

# Chapter 14 - Managing Change and Conflict

## Kreitner/Eliason Foundations of Management

### I. Managing Change and Conflict

#### A. Types of Organizational Change

All organizations experience change. The key is to finding a balance of change and stability while learning how to deal with changes appropriately. There are four basic categories of change.

##### 1. Anticipatory changes

- These changes are any systematically planned changes intended to take advantage of expected situations.

##### 2. Reactive changes

- This type of change is necessitated by unexpected environmental events or pressures.

##### 3. Incremental changes

- These changes involve subsystem adjustments that are needed to keep the organization on its chosen path.

##### 4. Strategic changes

- Strategic changes alter the overall shape or direction of the organization. This type of change would normally be the result of a decision from upper-level management.

#### B. Resulting types of change

These next four types of change are the changes that result from the organizational changes listed above. The relation between the above categories and those listed here is shown in the chart below.

##### 1. Tuning

- Tuning is the most common, least intense and least risky type of change. It is actively participating and avoiding problems rather than passively waiting for things to go wrong.

##### 2. Adaptation

- Like tuning, adaptation involves incremental changes, but the changes are in reaction to external problems, events, or pressures.

##### 3. Re-orientation

- These changes are anticipatory and strategic in scope. Called “frame-bending” because the organization is significantly redirected, yet, there is not a complete break with the organization’s past.

##### 4. Re-creation

- Re-creation is the most risky and intense type of change. It is usually triggered by competitive pressures. “Frame breaking.” As when Bill Gates tied his company’s future to the Internet in the mid-1990’s after initially dismissing it as a passing fad.

	<b>Incremental</b>	<b>Strategic</b>
<b>Anticipatory</b>	Tuning	Re-orientation
<b>Reactive</b>	Adaptation	Re-creation

### C. Individual Reactions to Change

There are two basic response patterns to change. Either people *like* the changes or they *dislike* them. Knowing these two basic patterns enables managers to develop a contingency model.

#### 1. How People Respond to Changes They Like

- In this response there is typically a three-stage adjustment: Unrealistic Optimism, Reality Shock, and Constructive direction. Within this pattern, Reality Shock is the most critical stage where things can fall apart, such as when a newlywed couple head for divorce court. Strong leadership during this stage can make a difference.

#### 2. How People Respond to Changes They Fear and Dislike

- This response typically starts with twinges of fear in stage one. That gives way to joking around and “laughing it off” in stage two. In stage three morale drops sharply with growing doubt. Stage four is reached when the individual begins to buy in. Finally, stage five is attained as the individual takes an active role in pursuing the change.

### D. A Contingency Model for Getting Employees Through Changes

#### 1. When the person likes the change

- Unrealistic Optimism – Encourage optimism but stay realistic about things.
- Reality Shock – Listen supportively and set realistic short-term goals.
- Constructive Direction – Encourage involvement and emphasize group problem solving and learning.

#### 2. When the person fears and dislikes the change

- Getting off on the wrong track – Be a role model, correct misunderstanding.
- Laughing it off – Same as for Unrealistic Optimism.
- Growing self-doubt – Same as for Reality Shock.
- Buying in – Build personal commitment. Recognize and reward positive words and actions.
- Constructive Direction – Same as above.

## II. Overcoming Resistance to Change

### A. Why Do Employees Resist Change

#### 1. Surprise

- Significant changes that are introduced on the spur of the moment can create a threatening sense of imbalance in the workplace.

#### 2. Inertia

- Many members of the typical organization desire to maintain a safe, secure, and predictable status quo.

#### 3. Misunderstanding/Ignorance/Lack of Skills

- Without adequate training, positive changes may be perceived negatively.

#### 4. Emotional Side Effects

- People forced to accept changes can experience a sense of powerlessness or anger

#### 5. Lack of Trust

- Lack of trust in either employees or manager will cause a resistance in change.

#### 6. Fear of Failure

- Challenges presented by changes can be intimidating.

## 7 Personality Conflicts

- Disliked managers are a poor advocate for change.

## 8 Poor Timing

- Internal or external events can cause resentment about a particular change.

## 9 Lack of Tact

- Tactful and sensitive handling of change is essential.

## 10 Threat to Job Status/Security

- Employees can resist change if they perceive an impact on their job status.

## 11 Breakup of Workgroup

- Significant changes can tear apart on-the-job social relationships.

## 12 Competing Commitments

- Employees may resist change if the change itself disrupts their pursuit of other goals.

## B. Strategies for Overcoming Resistance to Change

### 1 Education and Communication

- Help employees understand the true need for change as well as the logic behind it.
- It can be time-consuming, but once persuaded, people will often help with the implementation of the change.

### 2 Participation and Involvement

- By participating in both the design and implementation of a change, one acquires a personal stake in its success.
- It can be time-consuming, but people who participate will be committed to implementing change.

### 3 Facilitation and Support

- Support from management in the form of special training, job stress counseling, and compensatory time can be helpful.
- It can be time-consuming and expensive, but no other approach works as well with adjustment problems.

### 4 Negotiation and Agreement

- Management can neutralize resistance by exchanging something of value for cooperation.
- It can be too expensive, but is sometimes a relatively easy way to avoid major resistance.

### 5 Manipulation and Co-optation

- Managers selectively withhold or dispense information and consciously arrange events to increase the chance that change will be successful.
- It can lead to future problem, but can be a relatively quick and inexpensive solution to resistance problems.

### 6 Explicit and Implicit Coercion

- Managers can force employees to go along with a change by threatening them with termination, loss of pay raises, etc.
- It can be risky, but it is speedy and can overcome any kind of resistance.

## III. Making Change Happen

### A. Planned Change Through Organizational Development (OD)

#### 1. Seven Objectives of Organizational Development

- Deepen the sense of organizational purpose (or vision) to align individuals with that purpose
- Strengthen interpersonal trust, communication, cooperation, and support
- Encourage a problem-solving rather than problem-avoiding approach to organizational problems
- Develop a satisfying work experience capable of building enthusiasm
- Supplement formal authority with authority based on personal knowledge and skill
- Increase personal responsibility for planning and implementing
- Encourage personal willingness to change

## 2. The OD Process

- OD uses planned change programs intended to help people and organizations function more effectively. The programs are generally facilitated by hired consultants.
- Unfreezing: Neutralizing resistance by preparing people for change
- Change Phase
- Refreezing: Systematically following up a change program for lasting results

## B. Unofficial and Informal Grassroots Change

### 1. Tempered Radicals

- People who quietly try to change the dominant organizational culture in line with their convictions
- Managers should hang tempered radicals in a win-win fashion to manage diversity.
- Employees who identify themselves as tempered radicals should think small for big results, be authentic, translate their ideas, and build a strong support network.

### 2. The 5P Checklist for Grassroots Change Agents

- Preparation: Develop concept; test assumptions; weigh costs and benefits; identify champion or driver
- Purpose: Specify measurable objectives, milestones, deadlines.
- Participation: Refine concept while building broad and powerful support.
- Progress: Keep things moving forward despite roadblocks.
- Persistence: Foster realistic expectation and a sense of urgency while avoiding impatience.

## IV. Managing Conflict

Conflict involves incompatible behaviors; one person interfering, disrupting, or in some other way making another's less effective

### A. Understanding Competitive and Cooperative Conflicts

#### 1. Competitive Conflicts

- Competitive Conflicts occur when two parties believe that they are right and the other one is wrong and will not agree in the middle.
- A win-lose situation
- These conflicts can ruin a relationship and lead to a dysfunctional, destructive outcome.

#### 2. Cooperative Conflicts

- Cooperative Conflicts occur when two parties agree to compromise to end a conflict, each party may need to give up something to get something in return.

- A win-win situation
- These conflicts build trust for the future and allows parties to accomplish their present goals together.

#### B. Conflict Triggers – Situations or possible causes of conflict

1. Miscommunication
2. Impractical goals, expectations, rules, procedures, or policies
3. Time pressures
4. Status differentials
5. Personality clashes
6. Competition

#### V. Resolving Conflict

##### A. Types of Conflict Resolution

###### 1. Problem Solving

- Occurs when conflicting parties take the time to identify and correct the source of the problem
- In problem solving, managers focus on problem causes, factual information, and finding different ways to resolve a problem.
- Time consuming, but beneficial in the long run.

###### 2. Subordinate Goals

- Cannot be handled alone.
- Subordinate goals brings the conflicting parties together. They are instructed by management to disregard the problem and get the job done.
- Solves problems in short run, but can harm relationships in long run because problems are ignored.

###### 3. Compromise

- Based on negotiation.
- People tend to approach compromise with a win-lose attitude.
- Usually leaves both parties feeling cheated. Conflict is only suppressed temporarily.

###### 4. Forcing

- Management takes control in a situation and tells employees to manage the problem a certain way.
- Based on reliance of formal authority and power of a superior.
- Effective in situations involving safety
- Solves the problem in the short run, but could compound it in the long run.

###### 5. Smoothing

- Manager tells employees to calm down and that the situation will work itself out.
- Avoids the conflict.
- Can be used during a critical part of a project, allowing the problem to be dealt with later.

Reference:

Kreitner, Robert (2005) Foundations of Management: basics and best practices, Houghton Mifflin Company, New York.