

**Organizational Human Behavior management**

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**Lecture 13**

***Organization Change and  
Development***

# Continuous Change at Nokia

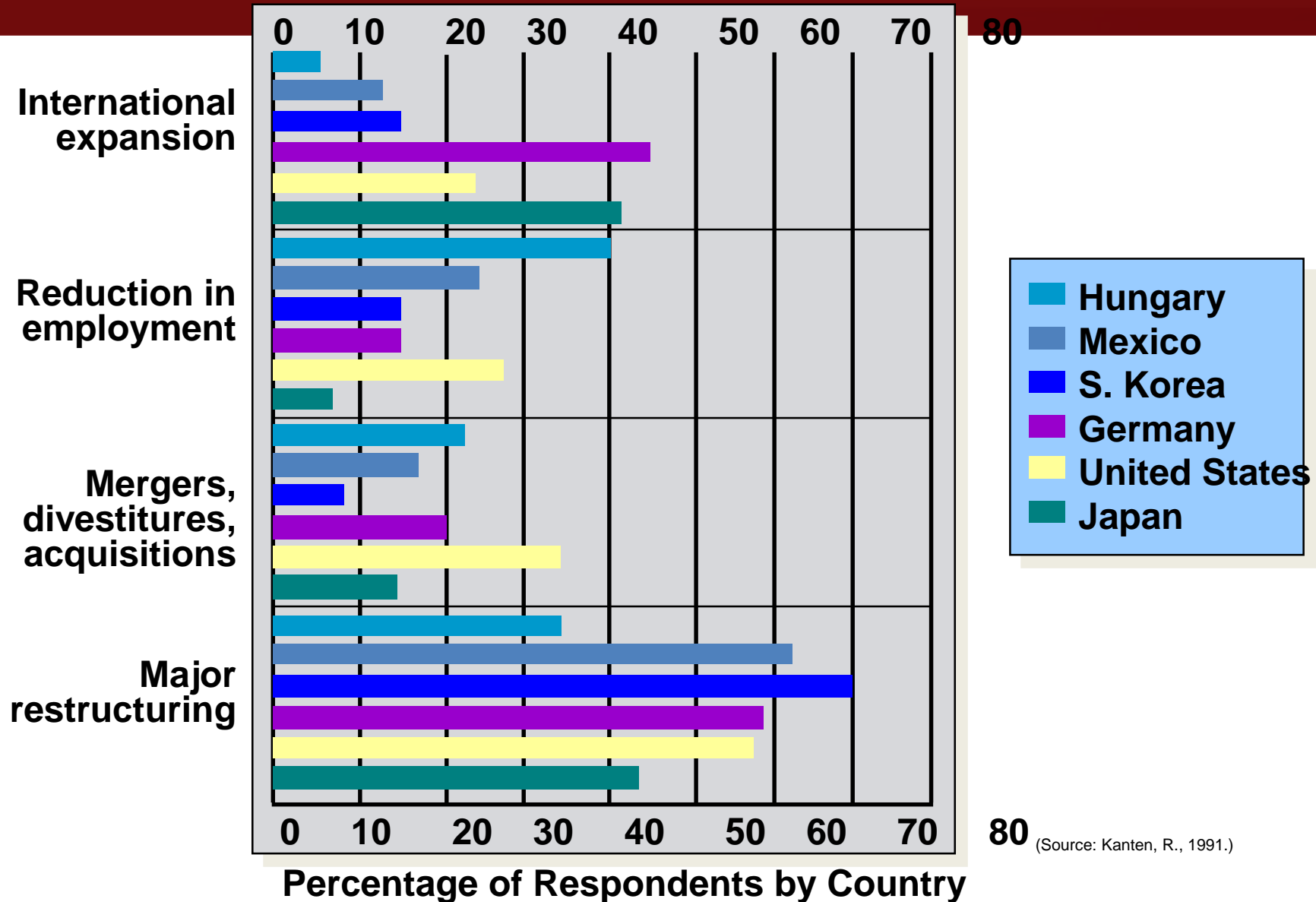
Nokia has continually adapted to its changing environment. The Finnish company began as a pulp and paper mill in 1865, then moved



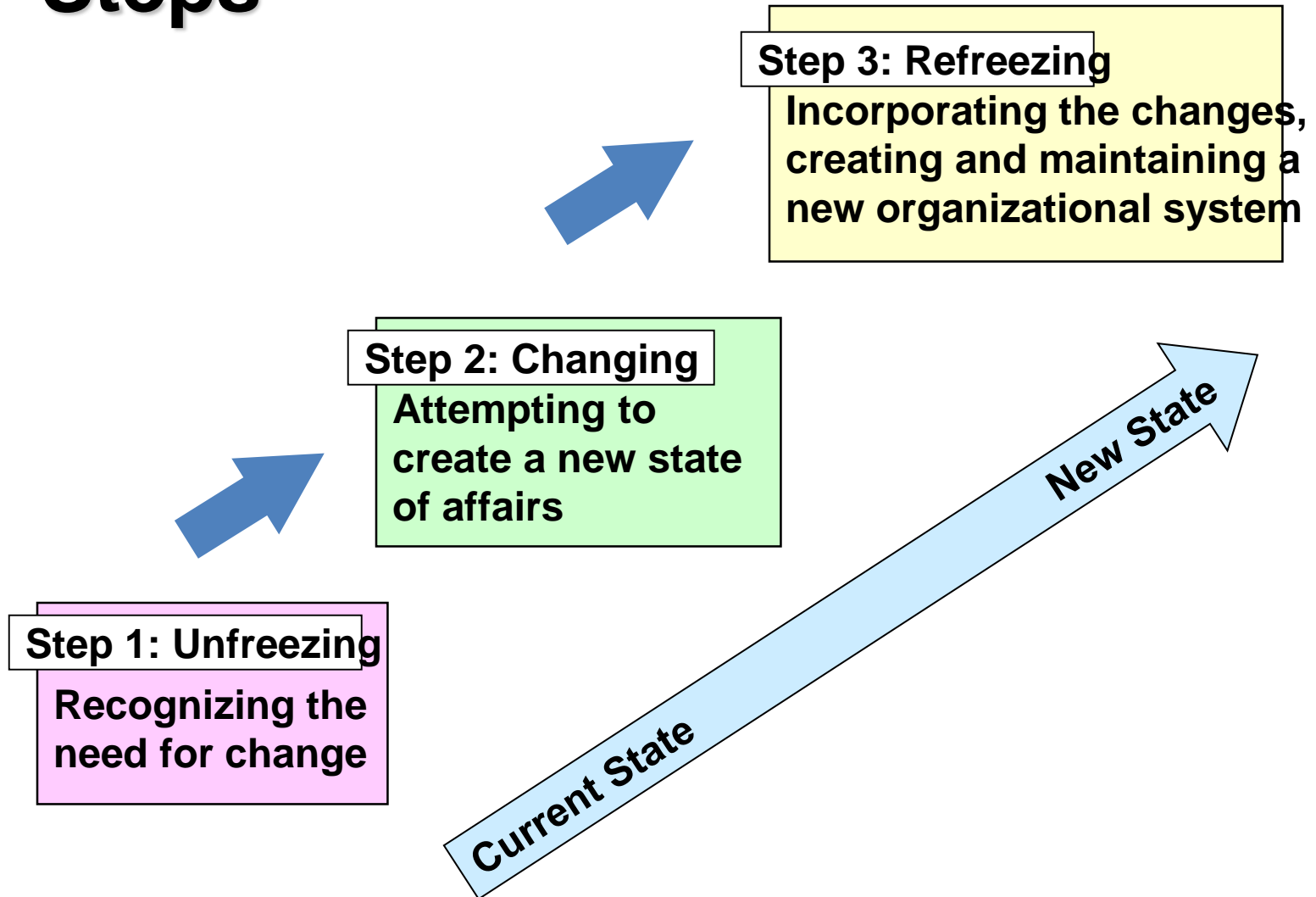
*Courtesy National Board of Antiquities, Finland*

into rubber, cable wiring, and computer monitors. In the 1980s, Nokia executives sensed an emerging market for wireless communication. Today, Nokia is a world leader in cellular telephones.

# Organizational Change: An International Phenomenon



# Changing People: Some Basic Steps



Sensitivity groups

Objective data

Group members recognize problem

Diagnose group's strengths and weaknesses

Develop desired change goals

Develop action plan to make changes

Implement plan

Evaluate plan

if successful

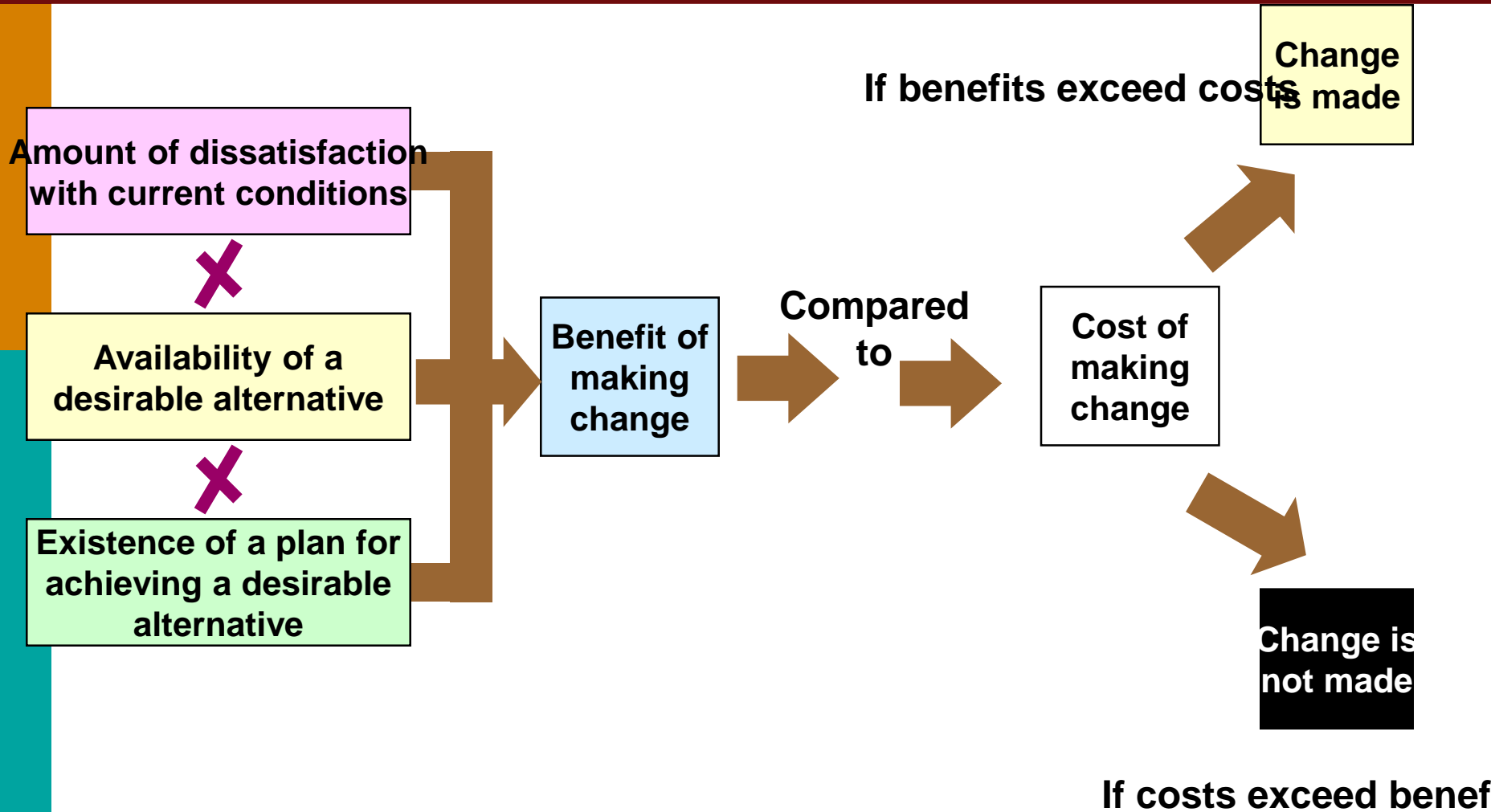
Process completed

Restart process

if unsuccessful

# Team Building: Its Basic Steps

# When Will It Occur?



# Some External Forces for Change

Information  
Technology

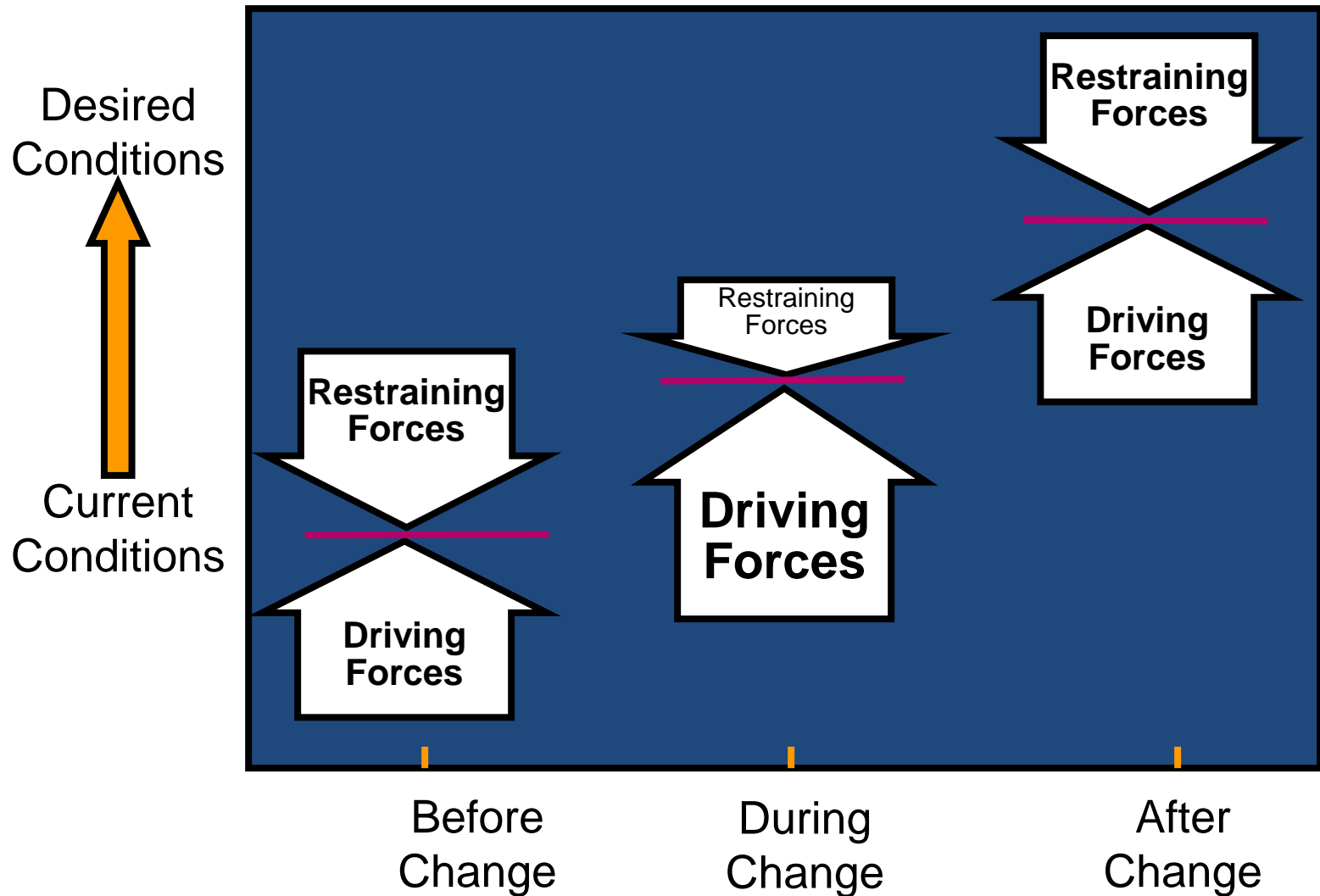
Globalization  
& Competition

Demography



*Courtesy National Board of Antiquities, Finland*

# Force Field Analysis



# Resistance to Change at BP Norge

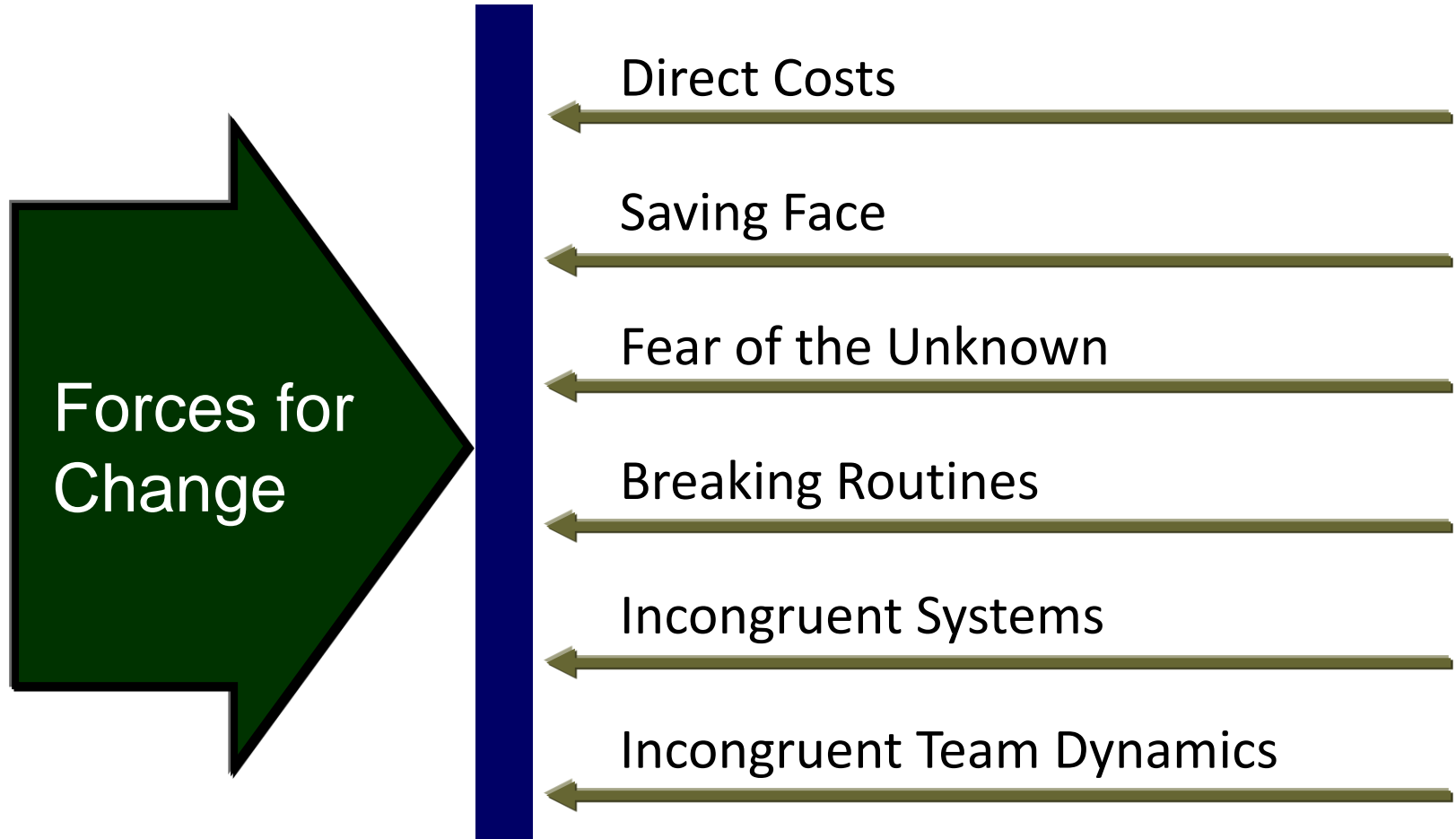
Employees initially resisted self-directed teams BP Norge's North Sea drilling rigs.

- “SDWTs don’t work on drilling rigs!”
- “We already have teams!”
- “This creates more work — will we get higher pay?”
- “I don’t know how to work in teams.”
- “SDWTs will threaten my job as a supervisor!”



*AP Worldwide*

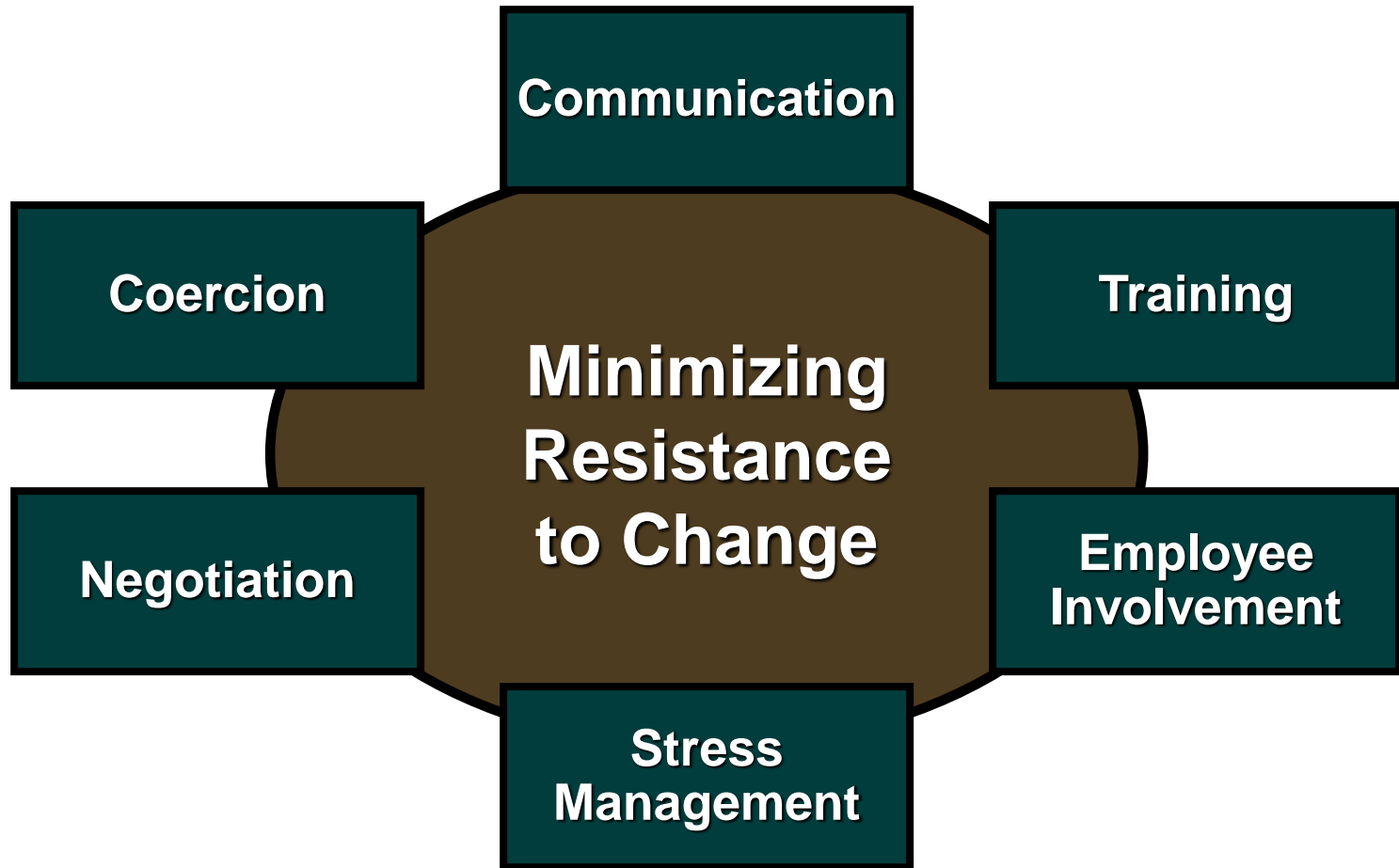
# Resistance to Change



# Creating an Urgency for Change

- Need to motivate employees to change
- Most difficult when organisation is doing well
- Must be real, not contrived
- Customer-driven change
  - Adverse consequences for firm
  - Human element energizes employees

# Minimizing Resistance to Change



# Refreezing the Desired Conditions

Creating organizational systems and team dynamics to reinforce desired changes

- alter rewards to reinforce new behaviours
- new information systems guide new behaviours
- recalibrate and introduce feedback systems to focus on new priorities

# Change Agents



*Courtesy of CHC Helicopter Corp.*

- Anyone who possesses enough knowledge and power to guide and facilitate the change effort
- Change agents apply transformational leadership
  - Help develop a vision
  - Communicate the vision
  - Act consistently with the vision
  - Build commitment to the vision

# Successfully Diffusing Change



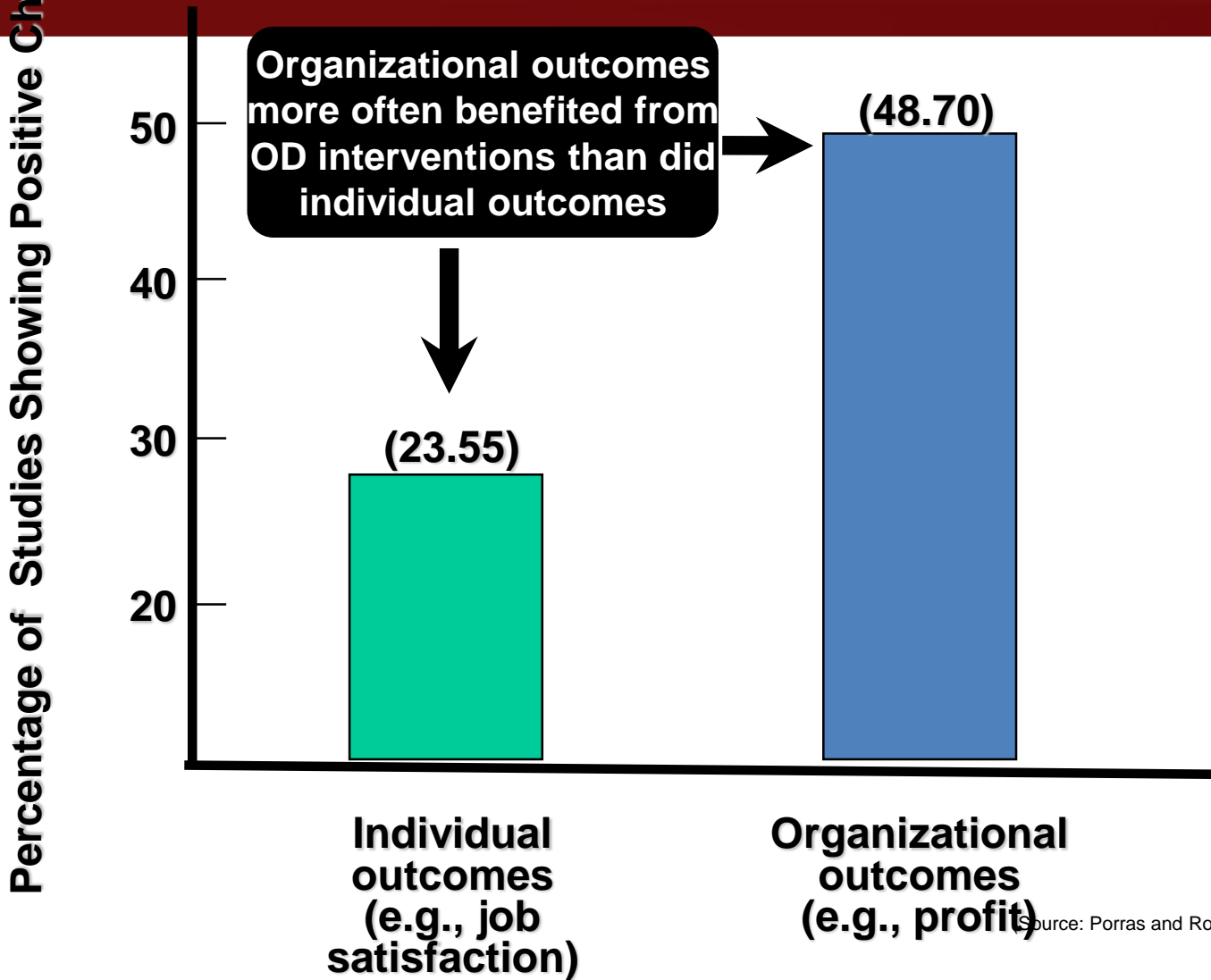
*Courtesy of CHC Helicopter Corp.*

- Successful pilot study
- Favourable publicity
- Top management support
- Labour union involvement
- Diffusion strategy described well
- Pilot program people moved around

# Organization Development Defined

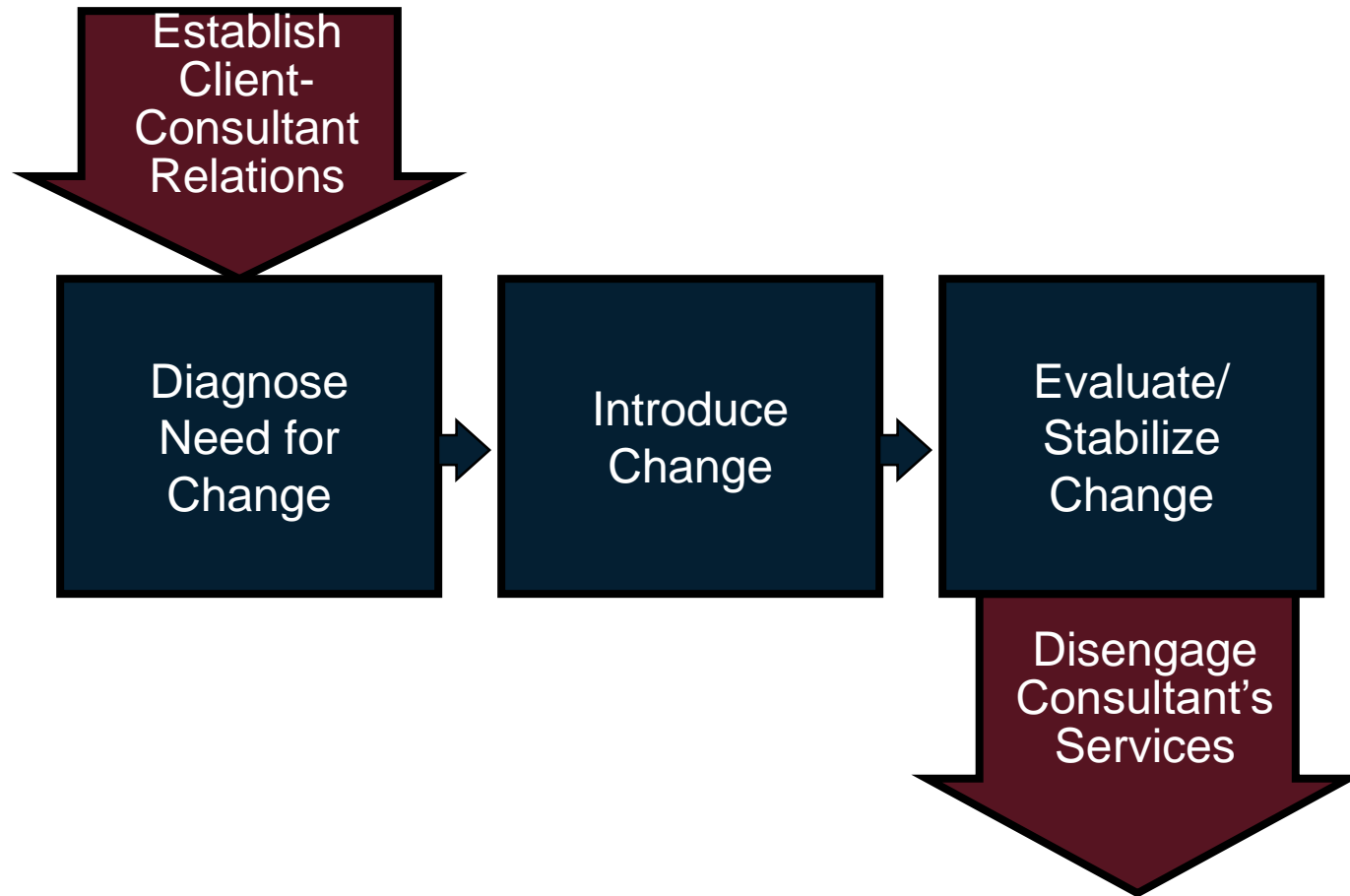
A planned system wide effort, managed from the top with the assistance of a change agent, that uses behavioural science knowledge to improve organizational effectiveness.

# Organizational Development: How Effective Is It?



(Source: Porras and Robertson, 1992.)

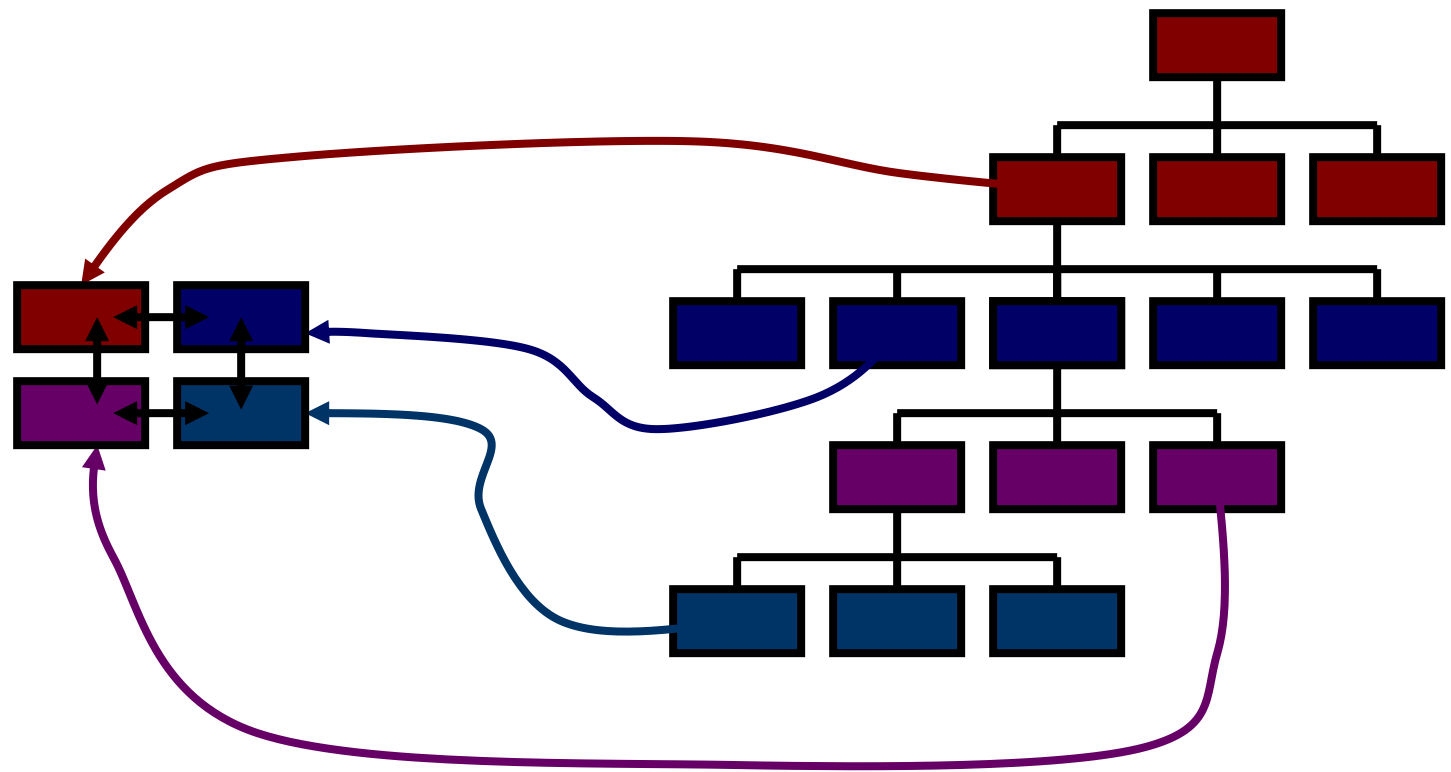
# Action Research Process



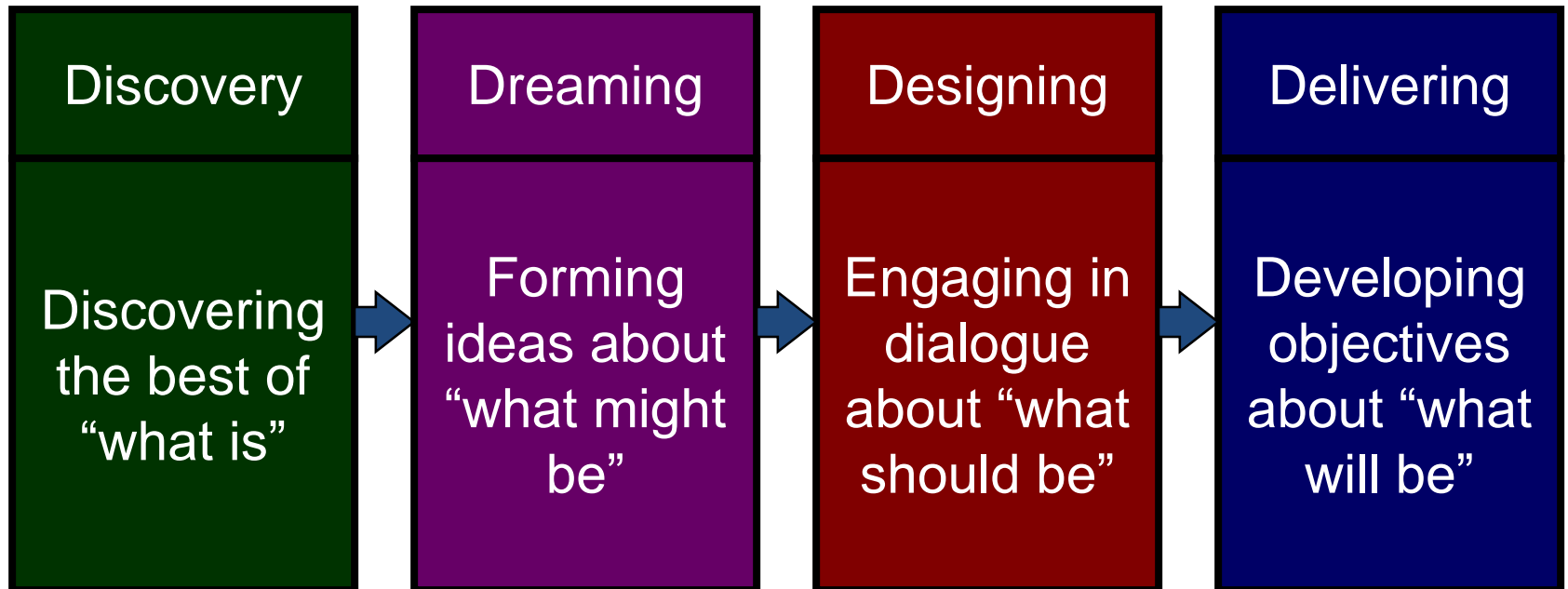
# Parallel Structures

Parallel Structure

Organization



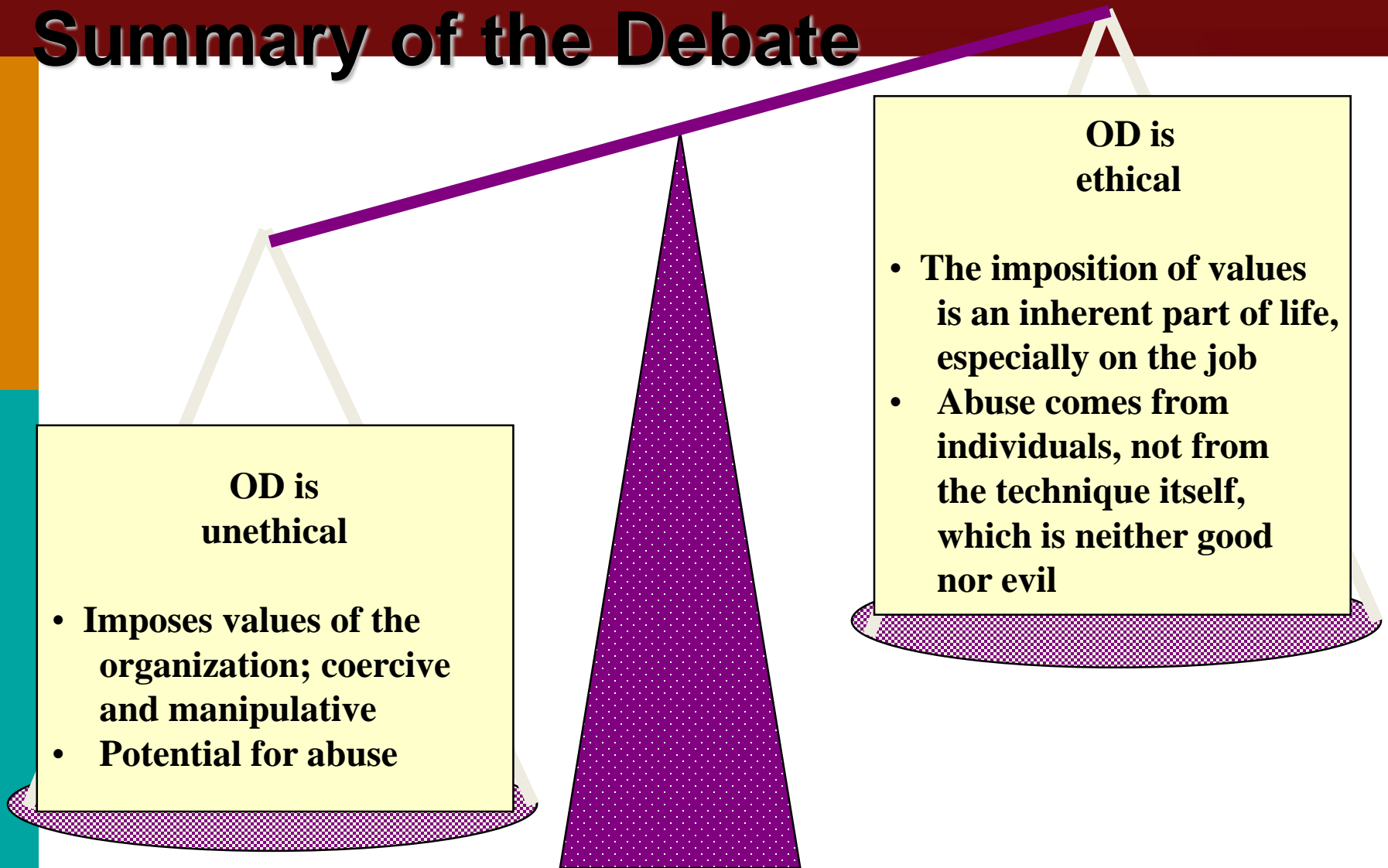
# Appreciative Inquiry Process



# Organization Development Concerns

- Cross-Cultural Concerns
  - Linear and open conflict assumptions different from values in some cultures
- Ethical Concerns
  - Management power
  - Employee privacy rights
  - Employee self-esteem
  - Consultant's role

# The Ethics of OD: Summary of the Debate





**Discussion of Activity 15.3**  
**Strategic Change Management**

# Scenario #1: “Greener Telco”

Scenario #1 refers to Bell Canada’s Zero Waste program, which successfully changed wasteful employee behaviours by altering the causes of those behaviours.



*Courtesy of Bell Canada*

# Bell Canada's Change Strategy

Relied on the MARS model to alter behaviour:

**Motivation** -- employee involvement, respected steering committee

**Ability** -- taught paper reduction, email, food disposal

**Role perc.** -- communicated importance of reducing waste

**Situation** -- Created barriers to wasteful behaviour, eg. removed garbage bins



*Courtesy of Bell Canada*

# Scenario #2: “Go Forward Airline”

Scenario #2 refers to Continental Airline’s “Go Forward” change strategy, which catapulted the company “from worst to first” within a couple of years.



*Courtesy of Continental Airlines*

# Continental Airlines' Change Strategy

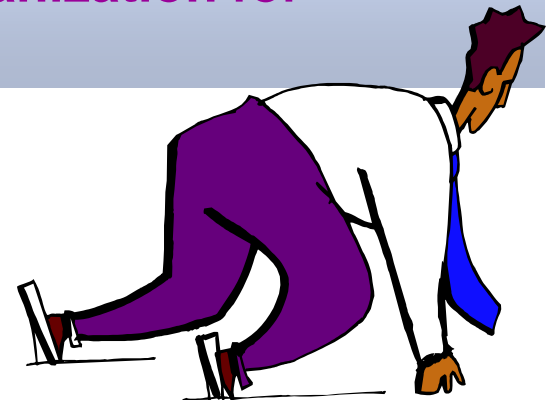
- ◆ Communicate, communicate, communicate
- ◆ Introduced 15 performance measures
- ◆ Established stretch goals (repainting planes in 6 months)
- ◆ Replaced 50 of 61 executives
- ◆ Rewarded new goals (on-time arrival, stock price)
- ◆ Customers as drivers of change



*Courtesy of Continental Airlines*

# Assessing an Organization's Readiness for Change

- Why is readiness for change an important consideration?
- What survey questions resulted in the lowest readiness for change? Why did this occur?
- What can managers do to prepare an organization for change?



# Strategies for Overcoming Resistance to Change

<b>Approach</b>	<b>Education + Communication</b>	<b>Participation + Involvement</b>
<i>Commonly Used in Situations</i>	Where there is a lack of information or inaccurate information and analysis	Where the initiators do not have all the information they need to design the change and where others have considerable power to resist
<i>Advantages</i>	Once persuaded, people will often help with the implementation of the change	People who participate will be committed to implementing change, and any relevant information they have will be integrated into the change plan
<i>Drawbacks</i>	Can be very time consuming if lots of people are involved	Can be very time consuming if participators design an inappropriate change

# Strategies for Overcoming Resistance to Change (continued)

<b>Approach</b>	<b>Facilitation + Support</b>	<b>Negotiation + Agreement</b>
<i>Commonly Used in Situations</i>	Where people are resisting because of adjustment problems	Where someone or some group will clearly lose out in a change and where that group has considerable power to resist
<i>Advantages</i>	No other approach works as well with adjustment problems	Sometimes it is a relatively easy way to avoid major resistance
<i>Drawbacks</i>	Can be time consuming, expensive, and still fail	Can be too expensive in many cases if alerts others to negotiate for compliance

# Strategies for Overcoming Resistance to Change (continued)

<b>Approach</b>	<b>Manipulation + Co-optation</b>	<b>Explicit + Implicit Coercion</b>
<i>Commonly Used in Situations</i>	Where other tactics will not work or are too expensive	Where speed is essential and where the change initiators possess considerable power
<i>Advantages</i>	It can be a relatively quick and inexpensive solution to resistance problems	It is speedy and can overcome any kind of resistance
<i>Drawbacks</i>	Can lead to future problems if people feel manipulated	Can be risky if it leaves people mad at the initiators

# Reference

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