

## Managing change and Innovation

Topic Outline:

1. What is change?
2. Two views of the Change Process
3. Forces of change
4. Resistance to change
5. Managing change
6. Contemporary Issues in Managing Change.



# What is change?

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## ■ Definition

Refers to an alteration in people, structure or technology of an organization.

Involves - transformation, innovation or improvement.



# Types of change

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- Three categories:
  1. Changing structure
  2. Changing technology
  3. Changing people



## Changing Structure

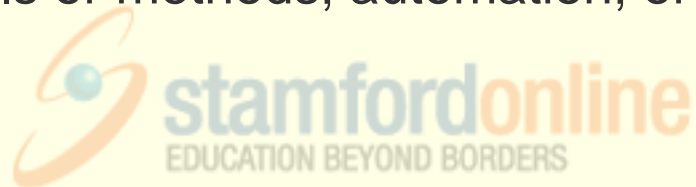
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- Work specialization, departmentalisation, chain of command, span of control, centralization, formalization, job redesign, or actual structural design.

# Changing Technology

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Change of work processes, methods, and equipment. Major changes in technology involve the introduction of new equipment, tools or methods; automation; or computerization.



# Changing People

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Attitudes, expectations, perceptions and  
behaviour



## Types of Organizational Change

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- i. Proactive change: change principally because they have decided to change and this change can be managed through careful planning. Example: improve productivity, planned changes in strategy, change in management style;
- ii. Reactive change: change because in response to external circumstances. Example: merger of business with another, development of new technology, political changes (new labour law, taxation, change in company law).

# Levels of Change

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## **Change process: The Lewin's Model**

According to Kurt Lewin's model, there are 3 phase processes of behaviour:

Unfreezing: gaining acceptance of change;

Reducing those forces, which maintain behaviour in its present from recognition of the needs for change and improvement to occur.

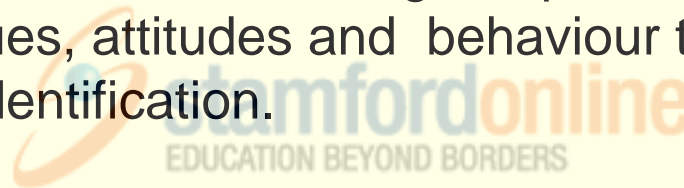


# Movement

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Movement : development of new attitude/behaviour and the implementation of change.

Movement to a new state. Change requires a trained agent to foster new values, attitudes and behaviour through the processes of identification.

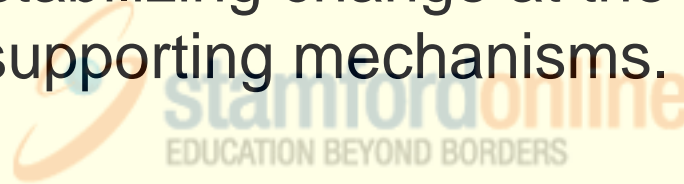


# Refreezing

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Refreezing: stabilizing change at the new level and reinforce supporting mechanisms.

Transform a new behavioural pattern into the norm through reinforcement and supporting mechanisms.



## Forces of Change – Internal forces

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1. Knowledge explosion
2. Changing technology
3. Changing nature of workforce
4. Rapid product obsolescence
5. Quality of work life



## Forces of Change – External Forces

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1. Changing nature of business
2. Government rules and regulation
3. Business environment



# Individual Resistance to change

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1. Selective perception
2. Habit
3. Security
4. Fear of unknown
5. Economic factor



# Managing Change

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Managerial Action to reduce resistance to change:

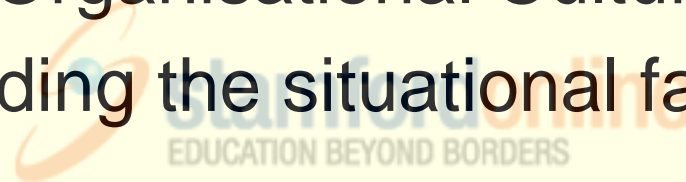
1. Education and Communication
2. Participation
3. Facilitation and Support
4. Negotiation
5. Manipulation and Co-option
6. Coercion



# Contemporary Issues In Managing Change

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Changing Organisational Culture  
Understanding the situational factors



# Understanding Organizational Culture

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## Changing Organizational Culture

*Understanding the situational factors:*

1. A dramatic crisis occurs
2. Leadership changes hand
3. The organization is young and small
4. The culture is weak



## How can cultural change be accomplished?

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1. Conduct a cultural analysis to identify cultural elements needing change.
2. Make it clear to employees that the organization's survival is legitimately threatened if change is not forthcoming.
3. Appoint new leadership with a new vision.
4. Initiate a reorganization.
5. Introduce new stories and rituals to convey the new vision.
6. Change the selection and socialization processes and the evaluation and reward systems to support the new values.