Chapter 13 Managing Change and Innovation

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TRUE/FALSE QUESTIONS

WHAT IS CHANGE?

1. Change is an organizational reality.
   (True; easy; p. 312)

2. Organizational change can be any alterations in people, structure, or technology.
   (True; moderate; p. 312)

FORCES FOR CHANGE

3. The marketplace is an external force of change.
   (True; moderate; p. 312)

4. The change in demand for health care technicians is an example of an economic change.
   (False; difficult; p. 313)

5. Economic changes are an internal force for change.
   (False; moderate; p. 313)

6. Any manager can be a change agent.
   (True; moderate; p. 313)

TWO VIEWS OF THE CHANGE PROCESS

7. The “calm waters” approach to change would be consistent with Lewin’s concept of
   unfreezing, changing, and refreezing.
   (True; difficult; p. 314)
8. In the “white-water rapids” metaphor of change, managers should expect change at any time, and it may last for unspecified lengths of time.
   (True; moderate; p. 315)

MANAGING CHANGE

9. Change threatens the investment you’ve already made in the status quo.
   (True; easy; p. 319)

10. One reason people resist change is that it substitutes ambiguity for uncertainty.
    (False; difficult; p. 319)

11. The manager’s options for change essentially fall into three categories: structure, technology, and product.
    (False; difficult; p. 317)

12. Computerization is a technological change that replaces people with machines.
    (False; moderate; p. 318)

13. Probably the most visible technology changes in recent years have come through managers’ efforts to expand corporate financing.
    (False; moderate; p. 318)

14. Sensitivity training is a method of changing behavior through unstructured group interaction.
    (True; easy; p. 319)

15. Techniques to change people and the nature and quality of interpersonal work relationships are termed organizational development.
    (True; moderate; p. 318)

16. Cooptation refers to covert attempts to influence.
    (False; moderate; p. 320)
17. Manipulation is the use of direct threats.
   (False; moderate; p. 320)

18. A major disadvantage of coercion is that it is frequently illegal.
   (True; moderate; p. 320)

19. Negotiation refers to covert attempts to influence, twisting and distorting facts, or
   withholding information.
   (False; moderate; p. 320)

20. Never negotiate with employees as a means of overcoming resistance to change.
   (False; moderate; p. 320)

CONTEMPORARY ISSUES IN MANAGING CHANGE

21. Cultural change is easier when the organizational culture is strong.
   (False; easy; p. 321)

22. The final step in accomplishing organizational cultural change is to initiate reorganization.
   (False; moderate; p. 323)

23. Organizational cultures tend to resist change.
   (True; moderate; p. 321)

24. The first step in changing organizational culture is to conduct a cultural analysis.
   (True; easy; p. 323)

25. The existence of a dramatic crisis can facilitate cultural change.
   (True; moderate; p. 322)

HANDLING EMPLOYEE STRESS
26. Stress is the physical and psychological tension an individual feels when he or she is facing or experiencing extraordinary demands, constraints, or opportunities for which the outcome is perceived to be both uncertain and important.

(True; moderate; p. 323)

27. In terms of organizational factors, any attempt to lower stress levels has to begin with employee selection.

(True; moderate; p. 325)

MANAGING WORKFORCE DIVERSITY

28. The paradox of diversity is described as situations in which limitations are placed on diverse individuals by strong organizational cultures.

(True; moderate; p. 323)

STIMULATING INNOVATION

29. Creativity is the process of taking an idea and turning it into a useful product, service, or method of operation.

(False; difficult; p. 327)

MULTIPLE-CHOICE QUESTIONS

For each of the following choose the answer that most completely answers the question.

WHAT IS CHANGE?

30. Being a manager, with no environmental uncertainty or threat of competitors’ new products, would be simple without ____________.
   a. government regulations
   b. diversity
   c. cultural differences
   d. organizational change

(d; moderate; p. 312)

31. Managing change is an integral part of ____________.
a. top management’s job  
b. middle-level management’s job  
c. the first-line manager’s job  
d. every manager’s job  
(d; moderate; p. 312)

FORCES FOR CHANGE

32. Which of the following is not an external force of change?
   a. marketplace  
b. government laws and regulations  
c. economic changes  
d. workforce  
(d; moderate; pp. 312-313)

33. The Sarbanes-Oxley Act of 2002 is an example of which of the following forms of environmental change?
   a. internal  
b. technology  
c. government laws and regulations  
d. labor markets  
(c; moderate; p. 312)

34. Changing human resource activities to attract and retain health care specialists due to increased needs for those workers is an example of what kind of environmental change factor?
   a. marketplace  
b. technology  
c. labor markets
35. Falling interest rates would most stimulate what change factor for a manager?
   a. marketplace
   b. government laws and regulations
   c. labor markets
   d. economic
   (d; easy; p. 313)

36. Which of the following is not an internal force of change?
   a. technology
   b. strategy
   c. workforce
   d. employee attitudes
   (a; moderate; p. 313)

37. What change factor did Steve Bennett address in his turnaround of Intuit, Inc?
   a. technology
   b. workforce
   c. equipment
   d. strategy
   (d; difficult; p. 313)

38. Increasing the numbers of employed women and minorities forces managers to pay attention to what change factor?
   a. strategy
   b. workforce
   c. equipment
   d. technology
   (b; moderate; p. 313)
39. Labor strikes are an example of what change factor that may encourage a change in management thinking and practices?
   a. workforce
   b. equipment
   c. employee attitudes
   d. strategy
   (c; easy; p. 313)

40. Assembly-line technology is changing dramatically as organizations ____________.
   a. develop new products for the market
   b. replace human labor with robots
   c. replace old manually controlled machines with newer machines
   d. find new markets for their products
   (b; moderate; p. 313)

41. Global recessionary pressures force organizations to become more ____________.
   a. price competitive
   b. quality conscious
   c. cost efficient
   d. conservative with raw materials
   (c; difficult; p. 313)

42. Internal forces that stimulate the need for change tend to originate primarily from the impact of external forces or from ____________.
   a. the forces of competition
   b. change in technology
   c. customer demand for the products the company produces
   d. the internal operations of the organization
   (d; moderate; p. 313)

THE MANAGER AS CHANGE AGENT
43. In organizations, people who act as catalysts and assume the responsibility for managing the change process are called ______________.
   a. change masters
   b. change agents
   c. operations managers
   d. charismatic leaders
   (b; moderate; p. 313)

44. In spurring organizational change, outside consultants are usually more ____________, whereas internal managers may be more ____________.
   a. drastic; thoughtful
   b. highly paid; risky
   c. resistant; bold
   d. cautious; friendly
   e. interested; scared
   (a; moderate; p. 314)

TWO VIEWS OF THE CHANGE PROCESS

45. Lewin’s theory is consistent with which view of organizational change?
   a. continuous
   b. contemporary
   c. Mayo’s
   d. “calm waters”
   (d; moderate; p. 314)

46. Who theorized the change process involving unfreezing, changing, and refreezing?
   a. Drucker
   b. Robbins
   c. Lewin
   d. Mayo
   (c; moderate; p. 314)
47. According to Kurt Lewin, which of the following is not a stage in the change process?
   a. unfreezing
   b. changing
   c. refreezing
   d. restraining

   (d; moderate; p. 314)

48. According to Kurt Lewin, increasing the driving forces, which direct behavior away from
the status quo, is a means of doing which of the following?
   a. unfreezing
   b. changing
   c. restraining forces
   d. refreezing

   (a; moderate; p. 314)

49. Which of the following terms best describes the two primary views of the change process?
   a. problematic, encouraged
   b. occasional, continuous
   c. costly, conservative
   d. optimistic, pessimistic

   (b; difficult; p. 314)

50. According to Lewin, which of the following is the objective of refreezing?
   a. directs behavior away from the status quo
   b. hinders movement away from existing equilibrium
   c. eliminates the need for future change
   d. stabilizes the new situation

   (d; moderate; p. 314)

51. According to the textbook, the ____________ is consistent with uncertain and dynamic
environments.
   a. calm waters metaphor
   b. white-water rapids metaphor
   c. contemporary metaphor
   d. continuous metaphor
52. A manager who comes to work every morning expecting that today will definitely bring new challenges from competitors, the workforce, and so on, views organizational change in what way?
   a. pragmatic
   b. continuous
   c. pessimistic
   d. reactive

53. The unfreezing step of the change process can be thought of as ______________.
   a. thawing the organization loose from the current status to the new status
   b. making the move to the new organizational condition
   c. loosening the organization from the old condition and moving it to the new condition
   d. preparing for the needed change

54. In the white-water rapids metaphor, change is a natural state, and managing change is ______________.
   a. an accepted practice
   b. an expected practice
   c. a continual process
   d. a maintenance process

55. Once a change has been made, the new situation needs to be refrozen ____________.
   a. so that it can be maintained in the short run
   b. such as the situation requires
   c. so that it can be sustained over time
   d. to make the change acceptable to the employees
56. As ____________, managers should be motivated to initiate change because they are committed to improving their organization’s effectiveness.
   a. change agents
   b. efficiency experts
   c. manipulators
   d. process consultants
   (a; difficult; p. 316)

57. Managers’ options for change essentially fall into what three categories?
   a. environment, technology, and mission
   b. structure, technology, and people
   c. mission, structure, and people
   d. mission, environment, and process
   (b; difficult; p. 317)

58. A company that decides to decentralize its sales procedures is managing what change category?
   a. technology
   b. people
   c. competitors
   d. structure
   (d; moderate; p. 317)

59. According to the textbook, competitive factors or new innovations within an industry often require managers to introduce all of the following except new ____________.
   a. equipment
   b. tools
   c. operating methods
   d. employees
   (d; moderate; p. 318)
60. When grocery stores installed scanners to read the product price, this was an example of managing what change category?
   a. technology  
   b. people  
   c. competitors  
   d. structure  
   (a; moderate; p. 318)

61. If Kraft Foods hired a consultant to decrease group friction and enhance cooperative work relationships, this would be an example of managing what change category?
   a. technology  
   b. people  
   c. competitors  
   d. structure  
   (b; difficult; p. 318)

62. Techniques to change people and the quality of interpersonal work relationships are termed ________.
   a. operations  
   b. organizational development  
   c. downsizing  
   d. robotics  
   (b; moderate; p. 318)

63. According to the textbook, an individual is likely to resist change because of all of the following reasons except ________.
   a. uncertainty  
   b. increased productivity  
   c. concern over personal loss  
   d. belief that the change is not in the organization’s best interest  
   (b; easy; p. 319)
64. Which of the reasons for resistance to change may be beneficial to the organization expressed by an employee?
   a. uncertainty
   b. freezing
   c. change is incompatible with the interests of the organization
   d. refreezing
   (c; difficult; p. 319)

65. All of the following are mentioned in the textbook as actions that managers can use to deal with resistance to change except __________.
   a. education and communication
   b. diversification
   c. participation
   d. facilitation and support
   (b; moderate; p. 320)

66. __________ is using direct threats or force on those who resist change.
   a. Negotiation
   b. Coercion
   c. Cooptation
   d. Education and communication
   (b; moderate; p. 320)

67. __________ may be necessary when resistance comes from a powerful source.
   a. Education and communication
   b. Coercion
   c. Facilitation and support
   d. Negotiation
   (d; moderate; p. 320)

68. For ________ to be effective, there must be mutual trust and credibility between managers and employees.
   a. education
   b. coercion
c. negotiation

d. participation

(a; moderate; p. 320)

69. Initiating change involves identifying what organizational areas might need to be changed and ___________.
   a. discussing it with the Board of Directors
   b. hiring a consultant to confirm that the change is needed
   c. forming a committee to determine that the need for change is real
   d. putting the change process in motion

(d; easy; p. 316)

70. As change agents, managers should be motivated to initiate change because they are committed to ___________.
   a. promoting the welfare of their employees
   b. managers and want to do the best they can for everyone
   c. improving their organization’s performance
   d. meeting the competition head-on in the market

(c; difficult; p. 316)

CONTEMPORARY ISSUES IN MANAGING CHANGE

71. Which of the following represents the relationship between organizational culture and change?
   a. Culture and change are naturally compatible.
   b. Culture tends to be very resistant to change.
   c. Culture can change in months but not weeks.
   d. Culture can never be purposely changed.

(b; moderate; p. 321)
72. Which of the following is **not** a favorable situational condition that may facilitate change in an organizational culture?
   a. a dramatic crisis occurs
   b. the culture is weak
   c. stock price sharply falls
   d. the organization is young and small
   *(c; moderate; p. 322)*

73. Cultural change is most likely to take place when most or all of the following conditions exist: dramatic crisis occurs, leadership changes hands, _____________.
   a. the organization is young, and the culture is moderate
   b. the organization is young and small, and the culture is weak
   c. culture is weak, and the organization is weak
   d. the organization is small, and the culture is moderate
   *(b; easy; p. 322)*

74. Which of the following is the first step in accomplishing organizational cultural change?
   a. appoint new leadership with a new vision
   b. initiate reorganization
   c. conduct a cultural analysis
   d. change the selection and socialization process
   *(c; moderate; p. 323)*

75. Which of the following is the last step in accomplishing organizational cultural change?
   a. make it clear that change is necessary to organizational survival
   b. introduce new stories and rituals to convey new vision
   c. appoint new leadership with a new vision
   d. change the selection and socialization processes and the evaluation and reward systems to support the new values
   *(d; difficult; p. 323)*

76. ______________ is a dynamic condition a person faces when confronted with an opportunity, constraint, or demand related to what he or she desires and for which the outcome is perceived to be both uncertain and important.
77. Which of the following is true concerning stress?
   a. It is a static condition.
   b. Stress is a negative reaction to an outside force.
   c. Stress is often associated with constraints and demands.
   d. Stress limits performance.
   (c; moderate; p. 324)

78. According to the textbook, stress symptoms can be grouped under any of the following three general categories except ____________.
   a. physiological
   b. cultural
   c. psychological
   d. behavioral
   (b; moderate; p. 324)

79. A dynamic and uncertain organizational environment has created a large number of employees who are ______________.
   a. old enough to retire, but can’t afford to retire
   b. young and energetic about the “next day’s work”
   c. overworked and stressed out
   d. overworked, but paid very well
   (c; easy; p. 323)

80. Stress, in and of itself, is ______________.
   a. not necessarily bad
   b. healthful in most cases
   c. harmful, especially if not managed by exercise
   d. beneficial to those who use it
   (a; moderate; p. 323)
81. Stress is highest for ______________.
   a. individuals who are uncertain about the amount of their annual pay
   b. individuals who are uncertain whether they will win or lose
   c. groups, which do not have a clear focus
   d. individuals who are given more responsibility than authority
   (b; moderate; p. 324)

82. _______ prevent you from doing what you desire; _______ refer to the loss of something desired.
   a. Constraints; demands
   b. Demands; constraints
   c. Fears; stressors
   d. Stressors; fears
   (a; moderate; p. 324)

83. _______ there must be uncertainty over the outcome, and the outcome must be important.
   a. For uncertainty to become fear,
   b. For anxiety to become stress,
   c. For potential stress to become actual stress,
   d. For anxiety to become fear,
   (c; difficult; p. 324)

84. Which of the following is an example of a psychological symptom of stress?
   a. changes in metabolism
   b. increased heart and breathing rate
   c. irritability
   d. changes in productivity
   (c; moderate; p. 324)
85. Changes in eating habits are a ________ symptom of stress.
   a. physical
   b. psychological
   c. behavioral
   d. inertial
   (c; easy; p. 324)

86. Which symptoms of stress are the least relevant to managers?
   a. physical
   b. behavioral
   c. psychological
   d. dysfunctional
   (a; moderate; p. 325)

STIMULATING INNOVATION

87. ____________ refers to the ability to combine ideas in a unique way or to make unusual associations between ideas.
   a. Innovation
   b. Imagination
   c. Creativity
   d. Interpretive thinking
   (c; moderate; p. 327)

88. ____________ is the process of taking a creative idea and turning it into a useful product, service, or method of operation.
   a. Innovation
   b. Imagination
   c. Creativity
d. Interpretive thinking
(a; moderate; p. 327)

89. Which of the following is an example of a variable that can foster innovation?
   a. mechanistic structure
   b. organic structure
   c. few organizational resources
   d. low ambiguity acceptance
(b; difficult; p. 328)

90. Which of the following is not a cultural value that supports innovation?
   a. acceptance of ambiguity
   b. tolerance for the impractical
   c. high external controls
   d. focus on ends, not means
(c; moderate; p. 329)

91. Which of the following human resource variables is supportive of organizational innovation?
   a. low commitment to training
   b. selection of Type A employees
   c. high job security
   d. unionization
(c; moderate; p. 330)

92. ________ actively and enthusiastically support new ideas, build support, overcome resistance, and ensure that innovations are implemented.
   a. Idea champions
   b. Whistle-blowers
   c. Idea generators
   d. Idea screeners
(a; moderate; p. 330)
93. According to the textbook, all of the following are common personality characteristics of idea champions except ____________.
   a. extremely high self-confidence
   b. persistence
   c. energy
   d. risk aversion
   (d; moderate; p. 330)

94. Managing in the dynamic, chaotic world of global competition, organizations must create new products and services, ____________.
   a. at competitive prices and in the correct location
   b. and adopt teams as the best way to improve the organization
   c. and adopt state-of-the-art technology if they are to compete successfully
   d. that offer the customer what they want
   (c; moderate; p. 327)

95. A study of organizational change found that __________ percent of changes at the work-group level were reactions to a specific, current problem or to a suggestion from someone outside the work group; and __________ percent of those changes occurred in the course of employees’ day-to-day work.
   a. 77; 68
   b. 35; 90
   c. 90; 35
   d. 68; 77
   (a; difficult; p. 327)

96. Innovation is the process of taking a creative idea and turning it into a useful product, service, ____________.
   a. or good that customers can use
   b. for the good of society
c. and implementation of the innovation
d. or method of operation

(d; moderate; p. 327)

97. An innovative culture is likely to have ____________
   a. high external controls
   b. low tolerance for risk
   c. closed-system focus
   d. high tolerance of conflict

(d; easy; p. 329)

SCENARIOS AND QUESTIONS
For each of the following, choose the answer that most completely answers the question.

The Government Job (Scenario)

Colin was getting accustomed to his surroundings in state government. His efforts at getting people to accept change had met with little resistance due to his and the new director’s efforts as well as the hard work of his subordinates. But now the hard part really started—actually managing the change. What techniques could he and his agency’s new director employ to most effectively implement changes that would result in increased productivity in his department? He considered changing three aspects of his agency: the structure, the technology, and the people.

MANAGING CHANGE

98. If the new agency director decided to remove layers in the agency and increase the span of managerial control, this would be considered changing the ______________.
   a. structural design
   b. selection process
99. If the agency director decided to shift away from a functional to a product design, this
would be considered changing the _____________.
a. structural design
b. selection process
c. degree of centralization
d. structural components
(a; difficult; p. 317)

100. If Colin decided to replace some employee work time with a telephone menu system, this
would be considered changing the _____________.
a. organizational structure
b. technology
c. people
d. organizational development
(b; moderate; pp. 317-318)

101. If Colin wanted to make structural changes to increase innovation in his agency Colin could
take actions such as _____________.
a. increasing acceptance of ambiguity
b. encouraging tolerance of the impractical
c. focusing on ends rather than means
d. establishing committees to ensure frequent interunit communication
(d; difficult; p. 328)

102. Finally, Colin decided his people could benefit from ____________, a method of changing
behavior through unstructured group interaction.
a. survey feedback
b. sensitivity training
c. team building
d. intergroup development
(b; difficult; p. 319)
The Management Seminar (Scenario)

Mandy recently returned from her two-day managerial seminar, *How to Totally Change Your Management and Leadership Style in Two Days.* Even though she felt the seminar was worthless (as she had predicted), it did give her a chance to think about how to change the culture of her organization. She had been brought in by the new CEO as a change agent, and her position had the authority to make an impact. She felt that the recent hostile takeover by their parent company had shocked everyone, especially given that the entire organization consisted of only 150 people and had been in business for only 5 years. She felt this might be the time to attempt cultural change while everyone was still thinking in terms of change. As she tossed her leadership seminar manual into the wastebasket, she considered what might be her first step and how well the cultural change would work.

**CHANGING PEOPLE**

103. Of the following, which is an advantage that Mandy has to implement cultural change?
   
a. her new leadership skills  
b. the recent purchase of her company  
c. previous stable leadership  
d. her managerial level  
   
(b; difficult; p. 322)

104. Which of the following statements is true concerning the leadership of Mandy’s company and its effect on cultural change?
   
a. New top leadership can be an advantage.  
b. New top leadership is rarely an advantage.  
c. It is important for the cultural change to begin with employees first.  
d. Leadership issues have little impact on cultural change.  
   
(a; moderate; p. 322)

105. Which of the following statements about her company is most advantageous to Mandy as she attempts to change the cultural leadership?
   
a. Change would be easiest with a company that is older and has a small number of employees.
b. Change would be easiest in an older company with many employees.

c. Small companies that are new are easiest in which to implement change.

d. Small companies that are old are easiest in which to implement change.

(c; difficult; p. 322)

106. Of the following, which statement about her company’s previous culture would be most advantageous to her accomplishing a change?

a. A previously strong culture is receptive to change.

b. A previously nonexistent culture is receptive to change.

c. A moderately strong culture is receptive to change.

d. A weak culture is more receptive to change.

(d; difficult; p. 322)

Fred’s Situation (Scenario)

Fred was not handling the change in his department well. The company had recently changed hands, and even though no jobs had been lost, people had been changing jobs and were being asked to move to different locations. The new leadership had a completely different outlook than those people he had worked under for the past 21 years. Fred found that he was unable to concentrate at work and generally felt like he did not like his job anymore. At home, he was
getting headaches and having trouble sleeping, which only enhanced his feeling that things were not going to work out well for him. When he thought about it, he had always hated change. He worked in the job he did partially because it was considered stable (boring to some) and predictable. Fred’s new boss kept trying to convince him that he was a valuable employee and that new opportunities, along with salary increases, were in his future. Unfortunately, Fred felt like he never knew what to expect the next day and what Fred really wanted was to have things the way they used to be.

EMPLOYEE STRESS

107. Fred was obviously feeling stress. Which of the following is not a factor in the definition of stress?
   a. It is a static condition.
   b. It may involve opportunity or threats.
   c. It is related to what a person desires.
   d. It is related to a desire that is uncertain.
   (a; moderate; p. 323)

108. Which of the following statements is not true concerning the stress Fred may be feeling?
   a. Stress may come from any change in Fred’s life.
   b. Stress may come from personal factors.
   c. Stress is not related to personality differences.
   d. Job-related factors may be part of Fred’s stress.
   (c; easy; p. 324)

109. Which of the following would be a behavioral symptom of Fred’s stress?
   a. headaches
   b. a rise in Fred’s blood pressure
   c. his job dissatisfaction
   d. problems sleeping
   (d; moderate; p. 324)
Fred is obviously resistant to the change being introduced in his organization. Which of the following reasons is most likely the primary driver of Fred’s resistance?
a. habit
b. concern over personal loss
c. uncertainty
d. belief that change is not in the organization’s best interest
(c; moderate; p. 319)

111. If Fred’s manager noticed Fred’s stress, which tactic would be the most useful in reducing Fred’s stress level?
a. better employee selection
b. improved organizational communications
c. job redesign to increase Fred’s workload
d. job redesign to decrease Fred’s workload
(b; difficult; p. 325)

112. Fred’s coworker, Tammy, is also feeling stress. Tammy’s stress, however, is not due to the new changes at work. Rather, Tammy’s stress is due to some rather large credit card bills she owes and her recent separation from her partner. Which of the following tactics would be most appropriate for helping Tammy reduce her stress level?
a. improved organization communication
b. job redesign to decrease Tammy’s workload
c. implementing an MBO program
d. employee counseling for Tammy
(d; difficult; p. 325)

New Ideas (Scenario)

Though New Ideas, Inc. has been in business for 30 years, the company and its employees have seemingly been in a constant state of change. Inew One has been President of New Ideas, Inc. for the last 15 years. During this time, he has had to change the strategic focus of the company three times. The employees have become vocal recently about the decrease in their bonus checks and are wanting increased profits. It seems as though his competition is always introducing new products into the market, and the niches Inew thought New Ideas held leadership in are always changing. Recently the government has been active in passing new legislation to increase the
control of the product packaging and product contents. The technology used to manufacture the products has continually changed to make the process more efficient.

**FORCES FOR CHANGE**

113. The change in strategic focus of the company is an ____________.
   a. external force of change
   b. internal force of change
   c. a marketplace force of change
   d. an economic force of change
   (b; moderate; p. 313)

114. The technology change in the manufacturing process to make it more efficient is the result a competitor lowering their price. Therefore it is an ____________.
   a. external force of change
   b. internal force of change
   c. a marketplace force of change
   d. an economic force of change
   (a; moderate; pp. 312-313)

115. Being that this company focuses on new ideas, uses technology that changes frequently, and has strong competition in the market, the company is which of the following types of metaphor of change?
   a. a calm water metaphor
   b. more of a white-water rapid metaphor than a calm water metaphor
   c. more of a calm water metaphor than a white-water rapid metaphor
   d. a white-water rapids metaphor
   (d; easy; p. 315)
116. The employees recently becoming vocal about their bonus check is which of the following types of forces of change?
   a. external force of change
   b. labor market force of change
   c. internal force of change
   d. social force of change
   (c; moderate; p. 313)

Fred Fryer’s Donuts (Scenario)

Since the integration of two new stores in Littleville, U.S., Fred Fryer’s Donuts, Inc., has recognized that there is a need for reengineering the entire organization. The main need is to install new state-of-the-art kitchen equipment, in the seven remaining stores, then dispose of all old equipment to a salvage dealer at three-fourths of the book value, or a loss of $2,000 per store. This means that employees will have to be trained to operate the new computer programmed equipment. Fred is setting up the main store as a training store. Employees from the other stores will train at the main store for the 5 days that their respective store’s equipment is being converted. The regular employees from the main store have the responsibility of instructing the classes or overseeing the installation of the new equipment and testing its operation before that store’s employees return from training. The organization is also undergoing implementation of teams to replace the old employee reporting system. Ordering of materials will now be done by an intranet among the stores and the corporate purchasing function. Fred has promised that no one will lose his or her job because of the reengineering organizational changes. He estimates that when the employees get to the computer programming training, as many as 10 percent of the current employees will resign or retire. The planned opening of a new store in Nowhere will absorb any “excess” employees due to the efficiency of the new equipment.
TYPES OF CHANGE

117. Do the employees of Fred Fryer’s Donuts, Inc. have reason to be concerned about the reengineering and to resist the changes that have been announced by Fred?
   a. No. They have been promised a job after training on the new equipment.
   b. Maybe. They do have a few changes occurring in their job.
   c. Yes. Their whole work life could be changing.
   d. Definitely. Everything in their job is changing, including in which town they may be working.
   (d; easy; p. 319)

118. What is the most successful way to deal with the human side of the reengineering, helping to change people and the nature and quality of their interpersonal work relationships?
   a. training and development
   b. organizational development
   c. reengineering training
   d. give the employees a training manual
   (b; moderate; p. 318)

119. The installation of the new equipment is an example of ____________.
   a. technological change
   b. technological-automation change
   c. technological-computerization change
   d. technological-reengineering change
   (c; moderate; p. 318)

120. Which of the following should Fred and the team leaders practice if they need to overcome employee resistance?
   a. assure them that they will have a job after training
   b. encourage them to talk with their coworkers
   c. tell them it is the best way to make donuts available that money can buy
   d. educate and communicate about the changes, facilitate and support when possible
   (d; easy; p. 319)
The Practice (Scenario)

Kelly Rae works for an ophthalmologist’s office where she has been employed as a technician for approximately 1 year. Due to a recent retirement, Kelly has promoted to the position of Clinic coordinator where she is responsible for ensuring operational efficiency and effectiveness by managing and training other technicians, overseeing the doctor’s schedules, and coordinating activities between the scheduling desk, the technicians, the insurance office, and the optical shop. Upon her promotion she was given a mandate by the doctors to “clean house” in an effort to make fundamental changes to enhance productivity.

RESISTANCE TO CHANGE

121. If Kelly were to consider enhancing productivity by giving greater authority to other technicians and increasing formalization, she would be considering __________ changes.
   a. structural
   b. technological
   c. people
   d. automatic

   (a; moderate; p. 317)

122. The practice Kelly worked with had two doctors with very different work habits. Each had their own team of technicians who were used to the doctor’s preferences and were comfortable with their routines; they basically did the same thing every day. When Kelly suggested that the train all of the technicians to work with both doctors, this led to significant resistance from all of the parties involved. The technicians were concerned that they would no longer be able to perform their usual daily tasks. Their resistance came from __________.
a. the technician’s belief that ambiguity would increase
b. the technician’s fear that they would be forced out of their habit
c. technician’s concern over personal loss
d. belief that Kelly’s changes would harm the organizations

(b; moderate; p. 319)

123. Among the technician’s there was one, Shelly, who was particularly concerned about the changes. She had spent a number of years ingratiating herself with a particular doctor and had earned special privileges, such as taking extended lunches with her husband, because of it. Shelly’s resistance to change came from her ________.

a. belief that uncertainty would increase
b. fear that she would be forced out of her habit
c. concern over personal loss
d. belief that Kelly’s changes would harm the organizations

(c; easy; p. 319)

Lightspeed.com (Scenario)

Edwin Edwards is a team leader for Lightspeed.com, an e-business that has employees in every global time zone, except three in the Pacific area and one in the Atlantic area. Some of the factors that the team has to contend with are deadlines, strong work ethic, creativity-innovation chain, high-speed turn around, and professionalism. As team leader, Edwin is the focal point of complaints from team members that he only sees via videoconference a few times per year, or compressed video via Internet a few times more per year. A frustration that he is encountering himself is that he works with all these people and does not have control over their “actual” work and few organizational rules, regulations, and policies. Yet due to the position he is in, he feels he gets all their complaints. The part he likes the most is that the team seems to prefer getting their objective accomplished instead of wasting time trying to decide who should be doing what tasks. The team does not deal well when a member offers an “off-the-wall” solution to a team problem. They tend to send Edwin more e-mail when a member offers an “off-the-wall” solution during a team “chat” than any other team-conflict issue.
NURTURING INNOVATION

124. When Edwin feels frustrated that he works with people and does not have control over their “actual” work nor organizational rules, regulations, and policies. He is stressed ____________.
   a. due to low control over the team members
   b. by the diversity of opinions
   c. because team members are encouraged to experiment without fear of consequences
   d. because the goals are not clear
   (a; moderate; p. 324)

125. When a member offers an “off-the-wall” solution to a team problem, it appears that Edwin has to contend with ____________ among the team members.
   a. a high tolerance of the impractical
   b. a low tolerance of risk
   c. a low tolerance of the impractical
   d. a high tolerance of risk
   (c; moderate; p. 329)

126. The part Edwin likes the most is that the team seems to prefer getting their objective accomplished instead of wasting time indicates that the team is ____________.
   a. tolerant of conflict
   b. an open-system focus team
   c. able to deal with high risk
   d. focused on ends rather than means
   (d; moderate; p. 329)

127. Some of the factors that the team has to contend with are: deadlines, strong work ethic, creativity-innovation chain, commitment to high-speed turn around, and professionalism, which make up which of the following to the team members?
   a. team dynamics
   b. internal climate
   c. organizational culture
   d. sources of stress
ESSAY QUESTIONS

TWO VIEWS OF CHANGE

128. In a short essay, describe, compare, and contrast the “calm waters” and “white-water rapids” views of organizational change.

Answer

a. Up until the late 1980s, the calm waters metaphor was fairly a description of the situation that managers faced. It’s best illustrated by Kurt Lewin’s three-step description of the change process. According to Lewin, successful change can be planned and requires unfreezing the status quo, changing to a new state, and refreezing to make the change permanent. The status quo can be considered an equilibrium state. To move from this equilibrium, unfreezing is necessary. Unfreezing can be thought of as preparing for the needed change. It can be achieved by increasing the driving forces, which are forces that drive change and direct behavior away from the status quo, decreasing the restraining forces, which are forces that resist change and push behavior toward the status quo, or combining the two approaches.

b. The white-water rapids metaphor is consistent with the discussion of uncertain and dynamic environments. It’s also consistent with the dynamics of a world that’s increasingly dominated by information, ideas, and knowledge. The stability and predictability of the calm waters metaphor do not exist. Disruptions in the status quo are not occasional and temporary, and they are not followed by a return to calm waters. Many managers never get out of the rapids. They face constant change, bordering on chaos. These managers must play a game that they’ve never played before, and the game is governed by rules that are created as the game progresses.

RESISTANCE TO CHANGE
129. In a short essay, list and discuss the three reasons that describe why people resist change. Include an example of each reason to support your answer.

**Answer**

An individual is likely to resist change for three reasons: uncertainty, concern over personal loss, and the belief that the change is not in the organization’s best interest. Change replaces the known with ambiguity and uncertainty. For example, when quality control methods based on sophisticated statistical models are introduced into manufacturing plants, many quality control inspectors have to learn the new methods. Some inspectors may fear that they will be unable to do so and may, therefore, develop a negative attitude toward the changes or behave poorly if required to use them. The second cause of resistance is the fear of losing something already possessed. The more that people have invested in the current system, the more they resist change. This helps explain why older workers tend to resist change more than younger workers. Older employees have generally invested more in the current system and, thus, have more to lose by changing. A final cause of resistance is a person’s belief that the change is incompatible with the goals and interests of the organization. An employee who believes that a new job procedure proposed by a change agent will reduce product quality or productivity can be expected to resist the change. If the employee expresses his or her resistance positively, this type of resistance can be beneficial to the organization.

*(moderate; pp. 318-320)*

**STRESS**

130. In a short essay, define stress. Next, discuss the various causes of stress and explain how managers can recognize stress in their employees.

**Answer**

Stress is a dynamic condition a person faces when confronted with an opportunity, constraint, or demand related to what he or she desires and for which the outcome is perceived to be both uncertain and important. Stress is highest for individuals who are uncertain whether they will win or lose and lowest for individuals who think that winning or losing is a certainty. The importance of the outcome is also a critical factor. If winning or losing is unimportant, there is no stress. The causes of stress can be found in issues related
to the organization or in personal factors that evolve out of the employee’s private life. Clearly, change of any kind has the potential to cause stress. Stress symptoms can be grouped under three general categories: physiological, psychological, and behavioral. Of these, the physiological symptoms are least relevant to managers. Of greater importance are the psychological and behavioral symptoms since these directly affect an employee’s work. (moderate; pp. 323-325)

STIMULATING INNOVATION

131. In a short essay, define creativity and innovation. Next, discuss the three sets of variables that have been found to stimulate innovation.

Answer

a. Creativity refers to the ability to combine ideas in a unique way or to make unusual associations between ideas. An organization that stimulates creativity develops unique ways to work or novel solutions to problems. Innovation is the process of taking a creative idea and turning it into a useful product, service, or method of operation. Thus, the innovative organization is characterized by its ability to channel creativity into useful outcomes. When managers talk about changing an organization to make it more creative, they usually mean they want to stimulate and nurture innovation.

b. The three sets of variables that have been found to stimulate innovation are the organization’s structure, culture, and human resource practices. Structural variables: Research into the effect of structural variables on innovation shows three things. First, organic structures positively influence innovation. Second, the easy availability of plentiful resources provides a key building block for innovation. Finally, frequent interunit communication helps break down barriers to innovation. Cultural variables: Innovative organizations tend to have similar cultures. They encourage experimentation, reward both successes and failures, and celebrate mistakes. Human resource variables: Within the human resource category, innovative organizations actively promote the training and development of their members so that their knowledge remains current, offer their employees high job security to reduce the fear of getting fired for making mistakes, and encourage individuals to become “champions” of change.
REDUCING STRESS

132. In a short essay, discuss three ways that managers can help to reduce stress for their employees.

Answer

Managers can reduce stress for their employees in a variety of ways. First, through employee selection managers can make sure that an employee’s abilities match the job requirements. When employees are in over their heads, their stress levels will typically be high. A realistic job preview during the selection process can also minimize stress by reducing ambiguity over job expectations. Improved organizational communications will keep ambiguity-induced stress to a minimum. A performance planning program will help clarify job responsibilities, provide clear performance goals, and reduce ambiguity through feedback. Job redesign is also a way to reduce stress. If stress can be traced to boredom or job overload, jobs should be redesigned to increase challenge or reduce the workload. Redesigns that increase opportunities for employees to participate in decisions and to gain social support have also been found to lessen stress.

(moderate; p. 325)