

# Types and Forms of Organizational Change

**Fourth year**  
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Organizational  
Change

# Learning Objectives

- Understand the relationship among organizational change, redesign, and organizational effectiveness
- Explain Steps of organizational change.
- Distinguish among the major forms or types of evolutionary and revolutionary change organizations must manage
- Recognize the problems inherent in managing change and the obstacles that must be overcome

# Learning Objectives

- Describe the change process and understand the techniques that can be used to help an organization achieve its desired future state

# Resistances to Change

- One of the main reasons for some organizations' inability to change is organizational inertia that maintains the status quo
- Resistance to change lowers an organization's effectiveness and reduces its chances of survival

# Resistances to Change (cont.)

- Organization-level resistance to change stems from:
  - Power and conflict
    - When change causes power struggle and conflicts, there is resistance
  - Differences in functional orientation
  - Mechanistic structure
  - Organizational culture

# Resistances to Change (cont.)

- Group-level resistance to change stems from:
  - Group norms
  - Group cohesiveness
  - Groupthink
  - Escalation of commitment

# Resistances to Change (cont.)

- Individual-level resistance to change stems from:
  - Uncertainty and insecurity
  - Selective perception and retention
  - Habit



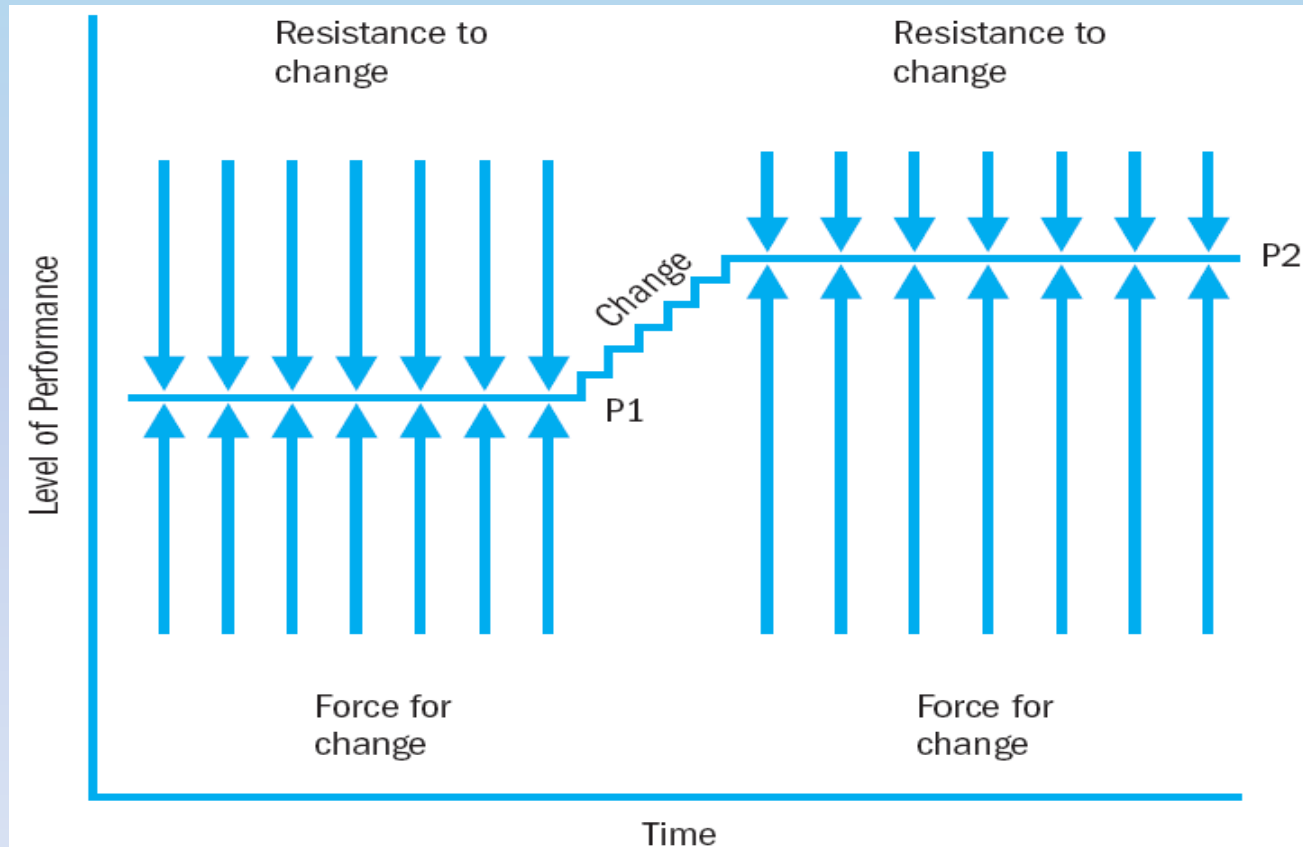
# Figure 10.1 - Forces for and Resistances to Change

Forces for Change	Resistances to Change
Competitive Forces	Organizational Level
Economic Forces	<ul style="list-style-type: none"> <li>• Structure</li> <li>• Culture</li> <li>• Strategy</li> </ul>
Political Forces	Functional Level
Global Forces	<ul style="list-style-type: none"> <li>• Differences in Subunit Orientation</li> <li>• Power and Conflict</li> </ul>
Demographic Forces	Group Level
Social Forces	<ul style="list-style-type: none"> <li>• Norms</li> <li>• Cohesiveness</li> <li>• Groupthink</li> </ul>
Ethical Forces	Individual Level
	<ul style="list-style-type: none"> <li>• Cognitive Biases</li> <li>• Uncertainty and Insecurity</li> <li>• Selective Perception and Retention</li> <li>• Habit</li> </ul>

# Levin's Force-Field Theory of Change

- This theory of change argues that two sets of opposing forces within an organization determine how change will take place
  - Forces for change and forces making organizations resistant to change
  - When forces for and against change are equal, the organization is in a state of inertia
  - To change an organization, managers must increase forces for change and/or decrease forces resisting change

# Figure 10.2 - Levin's Force-Field Theory of Change



# Types of Change in Organizations

- Evolutionary change: Change that is gradual, incremental, and narrowly focused
- Revolutionary change: Change that is sudden, drastic, and broadly focused

# Developments in Evolutionary Change

- Sociotechnical systems theory: A theory that proposes the importance of changing role and task or technical relationships to increase organizational effectiveness
  - Managers must fit or “jointly optimize” the workings of an organization’s technical and social systems or culture—to promote effectiveness
  - Managers need to make changes in the technical system slowly to allow group norms and cohesiveness are not disrupted

# Developments in Evolutionary Change (cont.)

- Total quality management (TQM): An ongoing and constant effort by all of an organization's functions to find new ways to improve the quality of the organization's goods and services
  - Quality circles: Groups of workers who meet regularly to discuss the way work is performed in order to find new ways to increase performance
  - Changing cross-functional relationships is very important to TQM

# Developments in Evolutionary Change (cont.)

- Flexible workers: Employees who have acquired and developed the skills to perform any of the tasks necessary for assembling a range of finished goods
  - Compensation frequently tied to the number of different tasks that a person can perform
  - Workers can substitute for one another

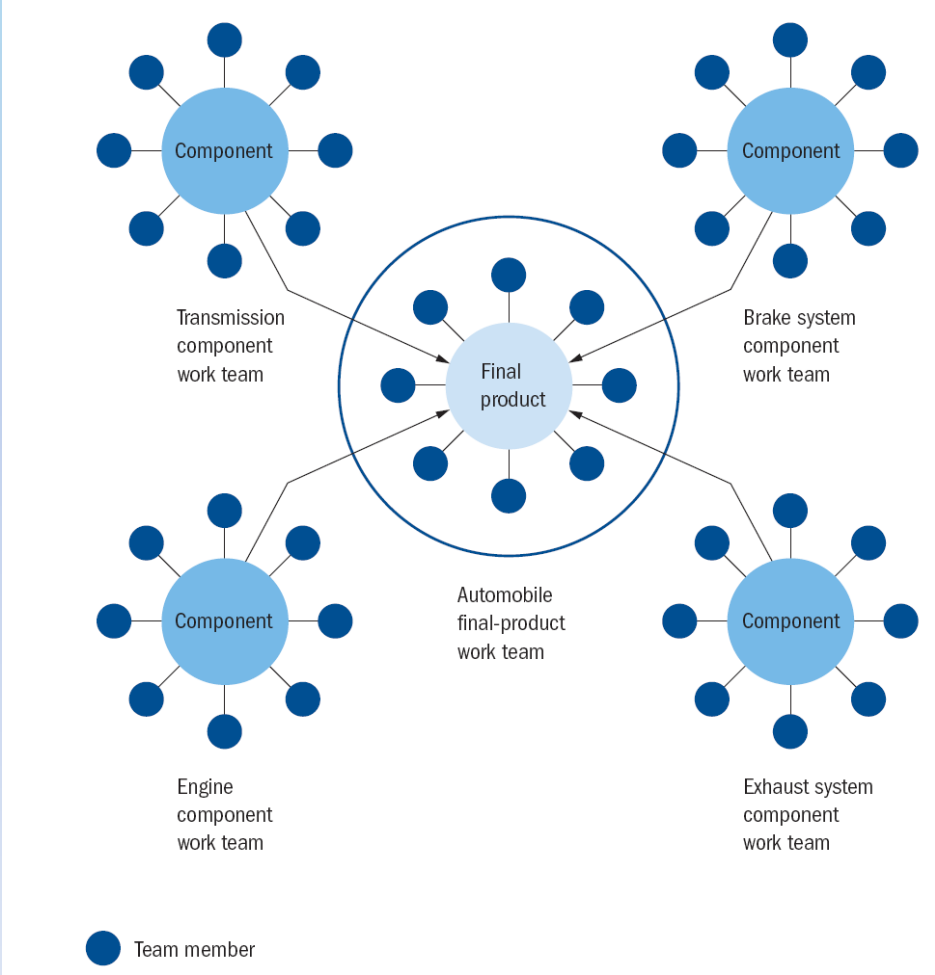
# Developments in Evolutionary Change

(cont.)

- Flexible work teams: A group of workers who assume responsibility for performing all the operations necessary for completing a specified stage in the manufacturing process
  - Team members jointly assign tasks and transfer workers from one task to another
  - Manager's role is to facilitate the team's activities



# Figure 10.3 - The Use of Flexible Work Teams to Assemble Cars



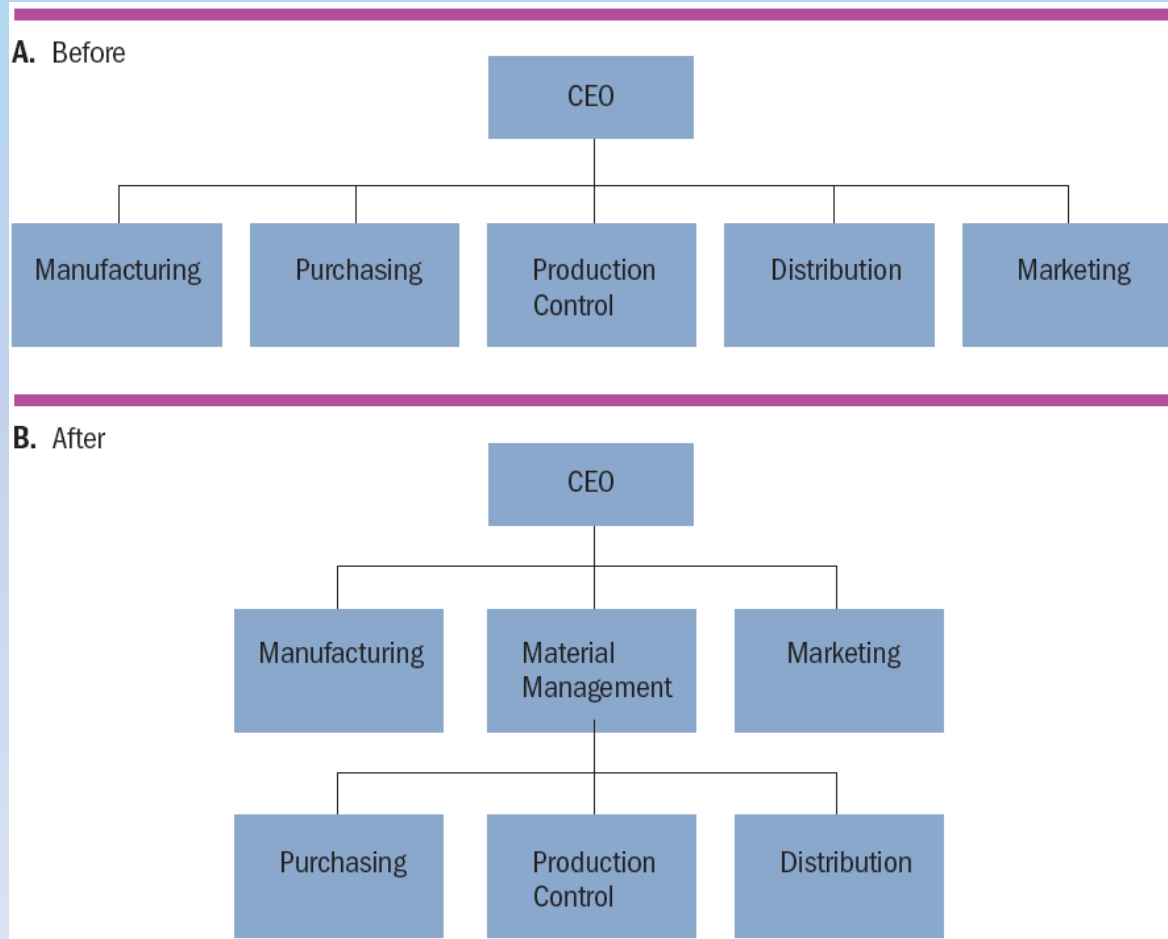
# Developments in Revolutionary Change - Reengineering

- The process by which managers redesign how tasks are bundled into roles and functions to improve organizational effectiveness
  - The managers of a reengineered organization focus on business processes
    - Business process: An activity that cuts across functional boundaries and is vital to the quick delivery of goods and services or that promotes high quality or low costs

# Developments in Revolutionary Change – Reengineering (cont.)

- Organizations that take up reengineering deliberately ignore the existing arrangement of tasks, roles, and work activities
- Guidelines for performing reengineering successfully include:
  - Organize around outcomes, not tasks
  - Have those who use the output of the process perform the process
  - Decentralize decision making to the point where the decision is made

# Figure 10.4 - Improving Integration in Functional Structure in Creating a Materials Management Function



# Developments in Revolutionary Change

(cont.)

- E-engineering - Companies' attempts to use information systems to improve their performance
- Restructuring: A process by which managers change task and authority relationships and redesign organizational structure and culture to improve organizational effectiveness

# Developments in Revolutionary Change

(cont.)

- Downsizing: The process by which managers streamline the organizational hierarchy and lay off managers and workers to reduce bureaucratic costs

# Developments in Revolutionary Change

(cont.)

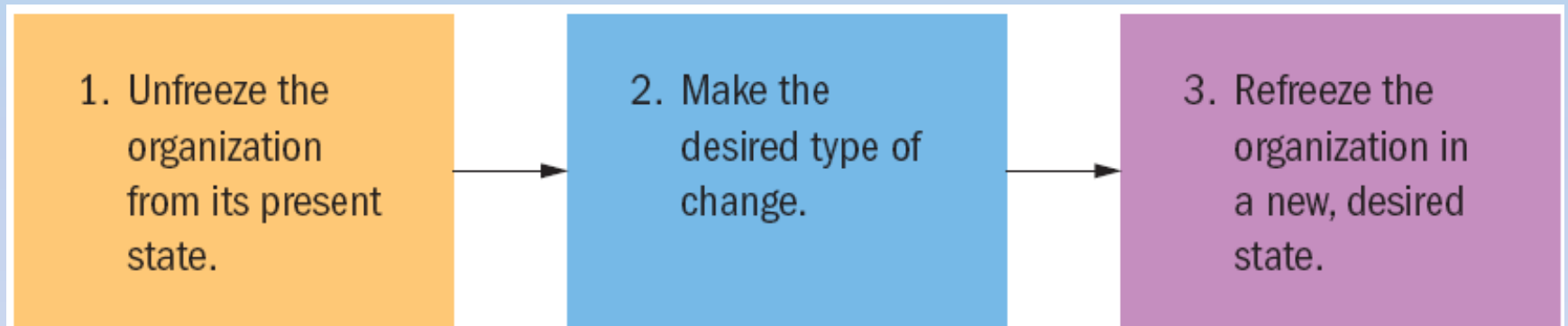
- Innovation: The process by which organizations use their skills and resources to:
  - Develop New Goods And Services
  - Develop new production and operating systems so they can better respond to the needs of their customers

# Managing Change: Action Research

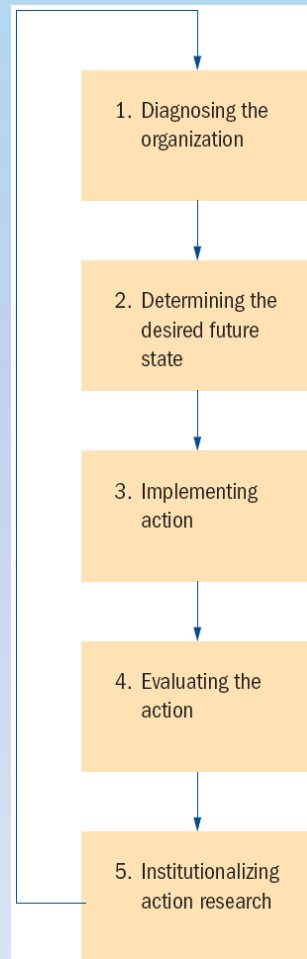
- Action research: A strategy for generating and acquiring knowledge that managers can use to define an organization's desired future state
  - Used to plan a change program that allows the organization to reach that state



# Figure 10.5 - Lewin's Three-Step Change Process



# Figure 10-6: Steps in Action Research



# Organizational Development (OD)

- Organizational development (OD): A series of techniques and methods that managers can use in their action research program to increase the adaptability of their organization

# Organizational Development (cont.)

- OD techniques to deal with resistance to change
  - Education and communication
  - Participation and empowerment
  - Facilitation
  - Bargaining and negotiation
  - Manipulation
  - Coercion

# Organizational Development (cont.)

- OD techniques to promote change
  - Counseling - Help people understand how their perception of the situation may not be right
  - Sensitivity training - Intense counseling in which group members, aided by a facilitator, learn how others perceive them and may learn how to deal more sensitively with others

# Organizational Development (cont.)

- Process consultation: A trained consultant works closely with a manager on the job to help the manager improve his or her interactions with other group members
- Team building: An OD technique in which a facilitator first observes the interactions of group members and then helps them become aware of ways to improve their work interactions

# Organizational Development (cont.)

- Intergroup training: Uses team building to improve the joint activities of different functions or divisions
- Organizational mirroring: A facilitator helps two interdependent groups explore their perceptions of each other and their relations in order to improve their work interactions
  - Each group takes turns describing the other group

# Organizational Development (cont.)

- Total organizational interventions
  - Organizational confrontation meeting: brings together all of the managers of an organization to meet to confront the issue of whether the organization is effectively meeting its goals