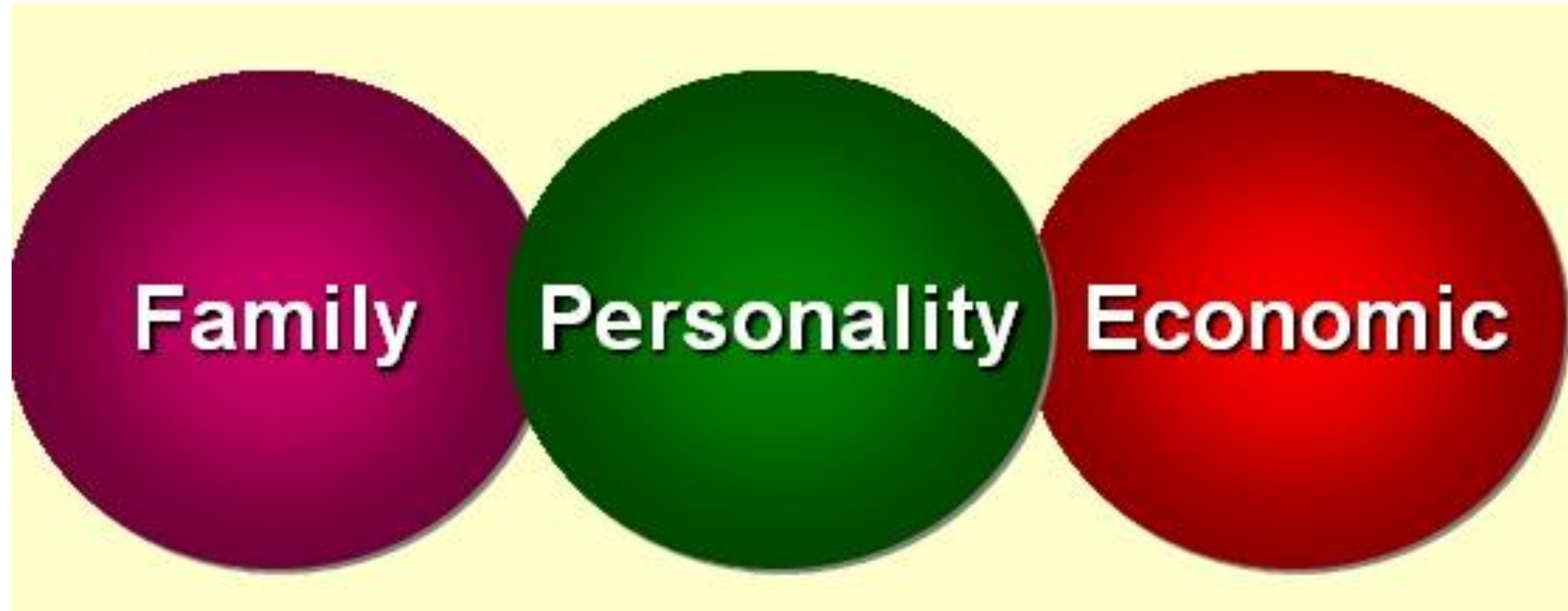
## Why People Resist Change?

- The ambiguity and uncertainty that change introduces
- The comfort of old habits
- A concern over personal loss of status, money, authority, friendships, and personal convenience
- The perception that change is incompatible with the goals and interest of the organization

# Stress Factors



# Personal Stress Factors





## Handling Employee Stress due to Change

### ➤ Stress

- ❖ The physical and psychological tension an individual feels when confronted with extraordinary demands, constraints, or opportunities and their associated importance and uncertainties.

- ❖ Functional Stress

  - Stress that has a positive effect on performance.

### ➤ How Potential Stress Becomes Actual Stress

- ❖ There is uncertainty over the outcome
- ❖ When the outcome is important

## Issues in Managing Change

### Reducing Stress

- Engage in proper employee selection
- Match employees' KSA's to jobs' TDR's
- Use realistic job interviews for reduce ambiguity
- Improve organizational communications
- Develop a performance planning program
- Use job redesign
- Provide a counseling program
- Offer time planning management assistance
- Sponsor wellness programs

## Making Change Happen Successfully

- Embrace change—become a change-capable organization.
- Create a simple, compelling message explaining why change is necessary.
- Communicate constantly and honestly.
- Foster as much employee participation as possible—get all employees committed
- Encourage employees to be flexible
- Remove those who resist and cannot be changed.



# Creativity vs. Innovation

**What Is  
Creativity?**

- **Combining new ideas in unique ways or associating ideas in unusual ways**

**What Is  
Innovation?**

- **Turning creative ideas into useful products, services, or methods of operation**



# Sources of Innovation



- Adopt an organic structure
- Make available plentiful resources
- Engage in frequent interunit communication
- Minimize extreme time pressures on creative activities
- Provide explicit support for creativity

- Accept ambiguity
- Tolerate the impractical
- Have low external controls
- Tolerate risk taking
- Tolerate conflict
- Focus on ends rather than means
- Develop an open-system focus
- Provide positive feedback

- Actively promote training and development to keep employees' skills current
- Offer high job security to encourage risk taking
- Encourage individual to be “champions” of change



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