



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

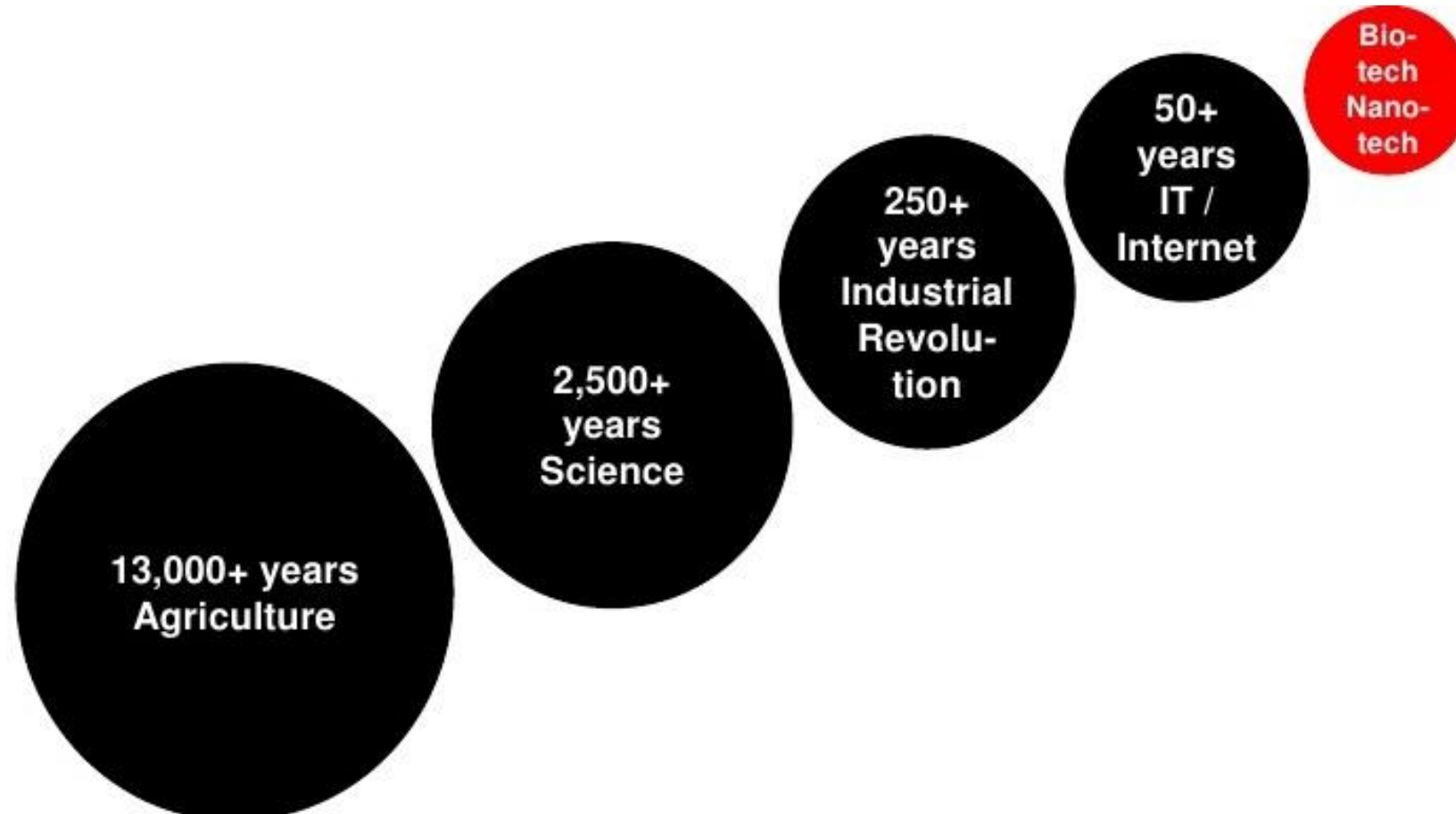
External forces

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

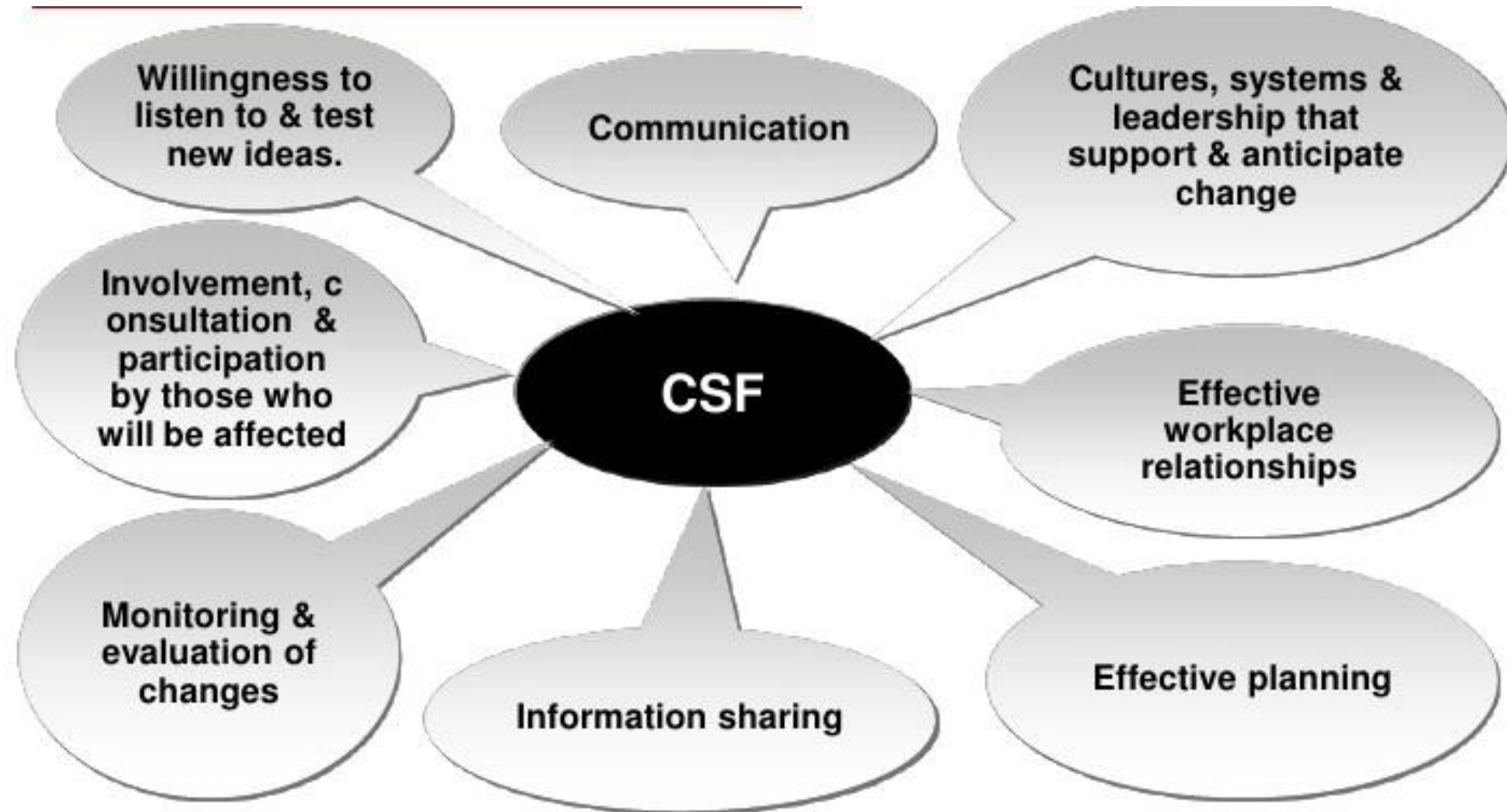
Internal Forces

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

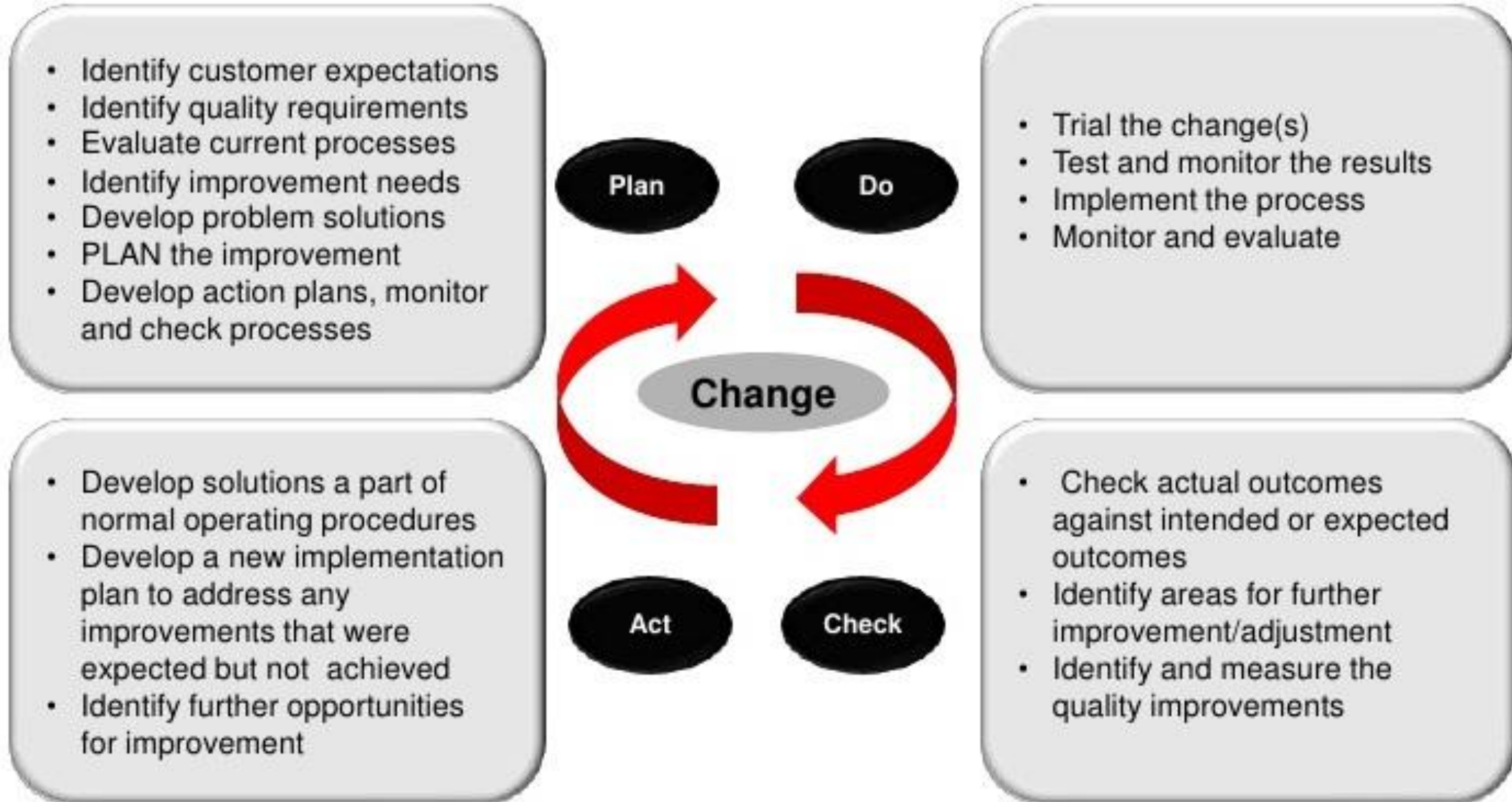
Pace of Change



Facilitating Change



PCDA & Incremental Change



The Manager as Change Agent

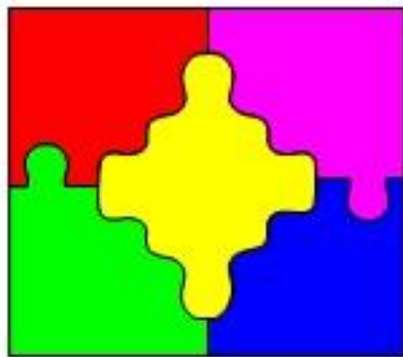
Change Agents

- 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

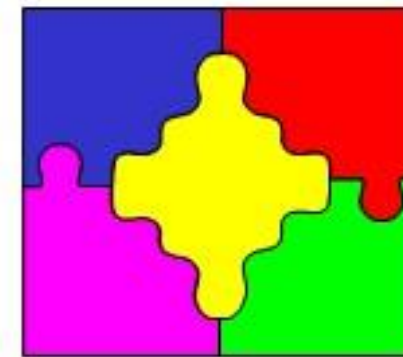
Lewin's Three-Step Process



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

- **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

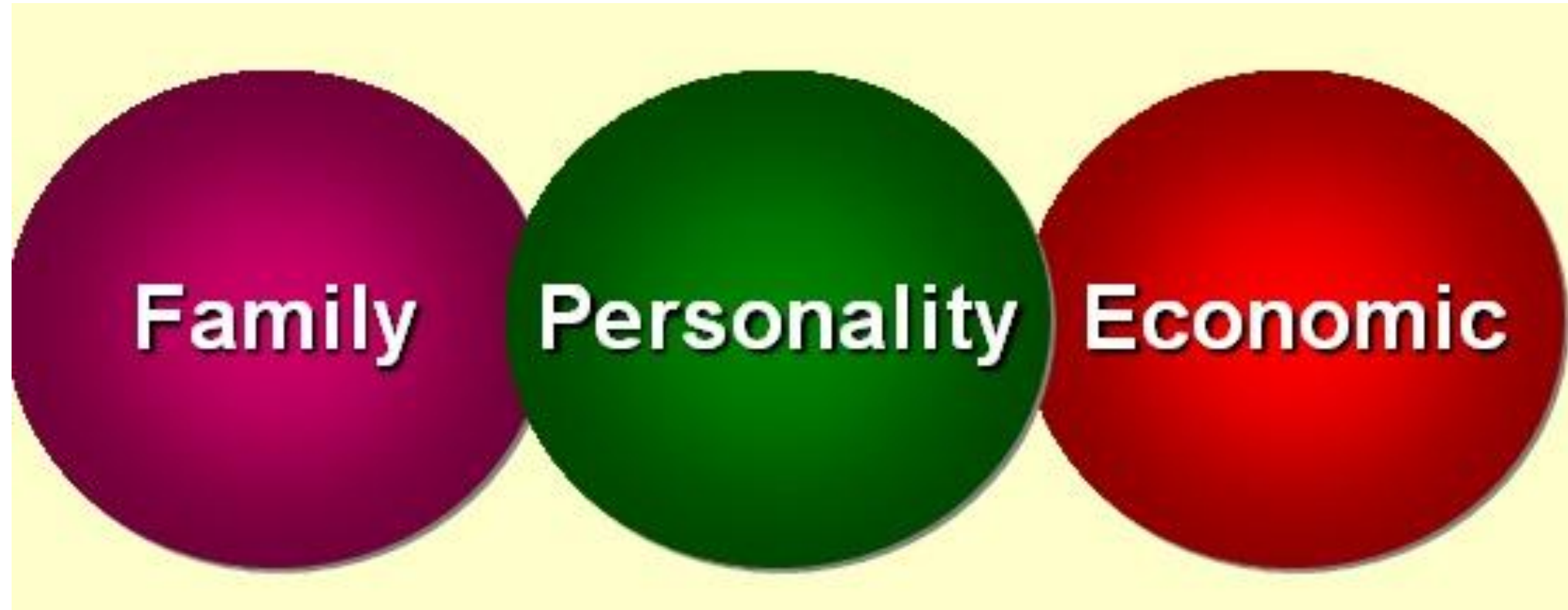
Why People Resist Change?

- 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

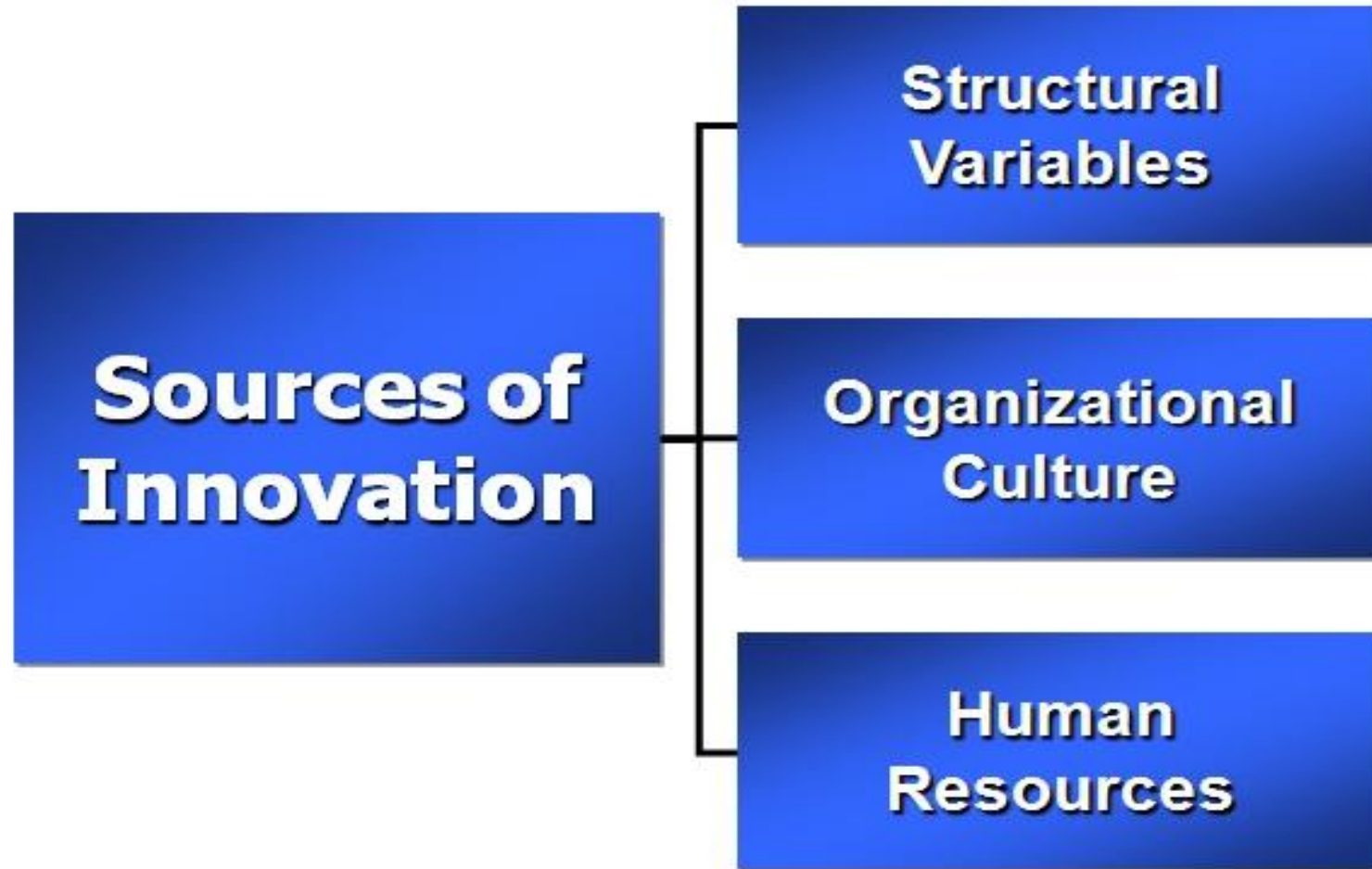
**What Is
Creativity?**

- **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



Structural Variables

- 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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