Organizational Change and Dealing with Employees Resistance

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Abstract- *One of the biggest challenges in implementing change is to cope up with the resistance that evolves during incorporation of change in organizations. The intensity of resistance depends upon the type of change being introduced and the way it is being introduced. This article gives a deep insight on organizational change, forces that trigger change, resistance to change that raises as an outcome and certain ways to deal with this change. The article also provides a comparative analysis on different approaches towards organizational change (guided, planned and directed) and the causes of resistance for this change. Overcoming employee resistance to change is a challenge towards effective change management. ADKAR model can be used as a tool towards effective change management. Leaders and managers are key contributors towards overcoming resistance.*

Keywords- *Organizational change; employee's resistance to change; dealing employees' resistance and change.*

1. INTRODUCTION

The term "change" refers to an important and fundamental development. Change is a strategic dimension, because it is "the movement of a company of the current situation to a desired future situation of the competitiveness [1]. Adapting to change is the key to survival. Organizations can survive in a dynamic environment as their speed of learning and change meets to the dynamics of the environment. Therefore, organizations should prepare for the creation of complexity to cope up with the complexity of environment. [2]. As a result of globalization, economic crises, technological innovation, and information on availability, more and more troubled and aggressive business environment often requires organizations to make changes. [3].Resistance plays a crucial role in the organization influencing toward greater stability. While pressures from both external and internal environments continue to encourage change, resistance is a factor that can balance these demands against the need for constancy and stability. [4]

2. ORGANIZATIONAL CHANGE

Change is the one of the most important and difficult problem with which organizations is dealing. The ability to change rapidly, efficiently, and almost continually is a major dilemma for organizations in today's rapidly changing environment. [5]

2.1 Types of Organizational Change

The scale of change may be categorized as wide-ranging, frame-breaking "transformational change" or small-scale and slow-shifting in "incremental change" models.

2.1.1 Incremental Change / 1st Order Change

Incremental change/1st order change is generally categorized by changes in functional processes, including, communication systems, recognition and reward programs, and decision-making processes as shown in fig 1&2 in Appedix. 1st order change is considered part of a continuous process. A low demand for change results in 1st order. [6].Incremental models/1st order of change suggest that change should be implemented in a gradual manner ,however ,Waterfield suggest that an incremental approach to change 'will not work' and did not deliver the required scale of change as the focus on re-engineering and restructuring as ways of implementing change, citing only small-scale improvements as a result.[7] It includes:

Cost changes: These changes are occur when organizations attempts to reduce costs in order to improve efficiency or performance of organizations.

Process changes: These changes are implemented to improve efficiency or effectiveness of organizational processes and procedures. [8]

2.1.2 Transformational / Radical Change / 2nd Order Change

The radical/2nd order change is a multi-dimensional, multilevel, qualitative, discontinuous change as shown in fig.1&2 in Appendix. These change involving a paradigmatic shift in organization. It leads to a new identity of the considered organization. It is viewed as deep structural and cultural change .A 2nd order change occur due to high demand of change. [6].

Different researchers like Kleiner and Corrigan argues that transformational change/2nd order can be described as radical, groundbreaking alterations that exhibit a profound

break with accepted patterns of organizational behavior and operation.[7]. It includes;

- *Cultural changes:* These changes are the least tangible of all the types of change, but they can be are the most difficult changes. An organization's culture is its shared set of assumptions values, beliefs, and thoughts.
- *Structural changes:* In this change the structure of organization changes. Mergers, acquisitions, consolidations, and divestiture of operating units are all examples of attempts at structural change.[8]

3. FORCES OF CHANGE

Pressure from the external or internal environment stimulates change. Due to globalized economy more hazards and more opportunities are creating for everyone and to compete, prospers and for survival, it forces firms to make dramatic improvements. A set of broad and powerful forces driven the globalization like

- Technology changes
- International economic integration
- Domestic market maturation
- Worldwide Communism

No one is immune to these forces. Globalization puts the more competition on organization with increased speed. Due to technological advancements more communications systems are developed that connect the people globally. Maturation and integration of markets imports and exports increases. More countries linked to capitalist system. The following fig.3 showed the economic and social forces that drive the need of major change in organizations. [10]

4. CONCEPTUALIZING DIFFERENT APPROACHES TO CHANGE

There are three interrelated approaches that can be used to implement change in organizations .The table no.1 in Appendix shows the details of task of each approach about how the change would implement in organization, what steps are taken by the change maker, the hierarchical level in each process, the role of leader and the pace of change in each approach.

- *Directed change:* This approach driven from the top of the organization and relies on authority, persuasion and compliance. It is a tightly constrained process.
- *Planned change:* It is a very popular approach to change management, it may arise from any level in the organization but ultimately is sponsored by the top.it is a flexible and participative approach.
- *Guided Changing:* Guided change is very different approach that is use to implement change. It is an emergent process that can start at any location within the organization. It shows the commitment of employee's and their contributions to the purpose of the organization. [10]

5. EMPLOYEE´S RESISTANCE TO ORGANIZATIONAL CHANGE

Resistance is expected in every change process and considered natural part of it. Resistance occurs as the organizations going from the known to the unknown. Due to employee resistance many large-scale corporate change programs are failed. [11]. Previous studies and researches shown that all business gets many benefits from a change that will be derived through people, not through a network of business processes and technologies, companies are still not addressing the impacts of change on their employees. Furthermore many researches have indicated that the change associate with an initiative or project implementation will impact how stakeholders perceive their role, which has a direct correlation to their productivity, as shown in the figure 4. In the early stages of any business change whether it is large or small, people form initial expectations about what the benefits of change will be for the organization as a whole. Then they begin to ask how this change will impact their work group or them and what benefits they can get from this change. This is a crucial stage. If the leaders fail to answer their questions their productivity will begin to spiral downward. The lack of information will cause them to perceive the change in their own way thus creating barriers in the implementation of change .If their questions are addressed effectively and their perceptions are well managed then the productivity begins to increase as indicated by the dashed line in the Change Management Opportunity Curve. [12].

6. REASONS /CAUSES OF RESISTANCE TO CHANGE

It is very difficult to identify the reasons for the resistance because resistance to change can take many forms .[13] Despite the fact that change is implemented for positive reasons like adapting to volatile environment conditions and remaining competitive, organization members often react to change efforts negatively and resist change. [14]
The following are the common reasons for resistance to change within organizations and are the cause of failure of many projects as shown in figure 5 in Appendix.

- **Lack of communication**

Lack of communication is the major cause of resistance in organizations because employees are not communicated properly why change is implement in organization, how it

will work, what approaches will use. Due to lack of communication, employees start perceiving that change will change their status quo. 20 % project fails due to lack of communication.

- **Unaware of change objectives**

When the employees are unaware about the change objectives or management fails to define the objectives of change, they start to resist.17% part of project failure is due to unawareness of employees with change objectives.

- **Knowledge and skill obsolescence**

Employees resist the change when they have not sufficient knowledge or skill for the change implementation. They have unfamiliar about the technical issue of the change or have no experience about the scope of change and complexity due to which projects fails to deliver its desirable results.

- **Organizational structure**

Employees resist the change due to unsupportive organizational structure and poor management problems. Management fails to define the hierarchy level in organization for change implementation. Poor management problem is the major reason of project failure.

- **Limited resources**

Organizations not having available resources prefer to maintain their status quo since change requires resources like capital and people having appropriate skills and time. Inadequate resources may lead to abandon the desired changes. [15] [16]

7. OVERCOMING EMPLOYEES RESISTANCE TO CHANGE

There are numbers of way through which resistance can be managed or overcome.

7.1 Building Change Capacity

Change capacity is the ability of an organization to change not just once, but as a normal course of events in response to the internal and external shifts. Change readiness is the ability to implement a specific change. It is different from change capacity. Building organizational change capacity requires focused intervention at the three different levels.

Micro level: At this level, understanding and acceptance of different approaches to change are developed and enhancing willingness and ability to change. Different actions like establish change agent networks to share best practices, tools and insights about changing ,select, hire, evaluate and reward people based on their ability to thrive on change are taken as shown in table 2.

Mesco level: At this level, organizations creating a change facilitative infrastructure, providing appropriate resources

and budget to implement change. Different actions are taken as shown in table 2.

Macro level: At this level, leaders build a facilitative culture, ongoing strategizing levels of the organization. As shown in table, actions like emphasize learning and information sharing, valuing alternative viewpoints, stakeholder orientation and creating a shared purpose are taken. [17]

7.2 Leaders And Managers Competence

Leaders play a very vital role in change process. Leaders create a vision of the future and then develop a logical strategy about how to implement change for making it a reality. They also motivate people so that the pursue the vision, achieve the target. Managers, on the other hand, have the job of monitoring tasks so that complex tasks run smoothly. They have to work out the implementation details, round up the required resources, and keep employee energy channeled in the right direction. Leaders create a vision and plan that extending the train tracks into new directions managers get the tracks built and make sure that the trains run on time. [18]. Change implementation is more common in every organization. Leaders play an important role in setting an example for all those values, behaviors and considerations expected from employees. Leaders should have different competence to tackle with change and its successful implementation in organization and to help employees in their resistance phase as shown in figure 6. Leaders create an environment that helps the employees to implement change in organization in a way that results not only in better job performance but also in general understanding and satisfaction.[19]

7.3 Communication and Perceived Organizational Change

The major problem in unsuccessful change is a lack of communication. Researches show that many companies fail to keep managers and employees informed about how changes are to implement in their organizations. [21] Organization's new mission and vision is seldom communicated in an effective and satisfactory manner. Communication with employees should be carried out in every phase of change to reduce resistance. Keeping employees informed about the progress of change is necessary to make the transition smooth. [22]

7.4 Participation And Involvement

Participation means to allow employees to give their input during the process of organizational change. Participation means that both managers and employees are willing to share things with each other like decision making process and responsibilities for these decisions. Allowing people to participate in the early diagnosis of problems, the

design of the solution, planning the implementation, or the actual execution helps motivate constructive behavior during the transition phase. Participation not only improved responsiveness to change, but also quality improvement, job satisfaction and commitment among employees, and job performance and productivity. [23]

7.5 Training And Perceived Organizational Change

Training relates to the technical aspects of change and helps ensure that employees have acquired the necessary skills to carry out new tasks and convey new values, frameworks, and approaches .Training can also increase employees' confidence in dealing with challenges and changes, and smoothly performing new tasks or adapting to a new environment. Training is a contributor to successful change efforts. [23]

8. ADKAR A TOOL FOR MANAGING EMPLOYEE'S RESISTANCE

ADKAR model can be used to identify gaps in our change management process and to provide effective coaching for our employees. The ADKAR model can be used to:

- diagnose employee resistance to change
- help employees transition through the change process
- create a successful action plan for personal and professional advancement during change
- develop a change management plan for your employees

The ADKAR model has the ability to identify why changes are not working and help you take the necessary steps to make the change successful. This make us able to break down the change into parts, understand where the change is failing and address that impact point. Effective management of the people dimension of change requires managing five key goals that form the basis of the ADKAR model:

- **Awareness** of the need to change
- **Desire** to participate and support the change
- **Knowledge** of how to change (and what the change looks like)
- **Ability** to implement the change on a day-to-day basis
- **Reinforcement** to keep the change in place.[24]

9. CONCLUSION

In context of the review of literature discussed above, it is justified that organizational change is a key driver behind employee resistance towards change. Incremental changes are easier to trigger as compared to radical changes that require a rigorous transformation in culture and structure. The three main approaches towards change (planned, guided and directed) have their respective pros and cons.

In comparison, because planned changes are flexible, participative, go slow and have a clear road map, they can be more effective. Lack of communication, unsupportive organizational structure, knowledge or skill obsolescence, and limited resources are the some reasons due to which employees resist change The resistance to change can be overcome through building change capacity. Building organizational change capacity requires focused intervention at micro, meso and macro levels. The implementation of organizational change is triggered through leaders and managers of the organization. ADKAR is the key tool used to manage the employee resistance to change. Overall the paper provides a critical review of literature to trigger a successful organizational change.

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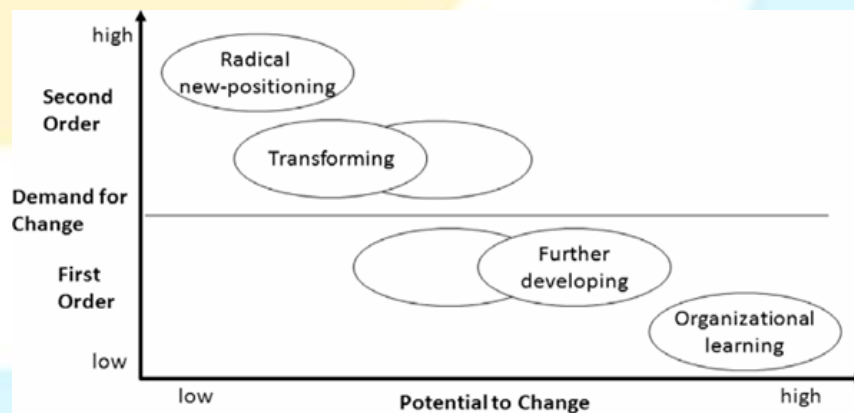
APPENDIX

Figure 1: Types of Organizational Changes
Source: Levy, A., Merry, U., (1986). "Organizational Transformation – Approaches, Strategies, and Theories", Greenwood Publishing Group, New York
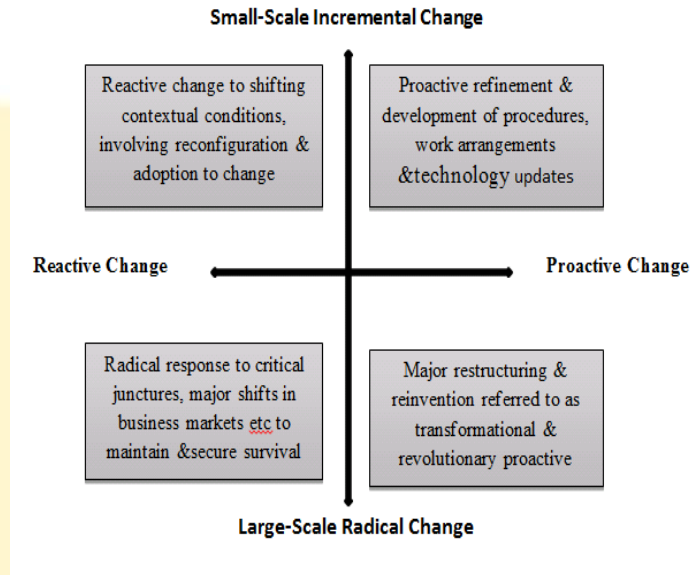
Small-Scale Incremental Change

| Reactive change to shifting contextual conditions, involving reconfiguration & adoption to change | Proactive refinement & development of procedures, work arrangements &technology updates |

Reactive Change ← → **Proactive Change**

| Radical response to critical junctures, major shifts in business markets etc to maintain &secure survival | Major restructuring & reinvention referred to as transformational & revolutionary proactive |

Large-Scale Radical Change

Figure 2: Types of Organizational Change
Source: Dawson, P. (2003)." Reshaping Change: A Processual Perspective". London: Routledge. [9]

TECHNOLOGICAL CHANGE
- Faster and better communication
- Faster and better transportation
- More information networks connecting people globally

INTERNATIONAL ECONOMIC INTEGRATION
- Fewer tariffs (GATT)
- Currencies linked via floating exchange rates
- More global capital flows

MATURATION OF MARKETS IN DEVELOPED COUNTRIES
- Slower domestic growth
- More aggressive exporters
- More deregulation

FALL OF COMMUNIST AND SOCIALIST REGIMES
- More countries linked to the capitalist system
- More privatization

THE GLOBALIZATION OF MARKETS AND COMPETITION

MORE HAZARDS
- More competition
- Increased speed

MORE OPPORTUNITIES
- Bigger markets
- Fewer barriers

MORE LARGE-SCALE CHANGE IN ORGANIZATIONS
To avoid hazards and/or capitalize on opportunities, firms must become stronger competitors. Typical transformation methods include:
- Reengineering
- Restructuring
- Quality programs
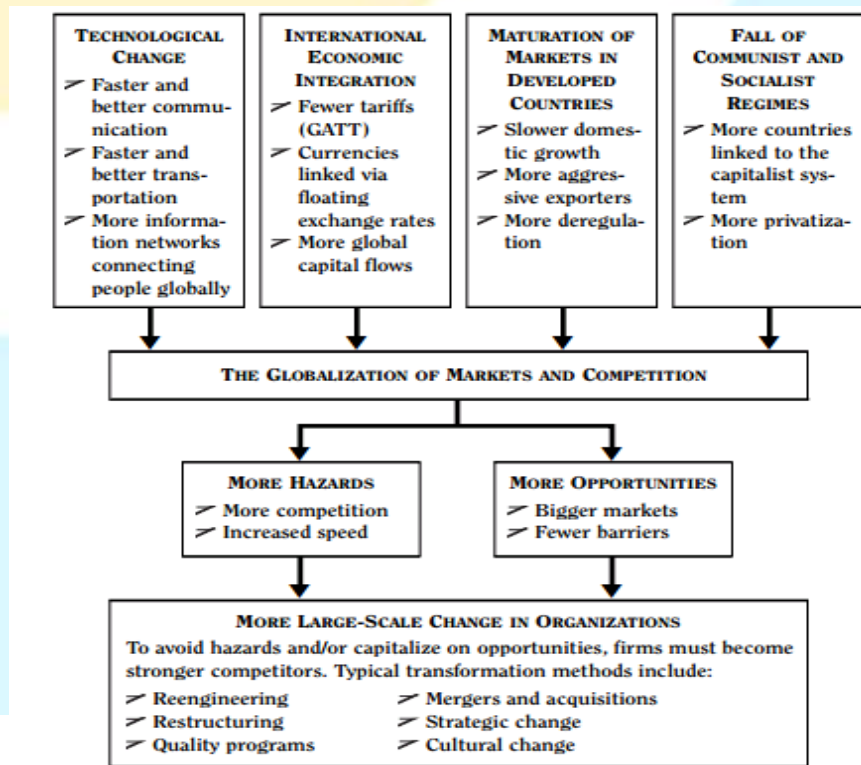- Mergers and acquisitions
- Strategic change
- Cultural change

Figure 3: Forces of Change

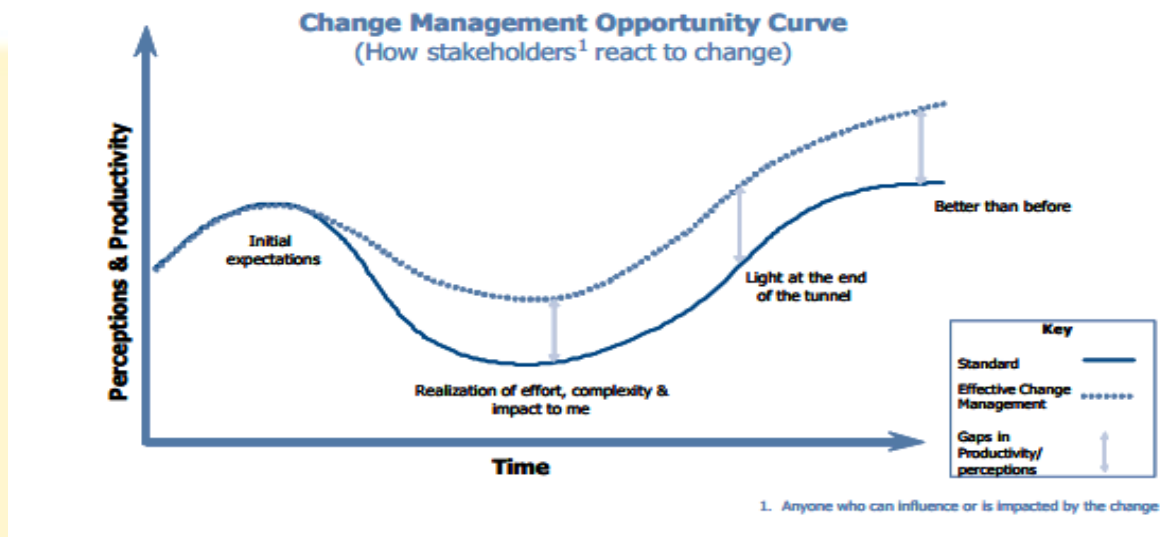Source: Kotter, J.P. (2012)" Leading Change", Harvard Business School Review, pg18-19

Figure 4: Change Management opportunity Curve
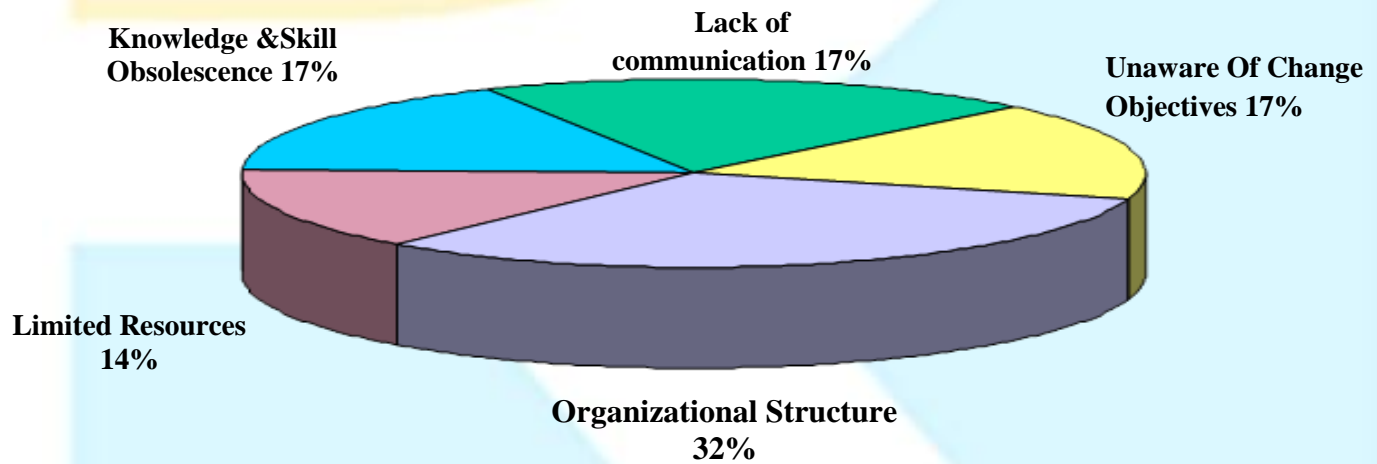Source: "Overcoming Employees Resistance to Change", pg. 1

Figure 5: Causes of Resistance

Functional Competences	Cognitive Competences	Social Competence	Successful Chnage
•Communication Skills •Technological/ Special knowledge and Skills •Career planning Skills •Managerial abilities •Strong Decision Making abilities •Knowledge abilities	•Creativity •Self Reliance •Problem solving capabilities •Analytical Skills •Divergent Thinking •Future Oriented •Good consultation •Critical Approach	•Interpersonal Skills •Team working abilities •Cross cultural abilities •Flexible to others •Stress Management Capabilities •Motivational Role/ Skills •Ethical Skills •Integration Skills	•Increase in Productivity •Increase in Relationship Quality •Strong Cooperation •Strengthen Organizational Culture and Climate •Employees' satisfaction •Reduce no of Conflicts

Figure 6: Leadership Competences for Effective Change Management
Source: Abbas ,W&, Asghar,I.(2010)."The Role Of Leadership In Organizational Change", university of Gavle, pg . 21. [20]

Figure No 7:ADKAR model
Source: Change Management Learning Center pg 1

Table 1 : Different Approaches to Changes

DIMENSIONS	DIRECTED CHANGE	PLANNED CHANGE	GUIDED CHANGING
Character	Top-down, hierarchical	Linear, "road map"	Iterative spiral
Change Goals (Ends)	Tightly defined, unchanging goal	Clear goal, with some modification as needed	Loosely defined direction
Change Process (Means)	Tightly constrained	Flexible, participative	Experimental, improvisation

Change Leadership (Role)	Tell, order, command	Devise a plan to accomplish the goal	Point the way, guide and watch over, instruct
Changemaker Dynamics	Persuasion	Influence, cooperation	Collaboration
Pace of Change	Urgent, fast, "just do it"	Go slow during planning to go fast during implementation	Act quickly, improvise, learn, react and continue to iterate

Table No 2: Building Change Capacity

LEVEL	FOCUS	ILLUSTRATIVE ACTIONS
Micro	Developing an understanding and acceptance of different change approaches & Enhancing willingness and ability to change	• Adopt a common, enterprise-wide framework for thinking and talking about change • Develop widespread knowledge about different approaches to change and when each is appropriate • Provide change coaching and consulting services • Establish change agent networks to share best practices, tools and insights about changing • Select, hire, evaluate and reward people based on their ability to thrive on change • Form diverse teams to encourage innovation and creativity • Develop, reward and promote supervisors and managers who enable change • Create a climate of trust, honesty, and transparency
Meso	Building a change-supportive Infrastructure & Providing appropriate resources	• Frequent meetings to identify and critically assess opportunities • Encourage low-cost experiments with new ideas • Creation of systems to share knowledge, information and learning across boundaries • Responsive and proactive training and education • Devote resources to continually scanning the environment for new idea • Encourage external contact with stakeholders, especially with customers • Shelter breakthroughs with their own budgets and people
Macro	Creating a change-facilitative Culture & Ensuring ongoing strategizing	• Emphasize learning and information sharing • Valuing alternative viewpoints and tolerance for mistakes in the interest of learning • Stakeholder orientation • Creating a shared purpose • Thinking dynamically and systemically so that strategies can change quickly • Examining future markets, competitors, and

		opportunities
		• Factoring future scenarios into today's decisions
		• Creating and communicating a change friendly