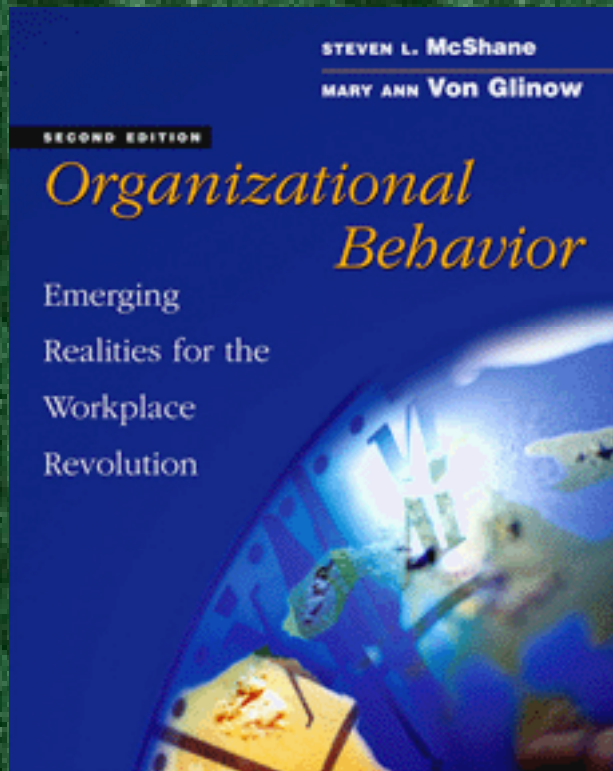
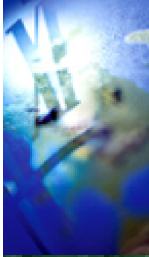


# CHAPTER

# 16



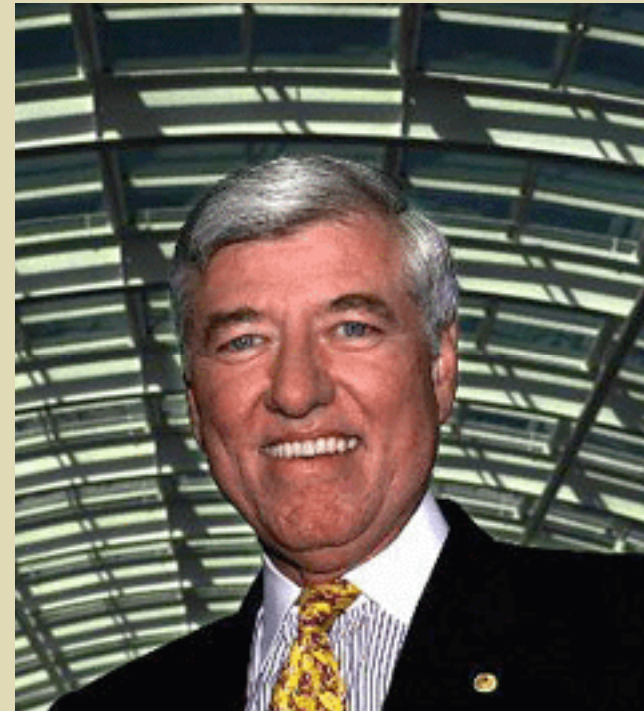
# Organizational Change and Development



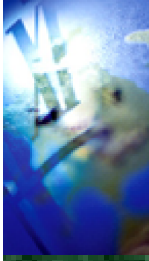
# Driving Change at EDS

Richard H. “Dick” Brown drove the change effort at EDS by:

- listening to customer complaints
- changing the firm’s structure
- monitoring the change process
- communicating the change directly with employees
- replacing several executives



*AP/ Wide World*



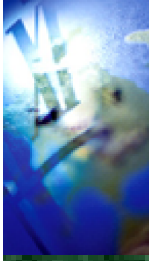
# Some External Forces for Change

## Information Technology

- Easier information transfer
- Facilitates global structures
- Requires new competencies and expectations
- Facilitates telecommuting; new employment relationships
- More emphasis on knowledge management

## Globalization & Competition

## Demography



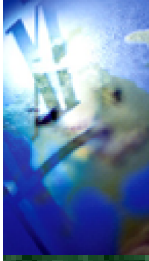
# Some External Forces for Change

**Information  
Technology**

**Globalization  
& Competition**

**Demography**

- Global competition
- Technology makes it easier to compete quickly
- Results in restructuring, outsourcing, mergers
  - produces many employment changes



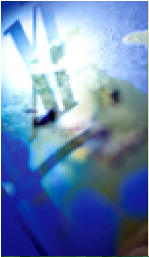
# Some External Forces for Change

## Information Technology

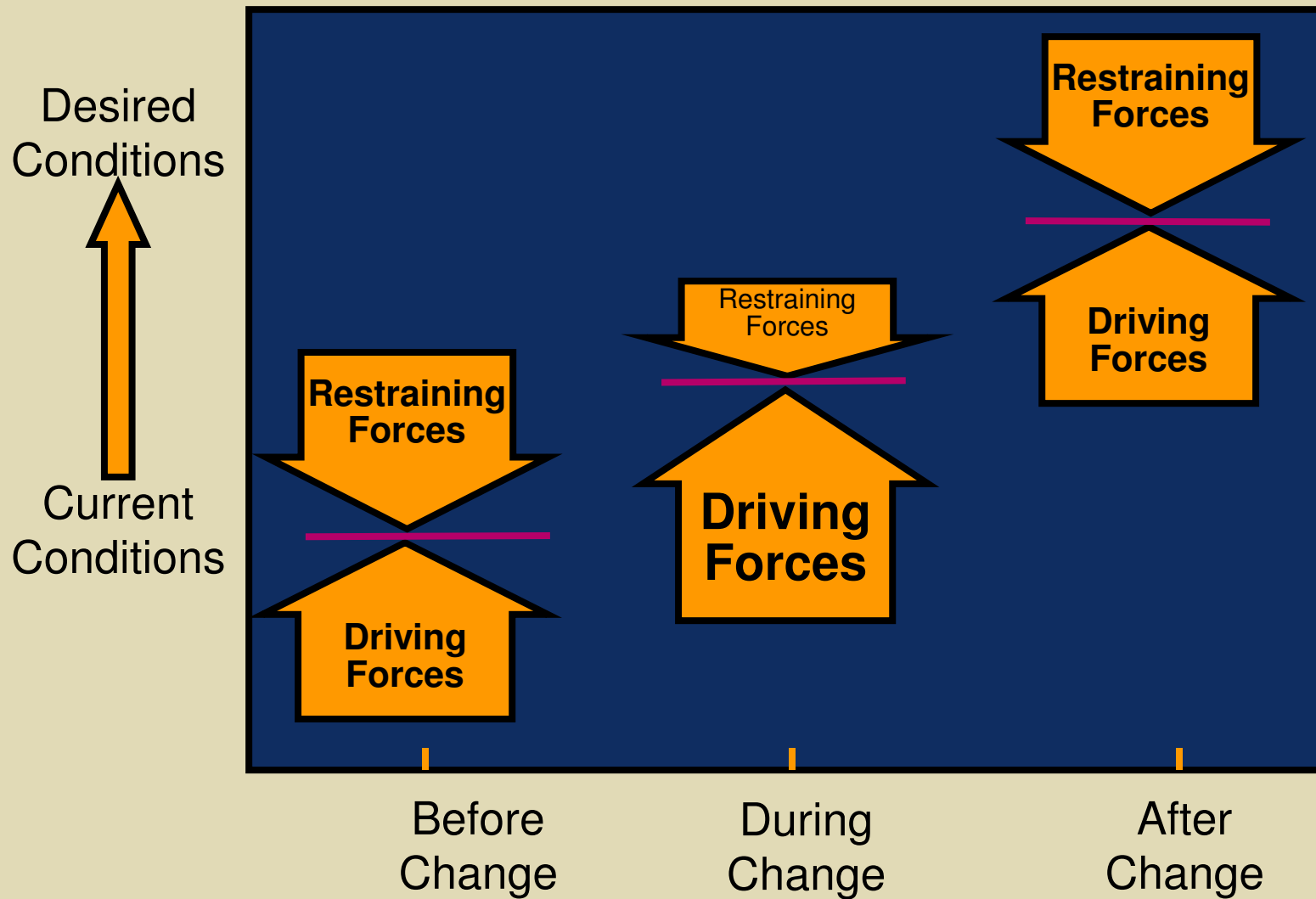
## Globalization & Competition

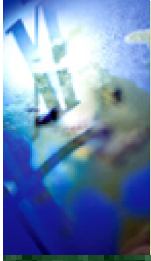
## Demography

- More educated workforce
  - want involvement; interesting work
- Younger generation
  - less intimidated by status
  - want a more balanced work life
- Cultural changes
  - more individualism in traditionally collectivist countries



# Force Field Analysis





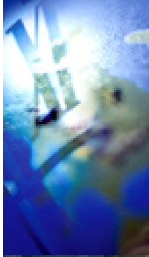
# Resistance to Change at BP Norge

Employees initially resisted self-directed work teams (SDWTs) at BP Norge's North Sea drilling rigs.

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



*AP/ Wide World*



# Resistance to Change

Forces for  
Change

Direct Costs

Saving Face

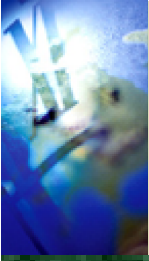
Fear of the Unknown

Breaking Routines

Incongruent Systems

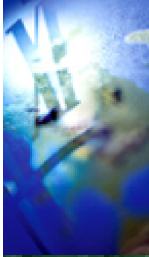
Incongruent Team Dynamics





# Creating an Urgency for Change

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

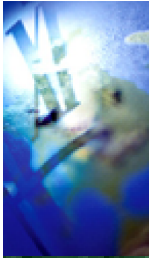


# Reducing Restraining Forces at Unilever

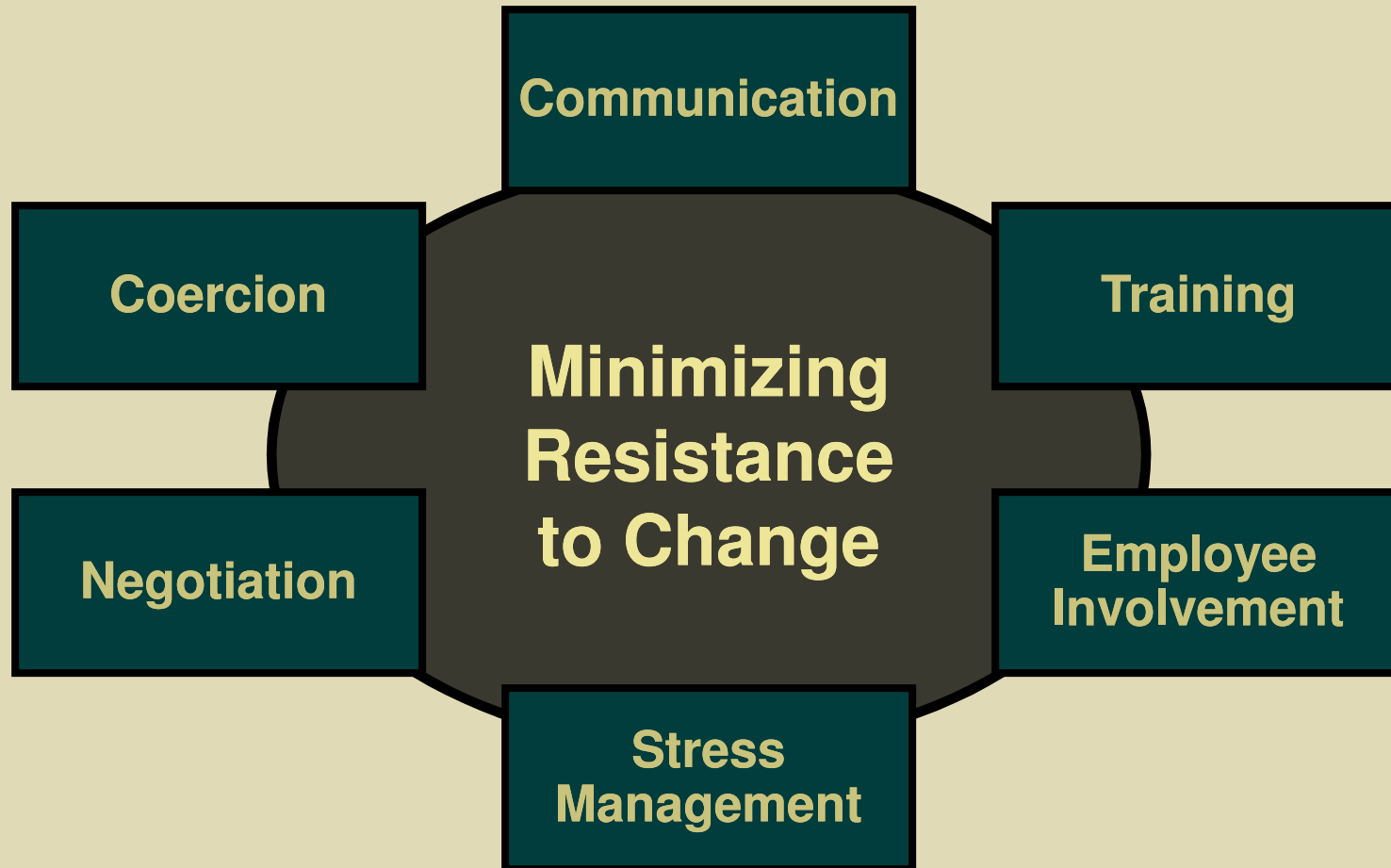
Gary Calveley (right) brought in team coaches to train employees throughout the process of changing Unilever's Elida Faberge factory into Europe's best factory. A theatrical production helped to communicate the changes that Calveley was trying to achieve through coaching.

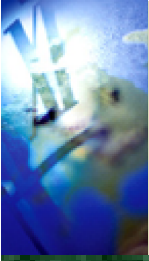


*Dean Smith/The Camera Crew*



# Minimizing Resistance to Change

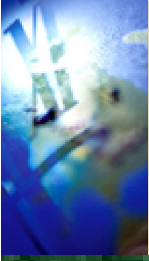




# Refreezing the Desired Conditions

Creating organizational systems and team dynamics to reinforce desired changes

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



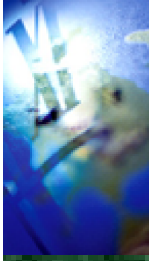
# Strategic Vision & Change Agents

## ■ Strategic Vision and Change

- Need vision of desired future state
- Minimizes employee fear of the unknown
- Clarifies role perceptions

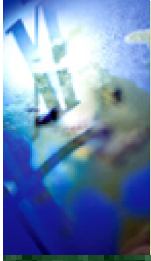
## ■ Change Agents

- Possess knowledge and power to facilitate the change effort
- Usually internal change champion
- Need to be transformational leaders



# Conditions for Diffusing Change

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

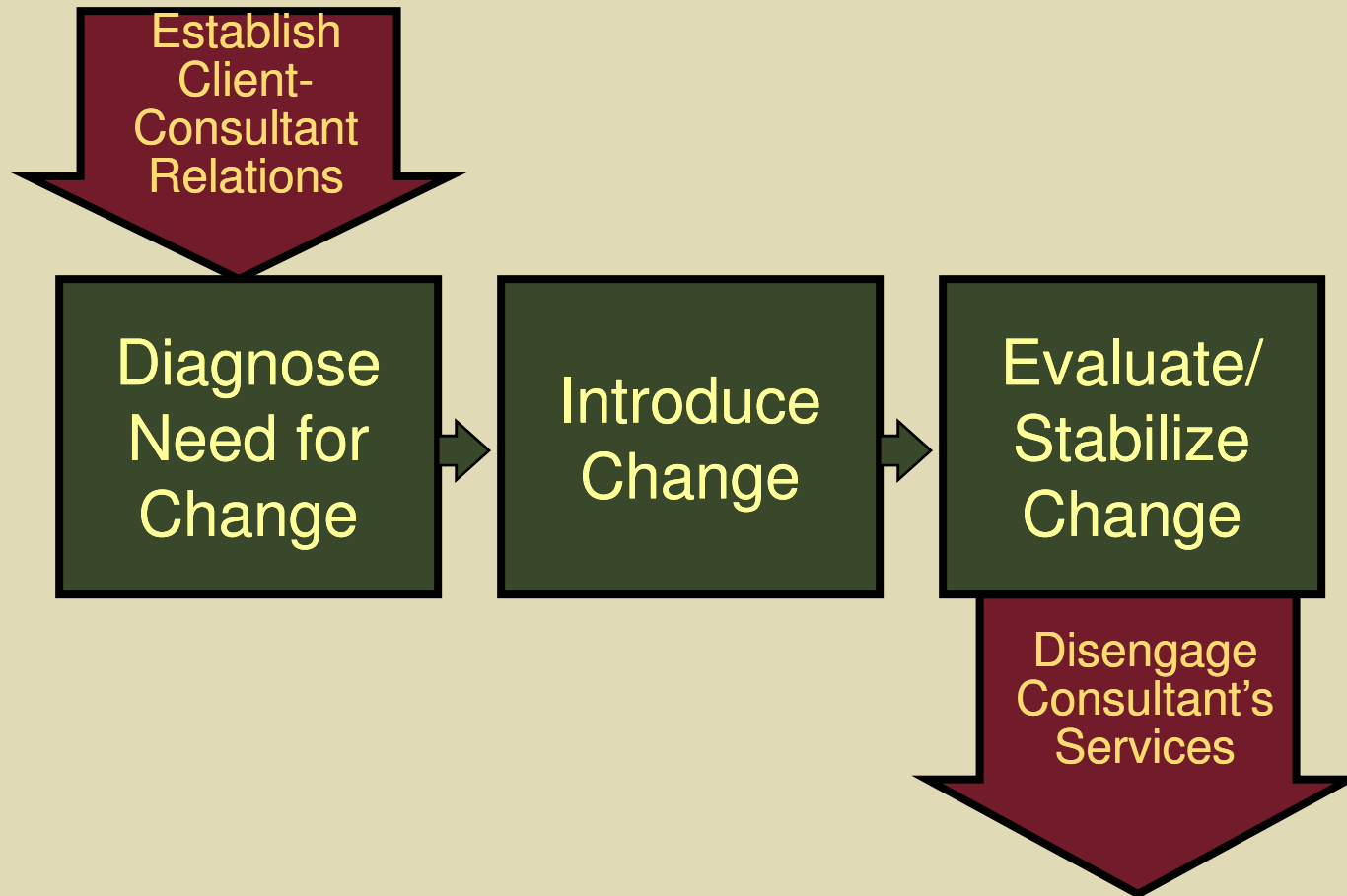


# Organization Development Defined

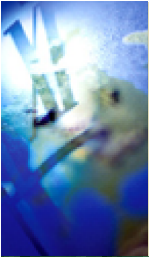
A planned system wide effort, managed from the top with the assistance of a change agent, that uses behavioral science knowledge to improve organizational effectiveness.



# Action Research Process

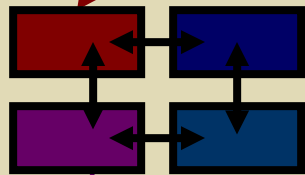




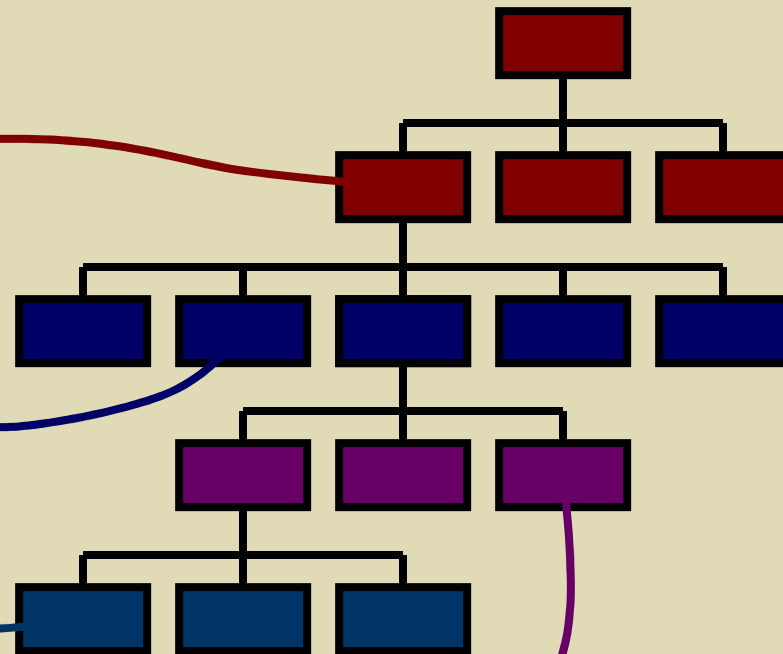


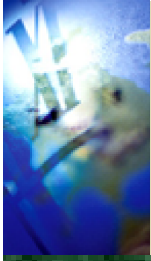
# Parallel Learning Structures

## Parallel Learning Structure



## Organization



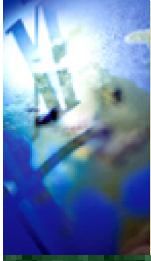


# Appreciative Inquiry at Hunter Douglas

The Hunter Douglas Window Fashions Division in Colorado relied on appreciative inquiry as well as a search conference to create a collective vision, re-instill a sense of community among employees, and build leadership within the company.



*Courtesy of Amanda Trotsen-Bloom*

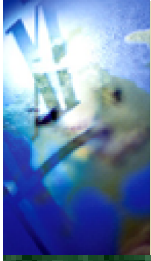


# What is Appreciative Inquiry?

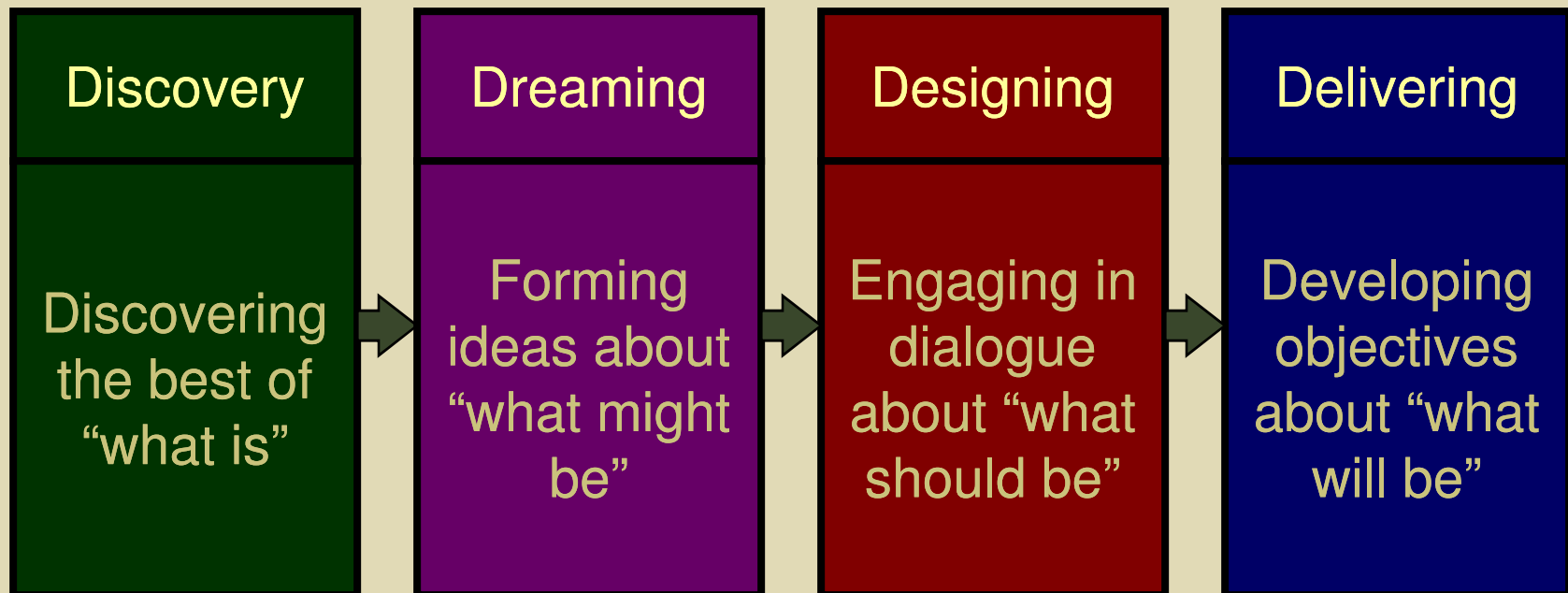
- Directs the group's attention away from its own problems and focuses participants on the group's potential and positive elements.
- Reframes relationships around the positive rather than being problem oriented

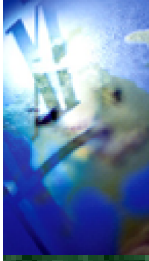


*Courtesy of Amanda Trotsen-Bloom*



# Appreciative Inquiry Process





# Organization Development Concerns

## ■ Cross-Cultural Concerns

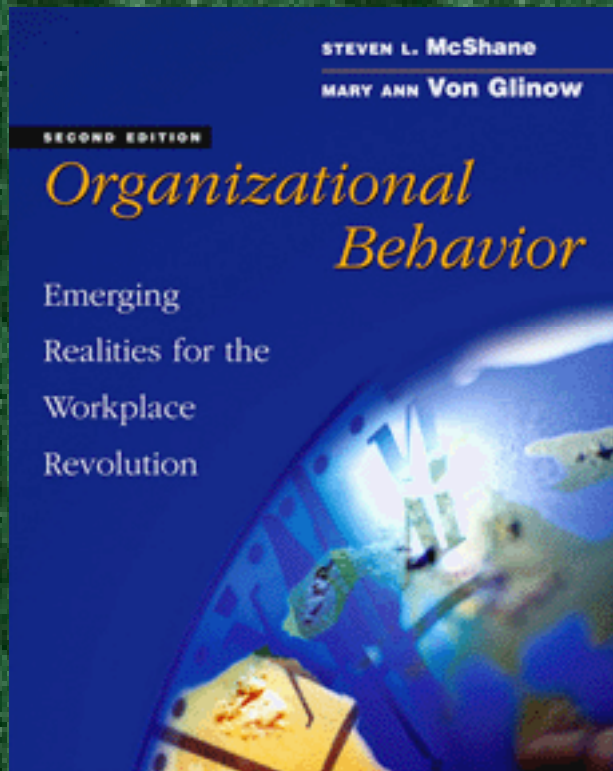
- Linear and open conflict assumptions different from values in some cultures

## ■ Ethical Concerns

- Management power
- Employee privacy rights
- Employee self-esteem
- Consultant's role

# CHAPTER

# 16



# Organizational Change and Development