Group Exercise

Recognizing Impediments to Change—and How to Overcome Them

To confront the reality of organizational change, one of the most fundamental steps involves recognizing the barriers to change. Then, once these impediments have been identified, consideration can be given to ways of overcoming them. This exercise is designed to help you practice thinking along these lines while working in groups.

Directions

1. Divide the class into groups of approximately six and gather each group around in a circle.
2. All groups should consider each of the following situations.
   - *Situation A.* A highly sophisticated e-mail system is being introduced at a large university. It will replace the practice of transmitting memos on paper.
   - *Situation B.* A very popular employee who's been with the company for many years is retiring. He will be replaced by a completely new employee from the outside.
3. For each situation, discuss three major impediments to change.
4. Identify a way of overcoming each of these impediments.
5. Have someone from the group record the answers and present them to the class for a discussion session.

Questions for Discussion

1. For each of the situations, were the impediments to change similar or different?
2. Were the ways of overcoming the impediments similar or different?
3. How might the nature of the situation confronted dictate the types of change barriers confronted and the ease with which these may be overcome?

Practicing OB

Concerns About Downsizing

You are the manager of a poorly performing research and development department. In view of the performance problems, there has been talk in the company about the possibility of downsizing your unit. This has aroused a great deal of concern in the workplace as people begin to fear for the security of their jobs. This, in turn, has been disrupting the flow of work. Productivity is slowing down as some of your top engineers have been taking new jobs.

1. Does it make sense to expect your employees to have these fears? Why or why not?
2. Describe the steps you can take to help allay these fears and to return work to normal. How effective do you think these steps may be?
3. If large-scale downsizing were to occur, how might you use an organizational development technique to help smooth the transition?

Case in Point

Can P&G Turn the Tide?

It's a typical day. You wake up and brush your teeth with Crest toothpaste, bathe with Zest soap, wash your hair with Head & Shoulders shampoo, and apply your Cover Girl makeup. You then begin your household chores, washing clothes with Tide, putting fresh Luvs diapers on the baby, and cleaning the kitchen floor with your Swiffer dust mop. Taking a break, you sip your SunnyD as you pour yourself some Folgers coffee and munch on a few Pringles. If this sounds like you, then consider yourself a living advertisement for Procter & Gamble (P&G), the 170-year-old company whose products you've been using.

As you might imagine, a company that's been around this long has made more than a few changes in its day. Some have been in response to fundamental changes in society, such as in the 1920s, when the advent of electric light bulbs pushed P&G out of the candle business. Others have been aimed at proactively improving business operations, such as

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in 1919, when the company sought to stabilize uneven sales cycles by eliminating wholesalers and selling directly to retail stores, a move that would revolutionize the grocery business. Perhaps more than anything, P&G has always been responsive to the ever-changing demands of consumers. Parents seeking modern conveniences in the 1960s, for example, found P&G on the scene with Pampers, the first disposable diaper.

Times may be different today, but P&G faces the same kinds of challenges to keep it at the top of the consumer products business. For example, although new products are the lifeblood of the company, P&G hasn't developed many successful new brands of its own recently (the Swiffer dust mop was the only one in the last 15 years!). Meeting the problem head on, former CEO Alan G. "A. G." Lafley was buying brands—Clairol in 2001 and Wella in 2003, among them. In 2002, P&G also entered into an agreement with Clorox to produce Glad food wraps and plastic food-storage containers. In a move to save money while also allowing the company to do what it does best—market products—Lafley has decided to outsource some business functions, including the manufacturing of bar soap (including Ivory, the company's oldest surviving brand). Another change has come in the form of marketing P&G brands more creatively. No longer just a toothpaste, for example, the Crest name now also appears on the company's SpinBrush electric toothbrush, and its line of tooth-whitening products.

Acknowledging that the culture at P&G has been resistant to adopting new ideas—"insular," some have complained—Lafley went out of his way to ensure that these fundamental changes will keep P&G vital for at least another 170 years. The key to his approach rests on building "understanding and commitment" among his personnel. With this in mind, he regularly spends Monday mornings in the office with a dozen other top corporate officers working on the week's game plan. To ensure that everyone gets the message, communication barriers—literally, walls on the eleventh floor of corporate headquarters—have been broken down and offices have been moved so that people now sit directly alongside those with whom they most often have to work.

One of his colleagues referred to Lafley as "an excellent listener . . . a sponge." From what he hears, Lafley patiently reshapes everything the company does. And with profits rising even in today's turbulent economy, it's clear that P&G has become "new and improved" from his efforts.

Questions for Discussion

1. What adjustments were required at P&G as changes were made?
2. What sources of resistance to change do you suspect were encountered at P&G and how do you think they were overcome?
3. What OD techniques might have been helpful for P&G to use? Explain your reasoning.

Part 6 Video Cases

Change, Creativity, and Innovation at Terra Cycle

Change, creativity and innovation are essential to the success of Terra Cycle, a company that makes consumer products from garbage. Tom Szaky, founder and CEO, hopes to reinvent consumer products and how they are made by capitalizing on the growing trend toward environmentally friendly lifestyles.

The notion of change, flexibility, and the ability to identify new ways to respond to consumer demand permeates every part of the culture at Terra Cycle. A core team is dedicated to innovation, but novel ideas are welcome from anyone, and employees are encouraged to try new things. Getting products to market quickly is an important component in Terra Cycle's competitive strategy, so the company looks for ways to circumvent traditional processes that can be time-consuming. In fact, although time to market at a traditional company is about three years, at Terra Cycle it's just nine months.

The company also prides itself on its ability to find quick fixes to problems in the production process. At one point, for example, the company used swimming pools and horse troughs to mix fertilizer in an effort to get around the time constraints involved in waiting for customized equipment. Milton Oppenheimer, assistant production manager, claims that being open-minded and willing to try new things is a characteristic of all employees at Terra Cycle. Change and thinking outside the box are part of the job, and everyone is expected to contribute ideas and find new solutions to problems. Tom Szaky also encourages employees to be innovative. His philosophy is that it is acceptable to fail because failing is better than not trying at all.

Discussion Questions

1. How does Terra Cycle promote a culture of creativity and divergent thinking as described in Chapter 14?
2. How are the basic components of creativity in teams and individuals as presented in Chapter 14 displayed at Terra Cycle?
3. In your opinion, is innovation at Terra Cycle radical or incremental in nature?

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