

6.1.8: Types of Change

Learning Objectives

- Describe types of change

Now that we understand the internal and external forces for change, we can look a little deeper into those changes and define them by type in order to get a better understanding of them.

Planned and Unplanned Change



To start, there are planned changes and unplanned changes. That might not sound very significant or overwhelmingly important, but the distinction is definitely worth pondering. Planned change is a change that occurs when managers or employees make a conscious effort to change in response to a specific problem. An unplanned change occurs randomly and spontaneously without any specific intention on the part of managers or employees of addressing a problem.

Obviously, when change is planned, like a new information management system or a different accounts payable procedure, change management can also be planned to minimize employee resistance. When an unplanned change occurs, like a sudden economic downturn or a shortage of resources, managers are taken by surprise and adaptation may not be as organized.

Evolutionary and Revolutionary Change

Evolutionary change is gradual and incremental. The stages of change are often so small that those affected don't even recognize the shift, or they do and they're able to adjust their work and processes a little at a time. Evolutionary change can be planned or unplanned. An example of unplanned evolutionary change might be the example we used earlier of Avon adapting to women entering the 9-to-5 workforce. It didn't happen overnight, just a little at a time, until Avon realized they had a shortage of "Avon ladies" and needed to find new ways to reach consumers.

Planned evolutionary change, or convergent change, is the result of specific and conscious action to make changes in an organization. For instance, an organization might decide that their customer service department could operate more efficiently with 10 percent less staff. They may opt to arrive at that smaller number of customer service representatives by attrition rather than by layoff, knowing that turnover in the department is relatively high and they'll be at their desired staffing levels within 18 months.

Convergent change happens all the time within organizations, as managers tweak and adjust processes to make their departments and the company more profitable. Often during convergent change, managers look to ensure employees continue to follow the existing mission and core values of the organization. This, unfortunately, can lead to complacency. For example, IBM fell victim to complacency as their managers dictated the norms of competition. They found out quickly that their fine tuning couldn't keep them competitive when personal computing started to take off and other organizations had a better handle on the consumer and the market.

Revolutionary change, or frame-breaking change, is rapid and dramatic. It, too, can be planned or unplanned. A planned revolutionary change might mean dramatic changes to an organization's staffing, structure, or procedures.

Lowe's CEO^[1]

Remember that when Marvin Ellison was appointed as Lowe's CEO in 2018, he made drastic changes in his first weeks. He immediately set out to eliminate capital projects, divest the company of multiple smaller locations, and he showed his chief financial officer and chief operations officer the door.

This, no doubt, led to an organizational restructuring in the finance and operations department, as well as the reassignment or layoffs of people working on the capital projects and supporting the smaller locations. The change was revolutionary because it was needed to improve Lowe's lackluster performance and keep them competitive with Home Depot and other competitors.

Innovation can often lead to revolutionary change inside or outside an organization. Innovations like the cell phone have created revolutionary change within the industry, both for those that produce the products (like Apple and Samsung) and for those that are

struggling a little bit more now that they've arrived (like long distance providers).

Practice Question

<https://assessments.lumenlearning.co...essments/14004>

What Changes?

These changes can affect four elements within an organization:

- **Technology.** Changes in the way inputs are transformed into outputs, such as machinery, work processes, delivery of goods and services to clients.
- **Product or service.** Changes in the product or services delivered to customers, such as new product, improved products, customized products.
- **Administration and management.** Changes in how companies are organized and managed, including changes in mission, structure, policies, etc.
- **People or human resources.** Changes in employee behaviors, skills, and attitudes, as well as personnel changes.

A change in one of these elements might be significant, but that change in one area will often affect other elements. For instance, if a company develops new features for the phone app that controls your thermostat, employees may have to be trained on that technology, and a new area of focus may have to be created on the organizational structure to support the new focus.

No matter how you define it, change is almost always met by some resistance. It's human nature to want things to remain status quo, because change often means the stress of new, uncharted territory, more work, and less confidence. Let's take a look at different types of employee resistance and how that resistance can be managed.

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1. Townsend, Matthew. "Lowe's CEO Takes Medicine Now to Get Retailer on Firmer Footing." Bloomberg. August 22, 2018. Accessed April 26, 2019. <https://www.bloomberg.com/news/articles/2018-08-22/lowe-s-ceo-takes-medicine-now-to-get-retailer-on-firmer-footing>. ↩

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