**Chapter 6**

**MANAGING CHANGE, INNOVATION AND ENTREPRENEURSHIP**

Chapter Outline

1. INNOVATION AND CHANGE
2. The Innovation and Change Interrelationship and Risk
3. Forces for Change
4. Types of Change
5. Forms of Change
6. MANAGING INNOVATION
7. Innovative Organizational Structures and Cultures
8. Managing Innovative During Incremental and Discontinuous Change
9. MANAGING CHANGE
10. Stages in the Change Process
11. Resistance to Change
12. How to Overcome Resistance to Change
13. A Model for Identifying and Overcoming Resistance to Change
14. ORGANIZATIONAL DEVELOPMENT
15. Change Models
16. Organizational Development Interventions
17. ENTREPRENEURSHIP
18. New Venture Entrepreneurs and Intrapreneurs
19. Selecting the New Venture and Business Planning

Changes From 5e to 6e Chapter 6

* Chapter 6 remains as Chapter 6. However, the title has been changed to reflect that the diversity section has been moved to Chapter 3 and that the section on Entrepreneurship has been moved here from Chapter 1, reorganized, and most of it has been rewritten.
* The chapter has been updated, and 98 percent of the references are new to this chapter.
* The first section has been renamed Innovation and Change and now includes a new lead in subsection The Innovation and Change Interrelationship and Risk. “Information systems (IS)” is no longer a key term in this chapter.
* The subsection Forms of Change has been rewritten and now includes discussion and new key terms for incremental and discontinuous change.
* The section on Innovation is now titled Managing Innovation. The two prior subsections have been combined and a new section, Managing Innovation During Incremental and Discontinuous Change, has been added. The list of innovative culture items has been cut down to three from six.
* The section on Organizational Development has been condensed a bit to shorten the chapter, but the material remains in the IM for instructors who want a more detailed coverage of team building, survey feedback, and large-group interventions.
* The diversity skill builder has been move to Chapter 3, and the Selecting a New Venture Skill Builder 4 from Chapter 1 is now 6–3. 6–3 has been expanded to include some of the analysis from 5e Chapter 4’s Skill Builder 4–3, Entrepreneurial Strategic Planning—mission statement and competitive environmental analysis.

Lecture Outline

**Note:** The textbook supplements include a PowerPoint presentation for each chapter, which can be used rather than or in addition to this lecture outline.

1. INNOVATION AND CHANGE
2. **The Innovation and Change Interrelationship and Risk**
3. **Creativity, Innovation, and Change**

Recall from Chapter 4 that *creativity* is a way of thinking that generates new ideas and that creativity can lead to innovation. *Innovation* is the implementation of a new idea. So employee creativity is crucial for innovation. Two important types of innovation are *product innovation* (new things goods/services) and *process innovation* (new ways of doing things). Thus, all innovations require some changes to be made in the organization.

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| WORK APPLICATION Example student answer  **6–1. Give an example of an innovation from an organization you work for or have worked for. Be sure to specify whether it was a product innovation or a process innovation.**  I work for the Friendly’s Ice Cream training department. Friendly’s always maintains its technical skills training, but it updates its people skills training and development. For example, it didn’t used to offer diversity training, but now it does. This is an internal product innovation. |

1. **Taking** **Risk**

When implementing innovative changes, you face risk.

1. **Failing to Take Risk**

Unfortunately, failing to take risks and change with the dynamic environment can lead to a decline in business.

1. **Forces for Change**

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| Learning Outcome (LO) 6–1. Discuss the forces for change, the types of change, and the forms of change.  The external environments, new technology cycles, and the internal management functions are forces for change. The four types of changes include strategy, structure, technology, and people. Two major forms of change are incremental and discontinuous change. |

1. **The Environment**

The changing business environment presents many challenges. An organization interacts with its external and internal environments. As you saw in Chapter 2, these factors require change in an organization, and the organization needs to be proactive rather than merely reactive to the environment.

1. **Technology Cycles**

A*technology**cycle* begins with the birth of a new technology and ends when it is replaced by a newer, substantially better technology**.**

1. **Next Generation**

The technology cycle is different from the *next generation*, such as 3G to 4G, because it allows the old technology to still work with the new technology. People often prefer the next generation to a new technology cycle because there is less need to change, as they don’t like to have to lose the old technology and pay for the new technology.

1. **The Management Functions and Change**

Most plans that managers develop require changes. When managers organize and delegate tasks, they often require employees to make some changes in their regular routine. When managers hire, orient, train, and evaluate performance, change is required. Leadership calls for influencing employees, often to change in some way, and control may require the use of new methods or techniques.

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| **Review Question (RQ) 6–1. How do the four management functions relate to change?**  When managers organize and delegate tasks, they often require employees to make some changes in their regular routine. When managers hire, orient, train, and evaluate performance, change is required. Leadership calls for influencing employees, often to change in some way, and control may require the use of new methods or techniques. |

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| WORK APPLICATION Example student answer  **6–2. Give an example of a force that resulted in a change in an organization you work for or have worked for.**  At my restaurant we had a technology change from the old-fashioned give the cook a hand-written order to a touchscreen computer ordering system. |

1. **Types of Change**

Types of changes refer to what actually changes within the organization. The four **types of change** are changes in strategy, in structure, in technology, and in people.

1. **Changes in Strategy**

You’ll recall from Chapter 4 that an organization may change its strategy at the corporate, business, and/or functional level.

1. **Changes in Structure**

Structure commonly follows strategy. In other words, a change in strategy results in a change in structure.

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| **RQ** **6–2. What is the difference between a change in strategy and a change in structure?**  A change in strategy occurs at the corporate, business, and/or functional level. It can include going from a growth strategy to a turnaround and retrenchment strategy or from a prospecting strategy to a defending strategy, and so on. A change in strategy often results in a change in structure. A change in structure can include departmentalization, division of labor, changing the chain of command, or job simplification, and so on. |

1. **Changes in Technology**

Recall from Chapter 2 that the *systems process* is the technology used to transform inputs into outputs; so *technology* is the essential part of the systems process.

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| **RQ** **6–3. List the four areas of technology change.**  The four areas of technology change are the systems process, machines, information process, and automation. |

1. **Changes in People**

Organizations can’t change without changes in people. Tasks are the day-to-day things that employees do to perform their jobs, and tasks change with technology and structural changes. When tasks change, people’s *skills* and *performance* must change. Organizations often attempt to change employees’ *attitudes* and *behavior*. A change in organizational *culture* is also considered a people change.

People develop and implement strategy and structure. People also create, manage, and use technology; therefore, people are the most important resource. Change in other variables will not be effective without people.

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| **Communication Skills Question (CSQ) 6–1. How does the systems effect relate to the four types of changes?**  A change in one type may cause a change in another type. For example, technology change usually requires people change. |

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| **CSQ 6–2. Which type of change is the most important?**  Answers will vary. But people are the organization’s most valuable resource. |

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| WORK APPLICATION Example student answer  **6–3. Give one or more examples of a type of change you experienced in an organization you work for or have worked for.**  When Microsoft Office’s new version became available, my company bought copies for my department (technology change) and we took classes to learn how to use it (people change). |

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| APPLYING THE CONCEPT Answers  AC 6–1—Types of Change  b 1. Structure. This is an example of increasing the span of management to flatten the structure.  c 2. Technology. This is an example of an automation change in technology.  a 3. Strategy. This is an example of a defending strategy.  d 4. People. Education is a form of training to improve an employee’s skills.  c 5. Technology. This is an example of the systems process of transforming inputs (new, improved ones) into outputs. |

1. **Forms of Change**

Change also takes one of two broad forms: It is either incremental or radical.

*Incremental change* is continual improvement that takes place within already accepted frameworks, value systems, or organizational structure. Incremental change is necessary for survival and success.

*Radical change* is rapid change in strategy, structure, technology, or people. Radical change alters accepted frameworks, value systems, or organizational structure.

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| **RQ** **6–4. What are the two forms of change?**  Change takes one of two broad forms: It is either incremental or radical. |

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| **CSQ 6–3. Do you believe that organizational change today is more slow/incremental (calm water) or radical (white-water rafting)?**  Answers will vary, but global high tech is more radical than low tech. |

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| JOIN THE DISCUSSION: ETHICS & SOCIAL RESPONSIBILITY—6–1  Online High School  Answers will vary based on opinion. |

1. MANAGING INNOVATION
2. **Innovative Organizational Structures and Cultures**
3. **Structures**

Organizations that stimulate innovation are commonly structured as flat organizations with limited bureaucracy, have a generalist division of labor, coordinate with cross-functional teams, and are flexible. Use of informal authority is common, and authority is decentralized. Job design includes job enrichment and work teams.

Many innovative organizations set up *skunkworks projects*. A skunkworks project is one typically developed by a small and loosely structured group of people who research and develop a project primarily for the sake of radical innovation. A skunkworks project often operates with a high degree of autonomy and is often undertaken in secret with the understanding that if the development is successful, then the product will be designed in the usual process.

1. **Cultures**

The most successful organizations encourage creativity and innovation.

Innovative organizations tend to have similar cultures that encourage experimentation. Innovative cultures commonly have the following six characteristics:

* ***Encouragement of risk taking.*** Innovative cultures encourage employees to be creative without fear of punishment if they fail. Mistakes and failure are viewed as learning experiences.

*Intrapreneurship.* It encourages the development of new ventures that might become separate business units.

* ***Flexibility***. Employees are more innovative when they are empowered to do things their own way
* ***Open systems.*** With an open system, you seek innovation from inside and outside the organization. Many companies today are turning to their customers, suppliers, and others in their supply chains.

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| **RQ 6–5. What are the characteristics of an innovative culture?**  The characteristics of an innovative culture are (1) encouragement of risk taking and intrapreneurship, (2) flexibility, and (3) open systems. |

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| **CSQ 6–4. Do you consider yourself to be a creative and innovative person? Why or why not?**  Answers will vary. |

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| WORK APPLICATION Example student answer  **6–4. Does an organization you work for or have worked for have any of the six characteristics of innovative cultures? Overall, does the organization have a creative culture?**  I work at a large supermarket and stock shelves. As far as I know, management does not encourage risk taking and has no intrapreneurship methods. Overall, I would say that it does not have a very creative culture. |

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| APPLYING THE CONCEPT Answers  AC 6–2—Innovative and Noninnovative Cultures  b 6. Noninnovative culture. This is an example of focusing on means rather than on ends.  b 7. Noninnovative culture. Closely following standing plans rather than flexibility stifles creativity.  a 8. Innovative culture. Enriched jobs and teams are commonly used by innovative companies.  b 9. Noninnovative culture. Tall organizations tend to be bureaucratic with multiple levels of management.  a 10. Innovative culture. Employees are encouraged to try creative ideas and are not punished for failure in innovative cultures. |

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| LO 6–2. Explain the differences in managing innovation during incremental and discontinuous change in terms of approach, goals, and strategy.  See Exhibit 6–2 for the answer. |

1. **Managing Innovation During Incremental and Discontinuous Change**

Exhibit 6–2 Managing Innovation has a good summary of both Learning Outcome 6–2 and the discussion.

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|  | Incremental Change | Discontinuous Change |
| Approach | Compression | Experimental |
| Environment | More certain | Uncertain |
| Goals | To lower costs and incrementally improve performance and functions of the existing dominant design | To make significant improvements in performance and to establish a new dominant design creating the next technology cycle |
| Strategy | To continue to improve the existing technology as rapidly as possible, moving to the next generation technology while still allowing the use of the old technology | To build something new and different, a substantially better breakthrough in technology to begin a new technology cycle that leaves the old technology obsolete |

WORK APPLICATION Example student answer

**6–5. Does an organization you work for or have worked compete in a more incremental or discontinuous change environment?**

I work at a local pizza shop and things don’t change much. So I guess it is more incremental because it isn’t discontinuous yet. Offering free delivery is one incremental change that helped increase sales.

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| **RQ 6–6. What are the two approaches to managing innovation?**  There are two major approaches to managing innovation. There is the compression approach used during incremental change, and there is the experimental approach used during periods of discontinuous change. |

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| **CSQ 6–5. Would you prefer to work during a time of incremental or discontinuous change?**  Answers will vary. |

1. MANAGING CHANGE
2. **Stages in the Change Process**

People go through four distinct stages when facing change. The four **stages of the change** **process** are denial, resistance, exploration, and commitment. See Exhibit 6–3 for an illustration.

1. *Denial.* When people first hear that change is coming, they may deny that it will affect them.
2. *Resistance.* Once people get over the initial shock and realize that change is going to be a reality, they often resist the change.
3. *Exploration.* When the change begins to be implemented, employees explore the change, often through training, and ideally they begin to better understand how it will affect them.
4. *Commitment.* Through exploration, employees determine their level of commitment to making the change a success.

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| **RQ 6–7. List the four stages in the change process.**  The four stages in the change process are denial, resistance, exploration, and commitment. |

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| **CSQ 6–6. Which stage of the change process is the most difficult to overcome?**  Answers will vary. |

1. **Resistance to Change**

Most change programs fail because of employee resistance.

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| LO 6–3. List the reasons employees resist change and suggest ways of overcoming such resistance.  Employees resist change because of fear of the unknown; learning anxiety; self-interest; fear of economic loss or loss of power, status, or control; and successful habits. These forms of resistance can be overcome by establishing a positive climate for change, planning, clearly explaining the need for the change, pointing out how individual employees will benefit from the change, involving employees, providing support and evaluation for employees during the change, and creating urgency. |

As shown in Exhibit 6–4, employees resist change for six major reasons:

* ***Uncertainty.*** Fear of the unknown outcome of change is common. People often get anxious and nervous and resist change in order to cope with these feelings.
* ***Learning anxiety.*** For many people, the prospect of learning something new produces anxiety—*learning anxiety*. Learning anxiety makes us react defensively and allows us to rationalize that we do not really need to change after all.
* ***Self-interest.*** People resist change that threatens self-interest. Employees are more concerned about their interests than the interests of the organization.
* ***Fear of loss.*** With change, jobs may possibly be lost. Change may involve an economic loss as a result of a pay cut. A change in work assignments or schedules may create a loss of social relationships.
* ***Fear of loss of control.*** Change can also result in an actual or perceived loss of power, status, security, and especially control. People may resent the feeling that their destiny is being controlled by someone else.
* ***Successful habits.*** When people are successful, they think change is not needed. Even when we do change, we tend to fall back into old habits that have worked in the past.

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| **RQ 6–8. What are the six major reasons employees resist change?**  Employees resist change for six major reasons: uncertainty, learning anxiety, self-interest, fear of loss, fear of loss of control, and successful habits. |

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| **CSQ 6–7. Which of the six reasons for resisting change do you believe is most common?**  Answers will vary. |

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| WORK APPLICATION Example student answer  **6–6. Give an example of a situation when you resisted a change. Be sure to specify which of the six reasons fueled your resistance to change.**  I was resistant to using Microsoft Office because of uncertainty and learning anxiety. I was happy with the old system of using WordPerfect and Lotus. |

1. **How to Overcome Resistance to Change**

There are seven major steps you can take to overcome resistance to change:

* ***Develop a positive trust climate for change.*** Develop and maintain good human relations. Make employees realize you have their best interests in mind and develop mutual trust. Constantly look for better ways to do things. Encouraging employees to suggest changes and implementing their ideas are important parts of continuous improvement.
* ***Plan.*** Implementing changes successfully requires good planning. You need to identify the possible resistance to change and plan how to overcome it. View change from the employees’ position. Set clear objectives so employees know exactly what the change is and how it affects them.
* ***Clearly state why the change is needed and how it will affect employees.*** Communication is the key to change. Employees want and need to know why the change is necessary and how it will affect them, both positively and negatively. Be open and honest with employees. Giving employees the facts as far in advance as possible helps them to overcome fear of the unknown.
* ***Create a win-win situation*.** The goal of human relations is to meet employee needs while achieving departmental and organizational objectives. To overcome resistance to change, be sure to answer the other parties’ unasked question, “What’s in it for me?” When people can see how they benefit, they are more willing to change. If the organization is going to benefit by the change, so should the employees.
* ***Involve employees*.** To create a win-win situation, involve employees. A commitment to change is usually critical to its successful implementation. Employees who participate in developing changes are more committed to them than employees who have changes dictated to them.
* ***Provide support and evaluation*.** To overcome resistance to change, employees need to know that managers are there to help them cope with the changes. Managers need to make the learning process as painless as possible by providing training and other support. Managers must also provide feedback and evaluation during the learning process to increase the employees’ efficiency and effectiveness in implementing the change.
* ***Create urgency*.** A feeling of urgency is the primary driver toward taking action. If something is perceived as urgent, it is given a high priority and is usually done immediately.

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| **CSQ 6–8. Which of the seven ways to overcome resistance to change do you believe is the most important?**  Answers will vary. |

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| **CSQ 6–9. Does creating urgency really help to get people to change? Give at least one example to support your position.**  Answers will vary. |

1. **A Model for Identifying and Overcoming Resistance to Change**

Before making changes, managers should anticipate how employees will react. Resistance to change varies in its intensity, source, and focus.

1. **Intensity**

People have different attitudes toward change. As a manager of change, you must anticipate whether resistance will be strong, weak, or somewhere in between. Intensity will be lower if you use the seven methods for overcoming resistance to change.

1. **Source**

There are three major sources of resistance to change:

1. *Facts.* The facts (provable statements) about an impending change are often circulated through the grapevine—but people tend to use facts selectively to prove their point. Facts used correctly help to overcome fear of the unknown.
2. *Beliefs*. Facts can be proven; beliefs cannot. Beliefs are subjective opinions that can be shaped by others. Our beliefs lead us to think that a change is correct or incorrect or good or bad. Differences in perception can cause resistance to change.
3. *Values*. Values are what people believe are worth pursuing or doing. Values pertain to right and wrong and help establish priorities.
4. **Focus**

There are three major focuses of resistance to change:

1. *Self*. People naturally want to know “What’s in it for me? What will I gain or lose?” When the facts of change have a negative effect on employees, creating a perceived loss, employees resist the change.
2. *Others*. After considering what’s in it for them and concluding that a change does not affect them, people tend to consider how the change will affect their friends, peers, and colleagues. If employees analyze the facts and believe that a change will affect others negatively, they may be resistant to the change.
3. *Work environment*. The work environment includes the physical setting, the work itself, and the climate. People like to be in control of their environment, and they resist changes that take away their control.

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| **RQ 6–9. What are the three major sources and focuses of resistance to change?**  The three major sources are facts, beliefs, and values. Focuses of resistance to change are self, others, and work environment. |

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| WORK APPLICATION Example student answer  **6–7. Describe the intensity, source, and focus of the resistance to change you identified in Work Application 6–6.**  I was strongly resistant because of values pertaining to self. My feeling was: “I like the way I do my job now, so why change?” However, I’m glad I learned to use Microsoft Office because my job is now easier, and I have more skills to offer to help me get another job. |

1. ORGANIZATIONAL DEVELOPMENT

Organizational development is the commonly used method of managing change. **Organizational development (OD)** is the ongoing planned process of change used as a means of improving performance through interventions. The human resources management department is usually responsible for OD throughout an organization. The **change agent** is the person responsible for the change effort. The change agent may be a member of the organization or a hired consultant.

LO 6–4. Identify the steps in the Lewin and comprehensive change models.

The Lewin model steps are 1 Unfreezing, 2 Moving, and 3 Refreezing. The steps in the comprehensive model are 1 Recognize the need for change, 2 Identify possible resistance to the change and plan how to overcome it, 3 Plan the change interventions, 4 Implement the change interventions, and 5 Control the change.

1. Change Models

Change is often brought about by following the steps of a model, with important activities to be implemented at each step of the model. Two popular change models used by organizations today are Lewin’s change model and a more comprehensive model for change.

1. **Lewin’s Change Model**

In the early 1950s, Kurt Lewin developed a technique that is still used today for changing people’s behavior, skills, and attitudes. Lewin’s change model consists of the three steps listed in Exhibit 6–6.

1. *Unfreezing.* This step usually involves reducing the forces that are maintaining the status quo. Organizations sometimes accomplish unfreezing by introducing information that shows discrepancies between desired performance and actual performance.
2. *Moving.* This step is the change process in which employees learn new, desirable behaviors, values, and attitudes.
3. *Refreezing.* The desirable performance becomes the permanent way of doing things, or the new status quo. Refreezing often takes place through reinforcement and support for the new behavior.
4. **A Comprehensive Change Model**

Lewin’s general change model requires a more detailed reformulation for today’s rapidly evolving business environment. The model consists of five steps, as shown in Exhibit 6–6.

1. *Recognize the need for change.* Clearly state the change needed—set objectives.
2. *Identify possible resistance to the change and plan how to overcome it.*
3. *Plan the change interventions.* Based on the diagnosis of the problem, the appropriate intervention must be selected.
4. *Implement the change interventions.* The change agent, or someone he or she selects, conducts the intervention to bring about the desired change.
5. *Control the change.* Follow up to ensure that the change is implemented and maintained. Make sure the objective is met. If not, take corrective action.

B. Organizational Development Interventions

**OD interventions** are specific actions taken to implement specific changes.

1. **Training and Development**

Training and development focus on the individual, and the other interventions often include some form of training. Training is the process of developing skills, behaviors, and attitudes to be used on the job.

1. **Sensitivity Training**

Sensitivity training takes place in a group of 10 to 15 people. The training sessions have no agenda. People learn about how their behavior affects others and how others’ behavior affects theirs.

1. **Team Building**

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| **RQ 6–10. Explain the difference between team building and process consultation.**  Team building is broader in scope than process consultation. Team building is an OD intervention designed to improve both how the work is done and how team members work together as they do the work (team dynamics). Process consultation is designed to improve team dynamics. |

Team building is probably the most widely used OD technique today. **Team building** is an OD intervention designed to help work groups increase structural and team dynamics performance. Team building is widely used as a means of helping new or existing groups improve their effectiveness.

**NOTE:** Following are more details about teambuilding that were deleted in this new 6e.

The goals of team-building programs vary considerably, depending on the group’s needs and the change agent’s skills. Some typical goals are:

* To clarify the objectives of the team and the responsibilities of each team member
* To identify problems preventing the team from accomplishing its objectives
* To develop team problem-solving, decision-making, objective-setting, and planning skills
* To develop open, honest working relationships based on trust and an understanding of group members

Team-building programs vary in terms of agenda and length, also depending on team needs and the change agent’s skills. Typical programs go through six stages:

1. *Climate building and goals*. The program begins with the change agent trying to develop a climate of trust, support, and openness. The change agent discusses the program’s purpose and goals based on data gathered earlier. Team members learn more about each other and share what they would like to accomplish (goals) through team building.
2. *Evaluation of structure and team dynamics*. The team evaluates its strengths and weaknesses in areas of how the work is done (structure) and how team members work together as they do the work (team dynamics).
3. *Problem identification*. The team identifies its weaknesses or areas where it can improve. Problems may be identified in the change agent’s interviews and/or the feedback survey. The team prioritizes the problems based on how solving them will help the team improve performance.
4. *Problem solving*. The team takes the top priority and develops a solution. It then moves to the other priorities on the list, in order.
5. *Training*. Team building often includes some form of training that addresses the problem(s) facing the group.
6. *Closure*. The program ends with a summary of what has been accomplished. Team members commit to specific improvements in performance. Follow-up responsibility is assigned, and a future meeting is set to evaluate results.
7. **Process Consultation**

Process consultation is often part of team building, but it is commonly used as a separate, more narrowly focused intervention. **Process consultation** is an OD intervention designed to improve team dynamics. Team building may focus on the process of getting a job itself done; process consultation focuses on how people interact as they get the job done. Team dynamics (or process) includes how the team communicates, allocates work, resolves conflict, handles leadership, solves problems, and makes decisions. The change agent observes the group members as they work in order to give them feedback on team process. During process consultation, the team discusses its process and how to improve it. Training may also be conducted to improve group skills. The ultimate objective is to train the group so that process consultation becomes an ongoing team activity.

1. **Forcefield Analysis**

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| **RQ 6–11. State the difference in the use of forcefield analysis and survey feedback.**  Forcefield analysis is used by a small group to diagnose and solve a specific problem. Survey feedback uses a questionnaire filled out by a large group to identify problems; the group does not work together to solve a problem. Forcefield analysis can be used to solve a problem identified through survey feedback. |

Forcefield analysis is particularly useful for small-group (4 to 18 members) problem solving. **Forcefield analysis** is an OD intervention that diagrams the current level of performance, the forces hindering change, and the forces driving toward change. The process begins with an appraisal of the current level of performance, which appears in the middle of the diagram. The hindering forces holding back performance are listed on the top or left part of the diagram. The driving forces keeping performance at this level are listed on the bottom or right of the diagram. After viewing the diagram, group members develop strategies for maintaining or increasing the driving forces and for decreasing hindering forces. After group members agree on the diagram, the solution often becomes clear to them, and they can develop a plan to change the present situation.

1. **Survey Feedback**

Collecting feedback is one of the oldest and most popular OD techniques at the department, division, and organizational levels. **Survey** **feedback** is an OD intervention that uses a questionnaire to gather data to use as the basis for change. Different change agents use slightly different approaches

**NOTE:** The following is more detailed and has been deleted from this new 6e.

Survey feedback process includes six steps:

1. Management and the change agent do some preliminary planning to develop an appropriate survey questionnaire.
2. The questionnaire is administered to all members of the organization/unit.
3. The survey data are analyzed to uncover problem areas for improvement.
4. The change agent reports the results to management.
5. Managers evaluate the feedback and discuss the results with their subordinates.
6. Corrective intervention action plans are developed and implemented.
7. **Large-Group Intervention**

**Large-group intervention** is an OD technique that brings together participants from all parts of the organization and often key outside stakeholders to solve problems or take advantage of opportunities. Large-group interventions often include 50 to 500 people and may last for days. A major difference between large-group interventions and the other OD techniques is the focus on functional diversity and inclusion of key stakeholders.

1. **Work Design**

As discussed in Chapter 5, work design refers to organizational structure. Work can be designed as an individual job, as a job for a group to perform, or by departmentalization. Job enrichment is commonly used to change jobs to make them more interesting and challenging.

1. **Direct Feedback**

**Direct feedback**isan OD intervention in which the change agent makes a direct recommendation for change. In certain situations, especially those involving technology changes, the most efficient intervention is to have a change agent make a direct recommendation for a specific change. Often such a change agent is an outside consultant.

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| **CSQ 6–10. As a manager, which, if any, OD interventions would you use?**  Answers will vary, but students should realize that they would need to at least train and develop their employees. |

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| WORK APPLICATION Example student answer  **6–8. Give an example of one or more OD interventions used in an organization that you work for or have worked for.**  The company I worked for, Smith & Wesson, had an annual survey feedback, and during the year it would work on specific problem areas within each department. It had a training department, which offered a variety of programs you could take voluntarily or if recommended by your department manager. The company had team building at the upper levels of the organization. At the middle level, it just offered a training and development course on how to develop your department into a team. |

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| APPLYING THE CONCEPT Answers  AC 6–3—OD Interventions  i 16. Direct feedback. An expert in this field can make a recommendation. After it’s installed, other interventions could be used to improve it.  a 17. Training and development. Training is the process of developing skills to be used on the job.  c 18. Team building. Team building can help employees learn to work effectively as a group.  g 19. Large-group intervention. Bringing together participants from all parts of the organization to solve the slow delivery problem is a large-group intervention.  f 20. Survey feedback. A questionnaire can be used to gather data as the basis for change. |

1. ENTREPRENEURSHIP
2. **New Venture Entrepreneurs and Intrapreneurs**

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| LO 6–5. Explain the difference between an entrepreneur and an intrapreneur.  Entrepreneurs commonly start a new small business venture. Intrapreneurs commonly start a new line of business within a large organization, or they tend to run a small business within a large organization. |

*Entrepreneurship activities* include creating new products or processes, entering new markets, or creating new business ventures and organizations.

A **new venture** is a new business or a new line of business.

1. **Entrepreneurs vs. Intrapreneurs and Franchisees**

**Entrepreneurs** commonly start a new small business venture.**Intrapreneurs** commonly start a new line of business within a large organization.In essence, intrapreneurs commonly start and run a small business within a large organization, often as a separate business unit. Franchisees are important in entrepreneurship, as they create new ventures. However, they are under the direction of a franchisor. So they are kind of an external intrapreneur creating a duplicate business.

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| **RQ 6–12. What is a new venture, and who starts it?**  A new venture is a new business or a new line of business. Entrepreneurs commonly start a new small business venture. Intrapreneurs commonly start a new line of business within a large organization. |

1. **Small Businesses** **Entrepreneurs**

A **small business** is a business that is independently owned and operated, with a small number of employees and relatively low volume of sales. The legal definition of “small” varies by country and by industry.

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| **RQ** **6–13. How do you define small business?**  A small business is a business that is independently owned and operated, with a small number of employees and relatively low volume of sales. |

|  |
| --- |
| **CSQ 6–11. Would you rather work for a small or large business?**  Answers will vary. |

1. **Large Business Intrapreneurs**

Large businesses are clearly trying to be more entrepreneurial by taking advantage of opportunities to engage in entrepreneurial activities and intrapreneurship.

1. **Risk Taking by Entrepreneurs and Intrapreneurs**

A major difference between entrepreneurs and intrapreneurs is risk taking. Entrepreneurs don’t get a salary; they get profits or loss, and they commonly risk personal assets as they finance part or all of their business and run the risk of losing their investment.

Intrapreneurs commonly have no risk of personal investment, as the large business provides the financing, and if the venture fails, they can usually return to their prior job or a similar one.

|  |
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| WORK APPLICATION Example student answer  **6–9. Are you interested in being an entrepreneur or an intrapreneur? What business would you like to start?**  Yes. I’ve been working in a restaurant for two years and someday I plan to open my own. |

|  |
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| JOIN THE DISCUSSION: ETHICS & SOCIAL RESPONSIBILITY—6–2  Virtual Internships  Answers will vary based on opinion. |

1. **Selecting the New Venture and Business Planning**

The first step to entrepreneurship is to select the new venture or the industry in which the business will compete.

1. **Competitive Advantage**

A **competitive advantage** specifies how an organization offers unique customer value. It answers the questions: What makes us different from the competition? Why should a person buy our product rather than the products of our competitors?

1. **First-Mover Advantage**

A related concept is **first-mover advantage**, which refers to offering a unique customer value before competitors do so.

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| --- |
| **RQ 6–14. What are competitive and first-mover advantages?**  A competitive advantage specifies how an organization offers unique customer value. A first-mover advantage offers a unique customer value before competitors do so. |

1. **The Business Plan**

A **business plan** is a written description of a new venture—its objectives and the steps for achieving them.

LEARNING OUTCOMES AND ANSWERS

The chapter summary is organized to answer the learning objectives for Chapter 6. They are also found at the end of the chapter and can be used as short answer questions on exams.

*These learning objectives are included in the test bank in the concept section.*

**6–1. Discuss the forces for change, the types of change, and the forms of change.**

The external environments, new technology cycles, and the internal management functions are forces for change. The four types of changes include strategy, structure, technology, and people. Two major forms of change are incremental and discontinuous change.

**6–2. Explain the differences in managing innovation during incremental and discontinuous change in terms of approach, goals, and strategy.**

The *compression approach* is used in more certain environments during incremental change, whereas the *experimental approach* is used in more uncertain environments during discontinuous change. The *goal* during incremental change is to lower costs and incrementally improve performance and functions of the existing dominant design, whereas the goal during discontinuous change is to make significant improvements in performance and to establish a new dominant design creating the next technology cycle. The general *strategy* used during incremental change is to continue to improve the existing technology as rapidly as possible, moving to the next generation technology while still allowing the use of the old technology, whereas the strategy during discontinuous change is to build something new and different, a substantially better breakthrough in technology to begin a new technology cycle that leaves the old technology obsolete.

**6–3. List the reasons employees resist change and suggest ways of overcoming such resistance.**

Employees resist changes because of fear of the unknown; learning anxiety; self-interest; fear of economic loss or loss of power, status, or control; and successful habits. These forms of resistance can be overcome by establishing a positive climate for change, planning, clearly explaining the need for the change, pointing out how individual employees will benefit from the change, involving employees, providing support and evaluation for employees during the change, and creating urgency.

**6–4. Identify the steps in the Lewin and comprehensive change models**.

The Lewin model steps are 1 Unfreezing, 2 Moving, and 3 Refreezing. The steps in the comprehensive model are 1 Recognize the need for change, 2 Identify possible resistance to the change and plan how to overcome it, 3 Plan the change interventions, 4 Implement the change interventions, and 5 Control the change.

**6–5. Explain the difference between an entrepreneur and an intrapreneur.**

Entrepreneurs commonly start a new small business venture. Intrapreneurs commonly start a new line of business within a large organization, or they tend to run a small business within a large organization.

WORK APPLICATION SAMPLE ANSWERS

(Most of the answers are actual student answers or based on student answers. You may give these answers as part of your lecture before, after, or in place of getting student answers.)

*These work applications are included in the test bank in the application section.*

**6–1. Give an example of an innovation from an organization you work for or have worked for. Be sure to specify whether it was a product innovation or a process innovation.**

I work for the Friendly’s Ice Cream training department. Friendly’s always maintains its technical skills training, but it updates its people skills training and development. For example, it didn’t used to offer diversity training, but now it does. This is an internal product innovation

**6–2. Give an example of a force that resulted in a change in an organization you work for or have worked for.**

At my restaurant we had a technology change from the old-fashioned give the cook a hand-written order to a touchscreen computer ordering system.

**6–3. Give one or more examples of a type of change you experienced in an organization you work for or have worked for.**

When Microsoft Office’s new version became available, my company bought copies for my department (technology change) and we took classes to learn how to use it (people change).

**6–4. Does an organization you work for or have worked for have any of the six characteristics of innovative cultures? Overall, does the organization have a creative culture?**

I work at a large supermarket and stock shelves. As far as I know, management does not encourage risk taking and has no intrapreneurship methods. Overall, I would say that it does not have a very creative culture.

**6–5.** **Does an organization you work for or have worked compete in a more incremental or discontinuous change environment?**

I work at a local pizza shop and things don’t change much. So I guess it is more incremental because it isn’t discontinuous yet. Offering free delivery is one incremental change that helped increase sales.

**6–6. Give an example of a situation when you resisted a change. Be sure to specify which of the six reasons fueled your resistance to change.**

I was resistant to using Microsoft Office because of uncertainty and learning anxiety. I was happy with the old system of using WordPerfect and Lotus.

**6–7. Describe the intensity, source, and focus of the resistance to change you identified in Work Application 6–6.**

I was strongly resistant because of values pertaining to self. My feeling was: “I like the way I do my job now, so why change?” However, I’m glad I learned to use Microsoft Office because my job is now easier, and I have more skills to offer to help me get another job.

**6–8. Give an example of one or more OD interventions used in an organization that you work for or have worked for.**

The company I worked for, Smith & Wesson, had an annual survey feedback, and during the year it would work on specific problem areas within each department. It had a training department, which offered a variety of programs you could take voluntarily or if recommended by your department manager. The company had team building at the upper levels of the organization. At the middle level, it just offered a training and development course on how to develop your department into a team.

**6–9. Are you interested in being an entrepreneur or an intrapreneur? What business would you like to start?**

Yes. I’ve been working in a restaurant for two years and someday I plan to open my own.

REVIEW QUESTION ANSWERS

*These review questions are included in the test bank in the concept section.*

**6–1. How do the four management functions relate to change?**

When managers organize and delegate tasks, they often require employees to make some changes in their regular routine. When managers hire, orient, train, and evaluate performance, change is required. Leadership calls for influencing employees, often to change in some way, and control may require the use of new methods or techniques.

**6–2. What is the difference between a change in strategy and a change in structure?**

A change in strategy occurs at the corporate, business, and/or functional level. It can include going from a growth strategy to a turnaround and retrenchment strategy or from a prospecting strategy to a defending strategy, and so on. A change in strategy often results in a change in structure. A change in structure can include departmentalization, division of labor, changing the chain of command, or job simplification, and so on.

**6–3. List the four areas of technology change.**

The four areas of technology change are the systems process, machines, information process, and automation.

**6–4. What are the two forms of change?**

Change takes one of two broad forms: It is either incremental or radical.

**6–5. What are the characteristics of an innovative culture?**

The characteristics of an innovative culture are (1) encouragement of risk taking with intrapreneurship, (2) flexibility, and (3) open systems.

**6–6. What are the two approaches to managing innovation?**

There are two major approaches to managing innovation. There is the compression approach used during incremental change, and there is the experimental approach used during periods of discontinuous change.

**6–7. List the four stages in the change process.**

The four stages in the change process are denial, resistance, exploration, and commitment.

**6–8. What are the six major reasons employees resist change?**

Employees resist change for six major reasons: uncertainty, learning anxiety, self-interest, fear of loss, fear of loss of control, and successful habits.

**6–9. What are the three major focuses of resistance to change?**

The three major sources are facts, beliefs, and values. Focuses of resistance to change are self, others, and work environment.

**6–10. Explain the difference between team building and process consultation.**

Team building is broader in scope than process consultation. Team building is an OD intervention designed to improve both how the work is done and how team members work together as they do the work (team dynamics). Process consultation is designed to improve team dynamics.

**6–11. State the difference in the use of forcefield analysis and survey feedback.**

Forcefield analysis is used by a small group to diagnose and solve a specific problem. Survey feedback uses a questionnaire filled out by a large group to identify problems; the group does not work together to solve a problem. Forcefield analysis can be used to solve a problem identified through survey feedback.

**6–12. What is a new venture, and who starts it?**

A new venture is a new business or a new line of business. Entrepreneurs commonly start a new small business venture. Intrapreneurs commonly start a new line of business within a large organization.

**6–13. How do you define small business?**

A small business is a business that is independently owned and operated, with a small number of employees and relatively low volume of sales.

**6–14. What are competitive and first-mover advantages?**

A competitive advantage specifies how an organization offers unique customer value. A first-mover advantage offers a unique customer value before competitors do so.

COMMUNICATION SKILLS ANSWERS

Applications may also be used as class discussion questions or written assignments to develop communication skills.

*These communication skills questions are included in the test bank in the skills section.*

**6–1. How does the systems effect relate to the four types of changes?**

A change in one type may cause a change in another type. For example, technology change usually requires people change.

**6–2. Which type of change is the most important?**

Answers will vary. But people are the organization’s most valuable resource.

**6–3. Do you believe that organizational change today is more slow/incremental (calm water) or radical (white-water rafting)?**

Answers will vary. But global high tech tends to be more radical than low tech.

**6–4. Do you consider yourself to be a creative and innovative person? Why or why not?**

Answers will vary.

**6–5. Would you prefer to work during a time of incremental or discontinuous change?**

Answers will vary.

**6–6. Which stage of the change process is the most difficult to overcome?**

Answers will vary.

**6–7. Which of the six reasons for resisting change do you believe is most common?**

Answers will vary.

**6–8. Which of the seven ways to overcome resistance to change do you believe is the most important?**

Answers will vary.

**6–9. Does creating urgency really help to get people to change? Give at least one example to support your position.**

Answers will vary.

**6–10. As a manager, which, if any, OD interventions would you use?**

Answers will vary, but students should realize that they would need to at least train and develop their employees.

**6–11. Would you rather work for a small or large business?**

Answers will vary.

APPLYING THE CONCEPT ANSWERS

*There are similar questions in the test bank in the application section.*

AC 6–1—Types of Change

b 1. Structure. This is an example of increasing the span of management to flatten the structure.

c 2. Technology. This is an example of an automation change in technology.

a 3. Strategy. This is an example of a defending strategy.

d 4. People. Education is a form of training to improve an employee’s skills.

c 5. Technology. This is an example of the systems process of transforming inputs (new, improved ones) into outputs.

AC 6–2—Innovative and Noninnovative Cultures

b 6. Noninnovative culture. This is an example of focusing on means rather than on ends.

b 7. Noninnovative culture. Closely following standing plans rather than flexibility stifles creativity.

a 8. Innovative culture. Enriched jobs and teams are commonly used by innovative companies.

b 9. Noninnovative culture. Tall organizations tend to be bureaucratic with multiple levels of management.

a 10. Innovative culture. Employees are encouraged to try creative ideas and are not punished for failure in innovative cultures.

AC 6–3—OD Interventions

i 16. Direct feedback. An expert in this field can make a recommendation. After it’s installed, other interventions could be used to improve it.

a 17. Training and development. Training is the process of developing skills to be used on the job.

c 18. Team building. Team building can help employees learn to work effectively as a group.

g 19. Large-group intervention. Bringing together participants from all parts of the organization to solve the slow delivery problem is a large-group intervention.

f 20. Survey feedback. A questionnaire can be used to gather data as the basis for change.

CASE ANSWERS

Richard Branson

**6–1.** Is the pressure for Richard Branson to change Virgin’s business strategy coming from the internal or external environment? Internal motivation to succeed.

**6–2.** In order to better compete with its rivals, should Virgin focus on a change in strategy, structure, technology, or people? Although answers could vary, Branson focuses on his relationship with people to motivate his employees to compete against his competitors in different industries.

**6–3.** Is Virgin in the denial, resistance, exploration, or commitment stage when it enters new industries? Exploration when they are scouting new industries .

**6–4.** Is Virgin an innovative company? Definitely true.

**6–5.** Is Virgin currently at the unfreezing, moving, or refreezing stage of the Lewin’s model? It seems like Virgin is so aggressive that it is always moving to a new and larger corporate structure. However, spending some time in the refreezing stage allows his employees to stay focused on building relationships and staying customer focused—until they enter a new industry.

**6–6.** Which of the following organizational development interventions could Virgin most benefit from? Training and development, sensitivity training, team building, process consultation, forcefield analysis, survey feedback, large-group intervention, work design, or direct feedback. Virgin is already a successful company. But, since it is so large, it might evaluate its work design since it has so many diverse businesses with different work spaces.

**6–7.** Use the five steps of the comprehensive change model to explain Virgin’s business strategy.

1. *Recognize the need for change*. Virgin lives by the credo that it always needs to change and become successful in new industries.
2. *Identify possible resistance to the change and plan how to overcome it*. Virgin employees like to take chances and they do not provide much resistance.
3. *Plan the change interventions*. The best intervention for Virgin employees is most likely team building since Branson expects his employees to work together and build businesses they can change.
4. *Implement the change interventions*. The change agent, or someone he or she selects, conducts the intervention to bring about the desired change. Richard Branson is certainly the change agent that likes to be very creative and diversify into new businesses.
5. *Control the change*. Follow up to ensure that the change is implemented and maintained. Make sure the objective is met. If not, take corrective action. Branson’s businesses have to produce profit to be successful and stay one of Virgin’s businesses.

**Cumulative Case Questions**

**6–8.** Discuss Richard Branson’s management functions in implementing Virgin’s strategy. (Chapter 1) Richard Branson does a great job with all four functions—he plans to enter new businesses, he motivates his employees to be creative, he is an inspiring leader, and he controls his businesses; otherwise the businesses will be divested for poor performance (such as Virgin Records).

**6–9.** What external environmental factors were most influential in Virgin changing its business strategy? (Chapter 2). Branson is very good at appealing to consumers with lower prices (such as Virgin Mobile with no long-term contracts), while the global economy has had slow financial growth. Branson does a good job of taking advantage of changes in technology in industries such as music, cell phone service, and airline service.

**6–10.** What type of grand strategy is Virgin pursuing? (Chapter 4) Virgin is always using a grand strategy of growth.

SKILL BUILDER 6–1 IDEAS and ANSWERS

**Identifying Resistance to Change**

*Total Time* (10–30 minutes)

The actual skill development comes through the students learning to identify the resistance. Their selecting the correct resistance often does not happen until after I’ve explained the difference between a fact, belief, and value and go over a couple of situations in class.

*The Difference Between a Fact, Belief, and Value:*

A fact can be proven; a belief and value cannot.

A belief is an opinion. When people disagree but can’t prove they are correct, they defend a belief.

A value is similar to a belief because it cannot be proven. However, when the issue of resistance is right or wrong or a prioritization, you have a value.

Times will vary based on the option you use. Students tend to have a problem with this exercise, so if you choose option 1, you might want to go over two or three situations before putting them in groups to try to come up with a consensus.

*Doing Skill Builder 6–1 in Class*

Objective

To improve your skill at identifying resistance to change.

Preparation

Students should have determined the resistance to change for the ten preparation statements.

Experience

Students will get feedback on how well they identified the resistance to change.

*Procedure* (10–30 minutes)

*Option 1.* Break the class into groups of 4 to 6 and have students share how they identified each statement. Have them try to reach a group consensus on each of the ten statements. When the groups are finished, one member records a number identifying each statement for the entire class to see. After all groups are finished, go over the recommended answers.

*Option 2.* Call on students to determine how they identified each statement. Go over the recommended answer for each item after a student, or several students, share answers.

*Option 3.* Go over the recommended answers without student involvement.

Conclusion

Lead a class discussion and/or make concluding remarks.

Sharing

Volunteers give their answers to the Apply It section.

*Recommended Answers to Preparation*

1. **Box 3. Facts about the work environment.** It can be proven (source—fact) which way the “job” (focus—work environment) has been done.
2. **Box 5. Beliefs about others.** It is really an opinion of which player is better (source—belief) for a doubles match, and the belief is about another person (focus—others).
3. **Box 8. Values pertaining to others.** People liking Mike is important (source—value) to Mike. Mike wants coworkers (focus—others) to like him.
4. **Box 4. Beliefs about self.** “I can’t learn it” is an opinion (source—belief) about the person (focus—self). You would have to try it to prove it.
5. **Box 1. Facts about self.** It can be proven (source—fact) who broke in the last rookie, and Chris is talking about herself being the one (focus—self) who broke in the rookie.
6. **Box 6. Beliefs about the work environment.** This is an opinion (source—belief) about the form (focus—work environment). You would have to try the new form to prove if it is better, and that will not happen without the manager agreeing to try it.
7. **Box 9. Values pertaining to the work environment.** Diane is resistant because of the priority order (source—value) she is placing on the jobs (focus—work environment). There is a difference of opinion (belief), but the priority value is the key resistance.
8. **Box 2. Facts about others.** The employee has stated a provable performance record (source—fact) for not wanting to work with the group (focus—others).
9. **Box 7. Values pertaining to self.** The employee has stated something important (source—value) to him or her (focus—self).
10. **Box 9. Values pertaining to the work environment.** The employee has stated a position on right and wrong behavior (source—value) about showing pictures (focus—work environment).

Testing on Skill Builder 6–1

Five situations similar to the ten in the exercise are in the Test Bank and in this Skill-Builder exercise. During the exercise, I encourage students to use the resistance matrix (Exhibit 6–5). However, on the exam I just list the two factors. Reading the exam instructions following the situation is very helpful for students to know what to expect.

Test Questions and Answers (Also found in Test Bank)

Instructions

Identify the statement by its specific source and focus.

1. **Resistance to Change.** An employee says, “I don’t think I can do this job. I don’t think I’m qualified.”

Solution

This is a belief about self.

1. **Resistance to Change.** An employee says, “I got stuck doing it yesterday. It’s not my turn today.”

Solution

This is a fact about self.

1. **Resistance to Change.** An employee says, “That project is not interesting. I want the other one.”

Solution

This is a belief about the work environment.

1. **Resistance to Change.** An employee says, “You are not my boss. What you say is not important to me. I’m not going to do the task your way.”

Solution

This is a value pertaining to others.

1. **Resistance to Change.** An employee says, “Chris is late for work regularly. I don’t want to be teamed up with Chris.”

Solution

This is a fact about others.

Grading

I usually give half credit for giving the correct source or focus.

SKILL BUILDER 6–2 IDEAS

**Managing Change at Your College**

*Total Time* (0–30 minutes)

Times will vary based on the option you choose.

Doing Skill Builder 6–2 in Class

**Objective**

To better understand the need for change, resistance to change, and how to overcome resistance.

**Preparation**

Students should have completed the preparation section of the exercise.

Experience

Students will share and discuss ideas on what to change and how to change it at their college.

*Procedure* (8–20 minutes)

*Option 1.* Have students select a change they would like to see implemented at the college. Lead a class discussion by answering the questions in the preparation section and conducting a forcefield analysis.

*Option 2.* Break the class into groups of 4 to 6. Have each group select a change and answer the questions in the preparation section and conduct a forcefield analysis for the change. Have each group share their answers with the entire class.

**Conclusion**

Lead a class discussion and/or make concluding remarks.

**Sharing**

Volunteers give their answers to the Apply It section.

SKILL BUILDER IDEAS

**Selecting a New Venture 6–3**

*Total Time* (0–50 minutes)

Select a total amount of class time you want to spend on the exercise. The skill development comes from the out-of-class preparation and is reinforced in class. Therefore, you can elect to spend no class time on the exercise. You could have students pass in the preparation rather than spend class time.

If you want to devote class time to the exercise, select one of the options and follow the procedures in the textbook.

*Doing Skill Builder 6–3 in Class*

**Objective**

To develop a simple business plan idea.

Preparation

Students should have completed the preparation of selecting a new venture.

Experience

Students will share their new venture ideas in class.

*Procedure* (8–20 minutes)

*Option 1.* Have students present their new venture ideas to the entire class.

*Option 2.* Break students into groups of 3 to 5 and have them share their new venture ideas.

*Option 3.* Same as option 2, but have each group select the best new venture idea from the group to be presented to the entire class.

Conclusion

Lead a class discussion and/or make concluding remarks.

Testing on Skill Builder **6–**4

The preparations for this exercise can also be typed up and passed in as an individual or group project and graded. There are no questions in the Test Bank.

EXERCISE 6–1 (not in the textbook)

**Team Building**

**Note 1:** This exercise is not in the textbook; thus, to use it in class, you will need to get copies for the students. You may copy the exercise following the exercise ideas below.

**Note 2:** This exercise is designed for groups that have worked together for some time. However, procedure 1a can be done with any groups to experience developing a climate of trust, support, and openness.

*Total Time* (50–75 minutes)

*Recommended approximate time for a 50-minute period:*

8:00 Procedure 1a 8 minutes

8:08 Procedure 1b 2 minutes

8:10 Procedure 1c 4 minutes

8:14 Procedure 2 3 minutes

8:17 Procedure 3a 10 minutes

8:27 Procedure 3b 4 minutes

8:31 Procedure 3c 4 minutes

8:35 Procedure 4 6 minutes

8:41 Procedure 5 1 minute

8:42 Procedure 6a 3 minutes

8:45 Procedure 6b 1 minute

8:46 Sharing 4 minutes

8:50

\*If you use a 75-minute time period, more time can be spent on each procedure as necessary.

Times will vary from group to group. If groups need more time on procedures 2–4, give it to them. This is the most important part of the exercise. Procedure 6a can be done out of class. Procedure 6b and the Sharing can be done during the next class or can be skipped.

Exercise 6–1

**Team Building**

Preparation for Exercise **6–**1

**Note:** This exercise is designed for permanent class groups (teams that have worked together regularly). Below is a survey feedback questionnaire. There is no right or wrong answer. Answer each question as it applies to your class group. Place the number (1–5) representing your level of agreement with each statement on the line before the statement.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Strongly Agree | Agree Somewhat | Neutral/Between | Disagree Somewhat | Strongly Disagree |
| 1 | 2 | 3 | 4 | 5 |

**Conflict or Fight**

1. Our group’s atmosphere is friendly.

2. Our group has a relaxed (rather than tense) atmosphere.

3. Our group is very cooperative (rather than competitive).

4. Members feel free to say what they want.

5. There is much disagreement in our group.

6. Our group has problem people who don’t talk during discussions (silent), dominate the discussions (talkers), don’t participate (bored), change the subject (wanderer), and like to fight (arguer).

**Apathy**

7. Our group is committed to its tasks. (All members actively participate.)

8. Our group members have good attendance.

9. Group members come to class prepared. (All assignments are complete.)

10. All members do their share of the work.

11. Our group should consider firing a member for not attending and/or doing his/her share of the work.

**Decision Making**

12. Our group’s decision-making ability is good.

13. All members participate in making decisions.

14. One or two members influence most decisions.

15. Our group follows the six steps of the decision-making model (Chapter 3).

**Group Techniques**

16. Our group members sit in a close circle during meetings.

17. We determine the approach to the task before starting.

18. Only one member speaks at a time, and everyone discusses the same question.

19. Each person presents answers with specific reasons for selecting the answer.

20. We rotate order for presenting answers to avoid domination.

21. We listen to others when they talk.

22. All members defend their answers (when they believe they are correct) rather than change to avoid discussion, conflict, or to get the task over with.

Doing Exercise **6–**1 in Class

Objectives

To experience a team-building session and to improve your group’s effectiveness.

Preparation

You should have answered the survey feedback questionnaire preparation.

Experience

This exercise is discussion oriented. The procedures follow the six stages of team building.

Climate Building and Goals

*Procedure 1a* (5–30 minutes)

To develop a climate of trust, support, and openness, group members will learn more about each other through a discussion based on asking questions.

Rules

1. Rotate; take turns asking questions.
2. You may refuse to answer a question as long as you did not ask it (or plan to).
3. You do not have to ask the questions in the order listed below.
4. You may ask your own questions. (Add them.)

As an individual and before meeting with your group, review the questions below and place the name of one or more group members whom you want to ask the question to. If you prefer to ask the entire group, put “group” next to the question. When everyone is ready, begin asking the questions.

1. How do you feel about this course?
2. How do you feel about this group?
3. How do you feel about me?
4. How do you think I feel about you?
5. Describe your first impressions of me.
6. What do you like to do?
7. How committed to the group are you?
8. What do you like most about this course?
9. What do you plan to do after you graduate?
10. What do you want out of this course?
11. How do you react to deadlines?
12. Who in the group are you the closest to?
13. Who in the group do you know the least?

Other. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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When the instructor tells you to do so, get together with your group members and ask each other your questions.

*Procedure 1b* (2–4 minutes)

Participants determine what they would like to accomplish during the team-building session (goals). Below are four major goals of team building. (You may add to them.) Rank them according to your preference.

To clarify the objectives of the team and the responsibilities of each team member

To identify problems preventing the team from accomplishing its objectives

To develop team problem-solving, decision-making, objective-setting, and planning skills

To develop open, honest working relationships based on trust and an understanding of group members

Your own goals (list them) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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*Procedure 1c* (3–6 minutes)

Participants share their answers to procedure 1b. The group can come to a consensus on its goal(s) if it wants to.

Evaluation of Structure and Team Dynamics

*Procedure 2* (3–8 minutes)

As a team, discuss strengths and weaknesses in how the work is done (structure) and how team members work together as they do the work (team dynamics).

Problem Identification

*Procedure 3a* (10–15 minutes)

As a team, answer the survey feedback questionnaire (Preparation for Exercise **6–**1). Place a G on the line to signify the team’s answer. Don’t rush; fully discuss the issues and how and why they affect the group.

*Procedure 3b* (3–7 minutes)

Based on the above information, list 3 to 5 ways in which the team could improve its performance.

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*Procedure 3c* (3–6 minutes)

Prioritize the above list (1 = important).

Problem Solving

*Procedure 4* (6–10 minutes)

Take the top-priority item and then, below, list shared values (dos and don’ts) for the group to abide by in order to be more effective. List shared values for each area of improvement until time is up. Try to cover at least three areas.

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Training

*Procedure 5* (1 minute)

Team building often includes training to address the problem(s) facing the group. Because training takes place during most exercises, we will not do any now. Remember that the agendas for team building vary and usually last for one or more full days rather than one hour.

Closure

*Procedure 6a* (3 minutes)

1. I intend to implement the team’s solutions. Why? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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1. What did I learn from this experience? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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1. How can I apply this knowledge in my daily life? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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1. How can I apply this knowledge as a manager? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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*Procedure 6b* (1–3 minutes)

Group members summarize what has been accomplished and state what they will do (commit) to improve the group.

Conclusion

Lead a class discussion and/or make concluding remarks.

Sharing

A spokesperson from each team tells the class the group’s top three areas for improvement. The instructor records them on the board.