

Resistance to Change in an Organization

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Abstract: This paper examines the widely documented literature on resistance to change in an organizational framework. Premise being that changes are resisted by organizations which hinders adaptation and progress in the long run. It is proposed that the same must be reduced to enhance the efficiency of organization. The build up to this paper has been in terms of reviewing the available literature on resistance to change in an organization and their major sources. The unit of analysis in the paper is organization. However, the individual and group dynamics of employees within the organization are identified as the key tools for diminishing resistance to change in any organisation. Some possible pathways have been identified to achieve the same. The first pertains to devising a mechanism such that all employees are aligned towards the goal. The second pathway is to increase the participation of employees to reduce resistance. Here, it is suggested that the change agent should look at the entire exercise of reducing resistance as a cost benefit analysis. Further, for empirical validation, an econometric model is formulated which suggests how diminishing resistance over time can lead to better efficiency in an organization.

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I. Defining Resistance To Change

Resistance to change is a term used either diagnostically or pejoratively, to describe a person who for some reason or another is perceived as needing to adapt their views or conduct in certain areas, often at the suggestion or requirement of an authority figure, senior manager or advisor, but is seemingly unable or unwilling to do so.

Alvin Zander (1950) an early researcher on the subject, defined resistance to change as "behavior which is intended to protect an individual from the effects of real or imagined change" (cited in Dent & Goldberg, 1999, p. 34). Zaltman & Duncan (1977) define resistance as "any conduct that serves to maintain the status quo in the face of pressure to alter the status quo" (cited in Bradley, 2000, p. 76). In the view of Folger & Skarlicki (1999) resistance is defined as "employee behavior that seeks to challenge, disrupt, or invert Prevailing assumptions, discourses, and power relations" (p.36) Piderit (2000) believes that the definition of the term resistance must incorporate a much broader scope. She states that "a review of past empirical research reveals three different emphases in conceptualizations of resistance: as a cognitive state, as an emotional state, and as a behavior" (p. 784)

II. Resistance To Change In Organizations

Organizations by their very nature are resistant to change and conservative in adapting changes. Government agencies want to continue doing what they have been doing for years. The majority of business firms, too, appear highly resistant to change. The natural propensity for individuals and organizations to "defend the status quo" presents a set of challenges that management must overcome in order to bring about desired change.

According to L. Robbins (p. 545) there are six major sources of organizational resistance – Structural Inertia , Limited Focus of Change , Group Inertia , Threat to expertise , Threats to - Expertise , established Power Relationships and to established Resource Allocations .

Low tolerance for change is defined as the fear that one will not be able to develop new skills and behaviors that are required in a new work setting. According to Kotter and Schlesinger (1979), if an employee has a low tolerance for change, the increased ambiguity that results as a result of having to perform their job differently would likely cause a resistance to the new way of doing things. An employee may understand

that a change is needed, but may be emotionally unable to make the transition and resist for reasons they may not consciously understand.

The first known published reference to research on resistance to change in organizations was a 1948 study conducted by Lester Coch and John R. P. French entitled, "Overcoming Resistance to Change." Their

research generated a large body of work on the importance of employee involvement in decision making. This study focused on the main questions (1) Why people resist change so strongly (2) What can be done to overcome this resistance?

Folger & Skarlicki (1995) investigated resistance to change as a response to the treatment employees receive in the change process. Specifically they focus on resentment-based resistance -reactions by disgruntled employees regarding the perceived unfairness of the change. They claim that "resent-based resistance behaviors, which can range from subtle acts of non-cooperation to industrial sabotage, are often seen by the perpetrators as subjectively justifiable - a way to "get even" for perceived mistreatment and a way for employees to exercise their power to restore perceived injustice" (p. 36).

Employees resist change because they have to learn something new. In many case there is not a disagreement with the benefits of the new process, but rather a fear of the unknown future and about their ability to adapt to it. de Jager (2001) argues, 'Most people are reluctant to leave the familiar behind. We are all suspicious about the unfamiliar; we are naturally concerned about how we will get from the old to the new, especially if it involves learning something new and risking failure" (p. 24).

Positive Resistance: Managers often perceive resistance negatively, and employees who resist are viewed as disobedient and obstacles the organization must overcome in order to achieve the new goals. However in certain instances, employee resistance may play a positive and useful role in organizational change. Insightful and well-intended debate, criticism, or disagreement do not necessarily equate to negative resistance, but rather may be intended to produce better understanding as well as additional options and solutions. de Jager (2001) claims, "the idea that anyone who questions the need for change has an attitude problem is simply wrong, not only because it discounts past achievements, but also because it makes us vulnerable to indiscriminate and ill-advised change" (p.25).

Piderit (2000) points out that what some managers may perceive as disrespectful or unfounded resistance to change might be motivated by an individual's ethical principles or by their desire to protect what they feel is the best interests of the organization. Employee resistance may force management to rethink or reevaluate a proposed change initiative. It also can act as a gateway or filter, which can help organizations select from all possible changes the one that is most appropriate to the current situation. According to de Jager (2001), "resistance is simply a very effective, very powerful, very useful survival mechanism" (p. 26).

Employee resistance to change is a complex issue facing management in the complex and ever-evolving organization of today. The process of change is ubiquitous, and employee resistance has been identified as a critically important contributor to the failure of many well-intend and well-conceived efforts to initiate change within the organization. Individual sources of resistance to change reside in basic human characteristics such as perceptions, personalities, and parochial self interests.

Managing Organizational Change

There are several well-known approaches to managing change : Lewin's Classic three-step model , action research , organization development , etc. (Robbins - p. 551)

Beckhard and Pritchard (1992) have outlined the basic steps in managing a transition to a new system: Identifying tasks to be done, creating necessary management structures, developing strategies for building commitment, designing mechanisms to communicate the change, and assigning resources.

Task identification would include a study of present conditions (assessing current reality, as described above); assessing readiness, such as through a force field analysis; creating a model of the desired state, in this case, implementation of the change ; announcing the change goals to the organization; and assigning responsibilities and resources. This final step would include securing outside consultation and training and assigning someone within the organization to oversee the effort. This should be a responsibility of top management. In fact, the next step, designing transition management structures, is also a responsibility of top management. In fact, Cohen and Brand (1993) and Hyde (1992) assert that management must be heavily involved as leaders rather than relying on a separate staff person or function to shepherd the effort. An organization wide steering committee to oversee the effort may be appropriate in developing commitment strategies.

To communicate the change, mechanisms beyond existing processes will need to be developed. Special all-staff meetings attended by executives, sometimes designed as input or dialog sessions, may be used to kick off the process, and newsletters may be an effective ongoing communication tool to keep employees aware of activities and accomplishments.

John Kotter's highly regarded books 'Leading Change' (1995) and the follow-up 'The Heart Of Change' (2002) describe a helpful model for understanding and managing change in any organization. Each stage acknowledges a key principle identified by Kotter relating to people's response and approach to change, in which people **see**, **feel** and then **change**. Kotter's eight step change model can be summarized as follows :-

1. **Increase urgency** - inspire people to move, make objectives real and relevant.
2. **Build the guiding team** - get the right people in place with the right emotional commitment, and the right mix of skills and levels.
3. **Envisioning**- get the team to establish a simple vision and strategy, focus on emotional and creative aspects necessary to drive service and efficiency.
4. **Communication**- Involve as many people as possible, communicate the essentials, simply, and to appeal and respond to people's needs. De-clutter communications - make technology work for you rather than against.
5. **Empower actions** - Remove obstacles, enable constructive feedback and lots of support from leaders - reward and recognize progress and achievements.
6. **Create short-term wins** - Set aims that are easy to achieve - in bite-size chunks. Manageable numbers of initiatives. Finish current stages before starting new ones.
7. **Continued Focus** - Foster and encourage determination and persistence - ongoing change - encourage ongoing progress reporting - highlight achieved and future milestones.
8. **Sustaining the Change**- Reinforce the value of successful change via recruitment, promotion, new change leaders. Weave change into culture.

A **preliminary step** in change implementation is to assess the organization's current reality: relevant preconditions have to do with the organization's history, its current needs, precipitating events leading to change, and the existing employee quality of working life. If the current reality does not include important preconditions, the change implementation should be delayed until the organization is in a state in which TQM is likely to succeed.

Essential or desirable preconditions may be identified in two areas: macro and micro. Macro factors include those which are concerned with issues such as leadership, resources, and the surrounding infrastructure. Micro issues have to do with internal issues such as employee training and empowerment and organizational processes such as quality assurance. These are listed in Exhibit 1 below.

Exhibit: 1

MACRO	MICRO
Crisis	Top management support
Leaders championing new ideas	Customer focus
Continuity of political leadership	Long-term strategic plan
Healthy civic infrastructure	Employee recognitions and training
Key leaders having shared vision and goals	Employee empowerment and teamwork
Trust among those in power	Measurement and analysis of products and processes
Outside resources	Quality assurance
Models to follow	

Osborne and Gaebler (1992, 3267) have listed several "factors supportive of fundamental change" which showed up in their research on reinventing government. These factors, summarized in **Exhibit 1**, are consistent with research cited earlier about effective organizational change. It should be noted that Osborne and Gaebler researched governmental organizations only; but several factors, including leadership and a long-term perspective, are relevant in non-profit settings as well. The first factor, a crisis, was also identified by Kanter as a driving force for change. Next, Osborne and Gaebler noted the importance of leadership. Such leaders are usually at the executive level of the organization, where they can champion new ideas and protect risk takers.

At the political level, a continuity of leadership is desirable: a long term commitment is necessary, and politicians are often not willing to adopt this perspective. A healthy civic infrastructure is also valuable: an organization in a community with citizens, community organizations, and businesses committed to the public welfare is more likely to be able to engage in large scale change. Furthermore, key leaders in the community having a shared vision and goals, and a level of trust among those in power (e.g., executives and union leadership), are valuable. Outside resources, in the form of help from foundations, consultants, civic organizations, or other governments, will usually be necessary. Finally, while there is no one best way to implement particular change efforts, it does help to have models to follow: other organizations who have implemented change can offer useful guidance and reassurance that change is possible.

Institutionalization of the Changes : Ledford (cited in Packard & Reid, 1990) has proposed a model including four processes which are forces which determine whether a change will persist through the phases of institutionalization. These processes are concerned with congruence among these variables: the change with the organization, the change with other changes initiated at the time, the change with environmental demands, and with the level of slack resources in the organization. The change needs to be congruent with the organization's current culture, and with other changes occurring in the organization. In this period of diminishing resources, organizations are likely to be trying to cope, by downsizing or other methods. In some organizations there are increasing demands for quality or client service improvements. Many such changes are likely to be driven by environmental demands, and the change may be more likely to be successful than at times of less environmental pressure. Unfortunately, the fourth element, slack resources, is less likely to be present: under current conditions, extra resources (money and staff time) are less likely to be easily available. The challenge is to find a way to make the initial investment outlay to start a process which will pay off in the long term.

Institutionalization may also be enhanced by overlaying another, but compatible, change model: the learning organization (Senge, 1990). This involves, at both the micro and systems levels, staff always learning how to do better and management learning how to be more responsive to staff and the community. Leaders help staff develop their own visions and align these with the organization's vision of quality.

Dealing with Resistance to Change in Organizations

According to Robbins (p. 548) – there are several tactics of dealing with resistance with change like education and communication , participation , facilitation and support , negotiation , manipulation and co-operation , coercion , etc. among others.

Open communication, honoring tradition, stakeholders feeling heard, and attending to grief are all important components of organizational change, and drastically reduce resistance. In any change process, resistance can arise at any given moment. During the change process tough decisions have to be made and communicated. New possibilities and new priorities are intimidating to employees - the ones who most often have to live with the effects of these decisions. The simple announcement of changes in an organization can bring forth feelings of apprehension, insecurity and fear - leading to stress.

Reducing resistance includes giving voice and paying attention to grief work; building capacity for change into the integration project plans and management approach; communicating decisions as early in the process as possible; not underestimating the emotional impact on the people involved (including senior management), dealing with the "me" issues as early as possible; treating the past with respect while speaking frequently about the new opportunities and challenges that call for new responses in a positive manner; allowing time for healing. Many theorists believe that the main reason organizational changes fail is because management does not focus on the endings that are a natural consequence of any change.

Possible Pathways to reduce resistance

1. Common Goal Target Employees: It is proposed that a way to address resistance can be to get all employees on the same side, in alignment towards the same goal. According to the Goal Model, effectiveness is defined as "degree to which an organization realizes its goal" (Etzioni, 1964:8). Analysis through this model becomes difficult as often organizations tend to have multiple goals and these goals are dynamic. Setting of goals is most often result of a collective decision making process which keeps on changing with time. Leadership is the mechanism for this, and specific models known as transformational or visionary leadership (Bennis & Nanus,

1985) are most effective. Research on change implementation (Nutt, cited in Robey, 1991) has identified four methods. The first, "intervention," involves a key executive justifying the need for change, monitoring the process, defining acceptable performance, and demonstrating how improvements can be made. This was found to be more successful than "participation," in which representatives of different interest groups determine the features of the change. Participation was found to be more successful than "persuasion" (experts attempting to sell changes they have devised) or "edict," the least successful. Transformational or visionary leadership, the approach suggested here, is an example of the intervention approach. This would involve a leader articulating a compelling vision of an ideal organization and how the change would help the vision actualized.

2. Another powerful way to decrease resistance to change can be to increase the participation of employees in making decisions about various aspects of the process. There are actually two rationales for employee participation (Packard, 1989). The more common reason is to increase employee commitment to the resultant outcomes, as they will feel a greater stake or sense of ownership in what is decided. A second rationale is that employees have a great deal of knowledge and skill relevant to the issue at hand (in this case, increasing quality, identifying problems, and improving work processes), and their input should lead to higher quality decisions. A manager should consider any decision area as a possibility for employee participation, with the understanding that participation is not always appropriate (Vroom and Yetton, 1973). Employees or their representatives may be involved in decision areas ranging from the scope and overall approach of the change process to teams engaging in quality analysis and suggestions for improvements. They may also be involved in ancillary areas such as redesign of the organization's structure, information system, or reward system. Involvement of formal employee groups such as unions is a special consideration

A change agent should understand that, overall, change will occur when three factors (dissatisfaction with the status quo, desirability of the proposed change, the practicality of the change) added together are greater than the "cost" of changing (time spent in learning, adapting new roles and procedures, etc.) (Beckhard and Harris, 1987). This is represented in the formula in Exhibit 2. This can be seen as a Cost-Benefit Analysis. Any key group or individual will need a level of dissatisfaction with the status quo, must see a desired improved state, and must believe that the change will have minimal disruption.

Exhibit: 2

$$C = (A + B + D) > X$$

C = Change

A = Level of dissatisfaction with the status quo

B = Desirability of proposed change

D = Practicality of the change

X = Cost of changing

Participation- Satisfaction models takes individuals as primary frame of reference. Barnard (1938) was the founder of the participant –satisfaction model with his analysis of organizations as cooperative, incentive-distributing devices. “Individuals contributed their activities to organizations in return of incentives, the contribution of each in pursuit of his particularistic ends being a contribution to the satisfaction of the ends of others. Barnard regarded the motives of the individuals participating in organizations as the critical determinants.

Tools for Empirical Validation

The aim of the paper has been to focus on diminishing resistance to change for better efficiency of the organization. An econometric model is proposed for the same. It can be argued that a look at the correlations between various variables can be done for taking necessary actions to reduce resistance. However, correlations may not yield the best result as the relation depicted by correlations is only linear. It will leave out the non-linear relations across variables. Example, the degree of risk taking capacity of an organization may be positively related to the acceptance to changes. This can be captured by correlation. However, the extent to which organizational structure is related to organization’s willingness to change may not be captured by correlation alone. Hence, we need to formulate a more robust regression model which can capture non-linear relations. Before moving to the econometric model, it is imperative to understand the variables involved in the model.

The model aims at identifying how efficiency can improve if certain variables which reflect the attitude of organization towards resisting change can be improved. Here, a reduction in resistance to change is seen as increase in number of training programs, increase in number of levels in organization etc.

Dependent variable

Production units per Employee per year: For measuring efficiency, production units per employee per year is used as a proxy. This is true for a manufacturing set up. For service sector, revenue per employee can be used.

Independent variables

Number of levels: Firstly, the organizational structure can be captured in a variable by looking at the number of levels within an organization.

Number of training programs conducted within a year: This variable indicates the response of an organization towards the endogenous and exogenous changes. Initiation of training programs hence, point toward the fact that organization is trying to prepare itself to tackle change efficiently.

Degree of risk: This variable will capture the risk taking capacity of an organization. Due to paucity of data on the same, weights can be assigned over a scale of 1 to 10 or as per the demand of the situation.

Number of patents:

a). This variable points towards the dynamism of the organization especially in manufacturing and software industry.

b). There can be sectors/ departments where this variable is not applicable e.g. government organizations, service sector. There another proxy for the same can be used i.e. **number of awards** received by department within organization and number of awards received from external agencies.

<p><u>Log-lin model</u></p> <p><i>Regression Equation</i></p> $\text{Log}(P) = \alpha + \beta_1 (nl) + \beta_2 (nt) + \beta_3 (r) + \beta_4 (np) + \beta_5 (na) + \beta_6 (na') + e$
<p><i>Where,</i></p> <p><i>P= Production units per employee per year</i> <i>nl= number of levels</i> <i>nt= number of training programs within a given time period</i> <i>r= degree of risk</i> <i>np= number of patents within a given time period</i> <i>na = number of awards received within organization</i> <i>na'= number of awards received from external organizations over a given time</i> <i>e = error term</i></p>

Before evaluating the results of the model, the following things should be seen:

1. Value of R-square should be high
2. The t-statistic
3. Signs of coefficient

The signs of the coefficients of independent variable will indicate the positive or negative relation that the independent variable will have with the dependent variables. The value of the respective independent variable will give the magnitude of rate of change – it will indicate the rate at which production per employee will increase if the dependent variable is increased by one unit. The residual i.e. the error term will capture the

changes in dependent variable not explained by the independent variables. These may be on account of increase in capital and labour employed etc.

Another important thing to be noted is that, time series data will be used for the same. This model will analyze change over period. Any positive change in the dependent variable overtime on account of the mentioned variables will point towards the decreasing resistance to change. Similarly, any negative change in dependent variable will imply that the organization can do better by reducing resistance to change.

It must be noted that the above mentioned model may not work in all situations and for all sectors. Depending on the type of data, many modifications will be required both in terms of the model and variables used.

The following are the further additions that can be done in the model:

1. Use of dummy variables for other qualitative aspects which will be identified as per the industry in question
2. Use of Blinder-Oaxaca Decomposition to decompose the effect of variables across organizations. This decomposition can also provide lessons for the organizations which resist changes.

III. Conclusion

This paper has built upon the existing literature on resistance to change by critically evaluating the definition of resistance to change and provide in depth understanding of the change management process, henceforth suggesting two possible pathways to reduce resistance. These focus on the individual and group dynamics of employees with organization as the unit of analysis. The first pathway is to align the employees towards same goal for reducing resistance to change. The second one is to increase the participation of employees for reducing resistance. In the latter, the entire exercise is seen as a Cost-Benefit analysis. Further, an econometric model is proposed to capture the essence of the argument namely, how a reduction in resistance to change can lead to better efficiency (measured by productivity) of organization. Here, a reduction in resistance to change is seen as increase in number of training programs, increase in number of levels in organization etc. As a result of the above analysis, it can be safely concluded that interventions to change organization's culture play a significant role in reducing resistance to change.

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