

The Introduction of Change in Industrial Organizations

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TODAY, every manager is concerned with the many technological and organizational changes that affect his current operations. And, in addition to these changes, he is conscious of another factor that very strongly characterizes modern industry—its rapid growth. Many companies that started as very small concerns have, in recent years, emerged as medium-sized or large-scale enterprises.

Often, these changes bring a great deal of pressure to bear on the individuals and work units who must adapt to them. Employees may experience considerable stress because they can no longer do their work in the way they formerly did. They may have to face uncertainties that are upsetting to them, and thus may react negatively to change—either individually or as members of a group.

RESISTANCE AND ITS SYMPTOMS

The most characteristic individual and group reaction to change is what we call resistance. There are a number of signs of resistance—but this doesn't mean that these symptoms *always* indicate resistance. Sometimes they may be indicators of other difficulties in the organization.

When we look at the individual as an individual, we sometimes find rather considerable hostility or aggression. The hostility may only be expressed verbally, in the way the individual strikes out at the boss,

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a fellow worker, or even a subordinate; but hostility and aggression can also take physical forms where the striking out is of a more intense character.

Sometimes we find apathy. The individual loses interest. He tries to escape the situation in which he finds himself. He is not highly motivated. Sometimes we find careless effort; the individual is spoiling material or is not performing up to the standards expected of him.

Absenteeism and tardiness are often signs of resistance. Perhaps these are forms of apathy or an attempt on the part of the individual to escape his work environment. Separation, for example, may be an extreme illustration of this attempt to escape.

The development of anxiety and tension in the individual is often a sign that resistance exists. An individual may be edgy and shaky; he may not be able to relax and give himself completely to the job. Often, discouragement sets in, and he just gives up.

Individuals organized as a work group may exhibit additional signs of resistance. One situation that has often occurred and that has been studied in considerable detail is the reaction of groups of workers to wage incentive systems. In many cases, the resistance is manifested in what is called "restriction of output," where the work group, through informal means, devises ways of setting its own standards in opposition to the standards which have been set by management. Often, informal groups or cliques are established primarily for the purpose of resisting the introduction of change. Slowdowns and strikes are also possible indicators of group resistance.

These, then, are some of the manifestations of resistance—some of the ways in which individuals and groups behave when their work environment is subject to change. But these manifestations are merely *symptoms*.

CHANGE AS A THREAT TO SECURITY

What is much more important from the manager's point of view is to try to understand more fully the *underlying causes* of resistance. Often, when the introduction of change has been discussed, administrators have felt that people are primarily concerned about the technological or organizational change itself. In my judgment, this really isn't the case. Instead, they are concerned about the potential impact of the change on them as individuals or as members of work groups. Essentially, what individuals or groups ask themselves is the question, "What is the change going to mean to me? Will it be important to me and to my group?"

Each individual and each group develops for itself a kind of island of security. This island of security is defined by everything that is im-

portant to the individual or to the group. The individual, for example, gets real security in knowing that he can do his job and in knowing where he stands in his relations with other people. However, when a change comes about, his sense of security is disrupted. The individual is no longer free from anxiety, and he is faced with the necessity of taking another look at his island. The same thing is certainly true of the group. Work groups establish values, beliefs, ways of doing things, and relationships that provide considerable comfort to their members. The implication of a technological or organizational change to the group is that all these security factors in its life are now threatened.

In a sense, the individual and the group are like turtles whose shells represent the security available to them in their present situation. They can always crawl into their shells for protection, and they become very concerned about coming out of them to explore a new environment that is threatening.

Of course, the security of an individual is not always threatened by potential change. Certainly there are instances where individuals or groups see change not as a threat but as something that is beneficial to them.

UNDERLYING TENSIONS AND PRESSURES IN GROWING CONCERNS

In those instances where the change is seen as beneficial, there will be no resistance. However, in this connection, I would suggest a very important warning. It has been my observation that, in changing situations, we too often look only at the surface manifestations. Individuals and groups may *seem* to be adapting to change, but this appearance may be rather misleading.

How can we explain the current statistics on heart disease, ulcers, nervous breakdowns, and psychosomatic manifestations that increasingly plague management, as well as the rank and file? There seems to be increasing evidence that the very rapid change which characterizes our modern industrial setup is one of the key factors underlying these psychosomatic conditions. Often, at the surface level, individuals and groups are adapting to change, but perhaps this adaptation is being made at a terrific price to the people involved—a price which, in the long run, is an exceedingly costly one.

In a growing concern, the pressures underlying resistance are felt at all levels and in all units of the company. Subordinates are certainly faced with uncertainty. They are aware that many changes are occurring which involve the company's organization, product line, and so on. But they don't know quite how these changes will affect them personally, and this uncertainty generates a lot of tension within them.

More specifically, a subordinate becomes concerned about the ob-

solescence of his present know-how. Because he can perform a job in a particular way, he receives a pay check that is important to him. Then he learns, often via the grapevine, that the company is planning to purchase new equipment or that it is going to re-organize, and he begins to ask himself, "Am I going to be able to do the job I know how to perform in this new setup?"

Another thing that bothers the individual in a growing concern is the movement away from personally meaningful informal relations. One of the advantages of a small firm is the close, face-to-face relations that exist within the organization. Very often, the employees know the boss and each other by first names. But, as the firm begins to grow in size, a gradual introduction of physical and psychological barriers between individuals will result. People get separated from each other.

As the company's organizational units grow, it becomes increasingly necessary to use rules and regulations and to introduce many new formalities. Certainly, a change in the individual's existing social relationships may occur. New people come into work groups, and individuals are moved from one group to another.

Work groups in a growing concern may often sense that their status within the organization is being changed. Perhaps a given work group has had considerable importance in the firm; then, an organizational change is made, and other units gain more prestige. Very often, this change in status will affect the group's goals and values, and may even interfere with the group's customary work patterns.

EFFECT OF CHANGE ON TOP MANAGEMENT

The impact of potential change also affects the top management level and, particularly, the top executive of the firm. Often, the pressures that accompany growth have made it difficult for the top executive to adapt to the change in his own firm.

One of the questions that the top executive frequently asks himself is, "Can I personally keep up with the growth of my firm?" When his organization was small, he was able to keep on top of his responsibilities; but, when it grows beyond a certain point, he suddenly senses that things are getting out of hand. He wonders whether he will be able to cope with the new responsibilities he must assume.

He is increasingly worried about the fact that he loses touch with his employees. He, too, has valued the close association with his subordinates. As his firm grows, he no longer sees the people he used to see every day—perhaps he only sees them once a month—and this troubles him.

Another trend that troubles him is that he has been forced to change from a "doer" to an "organizer." Perhaps he was formerly a

production man and that is his key interest. When the firm was small, he was able to spend all his time on production activities. Now he has to devote more and more attention to organization and other purely managerial functions. He is concerned about this, because he had previously felt secure in his ability to handle all phases of the production end of his business. Now he has to "think" much more and "work" much less.

Also, he must delegate much of the work he formerly did himself. Often, because of the pressure of growth, he must assign this work to people who, in his opinion, will not handle the job as competently as he could. Thus, he is caught in the dilemma either of trying to do everything himself or of delegating to others jobs he feels better able to do himself.

Finally, as a coordinator of all the activities of the business, he is increasingly faced with financial, marketing, personnel, and other problems with respect to which he often feels little competence.

HOW IS CHANGE INTRODUCED?

The examples I have cited describe only a few of the pressures that are faced by individuals from the very bottom of the organization up to the top. The anxiety and fear that these pressures cause represent the real problem in trying to introduce change in the industrial organizations. How, then, can we deal with the problem of resistance as it exists today?

One aspect of the problem has been illustrated by implication in the story of the methods analyst who was called upon to study the performance of a symphony orchestra. The results of his analysis are as follows:

He observed that the oboe players had nothing to do for long periods of time. The number of oboists should be reduced, and the work spread out more evenly over the whole concert, thus eliminating peaks of activity.

It was noted that all 12 first violins were playing identical notes. This seemed an unnecessary duplication. The staff of that section should be drastically cut. If a large volume of sound were required, it could be obtained by using an electronic amplifier.

A great deal of effort was absorbed in playing sixteenth and grace notes. This was an excessive refinement, and he recommended that all notes be rounded off to the nearest eighth note. If this were done, it would be possible to use trainee and lower-grade operators more exclusively.

In addition, he found that there was too much repetition of some musical passages. Scores should be drastically pruned. No useful purpose was served by having the horns and wood winds repeat a passage which had already been adequately handled by the strings.

The methods man also estimated that if all redundant passages were eliminated, the whole concert time could be reduced to 20 minutes, and there would be no need for an intermission.

In general, the conductor concurred with these recommendations but expressed the opinion that there might be a fall-off in box office receipts. Thus, it should be possible to close sections of the auditorium entirely, with a consequent savings in overhead, lighting, janitor service, heating, and so forth.

This story points up the fact that changes are often introduced by someone like the methods analyst who approaches a problem exclusively from his own viewpoint. He analyzes the situation in terms of his own knowledge and experience, but he has no sensitivity to nor understanding of how the changes he proposes will affect the individuals in the orchestra, the conductor, the orchestra's management, or the audience.

SUGGESTED APPROACHES FOR INTRODUCING CHANGE

In bringing about change in the industrial organization, it is essential to be sensitive to the potential threats and potential anxieties that are inherent in the change. It is important to see what the change is going to mean to the individuals and work groups involved.

Although managers have used somewhat different approaches in dealing with individuals on the one hand and with groups on the other these approaches are psychologically quite similar. First, they are characterized by the fact that they attempt to build security for the individual and the group rather than to generate anxieties within them. Second, they are similar in that they try to make it possible for the individual or the group to have some self-direction or control over the impact of the change, rather than to have it imposed on them by an outside individual or group over whom the employees have no control.

Finally, the two approaches are characterized by the fact that they are oriented toward the frames of reference of the individuals and the groups involved rather than toward the frame of reference of the individual who is imposing the change. In other words, management is concerned about the ways the individual or the group looks at the change in addition to the way the imposer of the change looks at it.

In introducing change at the individual level, it seems to me extremely important that management establish an atmosphere of "permissiveness," which suggests mutual respect, as well as confidence in and concern for the individual. Second, there must be a real desire on management's part to understand the individual's ideas and feelings from his point of view.

Finally, it seems to me that management must attempt to be non-evaluative or non-judgmental in its approach to the individual. This suggests an absence of critical appraisal of the individual, so that he does not immediately feel the need to defend himself. He must be able to look at the situation more or less constructively and to adapt to it in a way that is meaningful to him.

From the group point of view, the approach has somewhat the same psychological significance, but the technique is somewhat different. In this case, the newer techniques are *participative* in nature. Rather than approaching a group and disrupting it by moving people around or forcing some other change on the group for which it is not prepared, the group is given an opportunity to suggest ways in which the change might be made, to receive answers to the questions which concern the group members, and to adjust to the change in ways that are meaningful to the group itself.

This participative approach reduces the threat that a potential change may pose to the group, since it allows the group itself to have considerable control over the change which it faces.

CONFLICT WITH TRADITIONAL MANAGEMENT METHODS

These approaches to the individual and to the group which attempt to reduce threat and anxiety may personally present the manager with some real areas of internal conflict, for it seems to me that they involve behavior that is, in fact, inconsistent with the traditional way in which managers operate.

At the level of the individual, the permissive, understanding, and non-evaluative approaches which I have suggested would seem to be in conflict with many traditional managerial practices.

First, there is the boss's customary way of exercising authority. His feeling is: "I am boss and my decisions are right." After all, he has typically come up through the ranks; he has more experience than the others; he has more knowledge available to him; he sees the problem in the only correct way; and, therefore, his view of this problem and the way it should be introduced is the only important one. He finds it difficult to see the problem from anyone else's point of view.

Second, managers traditionally feel it important to generate competition between individuals. Such competition leads people to be concerned about their own status relative to the status of other persons. However, it is certainly not a means of threat reduction.

Third, the suggested approaches for introducing change are also inconsistent with many of the standard employee rating methods, which involve an evaluation of the individual—including an enumeration of his weaknesses and inadequacies—from management's vantage point. Certainly, evaluation has its place in an industrial organization. But the evaluation of an individual creates a situation where it becomes necessary for him to build a protective layer around himself to hide his inadequacies and his feelings of discomfort from the boss. He feels that if he discloses these feelings, he will be hurt as a result of them.

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Finally, traditional methods of management bring pressures on the individual for conformity. It has been my observation that traditional management finds it very difficult to accept differences in individuals and to make it possible for individuals to be what they want to be.

Thus, all of these traditional modes of management are inconsistent with a method of dealing with individuals that reduces threat and anxiety.

Likewise, at the level of the work group, the participative methods for introducing change also seem to conflict with the traditional management methods. The traditional boss who is used to running the business by himself is not the kind of individual who can effectively use the participative method. He cannot comfortably sit with his staff and work out an effective method for dealing with a change, nor does he really feel that they have anything to contribute to the problem's solution. Some traditional managers do attempt to use what they consider to be the participative approach. Too often, however, the boss makes the final decision before going to the group and then subtly manipulates it toward the conclusion at which he has already arrived. Further, many traditional managers strongly feel the responsibility to decide and to act is theirs and no one else's.

MANAGERS, TOO, MUST CHANGE

This conflict between the methods I have suggested for introducing change and the traditional management methods poses a real challenge to managers. The effective implementation of these new approaches requires new behavior on the part of the managers themselves. They must divest themselves of some of the traditional ways of managing and develop newer means of dealing with individuals and groups. Such personal change is not easy. It is not the kind of change that can be brought about by an individual's deciding, "I am going to manage in a new way tomorrow." The traditional methods of managing are very much a product of the personalities of each manager and thus represent the manager's own island of security. A new type of behavior poses a threat to the manager because it means that he, too, will have to change.

Thus, modern management is faced with a dilemma. To be successful, it must skillfully facilitate the introduction of change; but to do so, it must often give up many of its traditional ways of managing. This dilemma suggests that it may be the resistance of the managers themselves to the adoption of new methods of management which currently represents one of the most serious barriers to the introduction of change in industrial organizations.