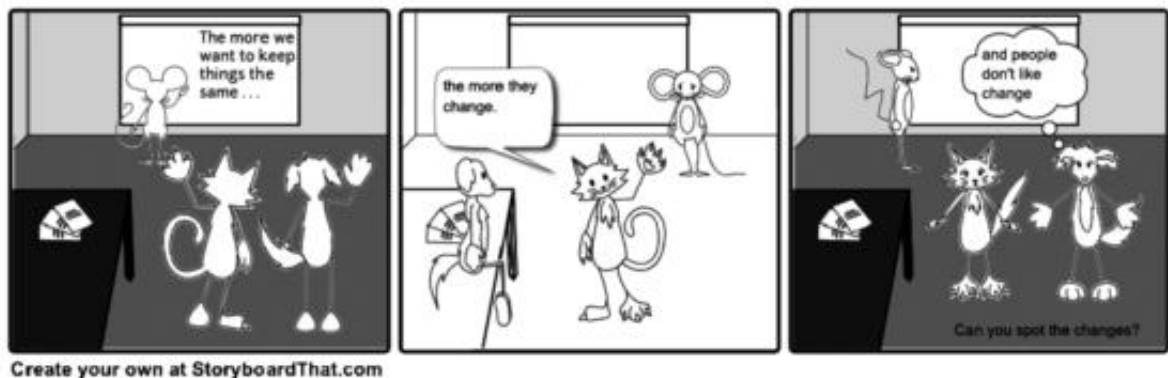# Study unit 2

Managing organisational change and individual stress

2.1   BACKGROUND

The only thing that ever stays the same is change. Change is everywhere. Think about your day so far. How many things are the same as they were yesterday? You are not reading the same study unit and most probably not wearing the same clothes. Considering that change is so evident in the most basic elements of your life, how much more evident would it be in an organisation that employs many people and is a "person" in its own right?

Create your own at StoryboardThat.com

2.2   STUDY UNIT CHALLENGES

We are challenging you to:

● identify and discuss the forces of change
● discuss the dimensions of change
● explain why organisations and individuals resist change
● provide advice to managers on how to overcome resistance to change
● discuss the approaches to managing change
● identify the areas of organisational change

Work through Chapter 5 in the prescribed book.

2.3   INTRODUCTION

Experiments showed that when a frog was placed in boiling water it would jump out immediately, whereas a frog placed in cool water that was gradually heated to boiling would not jump out of the water, and it would eventually be boiled alive. Organisations, like the frog, must

realise when things are changing, and must adapt to the change or perish. In this study unit, we are going to investigate what causes this change, what change looks like, and why it is so difficult to change an organisation.

2.4   FORCES OF CHANGE

Managers must constantly scan both the internal and external environment of the organisation for forces that necessitate an organisation to change. Figure 2.1 is a mind map of these forces.
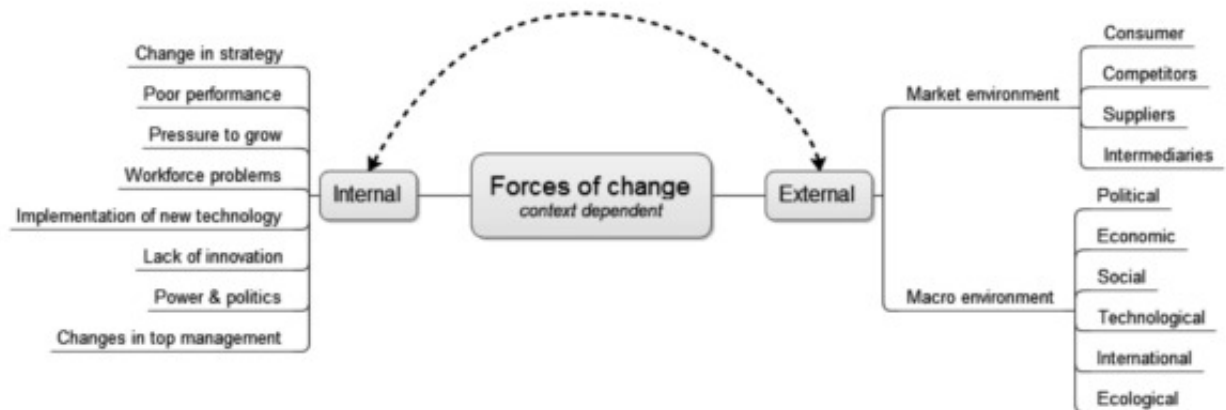

Figure 2.1: Forces of change

2.5   DIMENSIONS OF CHANGE

As managers, we need to know what change looks like in order to identify it and manage it appropriately. Change can take many forms as you will see in Figure 2.2 which is a summary of the dimensions of change.

2.6   RESISTANCE TO CHANGE

Knowing where change comes from and what it looks like does not make it easier to deal with. People are inherently afraid of change and more often than not they will resist it. Managers must understand this resistance as it can cause barriers to the successful implementation of change. This resistance can come either from individuals in the organisation or the organisation itself. Figure 2.3 is a summary of the causes of change resistance.
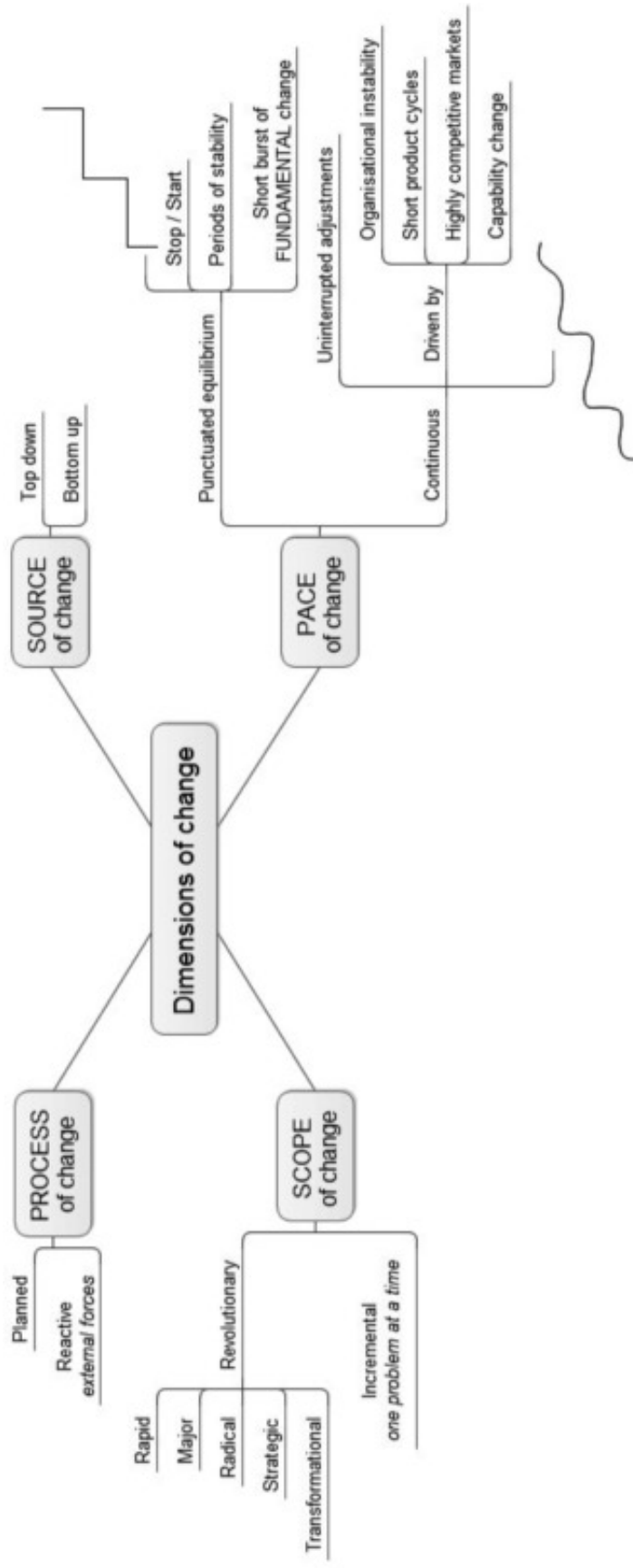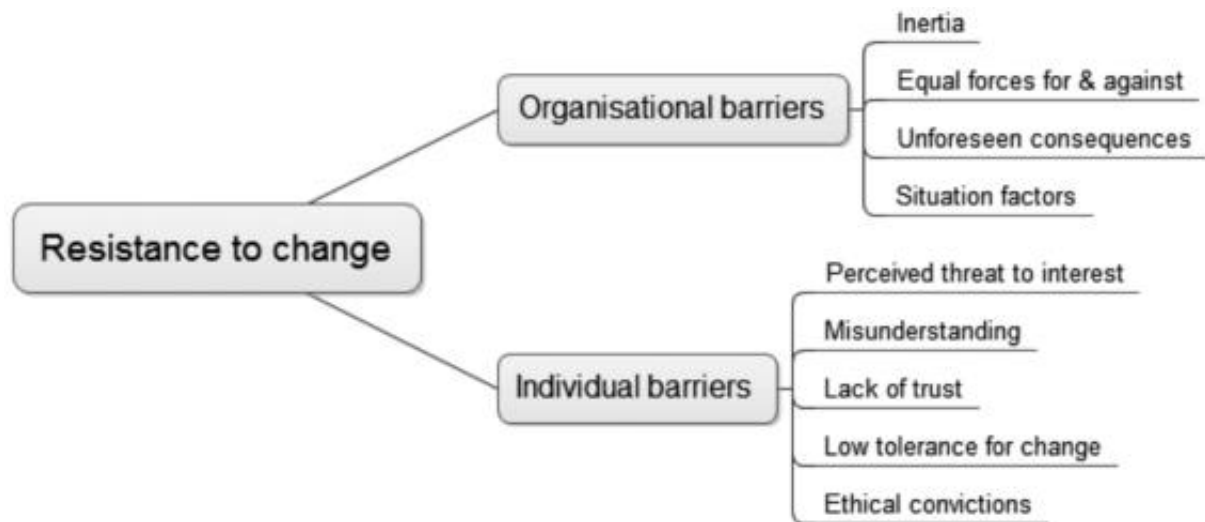
Figure 2.2: Dimensions of change

Figure 2.3: The causes of change resistance

2.7 OVERCOMING RESISTANCE TO CHANGE

If managers want their initiatives to be implemented, they will have to overcome the resistance to change. Kotter and Schlesinger (1979) offer managers six possible strategies that they can use to overcome change resistance. These strategies are summarised in Figure 2.4.

Figure 2.4: Six strategies for overcoming resistance to change

2.8 SITUATIONAL FACTORS

When managers implement change, they have to make certain strategic choices. These choices are context dependent. The pace, extent, involvement of others and level of resistance to the change are influenced by the following **situational factors**:

- anticipated strength of resistance
- position and power of change initiator versus those of the resistor
- need for information and communication from others by the change initiator
- potential risks to the short-term performance and survival of the organisation

Refer to Table 5.3 in the prescribed textbook for the various options available to managers.

2.9   APPROACHES TO CHANGE

Although change is difficult, managers must still get it done. To get it done most effectively, they should combine Lewin's change model with Kotter's eight-step process of successful change. Lewin's change model consists of the following three steps:

- unfreeze
- change
- refreeze

Kotter's process has eight steps and each step is associated with a specific error managers often make:

- Create a sense of urgency.
- Form a guiding team.
- Create a clear vision of the outcome.
- Communicate the vision.
- Empower others to act.
- Produce short-term wins.
- Consolidate improvements.
- Create a new culture.

2.10   WHERE CAN CHANGE HAPPEN?

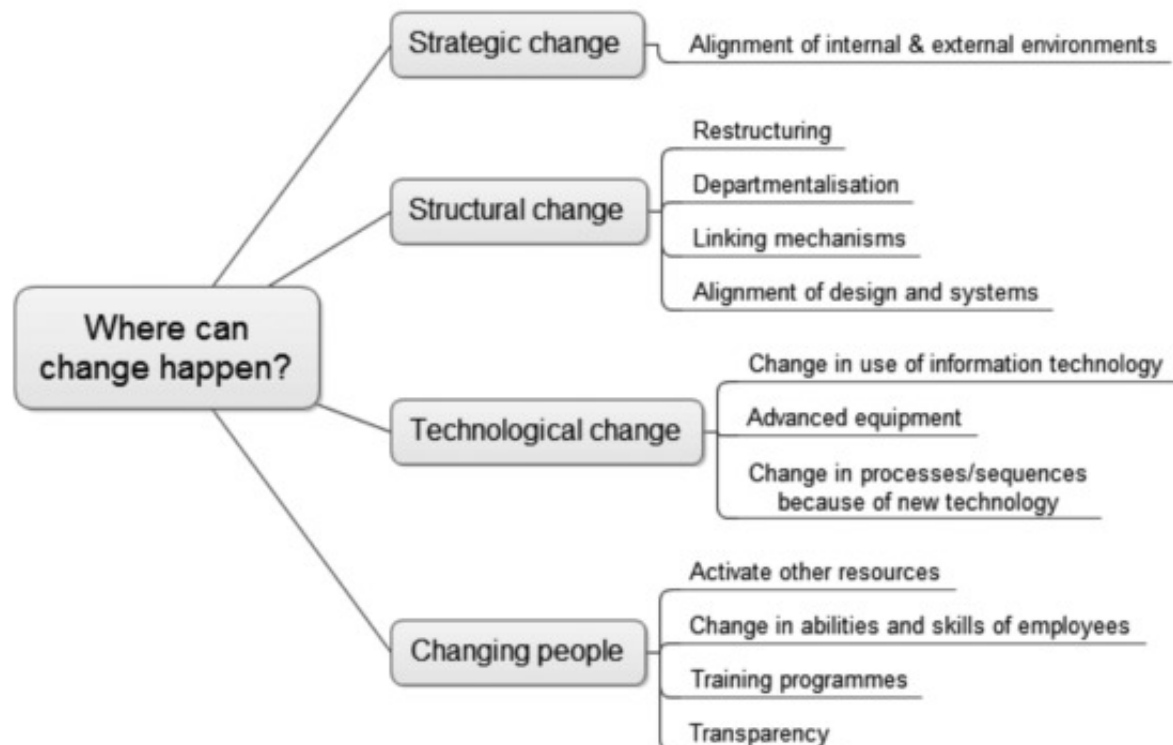In general, change can happen in the four areas that have been summarised in Figure 2.5.

Figure 2.5: Areas of change

2.11   MANAGING WORK STRESS

The section on work stress is very interesting and you should all read it; however, it is not examinable.

2.12   CONCLUSION

Change is constantly happening in every organisation and in this study unit we investigated change. You now know that people resist change and that this creates problems for managers, who have to manage this resistance to ensure that the change is implemented properly.

2.13   ADDITIONAL LEARNING EXPERIENCES

If you have access to the internet, you should consider visiting the following websites. This is NOT COMPULSORY, but these websites all contain interesting information and examples about the content in this study unit.

- Change management

  http://www.youtube.com/watch?v=__IIYNMdV9
  Ehttp://www.youtube.com/watch?v=1NKti9MyAAw
  http://education-portal.com/academy/lesson/how-internal-and-external-factors-drive-organizational-change.html

- Resistance to change

  http://www.youtube.com/watch?v=uHR8gw6derg
  http://www.youtube.com/watch?v=Wdroj6F3VlQ

- Lewin's change models

  http://www.youtube.com/watch?v=sMxuJ1Q44bA
  http://www.youtube.com/watch?v=uHR8gw6derg
  http://education-portal.com/academy/lesson/lewins-3-stage-model-of-change-unfreezing-changing-refreezing.html

- Kotter's eight-step model

  http://education-portal.com/academy/lesson/applying-kotters-8-step-change-model.html
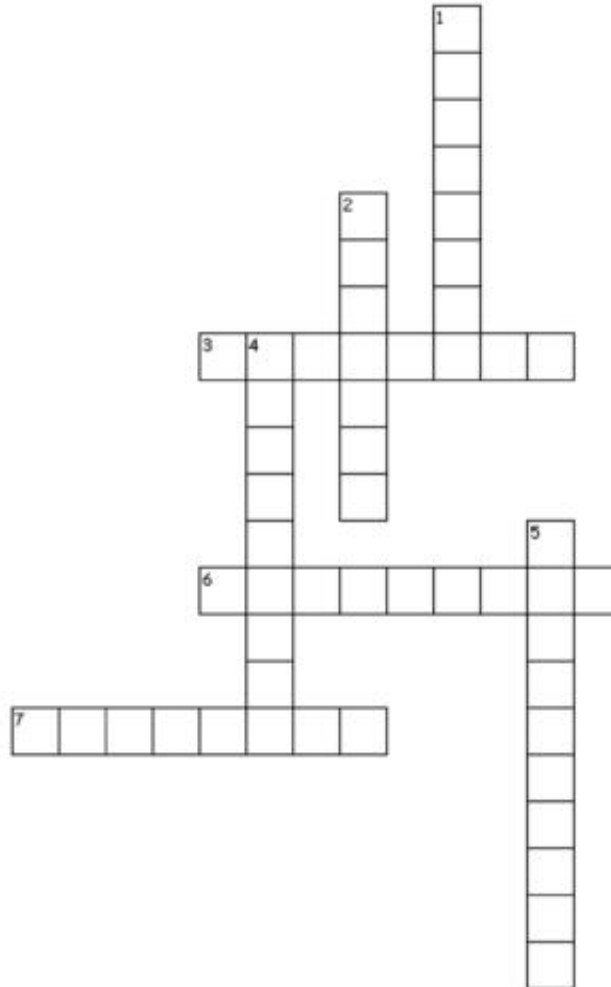 http://education-portal.com/academy/lesson/kotters-8-step-change-model-of-management.html

Interesting **tweeple** that you could follow on Twitter:

@KotterIntl

2.14 ASSESSMENT

This section contains self-assessment questions that you can use to assess your knowledge of the study unit.

SECTION A: CROSSWORD

Across

3. The third step in Lewin's change model.

6. Punctuated equilibrium is characterised by periods of _____ and a short burst of fundamental change.

7. Pressure to grow is an _____ force of change.

Down

1. The process of change can be either planned or _____ .

2. _____ is an example of an organisational barrier to change.

4. The strategy suggested for use when change is resisted owing to a lack of information.

5. _____ change is associated with a change in the alignment of the organisation's design with its systems.

SECTION B: PRESCRIBED TEXTBOOK

Try to answer the review questions in the prescribed textbook.

SECTION C: TUTORIAL LETTER 101

Complete the questions that relate to this study unit from the assignment in Tutorial Letter 101.

2.15   END OF STUDY UNIT CASE STUDY

Read the case study below and answer the questions that follow.

SERCO

Serco is one of the world's leading service and outsourcing companies. It employs more than 70 000 people and helps governments to improve services. In 1994 Serco took over the management of Pretoria Central Prison, a category B remand centre in the City of Tshwane. The prison had faced many challenges in recent years. New legislation made an annual prison inspection compulsory and the 2012 prison inspection report identified a number of areas where improvements could be made. The report rated the prison at performance level 2, with level 4 being the highest and level 1 the lowest. Staff morale was low, with a high turnover of first-line managers. Change was inevitable and it was important for managers to identify solutions that could bring about change to create improvements. Management decided to address the problems identified in the report one at a time and to make a series of uninterrupted adjustments to the organisation, rather than introduce all the necessary changes at once.

Management focused on the high turnover of first-line managers, and asked the remaining first-line managers for their input. However, these managers were hesitant to complete the survey honestly, as they feared the response of their line managers.

In an effort to address this fear of first-line managers, top management appointed a consulting group to conduct an analysis into why members of staff were resigning. The consulting group identified various reasons for the high turnover of first-line managers, one of which was the management style of line managers.

As a result, line managers were sent on an intensive training programme. Consequently, managers were able to approach challenges in a completely different way. They developed a better understanding of leadership and management, and of their own strengths and development needs as leaders. The programme helped to reduce costs and retain talent. First-line manager turnover fell significantly.

Adapted from: *Times, 100. (2013e)*

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2.16   STUDY UNIT REVIEW QUESTIONS

The following questions are based on the Serco case study:

2.1 What forces of change are at play?

2.2 What are the dimensions of the pending changes to the work conditions of first-line managers?

2.3 Identify and classify the barriers to change that are evident in the case study.

2.4 Identify and categorise the method used by management to overcome the resistance to change.

2.5 On what area did the change focus?