

Organizational Change Management: A Review Study

RAJA AHMED JAMIL

PhD Scholar Riphah International University Islamabad
rathore_ahmad@yahoo.com

SYED TANVEER HUSSAIN SHAH

PhD scholar Abdul Wali Khan University Mardan
Tanveer_shah84@yahoo.com

Abstract

This is a review based study which attempts to look into the various change management approaches, resistance to change, and methods to tackle resistance to change and finally concludes with implications of change theories on Pakistani organizations and culture.

Keywords: *Organizational Change, Resistance to Change, Approaches to Change*

1. Introduction

1.1 Organizational Change

Recent times we have witnessed an enormous shift in the technological advancements. Innovations are being introduced literally every day. Looking at the examples very much around us, say, telecommunications industry, landline dominated the industry for several decades in our country, but recently this dominance started fading away, courtesy to the introduction of mobile phones and broadband internet. New mobile phone or new internet facility is being introduced every month. Thus the technological cycle has been shortened making organizations to be more agile and anticipative to survive. Shortening of technological cycle is a clear indicator of more faster changing environment. Change management, like other modern era subjects such as organizational behavior, leadership and organizational learning was introduced by consultants on most part. More and more organizations looked towards consultants when they faced problems coping with faster changing environments. As a consequence of this a lot of research has been carried out on this particular discipline.

Different researchers tried to define it in different ways based on their perspective. Daft (1994) said, when managers develop a perception a performance gap, they opt for a change to cope with the discrepancy between the current and ideal performance. A very simple definition to understand, but a narrow one in the scope, because, change in an organization may be unplanned or a negative one such as budget cuts due to poor economic conditions, employee conflicts and high turnover. Change management may broadly be understood as a process of managing change that incorporates both the planned as well as emergent change. Organizations hold very little or even no control over the emergent change like introduction of new legislation, fluctuations of oil prices, natural catastrophes, and so on (Nickols, 2010).

While reviewing the literature, various situations were observed that could impact any type of organization ranging from profit to nonprofit leading them into a change. Lindgreen (2004) argued that a change is forced when an organization and

employees are accused with illicitness. Catastrophes and terrorism are the cause of change (Jhonson, 2002). Change in consumer tastes and preferences also leads to change. Recognizing the benefits, diet conscious people shift from meat to fruits and vegetables (Acharya, 2004). A takeover, when takes place, either a firm is acquirer or acquired one, has to deal with change. Recent takeover of De Beers by Anglo American Company resulted in huge changes in its business model (Chotai, 2011). A change in rules and regulations by the government; grant of most favorable nation status to India by Pakistan will open the gates for opportunities as well as threat for existing businesses (Imam, 2011).

1.2 Approaches to Change

An extensive work has been done by the researchers to develop models on how change process occurs. The abstract nature of social sciences inhibits the researchers from developing a model that is universal and applicable to all the contexts. Thus all the work has pros and cons at the same time. Barnard (2010) provided taxonomy for classifying the change approaches into three major categories; the planned approach, the emergent approach and the situational approach to change.

1.3 Planned Approaches

Among the most influential work in the planned approaches is that of Kurt Lewin 1940. He presented a three stage model to understand change. These stages involve unfreezing what was an existing behavior, changing the behavior and then refreezing what is just learnt (Barnard, 2010). This approach is actually based on the Bertalanffy's general systems theory, in which he explained that real systems are open and interact with the environment. This interaction leads to emergence of new properties. This approach was so convincing that it remained the most dominant approach for many years (Todnem, 2005). Bullock and Batton (1985) worked on this theory to develop a four stage model that comprised exploration of the need for change, planning how to change, taking actions to bring on the change and finally integration to complete the process.

Balogun et al. (2004) argued that they believe the three stage model from Lewin is imperative but they would prefer to use “mobilizing”, “moving” and “institutionalizing”. This model was criticized for being too simple and narrow in perspective. An organization can be simply carry out three steps to successfully bring on the change in highly competitive corporate world. Sometimes change is not be anticipated or positive it just arrives without the organization being prepared. Another famous model was presented by change management guru; Kotter in 1996. Kotter used his experience and observation of the most frequently occurring problems while implementing a change to develop an eight step model. That the steps include, vision and strategy as starting point, creating a sense of urgency, create a coalition for guidance, a broad based action, communication, merge approaches into culture, go for short term wins and finally sustain the current achievement and go for next one (Barnard, 2010).

Beyond individual weaknesses in these models, collectively, planned approaches have a problem of being simplistic. They are based on a belief that change occurs in a planned, predetermined and systematic way. An organization is very limited to do something if an unexpected change has occurred or change occurred once the systematic process has begun.

Based on these flaws, proponents of models of unplanned change came up with the concept of emergent change.

1.4 Emergent Approaches

A newer model to change is that of organizational development. Warren Bennis referred to organizational development as a strategy to change the values, motives and behaviors of its employees to adapt to the changing needs of new markets and technologies. Another model is that of learning organization, that relies on empowerment and participation of employees to identify changes in environment and finding ways to cope with those changes. Learning organization is an active approach to managing change. (Bernard, 2010) referred to emergent change as an approach that deems change is so unpredictable that an organization should tackle it as a learning process by dealing with the environmental changes but not in a preplanned way. Change is constant and it involves the continuous process of channelizing and re-channelizing to the environment (Burnes, 2004). He further added that a change should more probably be on small scale leading to the larger one.

It should not happen in a radical way and managers should provide vision for the change process and the entire process should be supported by communication and learning. These approaches ask for the manager to be very much savvy in terms of understanding employees, strategies and structure as well as the culture of that organization. Only then a manager will be well poised to respond to an un-anticipated change in a better manner. These models are criticized for being too much dependent on the skills and expertise of a manager. If manager knows the organization very well then he will be able to cope with changing environment very well but an important aspect regarding change is that of situation is ignored in these model. On the weakness of these models another approach was introduced by the advocates of situational change management.

1.5 Situational Approaches

Those who criticized the emergent approaches to change presented the situational approaches to change. Situational approach to change says that success of an organization is contingent upon the situation, and it varies in different organization, cultures, and thus the strategies and structures should be polished to fit the situation. However, this approach is not free from critics. Although it addresses one dimension of change but it ignores the other dimensions. Role of a manager is ignored by emphasizing too much on the situation.

1.6 Concluding the Approaches

The approaches whether planned or unplanned or situational come up with practical implications. They are being applied today around the world, but none of them is free from critics. If one approach tackles one issue, it's missing another aspect. We are yet to see an approach or model to change management that is universally applicable. That model may be an integrated model that covers planned, unplanned and situational model in it or it may be highlighting a new dimension to tackle change issues.

1.7 Resistance to Change

A scene, which is commonly observed in the morning, when we see parents dragging their children to school while the kids cry and try to resist going to school. That happens mostly when a child is going to school first time and in the early days. They

have spent so much time with parents and family that they find it difficult to leave them for an instance. So they resist but once they get used to it, this resistance fades away. This is one classic example of resistance to change. But this does not mean that change is faced with resistance by kids only, it is in fact, that the human beings are creatures of routines, they tend to live with status quo, feel satisfied with it and initially resist to change, even if it is beneficial for them (Ash, 2009). Resistance is also seen in organizations when they talk about change. Ansoff (1990) referred to resistance as a phenomenon that delays down the change initiative while hindering the implementation and adding up the costs to change process. On another occasion Zaltman and Duncan (1997) referred to resistance as an inertia; maintaining the existing state.

1.8 Sources of Resistance

Resistance in an organization may arise from different reasons. Different researchers have presented different taxonomies for change resistance. Ash (2009) presented three source taxonomy for resistance. First source is when employees resist due to ghastly experiences with last change effort, second source is fear of changing the routines, and third source is resistance due to uncertainty of future. More comprehensive sources of resistance to change are provided by (Val et al. 2003). They provided five groups of sources that identified the possible reasons for the change resistance. First barrier to change is wrong perception of the need which includes myopic managers, denial of undesirable information, ineffective communication and silence at organizational level. Second barrier is lack of motivation for change which comprise high costs of change program, cannibalization fears, past setbacks and lack of consistency among employees and management objectives. Third source is lack of creativity which covers very rapidly changing environment and reactive thinking. Fourth hurdle to change is related to strategy implementation. It comprises politics at department level, cultural barriers, inconsistency between organizational values and the values of change program, strong beliefs and emotional attachment of employees with existing values. In fifth source authors put everything that could not be put in other categories.

1.9 Addressing Resistance to Change

Once manager is equipped with change models and understands the sources for resistance. Next level is how to address this barrier. Change management expert Jhon Kotter provided one of the best models for addressing the resistance. It consists of five different methods viz. education, participation, facilitation, negotiation and coercion that are briefly discussed:

- Education is used when employees lack the necessary information regarding change and management responds by communicating the desired changes and reasons for doing so.
- Participation is used when change agents lack the enough information and they involve the employees in designing the change who are expected to resist most.
- Facilitation is used when employees have fear of not being able to adapt to new things. Training is used to cope with this.
- Negotiation is used when it is deemed that employee have enough power to resist and incentives are used to motivate them

- Coercion is used managers lack time to carry on any of the above mentioned method and they do so by threat of firing or transfer or even stopping the promotion.

These methods are very simple and useful for understanding and tackling different types of resistance but they are not free from critics. It is argued that if a manager used negotiation, he may be exploited by employees and may end up with too much incentive. Using coercion may result in resentment and low motivation among employees.

1.10 Implications of Change Theories to Pakistan

We started our journey from understanding the change, different models of change management, and resistance to change and possible alternatives to address the resistance. Now we are at a point to discuss how relevant these theories are to the context of Pakistani organizations and culture. Though human mind is attuned to be kainotophobic (fear of change), they stick to status quo, feel satisfied with it and show initial resistance when offered change even if that change is fruitful for them in the long run. The resistance is observed everywhere in the world. Some cultures show more resistance while other are lesser bothered by it. But it is there every time change is announced.

Beliefs, values and mind set of people play an important role in acceptance to change process. Hills (2005) referred to Hofstede's four dimensions of culture, one being the uncertainty avoidance. A culture with high uncertainty avoidance is more resistant to change while a culture with low uncertainty avoidance is less resistant to change. Pakistani culture is more on the higher side of uncertainty avoidance with the score of 70 out of 100 (geert-hofstede.com, 2015). This means that Pakistani people prefer to avoid uncertain circumstances. If one looks into households, people prefer to work in public sector organizations that offer pensions and job security, they want to ensure a stable career and second half of the life. Similarly parents start saving money for the education of their children long before they reach the university stage as well as they make savings for the dowry.

The individuals brought up in such culture when go on to join different organizations, they take these inherent values with them to the workplace. They reflect the same attitude of high uncertainty avoidance in the organizations. Ultimately organizations find it difficult to adapt to change or possibly show reluctant posture even towards thinking about change. Furthermore for a successful change program people need to have know-how of its implications as well as the feel of urgency among them. In Pakistani environment even literate people are mostly unaware of implications of new change programs and their potential benefits.

Even if people do have know-how, they do not develop a sense of urgency. At various Universities in Pakistan, say for example, issues regarding proper waste management have been observed. I am quoting universities because of the fact that many of them have a department of environmental sciences with full time faculty and secondly, being the cradle of knowledge, ethical and moral principles, and change initiatives; universities should be at forefront of environment friendly practices. Places are littered and lack of awareness among students is observed regarding potential drawbacks of littering. Although numbers of proposals are prepared to propose a better waste

management system but the courtesy to the lack of sense of urgency, nothing has been concluded yet. So it is important to have knowledge as well as sense of urgency to deal with resistance problems.

1.11 Conclusion and Implication for future research

Lot of research has been done on change management throughout the world, but the number of empirical studies on change which specifically view the existing theories in the context of Pakistani culture and organizations are still very limited. Some fruitful results can be observed if the issues discussed above are addressed on empirical and pragmatic basis.

References

- Acharya, R. N. & Molina, I. (2004). *AAEA Annual Meeting*, Colorado, August 2004.
- Ansoff, I. H. (1990). *Implanting Strategic Management*, Prentice Hall International, Ltd. London.
- Ash, P. (2009). *Fast and Effective Change Management*, *Asian Development Bank*.
- Balogun, J. & Hope H. V. (2004). *Exploring Strategic Change (2nd Ed.)*, London: Prentice Hall.
- Barnard, M. & Stoll, N. (2010). *Organizational Change Management: A rapid literature review*, *Centre for Understanding Behaviour Change*.
- Bullock, R. J. & Batten, D. (1985). It's just a phase we're going through: a review and Synthesis of OD phase analysis, *Group and Organization Studies*.
- Burnes, B. (2004). *Managing Change: A Strategic Approach to Organizational Dynamics (4th Ed.)*, Harlow: Prentice Hall.
- Chotai, S. (2011, November 15). De Beers: Would it Introduce Drastic Changes in Business Model?. Retrieved from <http://www.en/BlogAndDiscussion/Digest.html?tagId=527>.
- Daft, R. L. (1994). *Management (3rd ed.)*, Fort Worth (USA), Dryden Press.
- Greet-hofstede.com (2015) Hofstede's cultural dimensions: What about Pakistan. Online available at: <http://geert-hofstede.com/pakistan.html> [date accessed: 21-13-105].
- Hills, C. W. (2005), *International Business (6th Ed.)* Washington, Prentice Hall.
- Imam, A. H. (2011). What the MFN means. *Dawn*. Retrieved from <http://www.dawn.com/What%20the%20MFN%20means%20%20%20Opinion%20%20%20DAWN.COM.htm>
- Johnson, J. (2002) .11th September, 2001: Will It Make a Difference to the Global Anti-Money Laundering Movement? *Journal of Money Laundering Control*, Vol.6, No.1, p.9.
- Lindgreen, A. (2004). Corruption. *Journal of Business Ethics*, Vol.51, No.1, pp.31-35.
- Nickols, F. (2010). *Change Management 101*, A Primer.
- Todnem, R. (2005). Organizational Change Management: A Critical Review, *Journal of Change Management*, 5, 4, pp.369 – 380.
- Val, P. D., Fuentes, M. & Clara (2003) Resistance to change: a literature review and empirical study. Spain.
- Zaltman, G. & Duncan, R. (1977), *Strategies for Planned Change*, Wiley, Toronto.