

Chapter 18

Organizational Change and Stress Management

(Click on the title when connected to the Internet for online video teaching notes)

LEARNING OBJECTIVES (ppt18-1)

1. After studying this chapter, students should be able to:
2. Identify forces that act as stimulants to change and contrast planned and unplanned change.
3. List the forces for resistance to change.
4. Compare the four main approaches to managing organizational change.
5. Demonstrate two ways of creating a culture for change.
6. Define *stress* and identify its potential sources.
7. Identify the consequences of stress.
8. Contrast the individual and organizational approaches to managing stress.
9. Explain global differences in organizational change and work stress.

INSTRUCTOR RESOURCES

Text Exercises

- Myth or Science? Job Stress Can Kill You
- An Ethical Choice: Your Responsibility to Your Stress
- International OB: Coping With Stress: East and West
- Point/CounterPoint: Managing Change is an Episodic Activity
- Questions for Review
- Experiential Exercise: Power and the Changing Environment
- Ethical Dilemma: Stressing Out Employees Is Your Job

Text Cases

- Case Incident 1: Innovation—and Continuity—at Toyota
- Case Incident 2: The Rise of Extreme Jobs

Instructor's Choice

This section presents an exercise that is NOT found in the student's textbook. Instructor's Choice reinforces the text's emphasis through various activities. Some Instructor's Choice activities are centered on debates, group exercises, Internet research, and student experiences. Some can be used in-class in their entirety, while others require some additional work on the student's part. The course instructor may choose to use these at anytime throughout the class—some may be more effective as icebreakers, while some may be used to pull together various concepts covered in the chapter.



WEB

EXERCISES

At the end of each chapter of this Instructor's Manual, you will find suggested exercises and ideas for researching the WWW on OB topics. The exercises "Exploring OB Topics on the Web" are set up so that you can simply photocopy the pages, distribute them to your class, and make assignments accordingly. You may want to assign the exercises as an out-of-class activity or as lab activities with your class.

SUMMARY AND IMPLICATIONS FOR MANAGERS

The need for change has been implied throughout this text. "A casual reflection on change should indicate that it encompasses almost all of our concepts in the organizational behavior literature." For instance, think about attitudes, motivation, work teams, communication, leadership, organizational structures, human resource practices, and organizational cultures. Change was an integral part in our discussion of each.

If environments were perfectly static, if employees' skills and abilities were always up to date and incapable of deteriorating, and if tomorrow were always exactly the same as today, organizational change would have little or no relevance to managers. But the real world is turbulent, requiring organizations and their members to undergo dynamic change if they are to perform at competitive levels.

Managers are the primary change agents in most organizations. By the decisions they make and their role-modeling behaviors, they shape the organization's change culture. Management decisions related to structural design, cultural factors, and human resource policies largely determine the level of innovation within the organization. Management policies and practices will determine the degree to which the organization learns and adapts to changing environmental factors.

We found that the existence of work stress, in and of itself, need not imply lower

performance. The evidence indicates that stress can be either a positive or a negative influence on employee performance. Low to moderate amounts of stress enable many people to perform their jobs better by increasing their work intensity, alertness, and ability to react. However, a high level of stress, or even a moderate amount sustained over a long period, eventually takes its toll, and performance declines. The impact of stress on satisfaction is far more straightforward.

Job-related tension tends to decrease general job satisfaction. Even though low to moderate levels of stress may improve job performance, employees find stress dissatisfying.

This chapter begins with a discussion about what went wrong for Circuit City, leading to its closing. Several errors in decisions are suggested that were wrong for Circuit City's successful operation. Store location and elimination of commissions for sales associates are among them. Change is important for organizations, but inappropriate changes can mean extinction.

BRIEF CHAPTER OUTLINE

- I. Forces For Change (ppt18-2)
 - A. Organizations face a dynamic and changing environment. This requires adaptation. Exhibit 18–1 summarizes six specific forces that are acting as stimulants for change.
 - B. Nature of the workforce
 - 1. A multicultural environment.
 - 2. Human resource policies and practices changed to attract and keep this more diverse workforce.
 - C. Technology is changing jobs and organizations.
 - D. Economic shocks
 - E. Competition is changing.
 - F. Social trends during the past generation suggest changes that organizations have to adjust for.
 - G. World politics

- II. Planned Change (ppt18-3)
 - A. Some organizations treat all change as an accidental occurrence; however, change as an intentional, goal-oriented activity is planned change.
 - B. There are two goals of planned change:
 - 1. Improve the ability of the organization to adapt to changes in its environment.
 - 2. Change employee behavior.
 - C. Who in organizations are responsible for managing change activities?
 - 1. Change agents can be managers, employees of the organization, or outside consultants.
 - 2. Typically, we look to senior executives as agents of change.
 - 3. Many change agents fail because of organizational resistance to change.

- III. Resistance to Change (ppt18-4)
 - A. Introduction
 - 1. Our egos are fragile, and we often see change as threatening.
 - 2. All these reactions can sap the organization of vital energy when it is most needed.
 - 3. Resistance to change can be positive if it leads to open discussion and debate.
 - 4. Resistance to change does not necessarily surface in standardized ways.
 - 5. Resistance can be overt, implicit, immediate, or deferred.
 - 6. Exhibit 18-2 summarizes the major sources for resistance to change categorized by their sources. (ppt18-5)
 - a. There are six major sources of organizational resistance: (See Exhibit 18–2.)
 - i. Structural inertia
 - ii. Limited focus of change
 - iii. Group inertia
 - iv. Threat to expertise
 - v. Threat to established power relationships
 - vi. Threat to established resource allocations
 - 7. It's worth noting that not all change is good.
 - B. Overcoming Resistance to Change (ppt18-6)
 - 1. Education and Communication
 - a. Resistance can be reduced on two levels through communicating to help employees see the logic of a change.

2. Participation
 - a. It is difficult for individuals to resist a change decision in which they participated.
 - b. Prior to making a change, those opposed can be brought into the decision process, assuming they have the expertise to make a meaningful contribution.
 - c. The negatives—potential for a poor solution and great time consumption.
 3. Building Support and Commitment
 - a. When employees' fear and anxiety are high, counseling and therapy, new-skills training, or a short paid leave of absence may facilitate adjustment.
 - b. When managers or employees have low emotional commitment to change, they favor the status quo and resist it.
 4. Develop Positive Relationships
 - a. People are more willing to accept changes if they trust the managers implementing them.
 5. Manipulation and Cooptation
 - a. Manipulation refers to “covert influence attempts, twisting and distorting facts to make them appear more attractive, withholding undesirable information, and creating false rumors to get employees to accept a change.”
 - b. Cooptation is “a form of both manipulation and participation.” It seeks to “buy off” the leaders of a resistance group by giving them a key role in the change decision.
 - c. Both manipulation and cooptation are relatively inexpensive and easy ways to gain support. The tactics can backfire if the targets become aware that they are being tricked or used.
 6. Selecting People Who Accept Change
 - a. Research suggests the ability to easily accept and adapt to *change* is related to personality—some people simply have more positive attitudes about change than others.
 - b. Individuals higher in general mental ability are also better able to learn and adapt to changes in the workplace.
 - c. In sum, an impressive body of evidence shows organizations can facilitate change by selecting people predisposed to accept it.
 7. Coercion
 - a. This is “the application of direct threats or force upon the resisters.”
 - b. Examples of coercion are threats of transfer, loss of promotions, negative performance evaluations, and a poor letter of recommendation.
- C. The Politics of Change (ppt18-7)
1. Change threatens the status quo, making it an inherently political activity.
 2. Politics suggests the impetus for change is more likely to come from outside change agents, employees new to the organization (who have less invested in the status quo), or managers slightly removed from the main power structure.
 3. Managers who have spent their entire careers with a single organization and eventually achieve a senior position in the hierarchy are often major impediments to change.
 4. Change itself is a very real threat to their status and position, yet, they may be expected to implement changes.
 5. By acting as change agents, they can convey to stockholders, suppliers, employees, and customers that they are addressing problems and adapting to a dynamic environment.

IV. Approaches to Managing Organizational Change

- A. Lewin's Three-Step Model (Exhibit 18-3) (ppt18-8)

1. Kurt Lewin argued that successful change in organizations should follow three steps:
 - a. Unfreezing the status quo (Exhibit 18-4) (ppt18-9)
 - b. Movement to a new state
 - c. Refreezing the new change to make it permanent
 2. The status quo can be considered to be an equilibrium state.
 - a. To move from this equilibrium—to overcome the pressures of both individual resistance and group conformity—unfreezing is necessary.
 - b. Once the change has been implemented, the new situation needs to be refrozen so that it can be sustained over time.
- B. Kotter's Eight-Step Plan for Implementing Change (Exhibit 18-5) (ppt18-10)
1. Kotter's plan began by listing common failures that managers make when trying to initiate change. His plan included the following:
 - a. Establish a sense of urgency by creating a compelling reason for why change is needed.
 - b. Form a coalition with enough power to lead the change.
 - c. Create a new vision to direct the change and strategies for achieving the vision.
 - d. Communicate the vision throughout the organization.
 - e. Empower others to act on the vision by removing barriers to change and encouraging risk taking and creative problem solving.
 - f. Plan for, create, and reward short-term "wins" that move the organization toward the new vision.
 - g. Consolidate improvements, reassess changes, and make necessary adjustments in the new programs.
 - h. Reinforce the changes by demonstrating the relationship between new behaviors and organizational success.
- C. Action Research (ppt18-11)
1. Action research is "a change process based on the systematic collection of data and then selection of a change action based on what the analyzed data indicate."
 2. The process consists of five steps: diagnosis, analysis, feedback, action, and evaluation. These steps closely parallel the scientific method.
 3. Action research provides at least two specific benefits for an organization.
 - a. First, it is problem-focused. The change agent objectively looks for problems and the type of problem determines the type of change of action.
 - b. Second, resistance to change is reduced. Once employees have actively participated in the feedback stage, the change process typically takes on a momentum of its own.
- D. Organizational Development (ppt18-12)
1. Introduction
 - a. Organizational development (OD) is a term used to encompass a collection of planned-change interventions built on humanistic-democratic values that seek to improve organizational effectiveness and employee well-being.
 - b. The OD paradigm values human and organizational growth, collaborative and participative processes, and a spirit of inquiry.
 - c. The underlying values in most OD efforts:
 - i. Respect for people
 - ii. Trust and support
 - iii. Power equalization
 - iv. Confrontation
 - v. Participation

2. There are six interventions that change agents might consider using. They are: sensitivity training, survey feedback, process consultation, team building, intergroup development, and appreciative inquiry. (ppt18-13)
 - a. Sensitivity Training
 - b. Survey Feedback
 - c. Process Consultation
 - d. Team Building (ppt18-14)
 - e. Intergroup Development
 - f. Appreciative Inquiry
 - i. AI is done in 4 steps
 - (a) Discovery
 - (b) Dreaming
 - (c) Design
 - (d) Destiny
 - (e) AI has proven an effective change strategy in organizations such as GTE, Roadway Express, and the U.S. Navy.
 - (f) The end result of AI was a renewed culture focused on winning attitudes and behaviors.
- V. Creating a Culture for Change (ppt18-15)
- A. Simulating a Culture of Innovation
 1. Introduction
 - a. There is no guaranteed formula, certain characteristics surface repeatedly when researchers study innovative organizations.
 - b. We've grouped the characteristics into structural, cultural, and human resource categories.
 2. Definition of Innovation
 - a. Innovation, a more specialized kind of change, is a new idea applied to initiating or improving a product, process, or services.
 - b. So all innovations imply change, but not all changes necessarily introduce new ideas or lead to significant improvements.
 3. Sources of Innovation
 - a. Structural variables are the most studied potential source of innovation.
 - b. Innovative organizations tend to have similar cultures.
 4. Within the *human resources* category, innovative organizations actively promote the training and development of their members so they keep current, offer high job security so employees don't fear getting fired for making mistakes, and encourage individuals to become champions of change.
 - a. Once a new idea is developed, idea champions actively and enthusiastically promote it, build support, overcome resistance, and ensure it's implemented.
 - B. Creating a Learning Organization (ppt18-17)
 1. What's a Learning Organization? (Exhibit 18-6) (ppt18-16)
 - a. A learning organization is an organization that has developed the continuous capacity to adapt and change.
 - b. All organizations learn—whether they consciously choose to or not; it is a fundamental requirement for their sustained existence.
 - c. Most organizations engage in single-loop learning. When errors are detected, the correction process relies on past routines and present policies.
 - d. Learning organizations use double-loop learning.
 - e. Learning organizations are also characterized by a specific culture that values risk taking, openness, and growth—it seeks “boundarylessness.”
 2. Managing Learning
 - a. What can managers do to make their firms learning organizations?

- i. Establish a strategy.
- ii. Redesign the organization's structure.
- iii. Reshape the organization's culture.
- iv. Management sets the tone for the organization's culture both by what it says (strategy) and what it does (behavior).

VI. Work Stress and Its Management (ppt18-18)

A. Introduction

1. Exhibit 18-7 shows work is, for most people, the most important source of stress in life.

B. What Is Stress?

1. Stress is a dynamic condition in which an individual is confronted with an opportunity, constraint, or demand related to what he/she desires and for which the outcome is perceived to be both uncertain and important.
2. Stress is not necessarily bad in and of itself.
3. Recently, researchers have argued that challenge stressors—or stressors associated with workload, pressure to complete tasks, and time urgency—operate quite differently from hindrance stressors—or stressors that keep you from reaching your goals (for example, red tape, office politics, confusion over job responsibilities).
4. Typically, stress is associated with resources and demands. (ppt18-19)

C. Potential Sources of Stress

1. As the model in Exhibit 18-8 shows, there are three categories of potential stressors: environmental, organizational, and personal. (ppt18-20)
2. Environmental Factors (ppt18-21)
 - a. Environmental uncertainty influences stress levels among employees in an organization.
3. Organizational Factors
 - a. Pressures to avoid errors or complete tasks in a limited time period, work overload, a demanding and insensitive boss, and unpleasant coworkers are a few examples.
 - b. Task demands are factors related to a person's job. They include the design of the individual's job (autonomy, task variety, degree of automation), working conditions, and the physical work layout.
 - c. Role demands relate to pressures that are a function of the role an individual plays in an organization.
 - d. Interpersonal demands are pressures created by other employees.
 - e. Organizational structure defines the level of differentiation in the organization, the degree of rules and regulations, and where decisions are made.
 - f. Excessive rules and lack of participation in decisions might be potential sources of stress.
 - g. Organizational leadership represents the managerial style of the organization's senior executives.
 - h. Organizations go through a cycle.
4. Personal Factors
 - a. These are factors in the employee's personal life. Primarily, these factors are family issues, personal economic problems, and inherent personality characteristics.
 - b. National surveys consistently show that people hold family and personal relationships dear.
 - c. Economic problems created by individuals overextending their financial resources
 - d. A significant individual factor influencing stress is a person's basic dispositional nature.

5. Stressors Are Additive
 - a. When we review stressors individually, it's easy to overlook that stress is an additive phenomenon—it builds up.
 - b. A single stressor may be relatively unimportant in and of itself, but if it's added to an already high level of stress, it can be the straw that breaks the camel's back.
 - c. To appraise the total amount of stress an individual is under, we have to sum up his or her opportunity stresses, constraint stresses, and demand stresses.
- D. Individual Differences
 1. Five individual difference variables moderate the relationship between potential stressors and experienced stress: perception, job experience, social support, locus of control, self-efficacy and hostility.
 - a. Perception: Moderates the relationship between a potential stress condition and an employee's reaction to it. Stress potential doesn't lie in objective conditions; it lies in an employee's interpretation of those conditions.
 - b. Job experience: The evidence indicates that experience on the job tends to be negatively related to work stress.
 - c. Social support: relationships with coworkers or supervisors can buffer the impact of stress.
 - d. Personality trait
 - i. Perhaps the most widely studied *personality* trait in stress is Type A personality, discussed in Chapter 5.
 - ii. Workaholism is another personal characteristic related to stress levels.
- E. Consequences of Stress (ppt18-22)
 1. Physiological Symptoms
 - a. Most of the early concern with stress was directed at physiological symptoms due to the fact that specialists in the health and medical sciences researched the topic.
 - b. Physiological symptoms have the least direct relevance to students of OB.
 2. Psychological Symptoms
 - a. Job-related stress can cause job-related dissatisfaction.
 - b. Job dissatisfaction is "the simplest and most obvious psychological effect" of stress.
 3. Behavioral Symptoms
 - a. Behaviorally related stress symptoms include changes in productivity, absence, and turnover, as well as changes in eating habits, increased smoking or consumption of alcohol, rapid speech, fidgeting, and sleep disorders.
 - b. The stress-performance relationship is shown in Exhibit 18-9. (ppt18-23)
 - i. Even moderate levels of stress can have a negative influence on performance over the long term as the continued intensity of the stress wears down the individual and saps his/her energy resources.
 - ii. In spite of the popularity and intuitive appeal of the inverted-U model, it doesn't get a lot of empirical support.
- F. Managing Stress (ppt8-24)
 1. Introduction
 - a. High or low levels of stress sustained over long periods of time, can lead to reduced employee performance and, thus, require action by management.
 2. Individual Approaches

- a. Effective individual strategies include implementing time management techniques, increasing physical exercise, relaxation training, and expanding the social support network.
 - b. Practicing time management principles
 - c. Noncompetitive physical exercise has long been recommended as a way to deal with excessive stress levels.
 - d. Having friends, family, or work colleagues to talk to provides an outlet for excessive stress.
3. Organizational Approaches
- a. Strategies that management might want to consider include:
 - i. Improved personnel selection and job placement
 - ii. Use of realistic goal setting
 - iii. Training
 - iv. Redesigning of jobs
 - v. Increased employee involvement
 - vi. Improved organizational communication
 - vii. Offering employee sabbaticals
 - viii. Establishment of corporate wellness programs

VII. Global Implications (ppt18-25)

- A. Organizational Change is culture bound and leads to five questions:
1. Do people believe change is possible?
 - a. In cultures where people believe that they can dominate their environment, individuals will take a proactive view of change—the United States and Canada.
 2. If change is possible, how long will it take to bring it about?
 - a. Societies that focus on the long term (Japan) will demonstrate considerable patience.
 3. Is resistance to change greater in some cultures than in others?
 - a. Resistance to change will be influenced by a society's reliance on tradition.
 4. Does culture influence how change efforts will be implemented?
 - a. In high-power-distance cultures (the Philippines or Venezuela), change efforts will tend to be autocratically implemented by top management.
 5. Finally, do successful idea champions do things differently in different cultures?
 - a. People in collectivist cultures prefer appeals for cross-functional support for innovation efforts.
 - b. People in high-power-distance cultures prefer champions to work closely with those in authority.
- B. Stress
1. In considering global differences in stress, there are three questions to answer:
 - a. Do the causes of stress vary across countries?
 - b. Do the outcomes of stress vary across cultures?
 - c. Do the factors that lessen the effects of stress vary by culture?
 - i. First, research suggests the job conditions that cause stress show some differences across cultures.
 - ii. Second, evidence tends to suggest that stressors are associated with perceived stress and strains among employees in different countries. In other words, stress is equally bad for employees of all cultures.
 - iii. Third, although not all factors that reduce stress have been compared across cultures, research does suggest that, whereas the demand to work long hours leads to stress, this stress can be reduced by such resources of social support as having friends or

family with whom to talk. A recent study found this to be true.

VIII. Summary and Implications for Managers (ppt18-26)

1. The need for change has been implied throughout this text. “A casual reflection on change should indicate that it encompasses almost all of our concepts in the organizational behavior literature.”
2. If environments were perfectly static, if employees’ skills and abilities were always up to date and incapable of deteriorating, and if tomorrow were always exactly the same as today, organizational change would have little or no relevance to managers.
3. But the real world is turbulent, requiring organizations and their members to undergo dynamic change if they are to perform at competitive levels.
4. Managers are the primary change agents in most organizations.
5. We found that the existence of work stress, in and of itself, need not imply lower performance.
6. Even though low to moderate levels of stress may improve job performance, employees find stress dissatisfying.

EXPANDED CHAPTER OUTLINE

- I. Forces for Change
 - A. Organizations face a dynamic and changing environment. This requires adaptation. Exhibit 18–1 summarizes six specific forces that are acting as stimulants for change.
 - B. Nature of the workforce:
 - 1. A multicultural environment
 - 2. Human resource policies and practices changed to attract and keep this more diverse workforce.
 - 3. Large expenditure on training to upgrade reading, math, computer, and other skills of employees
 - C. Technology is changing jobs and organizations:
 - 1. Sophisticated information technology is also making organizations more responsive. As organizations have had to become more adaptable, so too have their employees.
 - D. Economic shocks:
 - 1. We live in an “age of discontinuity.” Beginning in the early 1970s with the overnight quadrupling of world oil prices, economic shocks have continued to impose changes on organizations.
 - E. Competition is changing:
 - 1. The global economy means global competitors.
 - 2. Established organizations need to defend themselves against both traditional competitors and small, entrepreneurial firms with innovative offerings.
 - 3. Successful organizations will be the ones that can change in response to the competition.
 - F. Social trends during the past generation suggest changes that organizations have to adjust for:
 - 1. The expansion of the Internet, Baby Boomers retiring, and people moving from the suburbs back to cities
 - G. World politics:
 - 1. A global context for OB is required. No one could have imagined how world politics would change in recent years.
 - 2. September 11th has caused changes organizations have made in terms of practices concerning security, back-up systems, employee stereotyping, etc.
- II. Planned Change
 - A. Some organizations treat all change as an accidental occurrence; however, change as an intentional, goal-oriented activity is planned change.
 - B. There are two goals of planned change:
 - 1. Improve the ability of the organization to adapt to changes in its environment.
 - 2. Change employee behavior.
 - C. Examples of planned-change activities are needed to stimulate innovation, empower employees, and introduce work teams.
 - D. An organization’s success or failure is essentially due to the things that employees do or fail to do, so planned change is also concerned with changing the behavior of individuals and groups within the organization.
 - E. Who in organizations are responsible for managing change activities?
 - 1. Change agents can be managers, employees of the organization, or outside consultants.
 - 2. Typically, we look to senior executives as agents of change.
 - F. Many change agents fail because of organizational resistance to change.

III. Resistance to Change

A. Introduction

1. Our egos are fragile, and we often see change as threatening.
 - a. One recent study showed that even when employees are shown data that suggest they need to change, they latch onto whatever data they can find that suggests they are okay and don't need to change.
 - b. Employees who have negative feelings about a change cope by not thinking about it, increasing their use of sick time, and quitting.
2. All these reactions can sap the organization of vital energy when it is most needed.
3. Resistance to change can be positive if it leads to open discussion and debate.
 - a. These responses are usually preferable to apathy or silence and can indicate that members of the organization are engaged in the process, providing change agents an opportunity to explain the change effort.
 - b. Change agents can also use resistance to modify the change to fit the preferences of other members.
4. Resistance to change does not necessarily surface in standardized ways.
5. Resistance can be overt, implicit, immediate, or deferred.
 - a. It is easiest for management to deal with resistance when it is overt and immediate.
 - b. Implicit resistance efforts are more subtle—loss of loyalty to the organization, loss of motivation to work, increased errors or mistakes, increased absenteeism due to “sickness”—and hence more difficult to recognize.
 - c. Similarly, deferred actions cloud the link between the source of the resistance and the reaction to it.
 - d. A change may produce what appears to be only a minimal reaction at the time it is initiated, but then resistance surfaces weeks, months, or even years later.
 - e. Reactions to change can build up and then explode seemingly totally out of proportion.
 - f. The resistance was deferred and stockpiled, and what surfaces is a cumulative response.
6. Exhibit 18-2 summarizes the major forces for resistance to change categorized by their sources.
 - a. Five reasons why individuals may resist change are:
 - i. Habit: Life is complex; to cope with having to make hundreds of decisions everyday, we all rely on habits or programmed responses.
 - ii. Security: People with a high need for security are likely to resist change because it threatens their feelings of safety.
 - iii. Economic factors: Another source of individual resistance is concern that changes will lower one's income.
 - iv. Fear of the unknown: Changes substitute ambiguity and uncertainty for the known.
 - v. Selective information processing: Individuals shape their world through their perceptions. Once they have created this world, it resists change.
 - b. There are six major sources of organizational resistance: (See Exhibit 18-2.)
 - i. Structural inertia: Organizations have built-in mechanisms to produce stability; this structural inertia acts as a counterbalance to sustainability.
 - ii. Limited focus of change: Organizations are made up of a number of interdependent subsystems. Changing one affects the others.

- iii. Group inertia: Group norms may act as a constraint.
 - iv. Threat to expertise: Changes in organizational patterns may threaten the expertise of specialized groups.
 - v. Threat to established power relationships: Redistribution of decision-making authority can threaten long-established power relationships.
 - vi. Threat to established resource allocations: Groups in the organization that control sizable resources often see change as a threat. They tend to be content with the way things are.
7. It's worth noting that not all change is good.
- a. Speed can lead to bad decisions, and sometimes those initiating change fail to realize the full magnitude of the effects or their true costs.
 - b. Rapid, transformational change is risky, and some organizations, such as Baring Brothers Bank in the United Kingdom, have collapsed for this reason.
- B. Overcoming Resistance to Change
- 1. Education and Communication
 - a. Resistance can be reduced on two levels through communicating to help employees see the logic of a change.
 - i. It fights the effects of misinformation and poor communication: if employees receive the full facts and clear up misunderstandings, resistance should subside.
 - ii. Communication can help “sell” the need for change by packaging it properly.
 - 2. Participation
 - a. It is difficult for individuals to resist a change decision in which they participated.
 - b. Prior to making a change, those opposed can be brought into the decision process, assuming they have the expertise to make a meaningful contribution.
 - c. The negatives—potential for a poor solution and great time consumption.
 - 3. Building Support and Commitment.
 - a. When employees' fear and anxiety are high, counseling and therapy, new-skills training, or a short paid leave of absence may facilitate adjustment.
 - b. When managers or employees have low emotional commitment to change, they favor the status quo and resist it.
 - c. So firing up employees can also help them emotionally commit to the change rather than embrace the status quo.
 - 4. Develop Positive Relationships
 - a. People are more willing to accept changes if they trust the managers implementing them.
 - i. One study surveyed 235 employees from a large housing corporation in the Netherlands that was experiencing a merger.
 - ii. Those who had a more positive relationship with their supervisors, and who felt that the work environment supported development, were much more positive about the change process.
 - 5. Manipulation and Cooptation
 - a. Manipulation refers to “covert influence attempts, twisting and distorting facts to make them appear more attractive, withholding undesirable information, and creating false rumors to get employees to accept a change.”
 - b. Cooptation is “a form of both manipulation and participation.” It seeks to “buy off” the leaders of a resistance group by giving them a key role in the change decision.

- c. Both manipulation and cooptation are relatively inexpensive and easy ways to gain support. The tactics can backfire if the targets become aware that they are being tricked or used.
 - 6. Selecting People Who Accept Change
 - a. Research suggests the ability to easily accept and adapt to *change* is related to personality—some people simply have more positive attitudes about change than others.
 - i. Such individuals are open to experience, take a positive attitude toward change, are willing to take risks, and are flexible in their behavior.
 - ii. One study of managers in the United States, Europe, and Asia found those with a positive self-concept and high-risk tolerance coped better with organizational change.
 - iii. A study of 258 police officers found those higher in growth-needs strength, internal locus of control, and internal work motivation had more positive attitudes about organizational change efforts.
 - iv. Another study found that selecting people based on a resistance-to-change scale worked well in winnowing out those who tended to be rigid or react emotionally to change.
 - b. Individuals higher in general mental ability are also better able to learn and adapt to changes in the workplace.
 - c. In sum, an impressive body of evidence shows organizations can facilitate change by selecting people predisposed to accept it.
 - 7. Coercion
 - a. This is “the application of direct threats or force upon the resisters.”
 - b. Examples of coercion are threats of transfer, loss of promotions, negative performance evaluations, and a poor letter of recommendation.
 - C. The Politics of Change
 - 1. Change threatens the status quo, making it an inherently political activity.
 - 2. Politics suggests the impetus for change is more likely to come from outside change agents, employees new to the organization (who have less invested in the status quo), or managers slightly removed from the main power structure.
 - 3. Managers who have spent their entire careers with a single organization and eventually achieve a senior position in the hierarchy are often major impediments to change.
 - 4. Change itself is a very real threat to their status and position, yet, they may be expected to implement changes.
 - 5. By acting as change agents, they can convey to stockholders, suppliers, employees, and customers that they are addressing problems and adapting to a dynamic environment.
 - a. Of course, as you might guess, when forced to introduce change, these longtime power holders tend to implement incremental changes.
 - b. Radical change is too threatening.
 - c. This explains why boards of directors that recognize the imperative for rapid and radical change frequently turn to outside candidates for new leadership.
- IV. Approaches to Managing Organizational Change
- A. Lewin’s Three-Step Model (Exhibit 18-3)
 - 1. Kurt Lewin argued that successful change in organizations should follow three steps:
 - a. Unfreezing the status quo (Exhibit 18-4)
 - b. Movement to a new state
 - c. Refreezing the new change to make it permanent
 - 2. The status quo can be considered to be an equilibrium state.

- a. To move from this equilibrium—to overcome the pressures of both individual resistance and group conformity—unfreezing is necessary.
 - i. The driving forces, which direct behavior away from the status quo, can be increased.
 - ii. The restraining forces, which hinder movement from the existing equilibrium, can be decreased.
 - iii. A third alternative is to combine the first two approaches.
 - b. Once the change has been implemented, the new situation needs to be refrozen so that it can be sustained over time.
 - i. Unless this last step is taken, there is a very high chance that the change will be short-lived and that employees will attempt to revert to the previous equilibrium state.
 - ii. The objective of refreezing is to stabilize the new situation by balancing the driving and restraining forces.
- B. Kotter's Eight-Step Plan for Implementing Change (Exhibit 18-5)
1. Kotter's plan began by listing common failures that managers make when trying to initiate change. His plan included the following:
 - a. Establish a sense of urgency by creating a compelling reason for why change is needed.
 - b. Form a coalition with enough power to lead the change.
 - c. Create a new vision to direct the change and strategies for achieving the vision.
 - d. Communicate the vision throughout the organization.
 - e. Empower others to act on the vision by removing barriers to change and encouraging risk taking and creative problem solving.
 - f. Plan for, create, and reward short-term "wins" that move the organization toward the new vision.
 - g. Consolidate improvements, reassess changes, and make necessary adjustments in the new programs.
 - h. Reinforce the changes by demonstrating the relationship between new behaviors and organizational success.
- C. Action Research
1. Action research is "a change process based on the systematic collection of data and then selection of a change action based on what the analyzed data indicate."
 2. The process consists of five steps: diagnosis, analysis, feedback, action, and evaluation. These steps closely parallel the scientific method.
 - a. Diagnosis begins by gathering information about problems, concerns, and needed changes from members of the organization.
 - b. Analysis of information is synthesized into primary concerns, problem areas, and possible actions. Action research includes extensive involvement of the people who will be involved in the change program.
 - c. Feedback requires sharing with employees what has been found from steps one and two and the development of a plan for the change.
 - d. Action is the step where the change agent and employees set into motion the specific actions to correct the problems that were identified.
 - e. Evaluation is the final step to assess the action plan's effectiveness. Using the initial data gathered as a benchmark, any subsequent changes can be compared and evaluated.
 3. Action research provides at least two specific benefits for an organization.
 - a. First, it is problem-focused. The change agent objectively looks for problems and the type of problem determines the type of change of action.
 - b. Second, resistance to change is reduced. Once employees have actively participated in the feedback stage, the change process typically takes on a momentum of its own.

D. Organizational Development

1. Introduction

- a. Organizational development (OD) is a term used to encompass a collection of planned-change interventions built on humanistic-democratic values that seek to improve organizational effectiveness and employee well-being.
- b. The OD paradigm values human and organizational growth, collaborative and participative processes, and a spirit of inquiry.
- c. The underlying values in most OD efforts:
 - i. Respect for people
 - ii. Trust and support
 - iii. Power equalization
 - iv. Confrontation
 - v. Participation

2. There are six interventions that change agents might consider using. They are: sensitivity training, survey feedback, process consultation, team building, intergroup development, and appreciative inquiry.

a. Sensitivity Training

- i. It can go by a variety of names—laboratory training, groups, or T-groups (training groups)—but all refer to a thorough unstructured group interaction.
- ii. Participants discuss themselves and their interactive processes, loosely directed by a professional behavioral scientist.
- iii. Many participants found these unstructured groups intimidating, chaotic, and damaging to work relationships.
- iv. Organizational interventions such as diversity training, executive coaching, and team-building exercises are descendants of this early OD intervention technique.

b. Survey Feedback

- i. Everyone can participate in survey feedback.
- ii. A questionnaire is usually completed by a manager and all his/her subordinates.
- iii. Surveys generally probe perceptions held by employees.
- iv. Data from the survey are calculated for an individual's "family" (work group).
- v. Feedback and discussions should lead to implications.

c. Process Consultation

- i. An outside consultant works with clients to understand the process events managers must deal with.
- ii. This is similar to sensitivity training in its assumption that interpersonal involvement is important to highlight.
- iii. The consultant coaches his/her client through the problem.

d. Team Building

- i. Builds trust in groups through the use of high-interaction activities.
- ii. Activities may include: goal setting, role analysis, and team process analysis.
- iii. Problems often are highlighted when the group's goals are not the same as the individual's.
- iv. Individual ambiguities concerning team roles can be clarified.

e. Intergroup Development

- i. Focuses on changing attitudes, stereotypes, and perceptions between groups.
- ii. Often problem solving is used to illuminate the differences between groups.
- iii. Conflict can be addressed by subgroups.

- f. Appreciative Inquiry
 - i. This type of OD brings to light the positive, rather than the conflict.
 - ii. Appreciative Inquiry (AI) asks participants to look forward and project the future based on the positive components of an organization.
 - iii. AI is done in 4 steps
 - (a) Discovery
 - (i) *Discovery* sets out to identify what people think are the organization's strengths.
 - (ii) Employees recount times they felt the organization worked best or when they specifically felt most satisfied with their jobs.
 - (b) Dreaming
 - (i) Employees use information from the discovery phase to speculate on possible futures, such as what the organization will be like in 5 years.
 - (c) Design
 - (i) Participants find a common vision of how the organization will look in the future and agree on its unique qualities.
 - (d) Destiny
 - (i) Participants seek to define the organization's *destiny* or how to fulfill their dream, and they typically write action plans and develop implementation strategies.
 - (e) AI has proven an effective change strategy in organizations such as GTE, Roadway Express, and the U.S. Navy.
 - (f) The end result of AI was a renewed culture focused on winning attitudes and behaviors.

V. Creating a Culture for Change

A. Simulating a Culture of Innovation

1. Introduction

- a. There is no guaranteed formula, certain characteristics surface repeatedly when researchers study innovative organizations.
- b. We've grouped the characteristics into structural, cultural, and human resource categories.

2. Definition of Innovation

- a. Innovation, a more specialized kind of change, is a new idea applied to initiating or improving a product, process, or services.
- b. So all innovations imply change, but not all changes necessarily introduce new ideas or lead to significant improvements

3. Sources of Innovation:

- a. Structural variables are the most studied potential source of innovation.
 - i. First, organic structures positively influence innovation because they facilitate flexibility, adaptation, and cross-fertilization.
 - ii. Second, long tenure in management is associated with innovation. Managerial tenure apparently provides legitimacy and knowledge of how to accomplish tasks and obtain desired outcomes.
 - iii. Third, innovation is nurtured where there are slack resources.
 - iv. Finally, inter-unit communication is high in innovative organizations. There is a high use of committee, task forces, cross-functional teams, and other mechanisms that facilitate interaction.
- b. Innovative organizations tend to have similar cultures:
 - i. They encourage experimentation.
 - ii. They reward both successes and failures.
 - iii. They celebrate mistakes.

- iv. Managers in innovative organizations recognize that failures are a natural by-product of venturing into the unknown.
- 4. Within the *human resources* category, innovative organizations actively promote the training and development of their members so they keep current, offer high job security so employees don't fear getting fired for making mistakes, and encourage individuals to become champions of change.
 - a. Once a new idea is developed, idea champions actively and enthusiastically promote it, build support, overcome resistance, and ensure it's implemented.
 - i. Champions have common personality characteristics: extremely high self-confidence, persistence, energy, and a tendency to take risks.
 - ii. They also display characteristics associated with transformational leadership—they inspire and energize others with their vision of an innovation's potential and their strong personal conviction about their mission. They are also good at gaining the commitment of others.
 - iii. Idea champions have jobs that provide considerable decision-making discretion; this autonomy helps them introduce and implement innovations.
- B. Creating a Learning Organization
 - 1. What's a Learning Organization? (Exhibit 18-6)
 - a. A learning organization is an organization that has developed the continuous capacity to adapt and change.
 - b. All organizations learn—whether they consciously choose to or not; it is a fundamental requirement for their sustained existence.
 - c. Most organizations engage in single-loop learning. When errors are detected, the correction process relies on past routines and present policies.
 - d. Learning organizations use double-loop learning:
 - i. When an error is detected, it's corrected in ways that involve the modification of the organization's objectives, policies, and standard routines.
 - ii. Like second-order change, double-loop learning challenges deep-rooted assumptions and norms within an organization.
 - iii. It provides opportunities for radically different solutions to problems and dramatic jumps in improvement.
 - e. Learning organizations are also characterized by a specific culture that values risk taking, openness, and growth—it seeks “boundarylessness.”
 - 2. Managing Learning
 - a. What can managers do to make their firms learning organizations?
 - i. Establish a strategy.
 - ii. Redesign the organization's structure.
 - iii. Reshape the organization's culture.
 - iv. Management sets the tone for the organization's culture both by what it says (strategy) and what it does (behavior).

VI. Work Stress and Its Management

A. Introduction

- 1. Exhibit 18-7 shows work is, for most people, the most important source of stress in life.

B. What Is Stress?

- 1. Stress is a dynamic condition in which an individual is confronted with an opportunity, constraint, or demand related to what he/she desires and for which the outcome is perceived to be both uncertain and important.
- 2. Stress is not necessarily bad in and of itself.

- a. Individuals often use stress positively to rise to the occasion and perform at or near their maximum.
 3. Recently, researchers have argued that challenge stressors—or stressors associated with workload, pressure to complete tasks, and time urgency—operate quite differently from hindrance stressors—or stressors that keep you from reaching your goals (for example, red tape, office politics, confusion over job responsibilities).
 - a. Although research is just starting to accumulate, early evidence suggests challenge stressors produce less strain than hindrance stressors.
 - b. A meta-analysis of responses from more than 35,000 individuals showed role ambiguity, role conflict, role overload, job insecurity, environmental uncertainty, and situational constraints were all consistently negatively related to job performance.
 - c. There is also evidence that challenge stress improves job performance in a supportive work environment, whereas hindrance stress reduces job performance in all work environments.
 - d. Researchers have sought to clarify the conditions under which each type of stress exists.
 - i. It appears that employees who have a stronger affective commitment to their organization can transfer psychological stress into greater focus and higher sales performance, whereas employees with low levels of commitment perform worse under stress.
 - ii. And when challenge stress increases, those with high levels of organizational support have higher role-based performance, but those with low levels of organizational support do not.
 4. Typically, stress is associated with resources and demands.
 - a. Demands are responsibilities, pressures, obligations, and uncertainties individuals face in the workplace.
 - b. Resources are things within an individual's control that he or she can use to resolve the demands.
 - c. To the extent you can apply resources to the demands on you—such as being prepared, placing an event into perspective, or obtaining social support—you will feel less stress.
 - d. Research suggests adequate resources help reduce the stressful nature of demands when demands and resources match.
 - i. If emotional demands are stressing you, having emotional resources in the form of social support is especially important.
 - ii. If the demands are cognitive—say, information overload—then job resources in the form of computer support or information are more important.
 - iii. Thus, under the demands–resources perspective, having resources to cope with stress is just as important in offsetting it as demands are in increasing it.
- C. Potential Sources of Stress
1. As the model in Exhibit 18-8 shows, there are three categories of potential stressors: environmental, organizational, and personal.
 2. Environmental Factors
 - a. Environmental uncertainty influences stress levels among employees in an organization.
 - b. Political uncertainties can be stress inducing.
 - c. Technological uncertainty can cause stress because new innovations can make an employee's skills and experience obsolete in a very short period of time.
 3. Organizational Factors

- a. Pressures to avoid errors or complete tasks in a limited time period, work overload, a demanding and insensitive boss, and unpleasant coworkers are a few examples.
 - b. Task demands are factors related to a person's job. They include the design of the individual's job (autonomy, task variety, degree of automation), working conditions, and the physical work layout.
 - c. Role demands relate to pressures that are a function of the role an individual plays in an organization.
 - i. Role conflicts create expectations that may be hard to reconcile or satisfy.
 - ii. Role overload is experienced when the employee is expected to do more than time permits.
 - iii. Role ambiguity is created when role expectations are not clearly understood.
 - d. Interpersonal demands are pressures created by other employees.
 - e. Organizational structure defines the level of differentiation in the organization, the degree of rules and regulations, and where decisions are made.
 - f. Excessive rules and lack of participation in decisions might be potential sources of stress.
 - g. Organizational leadership represents the managerial style of the organization's senior executives.
 - h. Organizations go through a cycle.
 - i. They're established, they grow, become mature, and eventually decline.
 - ii. An organization's life stage—that is, where it is in this four-stage cycle—creates different problems and pressures for employees.
 - iii. The establishment and decline stages are particularly stressful.
 - iv. Stress tends to be least in maturity where uncertainties are at their lowest ebb.
4. Personal Factors
- a. These are factors in the employee's personal life. Primarily, these factors are family issues, personal economic problems, and inherent personality characteristics.
 - b. National surveys consistently show that people hold family and personal relationships dear.
 - c. Economic problems created by individuals overextending their financial resources
 - d. A significant individual factor influencing stress is a person's basic dispositional nature.
5. Stressors Are Additive
- a. When we review stressors individually, it's easy to overlook that stress is an additive phenomenon—it builds up.
 - b. A single stressor may be relatively unimportant in and of itself, but if it's added to an already high level of stress, it can be the straw that breaks the camel's back.
 - c. To appraise the total amount of stress an individual is under, we have to sum up his or her opportunity stresses, constraint stresses, and demand stresses.
- D. Individual Differences
1. Five individual difference variables moderate the relationship between potential stressors and experienced stress: perception, job experience, social support, locus of control, self-efficacy and hostility.
 - a. Perception: Moderates the relationship between a potential stress condition and an employee's reaction to it. Stress potential doesn't lie in

- objective conditions; it lies in an employee's interpretation of those conditions.
- b. Job experience: The evidence indicates that experience on the job tends to be negatively related to work stress.
 - i. First is the idea of selective withdrawal. Voluntary turnover is more probable among people who experience more stress.
 - ii. Second, people eventually develop coping mechanisms to deal with stress.
 - c. Social support: relationships with coworkers or supervisors can buffer the impact of stress.
 - d. Personality trait
 - i. Perhaps the most widely studied *personality* trait in stress is Type A personality, discussed in Chapter 5.
 - (a) Type A—particularly the aspect that manifests itself in hostility and anger—is associated with increased levels of stress and risk for heart disease.
 - (b) People who are quick to anger, maintain a persistently hostile outlook, and project a cynical mistrust of others are at increased risk of experiencing stress in situations.
 - ii. Workaholism is another personal characteristic related to stress levels.
 - (a) There is a difference between working hard and working compulsively.
 - (b) Workaholics are not necessarily more productive than other employees, despite their extreme efforts.
 - (c) The strain of putting in such a high level of work effort eventually begins to wear on the workaholic, leading to higher levels of work-life conflict and psychological burnout.
- E. Consequences of Stress
- 1. Physiological Symptoms
 - a. Most of the early concern with stress was directed at physiological symptoms due to the fact that specialists in the health and medical sciences researched the topic.
 - b. Physiological symptoms have the least direct relevance to students of OB.
 - 2. Psychological Symptoms
 - a. Job-related stress can cause job-related dissatisfaction.
 - b. Job dissatisfaction is “the simplest and most obvious psychological effect” of stress.
 - c. Multiple and conflicting demands—lack of clarity as to the incumbent's duties, authority, and responsibilities—increase stress and dissatisfaction.
 - d. The less control people have over the pace of their work, the greater the stress and dissatisfaction.
 - 3. Behavioral Symptoms
 - a. Behaviorally related stress symptoms include changes in productivity, absence, and turnover, as well as changes in eating habits, increased smoking or consumption of alcohol, rapid speech, fidgeting, and sleep disorders.
 - b. The stress-performance relationship is shown in Exhibit 18-9.
 - i. The logic underlying the inverted U is that low to moderate levels of stress stimulate the body and increase its ability to react.
 - ii. Individuals then often perform their tasks better, more intensely, or more rapidly.
 - iii. But too much stress places unattainable demands or constraints on a person, which result in lower performance.

- iv. Even moderate levels of stress can have a negative influence on performance over the long term as the continued intensity of the stress wears down the individual and saps his/her energy resources.
 - v. In spite of the popularity and intuitive appeal of the inverted-U model, it doesn't get a lot of empirical support.
- F. Managing Stress
- 1. Introduction
 - a. High or low levels of stress sustained over long periods of time, can lead to reduced employee performance and, thus, require action by management.
 - 2. Individual Approaches
 - a. Effective individual strategies include implementing time management techniques, increasing physical exercise, relaxation training, and expanding the social support network.
 - b. Practicing time management principles such as:
 - i. Making daily lists of activities to be accomplished
 - ii. Prioritizing activities by importance and urgency
 - iii. Scheduling activities according to the priorities set
 - iv. Knowing your daily cycle and handling the most demanding parts of your job during the high part of your cycle when you are most alert and productive
 - c. Noncompetitive physical exercise has long been recommended as a way to deal with excessive stress levels.
 - i. Individuals can teach themselves to reduce tension through relaxation techniques such as meditation, hypnosis, and biofeedback.
 - d. Having friends, family, or work colleagues to talk to provides an outlet for excessive stress.
 - 3. Organizational Approaches
 - a. Strategies that management might want to consider include:
 - i. Improved personnel selection and job placement
 - ii. Use of realistic goal setting
 - iii. Training
 - iv. Redesigning of jobs
 - v. Increased employee involvement
 - vi. Improved organizational communication
 - vii. Offering employee sabbaticals
 - viii. Establishment of corporate wellness programs

VII. Global Implications

- A. Organizational Change is culture bound and leads to five questions:
- 1. Do people believe change is possible?
 - a. In cultures where people believe that they can dominate their environment, individuals will take a proactive view of change—the United States and Canada.
 - b. In many other countries, such as Iran and Saudi Arabia, people see themselves as subjugated to their environment and thus will tend to take a passive approach toward change.
 - 2. If change is possible, how long will it take to bring it about?
 - a. Societies that focus on the long term (Japan) will demonstrate considerable patience.
 - b. In societies with a short-term focus (the United States and Canada), people expect quick results.
 - 3. Is resistance to change greater in some cultures than in others?
 - a. Resistance to change will be influenced by a society's reliance on tradition.

- b. Italians focus on the past, while Americans emphasize the present.
 4. Does culture influence how change efforts will be implemented?
 - a. In high-power-distance cultures (the Philippines or Venezuela), change efforts will tend to be autocratically implemented by top management.
 - b. Low-power-distance cultures value democratic methods (Denmark and Israel).
 5. Finally, do successful idea champions do things differently in different cultures?
 - a. People in collectivist cultures prefer appeals for cross-functional support for innovation efforts.
 - b. People in high-power-distance cultures prefer champions to work closely with those in authority.
 - c. The higher the uncertainty avoidance of a society, the more champions should work within the organization's rules and procedures to develop the innovation.
 - d. Effective managers will alter their organization's championing strategies to reflect cultural values.
- B. Stress
 1. In considering global differences in stress, there are three questions to answer:
 - a. Do the causes of stress vary across countries?
 - b. Do the outcomes of stress vary across cultures?
 - c. Do the factors that lessen the effects of stress vary by culture?
 - i. First, research suggests the job conditions that cause stress show some differences across cultures.
 - (a) One study of U.S. and Chinese employees revealed that whereas U.S. employees were stressed by a lack of control, Chinese employees were stressed by job evaluations and lack of training.
 - (b) While the job conditions that lead to stress may differ across countries, it doesn't appear that personality effects on stress are different across cultures.
 - (c) One study of employees in Hungary, Italy, the United Kingdom, Israel, and the United States found Type A personality traits (see Chapter 5) predicted stress equally well across countries.
 - (d) A study of 5,270 managers from 20 countries found individuals from individualistic countries such as the United States, Canada, and the United Kingdom experienced higher levels of stress due to work interfering with family than did individuals from collectivist countries in Asia and Latin America.
 - (e) The authors proposed that this may occur because in collectivist cultures working extra hours is seen as a sacrifice to help the family, whereas in individualistic cultures work is seen as a means to personal achievement that takes away from the family.
 - ii. Second, evidence tends to suggest that stressors are associated with perceived stress and strains among employees in different countries. In other words, stress is equally bad for employees of all cultures.
 - iii. Third, although not all factors that reduce stress have been compared across cultures, research does suggest that, whereas the demand to work long hours leads to stress, this stress can be reduced by such resources of social support as having friends or family with whom to talk. A recent study found this to be true.

VIII. Summary and Implications for Managers

1. The need for change has been implied throughout this text. "A casual reflection on change should indicate that it encompasses almost all of our

- concepts in the organizational behavior literature.”
- a. For instance, think about attitudes, motivation, work teams, communication, leadership, organizational structures, human resource practices, and organizational cultures.
 - b. Change was an integral part in our discussion of each.
 2. If environments were perfectly static, if employees’ skills and abilities were always up to date and incapable of deteriorating, and if tomorrow were always exactly the same as today, organizational change would have little or no relevance to managers.
 3. But the real world is turbulent, requiring organizations and their members to undergo dynamic change if they are to perform at competitive levels.
 4. Managers are the primary change agents in most organizations.
 - a. By the decisions they make and their role-modeling behaviors, they shape the organization’s change culture.
 - b. Management decisions related to structural design, cultural factors, and human resource policies largely determine the level of innovation within the organization.
 - c. Management policies and practices will determine the degree to which the organization learns and adapts to changing environmental factors.
 5. We found that the existence of work stress, in and of itself, need not imply lower performance.
 - a. The evidence indicates that stress can be either a positive or a negative influence on employee performance.
 - b. Low to moderate amounts of stress enable many people to perform their jobs better by increasing their work intensity, alertness, and ability to react.
 - c. However, a high level of stress, or even a moderate amount sustained over a long period, eventually takes its toll, and performance declines.
 - d. The impact of stress on satisfaction is far more straightforward.
 - e. Job-related tension tends to decrease general job satisfaction.
 6. Even though low to moderate levels of stress may improve job performance, employees find stress dissatisfying.