

Organizational change and stress management



Why change is so important?

- Only organisations that are able to change survive
- **CHANGE OR PERISH**

Key concepts in Change

- Change is making things different.
- Planned change- Change activities that are intentional and goal oriented.
- Change agents- Persons who act as catalysts and assume the responsibility for managing change activities.

Resistance to change

- Resistance to change can be positive if it leads to open discussion and debate.
- Resistance doesn't necessarily surface in standardized ways. It can be overt, implicit, immediate, or deferred.
- It's easiest for management to deal with overt and immediate resistance, such as complaints, a work slowdown, or a strike threat.
- The greater challenge is managing resistance that is implicit or deferred. These responses—loss of loyalty or motivation, increased errors or absenteeism—are more subtle and more difficult to recognize for what they are.
- Deferred actions also cloud the link between the change and the reaction to it and may surface weeks, months, or even years later.

- Not all change is good.
- Speed can lead to bad decisions, and sometimes those initiating change fail to realize the full magnitude of the effects or their true costs.
- Rapid, transformational change is risky and dangerous for the organization.

Sources of Resistance to Change

- Individual factors
- Organisational factors

Individual Factors

- Habit—To cope with life's complexities, we rely on habits or programmed responses. But when confronted with change, this tendency to respond in our accustomed ways becomes a source of resistance.
- Security—People with a high need for security are likely to resist change because it threatens their feelings of safety.
- Economic factors—Changes in job tasks or established work routines can arouse economic fears if people are concerned that they won't be able to perform the new tasks or routines to their previous standards, especially when pay is closely tied to productivity.
- Fear of the unknown—Change substitutes ambiguity and uncertainty for the unknown.
- Selective information processing—Individuals are guilty of selectively processing information in order to keep their perceptions intact. They hear what they want to hear, and they ignore information that challenges the world they've created

Organisational Factors

- Structural inertia—Organizations have built-in mechanisms—such as their selection processes and formalized regulations—to produce stability. When an organization is confronted with change, this structural inertia acts as a counterbalance to sustain stability.
- Limited focus of change—Organizations consist of a number of interdependent subsystems. One can't be changed without affecting the others. So limited changes in subsystems tend to be nullified by the larger system.
- Group inertia—Even if individuals want to change their behavior, group norms may act as a constraint.
- Threat to expertise—Changes in organizational patterns may threaten the expertise of specialized groups.
- Threat to established power relationships—Any redistribution of decision-making authority can threaten long-established power relationships within the organization.

Overcoming Resistance to Change

- Eight tactics can help change agents deal with resistance to change.
- Education and Communication
- Participation
- Building Support and Commitment
- Develop Positive Relationships
- Implementing Changes
- Manipulation and Cooptation
- Selecting People Who Accept Change
- Coercion

Education and Communication

- Communicating the logic of a change can reduce employee resistance on two levels.
- First, it fights the effects of misinformation and poor communication: if employees receive the full facts and clear up misunderstandings, resistance should subside.
- Second, communication can help “sell” the need for change by packaging it properly.
- A study of German companies revealed changes are most effective when a company communicates a rationale that balances the interests of various stakeholders (shareholders, employees, community, customers) rather than those of shareholders only.
- Another study of a changing organization in the Philippines found that formal change information sessions decreased employee anxiety about the change, while providing high-quality information about the change increased commitment to it.

Participation

- It's difficult to resist a change decision in which we've participated.
- Assuming participants have the expertise to make a meaningful contribution, their involvement can reduce resistance, obtain commitment, and increase the quality of the change decision.
- However, against these advantages are the negatives: potential for a poor solution and great consumption of time.

Building Support and Commitment

- When employees' fear and anxiety are high, counseling and therapy, new-skills training, or a short paid leave of absence may facilitate adjustment.
- When managers or employees have low emotional commitment to change, they favor the status quo and resist it.
- Employees are also more accepting of changes when they are committed to the organization as a whole.
- So, firing up employees and emphasizing their commitment to the organization overall can also help them emotionally commit to the change rather than embrace the status quo.

Develop Positive Relationships

- People are more willing to accept changes if they trust the managers implementing them.
- One study surveyed 235 employees from a large housing corporation in the Netherlands that was experiencing a merger. 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.
- Another set of studies found that individuals who were dispositionally resistant to change felt more positive about the change if they trusted the change agent.

This research suggests that if managers are able to facilitate positive relationships, they may be able to overcome resistance.

Implementing Changes Fairly

- One way organizations can minimize negative impact is to make sure change is implemented fairly.
- Procedural fairness is especially important when employees perceive an outcome as negative, so it's crucial that employees see the reason for the change and perceive its implementation as consistent and fair.

Manipulation and Cooptation

- Manipulation refers to covert influence attempts.
- Twisting facts to make them more attractive, withholding information, and creating false rumors to get employees to accept change are all examples of manipulation.
- If management threatens to close a manufacturing plant whose employees are resisting an across-the-board pay cut, and if the threat is actually untrue, management is using manipulation.
- Cooptation, on the other hand, combines manipulation and participation. It seeks to “buy off” the leaders of a resistance group by giving them a key role, seeking their advice not to find a better solution but to get their endorsement.
- Both manipulation and cooptation are relatively inexpensive ways to gain the support of adversaries, but they can backfire if the targets become aware they are being tricked or used. Once that’s discovered, the change agent’s credibility may drop to zero.

Selecting People Who Accept Change

- Personality—some people simply have more positive attitudes about change than others.
- Such individuals are open to experience, take a positive attitude toward change, are willing to take risks, and are flexible in their behavior.
- 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.
- 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.
- Individuals higher in general mental ability are also better able to learn and adapt to changes in the workplace.
- In sum, organizations can facilitate change by selecting people predisposed to accept it.
- Besides selecting individuals who are willing to accept changes, it is also possible to select teams that are more adaptable.

Coercion

- The application of direct threats or force on the resisters.
- If management really is determined to close a manufacturing plant whose employees don't agree to a pay cut, the company is using coercion.
- Other examples are threats of transfer, loss of promotions, negative performance evaluations, and a poor letter of recommendation.
- The advantages and drawbacks of coercion are approximately the same as for manipulation and cooptation

Organizational stress

- Stress is an inevitable part of modern day life
- Organizational stress is a major concern as it can have damaging physiological and psychological effects on people working there.

What is stress?

- An unpleasant psychological process that occurs in response to environmental pressures

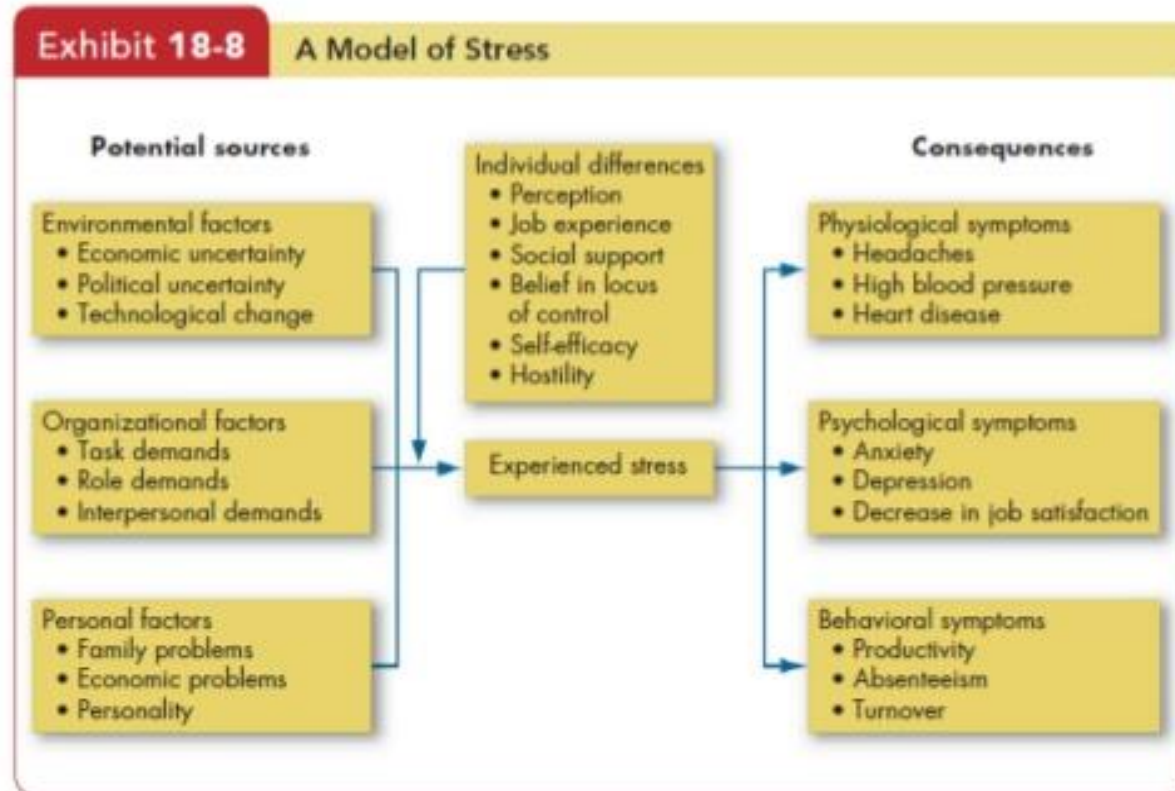


Sources/causes of stress

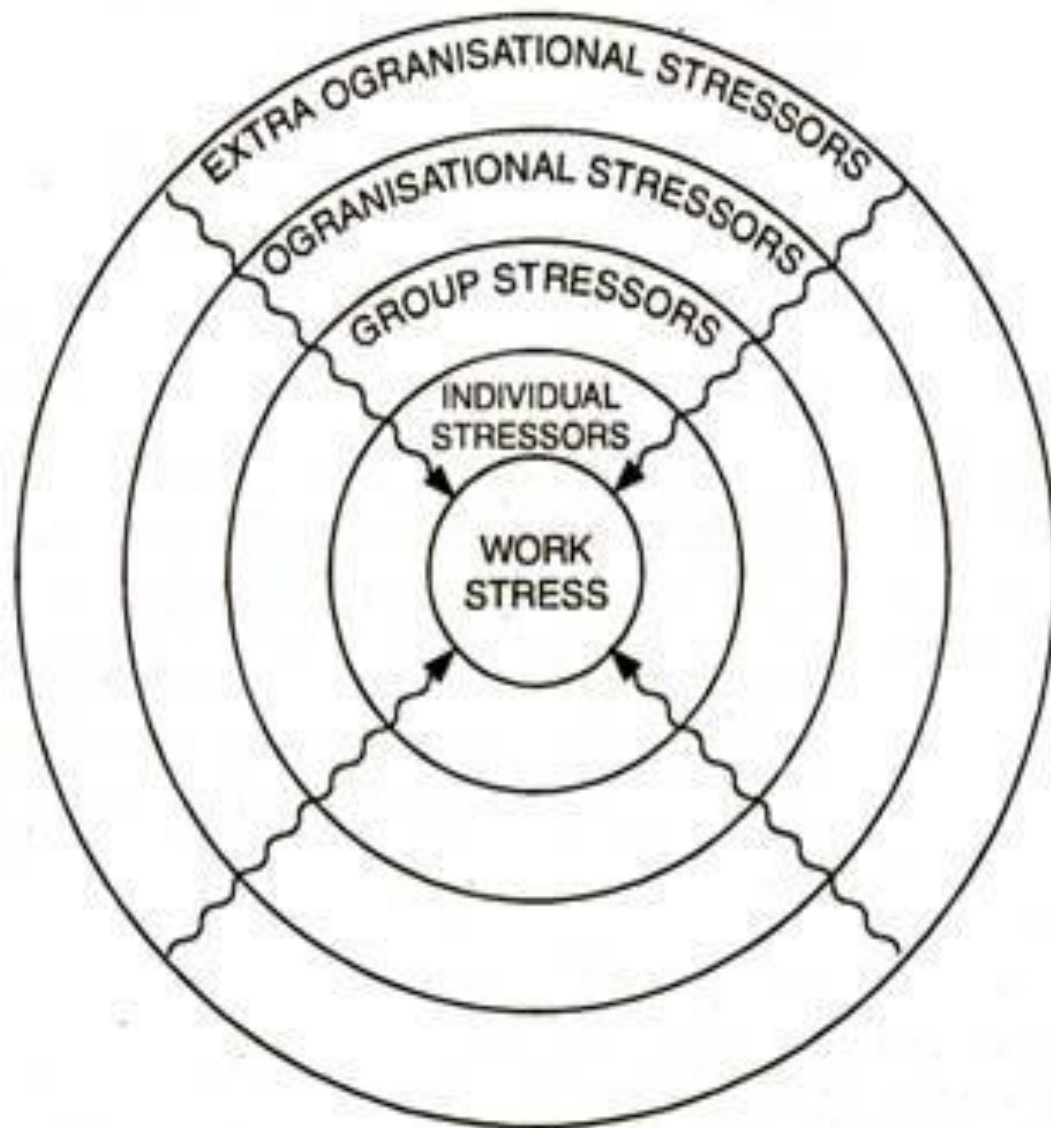
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- Environmental stressors
- Organizational stressors
- Personal stressors

Model of stress



Source: Robbins, S. P., & Judge, T. A. (2013). *Organizational Behavior, 15th Edition*. Pearson: New Jersey.



Environmental stressors

- Economic uncertainty
- Political uncertainty
- Technological uncertainty



- Economic uncertainty- bad economy causes stress
- Political uncertainty- less stress when the political climate is stable
- Technological uncertainty- rapid advances in technology pose a threat

This picture just broke my heart



Nadia AbuShaban @NadiaAbuShaban · May 25

photojournalist took this photo of Syrian child, thought he has a weapon not a camera so she Gave up! #Syriaended

Organizational stressors

- 1) Task demands
- 2) Role demands
 - a) Role conflict
 - b) Role overload
 - c) Role ambiguity
- 3) Interpersonal demands



- Task demands- level of autonomy, degree of task variety, working conditions, assembly line pressures, overcrowded working conditions, poor lighting , noise, demanding customer service etc.
- Interpersonal demands- no cordial relationship with coworkers, superiors and subordinates. Bullying, sexual harassment, physical fights, racial discrimination

- Role demands- every employee has a particular role to play. Role demands that cause stress are
 - 1) Role conflict- arises when different people have different expectations
 - 2) Role overload- occurs when individuals are asked to do more
 - 3) Role ambiguity- no clarity regarding work, duties and responsibilities.

Personal stressors

- Family problems
- Financial problems
- Personality



- Family problems- quarrel between husband and wife or illness in family. Strained relationship between spouses, physically/mentally disabled children
- Financial problems- accommodation and standard of living high. Dual career couple- less time for family. Poor money management.
- Personality- some are more prone to stress

Individual and cultural differences in the experience of stress



Individual differences

- 1) Perception- how an employee looks at a situation
 - How an employee interprets the situation will decide whether he will experience stress.



2) job experience- negative relationship between job experience and job stress.

Two reasons

- a) Selective withdrawal- higher stress more chances for quitting work
- b) Coping mechanism- people develop coping mechanisms when exposed to stress for a long time



3) social support- support from coworkers can ease stress



4) personality- high on neuroticism stress more.

- Workaholic employees experience more stress
- 1) They are obsessed with work
 - 2) Put in long hours at work
 - 3) Continuously think about work
 - 4) Take more responsibility



Cultural differences

Country	Cause of stress
United states	No adequate control over their jobs
China	Job evaluation and lack of training
US, UK, Canada (individualistic cultures)	More stress when work interferes family life
Collectivistic cultures doing additional work is seen as a sacrifice for the family. No difference in the experience of stress across cultures due to personality traits	

Effects of stress

- Physiological effects
- Psychological effects
- Behavioral effects

Physiological effects

- Upper respiratory illnesses
- Poor functioning of the immune system
- Heart diseases
- Hypertension
- High cholesterol
- Ulcers
- Arthritis
- Frequent colds, fever

Psychological effects

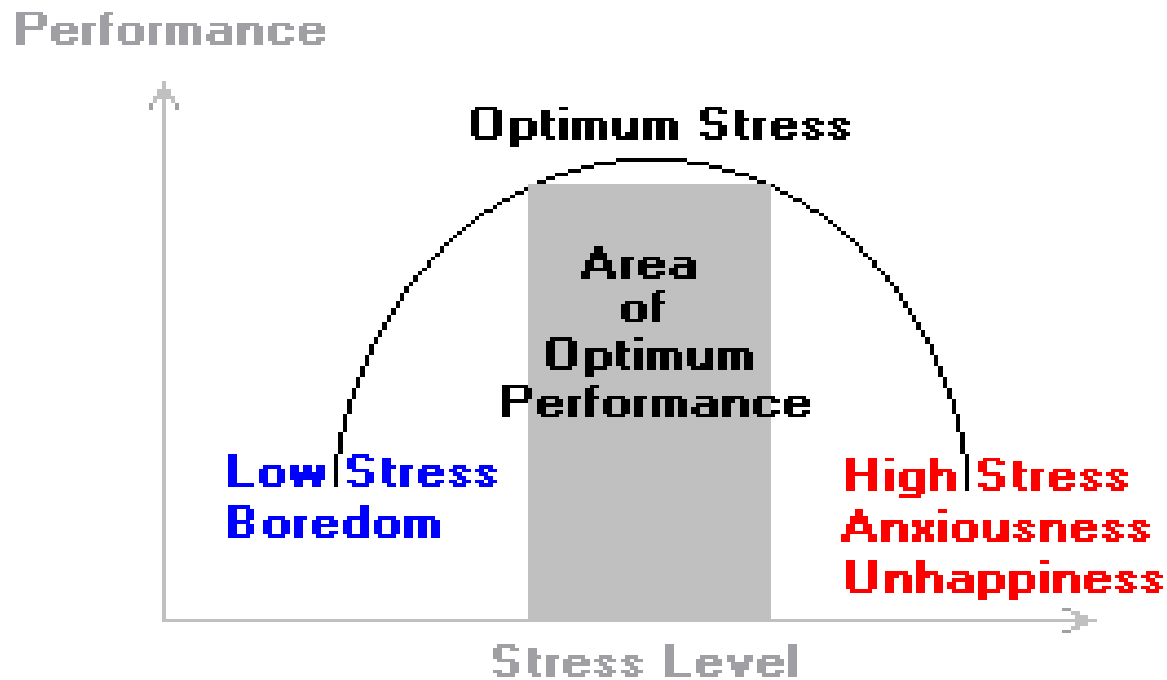
- Job dissatisfaction
- Anxiety
- Tension
- Boredom
- Depression
- Irritability
- Laziness
- Lower emotional well being
- Frequent mood changes
- Loss of self esteem
- Inability to concentrate on work
- Inability to make decisions

- Psychological effects are more on jobs where
 - 1) employee's work lack clarity
 - 2) Little autonomy
 - 3) Little job variety
 - 4) Lack of feedback
 - 5) Lack of sense of identity

Behavioral effects

- Reduced productivity
- Absenteeism
- Employee turnover
- Changes in eating habits
- Sleep disorders
- Excessive drinking
- Drug addiction
- Excessive smoking
- Poor interpersonal relations
- Stammering

Relationship between stress and performance



The Relationship Between Stress and Performance

Coping with stress

- Stress can have positive and negative effects
- Management of stress can be done at individual and organizational level

Individual approaches to stress management

- Better time management
- Physical exercises
- Relaxation training
- Expanding social support networks

1) Better time management

- Prepare a list of activities to be completed
- Prioritizing activities
- Scheduling activities based on priority
- Awareness of one's daily schedule and doing the most demanding activities when one is most alert
- Avoid distraction such as chatting or browsing



2) Physical exercises

- Aerobics, swimming, jogging, cycling



3) Relaxation training

- Meditation
- Hypnosis
- Deep breathing



4) Expanding social support networks

- Social support from friends, family and co-workers
- Close friends are extremely helpful



Other individual measures

- Taking a break from work
- Telling the superior that one is stressed
- Detaching oneself mentally from work when physically away from work

Organizational approaches to stress management

- Proper selection and placement
- Training
- Goal setting
- Job redesign
- Reduction of role conflict and role ambiguity
- Greater employee participation
- Effective communication
- Sabbaticals
- Wellness programs

Proper selection and placement

- Careful selection of employees can reduce stress
- Stress levels of different jobs are different – hiring people with experience



Training

- Training current employees and those who are underperformers can reduce stress



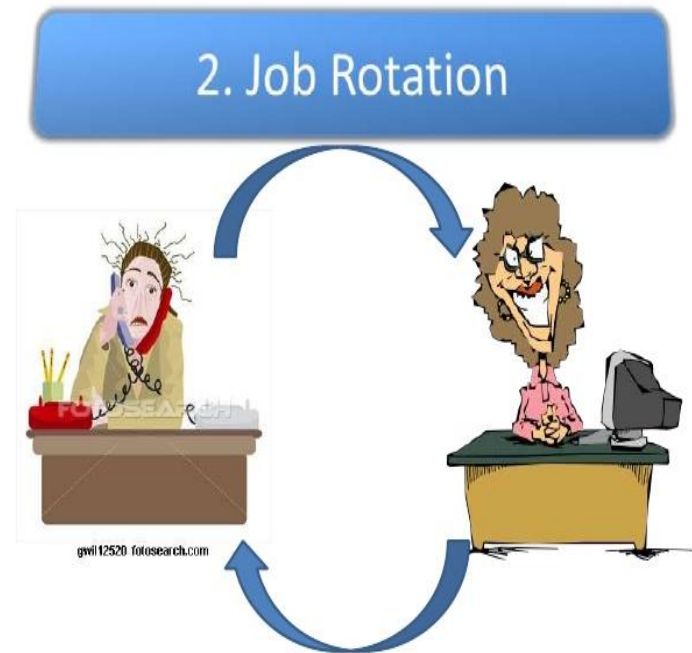
Goal setting

- Goals which are specific, challenging and provide feedback reduce stress
- Well defined goals reduce uncertainty



Job redesign

- Redesign helps to give better control on jobs
- Job enlargement and job enrichment play a major role in reducing stress



Job Rotation means moving employees from job to job to give them greater variety of task so that to help preventing Boredom.

Reduction of role conflict and role ambiguity

- Clear description of roles can reduce ambiguity



Greater employee participation

- Participation creates the feeling of empowerment



Effective communication

- Open communication reduces stress



Sabbaticals

- Employees may be given a break when needed
- Employees come back refreshed, more creative and energetic



Wellness programs

- Workshops on quit smoking, reduce alcohol consumption, healthy food habits and healthy life style can contribute to overall health of the employee



Summary

- Organisational change
- Resistance to change
- Stress
- Causes of stress
- Difference in stress perception
- Effects of stress
- Coping with stress