Module VIII : Motivation and Morale Building

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Chapter I
Motivation

A. Introduction

In various work situations, we often hear the remarks that a person is highly motivated or not motivated with reference to his work performance. Obviously a person who is highly motivated is able to utilize his capacities much better than a person who is not so motivated. Since motivation materially affects work performance of a person, it is a matter of great importance to the organization. The phenomenon has been widely studied by public administration and management scholars. We propose to begin by considering some of the definitions of the term motivation and then pass on to a brief study of various theories of the phenomenon.

B. Definitions

The term motivation has several definitions, some of which are given below:

Hellriegal & Slecum – Motivation is a predisposition to act in a specific goal directed manner.

Gibson, 'Motivation may be defined as the state of an individual's perspective which represents the strength of his or her propensity to exert effort towards some particular behaviour'.

Chuno "The term motivation refers to goal-directed behaviour, Goal directed behaviour is characterized by the process of selecting and directing certain actions among voluntary activities to achieve goals'.

Davis 'Motives are expressions of a person's needs; hence they are personal and internal'.

Durbin 'Motivation refers to expenditure of effort towards a goal'.

These definitions are a few among many more that can be added to the list. However, they are enough to enable us to cull out some basic characteristics of the phenomenon of motivation. These are:

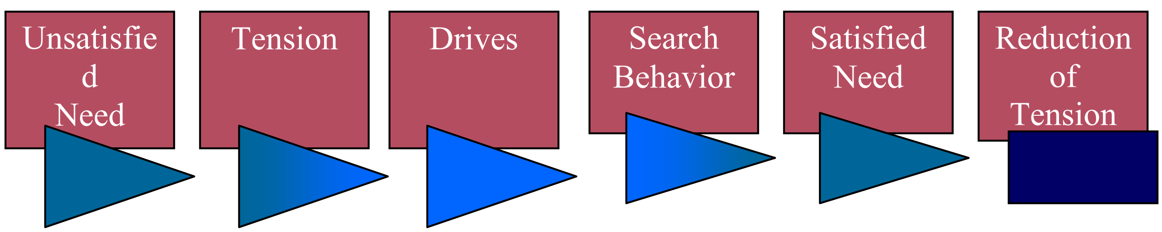
(i) An internal need energizes and activities human behaviour.

(ii) Drive is the inner force that propels behaviour in a specific direction.

(iii) Goals are the incentives or the pay-offs that reinforce private satisfaction, which in turn reinforces the perpetuation of needs.

A simplified motivation process is shown in Figure 1 below:

Figure 1 The Motivation Process



Simplified Motivation Process – in this simplified model of motivation process, need gives rise to tension which in turn gives rise to a drive; drive to search behaviour to a satisfied need which reduces tension. Keeping in mind these concepts, we can define motivation as follows:

"Motivation is the need or desire within an individual that drives him/her towards goal-directed action".

The extent of drive depends on the perceived level of satisfaction that can be achieved by the goal. Most mangers have learned by experience that when employees enjoy their jobs, find the work challenging and like the work environment, they will usually put forth their best efforts.

C. Importance of Motivation

The importance of motivation for any manger can never be over-emphasized. Since the manager has to work with and through the people, he is, most of the time, called upon to motivate them to do their best. In fact the performance of an individual depends on three important factors:

(i) His abilities – which should match the skills required for doing his job.

(ii) His understanding of what behaviors are necessary to achieve high performance and high satisfaction. This is called role-perception.

(iii) Motivation – inner drive to achieve the goal.

These three factors, viz., motivation, role perception and ability are all inter-related concepts. If any one of these factors inhibits high performance, the ultimate performance is likely to below, irrespective of the fact that the other two factors may be encouraging the performance.

In his research on motivation, William James of Harvard found that hourly employees could maintain their jobs by working a approximately 2o to 30 percent of their ability. The study also showed that employees are capable of working at 80% - 90% of their abilities if highly motivated.

D. Theories of Motivation

Management theories have been changing over time in accordance with the changing nature of manager's tasks. Tasks which the mangers have been supervising have become more and more complicated with the advance of technology. The organizations have grown bigger and bigger where close supervision has become almost an impossible task. The importance of psychological and social forces has, therefore, grown in the development of management thought.

At different stages of development or evaluation of management thought, different models or theories of motivation have been evolved. This has been so because motivation is one of the most important functions of the mangers and leaders. Any change in the theories relating to the behaviour of leaders or managers is, therefore, bound to be reflected as a corresponding change in theories of motivation. We shall mention very briefly various theories of motivation and describe two of them (Meslow's and Herzbert) in some detail.

Types of theories

Need-based theories

- Maslow's need hierarchy
- McGregor's Theory X and Theory
- Herzberg's two-factor theory
- Alderfer's ERG theory
- McClelland's need theory

Process-based theory

- Equity theory
- Expectancy theory
- Goal-setting theory
- Reinforcement theory:
- Attribution theory

Individual-organizational goal-congruence theories

- Exchange
- Accommodation
- Socialization
- Identification

Traditional Theory of Motivation in based on the now famous 'carrot and stick' approach. The basic assumption is that the people will work harder and produce more if sufficient financial incentives are available or if there is sufficiently strong threat of punishment in case of non-performance. Taylor was the exponent of this approach in his scientific theory of management.

Need Theories are based on the analysis of psychological factors within the individuals that cause certain types of behaviour. It is assumed that behaviour is caused by an attempt to satisfy the needs which are most intense at the moment. These needs are sometimes referred to as motives. Motives are directed towards goals and cause behaviour which results in attempts to achieve the goals. The goal may or may not be achieved.

A number of theories were developed on the theme of need causing goal-directed behaviour. Some of the important ones have been mentioned above.

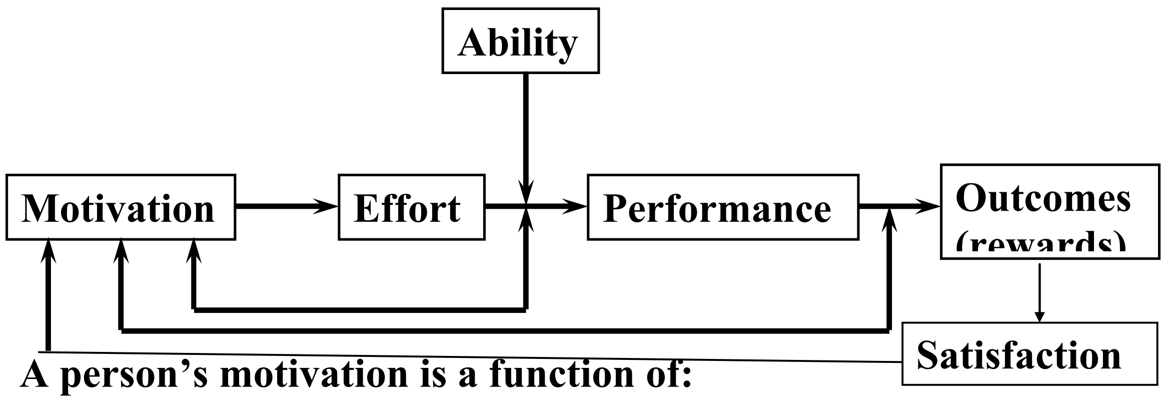
McGregor's Theory X and Theory Y

- Theory X: the assumption that employees dislike work, are lazy, dislike responsibility, and must be coerced to perform. It assumes that lower-order needs motivate individual behavior.
- Theory Y: the assumptions that employees like work, are creative, seek responsibilities, and can exercise self-direction. It assumes that higher-order needs motivate individual behavior.

Expectancy Theories

These theories attempt to identify relationship among dynamic variables as they affect human behaviour. Two theories have been developed on this basis. The are-

Expectancy Theory (Porter-Lawler/ Vroom)



A person's motivation is a function of:

A. Effort-to-performance expectations
B. Performance-to-outcome expectancies
C. Perceived valence of outcomes

(a) *Vroom's expectancy* model – which relates the level of motivation to the effect – performance expectancy (E.P) performance-outcome (P.O) expectancy and the valence (value) of the outcome in the following manner:

E.P x P.O x P = Level of Motivation

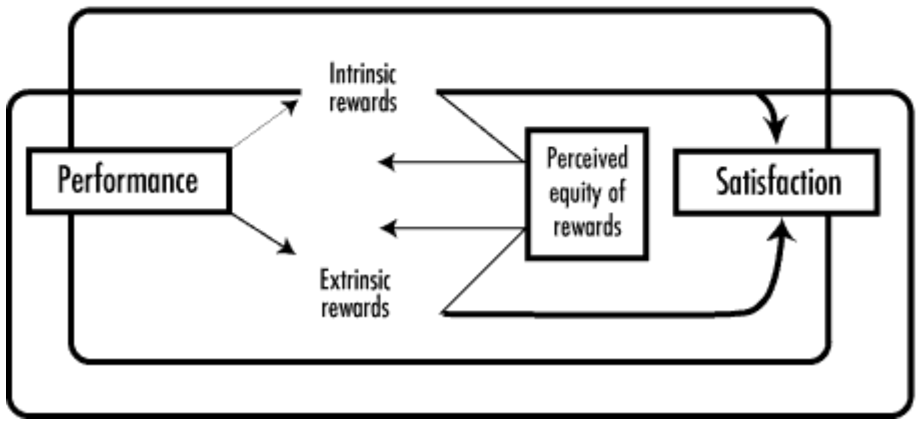
(b) *Porter-Lawler expectancy model* - incorporates the relationship between perception, effort, expected reward and satisfaction (Motivation).

Practical implication of expectancy theory is that the manager must establish the causal relationship between performance and expectation of reward.

Equity Theory

Equity is the perception of fairness involved in rewards given. A fair or equitable situation is one in which people with similar inputs experience similar outcomes. Employees will compare their rewards with the rewards received by others for their efforts. If employees perceive that an inequity exists, they are likely to withhold some of their contributions, either consciously or unconsciously, to bring a situation into better balance.

Equity Theory



For example, if someone thinks he or she is not getting enough pay (output) for his or her work (input), he or she will try to get that pay increased or reduce the amount of work he or she is doing. On the other hand, when a worker thinks he or she is being paid too much for the work he or she is doing, he or she tends to increase the amount of work. Not only do workers compare their own inputs and outputs; they compare their input/output ratio with the input/output ratio of other workers. If one work team believes they are doing more work than a similar team for the same pay, their sense of fairness will be violated and they will tend to reduce the amount of work they are doing. It is a normal human inclination to want things to be fair.

Supervisors must manage the perception of fairness in the mind of each employee. If subordinates think they are not being treated fairly, it is difficult to motivate them.

Equity Theory –

Perceived Ratio			Employee's Assessmen
<u>Outcomes A</u> Inputs A	<	<u>Outcomes B</u> Inputs B	Inequity
<u>Outcomes A</u> Inputs A	=	<u>Outcomes B</u> Inputs B	Equity
<u>Outcomes A</u> Inputs A	>	<u>Outcomes</u> B Inputs B	Inequity

[a]***Person A is the employee, and person B is a relevant other or referent.***

Equity
- Motivation is to maintain the current situation

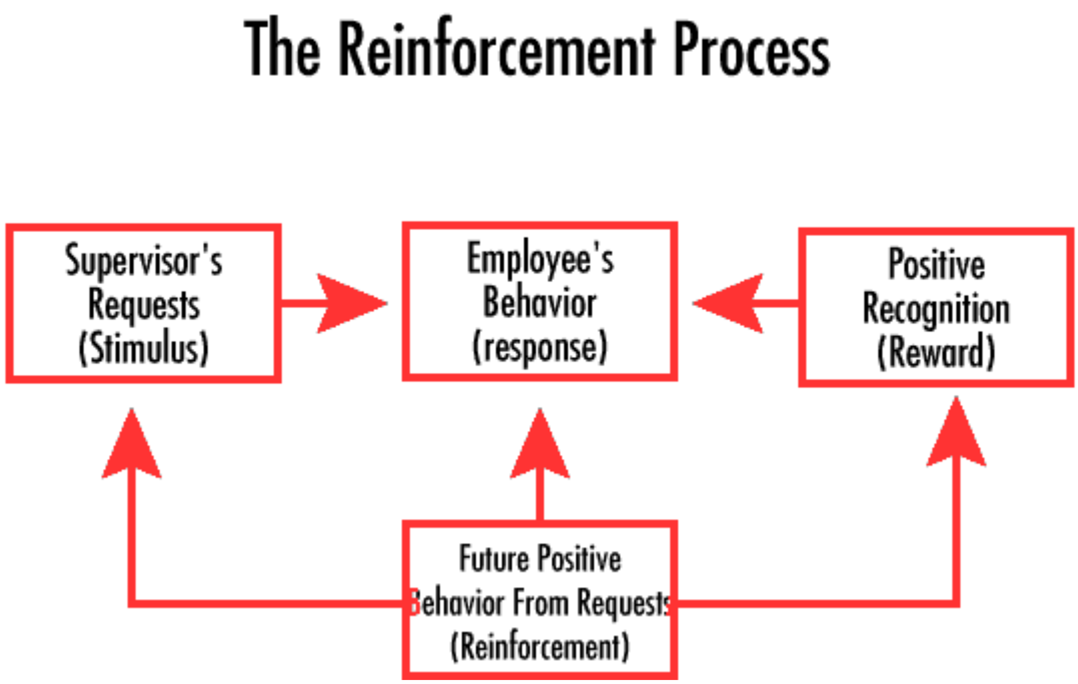
Inequity
- Motivation is to reduce inequity by changing comparisons, leaving situation, altering self perceptions, altering perceptions of others, changing outcomes and changing inputs.

E. **The Reinforcement Process**

It involves four types of consequence. Positive reinforcement creates a pleasant consequence by using rewards to increase the likelihood that a behavior will be repeated. Negative reinforcement occurs when a person engages in behavior to avoid unpleasant consequences or to escape from existing unpleasant consequences. Punishment is an attempt to discourage a target behavior by the application of negative outcomes whenever it is possible. Extinction is the absence of any reinforcement, either positive or negative, following the occurrence of a target behavior. Employees have questions about their jobs. Can I do what management is asking me to do? If I do the job, will I be rewarded? Will the reward I receive be satisfactory to me?

Reinforcement is based primarily on the work of B.F. Skinner, a psychologist, who experimented with the theories of operant conditioning. Skinner's work shows that many behaviors can be controlled through the use of rewards. In fact, a person might be influenced to change his or her behavior by giving him or her rewards.

Employees who do an exceptionally good job on a particular project should be rewarded for that performance. It will motivate them to try to do an exceptional job on their next project. Employees must associate the reward with the behavior. In other words, the employee must know for what specifically he or she is being rewarded! The reward should come as quickly as possible after the behavior. The reward can be almost anything, but it must be something desired by the employee. Some of the most powerful rewards are **symbolic**; things that cost very little but mean a lot to the people who get them. Examples of symbolic rewards are things like plaques or certificates.



Three-Need Theory – McClelland

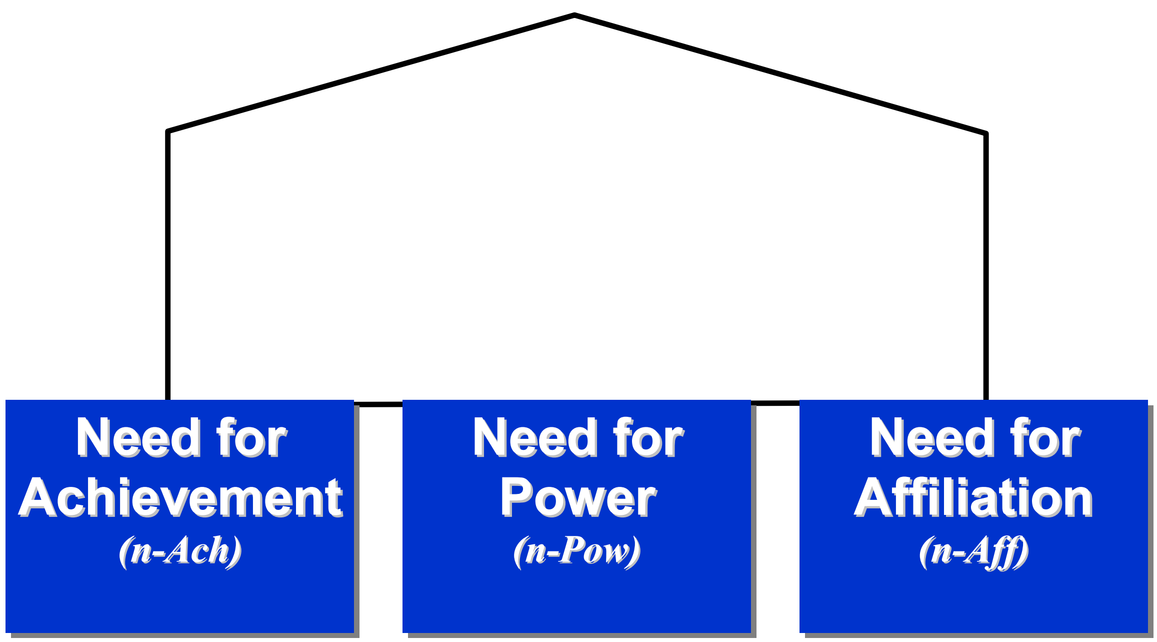
McClelland's Learned Needs divides motivation into needs for power, affiliation, and achievement.

Achievement motivated people thrive on pursuing and attaining goals. They like to be able to control the situations in which they are involved. They take moderate risks. They like to get immediate feedback on how they have done. They tend to be preoccupied with a task-orientation towards the job to be done.

Power motivated individuals see almost every situation as an opportunity to seize control or dominate others. They love to influence others. They like to change situations whether or not it is needed. They are willing to assert themselves when a decision needs to be made.

Affiliation motivated people are usually friendly and like to socialize with others. This may distract them from their performance requirements. They will usually respond to an appeal for cooperation.

McClelland's Theory of Needs

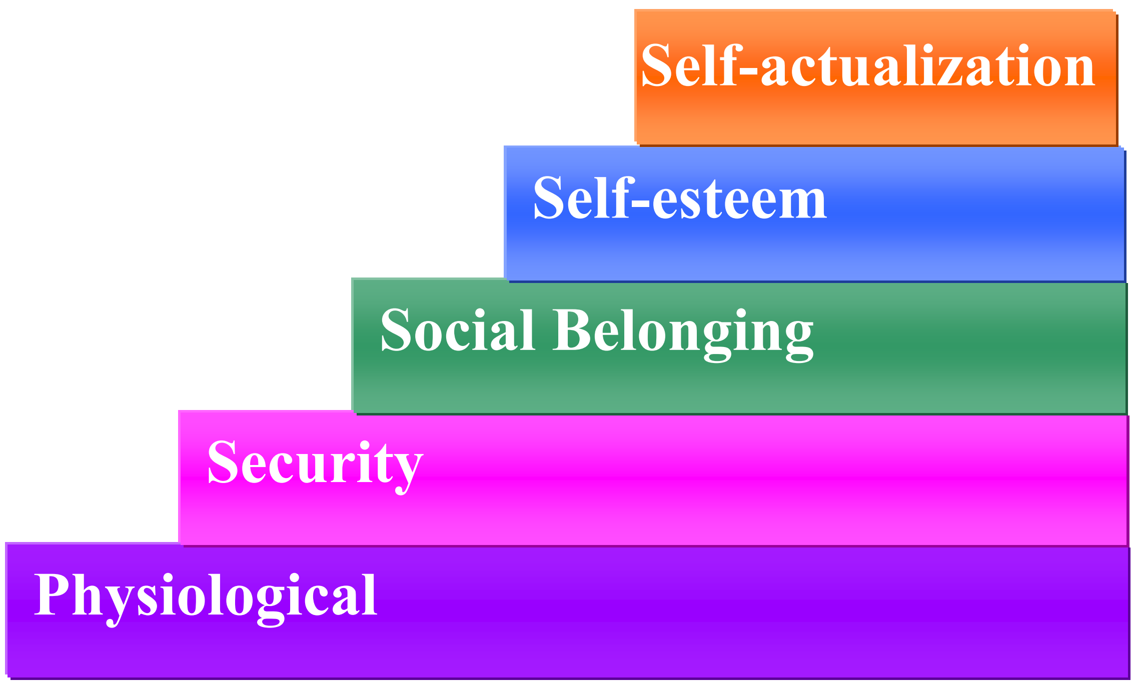


After this brief resume of the various there is of motivation we will now study the Maslow's and Herzberg's theories in some detail.

F. **Maslow's Theory of Hierarchy of Needs.**

Maslow starts with the premise that human beings are motivated to fulfill and satisfy certain needs in their lives. He identified five basic human needs which constitute an hierarchy in the ascending order. There are:

Maslow's Hierarchy of Needs



(i) **Physiological needs** – which include food, air, water, sleep, shelter, sex and other necessities of life. These are the basic needs and people will resort to any behaviour to fulfill them.

(ii) **Safety needs** – which include the need for shelter, clothing, stable environment ensuring job security, pension, insurance etc.

(iii) **Social needs** – include the need to be liked by others to belong to some group or organization besides their families. To meet these needs, people tend to form meaningful relationships with their colleagues to become accepted members of informal groups. For doing this they have to conform to the ways of the groups in matter of speech, dress, work norms, etc.

(iv) **Esteem needs** – which include the need for self-respect and recognition from others. Human beings need to have status and position in society. All the outward symbols of recognition go with it.

(v) **Self-actualization** – is the highest level need. This means fully 'realizing one's potential and becoming what one is capable of becoming. The realization of one's potential may take different people to different positions. Someone may wish to become a social worker like Mother Teresa while another may seek political power and yet another may feel like becoming a financial wizard. Whatever, the line chosen, the individuals has to realize his full potential to fulfill the need for self-actualization.

Low-order needs: physiological and safety needs, they are satisfied externally (payment, unions)

High-order needs: social, esteem, and self-actualization needs, they are satisfied internally.

Basic assumptions:

- A substantially satisfied need no longer motivates
- It is the lowest level of ungratified need in the hierarchy that motivates behavior
- As a lower level of need is met, a person moves up to the next level of needs as a source of motivation

Maslow arranged these needs in a hierarchy with physiological needs at the lowest level and self-actualization needs a the highest level. The hierarchy is not based on the strength of the needs which may vary from time to time. What Maslow meant to say is that the lower level needs have to be met first before the individual moves to this higher level needs. This means that initially the lowest level needs are the strongest and highest level needs the weakest. This is natural when even the basic needs of the individual are not satisfied. At the same time the need structure appears to be like the one shown in Figure-5.

When physiological needs, i.e. basic human needs like air, water, food etc., are not satisfied, they retain the highest strength and provide the highest motivation to behaviour.

Once the physiological needs are fully or at least substantially satisfied, they no longer remain the highest motivators. At this stage, safety or security needs become dominant. The man desires to be free from the past physical deprivation. Instead of caring merely for the present, he starts caring about the future also. If the individual's security or safety is itself in danger, other things become less important. Figure-6 shows that the strength of the safety need is the highest at this stage.

When physiological and security needs are satisfied or at least substantially satisfied the social needs become dominant. The need of a man to belong to an organization or a group is very strong. Man, being a social animal, does require a sense of identity, a sense of belongingness to something. He can do so if the organization provides opportunities for making satisfying social relationships.

After the physical, security and social needs are wholly or substantially satisfied the individual does not rest there. his esteem needs become prominent at this stage. He wants a feeling of self-confidence., self-worth and recognition from others. When the esteem needs cannot be satisfied by constructive behaviour, some individuals resort to destructive, disruptive behabio0ur to attract attention. They may even indulge in irresponsible and immature behaviour to satisfy their esteem needs. In fact many of our social problems are due to unsatisfied esteem needs.

When the esteem needs are adequately satisfied, the self-actualization need becomes very strong. At this stage, the individual is motivated neither by money nor by name or recognition, but by his sense of duty respective of the outcome like a soldier putting his life in danger during a battle. In fact, self-actualization will mean realizing one's potential whatever one may be. Obviously it will be different for different individuals. Some may wish to be expert financiers, while others may wish to be musical maestros. Even for the same individual self-actualization parameters may change over time. For 3example, cricketer like Sunil Gavasakr, after realizing his full potential as cricketer has to look else in his old age.

Two clarifications are in order here:

(i) Maslow did not mean that needs arise and get satisfied in the order of hierarchy mentioned above. Mahatma Gandhi was fasting for long periods to gain independence form the British. While he was at the level of self-actualization as a leader, his physiological needs were not satisfied. It is thus clear that though the hierarchy of needs operate as a typical pattern most of the time; it is not an absolute rule. Same higher level needs may be satisfied before the lower level needs.

Maslows need hierarchy has practical implications for managers and leaders. IN order to motivate their workers they must try to find out their needs, fulfillment of which will act as a motivator. It is also clear that these needs are within the individuals and hence will differ from individual to individual. The leader has to understand the specific needs of the individual. However, to keep the problem manageable, certain general principles may have to be worked out. For example, younger members their social needs upper most. They have to be accepted as members of the group. Similarly older employees may be more concerned about security. The essence of leadership lies in understanding and satisfying the individual needs and yet keeping this task manageable.

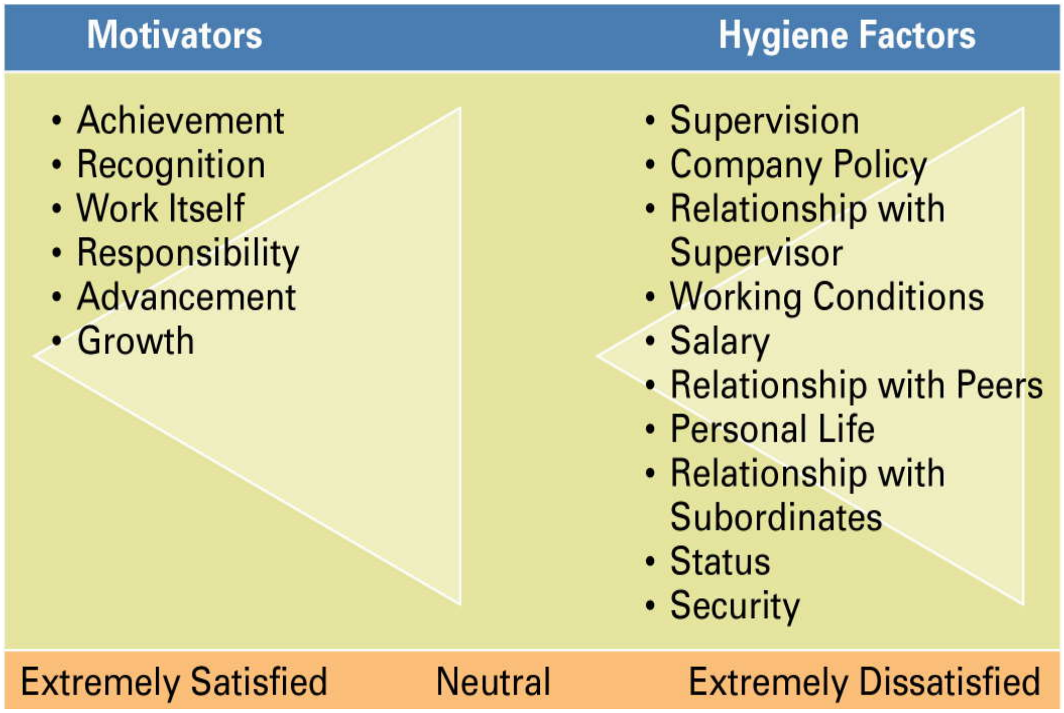
E. Hezberg's Motivation –Hygiene Theory

One of the most interesting studies that concentrated on the motivating factors has been conducted by Frederick Herzberg. He collected data on job attitudes from which influence about human behaviour and motivating factors could be drawn. Extensive interviews were conducted, with some two hundred engineers and accountants from eleven industries in Pittsburg area. They were asked about what kind of things made them happy.

Analyzing the data, Herzberg came to the conclusion that people have two different categories of needs which are independent of each other and affect their behaviour in different ways. He found that when people were dissatisfied with their jobs, it was mostly due to environment in which they were working. And whenever people were satisfied with their jobs it was mainly due to work itself. Herzberg called the former category of factors as hygiene factors because they are rooted in the environment and serve the primary function of preventing dissatisfaction from job. He called the second category of factors as motivators since they had the capacity to motivate people.

Hygiene Factors – Company policies, remuneration, interpersonal relations, working conditions, status, security etc may be taken as hygiene factors. The word hygiene is used in the clinical sense of being preventive and environmental. These factors are not part of the work, but relate to the conditions in which work is performed. Positive hygiene factors are not by themselves motivators. They only prevent loss of worker's performance due to poor environmental conditions. Taking away any of the hygiene factors, can create a lot of dissatisfaction among employees. For example, shifty work rooms, poor salaries and supervision by ill-tempered bosses can create dissatisfaction which can result in great loss of work.

Motivation Factors. These include the feeling of achieving professional growth and recognition which the work itself can give t o the employees. These come as a part of the work itself which offers challenge and scope for personal development. These factors are called motivators because they have a direct effect on motivation which is positive as against the effect of hygiene factors which can only be negative. These factors are shown below:

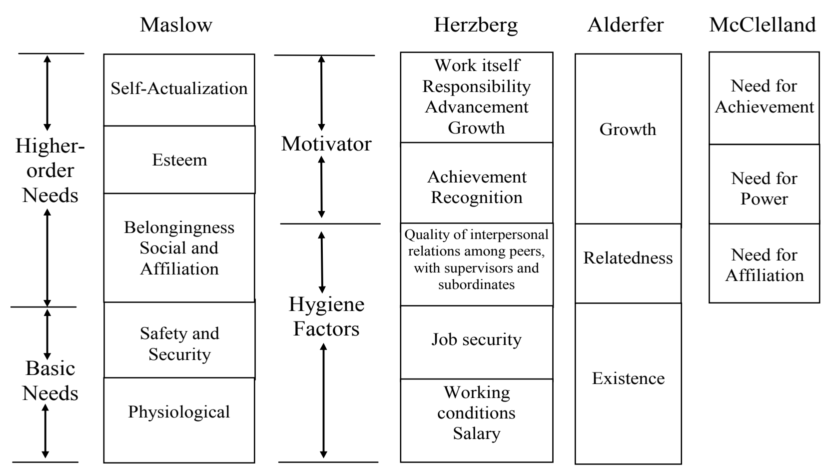


The table below shows these factors:

Group I Hygiene Factors	Group II Motivation Factors
Company policy and administration	Work itself challenging
Working conditions	Achievement
Supervision	Recognition for achievement
Inter-personal relations	Increased responsibility
Salary/Compensation	Opportunity for advancement
Status	Growth and development
Job security	

In recent researches it has been found that the motivation-hygiene theory of Herzberg can be extended to include every level of organization form top management to the shop floor workers, although originally it was derived from researches on engineers and accountants only.

Comparing Maslow and Herzberg – In te4r,s of the motivation framework shown in Figure 3, Maslow is helpful in providing an insight into the needs or motives. Herzberg, on the other hand, provides us insights into the goals and incentives that tend to satisfy th4ese needs. The relationship can be shown diagrammatically in Figure below:



(Source: Gibson, Ivancevich, and Donnelly: 1988)

Thus in a motivating situation, if the high strength needs are known (Maslow), one should be able to determine what goals (incentives) one could provide in the environment to motivate those individuals (Herzberg). On the other hand, if their goals are known, their high strength needs can be found out. This is also because it has been found that money and related benefits tend to satisfy the physiological and security needs; inter-personal relations and quality of supervision are hygiene factors that need to satisfy social needs; and increased autonomy and responsibility, challenging work, growth and development are motivators that tend to satisfy esteem and self-actualization needs.

Figure above shows the relationship between Maslow's and Herzberg's frameworks. Physiological, safety, social and part of esteem need are satisfied by the hygiene factors. Esteem needs are divided into two parts. The need for prestige and power can be satisfied by status which is a function of position one occupies. The position may have been gained by birth in a family or through favoritism and thus may not be a reflection of one's own achievements. On the other hand, recognition is granted by others on the basis of one's competence and achievements. Therefore, status is classified with physiological, social, safety needs as a hygiene factor. Recognition on the other hand is classified with esteem as a motivator.

Relative position of hygiene factors and motivators can be understood by giving them slightly different names. We divide a work situation into job content and job context. Motivators are included in the job content as they are intrinsic to the job. The hygiene factors are extrinsic to the job and are referred to as job context. The motivators or the job content are more important. But, motivating factors or the job content cannot be fully effective unless the job context or the maintenance factors are also existing at a satisfactory level. It is also important that motivational factors are always available on time and reinforce behaviour as it occurs. Maintenance factors are supportive and by themselves are not motivators. If at all they have a motivating effect, it is temporary and loses its impact and importance with time. For example, a substantial pay rise may temporarily enthuse the workers, but is not a long-term motivator. The effect soon wears off. The relative position of job content and job context or motivators and hygiene factors can be illustrated by a simple example given below.

Let us assume that a person is working at 90% of his capacity. He has a good working relationship with his supervisor and is satisfied with his salary and working conditions, if his supervisor is replaced by an ill-tempered domineering bully and his pay is reduced, his performance will drop, say to 60%. This happens because performance depends on both the ability and motivation and motivation depends on both the motivators and hygiene factors. The unsatisfied hygiene needs (supervision and pay) lead to reduction in performance to 60%. Now, if the original supervisor returns and pay compensation is improved to the satisfaction of the employee, his performance will return to the 90% of his capacity (as before) i.e. his productivity will return to the original level.

Now suppose the dissatisfaction has not occurred and the employee is continuing to work at 90% of the capacity. Further suppose that he is given more autonomy and responsibility. There is some improvement in the nature of the job which has been made more challenging. If he is able to meet the expectations of his supervisor, he will still be performing at 90% of his capacity. But, the job enrichment makes them more mature and his capacity for performance correspondingly goes up. He will now be performing at 10% of this enhanced capacity.

Effect of satisfying motivators

This illustration makes the distinction between the motivators and hygiene factors very clear.

Hygiene needs, when satisfied, eliminate dissatisfaction and work restriction, but, do little to motivate the worker to superior performance. Satisfaction of motivator on the other hand, makes a worker more mature and increases his productivity. It encourages him to grow in stature and put up a far superior performance.

Job Enrichment – Even prior to Herzberg the behavioural scientists were studying the problem of worker motivation. For several years there was emphasis on 'job enlargement' or 'job-rotation'. This was thought o as an answer to over-specialization that was prevalent at the time. The idea was that work satisfaction could be increased if the job was enlarged i.e. if the number or variety of operations in which they engaged was increased.

Herzberg observed that merely adding up odd bits of work will not motivate workers. Washing of dishes; then silverware; then sweeping the floors will not increase satisfaction. What is to be really done is to enrich the job. Job enrichment means the deliberate upgrading of responsibility, scope and challenge of work.

Since Herzber's theory lays so much emphasis on job-enrichment for motivation, it may be worthwhile to study some characteristics of the motivating job. These are-

(i) The job should consist of a series of steps which enable an employee to make sense of what he is doing. Two or three decades earlier, it was assumed that giving very small repetitive jobs saved training time and costs. This can, however, be very boring for the employees who lose all motivation to put the best of their performance.

(ii) The job should provide maximum possible autonomy to the workers. This brings out their creative talent in suggesting new ways of doing things, improving their tools etc. The manager should therefore, make conscious efforts to think how much more could be left to the discretion of the subordinates.

(iii) Achievement oriented employees wish to have a feed back on the results of what they have been doing. This spurs them to better performance as they are able to see not only their performance but that of others also quite frequently. The work itself should provide an information system for feedback.

Criticism. Herzberg's theory has been criticized mainly on his making a distinction between job content and job context or between motivators and the hygiene factors. It is said that satisfaction lies subjectively in the mind of the employees. He may be motivated or de-motivated by either of the factors equally.

Chapter II
Morale

A. Definitions

Morale is an intangible concept of which several definitions have been attempted.

L.D. White – "Morale is an index of both a sound employment situation and a positive means of building up an efficient organization……… a socio-psychological situation, a state of mind in which men and women voluntarily seek to develop and apply their full powers to the task upon which they are engaged, by reason of the intellectual or moral satisfaction which they derive from their chosen field, and their pride in the service'.

Alexander Leighton defined moral as "the capacity of group of people to pull together persistently and consistently in pursuit of a common purpose".

Morale has an individual as well as a group or institution aspect – both interacting with each other. In its individual aspect morale is built upon the opportunity to acquire personal power, position, prestige, respect etc. In general it is based on an opportunity for self-development. A person with high morale is given to sincere, honest, efficient and sustained hard work to satisfy his minor urge for recognition. He needs no supervision, nor does he need extra-ordinary monetary incentives to sustain his behaviour. In short, morale in an individual is his emotional condition relating to work.

In its institutional aspect, morale is symbolized by-

(i) a feeling of belongingness or identification among the employees;

(ii) a sense of pride in cooperative group achievement;

(iii) a spirit of determination and perseverance in making efforts to accomplish and further the aims and purposes of the organization.

A high morale in an organization is, therefore, characterized by an "spirit de corps" among its employees which makes them identify the aims and objectives of the organization as their own. This stimulates the employees to put in hard work to achieve the organizational goals.

Morale, motives, attitude and enthusiasm

Morale is sometimes confused with motives and attitudes, Motives is an inner urge that prompts a person to action. Attitude is "an indication of a mental condition that pre-disposes an individual or a group to certain situations or certain circumstances in certain ways". Morale relates to the totality of motives and attitudes. It should also be distinguished from enthusiasm. Enthusiasm is "absorbing pursuit", while morale is moral or mental condition with respect to cheerfulness, confidence and zeal etc. Enthusiasm is by nature temporary while morale denotes a more constant state of mind.

B. Importance of Morale for Public Administration

The morale of public administration employees is universally recognized as the most important factor is improving the efficiency or administration. Earlier views on public administration were that a rigidly structured bureaucracy with a well laid out hierarchy and chain of command can carry out the administration very impartially and efficiency with the help and guidance of the rules and procedures and laws laid down by the legislature. This did not take into account the human beings who run the sprawling administrative machine and can make or mar its performance even while remaining within the four corners of the rules and regulations. To run the administration or for that matter any public or private organization efficiently, it is necessary that its members have a commitment to the organizational goal and the commitment should come from within and not because of the mere "carrot and stick" power which the superiors can wield. Such a commitment has to be assiduously built up by giving a genuine sense of participation and self-wroth (not mere/PR work) to the members of organization. Only this results in high morale of the organization. Once this is achieved, it takes care of the rest. For example, morale adds force and energy to the organization by putting committed groups to cooperative efforts.

Moreover, morale fights indifference among members. It makes for excellent performance without close supervision. This is the most important aspect of morale. In a big organization there are so many small things happening (some time going wrong) that add up to a big total. It is not possible for the leader to watch every one all the time. In such situations, morale can take care of the problems. The committed members improvise to find solution. A high morale stimulate loyalty, hard work, cooperation and team work in the members of the organization. It creates “spirit de corps” among the members and is the single most important factor in the efficient functioning of the organization.

C. **Building up Morale**

Morale is an intellectual as well as an emotional quality. To build up morale, therefore, it is necessary to train the employees in both these aspects. Intellectually morale has to be built on communication between the employees with their participation in planning and decision making processes. Emotionally, morale has to be built up by sound leadership, team spirit and indoctrination. While it is difficult to circumscribe an intangible quantity like morale, some general methods of building up morale are described below:

(i) The principles of rigid hierarchy and line of authority should be given up in favour of an administrative system based on co-operative effort, organized more like a production team than a formal authority structure. As far as practicable the employees should be associated with the planning and decision making as well as with the implementation process. Every effort should be made to foster a team spirit and unity of purpose leading to the creation of an “aspirit de corps”.

(ii) The superior officers should act more like leaders and captains of the team. They have not merely to command, but, to lead, to show the way. They have to support the subordinates in their organizational task as well as look to their personal difficulties. The role of leadership is the most important one in enhancing the morale of the organization.

(iii) The goals of the organization should be set in consultation with the employees who would, then, have greater commitment to these goals. Only when the employees accept the organizational goals as their own goals, can they be expected to work with full zeal to achieve them. It is here that the role of indoctrination comes in. It is a dirty word and has undemocratic connotations. But, given the openness of the organization, it can be helpful in integrating organizational and personal goals, thus enhancing the morale of the employees.

(iv) To be able to give their best, employees must be convinced about the importance of their work. They should feel pride in their work for three reasons. Viz. (a) they have a liking for the work, (b) they have competence to perform the work, and (c) they feel that their work is important to the organization. To meet these requirements it is necessary to have a proper recruitment and placement system. Employees should be selected on the basis of their skill and aptitude for the type of work required to be done by them in their organizations. Care should also be taken to place them in jobs for which they have a liking. To give their jobs a feeling of importance is the job of the leadership. They can give due importance to all the jobs and encourage the employees performing them.

(v) Confidence of the employees in the integrity and good intention of their superiors is very important for sustaining their work. Where the employees feel that their superiors and leaders are given to favoritism, nepotism or corruption, the morale is bound to suffer. Nobody, is likely to give his best for the leaders who are not known for their honesty and integrity.

(vi) Another important determinant of morale is the personnel policies pursued by the organization. Recruitment, promotions, placements etc. should be based on the requirements of job and on the merit of the employees. Any other considerations, personal or political, have a very debilitating influence on the morale of the organization.

(vii) The civil services should themselves set high tradition for themselves. Any member of the service deviating from these traditions and standards of conduct should invite a high degree of disapproval from the members and associations of the services. No amount of punishment for their misdemeanor can have the same effect as being looked down upon by the members of their own service. The British Civil Service is known the world over for its high standards of conduct and the feeling of "spirit de corps" that it has maintained.

(viii) There has to be greater co-operation between the management and public employees unions. This is, of course, a practical aspect of the principle already enunciated above that the employees should be taken into confidence as partners in all important decisions relating to the organizations.

(ix) In Indian conditions, personal loyalty also plays an important part in building up morale. Of course this has to be used for organizational purposes. The leaders should, therefore, win the loyalty of the subordinates.

D. Motivation and Morale in Public Administration

There are two environmental conditions that affect the morale of the employees very significantly.

(i) **The Age of the old Organization**. It is found that morale is difficult to sustain in an older organization than in a newer organization. This is generally so because things are well set in and old organization, presenting hardly any challenge to the employees. However, in a newer organization the employees are required to tread on a new path. They have to solve many problems and get over many crisises before they can hope to achieve success. This challenges keeps the interest of the employees alive and sustains their morale.

(ii) Anonymity, credit and praise for wok well done are high incentives and go a long way in building up the morale of the employees. However, in many organizations the employees are supposed to remain anonymous and the credit for their work goes to the superiors. In such situations, it is difficult to sustain employee morale.

We may now examine the problem of morale in public employment. Most of the Government organizations are very old and are devoid of any new challenging work. Of course, the exceptional situations like New Deal and World War II, the government organizations do face to a challenge or crisis. In such cases the public employees demonstrate a state of high morale. But, generally, it is not so . The Government organizations also work on the principle of anonymity. The credit for the work of public employees is taken over by the politicians. Both the environmental conditions in public organizations thus make for low employee morale in normal circumstances. The public administrators have, therefore, to make special efforts to keep their employees in a state of high morale. The possibilities of tangible rewards are few. No monetary incentives can be offered. The promotions are mostly time bound. Even minor incentives like free holidaying or paid entertainment are not available to the public administrators. What should he do then? The question has not yet been answered satisfactorily. The individual administrators have been left to their devices to practice what may be said to be the art of administration. They may, however, derive help from the statement of social psychologist that 'humans have an enormous capacity for acquiring motives'. The social psychologists also argue that human nature is not wholly confined to the individual. It is also influenced, conditioned and socialized by the group to the point where there comes to be a group nature as well. Some psychologists have gone to the extent of saying that there is not one human nature, but many – as many as there are cultures, societies and social groups. These views stress the malleability, the possibility of development and strong influence of group of human nature. They offer clues to the means by which the public administrators may deal with the problems of motivation and morale, despite the environmental handicaps under which they function.

E. **Measuring Morale**

It would be clear from what has been discussed above that it is not easy to measure morale. It is an emotional condition which is intangible and cannot be easily subjected to measurement. However, attempts have been made to assess the measure of morals by correlating it to certain indices which are more measurable. For example, industrial psychologists regard morale as an index of productivity and job satisfaction. Daniel Katz sees four indices of morale as:

(i) Intrinsic job satisfaction

(ii) Pride in work group

(iii) Involvement in the enterprise

(iv) Financial and job status satisfaction

Some others have found a correlation between moral and a generally favorable worker attitude towards the organization as a whole including its goals and leadership.

There have been a number of attempts to measure morale using its correlation with variables like – pride in group, confidence in attaining group goals and respect for group leadership. Various scales of attitude have been devised. The variables are assessed on the basis of group responses. Their measure gives an idea of morale.

In military circles, morale connotes efficiency and persistence in the face of opposition. These are, therefore, used as the indices for the measurement of morale.

It must also be understood here that since the originations differ, what causes high morale in one organization may cause the opposite in the other. An example is provided by Richard Gabriel, a retired U.S., Army Colonel. He argues that in 1950s the US army started organizing itself on the lines of business corporation. But, the mission of the military is fundamentally different form that of the individual, belonging to the group, a sharing of common values and a uniqueness.

Based on this "spirit de corps" the soldier may lay down his life for the group. Business training on the other hand exalts individual self-interest and maximization of profit. These are entirely different form the goals of the military. In Gabriel's opinion the business type organization did in effect bring down the morale of the US army in the Vietnam War.

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Chapter I
Introduction to change and change management

A. What Is Change?

Change means alterations in people, structure, or technology. Change is an organizational reality and managing change is an integral part of every manager's job.

Change is a common thread that runs through all businesses regardless of size, industry and age. Our world is changing fast and, as such, organizations must change quickly too. Organizations that handle change well thrive, whilst those that do not may struggle to survive.

Attitudes towards change result from a complex interplay of emotions and [cognitive] processes. Because of this complexity everyone reacts to change differently. On the positive side, change is seen as akin to opportunity, rejuvenation, progress, innovation, and growth. But just as legitimately, change can also be seen as akin to instability, upheaval, unpredictability, threat, and disorientation. Whether employees perceive change with fear, anxiety and demoralization, or with excitement and confidence, or somewhere in between, depends partially on the individual's psychological makeup, partially on management's actions, and partially on the specific nature of the change.

An individual's attitude towards a change tends to evolve as they become more familiar with it. The stages a person goes through can consist of: apprehension, denial, anger, resentment, depression, cognitive dissonance, compliance, acceptance, and internalization. Many employees, however, may not experience these phases, as their attitude toward change is heavily dependent on their view of the current state. When employees have a negative view of the current state they may anticipate and embrace change early in the process.

B. What is Change Management?

Change management can take many forms and include many change environments. The most common usage to the term refers to organizational change management.

Organizational change management is the process of developing a planned approach to change in an organization. Typically the objective is to maximize the collective benefits for all people involved in the change and minimize the risk of failure of implementing the change. The discipline of change management deals primarily with the human aspect of change, and is therefore related to pure and industrial psychology.

Many technical disciplines (for example Information technology) have developed similar approaches to formally control the process of making changes to environments.

Change management can be either 'reactive', in which case management is responding to changes in the macro-environment (that is, the source of the change is external), or proactive, in which case management is initiating the change in order to achieve a desired goal (that is, the source of the change is internal). Change management can be conducted on a continuous basis, on a regular schedule (such as an annual review), or when deemed necessary on a program-by-program basis.

Change management can be approached from a number of angles and applied to numerous organizational processes. It's most common uses are in information technology management, strategic management, and process management. To be effective, change management should be multi-disciplinary, touching all aspects of the organization. However, at its core, implementing new procedures, technologies, and overcoming resistance to change are fundamentally human resource management issues.

The concept of "change management" is a familiar one in most businesses today. But, how businesses manage change (and how successful they are at it) varies enormously depending on the nature of the business, the change and the people involved. And a key part of this depends on how far people within it understand the change process.

Three Basic Definitions

1. The task of managing change.
2. An area of professional practice.
3. A body of knowledge.

The Task of Managing Change

The first and most obvious definition of “change management” is that the term refers to the task of managing change. The obvious is not necessarily unambiguous. Managing change is itself a term that has at least two meanings.

One meaning of “managing change” refers to *the making of changes in a planned and managed or systematic fashion*. The aim is to more effectively implement new methods and systems in an ongoing organization. The changes to be managed lie within and are controlled by the organization. Perhaps the most familiar instance of this kind of change is the change or version control aspect of information system development projects. However, these internal changes might have been triggered by events originating outside the organization, in what is usually termed “the environment.” Hence, the second meaning of managing change, namely*, the response to changes over which the organization exercises little or no control* (e.g., legislation, social and political upheaval, the actions of competitors, shifting economic tides and currents, and so on). Researchers and practitioners alike typically distinguish between a knee-jerk or reactive response and an anticipative or proactive response.

An Area of Professional Practice

The second definition of change management is "an area of professional practice."

There are dozens, if not hundreds, of independent consultants who will quickly and proudly proclaim that they are engaged in planned change, that they are change agents, that they manage change for their clients, and that their practices are change management practices.

There are numerous small consulting firms whose principals would make these same statements about their firms. And, of course, most of the major management consulting firms have a change management practice area.

Some of these change management experts claim to help clients manage the changes they face – the changes happening to them. Others claim to help clients make changes. Still others offer to help by taking on the task of managing changes that must be made. In almost all cases, the process of change is treated separately from the specifics of the situation. It is expertise in this task of managing the general process of change that is laid claim to by professional change agents.

A Body of Knowledge

Stemming from the view of change management as an area of professional practice there arises yet a third definition of change management: the content or subject matter of change management. This consists chiefly of the models, methods and techniques, tools, skills and other forms of knowledge that go into making up any practice.

The content or subject matter of change management is drawn from psychology, sociology, business administration, economics, industrial engineering, systems engineering and the study of human and organizational behavior. For many practitioners, these component bodies of knowledge are linked and integrated by a set of concepts and principles known as General Systems Theory (GST).

It is not clear whether this area of professional practice should be termed a profession, a discipline, an art, a set of techniques or a technology. For now, suffice it to say that there is a large, reasonably cohesive albeit somewhat eclectic body of knowledge underlying the practice and on which most practitioners would agree — even if their application of it does exhibit a high degree of variance.

To recapitulate, there are at least three basic definitions of change management:

1. The *task of managing change* (from a reactive or a proactive posture)
2. An *area of professional practice* (with considerable variation in competency and skill levels among practitioners)
3. A *body of knowledge* (consisting of models, methods, techniques, and other tools)

Chapter II
Forces that necessitate Change and categories of change

A. Forces that necessitate change

External Forces *- originate outside the organization.*

- *Demographic Characteristics*

  - the workforce is more diverse
  - there is a business imperative to effectively manage diversity
  - HRM activities must change to attract and retain skilled employees in the areas of greatest need

- *Technological Advancements*

  - organizations are increasingly using technology as a means to improve productivity and market competitiveness

- *Market changes*

  - the emergence of a global economy is forcing companies to be more competitive and to do business differently

  - organizations are forging new partnerships and alliances aimed at creating new products and services

  - organizations need to adapt to changing consumer desires

- *Social and Political Pressures*

  - society and its legislative bodies can put pressure on organizations to change the way they do business – the tobacco industry is a good example

- *Governmental laws and regulations*
  - frequent impetus for change

- *Economic Changes*
  - uncertainties about interest rates, budget deficits, and currency exchange rates

Internal Forces - *originate inside the organization.*

- *Human Resource Problems/Prospects*

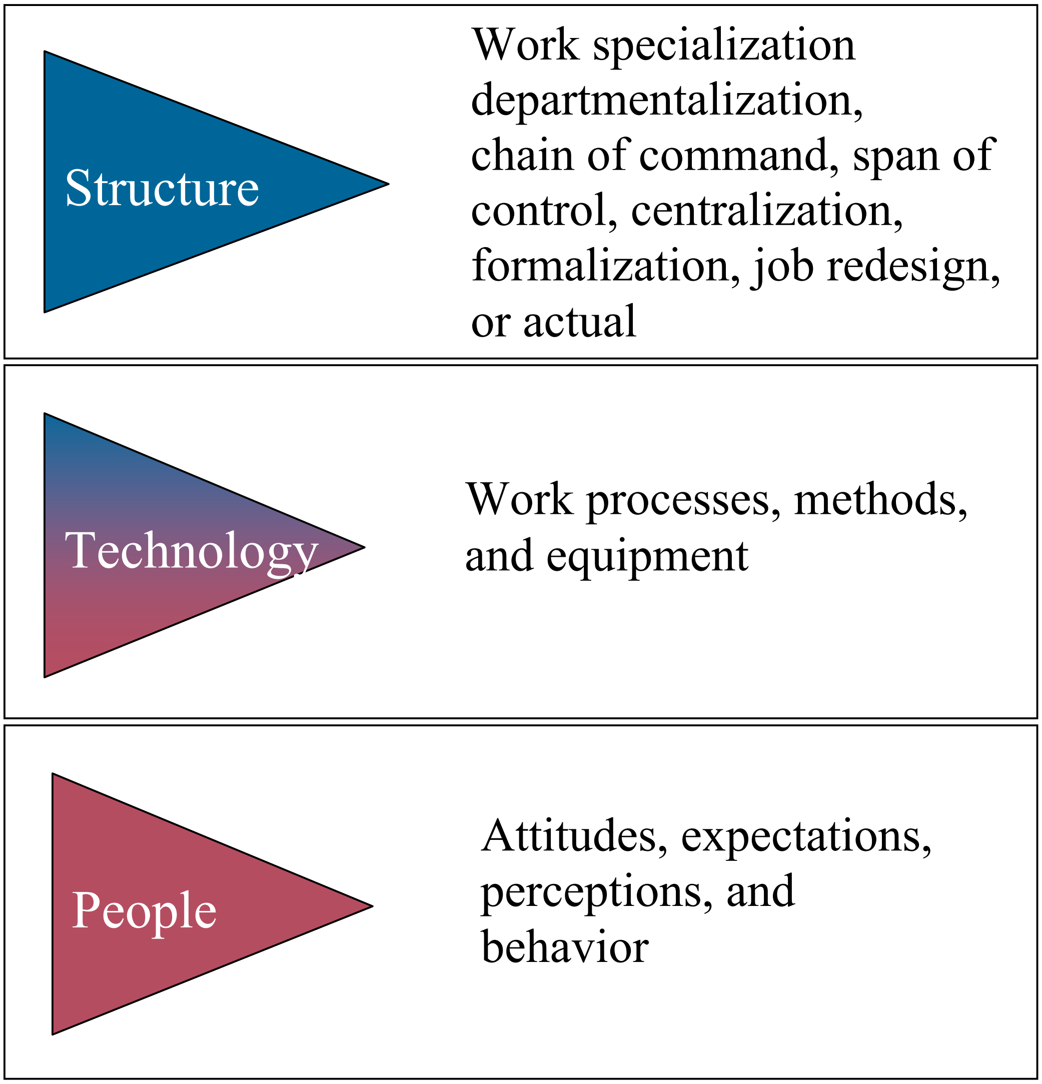
  - employees' needs, job satisfaction, organizational commitment, behavior, and performance are forces of change
  - dissatisfied employees and high levels of absenteeism and turnover are signs that change is needed

- *Managerial Behavior/Decisions*

  - the level of conflict between managers and their direct reports is a force for change
  - inappropriate leader behavior may result in employee problems requiring change
  - inequitable reward systems are an additional force for change

- *Organizational objectives not being met is a reason for change*
  - question of timing
  - degree of change necessary
  - Inherent feature of industry/product

B. Categories of Change



Changing structure

- Organization's formal design, centralization, degree of formalization, and work specialization
- Structural components and structural design

Changing technology

- Modifications in the way work is performed
- Alterations in the methods and equipment used

- Consequence of competitive factors or innovations within an industry

Automation

- Replaces tasks done by people with machines

Computerization

- Recent visible changes in information systems

Changing people

- Changes in employee attitudes, expectations, perceptions, and behavior
- Organizational development (OD) - techniques or programs to change people and the nature and quality of interpersonal work relationships
- Intended to help individuals and groups work together more effectively

Chapter III
Managing Changes

A. Manager as a Change Agent

Manager acts as catalysts and assumes responsibility for change. He may serve as change agent or may appoint an outside consultant - used for system wide changes so as to produce more drastic changes than insiders can do.

Manager's first responsibility is to detect trends in the macro-environment so as to be able to identify changes and initiate programs. It is also important to estimate what impact a change will likely have on employee behaviour patterns, work processes, technological requirements, and motivation. Manager must assess what employee reactions will be and craft a change program that will provide support as workers go through the process of accepting change. The program must then be implemented, disseminated throughout the organization, monitored for effectiveness, and adjusted where necessary.

In general terms, a change program should:

- Describe the change process to all people involved and explain the reasons why the changes are occurring. The information should be complete, unbiased, reliable, transparent, and timely.
- Be designed to effectively implement the change while being aligned with organizational objectives, macro-environmental trends, and employee perceptions and feelings.
- Provide support to employees as they deal with the change, and wherever possible involve the employees directly in the change process itself.
- Be consistently monitored and reviewed for effectiveness. A successful change management project is typically also a flexible project.

B The Change Process as Problem Solving and Problem Finding

A very useful framework for thinking about the change process is problem solving. Managing change is seen as a matter of moving from one state to another, specifically, from the problem state to the solved state. Diagnosis or problem analysis is generally acknowledged as essential. Goals are set and achieved at various levels and in various areas or functions. Ends and means are discussed and related to one another. Careful planning is accompanied by efforts to obtain buy-in, support and commitment. The net effect is a transition from one state to another in a planned, orderly fashion. This is the planned change model.

The word "problem" carries with it connotations that some people prefer to avoid. They choose instead to use the word "opportunity." For such people, a problem is seen as a bad situation, one that shouldn't have been allowed to happen in the first place, and for which someone is likely to be punished — if the guilty party (or a suitable scapegoat) can be identified. From a rational, analytical perspective, a problem is nothing more than a situation requiring action but in which the required action is not known. Hence, there is a requirement to search for a solution, a course of action that will lead to the solved state. This search activity is known as "problem solving."

From the preceding discussion, it follows that "problem finding" is the search for situations requiring action. Whether we choose to call these situations "problems" (because they are troublesome or spell bad news), or whether we choose to call them "opportunities" (either for reasons of political sensitivity or because the time is ripe to exploit a situation) is immaterial. In both cases, the practical matter is one of identifying and settling on a course of action that will bring about some desired and predetermined change in the situation.

The Change Problem

At the heart of change management lies the change problem, that is, some future state to be realized, some current state to be left behind, and some structured, organized process for getting from the one to the other. The change problem might be large or small in scope and scale, and it might focus on individuals or groups, on one or more divisions or departments, the entire organization, or one or on more aspects of the organization's environment.

At a conceptual level, the change problem is a matter of moving from one state (A) to another state (A'). Moving from A to A' is typically accomplished as a result of setting up and achieving three types of goals: *transform*, *reduce*, and *apply*. Transform goals are concerned with identifying differences between the two states. Reduce goals are concerned with determining ways of eliminating these differences. Apply goals are concerned with putting into play operators that actually effect the elimination of these differences.

As the preceding goal types suggest, the analysis of a change problem will at various times focus on defining the outcomes of the change effort, on identifying the changes necessary to produce these outcomes, and on finding and implementing ways and means of making the required changes. In simpler terms, the change problem can be treated as smaller problems having to do with the how, what, and why of change.

Change as a "How" Problem

The change problem is often expressed, at least initially, in the form of a "how" question. How do we get people to be more open, to assume more responsibility, to be more creative? How do we introduce self-managed teams in Department W? How do we change over from System X to System Y in Division Z? How do we move from a mainframe-centered computing environment to one that accommodates and integrates PCs? How do we get this organization to be more innovative, competitive, or productive? How do we raise more effective barriers to market entry by our competitors? How might we more tightly bind our suppliers to us? How do we reduce cycle times? In short, the initial formulation of a change problem is means-centered, with the goal state more or less implied. There is a reason why the initial statement of a problem is so often means-centered.

Change as a "What" Problem

As was pointed out in the preceding section, to frame the change effort in the form of "how" questions is to focus the effort on means. Diagnosis is assumed or not performed at all. Consequently, the ends sought are not discussed. This might or might not be problematic. To focus on ends requires the posing of "what" questions. What are we trying to accomplish? What changes are necessary? What indicators will signal success? What standards apply? What measures of performance are we trying to affect?

Change as a "Why" Problem

Ends and means are relative notions, not absolutes; that is, something is an end or a means only in relation to something else. Thus, chains and networks of ends-means relationships often have to be traced out before one finds the "true" ends of a change effort. In this regard, "why" questions prove extremely useful.

To ask "why" questions is to get at the ultimate purposes of functions and to open the door to finding new and better ways of performing them. Why do we do what we do? Why do we do it the way we do it? Asking "why" questions also gets at the ultimate purposes of people, but that's a different matter altogether, a "political" matter.

C. Approach to Change Management

Approach taken to Change Management Mirrors Management's Mindset

The emphasis placed on the three types of questions just mentioned reflects the management mindset, that is, the tendency to think along certain lines depending on where one is situated in the organization. A person's placement in the organization typically defines the scope and scale of the kinds of changes with which he or she will become involved, and the nature of the changes with which he or she will be concerned. Thus, the systems people tend to be concerned with technology and technological developments, the marketing people with customer needs and competitive activity, the legal people with legislative and other regulatory actions, and so on. Also, the higher up a person is in the hierarchy, the longer the time perspective and the wider the range of issues with which he or she must be concerned.

For the most part, changes and the change problems they present are problems of adaptation, that is, they require of the organization only that it adjust to an ever-changing set of circumstances. But, either as a result of continued, cumulative compounding of adaptive maneuvers that were nothing more than band-aids, or as the result of sudden changes so significant as to call for a redefinition of the organization, there are times when the changes that must be made are deep and far-reaching. At such times, the design of the organization itself is called into question.

To summarize: Problems may be formulated in terms of "how," "what" and "why" questions. Which formulation is used depends on where in the organization the person posing the question or formulating the problem is situated, and where the organization is situated in its own life cycle.

D. Skills & Strategies

Managing the kinds of changes encountered by and instituted within organizations requires an unusually broad and finely honed set of skills, chief among which are the following.

Political Skills

Organizations are first and foremost social systems. Without people there can be no organization. Lose sight of this fact and any would-be change agent will likely lose his or her head. Organizations are hotly and intensely political. And, as one pointed out, the lower the stakes, the more intense the politics. Change agents dare not join in this game but they better understand it. This is one area where you must make your own judgments and keep your own counsel; no one can do it for you.

Analytical Skills

Those who would be change agents should be very good at something, and that something is analysis. Guessing won't do. Insight is nice, even useful, and sometimes shines with brilliance, but it is darned difficult to sell and almost impossible to defend. A lucid, rational, well-argued analysis can be ignored and even suppressed, but not successfully contested and, in most cases, will carry the day. If not, then the political issues haven't been adequately addressed.

Two particular sets of skills are very important here: (1) workflow operations or systems analysis, and (2) financial analysis. Change agents must learn to take apart and reassemble operations and systems in novel ways, and then determine the financial and political impacts of what they have done. Conversely, they must be able to start with some financial measure or indicator or goal, and make their way quickly to those operations and systems that, if reconfigured a certain way, would have the desired financial impact. Those who master these two techniques have learned a trade that will be in demand for the foreseeable future. (This trade, by the way, has a name. It is called "Solution Engineering.")

People Skills

As stated earlier, people are the sine qua non of organization. Moreover, they come characterized by all manner of sizes, shapes, colors, intelligence and ability levels, gender, sexual preferences, national origins, first and second languages, religious beliefs, attitudes toward life and work, personalities, and priorities — and these are just a few of the dimensions along which people vary. We have to deal with them all.

The skills most needed in this area are those that typically fall under the heading of communication or interpersonal skills. To be effective, we must be able to listen and listen actively, to restate, to reflect, to clarify without interrogating, to draw out the speaker, to lead or channel a discussion, to plant ideas, and to develop them. All these and more are needed. Not all of us will have to learn Russian, French, or Spanish, but most of us will have to learn to speak Systems, Marketing, Manufacturing, Finance, Personnel, Legal, and a host of other organizational dialects. More important, we have to learn to see things through the eyes of these other inhabitants of the organizational world. A situation viewed from a marketing frame of reference is an entirely different situation when seen through the eyes of a systems person. Part of the job of a change agent is to reconcile and resolve the conflict between and among disparate (and sometimes desperate) points of view. Charm is great if you have it. Courtesy is even better. A well-paid compliment can buy gratitude. A sincere "Thank you" can earn respect.

System Skills

There's much more to this than learning about computers, although most people employed in today's world of work do need to learn about computer-based information systems. For now, let's just say that a system is an arrangement of resources and routines intended to produce specified results. To organize is to arrange. A system reflects organization and, by the same token, an organization is a system.

A word processing operator and the word processing equipment operated form a system. So do computers and the larger, information processing systems in which computers are so often embedded. These are generally known as "hard" systems. There are "soft" systems as well: compensation systems, appraisal systems, promotion systems, and reward and incentive systems.

Business Skills

Simply put, you'd better understand how a business works. In particular, you'd better understand how the business in which and on which you're working works. This entails an understanding of money — where it comes from, where it goes, how to get it, and how to keep it. It also calls into play knowledge of markets There are two sets of systems skills to be mastered. Many people associate the first set with computers and it is exemplified by "systems analysis." This set of skills, by the way, actually predates the digital computer and is known elsewhere as "systems engineering." For the most part, the kind of system with which this skill set concerns itself is a "closed" system which, for now, we can say is simply a mechanistic or contrived system with no purpose of its own and incapable of altering its own structure. In other words, it cannot learn and it cannot change of its own volition. The second set of system skills associated with a body of knowledge generally referred to as General Systems Theory (GST) and it deals with people, organizations, industries, economies, and even nations as socio-technical systems — as "open," purposive systems, carrying out transactions with other systems and bent on survival, continuance, prosperity, dominance, plus a host of other goals and objectives. and marketing, products and product development, customers, sales, selling, buying, hiring, firing, and just about anything else you might think of.

E. Four Basic Change Management Strategies

Strategy	**Description**
Empirical-Rational	People are rational and will follow their self-interest — once it is revealed to them. Change is based on the communication of information and the proffering of incentives.
Normative-Reeducative	People are social beings and will adhere to cultural norms and values. Change is based on redefining and reinterpreting existing norms and values, and developing commitments to new ones.
Power-Coercive	People are basically compliant and will generally do what they are told or can be made to do. Change is based on the exercise of authority and the imposition of sanctions.
Environmental-Adaptive	People oppose loss and disruption but they adapt readily to new circumstances. Change is based on building a new organization and gradually transferring people from the old one to the new one.

F. Factors in Selecting a Change Strategy

Generally speaking, there is no single change strategy. You can adopt a general or what is called a "grand strategy" but, for any given initiative, you are best served by some mix of strategies.

Which of the preceding strategies to use in your mix of strategies is a decision affected by a number of factors. Some of the more important ones follow.

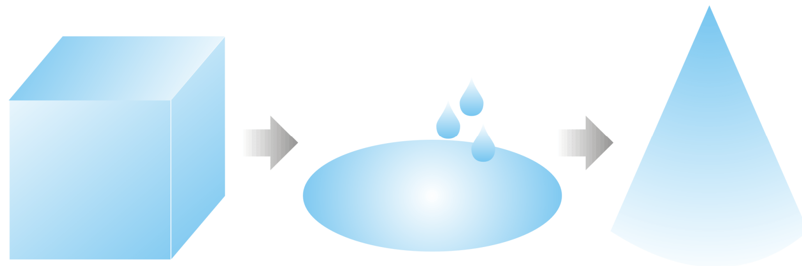
- ***Degree of Resistance***. Strong resistance argues for a coupling of power-coercive and environmental-adaptive strategies. Weak resistance or concurrence argues for a combination of Empirical-Rational and normative-re-educative strategies.

- ***Target Population.*** Large populations argue for a mix of all four strategies, something for everyone so to speak.
- ***The Stakes***. High stakes argue for a mix of all four strategies. When the stakes are high, nothing can be left to chance.
- ***The Time Frame.*** Short time frames argue for a power-coercive strategy. Longer time frames argue for a mix of empirical-rational, normative-re-educative, and environmental-adaptive strategies.
- ***Expertise***. Having available adequate expertise at making change argues for some mix of the strategies outlined above. Not having it available argues for reliance on the power-coercive strategy.
- ***Dependency***. This is a classic double-edged sword. If the organization is dependent on its people, management's ability to command or demand is limited. Conversely, if people are dependent upon the organization, their ability to oppose or resist is limited. (Mutual dependency almost always signals a requirement for some level of negotiation.)

G. Lewin’s three-step model

One of the cornerstone models for understanding organizational change was developed by Kurt Lewin back in the 1950s, and still holds true today. His model is known as Unfreeze – Change – Refreeze, refers to the three-stage process of change he describes. Lewin, a physicist as well as social scientist, explained organizational change using the analogy of changing the shape of a block of ice.

If you have a large cube of ice, but realize that what you want is a cone of ice, what do you do? First you must melt the ice to make it amenable to change (unfreeze). Then you must mold the iced water into the shape you want (change). Finally, you must solidify the new shape (refreeze).



By looking at change as process with distinct stages, you can prepare yourself for what is coming and make a plan to manage the transition – looking before you leap, so to speak. All too often, people go into change blindly, causing much unnecessary turmoil and chaos.

To begin any successful change process, you must first start by understanding why the change must take place. As Lewin put it, "Motivation for change must be generated before change can occur. One must be helped to re-examine many cherished assumptions about oneself and one's relations to others." This is the unfreezing stage from which change begins.

Unfreeze

This first stage of change involves preparing the organization to accept that change is necessary, which involves break down the existing status quo before you can build up a new way of operating.

Key to this is developing a compelling message showing why the existing way of doing things cannot continue. This is easiest to frame when you can point to declining sales figures, poor financial results, worrying customer satisfaction surveys, or suchlike: These show that things have to change in a way that everyone can understand.

To prepare the organization successfully, you need to start at its core – you need to challenge the beliefs, values, attitudes, and behaviors that currently define it. Using the analogy of a building, you must examine and be prepared to change the existing foundations as they might not support add-on storeys; unless this is done, the whole building may risk collapse.

This first part of the change process is usually the most difficult and stressful. When you start cutting down the “way things are done”, you put everyone and everything off balance. You may evoke strong reactions in people, and that’s exactly what needs to done.

By forcing the organization to re-examine its core, you effectively create a (controlled) crisis, which in turn can build a strong motivation to seek out a new equilibrium. Without this motivation, you won’t get the buy-in and participation necessary to effect any meaningful change.

Change

After the uncertainty created in the unfreeze stage, the change stage is where people begin to resolve their uncertainty and look for new ways to do things. People start to believe and act in ways that support the new direction.

The transition from unfreeze to change does not happen overnight: People take time to embrace the new direction and participate proactively in the change. A related change model, the Change Curve, focuses on the specific issue of personal transitions in a changing environment and is useful for understanding this specific aspect in more detail.

In order to accept the change and contribute to making the change successful, people need to understand how the changes will benefit them. Not everyone will fall in line just because the change is necessary and will benefit the company. This is a common assumption and pitfall that should be avoided.

Time and communication are the two keys to success for the changes to occur. People need time to understand the changes and they also need to feel highly connected to the organization throughout the transition period. When you are managing change, this can require a great deal of time and effort and hands-on management is usually the best approach.

Refreeze

When the changes are taking shape and people have embraced the new ways of working, the organization is ready to refreeze. The outward signs of the refreeze are a stable organization chart, consistent job descriptions, and so on. The refreeze stage also needs to help people and the organization internalize or institutionalize the changes. This means making sure that the changes are used all the time; and that they are incorporated into everyday business. With a new sense of stability, employees feel confident and comfortable with the new ways of working.

The rationale for creating a new sense of stability in our every changing world is often questioned. Even though change is a constant in many organizations, this refreezing stage is still important. Without it, employees get caught in a transition trap where they aren't sure how things should be done, so nothing ever gets done to full capacity. In the absence of a new frozen state, it is very difficult to tackle the next change initiative effectively. How do you go about convincing people that something needs changing if you haven't allowed the most recent changes to sink in? Change will be perceived as change for change's sake, and the motivation required to implement new changes simply won't be there.

As part of the Refreezing process, make sure that you celebrate the success of the change – this helps people to find closure, thanks them for enduring a painful time, and helps them believe that future change will be successful.

Key Points

Lewin's change model is a simple and easy-to-understand framework for managing change.

By recognizing these three distinct stages of change, you can plan to implement the change required. You start by creating the motivation to change (unfreeze). You move through the change process by promoting effective communications and empowering people to embrace new ways of working (change). And the process ends when you return the organization to a sense of stability (refreeze), which is so necessary for creating the confidence from which to embark on the next, inevitable change.

H. Three Types of Organizational Change

There are three distinct types of organizational change.

Don't Upset the Applecart

With this type of change, you merely calibrate or tweak some aspect of the current system. It is very restrictive in focus and perpetuates much of the old, and in some cases, flawed system. It is relatively low in threat and painless. However, the resulting impact on employee mind-set is very limited.

Boomerang

This type of change is common in organizations of all types and sizes. It is reactive and responsive to both internal and external forces. This type of change is problem-focused, with very clear objectives and outcomes. Because there is no built-in mechanism for perpetuating the new way of doing things, organizations more often then not fall right back into their old habits and practices. You throw out the old way of doing things, but the old way comes back, just like a boomerang.

Conscious Creation

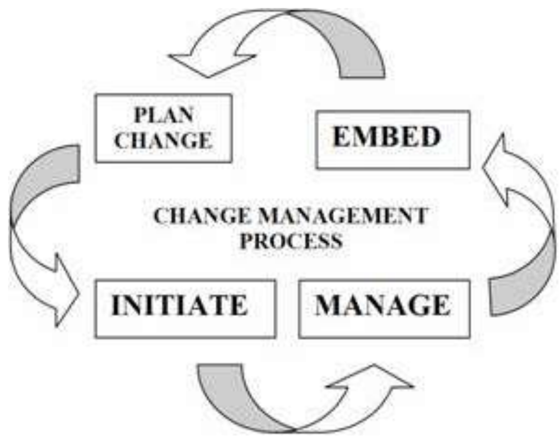
This is the most effective type of change. It involves a gradual metamorphosis. Because this is not a superficial process, this type of change typically will cause a high level of pain on the front end. However, the rewards (creating a culture that is resilient and can handle change) will be worth the effort and suffering, because you will create a new culture in which change becomes relatively painless.

"Conscious Creation" comes about through true commitment and thorough understanding of how each change program (whether it happens at the departmental level or at the corporate level) will affect the whole system.

A well-orchestrated plan is crucial and involves all members of the organization. This type of change initiative is significantly broader and has a significant impact on changing the mind-set and behaviors of the entire work force. This is the type of change we help you create.

I. Managing Change

The following four-phase approach should be adopted to the changes you have identified:-



- **Plan** the changes
- **Initiate** them
- **Manage** change as a process
- **Embed** it into your business' ways of working

Planning change

Before you decide how to go about managing a specific change you must first establish the scale of the change required and determine how complex the management of the initiative will be. The management of any change can be addressed easily by defining the problem(s) they are intended to address more clearly. Here we can distinguish between two types of problem - the *bounded* and the *unbounded*.

- Bounded problems are typically small scale, well-defined and relatively uncomplicated. They might be characterized as technical problems with a low emotional impact on staff and other stakeholders e.g. changes to financial reporting procedures or product design modifications for legal reasons.

- Unbounded problems are larger scale, poorly defined and generally quite messy. They tend to be characterized as having both technical complexity and higher emotional impact on staff and other stakeholders e.g. the implementation of call centre technology

Experience will probably tell you that most business problems are not as straightforward or as easy to classify as purely 'bounded' or purely 'unbounded'. However, if you focus on the following seven elements of the problem you have, you should have a starting point for planning your change initiative:-

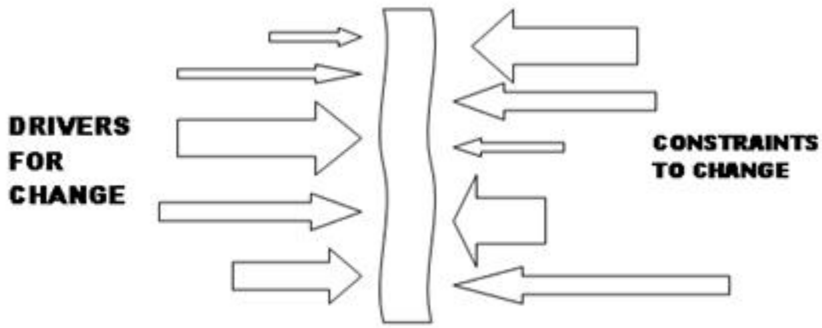
1. Clarity of aims
2. Number of staff involved
3. Potential impact on stakeholders
4. Separability from core business tasks
5. Information requirements
6. Predictability of outcomes
7. Timescale

Whichever of these elements are **predictable**, **known** or **easily separable** from the rest of your business' activities are potential bounded factors in a proposed change, while the more unpredictable, unknown or difficult to separate are the unbounded factors.

Initiating Change - *identifying what organizational areas might need to be changed*

In most organizations a degree of stability exists in the products/services you sell and in the operational and management processes you have established. This can be viewed as a balancing of two opposing sets of forces - forces for change in the organization (drivers) and forces constraining change (constraints).

Mapping out these forces in a diagram like the one below (known as a Force-Field Analysis) can help to identify our business' need for change more clearly, and offer us some initial clues how to initiate it.



Force Field Analysis

Initiating change from this position requires a strengthening of the drivers for change and/or a weakening of the constraints in some way.

Most human beings become comfortable in their environment and the natural inclination is to resist changing that comfort level. That is where leadership comes in to play. It is about marshalling the emotional courage to convince all that change is good for the organization and that change will be good for them as well. Undoubtedly, the latter is the harder part, as all of us react differently to change.

Change can be minor or major in scope. It can involve the entire organization or just a part of the organization. It may be relatively easy (in terms of time) or it might be a multi-year project. Each of these assessments will require different strategies for initiating the change.

Change is such an illusive word in that it means so many things to so many different people. It does cover strategy, structure, people, systems, culture, et al. Planning for change is as important as deciding and initiating the change. At the end of the day, all organizations want to move to a better state of affairs, as opposed to a worse state of affairs.

Like most business initiatives, change initiatives usually take longer and cost more to implement and often the planed goals are less than what was imagined.

L. Resistance to Change

Resistance to change is an emotional/behavioral response to real or imagined work change

Resistance to change is the action taken by individuals and groups when they perceive that a change that is occurring as a threat to them.

Key words here are 'perceive' and 'threat'. The threat need not be real or large for resistance to occur.

In its usual description it refers to change within organizations, although it also is found elsewhere in other forms. Resistance is the equivalent of objections in sales and disagreement in general discussions.

When resistance to change occurs, then it is very helpful to be able to spot it coming and hence respond appropriately to it (rather than be surprised when the change mysteriously fails).

Early signs of resistance

If you can catch resistance early, then you can respond to it before it takes hold, effectively nipping it in the bud.

Gossip

When the change is announced, the tom-toms will start beating loudly and grapevine will bear fruit of much and varied opinion. Keep your ear to the ground on what is being said around the coffee points. Listen particularly for declaration of intent and attempts to organize resistance.

Grumbling and complaint are natural ways of airing discomfort, so you should not try to squash it (you would fail, anyway). The biggest danger of it is when it is allowed to ferment in an information vacuum.

Respond to gossip by opening it up, showing you are listening to concerns and taking them seriously, and providing lots of valid information that will fill the vacuum.

Testing

Just as a high school class will test a teacher's ability to maintain discipline, so also will some brave soul test out what happens when they resist change. They may, for example, not turn up to a meeting or openly challenge a decision.

How you deal with such early resistance will have a significant effect on what happens next. For example you can jump on the person and squash both them and their words, or you can take an adult position, describing what they have done and assertively questioning their motives.

Collectivism of resistance

Resistance can happen both on an individual case-by-case basis or people may band together.

Individual action

Individually, people may resist, although this is generally limited to the extent of their personal power. For those with lower power, this may include passive refusals and covert action. For those with more power, it can include open challenge and criticism.

Handle individual action individually, starting with those with greater power. As necessary, you may need to make an example, and disciplining a senior executive can send a strong signal to other resistors.

Collective action

When people find a common voice in organized resistance, then their words and actions can create a significant threat to the change, even though they are individually less powerful. Trade Unions are a classic example of this.

Organized resistance is usually a sign of a deep divide. People will not go to the bother of organizing unless they have serious issues with the change.

Manage collectives by negotiating with their leaders (which can be much easier than dealing with a myriad of smaller fires). You may well need to make concessions, but you at least should be able to rescue some key elements of the change. You can also 'divide and conquer' by striking deals with individual key players, although this must be done very carefully as it can cause a serious backlash.

Visibility of resistance

Sometimes resistance is out in the open, but more often it starts out in a more underhand, covert way.

Covert resistance

Covert resistance is deliberate resistance to change, but done in a manner that allows the perpetrators to appear as if they are not resisting. This may occur, for example, through sabotage of various kinds and covert resistance by showing that you know what is happening and setting in place investigations designed to identify the people responsible.

Overt resistance

Overt resistance does not try to hide, and is a result either of someone comfortable with their power, someone for whom covert acts are against their values, or someone who is desperate. This may take forms such as open argument, refusal or attack.

Deal with overt resistance by first seeking to respond openly and authentically. If the resistance is blind, then you will have no alternative but to defend, for example by isolating and disciplining attackers.

Activity of resistance

Overt resistance does not need to take positive action -- sometimes it can be passive.

Passive resistance

Passive resistance occurs where people do not take specific actions. At meetings, they will sit quietly and may appear to agree with the change. Their main tool is to refuse to collaborate with the change. In passive aggression, for example, they may agree and then do nothing to fulfill their commitments.

This can be very difficult to address, as resisters have not particularly *done* anything wrong. One way to address this is to get public commitment to an action (and you can start small on this), then follow up -- publicly if necessary -- to ensure they complete the action. Then keep repeating this until they are either bought in or give in.

Active resistance

Active resistance occurs where people are taking specific and deliberate action to resist the change. It may be overt, with such as public statements and acts of resistance, and it may be covert, such as mobilizing others to create an underground resistance movement.

Overt active resistance, although potentially damaging, is at least visible and you have the option of using formal disciplinary actions (although more positive methods should normally be used first). When it is covert, you may also need to use to covert methods to identify the source and hence take appropriate action.

The Resistance Zoo

You can spot many animals in change. Using animals is an entertaining and useful metaphor that you can use in many situations to break the ice and tell home truths. The behavior of following animals during change can help dealing with resistance to change:

Ostriches

The ostrich famously puts its head in the sand when faced with danger. Like a small child, they work on the principle that if they cannot see the predator then the predator cannot see them. This does not seem to be a very good survival strategy. Fortunately, the ostrich also has long legs and can run away very fast.

Moles

Moles are dark and difficult to see. They burrow underground and are hard to find. Then they pop up when you think everything has been completed and the change is complete. They make a horrible mess of things and are very destructive.

Tigers

Tigers fight tooth and claw all the way. They are powerful -- or at least that is what they want you to believe. Hurt them only a little and they will seek to hurt you a whole lot more. Their message is this: mess with me at your peril. Go make your change elsewhere little person.

Dogs

Dogs know that, although they are not bad fighters by themselves, they are far more powerful in a pack. They seek one another out and attack en masse. They are not fearless but know that together they create even more fear. They will fight dirty and nip at you until you are down and then rip you apart.

Owls

Owls are wise and knowledgeable people. They sit up on their branches in their tree, pontificating and pointing down at the trivial world below. They know better than you and are not slow to point this out, as well as pointing out all the little faults in your change project.

Snails

They just go slow. They creep along at a snail's pace and hope that you will leave them to their own devices.

The leading reasons why people resist change are:

- *An individual's predisposition toward change*
- *Surprise and fear of the unknown*

- *Climate of mistrust*
- *Fear of failure*
- *Loss of status and/or job security*
- *Peer pressure*
- *Disruption of cultural traditions and/or group relationships*
- *Personality conflicts*
- *Lack of tact and/or poor timing*
- *Non-reinforcing reward systems*

Dealing with Resistance to Change

Here are some strategies to handle resistance, starting with kind and moral approaches and ending with the harsher end of gaining compliance.

Facilitation

The best approach to creating change is to work with them, helping them achieve goals that somehow also reach to the goals of the change project. When you work with people, they will be happier to work with you.

This is a good practice when people want to collaborate but are struggling to adjust to the situation and achieve the goals of change.

Education

When people are not really bought into the rationale for the change, they may well come around once they realize why the change is needed and what is needed of them. In particular, if new skills are required, you can provide these via a focused course of education.

Involvement

When people are not involved physically or intellectually, they are unlikely to be involved emotionally either. One of the best methods of getting people bought in is to get them involved. When their hands are dirty, they realize that dirt is not so bad, after all. They also need to justify their involvement to themselves and so persuade themselves that is the right thing to do.

Negotiation

When the other person cannot easily be persuaded, then you may need to give in order to get. Sit them down and ask what they are seeking. Find out what they want and what they will never accept. Work out a mutually agreeable solution that works just for them and just for you.

Manipulation

Manipulation means controlling a person's environment such that they are shaped by what is around them. It can be a tempting solution, but is morally questionable and, if they sense what you are doing, will lead to a very dangerous backlash. Only consider this when change is necessary in the short term and all other avenues have been explored.

Coercion

Even more extreme than subtle manipulation is overt coercion. This is where you sit them down and make overt threats, for example that if they do not comply that they will lose their jobs, perhaps in a humiliating and public sacking. This should only be used when speed is of the essence or when the other person themselves has taken to public and damaging actions.

The table below lists the situational suitability of different approaches to overcome resistance as well as advantages and drawbacks of the approach :

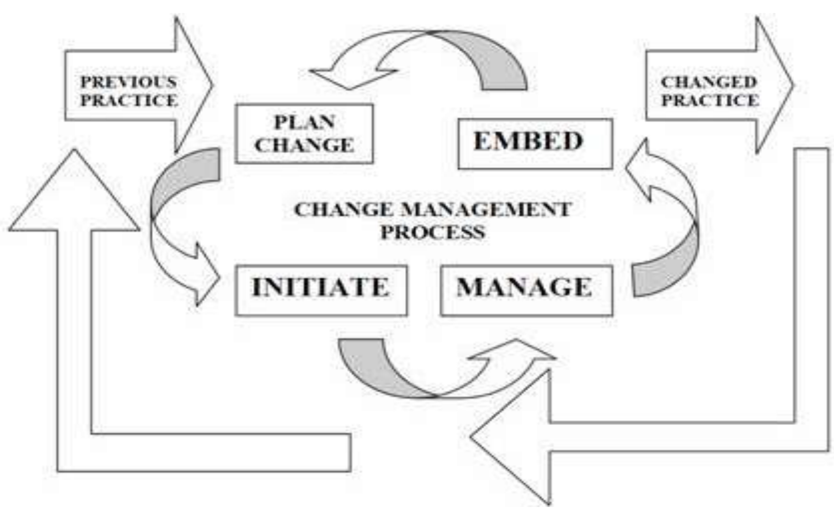
Strategies for Overcoming Resistance to Change

Approach	**Facilitation + Support**	**Explicit + Implicit Coercion**
Commonly Used in Situations	Where there is a lack of information or inaccurate information and analysis	Where the initiators do not have all the information they need to design the change and where others have considerable power
Advantages	Once persuaded, people will often help with the implementation of the change	People who participate will be committed to implementing change, and any relevant
Drawbacks	Can be very time consuming if lots of people are involved	Can be very time consuming if participators design an inappropriate change
Commonly Used in Situations	Where people are resisting because of adjustment problems	Where someone or some group will clearly lose out in a change and where that group has considerable power to resist
Advantages	No other approach works as well with adjustment problems	Sometimes it is a relatively easy way to avoid major resistance
Drawbacks	Can be time consuming, expensive, and still fail	Can be too expensive in many cases if alerts others to negotiate for compliance
Commonly Used in Situations	Where other tactics will not work or are too expensive	Where speed is essential and where the change initiators possess considerable power
Advantages	It can be a relatively quick and inexpensive solution to resistance problems	It is speedy and can overcome any kind of resistance
Drawbacks	Can lead to future problems if people feel manipulated	Can be risky if it leaves people mad at the initiators

K. Embedding Change

Embedding is the essential last stage of any individual planned change initiative. It involves the establishment of new working practices and norms to accommodate the outcomes of the change. These must reflect changes in how your organization is seen by the external stakeholders affected by the change, how groups and teams within it operate and how individual staff behave. Consider the example of a corporate re-branding exercise. This is not just a simple change to the advertising log or the design colour scheme, it needs to be reflected in changes to the external image perceived by customers, in the activities of sales and marketing teams and in the behaviour of staff towards customers. Any change will come to be accepted more readily by all stakeholders if it has been managed at the three levels of individual, team and organization.

Nowadays though, embedding change has come to mean more than the resettling your organization after a single planned change initiative. It also means how you gain acceptance of ongoing change as part of your organization's culture. A single planned change initiative can herald the start of your organization's embracing of change as a management function essential to it survival and future development. Here you need to **evaluate** how well the process of change management has been handled alongside the impact of the individual change itself. Then move on to the next change armed with the lessons from the last experience. This is known as developing an **iterative** approach to change. It is illustrated in the diagram below:



Chapter IV
Innovation

A. Stimulating Innovation

Businesses, for-profit and nonprofit, are facing change like never before. Numerous driving forces to this change included a rapidly expanding marketplace (globalization), and increasing competition, diversity among consumers, and availability to new forms of technology. Creativity and innovation are often key to the success of a business, particularly when strategizing during strategic planning, and when designing new products and services. Creative thinking and innovation are particularly useful during Strategic Planning (when strategizing) and in Product and Service Management (when designing new products and services.)

B. Creativity versus Innovation

– ***creativity*** **-** ability to combine ideas in a unique way or to make unusual associations between ideas

– ***innovation*** **-** process of transforming creative ideas into a useful product, service, or method of operation

Innovation is adding something new to an existing product or process. The key words here are adding and existing. The product or process has already been created from scratch and has worked reasonably well. When we change it so that it works better or fulfills a different need, we are innovating on what already exists. .

Create, on the other hand, is defined as — to cause something to come into being, as something unique. It is the process that created the product in the first place. The product or process didn't exist before it was created. It is original, unique and usually novel. So creativity is a process that produces an original outcome or product, while innovation is the change, modification or improvement of an existing product.

For example, the original 747 aircraft was largely the result of creativity in its design and manufacture. The numerous models introduced since the original 747 are the result of innovating around the original design such as the addition of the upper deck, the stretch version, and the all cargo version.

Understanding the differences between creativity and innovation can lead to the optimizing of both — and we need both. To grow and prosper, most organizations and businesses need to constantly improve their existing products and services through continuously innovating needed change; and, for survival of the enterprise, most also need to create new products and services to meet yet unfulfilled needs. Organizations that rely exclusively on innovation will prosper until their products and services "run out of gas" and become obsolete and non-competitive. On the other hand, organizations that are totally creative will have their new products and services ready to launch, but often too few current products sufficiently up-to-date and competitive to generate the cash needed to fund their creativity. Every industry has its own examples of the costly consequences of this lack of differentiation between the two.

Systems View of Innovation

Input	**Transformation**	**Output**
Creative individuals, groups, organizations	Creative process	Creative products or services

C. The Innovation System: Synchronizing Three Roles

Within successfully adaptive companies, innovation is not viewed as a single event, managed as a specific process, or assigned to a particular person. Rather, innovation is viewed as the byproduct of an effective network, a system of people who understand their roles (which may change from innovation to innovation), and who receive support from one another and from their companies for the hatching, the nurturing, and the diffusion of new ideas. The individual roles within the system are innovator, gatekeeper, and change agent.

They are the active agents whose organizational behaviors drive the three forces that allow ecological systems to adapt successfully to changes in the environment: variation, selection, and replication. Even in an organization that does nothing to promote innovation, these three forces would exist in some form, albeit weak and random. Strong and consistent innovations tend to emerge within companies that understand, guide, *and reward the interplay of the three forces.*

Innovators

The players who generate variation. Variation is the source of new ideas, both good and bad, both big and small. Some are minor variations on existing concepts and practices, but breakthrough adaptations usually come from ideas that are wildly different from conventional wisdom. Most variations in nature fail because they do not improve the fitness of the organism, but it's impossible to create a system that generates only successful variations.

Gatekeepers

The key to effective selection. Because generating variations is necessarily messy, inefficient, and unpredictable, there needs to be a way to cull the herd and to identify the ideas that are most promising and most deserving of resources and attention. In nature, "survival of the fittest" is the most basic form of selection. But in the world of business, most innovations have to pass through some kind of deliberate gatekeeping process that identifies the likely winners and kills off the variations that serve no useful purpose.

Change Agents

People within organizations who manage the diffusion process by removing barriers and actively promoting acceptance of a new idea. Even the most promising innovations do not always succeed in establishing a sustainable position within the business environment. A successful innovation spreads quickly, gaining widespread acceptance, and displacing older ideas or practices that no longer contribute effectively to the fitness of the organization. The process of replication produces significant business results and sometimes redirects the evolutionary path of the entire system.

The Innovator: Creator of Variation

Innovators—the people who dream the new ideas—produce the corporate equivalent of nature's variations that allow organisms to experiment continuously with new behaviors and characteristics so they can evolve rather than become extinct. When variations are first introduced to a complex adaptive system, they don't seem to fit, and it may not even be clear whether the variation is helpful or harmful to the survival of the overall system. Similarly, innovators usually don't fit the normal corporate mold, nor do their ideas—at first. But among those odd ideas are a few that may become wildly successful innovations, with the sponsorship of people who are better connected within the company.

Innovators can be maddening to management, especially to managers who don't understand what motivates and nourishes creativity. If asked, most managers would admit they have an easier time dictating cost reductions or designing new organizational structures than getting other people to come up with innovations.

Innovators cannot create breakthrough ideas on demand. Most significant innovations appear in retrospect to be almost accidental achievements rather than products of conscious, deliberate management actions. Yet some organizations are clearly more innovative than others.

Every innovator is different—and each behaves differently within different systems—but they tend to have some qualities in common. They:

- are self-described outsiders, swimming against the mainstream
- respond to nontraditional reward structures (independence, peer recognition, and a sense of accomplishment rather than power, money, and status
- are better connected outside than inside the organization

- are disinterested in office politics and corporate "game playing"
- need protection from bureaucracy, a "safe place" to explore new ideas independent of short-term pressures
- enjoy creating for the sake of creating—not necessarily geared toward the company's strategy
- work best when their talents and quixotic methods are appreciated, often by change agents who understand and will carry the innovator's ideas across the "no-fly zone" into action
- often have many ideas percolating at once—"solutions looking for a problem"—and benefit from guidance about which ones to pursue
- may lose out on recognition because they do not spend time promoting themselves and sometimes feel that change agents steal the credit they deserve
- often feel misunderstood and unsupported under managers who fail to understand what motivates innovators
- may need help understanding what aspects of their work tie into business strategy

The Gatekeeper: The Key to Selection

Gatekeepers are the keys to selection because they have control over resources—human and financial. Ideally, they use their influence to nurture promising innovations and starve less promising ones. Their success as connectors in an innovative system depends on their understanding of the other roles and their judgment about new ideas. Gatekeepers select variations based on a deep understanding of what will enhance the fitness of their organization.

Functioning efficiently as a gatekeeper is more a matter of relationship style than of job description. Innovators and change agents are more likely to approach a manager they trust. Gatekeepers ideally function as benevolent but realistic sponsors, walking a fine line between encouragement for the innovator and responsibility to the company's bottom line.

Gatekeepers tend to be in management positions, and innovation may not appear anywhere in their job descriptions. Following are some observations about these players and their role in the innovation system:

- A distinction between hierarchical and networked organizations is how high you have to go to find the right gatekeeper.
- Gatekeepers usually find that money is easier to get than people (the critical phase for an innovation is when it gets to the point where dedicated people are needed to move it forward).
- It's easier to obtain a relatively small amount of money to cover the hatching phase of an idea—or a very large amount once its relevance is established—than to get middle-range funding in the early growth phase.
- Successful gatekeepers can gather enough resources to provide "air cover," allowing the innovation to reside under the radar screen by protecting it from too much scrutiny during its critical early phases.
- Training does not make someone an effective gatekeeper; success is based on personality and an astute sense of what will work and what won't.

The Change Agent: Replicating Ideas

The change agent's role in adaptation—the diffusion of new ideas—is the equivalent of replicating variations in the natural world. The change agent recognizes a beneficial innovation and makes the necessary inside connections to get the idea moving through many channels at once.

The challenge and the risk come when other insiders are wary of the innovation or even feel threatened by it. Resistance may come from people who do not want to change or from those who are competing for resources. In a volatile environment, a promising innovation may simply fade away because there are too many other innovations competing for the scarce attention of a target environment. In a conservative environment, an innovation may fail because managers do not want to take a risk.

An effective change agent can accomplish diffusion despite barriers, because of political acumen, carefully maintained networks within the company, and an appreciation and understanding of innovators. The change agent is a person who has the ability to communicate with people on both sides of the “no-fly zone,” which separates ideas from their application. Often, a change agent is the main player who gets a gatekeeper to allocate resources (although the system can also work the other way, with the gatekeeper enlisting a change agent to get organizational support for a newly funded project).

The change agent’s strength comes in the ability to see how an innovation ties into the strategic goals and underlying values of the organization. A necessary skill is communicating in the language of creativity with innovators and in the language of business with managers in order to obtain trust from both directions. Occasionally, people switch roles, with innovators assisting one another by temporarily taking the change agent role. This is more likely to occur in companies where the innovation system is not understood and innovators try to weave their own self-supporting system.

As a bridge between innovators and the mainstream organization, change agents play a crucial but often informal role. They do so more as a result of disposition than as a result of formal job expectations. Change agent traits include:

- Open to new ideas
- Motivated by the desire to “make a difference” and to have an impact
- Takes pleasure in exploring creative ideas with other people
- Enjoys continuous learning
- Well connected internally (more likely than innovators to have social networks inside the office)
- Politically savvy, willing and able to play the organizational games

- May see themselves as the real innovators because they're the ones that make it work

- Tends to be a "people person" who genuinely takes pleasure in the company of others and wants communication to work

D. Stimulating and Nurturing Innovation

Stimulating and Nurturing innovation is fundamentally an organic, human process. It's exhilarating because it requires employees to connect as real people rather than cogs, because it's about about creativity rather than bureaucracy, trust rather than safety, ritual and story telling rather than process and certainty.

The best you can to foster innovation is:

- Hire inherently innovative people
- Create right relationships of trust and the right communication flows so the innovation is relevant and so that it ships

Innovation is hard because it challenges so many of our traditional notions of management. The concept that some people are fundamentally capable of innovation—and some aren't—is a radical and perhaps upsetting one. We'd all like to believe that with the right management skills and coaching we could turn lead into gold. But if only some prospective employees are innovators, then it becomes critically important to be able to recognize and hire the innovators.

For innovation to become product, it needs to relevant to the business. This means that everyone in the company needs to have a far deeper understanding of the whole business than is traditionally the case. This is partly a function of hiring people who like to have that global understanding, and partly a function of growing a culture that enables employees to obtain that understanding.

Shipping innovation requires a high degree of trust and willingness to take risk. Truly innovative work requires a depth of thinking which can be difficult to fully convey to management, and often a degree of risk which makes management uncomfortable. Innovation requires an investment of time and resources—it can't happen if you don't schedule for it.

In short, for stimulating and nurturing innovation one must focus on the following variables: