Managing Change Class Notes

**Objective 1: Why Change Occurs**

**Topic 1: Organizational Change Defined**

Sub topic 1--IBM Study: Making Change Work --- video

Businesses experiencing a 60% failure rate in change, and 40% in culture change.

Change masters have an 80% success rate.. they

1. Act on Real Insights and Real Reactions
2. Establish solid methods and solid benefits
3. Use better Skills and Better change
4. Use the right investments and impact

By doing these four things great improvements can be expected.

Consistent and structured approaches are employees, and employee involvement, and accurate timely communications.

(Connor, 2008)





**Sub topic – 2 Organizational Change**

Three decades ago, courses on change management were not part of most university and college curricula; now, such courses are commonplace (Worren, Ruddle, & Moore, 1999)

Globalization and technology have made the world smaller and far more interconnected, Broadly speaking, planned organizational change is a process that moves companies from a present state to a desired future state with the goal of enhancing their effectiveness. Ultimately, the goal of planned organizational change is to improve an organization’s capabilities, thus enhancing its value to stakeholders and stockholders (Beer, 1980)

. Gary Hamel, a leading business strategist, notes the danger in staying put in an increasingly fluid marketplace: “Somewhere out there is a bullet with your company’s name on it. Somewhere out there is a competitor, unborn and unknown, that will render your business model obsolete” (Hamel, 1998a, p. 81).

Authors of the book Creative Destruction predicted that “by the year 2025, the average length of time a company resides on the S&P 500 will be no more than ten years, compared to twenty years today” (Rao, 2010).

In the United States, it is estimated there are 29.6 million small businesses; of that number, 627,200 are new businesses from which 595,600 were recently listed as business closures and 43,546 as bankruptcies (“Score,” 2010).

Note. Adapted from "Organizational Behavior in the 21st Century," by J. W. Weiss, 2000, Organizational Behavior and Change: Managing Diversity, Cross-Cultural Dynamics, and Ethics, Chapter 1, Section 1. Copyright 2000 by Cengage Learning.

**Topic 2: Forces of Organizational Change**

**Sub-topic 1--Forces of Change**

Organizational change is generally triggered by external and/or internal forces. Such forces could include special industry events, an unforeseen opportunity for a company to grow, industry trends, or the myriad pressures generating inside or outside the company. Detecting signs of external change is important since failure to do so could mean missed opportunities and/or impending threats to an organization.

Monitoring world events and looking at social trends is essential for organizational survival and success.

Managing change begins with understanding the internal and external forces that cause organizations to change. These forces can include changes in workforce demographics, technology, globalization, market conditions, organizational growth, and poor performance.

**Workforce Demographics**

Brainpower and talent are the keys to reigniting corporate and economic growth and providing opportunities for a new generation of students. At the same time, companies must also provide meaningful and challenging work to new employees who value learning, ethics, and flexible working conditions. Work/life and work/family issues are also major sources of workforce and workplace change.

both the United States Department of Labor and Organization for Economic Co-operation and Development (OECD) estimate that the age of the workforce is on the rise (Lerman & Schmidt, 2006).

**Technology**

change is motivated by rapid developments in technology. Moore’s law (a prediction by Gordon Moore, co-founder of Intel Corporation) dictates that the overall complexity of computer circuits will double every 18 months with no increase in cost (Answers.com, n.d.).

**Globalization**

Globalization is another threat and opportunity for organizations, depending on their ability to adapt to it.

**Market Conditions**

Changes in the market conditions may also create changes as companies struggle to adjust.

**Organizational Growth**

It is natural for once small start-up companies to grow if they are successful.

**Poor Performance**

Change is more likely to happen if the company is performing poorly and if there is a perceived threat from the environment. In fact, poorly performing companies often find it easier to change compared to successful companies.

Note. Adapted from "Organizational Structure and Change," by T. Bauer & B. Erdogan, 2010, Organizational Behavior, Chapter 14, Section 3. Copyright 2010 by Flat World Knowledge, Inc.

**Sub-Topic -2-Your Experiences with Change—journal entry**

**Topic 3: Types of Organizational Change**

**Sub-topic 1--Types and Levels of Change**

**Not all changes pressuring organizations are the same. Ackerman (2010) identified three types of change: developmental, transitional, and transformational.**

* **Developmental change involves an improvement of what already exists. For example, an organization improving a previously established process or procedure, such as an HR policy regarding employee leave time or a particular department’s procedure for filing and sharing expertise on certain projects, are examples of developmental change. The change does not necessarily have to be large in scale and scope. Often, although not always, little stress or anxiety is created with this type of small-scale change.**
* **Transitional change consists of an implementation to achieve a known desired state that is different from the existing one. Examples of this more intrusive, larger change include organizational mergers and acquisitions or replacing a process or procedure and introducing a new one, such as installing a new technology system. Such changes can shake up an organizational culture, disturb relationships, unsettle jobs, and require retraining and hiring.**
* **Transformational change involves the emergence of a new, unknown state for the organization. Examples of such changes include a shift in radically different markets that require a different strategy and skills, a move to incorporate “bleeding edge” technologies, or a new CEO and top-level team who change the structure and culture of the company.**

After deciding whether the desired change is developmental, transitional, or transformational, it is helpful to refer to Dunphy and Stace’s four levels of change (1993).

1. **Fine tuning**: This type of change involves an ongoing process of matching and “fitting” an organization’s strategy, structure, people, and processes with the environment. Fine-tuning change occurs more at a divisional and departmental level and includes such activities as refining policies, methods, and procedures; developing personnel; fostering group and individual morale; and committing to the organization’s mission and departments. This type of change requires minimal effort and resources.
2. **Incremental adjustment**: Incremental adjustments are predictable changes that evolve slowly and systematically at a constant rate over time within the organization to fit the external environment. No radical changes are needed, but modifications are made, such as shifting emphasis among products, expanding a sales territory, and modifying a mission statement to employees. Both this type of change and fine tuning are comparable to developmental change discussed earlier.
3. **Modular transformation**: Organizational change is radical in this type of change, but it is focused on subparts rather than on the entire organization. Some examples include restructuring departments or divisions; changing key executives’ and managers’ responsibilities; or introducing new business processes or processes in IT or human resources. This type of change is related to transitional change.
4. **Corporate transformation**: This type of change, like transformational change in the previous model, involves a radical shift in the business strategy and changes in the vision, mission, culture, and systems. There is outside recruitment of new executives and key management positions. Most, if not all, of the internal systems and dimensions of an organization are affected.

*Note.* Adapted from "Organizational Behavior in the 21st Century," by J. W. Weiss, 2000, *Organizational Behavior and Change: Managing Diversity, Cross-Cultural Dynamics, and Ethics*,Chapter 1, Section 4. Copyright 2000 by Cengage Learning.

**Sub topic 2. Organizational Change Case Study**

Technology frequently drives the need for organizational change, and IT is an integral part of change management within companies.

In planning the implementation of this change, identify the following:

1. What are the forces behind the change? Has the change been driven by workforce demographics, technology, globalization, market conditions, organizational growth, and/or poor performance? Is there one force driving the change, or are there multiple forces involved?

2. What type of change is this—is it developmental, transitional, or transformational? Explain why.

3. Would you consider the level of change to be fine tuning, incremental adjustment, modular transformation, or corporate transformation? Explain why.

**Sub-topic 3 Cisco Training Management –video**

The Cisco change Roadmap. A great tool. 1. Prepare, 2. Implement, 3. Manage.

* 1. Prepare has the most steps.
     + Form a team.
     + State the vision
     + Training
     + Action plan
     + manage

(seameoretracforum’s channel, 2012)

**Objective 2: Leading Change and Innovation**

**Topic 1: The Leader’s Role in Managing Change**

**Sub-Topic -1 Leaders and Change**

**Manage**

With continuous change a present reality, leaders must carefully and creatively manage the process of planning, implementing, and sustaining change. Leaders skilled at managing change are able to negotiate through a maze of differing issues, complex inter-generational dynamics and varied communication styles” (IBM Global Business Services, 2010, p. 24).

**Integrate**

To successfully manage change that lasts, leaders are able to integrate the new vision, mission, and values of the organization with the change. A 2010 IBM leadership report acknowledges that leaders “must create within their organizations integrated, cross-functional capabilities and tear down the institutional silos that inhibit creativity and speed” (IBM Global Business Services, 2010, p. 26).

**Communicate and Motivate**

Gilley, McMillan, and Gilley (2009) suggest an interpersonal skills model. They suggest that a leader’s success with change may be improved through his or her ability to build teams, motivate, and communicate within the organization. Their study found that the ability and skill of leaders to communicate, motivate, coach, build teams, reward, and involve others has been associated with the successful implementation of change within organizations. The skills of motivation, effective communication, and team building are ranked by the study as most important to the rate of success with change (Gilley, McMillan, & Gilley, 2009)

**Change Champion**

Effectively managing change requires leaders to be more than adapters to change; they have to be “fast, agile, intuitive, and innovative” to champion change. Harvard professor Kantor (2002) suggests leaders need to do the following to implement and sustain change in their organizations:

Tune in to their environments. Create networks of “listening posts” to know what their employees, peers, and superiors are doing and saying.

Challenge the prevailing organizational wisdom. Develop “kaleidoscope” thinking by questioning assumptions and how things have always been done.

Communicate authentically. Communicating a change requires more than “selling” the vision; leaders must have real conviction and commitment when communicating what they genuinely believe.

Build coalitions. Involve influential people who have political clout and resources. Leaders must identify and win over key supporters, opinion shapers, value leaders, and other experts.

Transfer ownership of a working team. Get a coalition in place to drive the change. Leaders must then continue to be involved to encourage, support, coach, and provide resources to the team, while allowing people to explore new possibilities that are not costly (Kantor, 2002).

Note. Adapted from "Motivation, Learning, and Rewards," by J. W. Weiss, 2000, Organizational Behavior and Change: Managing Diversity, Cross-Cultural Dynamics, and Ethics, Chapter 4, Section 2. Copyright 2000 by Cengage Learning.

**-- A Survival Guide for Leaders**

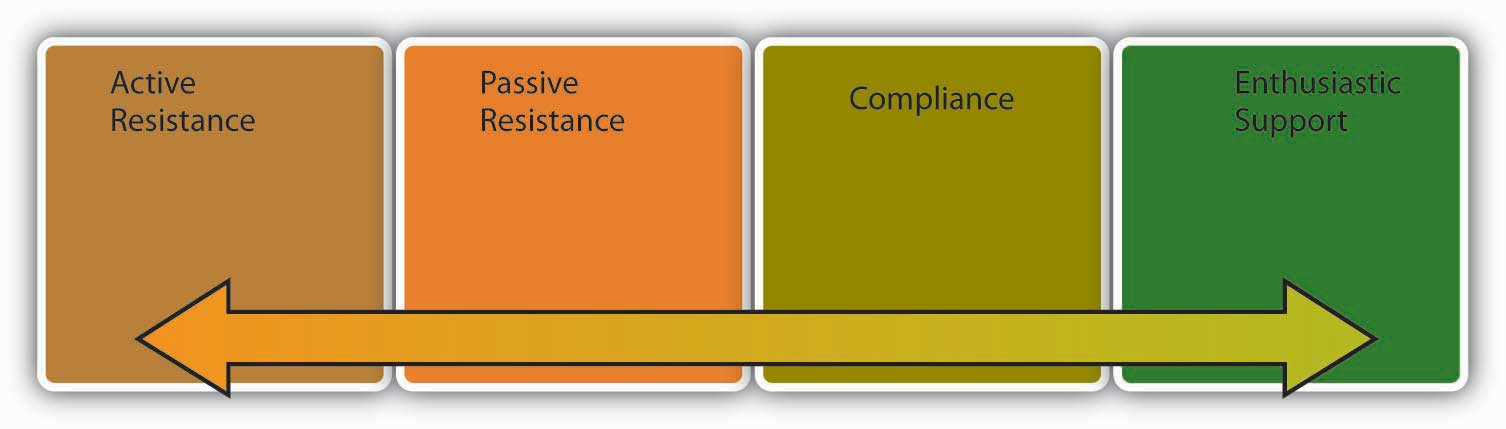
1. Find the “Journal Finder,” located in the center of the page under the Start Your Search heading.
2. Type the title of the journal (Harvard Business Review*)* into the Journal Finder search box, and select the Search button.
3. Select Business Source Premier to access the articles for Managing Change.
4. Log in with your Brandman user name and password.
5. Select Search within this publication.
6. Enter the title of the article into the search box provided, as shown below in Figure 2.1.
7. Select Search to retrieve the article from the list of results.

**-- Who Moved My Cheese? – video missing**

**Topic 2: Resistance to Change**

Changing an organization is often essential for a company to remain competitive. Failure to change may influence the ability of a company to survive.

**Figure 2.2 Reactions to Organizational Change**



**Reactions to Change**

Active resistance is the most negative reaction to a proposed change attempt. Those who engage in active resistance may sabotage the change effort and be outspoken objectors to the new procedures.

In contrast, passive resistance involves being disturbed by changes without necessarily voicing these opinions. Instead, passive resisters may quietly dislike the change, feel stressed and unhappy, and even look for an alternative job without necessarily bringing their point to the attention of decision makers. Compliance, on the other hand, involves going along with proposed changes with little enthusiasm.

Finally, those who show enthusiastic support are defenders of the new way and actually encourage others around them to give support to the change effort as well.

Any change attempt will have to overcome resistance to be successful. Otherwise, the result will be loss of time and energy as well as an inability on the part of the organization to adapt to the changes in the environment and make its operations more efficient. Resistance to change also has negative consequences for the people in question. Research shows that when people negatively react to organizational change, they experience negative emotions, use sick time more often, and are more likely to voluntarily leave the company (Fugate, Kinicki, & Prussia, 2008).

**Why People Resist Change**

**Disrupted Habits--** People often resist change for the simple reason that change disrupts our habits.

**Personality**-- Some people are more resistant to change than others. Research shows that people who have a positive self-concept are better at coping with change, probably because those who have high self-esteem may feel that whatever the change is, they are likely to adjust to it well and be successful in the new system.

**Fear of Failure**-- People also resist change when they feel that their performance may be affected under the new system.

**Personal Impact of Change**-- Research also shows that commitment to change is highest when proposed changes affect the work unit with a low impact on how individual jobs are performed (Fedor, Caldwell, & Herold, 2006).

**Prevalence of Change**-- If the company is considering a simple switch to a new computer program, such as introducing Microsoft Access for database management, the change may not be as extensive or stressful compared to a switch to an enterprise resource planning (ERP) system. ERP systems, such as SAP or PeopleSoft, require a significant time commitment and can fundamentally affect how business is conducted (Labianca, Gray, & Brass, 2000; Rafferty & Griffin, 2006).

**Perceived Loss of Power--** Given the loss in prestige and status in the new structure, some supervisors may resist the proposed changes even if it is better for the organization to operate with teams.

**Is All Resistance Bad?--** Resistance to change may be a positive force in some instances? In fact, resistance to change is a valuable feedback tool that should not be ignored.

*Note.* Adapted from "Organizational Structure and Change," by T. Bauer & B. Erdogan, 2010, *Organizational Behavior*,Chapter 14, Section 3. Copyright 2010 by Flat World Knowledge, Inc.

**--Self-Assessment: Thinking About Change**

-- **Overcoming Resistance to Change**

Organizational managers assist employees and teams in the following ways:

* **Communicate.** Resistance to change often begins when rumors fly and there is incomplete information and/or misinformation about the change. Leaders must communicate to ensure employees not only understand what the change is but why it is important before implementation. Effective communication builds the foundation for change implementation.
* **Listen.** Even positive change creates uncertainty; people may fear a loss of status, power, security, relationships, or meaningful work. Concerned employees want their leaders to listen and understand their concerns without being judgmental or telling them they are wrong. Actively listening and addressing concerns can help employees accept change.
* **Involve Employees.** When employees are asked to contribute ideas, make suggestions, or be involved in planning the change effort, their commitment to the change increases. And by involving employees in the change effort, leaders may learn valuable information about the reasons for resistance so that they can form strategies to improve success.
* **Train.** If the change requires new knowledge and skills, leaders must ensure employees receive the training needed. Once employees become confident they can succeed, they are more willing to embrace the change.

*Note.* Adapted from "Individual Differences and Personality," by J. W. Weiss, 2000, *Organizational Behavior and Change: Managing Diversity, Cross-Cultural Dynamics, and Ethics*,Chapter 2, Section 5. Copyright 2000 by Cengage Learning.

**Kotter and Schlesinger’s Change Approaches—site cant be reached**

**Received from** [**http://projects.iq.harvard.edu/files/sdpfellowship/files/day3\_2\_choosing\_strategies\_for\_change.pdf**](http://projects.iq.harvard.edu/files/sdpfellowship/files/day3_2_choosing_strategies_for_change.pdf)

Study the above link separate

Kotter and Schlesinger state that “one major task of managers is . . . to implement change and that entails overcoming resistance” (1979, p. 106).

**The Real Reason People Won’t Change**

Kegan, R. & Lahey, L. (2003). The real reason people won’t change. Harvard Business Review 79(10), 85-92.

**Case Analysis: Confronting Resistance**

Serious discontent flowed through the offices; groups were getting together to discuss their dissatisfaction with the company and to go to human resources with complaints. Some even left the company because of a perceived devaluation of health insurance benefits.

What are some of the naturally occurring reasons for opposition to this change, in general?

As a leader in this company, how would you address employee concerns?

Using your knowledge of Kotter and Schlesinger’s Change Approaches and a review of Table 2.2 in the Learning Activity, "Kotter and Schlesinger’s Change Approaches," what strategies would you recommend?

**Topic 3: Implementing and Sustaining Change**

Organizational Capacity for Change (OCC)

Adapted from "Systems Thinking," by W. Q. Judge, Jr., 2012, Focusing on Organizational Change, Chapter 2, Sections 1 & 3. Copyright 2012 by Flat World Knowledge, Inc.

Managers at all levels within organizations are facing unrelenting pressures to deliver results. Indeed, whole books are being written based on the central premise that the purpose of leadership is to deliver results—on time and within budget (Ulrich, Zenger, & Smallwood, 1999).

Organizational Capacity for Change (OCC) can be conceptualized as the overall capability of an organization to either effectively prepare for or respond to an increasingly unpredictable and volatile environmental context. This overall capability is multidimensional, and it comprises three ingredients: (a) human skill sets and resources, (b) formal systems and procedures, and (c) organizational culture, values, and norms. As such, OCC is a dynamic, multidimensional capability that enables an organization to upgrade or revise existing organizational competencies while cultivating new competencies that enable the organization to survive and prosper.

**Primary Reasons for Failure to Bring About Change**

1. Failing to Understand Systemic Nature of Change
2. Insufficient Time
3. Ignoring the Emotional Impact of Change

*Note.* Adapted from "The Strategic Leader’s New Mandate," by W. Q. Judge, Jr., 2012, *Focusing on Organizational Change*,Chapter 1, Copyright 2012 by Flat World Knowledge, Inc.

Adapted from "What Is Organizational Capacity for Change?," by W. Q. Judge, Jr., 2012, *Focusing on Organizational Change*,Chapter 2, Sections 1 & 3. Copyright 2012 by Flat World Knowledge, Inc.

**Approaches to Implementing Change**

Organizational Development (OD) and Change Management (CM). OD is humanistic, egalitarian, and based on process; in short, OD emphasizes process and the “people side” of things. CM, on the other hand, is grounded more in business, finance, and strategic and operations management. Both fields have expanded to include parts of each, although each still maintains certain differences.

Organizational Development is “the practice of changing people and organizations for positive growth” (Richards, n.d.) . OD emphasizes the people and behavioral dimensions of an organization (i.e., ways to enhance motivation and productivity, which in turn enhances the organization as a whole). At the same time, OD aims to improve the overall alignment of an organization’s systems (i.e., works to ensure the strategy fits with the culture, reward system, and employee satisfaction and effectiveness). OD is a specialized area that has been described in different ways; for example, it has been called a data-based process supported by survey feedback (Nadler, 1977), a sociotechnical approach that is centered on job tasks and characteristics (Hackman & Oldham, 1980), and an interpersonal process approach led by group dynamics (Schein, 1969).

The OD practitioner, who may be either an internal employee or external consultant, structures activities that help organizational leaders and their teams implement solutions to solve problems and increase team learning. When a problem is identified, the OD consultant will work with leaders to:

* **Gather data.** Interviews, observations, surveys, and/or analysis of performance may be used to identify why the problem exists. Because each of these actions involves the people they impact, they are termed interventions. To build and maintain trust, OD consultants ensure confidentiality to those providing data.
* **Diagnose the problem.** Once the OD practitioners have gathered and analyzed the data, they provide feedback to organizational leaders to diagnose the reasons why the problem exists.
* **Gather feedback and analysis.** OD practitioners analyze the data and provide feedback to leaders. Organizational leaders and OD practitioners reach agreement on the fundamental cause(s) of the issue.
* **Plan action.** Organizational leaders and OD practitioners collaborate to determine what actions are needed to resolve the problem; it may include a small or significant change.
* **Implement the change.** Organizational leaders supported by the OD practitioner implement the change. OD change methods focus on people and the human dimensions of organizations, including culture, leadership, and communication. Examples of OD methods include team building, survey feedback, quality of work life, restructuring work and positions, and job satisfaction.
* **Evaluate and monitor.** The effectiveness of the change effort is evaluated, and additional action is taken if needed.

**Organizational Effectiveness from an OD Perspective**

From an OD perspective, an effective organization is one that is adaptable and meets both internal and external requirements to thrive. Cummings and Worley (2010) portray an effective organization as one that solves its own problems and focuses attention, resources, and effort on obtaining major goals. OD needs the involvement of organizational leaders, managers, and members in change activities in order to equip them with the know-how and capabilities they need to manage their processes.

**Change Management**

A complementary approach to OD is Change Management (CM), which typically provides multi-step models for achieving significant change. Select the following link and read about John Kotter’s 8-Step Process for Leading Change (This content will be opened in a separate window or downloaded to your computer) .

The Kotter model is one of many that can provide guidance in implementing change. Kotter (1996) has acknowledged his framework may simplify the change process and that “even successful change efforts are messy and full of surprises” (p. 119).

Note. Adapted from "Organizational Behavior in the 21st Century," by J. W. Weiss, 2000, Organizational Behavior and Change: Managing Diversity, Cross-Cultural Dynamics, and Ethics, Chapter 1, Section 2. Copyright 2000 by Cengage Learning.

**Organizational Development Approach—computer activity**

**Organizational Change Reflection—journal**

**Manager’s Role in Implementing Change**

A 2008 McKinsey survey of 3,199 executives worldwide found that only one in three transformational organizational change programs succeeds (Aiken & Keller, 2009).

The end result is that managers synthesize and accelerate information flow, facilitate adaptability, and are crucial implementers of deliberate changes (Floyd & Wooldridge, 1996).

**Selling Ideas**

Managers can sell change if the organization is to be change capable. In addition to selling downward, managers also sell ideas upward to their senior managers and executives. As recent research has shown, managers often make formal presentations to top managers, as well as bundle new ideas with established strategic goals or issues (Dutton, Ashford, O’Neill, & Lawrence, 2001).

Finally, managers also sell ideas laterally. Organizational change typically cuts across multiple organizational units, departments, or divisions, or all three.

**Making Sense of Change Initiatives**

Managers may be called upon not to “sell” a proposed change, but to just “make sense” of it. jndeed, this sense-making function on the part of managers has been shown to positively influence restructuring initiatives or an existing operation (Balogun & Johnson, 2004; Nordblom, 2006). When managers are sidelined or blocked from being involved, they themselves cannot make sense of the change.

**Providing Stability**

Any successful change must preserve the core of the organization while changing its periphery. This stabilizing role is best handled by managers who are intimately linked with the rest of the organization.

**Manager’s Change Roles**

Managers are often more diverse than the senior executives are, and this diversity can be a source of creativity and innovation. Managers are close to day-to-day operations, customers, and frontline employees—closer than senior managers are—so they know better than anyone where the problems are.

***Innovator***

***Communicator***

***Counselor***

***Tightrope Artist***

*Note.* Adapted from "Involved Midmanagement," by W. Q. Judge, Jr., 2012, *Focusing on Organizational Change*,Chapter 6, Sections 1–3. Copyright 2012 by Flat World Knowledge, Inc.

**Choosing Strategies for Change**

**This is the combination of 1996 kotter 8 steps and 2014 8 accelorators**

Kotter, J.P., & Schlesinger, L.A. (2008). Choosing strategies for change. Harvard Business Review 86(7/8). 130–139

**Objective 3: Systems Thinking, Organizational Culture, Communication and Leadership Practices**

**Sub topic 1. Systems Thinking and Change**

"Systems Thinking" and Change

Even a small change can have dramatic results.

**What Are Systems and Systems Thinking?**

W. Edwards Deming, the guru of total quality management, defined a system as “a network of interdependent components that work together to try to accomplish a common aim” (Deming, 1986, p. 32). A pile of sand is not a system because the removal of a single component (i.e., a grain of sand) does not change the functioning of the collectivity (i.e., the pile). Furthermore, there is no “aim” designed into or emanating from the pile.

Living systems are the most complex forms of systems. What makes them unique is that they interact with their environment and are self-organizing. Therefore, one of the ways of determining whether a collectivity is a system or not is to determine if (a) the interacting parts possess a central aim or purpose and (b) the removal of a component changes the functioning of the overall system (Miller, 1978).

**The Organization as a Living System**

Systems thinking is revolutionizing the organizational sciences, just as it is challenging all the other sciences. Systems thinking requires us to consider the subsystems and components within an organization, as well as the organization as a subsystem within its larger environment. A classic systems problem is that the organization is not listening enough to its current customers (it is too closed), or that it is listening too much to its current customers, which is what Clayton Christensen calls the innovator’s dilemma (Christensen, 1997).

Systems thinking also requires us to consider the aim of the system and to what degree the members of the organization, or larger society, align with the overarching aim.

The stakeholder versus stockholder perspective of organizations is another example of conflicting aims. For some, maximizing shareholder wealth is the sole purpose of the corporation, and by doing so the overall economic system, of which the organization is a part, benefits. However, others believe that there are multiple stakeholders inside and outside the organization with a “stake” in the functioning of the organization, and that no one stakeholder is more important than any other. Systems thinking enables managers to sort out this difficult, value-laden issue.

**Systems Thinking and Organizational Change**

Peter Senge emphasized the central role of organizational learning, and he created frameworks and tools for diagnosing organizational dysfunction and enhancing organizational functioning (1990)

**The Delusion of Mental Models**

*mental models are deeply ingrained assumptions, generalizations, or even pictures or images that influence how we understand the world and how we take action. Very often, we are not consciously aware of our mental models or the effects that they have on our behavior (Senge, 1990, p. 8).*

Therefore, change-capable organizations are conscious of their shared mental models, and are adept in revising those mental models when they no longer work properly.

**The Boiled Frog Delusion**

The environment is turning up the heat slowly but surely on many of our organizations, but it is happening so gradually that we do not notice or take action to correct this trend.

**The Delusion of Learning from Experience**

Most learning for individuals, organizational units, and overall organizations comes from reflection on the experienced effects that are the result of certain actions. However, what happens when there is not a direct effect of our actions on organizational outcomes? Many individuals recognize that they can do their best, but the project still gets canceled for other reasons. He states, “Herein lies the core learning dilemma that confronts organizations: We learn best from experience but we never directly experience the consequences of many of our most important decisions” (Senge, 1990, p. 25).

**The Delusion of Individual Initiative Within a System**

When an individual or subunit within an organization is not meeting performance standards, the traditional response by the individual or subunit is to “work harder.” Sometimes this works; often it does not. When this does not work, Senge points out that often the system is the problem, rather than the individual or individuals who are working within the system. Specifically, he states:

*The systems perspective tells us that we must look beyond individual mistakes or bad luck to understand important problems. . . We must look into the underlying structures which shape individual actions and create the conditions where types of events become likely (Senge, 1990, p. 42-43).*

In other words, good performers cannot overcome a bad system. Instead, the system needs to be fixed.

*Note.* Adapted from "Systems Thinking," by W. Q. Judge, Jr., 2012, *Focusing on Organizational Change*,Chapter 7, Copyright 2012 by Flat World Knowledge, Inc.

**An Illustration of Systems Thinking –Video**

Systems Thinking white boarding animation project. Systems Thinking a way to optimize

1. Deterministic systems are systems that you can determine the outcome knowing the process.
2. An open system has inputs and outputs .. and can be optimized. One can find critical paths.
3. They have barriers which hinder and tools that assist.
4. They have control loops the feedback loops and the others.

Three levels of optimization, 1. structures management (regulating the process). 2. System design (Rearranging or replacing tools). 3. Global System Design (like public road, sewer etc.)

**Seven Practices for Building Systems Thinking into Your Organization**

Practice 1: Try to Anticipate “Ripple Effects” of Change Initiatives

Unintended side effects are common with pharmaceuticals, so why should we be surprised when the same thing happens during or after an organizational change initiative is launched? By trying to anticipate possible and unintended consequences, change leaders are more attentive to the unfolding nature of the change initiative and more likely to learn from the experience (Schriefer & Sales, 2006).

**Practice 2: Small Changes Can Produce Big Results; Search for Optimal Levers**

here are no simple rules for finding high-leverage changes, but there are ways of thinking that make it more likely. Learning to see underlying “structures” rather than “events” is a starting point. Thinking in terms of processes of change rather than “snapshots” is another (Senge, 1990, p. 65).

Malcolm Gladwell wrote a best-selling book on this very topic, giving it the graphic term “tipping points.” Gladwell argues that “the world may seem like an immovable, implacable place. It is not. With the slightest push—in just the right place—it can be tipped” (Gladwell, 2002, p. 259).

**Practice 3: Identify Feedback Loops and Multiple Drivers of Change**

Oshry recommends that people from various parts of the system need to periodically take time out to reflect collectively so as to transcend their blind spots (Oshry, 1996, p. 27).

**Practice 4: Align Change Initiatives Around an Inspiring Vision of the Future**

Change is difficult and often painful. People generally will not give up an idea, behavior, or mental model without latching onto something to replace it.

**Practice 5: Change Mental Models**

**Practice 6: Engage in Vigorous Dialogue Around the Welfare of the System**

**Practice 7: Work to Maintain Openness to the System to Avoid Entropy**

In sum, a systemic perspective is essential for making your organization change capable. Systems thinking is an infrastructure within which all change takes place.

Note. Adapted from "Systems Thinking," by W. Q. Judge, Jr., 2012, Focusing on Organizational Change, Chapter 7, Copyright 2012 by Flat World Knowledge, Inc.

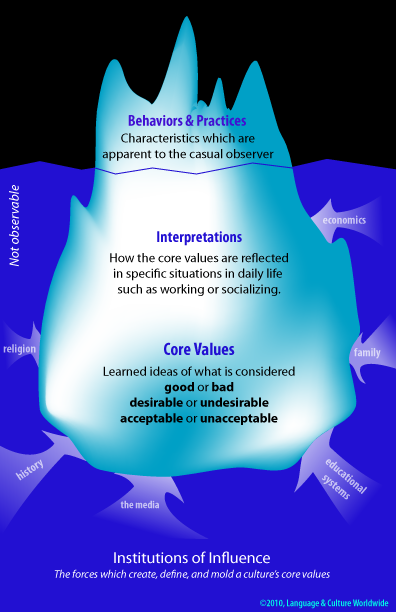
**Reflection on Leadership Practices—journal**

**Topic 2: Organizational Culture**

**Sub-Topic 1 -- Understanding Organizational Culture**

Culture is a system of shared meanings comprised of the values, beliefs, and customs that develop and guide behavior; culture is the personality of an organization or nation.

Cultural iceberg



Every organization has its own workplace culture, referred to as the organizational culture. This defines simple aspects such as how people

|  |  |
| --- | --- |
| Table 3.1 Four Types of Organizational Culture | |
| *Relationships* | *Change* |
| **Clan Culture**  Goal: Group Cohesion  Values: Cooperation  Consideration  Agreement  Fairness  Moral Integrity | **Adhocracy Culture**  Goal: Innovation  Values: Adaptability  Autonomy  Creativity  Flexibility  Experimentation |
|  |  |
| **Hierarchy Culture**  Goal: Execution of Regulations  Values: Cautiousness  Economy  Formality  Rationality  Obedience | **Market Culture**  Goal: Pursuit of Objectives  Values: Competition  Perfection  Aggressiveness  Diligence  Initiative |
| *Status Quo* | *Task* |

Innovation is fostered by information gathered from new connections; from insights gained by journeys into other disciplines or places; from active, collegial networks and fluid open boundaries. Innovation arises from ongoing circles of exchange, where information is not just accumulated or stored, but created (Wheatley, 2006, p. 113).

Note. Adapted from "Managing Demographic and Cultural Diversity," by T. Bauer & B. Erdogan, 2010, Organizational Behavior, Chapter 2, Section 3. Copyright 2010 by Flat World Knowledge, Inc.

Subtopic -2 **Corporate Culture at Apple**

Apple video.

**Subtopic -3- Organizational Culture and the Capacity to Change.**

Building the capacity for change is achieved by cultivating a culture that is open and responsive to new ideas and innovation. “The creative process is social, not just individual, and thus forms of organization are necessary. But elements of organization can and frequently do stifle creativity and innovation” (Florida, 2002, p. 22).

**Six Aspects of Organizational Culture that Facilitate Innovation and Change**

1. Combinatorial Play: Organizational cultures become creative and innovative when they encourage “combinatorial play” (Shames, 2009). In other words, employees need to imaginatively combine ideas in new ways and then play with them to see how the new combination works in reality. In most organizations, however, imagination and play are not valued; getting work done on time and under budget is. Pursuing ideas with unproven merit is often frowned upon, and extrinsic rewards are emphasized over intrinsic rewards. All of these traditional cultural norms and values thwart the development of innovation because creative employees usually value imagination and play and pursuing new ideas into unknown realms, and are highly motivated by intrinsic rewards.

2. Diversity of Thought and Ideas: A second aspect of organizational culture that is fundamental to creativity is the cultivation of diversity of thought. Although many organizations pay lip service to the need to diversify their workforce, diversity of observable demographic traits is typically the emphasis, not diversity of thought. When the workforce is highly diverse, then misunderstandings are likely, conflict often ensues, and productivity can decline. Clearly, none of these outcomes is a pleasant experience, and they do not automatically lead to innovations. However, if diversity of thought is welcomed in an organizational culture, creativity and innovation are more likely (Basset-Jones, 2005).

3. Weak Ties, Flexible Working Conditions: A third aspect of organizational culture that can facilitate innovation and change is the ubiquity of weak ties. Strong ties are relationships we have with family members, close friends, and longtime neighbors or coworkers. They tend to be ties of long duration, marked by trust and reciprocity in multiple areas of life. In contrast, weak ties are those relationships that are more on the surface—people we are acquainted with but not deeply connected to. Research has shown that creative individuals have many “weak ties” inside and outside their work organizations (Granovetter, 1973). Consequently, organizational cultures that encourage flexible working conditions and external networking make innovation more likely. Hence, there is a spontaneous and serendipitous aspect to innovative cultures.

4. Long-Term Orientation: A fourth aspect of organizational culture that nurtures creativity and innovation is an ability to look long-term. Today’s organizations are very lean and short-term focused. They are so busy exploiting existing markets that they do not have the time or resources or capacity to explore new markets. However, organizational cultures that enable the organization to both exploit and explore markets make it possible for its leaders to “fly the plane while rewiring it” (Judge & Blocker, 2008).

5. Tolerance for Ambiguity and Failure: A fifth aspect of organizational culture that makes creativity and innovation possible is the tolerance of ambiguity and failure. As Woody Allen states, “If you are not failing every now and again, it’s a sign you’re not doing anything very innovative.” Clearly, not all new ideas will work out as hoped, so ideas that lead to dead-ends are an inevitable part of the innovation process. Unfortunately, most organizational cultures seek to blame individuals who fail, rather than accepting occasional failures and attempting to learn from the experience.

6. Team Collaboration: A sixth aspect of organizational culture stems from the reality that most innovations come from collaboration within and across teams, not the genius or perseverance of a single individual. For example, in a scientific study of R&D units in the biotechnology industry, most innovative units operated more like goal-directed communities than as a collection of big-name scientists (Basset-Jones, 2005). Nonetheless, many organizations seek to hire employees who are extremely intelligent, come from prestigious universities, or both, and these are often the individuals who have the most problems collaborating with others.

*Note.* Adapted from "Innovative Culture," by W. Q. Judge, Jr., 2012, *Focusing on Organizational Change*,Chapter 10, Copyright 2012 by Flat World Knowledge, Inc.

**Subtopic -- Five Leadership Practices to Increase the Culture’s Capacity to Change**

Building the capacity to change requires openness to innovation and creativity. The following leadership practices encourage new ideas in all organizational cultures as they build a foundation that strengthens the organization’s capacity to change.

**Practice 1: Encourage Innovation and Creativity**

**Practice 2: Hire and Retain Creative Employees**

**Practice 3: Emphasize Interdisciplinary or Cross-Functional Teams**

**Practice 4: Use Stories and Cultural Rituals to Facilitate Change**

**Practice 5: Align the Culture with Change**

*Note.* Adapted from "Innovative Culture," by W. Q. Judge, Jr., 2012, *Focusing on Organizational Change*,Chapter 10, Copyright 2012 by Flat World Knowledge, Inc.

**Topic 3: Communication**

**The Importance of Communication in Managing Change**

Communication Challenges in Modern Organizations

Communication involves the transmission of a message from a sender to a receiver, but it is not a one-way process.

**Sterility of Electronic Communication Technologies**

Data-based reporting systems, e-mail, voice mail, intranets, bulletin boards, websites, and video conferencing are cost effectively breaking down large distances and providing information to huge numbers of people in relatively inexpensive but fast ways. Unfortunately, these mediums of communication are rather sterile and impersonal, and not as powerful or meaningful to people as more personal modes of communication.

**Organizational Communication and Change**

For instance, John Kotter flatly states that ineffective communication of the change initiative is one of the primary causes of failed organizational transformations (1996). T. J. Larkin and Sandar Larkin, two noted communication consultants, assert that change-oriented communications are too often lofty, vague, and impersonal, so the message is never really understood and therefore change initiatives founder (1994). And Rob Goffee and Gareth Jones observe that most change communication lacks authenticity, so the rest of the organization does not trust what is being said and, consequently, the change effort stalls or goes in unintended directions (Larkin & Larkin, 1994).

Transformation is impossible unless hundreds of thousands of people are willing to help, often to the point of making short-term sacrifices. Employees will not make sacrifices, even if they are unhappy with the status quo, unless they believe that useful change is possible. Without credible communication, and a lot of it, the hearts and minds of the troops are never captured (Kotter, 1995, p. 60).

**Using the Communication System to Bring About Change**

One of the primary reasons why communication within organizations tends to be fragmented is that the organizational leaders think of it as a collection of tools rather than an overall system (Katz & Kahn, 1966).

**The Change Message**

When communicating with others, it is important to consider the nature of the message in order to ensure that it is heard.

**Leader Attributes**

If the leader is perceived to be honest and authentic, then the message is likely to be heard—no small task in our information overload world. Authentic leaders display their true selves throughout the changes of context that require them to play a variety of roles. Authentic leaders also nurture their relationship with followers by highlighting their strengths, while revealing human weaknesses. They maintain their individuality while conforming enough to hold the organization together, and they establish intimacy with followers while keeping enough distance to command respect (Goffee & Jones, 2006).

Related to the notion of authenticity is the ability of the leader to listen well. Warren Bennis and Bert Nanus state, “A leader must be a superb listener, particularly to those advocating new or different images of the emerging reality. Many leaders establish both formal and informal channels of communication to gain access to these ideas” (This content will be opened in a separate window or downloaded to your computer) (This content will be opened in a separate window or downloaded to your computer) (1997, p. 96).

A third and final characteristic of the change leader is his or her credibility with the rest of the organization. Credibility brings trust. And trust with credibility facilitates communication and information sharing.

**Followers’ Readiness to Change**

Employees within an organization vary in their readiness to change. Some individuals just do not like any change, while others will leap at the opportunity to try something new. Most individuals vary between these two.

**Feedback Loops**

Most systems have feedback loops, and communication systems are no exception. Just because a change message is issued is no guarantee that the message is heard.

Barry Oshry points out that most feedback loops within organizations are “filtered” so that the established reality perceived by senior management, middle managers, or frontline workers goes unchallenged. Furthermore, in complex social systems, such as an organization, feedback loops often provide conflicting information. When this happens, most social systems tend to ignore the information because sorting out the discrepancies can be difficult, upsetting, and time-consuming (Oshry, 1996).

**Channels of Communication**

A wide variety of communication channels are possible within organizations. Communication channels involve both formal and informal mediums of information exchange. Formal mediums include such things as town hall meetings, newsletters, workshops, videos, e-mail, bulletin boards, manuals, roadshows, and progress reports (Balogun & Hailey, 2008, p. 195).

*Note.* Adapted from "Communication Systems," by W. Q. Judge, Jr., 2012, *Focusing on Organizational Change*,Chapter 8, Copyright 2012 by Flat World Knowledge, Inc.

**Sub Topic 2--Your Communication Plan**

Scenario: Your organization is closing a number of satellite offices and consolidating employees in one location to reduce costs. Affected employees will be permitted to telecommute 75% of the time. There has been no official communication on the change, and rumors that there will be layoffs and employees will be forced to commute long distances are rife within the organization. It is essential, therefore, to communicate quickly and effectively. Outline your communication plan, including the change message, effective communication channels, feedback loops, and rationale.

**Sub Topic 3 Want Employees to Change? Put Feelings** Firsthttps://www.youtube.com/watch?time\_continue=1&v=JhBzxy7CneM

**Seven Leadership Practices to Enhance the Communication of Change**

**Practice 1: Hire, Develop, and Retain Effective Communicators**

In a 1998 survey of 480 companies and public organizations by the National Association of Colleges and Employers, communication abilities ranked number one among personal qualities of college graduates sought by employers. Work experience and motivation are second and third (Bennett, 2000, p. 73).

**Practice 2: Invest in Information Technologies and Experiment with New Formats**

The number one capital investment for most organizations is in information technologies, the primary new means of communicating within organizations. By some accounts, information technologies account for 35% to 50% of all business capital investment in the United States (Anonymous, 2010).

**Practice 3: Talk the Walk and Walk the Talk**

There is nothing more devastating to change initiative and overall change capability than for leaders to espouse the benefits of change and then not act in alignment with those espoused benefits. In other words, when the behavior from management and leaders within an organization is inconsistent with the change initiative, then all other forms of communication are disregarded (Kotter, 1996, p. 90).

**Practice 4: Use Stories, Metaphors, Analogies, and Pictures as Much as Possible**

Effective communication systems connect the hearts and minds of the rest of the organization. Stories, metaphors, and analogies are powerful ways to communicate complex information in compelling ways. John Kotter emphasizes that this is particularly important for communicating change, saying, “a verbal picture is worth a thousand words” (1996, p. 90).

**Practice 5: Repeat the Message Many Times in Many Forums, but Keep It Fresh**

Consequently, the change message must be repeated many ways in many different contexts using multiple communication channels (Kotter, 1996, p. 90).

**Practice 6: Seek to Discuss the Un-discussable**

Sometimes enabling anonymous discussion of un-discussables using web-based technologies can shine a light on “the elephant in the room” (Hammond & Mayfield, 2004).

**Practice 7: Leverage Informal Social Networks**

A social network is “the structure of personal and professional relationships you have with others. Social capital is the resources—such as ideas, information, money, and trust—that you are able to access through your social networks” (Carpenter, 2009, p. 5-6).

In sum, effective communication systems are an essential element of any change-capable organization. These systems complement the systemic thinking dimension in such a way that the knowing-doing gap is bridged (Pfeffer & Sutton, 2000).

Note. Adapted from "Communication Systems," by W. Q. Judge, Jr., 2012, Focusing on Organizational Change, Chapter 8, Copyright 2012 by Flat World Knowledge, Inc.

**Reaching and Changing Frontline Employees**

Go to Brandman’s Virtual Library (This content will be opened in a separate window or downloaded to your computer) to locate and read the following article:

Larkin, T., & Larkin, S. (1996). Reaching and changing frontline employees. Harvard Business Review 74(3), 94-104.

**Topic 4: Leaders as Change Champions**

**Change Champions**

Cross-functional teams comprised of respected middle managers are often used to plan and implement major change initiatives. Even when the top management personally leads a change initiative, such as in life-or-death turnaround situations, individual change champions within the middle management ranks must “step up” if the change is to be successful. Consequently, the “vertical” chain of command is not enough to create a change-capable organization.

**Influence Without Authority**

Because organization-wide change and innovation frequently go beyond existing organizational sub-units and lines of authority, change champions often need to go beyond their existing authority in order to get things changed.

**Getting Things Done When Not in Charge**

According to Geoffrey Bellman, in order to work effectively with other people over whom you have no authority, it is important to start out by being clear about what you want. Specifically, he states, “Clarity about your vision of what you want increases the likelihood you will reach for it” (Bellman, 2001, p. 118). He adds that “when we are not doing what we want to do, we are doing what others want us to do” (Bellman, 2001, p. 21). In essence, the power of authenticity wins over the power of organizationally backed authority. One of the implications of such a posture is that becoming a change champion within an organization requires that you be prepared to leave it when or if your life’s purpose cannot be pursued. Bellman states it well: “Worse than losing a job is keeping a job in which you are not respected, or not listened to, or not consulted, or not influential, or…you name it, it is your fear” (Bellman, 2001, p. 110–111).

*Note.* Adapted from "Capable Champions," by W. Q. Judge, Jr., 2012, *Focusing on Organizational Change*,Chapter 5, Copyright 2012 by Flat World Knowledge, Inc.

**Power and Influence –video**

[**https://www.youtube.com/watch?v=KdQHAeAnHmw**](https://www.youtube.com/watch?v=KdQHAeAnHmw)

**Six Practices for Cultivating Leaders as Change Champions**

**Practice 1: Listen to Other Managers and Employees**

**Practice 2: Align with Other Change Champions**

**Practice 3: Recognize and Reward Effective Change Champions**

**Practice 4: Train and Develop Middle Managers to be Change Agents**

**Practice 5: Use Cross-Functional Teams to Bring About Change**

**Practice 6: Understand the Nature and Power of “Sponsorship”**

***Note.* Adapted from "Capable Champions," by W. Q. Judge, Jr., 2012, *Focusing on Organizational Change*,Chapter 5, Copyright 2012 by Flat World Knowledge, Inc.**