Resistance to Change
A Constructive Approach for Managing Resistant Behaviors

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This study aims to understand, describe, and analyze the factors that lead employees resist organizational change efforts. More specifically, by locating various types of roots and symptoms of resistance, we have developed a framework which managers or individuals, who plan to initiate a change program, can use to manage resistance and to benefit, if exist, from the constructive value of resistant behaviors of employees. Findings are drawn from the reinterpretation of two case studies which were conducted on the area. While the first one involves introduction of activity-based costing system in a Portuguese telecommunications company, second one analyzes implementation of a new management program, called BATON, in a university funded research organization. By relying on these case studies, existing models and concepts related to resistance were tested, reinterpreted and an alternative framework to manage resistance is developed. As a result of the study, it is found that despite the amount of theoretical concepts and tools, there is still an important deficiency in terms of resistance management, and managers usually tend to employ preset methods to overcome resistance in change management. Findings of the thesis provide those who plan to start and implement change programs with a comprehensive framework to locate, understand and analyze resistance and to take appropriate managerial actions in organizational change efforts.

Key words: change management, resistance to change, sensemaking, communication, participation
LIST OF FIGURES

Figure 3-1 Change Process ................................................................. 9
Figure 3-2 How to achieve results ....................................................... 18
Figure 3-3 The process of change and adjustment .................................. 19
Figure 3-4 Satir's model for change process ............................................. 19
Figure 3-5 Maslow's hierarchy of needs .................................................. 20
Figure 3-6 The Gestalt cycle ................................................................. 22
Figure 3-7 Lewin's three-step model ...................................................... 27
Figure 3-8 Carnall’s Change Management Model ..................................... 29
Figure 3-9 Congruence model ............................................................. 30
Figure 4-1 K. Lewin’s Force Field Theory ............................................... 34
Figure 4-2 Attitudes towards change ...................................................... 37
Figure 5-1 Organizational Structure of Marconi ........................................ 46
Figure 6-1 Active and Passive Resistance ............................................... 65
Figure 7-1 Framework for Managing Resistance ....................................... 69
LIST OF TABLES

Table 3-1 External and Internal Drivers ................................................................. 11
Table 3-2 The Scope of Change ........................................................................... 13
Table 3-3 Skinner’ Model, Rewards and Punishments ..................................... 15
Table 3-4 Theory X and Theory Y ........................................................................ 16
Table 3-5 Implementation Steps ......................................................................... 17
Table 3-6 Understanding the needs ..................................................................... 21
Table 3-7 Effective Team .................................................................................... 23
Table 3-8 Tuckman’s model for team ................................................................. 24
Table 3-9 Kotter’s Eight Step Model for Change Implementation ..................... 28
# TABLE OF CONTENTS

1. **INTRODUCTION** .............................................................................................................. 1  
   1.1. Background of the Research Issue ............................................................................. 1  
   1.2. The research question ............................................................................................... 2  
   1.3. Objective and Purpose of the research ...................................................................... 3  

2. **METHODOLOGY AND DATA COLLECTION** ................................................................. 4  
   2.1. Qualitative Research ................................................................................................. 4  
   2.2. Grounded Theory ..................................................................................................... 5  
   2.3. Selection of case studies ........................................................................................... 5  

3. **LITERATURE REVIEW: THE CONCEPT OF CHANGE** ................................................ 7  
   3.1. Nature of Change ..................................................................................................... 8  
      3.1.1. Survival .............................................................................................................. 8  
      3.1.2. Behavior ........................................................................................................... 8  
      3.1.3. Process ............................................................................................................. 9  
      3.1.4. Structure ......................................................................................................... 10  
      3.1.5. System ............................................................................................................. 10  
   3.2. Sources of Change ..................................................................................................... 11  
      3.2.1. Outside-In Perspective ...................................................................................... 11  
      3.2.2. Inside-Out Perspective ...................................................................................... 12  
   3.3. Scope of Change ....................................................................................................... 12  
   3.4. Level of Change ....................................................................................................... 14  
      3.4.1. Individual Change ............................................................................................ 14  
      3.4.2. Team Change .................................................................................................... 22  
      3.4.3. Organizational Change ..................................................................................... 25  
   3.5. Organizational Change Models ................................................................................ 26  
      3.5.1. Kurt Lewin’s Three Step Model and Force-Field Theory ................................. 27  
      3.5.2. John Kotter’s Eight Step Model ....................................................................... 28  
      3.5.3. Colin Carnall’s Change Management Model .................................................... 29  
      3.5.4. Nadler and Tushman’s Congruence Model ....................................................... 29  
      3.5.5. Peter Senge and Systemic View on Organizational Change .............................. 31  

4. **LITERATURE REVIEW: RESISTANCE TO CHANGE** ................................................ 32  
   4.1. Introduction ............................................................................................................. 32  
   4.2. Definition of the Term ............................................................................................. 32  
   4.3. Research on Resistance: Reasons and Solutions ...................................................... 33  
   4.4. Positive Approaches to Resistance ......................................................................... 40  
   4.5. A Critique on existing literature .............................................................................. 41  

5. **EMPIRICAL FRAMEWORK OF THE RESEARCH** .......................................................... 43  
   5.1. Review: “Managers divided: Implementing ABC in a Portuguese telecommunications company” by Maria Major and Trevor Hopper .................................................. 43  
      5.1.1. Introduction ....................................................................................................... 43  
      5.1.2. Marconi ............................................................................................................ 45  
      5.1.3. The need for change ......................................................................................... 46  
      5.1.4. Marconi’s Experience with ABC .................................................................... 47  
      5.1.5. Employee Resistance to ABC Implementation at Marconi ............................... 49  
      5.1.6. Evaluating the study and its implications ......................................................... 52  
   5.2. Review: “A Case of an IT-Enabled Organizational Change Intervention: The Missing Pieces” by Bing Wang and David Paper ...................................................... 54  
      5.2.1. The organization .............................................................................................. 54  
      5.2.2. Expectations from BATON ............................................................................. 55
5.2.3. Application of BATON ........................................................................56
5.2.4. IT System prior to BATON .................................................................57
5.2.5. Implementation in IT and Responses ..................................................58
5.2.6. Evaluating the study and its implications .............................................59

6. LIFTING THE CURTAIN BEHIND RESISTANCE ...................................61
6.1. Introduction ...............................................................................................61
6.2. Sources of Resistance ..............................................................................61
   6.2.1. Self Interest .......................................................................................62
   6.2.2. Increased Stress and Additional Work ................................................62
   6.2.3. Denial ...............................................................................................63
   6.2.4. Lack of understanding and trust .........................................................63
   6.2.5. Uncertainty .......................................................................................64
   6.2.6. Differences in Perceptions and Evaluations ........................................64
   6.2.7. Motivation as a source of resistance ..................................................65
6.3. Dimensions of Resistance .........................................................................65
   6.3.1. Manifestation .....................................................................................65
   6.3.2. Reasoning behind Resistant Behaviours ............................................66
   6.3.3. Institutionalized Resistance ...............................................................66

7. EMERGING THEORY ..................................................................................69
7.1. Introduction ................................................................................................69
7.2. Lack of ‘resistance management’ ..............................................................72
7.3. Leadership from sensemaking perspective ..............................................72
7.4. Communication .......................................................................................74
7.5. Participation .............................................................................................75

8. CONCLUSION AND VISION ....................................................................77
8.1. The Research Conclusion .........................................................................77
8.2. The vision for future research .................................................................78

9. REFERENCES ..............................................................................................79
1. **INTRODUCTION**

The idea of change has increasingly become a necessity for organizations rather than an alternative that they wish to choose. Although it is usually associated with crisis, even the most successful companies have to face necessity of change. Ability to shift direction and to improve functioning of an organization can be assumed as one of the key competencies of contemporary business organizations. As the complexity of business life markets gets intense, organizations have become much more sensitive to any occurrence that take places in their environment.

While there have been various factors that force organizations to change, developments in technology, diminishing role of governments in business life and globalization are some of the main factors that necessitate organizations to revise the way they conduct businesses (Champy & Nohria, 1996). Dynamic nature of business environment also influences customers’ preferences on all kinds of products and services and therefore, being able to respond these shifting demands requires flexible organizations which can implement new strategies successfully.

Considering the fluctuations in external environment, the issue that concerns organizations most has been the scope of change. De Wit and Meyer (2004) have identified two basic paths for change. Firstly, some organizations tend to adopt themselves to ongoing changes through constantly improving their operations by small alterations. These changes usually focus on improving existing systems by keeping fundamental structure of business same (De Wit & Meyer, 2004). Secondly, organizations which conceive constant but small improvements as inadequate, tend to employ radical changes which refer to complete renewal of existing way of doing business. Parallel to the diversity in these approaches, methods to accomplish desired change plans vary in terms of their scope and impact.

1.1. **Background of the Research Issue**

Although it is a very frequently repeated discourse that change is inescapable and organizations must change, the failures or low rate of success in change programs discloses the necessity of additional work on the subject of change management. According to statistics reported by leading corporate reengineering practitioners, success rate of change management, in Fortune 1000 companies are quite below 50% (Strebel, 1996). The gap between intentions and outcomes, despite the amount of existing studies and theories, has motivated us to make further research on the issue.

One may list various causes for failures in change initiatives whereas during our study on change management, resistance has been one of the most salient elements of those unsuccessful attempts. Although the idea of change has a significant popularity in today’s societies, shifting behaviours of
individuals has not been an easy task. It may seem perfectly acceptable in written papers or oral discussions but people in organizations usually tend to resist change. Since every change can be accepted as a transition to a new situation which individuals are unfamiliar with, giving up old way of doing things and shifting to a new system, unsurprisingly produce resistance. There is a vast amount of arguments in the literature. In the late 1940s and 1950s, resistance to change had been identified as an important obstacle for implementation, and this perception has been still preserving its validity. However, some researchers have also tended to emphasize the constructive value of resistance because they believe not every change initiative is geared to produce good outcomes.

While resistance to change has been usually conceived as a quintessential human response, individuals may have different reasons for their resistant behaviors. Psychological factors stemming from negative expectations about change lead to manifestation of these behaviors. On the other hand, cultural atmosphere within an organization which is characterized by obsolete ideas and beliefs can also lead its members to be unresponsive to change. Alternatively, interests of groups or individuals and their struggle for power can turn resistance into a response resulting from political concerns (De Wit & Meyer, 2004).

1.2. The research question

By analyzing different approaches that explain resistance to change, this study aimed at providing a comprehensive ground, which identifies various types of resistant behaviors of employees towards change initiatives and describes managerial actions to manage resistance. Parallel to the diversity of arguments existed in the literature, we preferred to approach resistance by taking its both negative and aspects into consideration. In doing so, we want to emphasize the constructive aspect of resistance which managers can benefit during change processes. Under the light of this general purpose, guiding question of the research is constructed as follows;

- Concerning the nature of resistance, what kind of a strategy is necessary to manage resistance effectively during the change implementation?

Giving a comprehensive answer to above question constitutes the essential goal of this study. The question involves two basic concepts, change and resistance, and these have been analyzed deeply throughout the research process. While understanding the nature of change and the process of implementation can be assumed as the umbrella of study, we have also focused on resistance in terms of its sources, symptoms and dimensions. Two case studies have been employed to reveal the validity of theories and to explain models related to resistance.
1.3. **Objective and Purpose of the research**

Our purpose is to understand the role of resistance in the process of change management. We believe that this can provide us with a deeper understanding of key factors in implementing change programs. By referring to resistance, we do not necessarily see it as a barrier that needs to be eliminated; instead, we aim to understand the concept of resistance in a wider scope to identify crucial issues that can influence process of change in a positive way. In other words, the issue that is concerned in this thesis is to find an optimum way of managing resistance which takes all the aspects of resistance into consideration. We believe that such an approach can be influential in terms of minimizing failures or dissatisfactions in change programs.

By studying the research question and issues related to it, we hope to bring a new perspective about resistant behaviors of employees during the change process. Understanding, describing and analyzing roots and symptoms of resistance can enable us to construct a framework to implement change programs more successfully. Emphasis on resistance also brings the opportunity to use it as a constructive tool in terms of determining the defects of existing change programs.

Concerning the change implementation, this study aims to locate and to emphasize critical factors in management of resistance. The role of leaders in terms of creation and transmission of the change message through communication and participation possess a significance place in our understanding. From this perspective, we believe that by highlighting the importance of these activities, this research will be able to depict a comprehensive picture explaining the impact of leaders/managers in resistance management.

Apart from above purposes, we hope that this study will be capable of contributing to scientific community by presenting logical arguments and providing new spaces for further research. Additionally, considering the implications of the research, it would also be a valuable source for individuals in business life to locate different problems related to resistance and to take appropriate actions to handle them.
2. METHODOLOGY AND DATA COLLECTION

The ability to choose a convenient method to research on a social reality possesses great importance in terms of determining the sufficiency and reliability of outcomes. For this reason, the methodology which we will use in this thesis has been chosen carefully to meet the requirements of an advanced study which is capable of achieving our goals in conducting this research. In this section, we will explain general features of the methodology that we will use in answering the essential question of the thesis.

Selecting the methodology to study a social reality is shaped by the nature of the problem that has been under question. Considering the various elements inherited in the concept of resistance and its complexity, we found it much more convenient to employ qualitative design rather than quantitative. Although we initially intend to reach first-hand empirical data through investigating the issue on the field, it appeared impossible because of certain limitations. When we consider the amount of time that is necessary to study resistance empirically, it takes much more time than we had to prepare this study. In addition to time constraint, studying resistance in a real organizational setting demands a certain amount of financial resource which also limits our initial plans.

Having interpreted the existing conditions, especially the time limitation, we have turned the existing literature and selected some specific cases which present an appropriate ground for us to study our question. Despite above limitations, it has to be stated that the material we gathered through books, journals, websites, and documents have been substantially rich in providing us with the necessary information.

2.1. Qualitative Research

Qualitative methodology is a very broad discipline and basically refers to the research processes in which findings are obtained through non-numerical or statistical techniques (Strauss & Corbin, 1990). Its purpose is to reach an in-depth understanding about social realities and patterns create them.

Strauss and Corbin (1990) have identified three basic elements of qualitative methodology. First is the data which is obtained through interviews, observations, analysis of documents and materials, second is procedures which are employed by the researcher to evaluate collected data and third is the final reports, in written form or verbal, which states the findings and implications of a study.

Parallel to the essential aim of qualitative approach, in terms of understanding why and how of social realities, conducting a qualitative research usually necessitates small but focused samples to search deeply a given social phenomenon. Having considered the nature of our research question and the
available of information in the literature, we have decided to use grounded approach in developing final theory for the management of resistance.

2.2. Grounded Theory

The nature of our question is based on describing, understanding and analyzing the change process and the factors that cause resistance to it; and our ultimate object is to construct a theoretical framework which is expected to emerge from the data that we have collected and organized during our research. Therefore we find it appropriate to use grounded theory approach which refers to theories which are “derived from the data systematically gathered and analyzed through the research process” (Strauss & Corbin, 1998, p.12). One of the positive aspects of grounded approach that motivate us to select it has been the space which enable researchers to think creatively. While researchers rely on the data collected from real life, its deconstruction, in accordance with the necessities of a given problem, gives an opportunity to obtain closer insights about issues.

Concerning the essential question of this study and the nature of grounded theory, our efforts to present a solid and comprehensive theoretical solution to them demand two main activities, namely, learning and researching. Additionally, reaching a clear answer requires analysis of various concepts that are interconnected. Therefore we first need to divide the information into pieces and then to reconstruct them in a way that makes sense. Since the efficiency of an academic research is dependent on the level which the researcher is able to focus on micro-units rather than macro-units (Cherchye & Abeele, 2005), we think that our methodology provides us with convenient tools to carry out an efficient research.

2.3. Selection of case studies

One of the case studies that we have selected from the literature explains the implementation ABC within a Portuguese telecommunications company. Context of the study has two important advantages concerning this thesis. First, it provides this study with a general understanding about the change process in terms of revisiting sources and scope of change. Secondly, it has a very rich content for describing, analyzing and understanding resistant behaviors of employees. Therefore, we have had the opportunity to test conventional approaches in this study.

The second case study involves introduction of a new management system in a university owned research institution. In addition to its appropriateness to reinterpret existing literature, this study has enabled us to compare and contrast social and technological aspects of change and its impact on different groups and individuals. In short both of these studies have presented us a wealthy
resource to go deeper on resistance during the change process, and their differences have served as complementary to reach reliable explanations.
3. LITERATURE REVIEW: THE CONCEPT OF CHANGE

In this first part of the study, we will focus on the term change and explain different perspectives which will help us to construct the theoretical framework of the research subject. Many researchers in social and natural sciences have had a tendency to classify the term change according to their subjects and priorities. Having considered the widespread usage of the concept, we aim to explain the concept of change in the field of change management studies in order to obtain a clear theoretical background for the study subject. Before going into deep discussions on resistance management, we believe that this introduction part will be helpful in terms of depicting a broad picture and of recognizing the basic theories of change management. We will analyze the change in four categories, which represent its four different dimensions (Cameron & Green, 2004).

Nature of change: The basic issue of this part is to understand different perspectives explaining the nature of change. We will focus on five different approaches; and these are survival, behavior, process, structure and system.

Sources of change: The sources of change which refer to factors that force organizations to change, will be examined by discussing the current perspectives in the literature. Outside-In or Inside-Out perspectives will provide us with critical points for paradoxical views over the sources of change.

Scope of change: This part will contain the relations between the change drivers and the implementation strategies. We will discuss how the scope of change drivers leads different types of change implementations. Assumptions of evolutionary and revolutionary perspectives will be compared according to their effects on change strategies.

Level of change: In the last dimension of the term change, we will approach the issue by emphasizing three different levels that change can be encountered.

- Individual Level Change: We will mention four complementary approaches; behavioral, cognitive, psychodynamic and humanistic psychodynamic; by illustrating the variety of theories and models.

- Team Level Change: The development of team and the relations with the other level of changes will be examined by clear explanations and useful methods.

- Organizational Level Change: We will discuss the issue by illustrating fundamental models in the literature of organizational change.

In the literature, there has been a tendency to classify the change by relying on one or two dimensions of the concept depending on researchers’ area of interest. However, we have intended to choose this kind of a broad classification for two reasons. Firstly we find it necessary to provide a
comprehensive picture of the concept of change. Secondly, we aimed at making a contribution to change literature by revisiting essential concepts and arguments of influential researchers.

3.1. Nature of Change

As a starting point to analyze the literature on change management, we will ask the basic and introductory question of change studies: *What is the nature of change?* In social sciences and management studies, this question has been answered in different ways. Some researchers adapted the discussions from natural sciences and put the link between nature and business life; some of them evaluated the issue within the framework of psychology. In order to cover the subject with all dimensions, we have evaluated the studies in the literature and classified them into five different approaches, namely, *survival, behavior, process, structure and system.*

3.1.1. Survival

As one of the fundamental approaches in natural sciences, Darwin (1876) described change as “survival”. He associated the idea of survival with the ability of responding changes that have been taking places in the environment (Darwin, 1876). This perspective can be assumed as the starting point of the researchers who describe the nature of change as survival. In survival perspective of change, organizations are seen as the species in nature; and the survival in business environment has been interpreted as the necessity to adopt or to die (Beer and Nohria, 2002). Organizations should adopt themselves to the business environment in order to increase the chance to survive; or they will disappear like the species that have not been responsive to change in nature. When we look at the issue from employees’ perspectives, it can be argued that the nature of resistance to change can be described as the necessity of survival of individuals and teams, like departments or working groups, within business organizations. Workers tend to resist change initiatives because they think that change can harm the existent status-quo in the workplace and decrease their chances to survive. It can be also concluded that the most responsive workers to change have the biggest chance to survive in the organizations.

3.1.2. Behavior

Behavioral approach focuses on individual attitudes in explaining the nature of change. This approach conceives the change in organizations as highly dependent on members of organizations and their behaviors. As we will discuss in details in the following part, behavioral approach focuses on change in the basis of individual behaviors and their effects on other individuals’ behaviors in order to reach intended results. The failure or success of reaching intended results should be analyzed in the behaviors of individuals and the conditions (Cameron & Green, 2004). The nature of change in the organizations can be understood by analyzing the behaviors of people and their
effects. According to behavioral approach, by creating suitable environment and functional intervention strategies; change can be managed and organizational development might be achieved. The main concern of change agent should be behaviors, perceptions and attitudes of people in the process of change implementation and managers should concentrate on improving communication, group behaviors, organizational culture, organizational learning and motivation in workplace in order to achieve intended results and successful changes (Christensen, Marx & Stevenson, 2006).

3.1.3. Process

There has been a common tendency in the literature to describe the nature of change as an ongoing process. Process could be seen as a set of activities which are used to create outputs and results for organizations. In order for successful change management practices in organizations, processes -sets of activities- are needed. In general, change process has three main parts, which have been mentioned in many change process researches:

- Diagnosis of change drivers
- Strategy building and implementation
- Evaluation

We will extend this general analysis by also adding resistance factors and extra steps that will help us to cover whole process in details (Newstrom & Davis, 1997).

![Change Process Diagram](image)

**Figure 3-1 Change Process (Newstrom & Davis, 1997)**

**Diagnosis of drivers of change and resistance to change:** Diagnosis, which is the first step of change process, helps us to understand external and internal drivers which force organizations to change. Possible resistance sources should also be taken into consideration while diagnosing.

**Selecting change agents:** In accordance with the type of change that has been necessary, appropriate change agents should be selected in order to implement change programs. Change
agents can be internal, who are members of the organization; or external, who can be hired as consultants. At the same time, change agents should also be compatible to manage resistance.  

**Strategy building:** In this step, by considering the needs for change, a proper plan for change, which will transform organization from its existing situation to a desired position, is expected to be developed.  

**Strategy implementation:** Implementation of change strategies necessitates managerial and leadership skills. Time, cost, responsibility and ethical issues should be taken into consideration while implementing change programs.  

**Evaluation:** Overall progress and effectiveness of implementation should be evaluated in order to determine success of change in reaching targeted goals. The important point is not to ignore that change is an ongoing process in the shape of a circle; and therefore strategies should be adaptable enough to upcoming change forces and resistance factors that might arise from employees.  

**Institutionalize Change:** The change process and management are expected to be transferred to the long-term improvements by developing and introducing functional mechanisms like learning organizations. The important point that should be mentioned here is that change is the ongoing process, which is not directional. The process should be thought as a circular that the outputs of processes can be the inputs or sources of change processes. In other words, the process can be considered as a flow action in which every step is supported by the previous one.  

### 3.1.4. Structure

The other view has come from the structural approach and it has described the nature of change as “structure” and focuses on redesigning and restructuring organizations. Consultants or change agents should provide functioning mechanisms (structure) to managers in order to achieve successful change and decrease the anxiety in organization (Hirschhorn & Barnett 1993). Structures have been emerged from the interactions of groups of people that work and aim to the common purposes (Seel, 2002). It is also possible that structures can be created from outside by experts, namely external consultants. We can conclude that according to the strength of change drivers, the structures in the organizations can be redesigned or restructured. This view is more acceptable when unexpected or revolutionary change has occurred. This issue will be discussed more in detail in a separate part, called the scope of change.  

### 3.1.5. System

The last view for the nature of change is coming from technological approach, which proposes that change can be managed by using suitable technological systems. This view has taken attention after intense rate of the usage of networked computers and WEB based business solutions. According to technological approach, starting from production –even the product itself-, all kind business
processes have become computerized and IT based (Cameron & Green, 2004). Therefore, change has been resulted from the necessity of the improvement in systems within the organizations. All kind of fundamental transactions, like invoicing, logistic, ordering etc., have been managed by computer-based systems that put the necessity of development of such systems in the core of change.

3.2. Sources of Change

The question of where change comes from is another dimension of change that needs to be analyzed in order to see the whole picture of change management. In general, it can be said that there are two main sources that change stems from: internal and external. The internal forces of change refer to any kind of change forces that have their roots in the organization itself. The external forces can be expressed as the changes coming from the outer world of an organization, which force the organization to adapt (See Table 3.1). Market or industry that an organization belonging to, general financial environment of world, the country where an organization operates its business, official or non official associations, and are the examples of possible external sources that have potential to force an organization to change its way of doing business. As we can analyze from the drivers that are demonstrated on the table, there are also interactional and reason-result relationship between internal and external drivers. For example, shifting demands of customers can create a need for change in internal structure of a company, such as the need to improve product and service. Reversely, the improvement in operational efficiency can give rise to possible market competition.

<table>
<thead>
<tr>
<th>External Drivers</th>
<th>Internal Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Customer requirements</td>
<td>• Improving operational efficiency</td>
</tr>
<tr>
<td>• Demand from other stakeholders</td>
<td>• Need to improve the quality of products and services</td>
</tr>
<tr>
<td>• Government</td>
<td>• Process improvement</td>
</tr>
<tr>
<td>• Regulatory demand</td>
<td></td>
</tr>
<tr>
<td>• Market competition</td>
<td></td>
</tr>
</tbody>
</table>

Table 3-1 External and Internal Drivers (Oakland & Tanner, 2007)

Debates on the sources of change have carried us to the paradoxical discussion in the literature; the outside-in (market adaptation) and inside-out (resource-base) perspectives. These perspectives illustrate us the two opposite poles of discussion concerning the sources of change.

3.2.1. Outside-In Perspective

Outside-in perspective believes that organizations are heavily bounded to the market and should adapt themselves to the market conditions, opportunities and developments. The external environment should be the starting point and companies are assumed as externally oriented and
market driven (De Wit & Meyer, 2004). Therefore, managers should first concentrate on exploring the environment and finding market opportunities before building any kind of strategies (De Wit & Meyer, 2004). According to Porter (1980), firms are bounded to industry that belong to and should analyze the environment in order to understand their competitive position in the market competition. This perspective disregards the effects of internal drivers, such as innovating new technology or building systems for operational efficiency, and do not identify them as important sources for change.

3.2.2. Inside-Out Perspective

Inside-out perspective refuses the view of market adaptation and instead, proposes that the strength, capabilities and resources of organizations are the main determinants of the strategy and the position in the market. Organizations should not build their strategies and business systems according to the market; on the contrary business system of an organization, which are the stock of assets, value chain and the product offering, are the key issues that determine strength of an organization (De Wit & Meyer, 2004). According to the competence-based view of Prahalad and Hamel (1990), organizations should consider their core competences and develop strategies to strengthen these core capabilities and to build new ones.

To sum up; we can classify the sources of change into two categories as internal and external. However the interaction between internal and external drivers should be also put into the consideration for complete understanding. The discussion on the sources of change are helpful in terms of understanding to understand two separate assumptions which prioritize different issues in initiating a change program; but we think that, there has not been one directional relations among all kind of change drivers. Internal and external drivers for change should be considered as interconnected within the framework of change management because both of them have peculiar effects in different contexts.

3.3. Scope of Change

Another dimension for change studies is the scope of change, which refers to the link between the strength of change drivers and type of change strategies and implementation. In other words, the scope of the change forces determines the scale of change programs. Discussions on the scope of change can be looked at by emphasizing two main views about organizational change, namely, discontinuous (revolutionary) and continuous (evolutionary) change.

The paradox between discontinuous and continuous change is the angular point of the modern change process approach. De Wit and Meyer qualify these two elements as “the dichotomy between discontinuous renewal perspective and the continuous renewal perspective” (De Wit & Meyer, 2004, p.180). The
revolutionary perspective proposes that change should be made in disruptive manner that replaces old system with a completely new one. The destruction of old status-quo also means to creation of a new order (De Wit & Meyer, 2004). Forces such as governmental regulations, competitive pressure or first mover-advantage are some of the important factors that lead revolutionary changes (De Wit & Meyer, 2004). On the other hand, evolutionary perspective of change proposes a more gradual change process in which adaptation is expected to be realized in a subtle manner through small, persistent and continuous adjustments (De Wit & Meyer, 2004).

It can be summarized that according to expectedness or unexpectedness of change drivers, the responses of organizations and managers have shown differences in implementing change strategies. We will use the below table to analyze the different types of changes.

<table>
<thead>
<tr>
<th></th>
<th>Expected</th>
<th>Unexpected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incremental</td>
<td><strong>TUNING</strong> (e.g., new policies, technologies)</td>
<td><strong>ADAPTATION</strong> (e.g., new products or new feature)</td>
</tr>
<tr>
<td>Radical</td>
<td><strong>REORIENTATION</strong> (e.g., organizational redesign or reengineering)</td>
<td><strong>RE-CREATION</strong> (e.g., new culture or total strategic change)</td>
</tr>
</tbody>
</table>

Table 3-2 The Scope of Change (Gordon, 2002)

Tuning can be assumed as an incremental change that organizations have expected, which can improve the effectiveness, efficiency, introducing new policies and technologies.

Adaptation can be assumed as incremental changes which organizations do not expect but need to adapt themselves by introducing new products with the aim of responding to their competitors or adapting their organizational structure.

Reorientation refers to expected discontinuous change that is resulting from fundamental redefinition of key business elements of organizations, such as vision, strategy, identity or values. Organizational redesigning and reengineering can be put into this category and will be discussed in more detail in thesis.

Recreation is used for both radical and unexpected changes. Crisis management can also be put in this category. This mostly results in changing of organizational core values and there can be a radical new positioning within organization.

In conclusion, according to the strength and type of change drivers and the awareness of the organization, the scope of change and implementation can differ. The aim of the managers should
be to evaluate the change drivers carefully for reaching compatible change strategy. The success of change implementation highly depends on the understanding what kind of change strategies the company needs.

3.4. **Level of Change**

As human beings, we have lived in social organism where we have confronted to the different level of change in everyday life. Individuals could be assumed as the core part of change; that is, change in individual is the starting point of the change of all systems. But individuals are not isolated from the environment. They are also part of different groups at different levels. There have been intense webs of communications between individuals and groups. (Cameron & Green, 2004). Therefore, in this part, we will analyze three different levels of change, which will give us a comprehensive understanding about how change should be managed:

- **Individual level of change**
- **Team level of change**
- **Organizational level of change**

We put more emphasis on the level analysis compared to the other dimensions of change, because it contains important elements which will prepare the ground for the discussion of resistance management. We believe that for successful change implementation and resistance management, key elements of these three levels needs to be understood by manager/change initiators.

3.4.1. **Individual Change**

Even change has been coming from the external world, the perception and reactions toward change arises internally, and therefore this puts to individual to a central position in explaining the level of change. The external world, which individual are a part of it, has not been stable. It has been dynamic and subject to constant changes. The individuals, as a part of the environment, also encounter these changes and need to adopt themselves. From this point, individuals constitute the one of the most important levels which the idea if change needs to be analyzed and understood. We will revisit for different perspectives offered by Cameron and Green (2004) to explain individual level change.

- **Behavioral approach**
- **Cognitive Approach**
- **Psychodynamic Approach**
- **Humanistic Psychological Approach**
These four approaches are not contradictory to each other; instead, they function as complementary for each other, in terms of explaining the different dimensions of individual level change.

**Behavioral Approach:**
Behavioral approach focuses on change by looking at individual behaviors when they are striving to reach their goals and their effects on other individuals’ behaviors. The failure or success of reaching intended results can be analyzed in the behaviors of individuals and the conditions that shape them (Cameron and Green, 2004). This issue has been initially discussed by psychologist like Pavlov (1928) and Skinner (1953) in order to understand the relation between behaviors and conditions and the effects of rewards and punishment systems to the behaviors of individuals. Pavlov (1928) mainly analyzed the behavior itself under classical conditioning; however, Skinner (1953) has furthered the issue to analyze the possible effects of the behaviors. He proposed that there could be also the learning behavior with the positive and negative effects of rewards and punishments. According to him, there are four possible situations that might arise after using rewards and punishment systems (see Table 3.3).

<table>
<thead>
<tr>
<th>Actions</th>
<th>Positive</th>
<th>Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addition</td>
<td><strong>Positive reinforcement</strong></td>
<td><strong>Punishment</strong></td>
</tr>
<tr>
<td></td>
<td>Pleasurable and increases probability of repeat behavior</td>
<td>Unpleasant (for example, an electric shock) leading to decrease in repeat behavior</td>
</tr>
<tr>
<td>Subtraction</td>
<td><strong>Extinction</strong></td>
<td><strong>Negative reinforcement</strong></td>
</tr>
<tr>
<td></td>
<td>Avoidance of an unpleasant stimulus increases the likelihood of repeat behavior</td>
<td>Removal of a pleasant stimulus decreases the likelihood of repeat behavior</td>
</tr>
</tbody>
</table>

Table 3-3 Skinner’ Model, Rewards and Punishments (Cameron&Green, 2004)

These researches in the field of psychology have seriously shaped the trends in academics, especially in organizational development approaches, by linking motivation to behaviors in workplace. Douglas McGregor (1960) analyzed the motivation in the organization’s workplace by comparing two different management assumption called theory X and theory Y (see Table 3.4).
According to Theory X, individuals;
- do not like the working
- expect to be directed and controlled
- demand feeling if security
- are motivated by rewards and punishments
- are unwilling to take responsibility
- do not have ambition towards their work
- do not use their imagination

According to Theory Y, individuals;
- view working as a natural necessity
- expect encouragement rather than imposition
- perceive organizational as a way to get rewards
- view their work as self actualization and satisfy themselves with achievements
- can take initiative and responsibility when a suitable work atmosphere is created

Table 3-4 Theory X and Theory Y, (Adopted, Mc Gregor 1960)

In theory X, workers are assumed as naturally not motivated to work; on the contrary in theory Y, workers are willing to work; and under suitable environment, they can work more effective and motivated. In summary, he reached the conclusion that the managers who executed theory Y beliefs were more successful to increase the efficiency and motivation of workers in workplace.

Frederick Herzberg (1968) has also researched on the motivation for the best performance of workers. According to him, there are two types of drivers that workers have in workplace: hygiene factors, which resulted from the desire of workers to avoid deprivation; and motivators, which resulted from the desire of workers to learn and develop. He mentioned that hygiene factors and these involve, financial earnings (payment), policies of the organization, quality of management, relations between members, working atmosphere, social status within the organization and security. Herzberg (1968) argues that satisfaction of these elements do not have a positive impact on employees’ motivation. However if employees lack any of these, it influences their motivation negatively. On the other hand, motivators are expected to contribute employees’ performance directly and these are learning, accomplishments, the nature of work, taking responsibility, gaining recognition and personal advancement.

To summarize the behavioral approach, change in individual can be understood by analyzing the impacts of individual behaviors and motivating factors in terms of increasing performance and decreasing the resistance factors. For achieving successful change within the organizations, the behaviors of employees and their responses (negative and positive) should be analyzed carefully. Following steps, proposed by Cameron and Green (2004), present an alternative model for change implementation.
Table 3-5 Implementation Steps, (Cameron & Green, 2004)

Cameron and Green (2004) further the step four by emphasizing the importance of generating reward strategies over performance and the success of change initiatives. These reward strategies can be in the forms of financial, which can be bonus payments for any success or achieving target; non-financial, like functioning feedback system; and social which can be recognition of achievements.

This view also reveals the necessity of proper structures for managing the behaviors and motivating workers. One of the criticisms directed towards behavioral approach is its overemphasis on the behaviors and ignorance of different kind of perceptions about thinking patterns of individuals and this will be discussed in the next part, cognitive approach.

**Cognitive Approach:**

In contrast to behavioral approach, which focuses only to observable behaviors, cognitive approach has analyzed the behaviors in the frame of internal process of brain and emotions. Cognitive approach has the basis of behavioral approach, but furthered it by focusing on the way of thinking to reach the intended results and the emotions that affect our way of thinking. Individuals’ reactions to the situations are influenced by the emotional situation of individuals that they are in, and the way of thinking is shaped by emotions and the internal process of brain. In order to change the reactions of individuals to the situations, the thought process of individuals should be changed (Cameron & Green, 2004).

Albert Ellis’s rational-emotive therapy (1977) and Aaron Beck’s cognitive theory (1970) could be assumed as the main contributors for construction of cognitive approach. According to cognitive theory, self-concepts and values of individuals are located in the centre of individuals’ beliefs. Beliefs influence attitudes of individuals, which in turn influence the feelings and
behaviors (Cameron and Green, 2004) (See figure 3.2). At the end of these internal processes, individuals can reach results and conclusions, which are the products of their internal brain process that is shaped by set of values and concepts.

![Diagram](image)

**Figure 3-2 How to achieve results, (Cameroon&Green, 2004)**

Additionally, cognitive approach has introduced some techniques for individuals in order to achieve intended results. These techniques have been used in organizations nowadays mainly in terms of coaching activities (Cameron & Green, 2004). These are:

- positive listings
- affirmations
- visualizations
- reframing
- pattern braking
- detachment
- anchoring and resource states
- rational analysis (Cameron and Green, 2004).

In summary, cognitive approach claims that in order to change people behaviors, feelings and reactions to the situations, the internal process of individuals should be analyzed carefully. The way of thinking and reactions are constructed through beliefs that are shaped by self- concepts and values. Those beliefs influence the feelings and attitudes; and eventually the final results. Therefore, individual change can be possible by changing the thinking process of individuals. By using change techniques and coaching activities, intended results can be obtained over individuals. It is also possible to relate cognitive theory to the management of resistance to change within the organizations. By changing the way of thinking and resulting of individuals, resistance within the organization could be managed or diminished.

**Psychodynamic Approach:**

This approach has been constructed by Kubler-Ross (1969) and explained by the following model (See Figure 3.3). The model has been based on the idea of “psychodynamic”, which means when individuals confronts change from external world; some internal psychological stages can be experienced by individuals,- These are described as the five stages of change process and adjustment: *denial, anger, bargaining, depression, and acceptance* (Kubbler-Ross, 1969). When people
confront unexpected and revolutionary change that has a big impact on their current situation, they begin to experience these stages of change process and adjustment consecutively.

Figure 3-3 The process of change and adjustment, (Kubler-Ross, 1969)

Kubler-Ross (1969) model has been constructed for ill patient, but some management researchers have developed this approach in the field of management studies. Adams, Hayes and Hopson (1976) adopted the Kubler-Ross Model by adding extra stages like shock, experience, discovery and integration. In addition, Satir (1991) developed a model on change process and described the situation before change as the initial stage of maintaining old status-quo. Change process has continued to take place until a new status quo has been reached. Those processes are chaos, transforming new ideas and integration (Satir, et all, 1991). During the change process, there have been a lot of fluctuations until reaching the integration of change and creating a new status-quo (see Figure3.4)

Figure 3-4 Satir’s model for change process, (Cameron&Green, 2004)

Some contemporary researches have also furthered Satir’s model on change process. Weinberg (1997) has created his own model based on Satir’s model by adding critical points to the theory.
According to the change, whether it is planned or unplanned, and continuous or discontinuous, time to reach new status quo can differ (Weinberg, 1997)

The theories of psychodynamic approach are helpful to understand the change process of individuals and the stages that individuals would live until adjustment has been occurred, when they encounter any change in workplace. If managers are aware of those stages and whole process, it can be helpful in terms of understanding roots of resistance and its symptoms.

**Humanistic Psychological Approach:**
Although it has many similarities with behavioral, cognitive and psychodynamic approaches, humanistic psychological approach has specially focused on self-awareness, taking responsibilities and emotional intelligences. The concept of change has been interpreted in terms of achieving personal growth. The self-awareness of individual and their ability to understand the emotional situation of the others have been discussed as a way for the managers to manage the change. Maslow’s hierarchy of needs (1970), Roger’s paths for personal growth (1967) and Perls’s Gestalt Approach (1976) have been the main contributors of humanistic approach, which is started to be discussed in United States after 1960s.

Roger (1967) has discussed how personal growth and learning can be achieved by creating a facilitating environment and an empathic understanding. Facilitating environment, which is described as the suitable environment for greater acceptance of change, could be created under three conditions; called authenticity, positive regard and empathic understanding (Roger, 1967). The change agent should built and manage facilitating environment in order to decrease the time of acceptance process. In contrast to psychodynamic approach dealing with the illness, another researcher Maslow (1970) has based his theory on the lives and needs of people. In order to be motivated and to reach intended results, the hierarchical order of human needs should be compensated (Maslow, 1970). (See Figure 3.5)

![Figure 3-5 Maslow's hierarchy of needs, (Maslow, 1970)](image-url)
According to Maslow’s (1970) model, people have continuous tendencies to be developed and realized, which are called as the needs of self-actualization that can be reached after compensating four needs shown at the bottom parts of pyramid. Those are the needs that reveal the people’s priorities and the necessities in hierarchical way from bottom to top for reaching self-actualization and development. The lack of them can create dismotivation and prevent people from following their goals in terms of development and change. (see Table 3.6)

*Physiological needs:* Basic physical human requirements such as feeding, sexual relations. The lack of them can create physical causes.

*Safety needs:* Both physical and physiological necessities that make people feel in safety.

*Love and belonging needs:* The emotional needs, like to be accepted in a group or to be loved. The lack of them can dismotivate the person.

*Self-esteem needs:* The needs for the feeling of achievement and being master on something.

*Self actualization needs:* These needs basically refer to individual desires to achieve their full potential. These needs can not be satisfied and lead to a constant search for development

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Table 3-6 Understanding the needs, (Maslow, 1970)

Therefore, to understand the main causes of the resistance factors to change, the hierarchy of needs should be analyzed carefully by the managers. A change initiative introduced in the workplace can be the reason for the conditions that create the lack of employees’ needs. The psychological safety of employees and belonging needs should be taken into consideration by emphatically understanding and recognizing the reasons of resistance to change. Thus, an emotional and emphatic approach is required for personal growth of employees; that creates the greater rate of acceptance of change recipients from employees.

It has been also argued that the needs of self-actualization are not always in hierarchical order. Some needs of self-actualization, such as beauty can be prior position among other needs (Griffin, 1991). The hierarchy of needs can be ordered differently according to individual priorities.

Perls (1976) has also contributed to humanistic psychological approach with his well-known Gestalt Cycle by emphasizing the sense of what we are acting here and now, and how awareness can be built in order to understand the obstacles, which block people to reach intended results.
According to Perls (1976), the experiences that we encounter here and now are the starting point of our sensing, which is the basis of our awareness. Sensing of inside and outside conditions may lead to awareness, which creates energy for taking action to reach intended results and helps to complete the Gestalt experimental cycle (see Figure 3.6).

![Figure 3-6 The Gestalt cycle, (Cameron&Green, 2004)](image)

We believe that building an environment that facilitates people to start sensing in order to reach some level of awareness for taking action; or to manage the sensation process by sense making and meaning management activities possesses great importance for managers or change agents. It can also be considered within the framework of resistance management because it helps to decrease the level of resistance that hinders effective implementation.

As a conclusion for individual level change, these four approaches have given us a comprehensive picture of achieving change at the individual level. Based on the implications of these models, we have identified three issues. First, understanding the applying reward strategies, in different forms such as financial and social, has been crucial. Second, creation of meaning for individuals which influence their cognitive processes is not only important for change implementation but also for resistance management. Third, analysis of the process in which individuals accept change is necessary and this process can be supported by alternative coaching activities.

### 3.4.2. Team Change

Organizations consist of different types working groups. Individuals, different from individual level change, also encounter the team level change forces in organizations. In this part, we will analyze the way working teams tend to respond change initiatives.

In the literature, team is defined in different ways- Morgan (1986) sees team as the collection of people who come together for a common objective and share certain values objectives. Cohen and Bailey (1997) furthered the definition that a team is s collection of individuals who are aware of
their responsibility for the results under larger social entities, such as corporations and companies. Also, there have been distinctions between the definition of group and team in the literature. In contrast to the definition of team as mentioned above, groups have been defined as the number of individuals that are aware of themselves and draw a boundary around in order to perceive themselves as a group under common interests different from the outsiders (Cameron and Green, 2004). For example in the organizations, the workers who are the members of union can be thought as a group; on the other hand, the departments, change management teams etc. can be considered as the examples of teams in organizations.

There exist many types of teams, which are constructed according to intended objectives within the organizations. Cameron and Green (2004) classify the teams into nine different subjects; work teams, self-managed teams, parallel teams, project teams, matrix teams, virtual teams, networked teams, management teams and change teams. According to the complexity of the intended objectives and construction of organization, the names of the teams can be differentiated. For example, project teams can be constructed to achieve and to manage change implementations within the organization. Whatever the name of the team is, efficiency of constructed team is the main concern to reach intended objectives. In order to increase the efficiency in a team, Rollin and Christine Glaser (1992) propose five features that are necessary for effective functioning of teams. (See table 3.7)

- **Team purpose, planning and objective setting:** To build clear and strong purpose is the essential for the effectiveness of the team. To Plan and organize the works around the clearly settled objectives decrease the anxiety and help to effective functioning of the teams.
- **Distribution of the roles:** The clear distribution of the roles to the individuals in the team enhances the effectiveness and necessitates well-planned team structure.
- **Team operating processes:** This is related with the operations and functioning mechanism of the team. The timing and agenda of meetings, decision-making procedures, conflict management rules, reward and punishment mechanism should be determined clearly for effective team.
- **Personal relations:** Active communication, trust and respect among the member are the key for increasing efficiency.
- **Relations with other teams:** As we mentioned above, the team is part of another social entity, such as business units and corporations; thus there exist the complex interactions and relations with the other teams, which constructed for certain objectives. To keep the team efficiency, the team individual should clarify the boundaries and objectives of the own team and organizational objectives.

Table 3-7 Effective Team, (Rollin & Christine Glaser, 1992)
We will also analyze some team development models to understand how change occurs in team level. Tuckman’s model (1965) of team change has been one of the most widely accepted ones and it has had linear stages for team development. According to Tuckman (1965), any kind of team needs to experience the following four stages for a well-functioning team structure and development. (See Table 3.8)

**Forming:** It is the initial stage of forming a team and involves establishing team objectives and determining leaders, their roles and procedures. Due to the reason that every individual has different reaction for change forces, the boundaries and identity of the team should be drawn in this stage.

**Storming:** This stage consists of the clarification of all points structured in the first stage with discussing them by getting rid of the individual interests.

**Norming:** The team sets the common norms and rules practically by the discussions and builds the team thinking in this stage.

**Performing:** After three stages that the team set the purpose, structures and norms; the team begins to perform and work together.

Table 3-8 Tuckman’s model for team, (Tuckman, 1965)

In addition to Tuckman’s model, Schutz (1982) has his own model that describes and discusses the team development stages as; in or out, top or bottom, and near or far. In the first stage, members should decide to be the parts of the team or not. The second stage is the determination of the hierarchy within the members of the team. After obtaining who is the member of the team, this stage builds the position of the members into the hierarchy chart. The last stage is related to the roles of members and the level of execution. Another model for team development has been developed by Peck (1990). He also describes four stages, but pays more attention on psychological transformation of individuals and team itself (Peck, 1990). In the initial stage, called Pseudocommunity, the members of the team intend to reject the team identity. In next stage, called Chaos, the members attempt to generate some team roles to get rid of the chaotic situation. The third stage is called Emptiness, and there occurs ups and downs in the psychologies of team members. Individuals become senseless to the expectations and the objectives of the teams. Finally, after all these psychological stages, acceptance of each others occurs among the members and the members become a community.

From this point of view, team development necessitates the stage that transfers individual identity to the team identity which can be constructed under the light of common objectives. Another dimension that should be mentioned here is the relation between the levels of individual and organizational change. The question of how individual affects the team dynamics can be understood by examining the composition of team. There are differences among individuals in
terms of responding the change forces. Therefore, it can be said that teams must consist of individuals that can complete other members’ deficiencies. Myer Briggs Type Indicator can be a useful tool for the construction of effective team (Cameron and Green, 2004). This model has been based on four main different dichotomies when the members of a team sit around the table. These are, extraversion vs. introversion, sensing vs. intuition, thinking vs. feeling, and judging vs. perceiving. According to four main reactions, Myer Briggs Type Indicator classifies the individuals into eight distinct characteristics, which are the polar side of four main reactions. These are extraversion-introversion, sensing-intuition, thinking-feeling and judging-perceiving (Cameron & Green, 2004). Therefore, depending on the objectives of team, different combination can be introduced for reaching well-functioning team structure.

3.4.3. Organizational Change

Organizations are the places where change has a substantial impact. Therefore, the analysis of organizational level change has constituted the core part of change management analysis of researchers. In this part, we will examine the theories about how organizations can be investigated as a starting point to understand organizational level change. Afterwards, we will give five organizational change models that we have chosen from literature. Those theories are essential to understand the basis of organizational change practically.

In general, organizational change efforts are classified into three different approaches in the literature to investigate organizations (Hamberger & Yitzchayak, 1998). The first approach comes from classical management theory that focuses on the empirical facts and practical results by describing organizations as the formal unit. The second is the sociological approach that analyzed the sociology of organizations by focusing on the different identities and classes within the organizations, which create conflicts with the basis of socio-economic differences. The third approach that we will also use for our description comes from the psychological approach, which focuses on the individuals and their psychological conditions in order to describe the organizations. Metaphors are used for investigation and description units by the psychological approach, which represent the general perception - the images - of organizations by individuals (Hamberger & Yitzchayak, 1998).

According to Morgan (1986), ‘organizational metaphors’ metaphors are the essential way of analyzing the organizational level change because of their helps in clarifying the complex change drivers and process. Metaphors represent the image how organization is perceived by individuals and open a new way for determining appropriate change programs. Since there is not only one model or theory for solution; it will be beneficial for change agents to describe the variety of metaphors before starting to implement change programs. To describe the organization within the
image of one metaphor can constrain applicability of the framework for change implementation; therefore variety of the descriptions for the image of organizations can be helpful for reaching a comprehensive understanding of change strategy. From this point of view, organizations have been classified into eight different metaphors by Morgan (1986) as follows:

- Organization as a *machine*; consists of different functioning part to common goal.
- Organization as a biological *organism*; aims to adapt to change
- Organization as a central *brain*; predicts and responds to change
- Organization as a *culture*; consists of shared values and beliefs
- Organization as a *political system*; consists of power relations and conflicts among the self-interested individuals.
- Organization as a *physical prison*; consists of sets of norms for the behaviors of individuals
- Organization as *flux and transformation*; consists of complex systems, chaos and paradox.
- Organization as an *instrument* for domination.

The metaphors do not only represent the abstract perception of organizations, but also explain the way how organizations function and perceive the things. For example, Morgan (1968) explains the metaphor that views organization as machine and he defines it as rational enterprises designed and structured to achieve predetermined ends. Organizations in machine metaphor consist of operational parts, which functioning in a structure, with determined role and responsibility of employees in the light of intended target. Efficiency, maximization, inputs and outputs, production, standardization can be the key words for machine metaphor used in the organization. This example can also be extended for the other metaphors. Therefore, the description of organization and functioning of it can be different according to the image of organization, that is, which metaphors the organization is described.

Organizational metaphor analysis gives us a broader view on how organizations can be described and, according to that description, how change can be managed. It is better to extend the description by using more metaphors, which will increase the rate of success in change implementation. We will deepen the subject by giving some valuable models and theories that we have selected from literature.

### 3.5. Organizational Change Models

Variety of models and theories exist in the literature for implementing change in organizations. We have chosen these five theories that will demonstrate the fundamental approaches to understand the nature of change process and the basis for successful change implementation.
3.5.1. Kurt Lewin’s Three Step Model and Force-Field Theory

Force-Field theory was constructed by Lewin (1951) and became one of the most quoted theories in the field of organizational change. According to force-field theory, there are two sets of forces—drivers for change and resistance to change—in the organizations that are in opposition to each other. The situation in which drivers and resistance forces are in balance in the organization is called state of inertia. And during this process no change is possible to make. If the organization wants to change, forces for change should be more than resistance to change. Therefore, managers should concentrate on decreasing the resistance and increasing the forces for change (Lewin, 1951).

![Lewin's three-step model](image)

In order to achieve organizational change and to break the state of inertia, there are three steps: unfreezing, move, refreezing (see Figure 7). Unfreezing step consists of describing current state, showing the resistance and change drivers to create awareness about the necessity for change, and setting intended end-state. The second step is move which refers to taking action and forcing people to participate and to involve in change process. The third step is refreezing that aims to stabilize the organization and to make change permanent after the process of implementation has ended (Lewin, 1951).
3.5.2. John Kotter's Eight Step Model

Kotter’s Eight Step model is another practical and useful model for the managers, which intend to transform the organization through the change process. It was constructed by J.Kotter as a result of his experiences as a consultant. After analyzing his own consultancy experiences, he has identified eight steps that needs to be followed for successful change management (see Table 10), and these steps are mainly focused on improving communication during the change process (Kotter, 1995).

1. **Create sense of urgency:** analyze the competitive environment by foreseeing future threats and opportunity; and aware and activate the organizational sources for the urgency of change.
2. **Form a powerful coalition:** establish power managerial team for leading change.
3. **Create a vision for change:** build clear vision for effective perception of the change ideas among employees
4. **Communicate the vision:** the communication is the key part for the success of change, thus build functioning communicative tools to full perception of vision
5. **Getting rid of obstacles:** taking care of the resistance factors by empowering the people that can execute your vision
6. **Create short-term wins:** plan for short-term success and reward people to increase motivation
7. **Build on change:** Consolidation of the change for promoting new products and changes
8. **Institutionalize new approaches:** make sure that organization will ready for upcoming changes

**Table 3-9 Kotter’s Eight Step Model for Change Implementation (Kotter, 1995)**

It can be concluded that the communication is the key factor for successful change. Kotter (1995) focuses on the importance of creating clear and realistic visions with an appropriate change team. Through the direction of the eight steps, vision, ideas, achievements and failures should be communicated intensively by the empowered people within the organization. As Kotter (1995) emphasizes that communication possesses a vital importance during the process and we think that his model and its emphasis on intense communication can also be beneficial for managing resistant behaviors of employees.
3.5.3. Colin Carnall’s Change Management Model

Carnall (1991) has developed an alternative model for organizational change and revealed that how managerial skills affect the change process and the success rate of change implementation in organizational level. He puts his model on the basis that the level of managerial skills in areas, such as managing transition, organizational culture and organizational politics, are fundamental determinants of effective management of change process (Carnall, 1990).

![Diagram of Carnall’s Change Management Model](image)

**Figure 3-8 Carnall’s Change Management Model, (Carnall, 1990)**

Through achieving organizational change and learning, the level of management skills of internal and external pressures for change, will allow the creation of suitable environment for creativity, risk-taking, learning, rebuilding, self-esteem and performance within organizations (Carnall,1990).

3.5.4. Nadler and Tushman’s Congruence Model

Another theory for managing change, which has many similarities with Carnall’s (1991) change management model, has been built by Nadler and Tushman (1997). It is called congruence model and has been based on the understanding the factors that have impact on the success of change process. According to congruence model, an organization is a system (organism) that consisted of sub-systems, which sort out and translate the changes from external environment. As a system, organization diagnoses the inputs both from internal and external change drivers; puts them into the transformation process of an organization and acquires outputs that can be used in three levels; individual, team and total. Sub-systems are the components of the transformation process, which are not independent from each other. Nadler and Tushman (1997) describe that inputs are obtained from both external and internal sources, and they are turned into the outputs, which are the results of the transformation processes, namely activities, behaviors and performance (See Figure 3.9).
Interaction and dependency among sub-systems through the transformation process are fundamental for the success of change management process. Each organization has unique features for change process according to the characteristic of the interaction among sub-systems. Sub-systems are described as follows by Nadler & Tushman (1997):

**The work:** This is the daily activities of individuals in the organization.

**The people:** Personality (backgrounds), capabilities and expectation of people working in the organization can be put in this part.

**The formal organization:** This is the organizational structures, policies and systems organized in formally; written rules.

**The informal organization:** This means the emerging structures, systems and norms among the interaction of individuals throughout the time. These are unwritten rules and power structure of the organization.

For effective and successful change process, Nadler and Tushman (1997) propose that all four components of transformation process should be managed at the same time by managers. The sources of resistance to change process can be resulted from the management, which ignores to consider all these for sub-systems and the interaction among them. If one plans to introduce a change programs on the formal organization, the other sub-systems should be put into the consideration; such as the compatibility of the people and to the work of organization.

We can conclude that congruence model is important in terms of showing the close relation between the organizational system and management and the possible sources of resistance for successful change implementation. The point that needs to be considered has been that the lack of
congruence among sub-systems create potential sources for resistance to change process. Critiques of this model claim that this model has a much more focus on the problems instead of solutions (Cameron and Green, 2004) and therefore it was seen as incapable of producing sufficient solutions to existing problems.

3.5.5. Peter Senge and Systemic View on Organizational Change

Systematic view on organizational change is developed by Senge (1999) it is mainly concerned by the sustainability of change. Systematic view believes that like nature, organizations consist of systems that put them into status quo with the forces of systems’ balancing processes. The reason behind why the most of change attempts have not resulted in success does not always stem from the managerial mistakes. The prevailing balance process of the systems within the organizations, which the managers are not always able to recognize or manage, also plays an important role in these failures (Senge et al, 1999). The systematic change in organizations refers to sustainable change, which is expected to be realized in a gradual manner. To load higher hopes and results to the change initiatives carries high possibility of being unsuccessful. Therefore, Senge (1999) offers some points for managers or change agents in order to increase the rate of success:

- Start from the small part of change instead of whole systems.
- Make growth them regularly.
- Plan your action not for whole systems, but for small intended change initiatives.
- Be ready for the challenges.

Starting with small changes, systematic change can be achieved at the end of all change process. Therefore, sustainable change can occur when balance of the systems in the organization shifts. As a conclusion to organizational level change, organizational metaphor analysis has provided us a comprehensive ground to describe organizational dynamics opened alternative ways for selecting convenient change models for successful implementation. Organizational change models also showed us the importance of management of resistance factors during change implementation process. Having considered the arguments, tools and models related to the concept of change we have identified some key issues:

- Whatever the nature of change is, the implementation of change strategies requires ongoing processes. The management of resistance should be taken into consideration for every step of change process.
- The level analysis of change will give us clear theoretical understanding for furthering our research on the resistance factors.
- The complexity of change drivers and resistance factors force us to link the special leadership and managerial skills, which are necessary to manage all processes successfully.
4. LITERATURE REVIEW: RESISTANCE TO CHANGE

4.1. Introduction

It is usually repeated, in both academic and business world, that many of the change initiatives one way or another have produced poor results. The rate of fail in organizational formation has been fifty to seventy per cent (Hammer & Champy, 1993). Although this high percentage, which indicates the large number of organizations that are unable to realize their change plans, has attracted the attention of those who are interested in the topic i.e. researchers, consultants, academicians, managers, complex nature of the activity of transforming an organization makes it difficult to construct a perfect solution or a plan that can be valid in different contexts for achieving intended outcomes.

One may list various causes for the failures experienced in implementation processes but resistance to change is more likely to be described as one of the most widespread ones. Even though the concept of resistance to change is not a new one, no consensus about its content and the ways it is experienced has existed among the researchers who have studied it. In the following section, we will review the concept of resistance to change from the perspectives of some influential researchers in this field.

Although resistance has been usually conceived as an impediment to change, significant number of arguments which emphasize the positive role of resistance have been existed in literature. There have been a lot of books and scientific papers in the literature, and many of them have approached the issue from different perspectives. Therefore, to prevent repetition, we find it appropriate to review authors who have contributed to literature by representing each of these different perspectives in terms of resistance to change.

4.2. Definition of the Term

Since the core concept of this review section is “resistance to change”, it is necessary to look at existing definitions of resistance in the organizational context. According to Zander (1950), resistance is a “behaviour which is intended to protect an individual from the effects of real or imagined change” (cited in Dent & Goldberg, 1999, p. 34). Folger and Skarlicki define resistance as “employee behaviour that seeks to challenge, disrupt, or invert prevailing assumptions, discourses, and power relations” (Folger & Skarlicki, 1999, p.36).

Piderit (2000) has classified the existing definitions in the literature by considering three main dimensions. Firstly she looks at descriptions which see resistance as a behaviour, similar to definitions made by Zander (1950), Folger and Skarlicki (1999). Resistance is defined as either
taking action against change or being passive to respond it (Brower & Abalofia, 1995). Parallel to
this, Ashforth and Mael (1998) define resistance as “intentional acts of commission (defiance) or omission”
(cited in Piderit, 2000, p.785).

Secondly, some researchers pay attention to emotional factors as sources of resistance. Coch and
French (1948) associate resistance with the feelings of frustration and aggression. Based on their
case study, they define resistance as a response to frustration and aggression caused by the change
initiative (Piderit, 2000).

Thirdly, cognition, which refers to beliefs and attitudes, has also been used in the literature as a way
to describe resistance. Piderit (2000) illustrates this tendency with Watson (1982), who defines
resistance simply as reluctance of employees. Alternatively, Bartlem and Locke (1981), who
evaluates the study of Coch and French (1948), argue that, participation which was a key concept in
this case study, plays a critical in providing employees with necessary motivation to adopt new ways
of working.

4.3. Research on Resistance: Reasons and Solutions

As one of the pioneers in development of the concept of resistance to change, Lewin (1951) had
advanced a theory, called force-field theory, focusing on resistance during the process of
organizational change. According to Lewin (1951), two different types of forces are embedded in an
organization. While one group of them works in favor of change, the other group opposes it. When
these two groups of forces are balanced, the organization experience inertia, and in order to change
this equilibrium, forces for change need to be strengthened and resisting forces should be
weakened. The responsibility of managers who plan to implement change is to work towards
diminishing the impact of resistance forces while on the other hand reinforcing the forces for
change. The following figure reveals the basis of Lewin’s (1951) force field theory in the
organizational context.
An organization whose performance depicted as level P1 is in balanced position, in other words, forces for and against change are stabilized at level P1. However, if the company evaluates its performance and decides to increase it by changing certain processes within organizations, it has three options. First is to increase for changes, second is to decrease forces against change and third one is to make both of them simultaneously. Successful implementation of any of these alternatives can lead organization to move level P2 and to increase its performance.

While Lewin’s view on change represents a dialectical approach involving opposing forces, Zander (1950) explains resistance by focusing on individuals and their attitudes toward change. He perceives resistance as a type of behavior of an individual who aims to protect himself and his interests from possible impacts of the change efforts. What seems also significant in his analysis is the distinction between the causes and symptoms of resistance. Therefore, he urges manager who has to deal with resistance in change implementation to focus on causes instead of merely eliminating the symptoms of resistance. According to Zander (1950), there are six main reasons for resistance to occur in change initiatives:

- Ambiguity in the mind of those who will be affected by change about the nature of change.
- Existence of diverse interpretations about the change and its impact
- Existence of strong forces preventing individuals from changing
- Strong top down imposition on individuals who will be influenced by change, lack of participation
- Existence of personal interests directing change
- Ignorance of pre established institutions in the group

Figure 4-1 K. Lewin’s Force Field Theory, (Adopted, George & Jones, 2002)
One of the early empirical studies dealing with resistance to change had been conducted in U.S and had provided a fertile ground for academic discussions about the issue. Lester Coch and John R. P. French, J (1948) had studied resistance empirically in Harwood Manufacturing Company and try to answer two basic questions; firstly “Why do people resist change so strongly?” and secondly, “What can be done to overcome this resistance?” (Coch & French, 1948, p.512). Their initial theory for resistance to change had been based on that individuals are subject to frustration during the process and they need to respond it by relying on pre-established group forces.

In order to understand impact of a change initiative and the responses from employees to it, Coch and French (1948) have composed four different groups which were having different levels of participation to the change process. While the first group was consciously kept away from the process in terms of why change was needed and how should it be, the last group was given a chance to participate in all activities from strategy formation, deep discussions about necessity and implementation to feedback sessions. Other two groups were also given chance to participate at certain levels but the first and the last groups which were treated completely different, were critical determinants of outcomes of the study. Not surprisingly, the first group, which was only given instructions about how they had to operate and their work under new system, performed poorly compared to pre-change period and even some of its members had quitted the job. On the other hand, last group, which was given the opportunity to participate change process, despite the initial decline in their performance; they increased their productivity in a very short period of time. Having conducted different empirical studies, Coch and French (1948) basically claimed that individuals and groups that are given the opportunity to participate in creation and development of change activities are less likely to resist in implementation than those who are kept away from these processes.

The efforts to manage resistance had taken various forms depending on one’s own point of view. Lawrence (1954), evaluated findings of the study conducted by Coch and French (1948) in Harwood Manufacturing Company in a quite different way and claimed that resistance to change in the factory resulted from different treatment towards each group which eventually damaged social status quo in the factory rather than participation. According to Lawrence (1954), the main reason for employees to perform poor and to resist change was about the loss of social status within the organization and the ignorance of their skills in the previous setting. Drawing on the empirical studies and their implications, Lawrence (1954) argued that a change initiative has different dimension namely technological and social. Therefore the outcomes of a change need to be evaluated differently by considering these two dimensions. Lawrence (1954) identified key points to consider for managers those who have to manage a change process and to deal with resistance.
Managers need to take the interests of employees into consideration during implementation.

Managers should communicate with employees to make them understand the meaning of change.

An alternative approach to resistance can be guiding because not all employees resist change in the same way, differences between staffs and department have to be considered.

New job definition can facilitate generation and implementation of new ideas.

Managers have to recognize their role in providing communication with the staff at different levels to achieve successful implementation.

Resistance to change has always been conceived as a significant obstacle for organization those need to shift their direction and it is usually tried to be handled by tactics that perceive issue of change and resistance from a managerial point of view. Contrary to this tendency, Flower (1962) argues that many change attempts fail because it is usually misunderstood by those managers who actually initiate change. In other words, managers fail in overcoming resistance because they think change process as quite straight forward, like moving one situation to another. However, for successful transition it is important to understand how this attempt had been conceived by the employees. According to Flower (1962), when a change initiative is introduced, employees usually experience different problems which are not completely understood by managers. First one is about clarity of the idea of change. Unless employees grasp the meaning and the necessity of change they tend to resist. Second one is the rigidity, in terms of the way change intended to be implemented. If the manager insists on one single way of operation and tends to dictate, the possibility of resistance increases. Third one is about the changes in social status at the workplace. Employees may see change as a threat which can lead to loss of their social status at work. Finally the fourth one is about workload of an individual and if employees tend to associate change only with extra work, he or she is most likely to resist because of the belief that he or she already has a excessive of work.

Kreitner (2004) also approaches the resistance by focusing on possible reactions from employees and provides managers with a framework to apply in dealing with resistance. He basically identifies three different stages in a change process. First one is called unrealistic optimism and it refers to the situation that when managers present the new strategy it usually creates a sense of optimism. Managers tend to describe the idea of change as a quite unique way of doing their business that can contribute development of organization. Second stage, contrary to first one, is a process whereby individuals start to realize that the initial idea is not as good and realistic as it is presented and they are likely to be shocked and disrupted by actual conditions. Having experienced this decline in employees’ attitudes toward change, probability to face resistance increases.
that through managerial effort organization can move to the third stage which is labeled as constructive direction in which employees are expected to understand the difficulty of achieving new targets but at the same time they tend to commit their energy to follow this new direction.

Figure 4-2 Attitudes towards change, (Kreitner, 2004)

During these three staged process, Kreitner (2004) defines key points in employees attitudes and in their perception of the change. Employees, who are negative towards change either because of fear or dislike, tend to evaluate idea at the very beginning as useless and completely wrong. Kreitner (2004) encourages managers to act as a role model for their subordinates and to try to clarify any type of misunderstanding about the content of idea. Thanks to these efforts, there can be improvement in the attitudes of employees but it is more likely to be temporary. They seem to agree upon the idea whereas they do not necessarily believe its applicability. Then next stage, point 3 in the figure, is described as the moment when individuals experience a growing self doubt about their capabilities and the requirements of task, and they tend to lose their motivation. According to Kreitner (2004), managers’ responsibilities in this stage are, to listen employees in a supportive manner, to refute negative feelings and unreasonable fears, to create short term realistic goals, to build self confidence through recognizing and rewarding positive comments. Successful application of these strategies can move the direction of change process to point 4 where individuals started to realize the necessity of change and to believe their ability to carry out necessary tasks. In the final step, employees are expected to acknowledge the demanding nature of change and to commit their energy toward achievement. To maintain this ongoing improvement in employees’ attitudes, managers need to recognize individual or group achievements and put certain long term goals for sustainability of change (Kreitner, 2004).
While most of the arguments that have been discussed so far tend to write a prescription for eliminating resistance, Strebel (1996) presents a different perception of resistance by focusing on the relationship between managers and employee. According to Strebel (1996), “employees and organizations have reciprocal obligations and mutual commitments, both stated and implied, that define their relationship” (Strebel, 1996, p.87). He called these mutual agreements as personal compacts and argues that employees are likely to resist an idea which can damage these personal compacts.

By referring this concept, Strebel (1996) addresses three different aspects of relations between employees and managers. First one is the formal nature of relationship and it involves explicit agreements between managers and employees. The description of a job, determination of required resources for the accomplishment, financial and operational targets, and rewards and employees supposed to get are all elements of this formal aspect of personal compact. Strebel (1996) argues that many managers believe that revising these formal structures is sufficient for obtaining the commitment of employees to their organization. However, these structures are supported by psychological and sociological means, it is difficult to make employees believe and work towards the common goal of the organization. The second aspect of personal compacts refers to implicit agreements and to employment relations. It is characterized by feelings like trust and dependency and, employees are likely to expect things different from money than money, such as personal appraisal in, when he or she achieved. In return, employers too expect their subordinated to remain loyal the organization. The third aspect of personal compact deals with the sociological necessities in relations between employers and employees. The author emphasized the importance of consistency between its vision, mission and value statements, and the actions of management team in gaining commitment of employees. Any kind of discrepancy between action and statement can undermine employees’ beliefs towards the organizational goals and the methods to achieve it.

According to Strebel (1996), success of a change initiative lies within the ability of managers to revise these personal compacts in an appropriate way. What he has suggested for managers are first to draw the attention of their employees to the urgency of change, secondly managers need to start up a new process in which new characteristics of personal compacts can be grasped and idea of change is understood by employees. Finally, they need to obtain commitments of employees to the new strategic goal by using revised personal compacts.

The approaches which explain resistant behaviors of employees, have varied substantially in accordance with the researchers’ point of views. The issues such as organizational dynamics, relations between managers and employees, and perception of change are some of the most referred ones to identify the roots and symptoms of resistant behaviors. In addition to these views, Kegan and Lahey (2001), explain employee resistance to change by relying on individual psychologies.
Although they recognize the resistance as a quintessential human response to protect status quo, they emphasize the importance of understanding sources of resistance to cope with it. The core concept of their study is “competing commitments” which refers to two opposing motivation embedded in the minds of people. According to Kegan and Lahey (2001), these commitments prevent individuals from achieving their goals. While employees usually seem to understand suggested change initiatives, the hidden beliefs that they have conflict with the idea of change and therefore hinder implementation. Kegan and Lahey (2001) compare the role of a manager to psychologists’ and expect managers to disclose the employees’ hidden beliefs to execute change efficiently. The following part is an example by the Kegan and Lahey (2001) to illustrate what they mean by competing commitments;

“John was a person of colour working as part of an otherwise all-white executive team. When he went through an exercise designed to help him unearth his competing commitments, he made a surprising discovery about himself. Underneath it all, John believed that if he became too well integrated with the team, it would threaten his sense of loyalty to his own racial group. Moving too close to the mainstream made him feel very uncomfortable, as if he were becoming "one of them" and betraying his family and friends. So when people gathered around his ideas and suggestions, he’d tear down their support with sarcasm, inevitably (and effectively) returning himself to the margins, where he was more at ease. In short, while John was genuinely committed to working well with his colleagues, he had an equally powerful competing commitment to keeping his distance.” (Keagan & Lahey, 2001, p.86)

What is crucial to consider in the example is the impact of psychological motives upon individuals’ day to day actions in business. Even employees seem to acknowledge benefits of new change initiatives, another inner force function as an obstacle therefore hinders effective implementation. In addition to competing commitments, Kegan and Lahey (2001), defines the concept of big assumption which refers to a broader set of idea that is very deeply established in subconscious. The big assumption of the main character (John) of above example, is that he assumes he will loose his authentic ties with his racial if he involves too much in mainstream group and becomes a part of it.

To overcome these negative psychological aspects, Kegan and Lahey (2001) offer a series of action for managers. Although they acknowledge that such negative responses are perfectly human, their aim is to make employees understand their competing commitments. Once these commitments are understood, the next issue is to teach employees the ways to cope wit them. First part of the prescription offered by Kegan and Lahey (2001), involves a set of questions to employees with the aim of discovering their competing commitments and make them understand theses. Next phase consists of determining the big assumption that is placed at the very core of employees’ mindset. Finally having determined, employees are expected to start changing their behaviors and breaking their immunity to change.
4.4. Positive Approaches to Resistance

For many people, the term resistance has negative connotations and this attitude reflects itself in academic studies too in the form of solutions to prevent resistance. Parallel to this, “resistance has been classically understood as a foundation cause of conflict that is undesirable and detrimental to organizational health.” (Waddell & Sohal, 1998, p.543). Classical organizational theory has had a big impact on this general tendency to see resistance as a problem which needs to be eliminated. The dominant idea in classical theory, perceives unity and coherence as the fundamental prerequisites for maximization of performance in production and development. Therefore, discrepancy and pluralism in terms of ideas and attitudes are considered to have a negative impact on organizational performance (Waddell & Sohal, 1998).

However, significant amount of researchers whom will be explained in this section, starting from 1970s, have tended to evaluate resistance in a way that is completely contrasting with these pejorative interpretations. Rather than conceiving resistance solely as an obstacle, they have focused on understanding dynamics embedded in resistant behaviors and attitudes. Proponents of this positive approach have came up with the idea that describes resistance as a positive element in change process because it enables managers to revise bad aspects of a change initiative. The presumption that lies under this approach is that not every change idea is capable of producing valuable outcomes, and therefore resistance to such ideas can be used in a constructive way.

Before looking at different arguments that define resistance as a valuable input into change process, it has to be stated that almost all researchers who advocate the constructive value of resistance, emphasize the necessity of understanding and controlling resistance in a proper way to benefit from it. Hultman (1979), argues that it is a fallacy to accept change as inherently good because its success depends on the outcome it bring about and to assess the performance of a change effort certain period of time is needed. According to him, because organizations are continuously subjected to internal and external forces to change, during this period, resistance may function as a stabilizer, and balance these internal and external demands. From this point of view resistance provides organization with, what Hultman called, a rhythm, that is crucial for survival of the organization.

The meaning of resistance has varied depending on a researcher’s point of view and therefore explanations can lead quite different conclusions. Waddell and Sohal (1998) argue that people resist uncertainties rather than the idea of change. According to Waddell and Sohal (1998), what makes individuals hesitate about the change is possible negative outcomes that are inherited in the idea. From this point of view, Waddell and Sohal (1998), perceive employee resistance as an opportunity to revise proposed strategy and to fix its defects that are overlooked initially. The advice they
present for managers is about the importance of considering resistance as a warning signal rather than seeing it solely as a problems that needs to be eliminated.

The contribution of resistance to change process is not limited only to directing attention to possible defects of change strategy. From a psychological point of view, it has been usually emphasized that dissatisfaction with the current state of affairs has been important source for growth and development (Waddell & Sohal, 1998). Resistance therefore is perceived as a valuable source providing change process with a momentum. Litterer (1973) addresses apathy and passivity as important obstacles for implementing change and argues that conflict and resistance can be desirable in terms of providing organization with energy and motivation during change process. However, it has to be noted that authors who have proposed these positive ideas about resistance, also pay attention to the amount of conflict and resistance. In other word they do not deny that too much conflict can lead to distraction of attention from the core of issue (Waddell & Sohal, 1998).

Although many of the authors who perceive change as a constructive tool tend to base their arguments on the constructive value inherited in the approaches of resistant people, their reasons for reaching this conclusion differs. De Jager (2001) who defines change as “the act of replacing old with the new” (De Jager, 2001, p.25) opens up a new window in discussion of resistance with his emphasis on the distinction between the old and the new. First of all, De Jager (2001) reaffirms that not all change initiatives are necessarily good. Secondly for a successful change, different alternatives are necessary to choose the best one. According to De Jager (2001), resistance plays an important role in selecting the correct path of change by creating a discussion atmosphere. Therefore, managers need to focus on causes of resistance and, to consider concerns of employees to manage change efficiently.

4.5. A Critique on existing literature

During literature review, we have intended to provide a framework explaining historical development of the term ‘resistance to change’. Therefore, starting from Lewin (1951) and the first empirical study done by Coch and French in 1948, we have tried to cover evolution of term which is still continuing. While one of our goals is to present this flow of development historically, we also intended to emphasize various approaches that explain resistance to change by using different reference points.

As we analyzed with separate titles, there have been two mainstream approaches concerning resistance to change. While some authors tend to focus on negative aspects of resistance and insist on elimination of it completely, others propose the idea that resistance can be used in a constructive manner. Regarding these negative approaches, we have found some problematic issues in their
perception of resistance. First of all, authors who have a negative attitude towards resistance, constantly explain and describe resistance with pejorative terms, and perceive it as one of the major reasons of failures in change initiatives. However, what seemed problematic is the way they intend to handle resistance to change. Most of their models to overcome resistance can be described as monolithic which refers to idea that regardless of types of resistance, they propose certain prescriptions that can be used to eliminate resistance. However, as we repeatedly saw in change efforts, resistant behaviors of employees may have different roots and therefore needs to be handled in a manner that is specific to every single situation. Secondly, connected with the first one, they completely disregard positive elements that might be inherited in resistance. Although some has tended to accept resistance as something that managers may face in change implementation, their arguments are directed towards total elimination of resistance rather than managing or controlling it.

Concerning the second group of authors who advocate the positive value of resistance, we think that their arguments have inspired our belief on the necessity of managing resistance. One of their significant contributions is their emphasis on turning resistance into a positive element that can be used in change process. Additionally, they confirm the view that perceive resistance as sign of health and therefore acknowledge the necessity of managing it. However, what has motivated and shaped our research has been the lack of a comprehensive theory that can describe and analyze critical elements of resistance management. We believe that to cope with resistance successfully, a careful analysis of resistant behaviors is necessary. Application of such a model may enable managers to distinguish various responses of individuals to change and to take valuable elements, if exist, which are inherited in these responses.
5. EMPIRICAL FRAMEWORK OF THE RESEARCH

Organizations facing the necessity of change should also be prepared to handle difficulties that can occur during implementation. Resistance, perceived by many as an obstacle or as a barrier, has been a critical issue for managers because it may appear in different forms in different contexts. Therefore, for a manager one of the most important tasks in implementation has been to understand resistant behaviors of employees, in terms of their causes, symptoms and the way they are manifested. In the following section, we will analyze two case studies and interpret their findings within the context of our research.

5.1. Review: Maria Major and Trevor Hopper, “Managers divided: Implementing ABC in a Portuguese telecommunications company”

The subject of the study is a Portuguese Telecommunications firm which initiates a new program, called activity-based costing (ABC). During the implementation process, the organization experienced various problems from employees in different departments concerning the change initiative. We prefer to select this specific case study as the opening part of this chapter because it provides us with comprehensive empirical evidence which shows most common causes and symptoms of resistance which we will describe and focus on next sections. In addition, the study also presents a general framework for understanding the change in terms of its nature and sources. By considering these positive aspects of the case study, we will first review the study by focusing main points that concerns us most, and then make an evaluation about its implications and its consistency with the existing arguments in the literature.

5.1.1. Introduction

Many actors in business life, such as consultants, managers and academicians, have recently tended to emphasize efficiency of ABC in providing more accurate product costs and in enabling managers to conceive the cost causation. However, Major and Hopper (2005) stress that definition of ABC varies significantly depending on the viewpoint of implementer. In addition to methodological and technical problems of ABC implementation, behavioral issues regarding change management have also become visible in the implementation process. According Major and Hopper (2005), ABC can become a central point for conflict for individuals from different departments and, employees may tend to resist implementation of ABC with various reasons. From this point of view; “this case study of a Portuguese telecommunications company investigates ABC implementation and usage. The belief is that open-ended, intensive field-based methods can identify and explore issues from the perspective of actors involved, cast light on previous findings, and aid theory development” (Major & Hopper, 2005, p.206). In addition, what makes the study worth to re-evaluate in this research is its context which enables us to analyze a change
initiative, which directly influences the daily routine of employees, and to understand the patterns of behaviors which individuals rely on when reacting to change.

Before looking at the setting and implications of the study, it seems necessary to describe what is meant by activity-based costing (ABC) and to look at its functions. Starting from mid 1980s, pioneered by Kaplan and Cooper, ABC applications became an important topic for academic researches and papers and, various American companies have implemented it (Jones & Dugdale, 2002). Experience and lessons learnt from these firms led to the conclusion that ABC provides companies with more accurate costs and it is much more efficient than conventional accounting systems which have been attacked because of their incapability of integrating new information technologies into accounting (Major & Hopper 2005).

Proponents of ABC usually associate it with more accurate product costs, elimination of waste and therefore with cost reduction, and improvements at operational level. “It is claimed that ABC helps managers to understand cost hierarchies, identify relevant revenues and costs, and hence make better decisions” (Major & Hopper, 2005, p.207). In its most basic sense, ABC aims to allocate resources to activities and then activities to cost objects by relying on a causal relations formed through considering volume of activities (Major & Hopper, 2005).

However, ABC has been subjected to different criticisms from different perspectives. One of the negative comments about ABC implementation, made by Noreen (1991), is the characteristic that permits it to work efficiently under stringent conditions. These conditions refer to situations where there are linear cost functions, zero fixed costs at the cost pool level and no joint processes. Additionally, employees usually experience troubles in understanding and implementing ABC mechanisms (Major & Hopper, 2005). Since they can not make sense of these practices, they tend to describe ABC as a costly and disruptive tool (Innes & Mitchell, 2000). One of the methods involved in ABC system is the categorization of the time individuals spend on certain tasks during the day. While some find this as useless because it consumes time and at the end it is not a value adding activity. Others claim that it is problematic because the efficacy of ABC implementation is heavily dependent on accurate information that is given by employees. Biased reports about their activity lead inaccurate cost estimations and resource allocation which destroy the ultimate goal of implementation.

Independently from positive and negative aspects of ABC, introduction of ABC is a very convenient change initiative to study resistance in organizational context. During the study, one of the most noteworthy issues has been the contrast between reactions of employees from different departments towards the same change. This has helped us to enlarge our approach to resistance by
directing us to pay attention to the issue of perception which refers to individuals’ patterns of conceiving a new idea at their work place and to the criteria they use in evaluating these change initiatives. Under the light of these factors that motivates us to select this specific case, we will analyze the company’s history, their need for change, implementation process, employee reaction to ABC and finally implications of the study in terms of resistance to change.

5.1.2. Marconi

The Portuguese telecommunication company, Marconi, was established in 1925. Initially, it provided long distance telecommunication services between Portugal and its colonies in Africa. In this sphere, which constituted the core part of their business, Marconi had a monopolistic position until liberalization of Portuguese telecommunication sector in 2000. Despite decolonization movements in mid 1970s which reduced the business potential of Marconi, it was still profitable. Starting from 1980s Marconi decided to enter new business areas by using developing technologies. Information systems, electronics and financial services became new arenas for Marconi to compete not only in Portugal but also internationally. The company became a symbol of innovation and production thanks to the expertise of engineers who then became the most prestigious and powerful group within the organization.

In 1990, telecommunication sector was reshaped with the aim of satisfying the rules and regulations of European Commission concerning the idea of full competition. Eventually Marconi had become a part of Portugal Telecom which was privatized later. Marconi, whose core competence had been providing long distance telecommunication services, transferred its new businesses to the parent company and, in return Portugal Telecom gave Marconi to its telecommunication services between Europe and North Africa. These changes, at both industry and organizational level, have led Marconi to decrease the number of people working for it and, as a result of this, its workforce dropped from 1482 to 300 between 1999 and 2002. Such a downsizing in Marconi brought about a new organizational structure.
Before analyzing the market conditions and appropriateness of Marconi’s organizational structure to the changing circumstances, it has to be stated that Marconi, since its establishment, has been a production oriented company whose board of directors has been dominated by engineers. However this tradition, dominance of production within the organization, started to be challenged by the escalation of competition in the market which increased the importance of commercial departments. Parallel to the spread of idea of full competition in the market, technological innovation and cost plus pricing system became insufficient for Marconi to maintain its position. All these newly arising needs for better financial information about costs, pricing, and investment appraisal made Marconi to replace its traditional management accounting system with ABC in order to match the necessities of contemporary market conditions and to comply with the demands of local regulators which periodically receive information from each firm in the market about costs and pricing.

5.1.3. The need for change

Production and service costs were not significant issues for management accountants in Marconi, until 1990s. State, as their biggest customer, was willing to pay high prices which make Marconi to ignore cost of production. The following statement of a management accounting coordinator of Anacom, which is the regulatory organization for telecommunication industry in Portugal, summarizes the understanding of Marconi at that time towards
management accounting systems and towards changing conditions in the market; “Telecommunications companies didn’t have a proper cost accounting system for decades . . . they didn’t need one. . . . Nowadays, with so many operators in the market, it is impossible to survive without identifying and controlling costs”. (Major & Hopper, 2005, p.213)

Despite the attempts to improve existing management accounting system of Marconi, they were far from producing satisfactory results and therefore, the company had decided to replace existing system with ABC in 1997.

5.1.4. Marconi’s Experience with ABC

In order to reach a comprehensive understanding about the responses of employees towards ABC, the implementation process and the activities that were conducted need to be analyzed. ABC is an accounting system that is quite detailed. Therefore, it seemed more appropriate for the purpose of our study to locate specific features of ABC which constitutes the breaking points from previous system of Marconi.

As a change initiative, ABC implementation obtained strong support from top management, in terms of financial resource, time and personnel. The needs of commercial department in terms of cost data were prioritized and therefore engineers who were the most influential group previously seemed to lose their privileged position. External consultants were hired and they had a substantial role in implementing ABC. They had defined six main steps; selection of teams, training, defining activities, conceptualization of model, data collection, and defining the ABC software. For a certain period of time, the old system and ABC were used simultaneously. With the aim of facilitating implementation of ABC, two committees were formed. First one involved the directors of each department and second one consisted of individuals who were directly responsible for executing the change process, namely, consultants, management accountants, and representatives of commercial and production departments. The underlying goal in making production department engage in the process was to obtain commitment of operation department for the change initiative. Consultants intended to create an atmosphere where the actual users of the program could easily espouse the shifts in the ways they conduct their business.

Contrary to initial aims of external consultants, engineers never seemed to be motivated towards ABC implementation. Despite the attempts to make engineers participate in the development and the implementation processes, their core capabilities which are characterized by technical know-how became secondary due to the changing conditions in the market which necessitates being more competitive. These shifts in the environment have placed commercial departments and their needs to a central position in the eyes of top management. Non financial figures which express quality of
services produced by engineers replaced with the financial data such as cost and prices in the hierarchy of priorities. Regulations in the telecommunication industry combined with the competitive pressure coming from the market made it imperative for Marconi to revise its existing way of doing business which made engineers felt themselves ignored.

With the aim of accelerating implementation, setting objectives and evaluating the progress, different training programs and seminars were organized. Although ABC is a system which necessitated the participation of all members in the organization, these training activities limited to the certain change agents and, workers were excluded. Having provided key persons with necessary information via training sessions, the next step involved definition of main activities. First consultants determined main functions and processes within the organization and then each member were asked to express their essential activities and consequently “employees’ job descriptions were obtained, analysed, and compared to identify activities regardless of departmental boundaries” (Major & Hopper, 2005, p.215).

With the help of consultants, cost objectives identified and commercial departments managed to ascertain cost of Marconi’s products and services and to determine competitive prices for them. One of the most influential shift that was brought by the ABC was about the PMOs (Ponto de Mão de Obra—in English ‘labour time disclosure’). PMOs refer to time sheets in excel explaining how much time was allocated by an employee to do certain activities. Although PMOs have been existed in Marconi since 1992, very few people were responsible for filling these documents. Under the new system, every employee was supposed to complete and to send it to the managers and the directors who were going to use this data in developing ABC system.

In the next step, consultants focused on determining cost drivers. Contrary to the Marconi’s old system, resource and activity cost drivers were separated. In accordance with the information obtained through PMOs, the amount of labor spent on each activity is calculated. By relating these figures to the cost of resources, reliable information, which is based on causality, is intended to be reached. Having defined activities and cost drivers, consultants started to the conceptualization of Marconi’s new management accounting system by taking commercial departments’ needs into consideration. From this point of view, the consultants and management accountants defined the direct costs of Marconi in the following way; “operator costs (costs of using telecommunication capacity of international operators); leased capacities (basic transport infrastructure for wholesale and retail services costs); rent (sub-concession contract rentals payable to PT); transmission costs (costs of submarine cables, satellites, terrestrial cables and networks); switching costs (costs of managing the network); and costs of activities (costs oriented to customers and the network)” (Major & Hopper, 2005, p.216).
After completing the data collection, Marconi was able to produce its first report about costs through ABC in March 1998. Before ABC, direct costs of Marconi's was about 70% of total costs whereas with ABC implementation this had increased to 74% in 1998. The figure obtained through ABC had showed that 23% of total cost is related to commons costs that are not directly related to cost objects.

By evaluating these figures, management accountants intended to decrease the percentage of common costs by allocating depreciation of equipment not in use to cost objectives and by establishing some superficial causality between some common cost and cost objects. Despite these attempts at the end of 1999, figures did not changed significantly, and common costs remained at 22.5% and joint costs dropped to 2.5% which was still very high.

Marconi’s top management had been very willing to implement ABC despite its high costs and it seemed to be far from producing satisfactory results for the company. More interestingly, contrary to initial aims of consultants who continuously stated the importance of participation, learning and commitment, internal resistance became a significant barrier to successful implementation. In the following section we will focus on the issue of resistance in Marconi’s ABC implementation process.

5.1.5. Employee Resistance to ABC Implementation at Marconi

When the employee reactions toward this change initiative are analyzed, the most visible thing is the polarization of perceptions and thoughts about change on two opposite sides. People from the commercial departments and the production departments viewed the issue from quite different perspectives. Engineers from the production department found the new system as being too detailed and time consuming without really producing anything valuable for them. Individuals in production departments who are responsible from feeding the system with relevant information naturally expected something in return for their additional efforts. Production engineers are also firm believers of technological innovation and technical know-how in providing Marconi with survival mechanism and they were proud of themselves as being central part of the organization. Based on their past experiences in the company, engineers can not see the necessity of such a change and perceive ABC as a system that serves only to individuals in commercial departments.

Following statement of a production engineer contains important messages in terms of explaining their views towards individuals in commercial departments;

“There are plenty of customer managers, market managers and managers of this and that. . . The commercial reports have acquired vital importance. . . . Some activities of engineers have become undervalued and considered banal. . . . This is because the power of the commercial managers has been consolidated within Marconi. They analyze the market
and then leave the company at 6 p.m. [production engineers leave later] and they make their personal phone calls and so on. They are considered more important than engineers often dealing with a large number of problems in the operational centers. It isn’t only in companies that these things are occurring. . . . This is related to the country we live in, with the politicians we have. . . . This is a terrible cultural problem. . . . The information flows between departments are not good. . . . People protect themselves. . . . Before all these changes the participation and interaction between Marconi’s departments was higher.” (Major & Hopper, 2005, p.218)

Another issue that was criticized by production engineers is the type of data that could be obtained through ABC system. They claimed that information produced via ABC was not reliable and did not help them in decision making. The Director of Production Department explained; “I know the ABC system provides information on how much system X or system Y costs but this is not the sort of information we need to manage in the production department. . . . We need to know the incremental cost of each unit of equipments’ capacity.” (Major & Hopper, 2005, p.219). Based on this view, engineers argued that since they did not have the information that was needed; their decisions were shaped and made from a technical point of view. Therefore they did not want to work with a system whose functioning depends on engineers but never satisfy their demands.

Transition to market economy with a fully competitive approach deepened the discrepancy between commercial departments and production departments. Engineers have always used non financial data from the technical data bases for making decisions. However, their focus on technical information became secondary under these new circumstances. To deal with the challenge of market economy, cost and prices which are the central issues of commercial departments have gained priority in the eyes of decision makers of Marconi. Therefore, engineers simply resisted using ABC which represents this new approach of the organization.

While engineers theoretically confirm their arguments by complaining about ABC’s irrelevancy with their needs, it is important for us to look at how they manifest their resistance. Unsurprisingly, engineers do not submit necessary data to the ABC on time. They raised their voice and claimed that they had insufficient time to feed the system with required data because they deal, in most of their time, with operational and technical issues which they conceive as their fundamental tasks. Discontent of engineers is not only stemming from uselessness of ABC but also from the intensification of their workload. From this point of view, employees tended to establish links between new competitive approach of Marconi and its reflection on their daily routines. Unsurprisingly, with the impact of decreasing number of employees, workload of every individual increased. Having experienced the pressure of extra work, employees directly associated ABC with additional work which they could not tolerate at that time. The Director of operational department explains this situation with the following statement; “Three years ago we bad
more than 70 people working in this centre. . . . Now we have 34 or 35. . . . People are overloaded. . . . We used to leave the company at 6 p.m. but now we leave at 9 p.m. or 10 p.m. . . . so our motivation to do things not directly related to our job can’t be very high” (Major & Hopper, 2005, p.220).

In addition to the engineers, workers in production also showed resistant behaviors towards ABC implementation. Central issue concerning the ABC, in the eyes of workers, was PMOs and they were quite unwilling to fill these excel reports which show how they allocate their time for each specific activity at workplace. One reason for employees to behave in such a manner is that they found PMOs, similar to engineers, as irrelevant to their tasks. However, more importantly, they think that revealing their daily activities in a time schedule can damage their autonomy and job tenure at work. Apart from the fears related to their status quo at the workplace, increasing workload with ABC is another factor that makes the new system unacceptable for workers. Since there has not been a recruitment of new workers after the downsizing, workers, like all individuals in production departments, have to work longer time. Combined with the lack of understanding the need of ABC, workers preferred to spending their time on their operational tasks rather than fulfilling the needs of commercial departments.

When we consider the reaction of workers towards ABC implementation, conditions which made them to manifest such resistant behaviors have to be described. First of all, job definitions, which workers are expected to use in filling PMOs, do not make sense for them. Workers found these labor time definitions as hazy and puzzling. As a result, the information they submitted had always been incomplete and far from producing reliable cost data. In addition to problems concerning PMOs and inconsistency between workers’ actual tasks and preset job definitions, exclusion of workers from the training sessions of new system also reinforced their negative attitudes. Managers in production departments have never shown sufficient authority over workers to make them comply with the necessities of ABC. Combined with the hostility of production managers, workers never felt any pressure on themselves to fill PMOs properly in a timely manner. The following statement of the Director of Telecommunications and Infrastructure Department summarizes the perception of individuals in his department about ABC implementation;

“ABC depends on the inputs inserted. . . . Probably [the production department] don’t load the system as we should. . . . We cannot take care with PMO as the management accountants would like. . . . PMO doesn’t make sense. . . . It’s an illusion to think that people are watching their activities and taking notes about the time they spend on each operation. . . . The system should be not so demanding. . . . I’ve got a senior manager spending hours preparing data for insertion into ABC. . . . For production it gives too much work and very little useful information.” (Major & Hopper, 2005, p.221)
Having faced with the inefficiency of ABC implementation process, management accountants in Marconi tried to improve process by focusing on communication within the organization. They perceive worker resistance as a result of poor communication. However their solution is not more than appointment of two people, what they called “facilitators”, from the commercial and the production departments. However, the mindset of the facilitator from production department is similar to workers, in terms of ABC implementation and when we consider this together with the inadequate number of people from commercial departments (only one person), it is not surprising that they failed to improve ABC implementation via enrichment of communication within the organization.

Approaches of external consultants and the role they played during implementation also worth to notice concerning inefficacy of ABC. Although the consultants were able to define employee resistance at a very early phase, their approach worsened the situation by ignoring the concerns of employees. Consultants’ expectations, which see PMOs as an instrument to improve worker cooperation by increasing transparency, failed because employees had never really understood the need for filling PMOs. As a result, PMO data has never been submitted to ABC system accurately and on time, and eventually it caused delays and mistakes in ABC implementation.

Implementation of ABC has created two different camps in Marconi. It is noted that while employees in the production departments are so hostile that they resist ABC implementation, individuals from the commercial departments, despite the poor performance of the program, seemed to be satisfied. Factors that create such a diversity in the behaviors and the attitudes of employees, who belong to different departments, are important in terms of managing resistance at workplace. Marconi had presented a fertile ground to test existing approaches about resistance, its causes and possible methods to cope with it. As the ultimate aim of this study, we will look these issues in the next sections by referring to the case of Marconi.

5.1.6. Evaluating the study and its implications

Implementing change programs has never been an easy task because the process has always been full of uncertainties. One reason for this difficulty of estimating potential barriers to implement change has been the unique place of individuals in organizational change efforts. Since each member of an organization has different personal traits, managers should be prepared to handle these various responses in an appropriate manner to maintain momentum concerning the change implementation.

When we analyze the implications of this case study under the light of the two mainstream approaches (positive and negative resistance) that we located during the literature review, we can
reveal the strengths and weaknesses of these opposing views. Concerning the negative approach that advocates total elimination of resistance, we have determined some problematic issues. First of all, it seemed very useless to approach resistance as something that can be eliminated through following specific prescriptions. Existence of these types of pre set formulas to cope with resistance also creates an unrealistic optimism in the minds of individuals who plan to start a change initiative. Most of these prescriptions, which focus on training sessions and communication activities prior to implementation, are not only ineffective in eliminating resistance but also they sometimes contribute resistance by providing additional sources for resistant behaviors. Secondly, although we do not deny the importance of training, communication and participation whereas they may become ineffective when employed in a manner that is rigid and insensitive to specific demands and concerns of employees. Also, it should be noted that activities focused on training, communication and participation can be viewed as supportive elements of change implementation because many of the roots of resistant behaviors have pointed a different problem about change; lack of meaning. We have interpreted the assumptions of Marconi’s employees in production departments under the light of their responses to the change initiative. We found that what the employees in Marconi was really needed during implementation is a rational explanation that would tell them needs of the organization and how these demands are supposed to be met.

Contrary to argument which propose total elimination of resistance to change, implications of the Marconi case have revealed that resistant behaviors can be and should be analyzed. This is necessary not only because resistant behaviors may have valuable criticism about the change initiative but also understanding these behaviors enables managers to control them in manner that keep implementation process continuing. Complaints of engineers from production department about the ABC had focused on the mismatch between their needs and what the ABC provided them. When we consider the cost figures obtained after implementing it in Marconi, complaints of engineers may have some valid arguments. It is detailed structure which consumes most of the time of individuals in production department and did not produce anything valuable in return, combined with unexpected results may lead to a conclusion that implementation of ABC may not be the best solution for Marconi to be competitive under the changing conditions of the market. Consequently, what we found through analysis of ABC implementation at Marconi has been the necessity of understanding resistant behavior of employees. It contains two fundamental advantages, first it enables managers to choose correct path in responding resistant behavior, secondly gives the opportunity to benefit from valuable criticism inherited in resistant actions.
5.2. Review: “A Case of an IT-Enabled Organizational Change Intervention: The Missing Pieces” by Bing Wang and David Paper

This case study involves introduction of a novel information technology system in a university-owned research foundation. Wang and Paper (2005) analyzed the change process with a special focus on implementation and reactions of individuals from different departments to change initiative. This study has special importance for our research in terms of providing empirical evidences regarding resistance to change and significance of human factor in organizational change efforts. More specifically, context of the case also showed consistency with the purpose of our research and helped us to validate our belief about the necessity of managing resistance through meaning creation, participation and communication.

5.2.1. The organization

The university owned research foundation which will be referred as “the foundation” hereafter, was established 1959. Basic purpose of the foundation is to construct “an organizational structure for the management and physical support of applied research, the discovery of new ideas and advancement in new technologies” (Wang & Paper, 2005, p.134). While research areas of the foundation had initially involved space science and technology, in time it expanded its area, covering different disciplines such as small molecular systems, water science and technology, and associated information technologies. Parallel to this increase, numbers of researchers, scientists and laboratories have also raised during last decades and the foundation has gained reputation as a distinct research institution. Financial support of the foundation comes from different sources such as “Ballistic Missile Defense Organization (BMDO) 39.7%, Air Force 20.6%, Navy 18.6%, NASA 15.5%, Private 2.0%, other Department of Defense (DoD) 1.5%, other Federal 1.4%, National Science Foundation (NSF) 0.4%, and state funding 0.4%” (Wang & Paper, 2005, p.35).

Contrary to organization dramatic growth, administration of the foundation had been shaped by principles of a university model. Management and administration activities were mostly under the control of vice president of research for the university and the financial structure of the foundation was legally subject to legal arrangements that are applicable to universities. However, growth of the foundation had opened up new spaces which necessitate transformation of administration and management from university model to business model. Additionally, external factors such as increased scrutiny of federal government in terms of auditing made it imperative for the foundation to perform in a business oriented manner. Combined with the slowdown of economy and restrictions government funding have put the foundation in a position where it could not maintain its growth with its existing management structure. As a result, the foundation started a change program with the aim of enabling the foundation to keep growing and competing under new
circumstances. The motivation behind corporate transformation was to ensure better management of intellectual properties (discoveries/technologies) to further secure and expand its business base and continuously increase its capability to compete with other scientific and industrial laboratories. In order to realize this transformation, a new IT technology programs, called BATON, was selected to be implemented. The new technology was expected to function in automation and streamlining of basic management processes related to intellectual properties and discovery protection.

Application of BATON is expected to bring about a significant change the way managers lead the process of contract management. Undoubtedly, individuals in IT department are also another group that will be influenced significantly by the change and also they are the key players who will maintain functioning of the new technology in the long term by controlling and giving support to managers in other departments. Having these expectations in minds, four main groups were identified responsible from implementing the change program. These are; top management (essentially the CEO), external IT consultant, business managers and in-house IT managers.

5.2.2. Expectations from BATON

The CEO of the foundation had been in that position for five years and was characterized by his entrepreneurial style because of his interest in founding and launching new organizations. Although the foundation is not a new one, the CEO’s mission, consistent with his past, was to create an organization which would sustain its growth and secure a distinct place in its environment. Management and commercialization of intellectual properties have priority in the CEO’s vision. To achieve this end, he announced a new information technology, named BATON, which will transform the way foundation does its business. BATON is expected to provide automation and streamlining of management functions but the CEO also perceives it as a mean to change culture in organization in terms of managing discovery process. Following, a citation excerpted from interview with the CEO, explains his expectations and motivations in implementing BATON.

“In the grant area, it’s very much the case that your white paper constitutes your discovery. While you’re delivering goods ([which is the case within the foundation], not a white paper, you’re not revealing your discoveries. [As such] we have developed a very poor habit across the University and in the foundation, simply to ignore discovery. Now for every contract we have, we are to identify the intellectual property [the discoveries] in order to report those discoveries and inform the federal government what they have earned through their investment, not only in the goods or services received, but also in the discoveries identified. By doing so, it is to change the culture of our people, to realize that they are having discoveries that have value internally, and identifying our critical areas of contribution is important. The discovery is our future. I contend that in the future, if we don’t do an effective job of that, we will lose the ability to compete with the big guys who can just redo our ideas and cut us out of opportunity” (Wang & Paper, 2005 p.40).
Successful implementation of a vision depends on effective translation of it to concerned individuals (Kaplan and Norton, 2008). However, what seemed problematic about the CEO’s vision has been the way it is communicated to people, rather than content of it. The CEO prefers to behave in a subtle manner in terms of translating and communicating his strategy because he thinks it needs to be gradual process. However, as one of directors in the foundation had emphasized, managers did not actually grasp the meaning of vision and although there are some general targets put by the CEO, neither a consensus had been reached nor a route map have been provided to them to reach these ends.

5.2.3. Application of BATON

Existing IT system related to management processes had different drawbacks in the eyes of CEO. Most importantly, it was far from providing a central control mechanism that all those concerned individual could access the system in order to manage research projects and contracts. Instead each principle investigators who are responsible from managing those staff had their own spreadsheet even for the same projects. Management of daily works and processes are far from being effective and hinders the operational performance of the foundation. Additionally, existing IT system was not convenient in terms of adopting constantly changing government regulations related to research and development projects.

In order to eliminate these negative aspects concerning management, BATON has been perceived as a convenient technology. One of its most important advantages stems from its structure which allows every business manager to complete his or her task without the help of IT staff. Following example illustrates how BATON is expected to function;

“A business manager can create a set of memos of a process as he/she sees it, and these memos, in turn, are negotiated until a consensus is reached by all responsible parties. The memos are then recorded into BATON with help from IT specialists. Each memo contains process steps that describe workflow. Each step is associated with a process-key and each process-key has a unique operational definition. All process keys are stored in BATON as libraries of process logic trees that allow valid users to navigate said trees. Process keys are really just sophisticated indexes that point to different locations in an overall process that is stored in the BATON system. The logic of a process is defined with a hierarchical tree structure. This tree (as conceptually realized by a manager) is finally translated by system designers into BATON. An integrated system is thus created because the tree represents a process that, once recorded into the system, must be followed by all users of the system” (Wang & Paper, 2005, p.42).

Having these expectations and aims in his mind the CEO recruited two external consultants who are expert on BATON technology, in June 2002. What these consultants wanted to achieve first was to introduce BATON to business managers who would be the real users of it. They wanted to gain
support of business people who in turn can reinforce further dissemination of idea that this new technology is what the foundation actually needs. Second group that was targeted by the consultants was the in house IT people. They were also important because they will maintain the long term survival of the program after the consultant leave the organization. Additionally, support of IT people is also expected to be significant in terms of completing the implementation process in a couple of months.

Consultants organized training sessions during August and September of 2002, to introduce BATON technology to business managers who are given high priority in terms of implementation. Consultants emphasized positive aspects of BATON and manage to convince business managers about simplicity and usefulness of the new technology. The way consultants use language in selling their ideas to business manager was one of the key factors that facilitate gaining approval from their target group. Following statements are some of the examples that illustrate their attention in presenting BATON.

“BATON is a tree-based system development tool, and it is the most feasibly efficient solution for URF in its current situation” (Wang & Paper, 2005, p.43).

No IT background is needed for managers and research scientists. With only limited assistance from IT specialists, managers and research scientists will be able to layout basic structure of an application within a few days, and by a week, they can incorporate a complete set of complex logical elements” (Wang & Paper, 2005, p.43).

The carefully prepared presentations of BATON by consultants, combined with some exercise on how to use BATON, helped business managers to eliminate their skepticism about the new system. As a result of positive response consultants obtained from business people, they were quite satisfied with their progress and optimistic about next step which involves implementation of BATON by in-house IT technicians.

5.2.4. IT System prior to BATON

The IT system that was used by the foundation in managerial processes had not been changed for 15 years. External consultants had pointed many drawbacks related to it. These are not addressing only technical problems but also some cultural problems about IT department and the way it worked. Consultants described existing IT practices as madness because there was no standard practice among IT people and therefore consultants did not manage to obtain reliable information about network, database and security practices of IT department. IT specialist usually tended to control and process applications in their own ways and, same work was done differently by different specialists, and lack of communication between member of the same department also lead to repetitions and time losses. Regarding the cultural aspect of existing IT practices, business managers were heavily dependent on IT specialists in terms of getting required data. As a result, personal
relations with system administrator seriously shaped the information flow within the organization and causing disturbances related to business processes.

In addition, during the past 15 years, IT department had enjoyed a high level of freedom in terms of top management control. IT specialists were in a relaxed manner and exercised a great control over their own work. They also tend to protect themselves their working styles by “techno-babble (technical jargon)”, therefore no one had questioned efficiency of their applications. Consultants emphasized that when the organization was small, this family oriented structure could not lead serious problems, whereas in big organizations, as the foundation wished to be, such practices may be a big obstacle that prevent organizational growth.

5.2.5. Implementation in IT and Responses

In November 2002, consultants started to implementation with the aim of introducing BATON to IT specialist. They explained corresponding responsibilities of each member in the department. Although early phase of implementation was completed without any serious problem, as time went, no progress had been reported. Contrary to consultants’ expectation, IT people had never showed enthusiasm for the new system. They did not care about instructions given by consultants, and did not carry out their new responsibilities.

Rather than helping consultants to facilitate implementation, IT specialist always tended to induce obstructions. For example, when consultants needed a port to connect database and it could take weeks to obtain it. Having faced with resistance from IT department, consultants asked top management, namely to CEO, for help. In other words, they wanted CEO to push members of IT department to comply with requirement of BATON. However, they did not get significant help from top management and at the same time. In addition, due to lack of progress consultants started to lose support of the business managers because they did not find the opportunity to use the new program.

As result of these negative conditions, consultants began to lose their faith in succeeding implementation of BATON. There were significant differences between reality and objectives put at the beginning. Without having necessary power to force IT people and lack of support from top management, they faced serious problems. Eventually, one of consultants had resigned in March, 2003. At the end of 15 months no progress had been reached in terms of implementing BATON and IT specialist continued to work in their traditional way and program failed.
5.2.6. Evaluating the study and its implications

An intervention directed towards IT system of the foundation has showed a typical failure case in terms of change management. One may argue, technological interventions which people are not familiar with are usually risky and difficult to accept. However, what has been critical in this study related to our research, technological intervention, introduction of BATON, has revealed various key elements concerning resistance to change. IT specialists, normally, are expected to familiar with technological innovations whereas in this case they are the people who have strongly resisted to the new system.

Attitude of individuals in the IT department, are indeed quite natural when we looked at them from managerial point which conceives resistance as something that needs to be managed. IT people have different fears, thoughts and expectations in their minds related to introduction of BATON. Their dominant position within the foundation was challenged and one way or another they wanted to prevent implementation. Following statement of one of the consultants illustrates underlying assumptions of IT specialist in responding change.

"IT traditionally controls everything that is technology related. With that power, IT is able to operate as they see fit. Since most of the IT specialists have worked at the foundation for many years (and were responsible for creating the culture over time), they are content with the loose culture that exists at both IT and the foundation. At the same time, non-IT people have become accustomed to the IT practices. That is, no one has ever challenged how IT should provide expertise to support the organization" (Wang & Paper, 2005, p.46).

Another critical point that needs to be emphasized has been the way change introduced and tried to be implemented. What we consider as significant has been the participation all involved parties at a certain level to create synergy. Consultants had employed one single approach in explaining BATON to both business managers and IT specialist despite their different position related to this new technology. Information flow between consultants and employees was usually one way. While this approach seemed convenient and worked well for business managers who did not have any technical background, it turned out to be resistance in the IT department. In addition, as consultants admitted, they were too optimistic about the attitude of specialists in IT department. Due this false assumption, they paid more attention to business managers than IT people in presenting the BATON.

Finally, what we found as an important reason for the failure has been stemming from the lack of top management support, namely the CEO, and from his communication with critical actors in implementing change. Analysis made by the CEO about the existing IT infrastructure of the foundation and his decision to implement BATON can be described as rational actions from a
managerial point of view. However, the CEO had never paid sufficient attention to communicate his vision with the employees. Even the key players of change programs lacked necessary information about the change. As a result, consultants without having executive power of the CEO, had tried to implement change project and, unsurprisingly, in the absence of authority to push individuals to comply with requirements of the project, no progress was obtained in terms of implementation.

Consequently, the foundation’s plan to implement BATON technology was unsuccessful. Although one may count various problems related to change management in a wider context, what seemed missing in this change program is the lack of managerial skills to manage resistant behaviors towards change initiative. One of the reasons for us to select this case study has been that it enables us to show how the lack of these managerial skills can undermine change initiatives. More over, evidences obtained through this study have provided us with solid ground to construct our theory for resistance management.
6. LIFTING THE CURTAIN BEHIND RESISTANCE

6.1. Introduction

There have been various concepts, tools and methods, explaining necessary actions step by step, to facilitate organizational change efforts and to bring success. However, considering the high rate of failures and dissatisfaction with change initiatives, we think that there is still an important need to discuss and research on the area. As the constituent elements of organizations, human beings have central roles in organizational change efforts, nevertheless many of the conceptual models and tools of change management have conceived change initiatives from a managerial point of view and oriented to implement change as a straight forward process without paying sufficient attention to individual responses to change. What motivates this study is the necessity of looking at individual responses, more specifically resistant behaviors to change efforts because successful change programs heavily depend on ability of those who implement change in managing individual responses. Given the fact that change is inescapable, our purpose, rather than finding ways to eliminate resistance completely, is to understand and define key factors in managing resistance with aim of benefiting from it as much as possible.

Having these purposes in our mind, we aim to understand resistance and its various aspects because in order to control resistant behaviors, a manager must be capable of understanding different responses of his or her employees. As Kotter and Schlesinger (1979) emphasized, despite the risk of resistant behaviors have been acknowledged by many experienced managers, very few of them tend to take time to systematically analyze situations in terms of determining potential individuals who may resist change with different reasons. From this point of view we shall look at first potential sources of resistance.

6.2. Sources of Resistance

Although individuals may propose different reasons for resisting change, there are some most wide spread roots of resistance that managers usually encounters at organizational context. Kotter and Schlesinger (1979) have identified four fundamental causes of resistance; self interests of individuals, misunderstanding, different interpretations about the outcomes of change, and low tolerance for change. Although our classification of reasons for resistance relied on the authors’ study, we prefer to separate more categories for resistance with aim of providing a comprehensive framework for managing resistance because each type of resistant behaviors has to be dealt with a different approach.
6.2.1. Self Interest

One of the most obvious reasons for people to resist change initiatives has been the feeling that new circumstances will damage their self interest. The term self interest entails a political meaning which refers to power relations within the organization. In other words, new ideas about the way employees work usually impacts relations between different individual groups. As we put before, conceiving employees as passive elements of organizational life can lead us wrong conclusions in different themes and change management is one of them. Salaman argues that “organisational employees actively strive to avoid and divert control; they seek to maximise their own interests which they may or may not see as coincident with the organisation’s, and they attempt to resist the domination of others while advancing or defending their own area of control and autonomy” (Salaman, 2000, p.123). From this point of view, it is unsurprising to observe that employees facing with changing conditions, in terms of power and prestige, resist change to maintain their social status in the organization. What has been observed in the ABC implementation of Marconi was quite parallel with this idea of protecting the status quo. Production engineers, who had enjoyed a privileged status until the introduction ABC, felt their position was damaged after and reacted negatively towards change.

However, understanding self interest only in terms of power and prestige of employees at workplace may be incomplete. Every potential threat that can change status quo within an organization has to be considered under the umbrella of self interest. The following example also illustrates the nature of self interest in a different context.

“A manufacturing company had traditionally employed a large group of personnel people as counselors and "father confessors” to its production employees. This group of counselors tended to exhibit high morale because of the professional satisfaction they received from the "helping relationships" they had with employees. When a new performance appraisal system was installed, every six months the counselors were required to provide each employee’s supervisor with a written evaluation of the employee’s "emotional maturity," "promotional potential," and so forth. As some of the personnel people immediately recognized, the change would alter their relationships from a peer and helper to more of a boss and evaluator with most of the employees. Predictably, the personnel counselors resisted the change. While publicly arguing that the new system was not as good for the company as the old one, they privately put as much pressure as possible on the personnel vice president until he significantly altered the new system.” (Kotter & Schlesinger, 1979, p.107)

6.2.2. Increased Stress and Additional Work

Ultimate aim of change efforts has been to create a new pattern of working which employees are expected to adopt themselves. From this point of view it is argued that employees do not resist to the idea of change but to its potential outcomes (Dent & Galloway-Goldberg, 1999). Unsurprisingly
individuals, who have serious concerns about their future which will be influenced by the change, experienced an increasing stress. For instance, some might conceive change as a barrier to promotion, or loss of salary. As result of pressure of increasing stress individuals tend to respond negatively change proposals and resist implementation.

Another issue that is linked with increase stress has been the tendency to associate new working conditions with additional work. As it is observed in Marconi, engineers usually perceive requirements of ABC implementation, especially filling PMOs, as unnecessary action that has no value to them. Combined with stress stemming from personal concerns, expectation of employees to be burdened by extra work makes them resist change.

6.2.3. Denial

One of the widespread reasons of resistance that has been frequently employed by individuals who do not want to embrace with change is denial. As Curtis and White (2002) have pointed, denial is one of the unconscious strategies that are used as defense mechanisms. Rashford and Coghlan (1994) analyze the denial as source of resistance by referring to Lewin-Schein’s model for change. Rashford and Coughlan (1994) interpret denial as a quite natural response to change efforts at initial phase, what is called “unfreezing”. Although denial is defined as a response to change, what is meant in here is mental state of an individual which prepares the ground for employees to resist change. Potential damage of equilibrium in the organization lead to denial of change therefore makes employees to resist change.

6.2.4. Lack of understanding and trust

Almost all prescriptions for a successful change implementation emphasize the necessity to make individuals understand meaning of change. Daft (2000), states that employees may tend to resist change when they are not informed about needs, purposes and outcomes of it. In addition to inadequate knowledge about change, if employees are suspicious about real intentions of change initiators, there is a high possibility of resistance. As Curtis and White (2002) pointed, if there is a problematic relationship between a manager and the worker, the uninformed worker who did not trust his manager may tend to resist change initiated by the manager.

Additionally, manners in which change agents have been trying to implement change and the role of employees during that process are also crucial in terms of resistance. Firstly, authoritarian approaches, which disregard individuals’ needs and thoughts, may become a source of resistance to change (Newstorm & Davis, 1997). Secondly participation is a key success element in change efforts. Directly imposing rules brought by change (Harvey, 1995) and conceiving employees only passive recipients may produce resistance.
6.2.5. Uncertainty

Change plans aim to move an organization from their existing position to ideal one and as Stapley (1996) states this transition period is kind of a journey that contains a lot of uncertainties. Curtis and White (2002) define uncertainty as “lack of information about future events” (Curtis & White, 2002, p.17). Similar to lack of understanding about change, if employees are not given sufficient information about the outcomes of change, they may be fearful about change because they think that they will not be successful in achieving requisites of their new tasks (Griffin, 1993).

Having experienced a feeling of inability to meet new demands of change, it is possible for employees to think that they are going to lose the control at work place. Sense of personal control has an important role in resistance to change (Curtis & White, 2002). When people lose their personal control over situations and events, it became unrealistic to expect them to make rational decisions which would produce desirable outcomes. As a result, individual who experiences loss of control is more likely to resist change because of stress and anxiety brought by uncertainties about change.

6.2.6. Differences in Perceptions and Evaluations

Being able to establish a common goal, before starting a change initiative, is very crucial for overall success of the process. However, despite existence of a shared purpose, individuals may assess the potential costs and benefits of a change effort differently and therefore resistance may occur. One key reason for the difference between assessments of those starting change and those affected by change has been stemming from the fact that these two groups do not have the same information about change. Kotter and Schlesinger (1979) argue that “difference in information that groups work often leads to differences in analyses, which in turn can lead to resistance‖ (Kotter & Schlesinger, 1979, p.108). The authors illustrated this situation with the following case.

“The president of one moderate-size bank was shocked by his staff's analysis of the bank's real estate investment trust (REIT) loans. This complicated analysis suggested that the bank could easily lose up to $10 million, and that the possible losses were increasing each month by 20%. Within a week, the president drew up a plan to reorganize the part of the bank that managed REITs. Because of his concern for the bank's stock price, however, he chose not to release the staff report to anyone except the new REIT section manager. The reorganization immediately ran into massive resistance from the people involved. The group sentiment, as articulated by one person, was: "Has he gone mad? Why in God's name is he tearing apart this section of the bank? His actions have already cost us three very good people [who quit], and have crippled a new program we were implementing [which the president was unaware of] to reduce our loan losses.” (Kotter & Schlesinger, 1979, p.108)
6.2.7. Motivation as a source of resistance

Motivation, as an important element of organizational change efforts, is usually conceived in positive manner and expected to contribute to the change process. However, what is proposed by Hultman (1996) presents a quite contrary impact of motivation on implementation of change ideas. By referring to Maslow’s (1970) model for hierarchy of needs (see figure 3-5, on p.20), Hultman argues that motivation is an outcome of individuals’ desire to satisfy their needs. In the first place of Maslow’s model, basic human needs, food and drink are placed and then needs for belonging, safety and self esteem follows these basic needs. Some of these needs placed in Maslow’s model, such as self worth and self esteem, are also quite important in organizational life and any kind of change initiative may have an impact on the ways these needs satisfied (Hultman, 1998). Threatened by the challenge of change, individual may resist change with the aim of securing that their needs would be met and motivate themselves to achieve this end.

6.3. Dimensions of Resistance

6.3.1. Manifestation

Resistance to change can be observed in different ways. While some try to actively to stop implementation, others may show their discontent simply by being unresponsive to demands of change agents. Hultman (1995) classifies resistant behaviors of employees into two groups as active and passive resistance.

<table>
<thead>
<tr>
<th>Active and Passive Resistance</th>
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<tbody>
<tr>
<td><strong>Symptoms of Active Resistance</strong></td>
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<tr>
<td>➢ Being critical</td>
</tr>
<tr>
<td>➢ Finding fault</td>
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<td>➢ Ridiculing</td>
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<td>➢ Appealing to fear</td>
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<tr>
<td>➢ Using facts selectively</td>
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<tr>
<td>➢ Blaming or accusing</td>
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<td>➢ Sabotaging</td>
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<td>➢ Intimidating or threatening</td>
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<td>➢ Manipulating</td>
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<td>➢ Distorting facts</td>
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Figure 6-1 Active and Passive Resistance (Adopted from Hultman, 1995)
One of the most important tasks for a manager in dealing with resistance is to make distinction between symptoms and causes of resistance (Hultman, 1998). It may lead to time losses and worsen the situation if managerial efforts are focused on eliminating the symptoms of resistance rather than going deeper on essential roots of the negative attitudes towards change. This necessity to distinguish symptoms and causes does not only motivate us to analyze resistance in detail but also has a quite significant role in terms of benefiting from the constructive value of resistance.

6.3.2. Reasoning behind Resistant Behaviours

Failures in change implementations not only lead financial losses but also damage individuals’ motivation to adopt new ideas in future. Resistance, as defined mostly by pejorative terms, is usually conceived as one of the biggest obstacles for success in change programs. However, in accordance with our aim of understanding and benefiting from resistance, rational patterns that lie behind resistant behaviours of employees have to be considered before taking action against them. Therefore, it becomes an imperative from a managerial point of view, to distinguish rational resistance from irrational one.

Consistency and rationality are vital elements that one has to look for in explanations of resistant behaviour. In other words, rational resistance must have reasonable explanations and, also symptom, namely resistant behavior, have to be in line with the intention of the resistant individual or group. In determining rational resistance, one should consider the cause of resistance. For example, if an employee has concerns or fears about new ways of doing things and has serious questions about future and support these thoughts some reasonable explanations (De Jager, 2001), such a situation must be taken into consideration for the success of implementation because it might contain valuable inputs for the change process.

Contrary to rational approach, individual usually resist change without having any logical explanations. Although resistance is a natural response to a change, permanent resistance which has no basis can be harmful for organizational survival. Even worse, while rational resistance can be dealt with by training, learning and communication, ability to overcome irrational resistance, as De Jager (2001) argues, depends on organization culture which may eliminate those resistant behaviours.

6.3.3. Institutionalized Resistance

Early researchers on resistance, like Coch and French (1948), approached the issue from a managerial point of view which refers to situations that idea of change is always expected to be proposed and implemented by decision makers who are in managerial positions. Additionally, midlevel employees or workers have been usually regarded as passive recipients of those ideas about
new ways of doing their business. Conceiving resistance as a barrier to change, as Krüger (1996) pointed, managerial plans have focused on eliminating employee resistance. However, when we consider the amount of theories and tools to overcome resistance and high rate of failure in change programs, it became obvious further study is needed with different perspectives for the same issue.

The idea of institutionalized resistance emphasized the importance of attitudes of key players, namely decision makers, in change implementation. Agócs (1997) defines institutionalized form of resistance as a series of behaviors and actions that are employed by decision makers to deny and refuse change initiative. Her perception of resistance also involves aggressive actions of decision makers to destruct change plans. What seems crucial in this definition has been the attention paid to individual those who have higher positions and more power within an organization. When a need arises for change, contrary to employees who are powerless in terms of decision making, these people may act against to prevent change because potential outcomes can damage their self interests. Agocs (1997) identifies four crucial stages of institutionalized resistance in which decision makers take action against change initiatives. In the first step, individuals tend to deny change and also attack messengers’ credibility. The content of the change message is also tried to be refuted. In the second step, individuals refuse to take responsibility in change initiative. The third step involves refusal to implement change and in the four step individuals tend to take action to destruct change plans (Agocs, 1997).

When we consider the characteristics of institutionalized resistance, it leads to creation of a mechanism what Schön (1973) calls ‘dynamic conservatism’. Schön (1973) suggests that individuals, who compose organizations, are used to remain loyal to the central aspects of their lives. They find it difficult to shift or to renew their habits and behaviors and therefore a stable state is created. A stable state refers to situations, where individuals or organizations accept their existing beliefs on which they constructed their lives/existences as completely true. From this point of view, organizations created by individuals tend to maintain existing status quo by relying on the assumptions of stable state. When internal and external forces organizational to change, Schön (1973) argues that they tend to defend themselves against the impact of change and try to remain same. The idea of dynamic conservatism brings an alternative explanation to institutionalized form of resistance by emphasizing the importance the embedded assumptions and beliefs.

Understanding the institutional resistance possesses three significant points in the context of our research. First of all, it reveals importance of power within an organization in causing resistance. Demand for power, from employees at all levels, has always existed and to manage resistance
successfully one needs to take this into consideration. Secondly, it helps us to enhance our perception in terms of locating causes of resistance and therefore identifying behaviours of individuals, who are responsible from decision making, is also necessary to take necessary and appropriate actions to manage resistance. Thirdly, institutionalized resistance consist of activities such as “refusal to engage in joint problem-solving, refusal to seek common ground, silencing of advocates for change, sabotage, the use of sanctions, and another repressive acts” (Agocs, 1997, p.918). Since the core aim of institutional resistance is to preserve exiting status quo which favours those who are expected to initiate change, these symptoms provide us with a ground to make a distinction between rational and irrational resistance by looking at its manifestation type. It is worth to notice that none of the above activities contain element of discussion or criticism, which can be helpful in terms of development of change plan, and they directly aimed at blocking change implementation. Therefore, it is also an imperative for managers to evaluate forms of resistant behaviors whether they have a solid aim that the organization may benefit or not.
7. EMERGING THEORY

7.1. Introduction

As an effort to gain deeper insight on change management, we are significantly interested by the high rate of failures in change programs. Although we may not describe each of those programs as a complete failure, in most cases, problems and unexpected outcomes arise as a result of employee resistance to change. Based on the information we have obtained through literature reviews and case studies on change management, with a special focus on resistance to change, we have developed a framework which describes key concepts in managing resistance successfully to prevent its negative effects and, if possible, benefit from its constructive value. Following figure illustrates these key concepts and dimensions of resistance on which managerial actions need to be organized and performed.

![Diagram](image-url)

Figure 7-1 Framework for Managing Resistance

Although every specific problem or issue in organizations necessitates a unique way of handling that is peculiar to the situation, above managerial actions seemed as the most convenient in coping with resistance to change. The assumption that leads us to construct this model focuses on diagnosing resistant behaviors because benefiting from constructive criticism of resistance or eliminating these behaviors completely which hinders implementation, depends on a manager’s ability to identify...
resistant behaviors, their roots and symptoms. We have found two critical levels which diagnosis of resistance should be made; logical dimension and manifestation.

Relying on this argument, one of the tasks for a manager is to unpack the logical motives behind resistance to change. In other words, it is an imperative at that stage to understand the reasons of resistant behaviors and to distinguish them as rational or irrational. As it is stated in dimensions of resistance, rational resistance refers to actions which have reasonable explanations and also there should be consistency between given reasons of resistance and reactions to it. In such cases, there is a high probability of benefiting from resistance in a positive manner. What seemed crucial in that perspective has been that managers or people who are responsible from implementing change must take employee responses into consideration during the implementation process. Listening employees’ arguments against change and organizing discussion sessions with key actors from employee side seemed vitally important during implementation process.

It can be argued that, rationality of an argument is a subjective issue and it changes in accordance with one’s own point of view. While rational dimension of resistance can be hard to define because of this subjectivity, what we actually aim is to create an atmosphere in which the opposing views which are expected to be logical can be discussed with the aim of selecting the best path for change.

When we reconsider employee reaction to ABC at Marconi, resistant behaviors of employees have never been paid sufficient attention. Despite certain activities like training sessions, individuals who are responsible from implementing ABC tended to follow a pre-set formula regardless of individual responses. To illustrate negative impact of such attitude, it can be revisited that while Marconi’s engineers in production department were complaining about the additional work brought by ABC, organizing training sessions, which were another time and energy consuming activity in their views, on how to use ABC did not seem to be convenient action that could facilitate change implementation. Another significant issue in coping with rational resistance is about mindset of implementers. In other words, change initiator should be ready and willing to understand employee reactions and responses within their own contexts, otherwise conventional approaches involving regular training education seminars, might be far from producing effective solutions for managing resistance.

Considering irrational resistance, which refers to behaviors resulting from fear of change, managers can follow a series of actions that validates the necessity of change through creation of meaning for those who are going to be affected from new way of doing business. The essential aim of our theoretical model for managing resistance has been elimination of resistant behaviors which have no constructive value related change strategy. Contrary to rational resistance approach, in this case,
education becomes a useful tool for change initiators to explain nature of change and its benefits for the organization. Also negotiation which is directed towards elimination fear of change can facilitate acceptance of change by employees. Introduction of BATON technology and irrational resistant behaviors of IT technicians in our second case study, has confirmed that disregarding such an approach in coping with resistance can block implementation and lead to failure.

The second aspect that managers must take into account in resistance management deals with the way in which these behaviors are manifested. In addition to logical patterns of resistant behaviors, managers or change initiators must also revise and formulate their actions in accordance with manifestation types of resistance. Active resistance involves various actions which are listed in Figure 8, from actively arguing against change to manipulating facts about change. Active resistance has shown similarities with rational resistance in terms of its management. Since employees directly disclose their discontent with change, managers are required to engage in cognitive activities to shift employees’ pattern of thinking towards change. These involve listening of employee complaints and arguments, convincing them about the necessity of change while at the same time finding a middle way that will diminish their concerns about the outcomes of change.

While some individuals show their dissatisfaction and argue directly against change, some others tend to behave as if they accept change whereas never fulfill their responsibilities related to change programs. Therefore, the latter one requires a different way of management because of their inactive manners which can easily block implementation. Individuals who have shown symptoms of passive resistance usually agree upon plans and tasks whereas when it comes to implementation they tend to search for ways to not to complete their assignments. The mindset behind such an attitude usually understands change programs as one of the many useless or unrealistic ambitions of the organization and finds active resistance unnecessary because, from that point of view, change is deemed to failure. The possible managerial actions of our model, concerning the passive resistance, are aimed establishing a system that ensures implementation. Therefore, individuals must be regularly checked whether they are completing their task within their responsibility are related to change programs. This approach must be valid from workers to individuals in higher positions and because, as we saw in our second case, IT managers in BATON implementation, resistance may not necessarily be a reaction of employees at lower levels. In short, managers must have a clear plan for change and establish a system for checking implementation regularly. If there are individuals on key positions who are insisting on their passive resistance, managers should consider punishments or their replacement because continuing with them may lengthen the process therefore increase cost of change. Additionally, identifying successful players in change implementation and rewarding can also be source for motivation for other employees who have suspicions or concerns about the change.
7.2. Lack of ‘resistance management’

The theoretical solution that we have composed to manage resistance has been based upon certain missing key elements that have been identified so far during our research. These are:

- **Meaning creation**: In most of failures, individuals, even the key players of change programs, do not realize the nature of change which refers to its sources, types and necessary actions to implement it.

- **Focus on straight-forward implementation rules**: Managers, who are responsible from implementing change, usually tend to employ pre-set conventional approaches without analyzing specific conditions of their organization and its members. This may lead to breakdowns and interruptions because needs of organizations and their members, which are quite diverted, have not been addressed accordingly.

- **Employees as change recipients**: Despite importance of participation that has been also emphasized on literature, many change programs approach employees who are actual agents in making change real, as passive recipients of change instructions.

- **Ignorance of positive resistance**: Connected with the understanding that sees employees as change recipients, managers also missed the opportunity to benefit from constructive critics which may improve existing change strategy in positive manner.

- **Inadequate assessment of resistant behaviors**: In order to manage resistance to change, individual behaviors need to be analyzed. Being able to distinguish symptoms and causes of resistance is vital to take appropriate action. Additionally, understanding roots of resistance is significant to identify constructive value of resistance, if exist.

- **The way change imposed**: The manner in which managers introduce and try to implement change also vital in terms of managing resistance. Language, credibility of change agents and its approach to employees play critical role for successful change implementation.

Having defined missing these elements, in construction of theory for resistance management, we have determined three essential issues; leadership from a sense making perspective, participation and communication and all these three are expected to function as complementary to each other and success of overall process depends on ability of a change initiator to achieve certain level in these three areas.

7.3. Leadership from sensemaking perspective

Throughout the analysis of literature on change management, resistance and some case studies, it has been revealed that mismanagement of resistance or sometimes lack of management has been one of the primary sources of unsatisfactory change initiatives. Although the strategy for change
seems to be perfect theoretically at the beginning, there has been occurring resistance within employees during implementation process. This resistance can be individual or group level (departmental), but it is obvious that it affects the success rate of change organizationally.

According to our theory, in order to manage the resistance factors successfully, there should be intense involvement to the implementation process; and this intense involvement should be managed by the leader, who is able to analyze the resistance both in individual and group level and to manage the resistance by constructing and managing the meaning within the organization.

According to Albert Ellis’s rational-emotive therapy (1977) and Aaron Beck’s cognitive theory (1970), we reach a conclusion through our way of thinking. The reactions that are given to the specific cases are the products of our thought process. Self concepts and values are the main determinants of our beliefs, which influence our attitudes, feelings and behaviors. At the end of this thought process, we reach a result. Therefore, in order to make employees to reach intended results, the way of thinking should be changed according to the intended way, and the thought process should be managed by the leader through the way of meaning management and sense making activities.

According to Smircich and Morgan (1982), leadership is an activity that includes the definition and framing of the reality of others successfully. Sensemaking is a social process interacted together with others and the leader is the one who manages the process of meaning creation. This could occur through sensegiving activity of the leader, which aims to shape and influence the interpretation of others in order to adapt his/her interpretation or the reality definition (Weick, 1995).

There are some steps that should be implemented by the leader for successful management of meaning. First is that leaders should create a point of references, such as making definition of company, vision, who we are and what kind of company we are. This provides direction and gives meaning and sense to the organization. Secondly, the leader should shape the interaction with followers by framing the flow of experiences within the organization by the means of actions and statements. Also, the leader should use communicative tools such as language, rhetoric in order to achieve successful sense making. As a result, the ideal leadership model for successful resistance management should have some features:

- ability to analyze resistant behaviors by distinguishing the symptoms and causes
- be aware of the positive resistance
- creating special meaning that employees can feel that they are not just the change recipients, they are the part of the change process
creating communicative systems that meaning can reach to all level of employees
creating special language (words and expression) that helps to create organizational identity
and the state of belong to a community

All these leadership activities can lead to intensive participation of employees to the change process and enhancing communication within organizations. They are the key factors for diminishing the effects of negative resistance in change implementation. In short, the role of leader is not only limited creation of meaning and transmission of it to employees, he or she also is expected to create an atmosphere where participation is of all parties encouraged and solid communication networks among members exist.

7.4. Communication

Success of a management practice usually depends on a level of communication that exists within an organization. Same is also valid for managing resistance. Creating an atmosphere that allows exchange of ideas is vital to make logic change clear to all concerned parties. It helps dissemination of ideas about why organization needs change and how targets of change program can be achieved. Establishing functioning communication channels between change initiators and resistors is vital especially in situation where the former’s success depends on support from the latter. Although communication in organizations is a quite detailed issue, we will evaluate and explain its role in the context of resistance management.

A functioning communication system within an organization may serve different purposes and while it can prevent problems from occurring at the same time contributes to implementation of strategies. One of these purposes of communication is about providing necessary information to related persons about the fundamentals of the business. This becomes especially critical in resistance management because in many of above managerial actions in our framework indeed aimed at providing employees with information about company’s goal in a given change program, and how to achieve these ends. As it can be observed in the model for resistance management, many of the actions emphasize the need to make employees realize the need for change. Undoubtedly, creating such awareness in the mind of individuals can be done by giving accurate and adequate information to those who are supposed to implement change programs. Additionally, presenting accurate knowledge on time helps managers to eliminate rumors which can be a source of resistance by creating negative interpretations about the outcomes of change. Secondly, communication can facilitate improvement of existing strategies and plans for change. In other words, a two way information flow between employees and change initiators enables expression of feelings and ideas which is very valuable because the feedbacks of the former, positive or negative
including resistant behaviors, can help to detect defects of the change strategy. Therefore communication which is functioning in both ways can be an efficient tool to heard and benefit from the constructive criticism of employees. Thirdly, communication becomes crucial in terms of making employees sure that they know their roles, responsibilities and rules. Concerning the symptoms of passive resistance and possible managerial actions, this aspect of communication confirms its necessity in management of resistance.

Although importance of communication has been emphasized in many times in literature, it is usually perceived as one of the complementary elements of successful organizations. However, role of communication in resistance management should not be underestimated because, if organized properly, it can function as facilitator in persuading employees who tend to resist change. By referring to proper organization of communication, we aim to underline three important dimension of communication. First is the language that has been used in dealing with resistance. A clear language that transmits messages without any ambiguity is crucial in terms of making employees understand reasons and outcomes of a change effort. Second one is the style that in which new messages have been transmitted, for example authoritarian way of speaking may deteriorate employees' commitment to change and also decrease the possibility of getting feedback which can be used in a constructive way. Third one is about the credibility of managers or change initiators who are expected to manage whole communication process related to change. Selection of these individuals in terms communication also should be taken into consideration in managing resistance because past records of an individual seriously influences the commitment of employees to his or her message.

### 7.5. Participation

Idea of making employees participate in management of affairs in organization has not been a new one and is frequently repeated in different studies in literature. Having considered breadth of the topic, by referring to participation, we aim to explain its role in management of resistance and how it should be utilized by those who are responsible from implementing change programs. There have been different types of participation, depending on its form and influence. Considering the two main types of participation, process control and decision control (Lines, 2004). While process control refers to consultative participation which is more suitable to involvement of all parties in issues, decision control directly addresses the right to veto on decision making. Since resistance can be a response of employees from all levels in organizations, consultative perspective seemed much more convenient with our understanding of resistance management.

Parallel to our emphasis upon the necessity of obtaining positive or negative feedback from employees, participation is one of the most efficient tools to reach this end. In addition to its
fundamental place in our understanding of resistance management, participation possesses many advantages which help managers during implementation of change. First, as we have seen in our second case, introduction of BATON, employees usually tend to associate change with loss of status quo and control. Involving these people in planning and implementation processes may help to eliminate their concerns about change and therefore make them feel a sense of control over ongoing changes in the organization. Secondly, individual involvement functions as a motivational factor which can be used as a counter weapon to eliminate resistance. Employees who have been working in same department and doing same work for years usually lack the necessary motivation for change efforts and this may become a regular source of passive resistance. Participation in such instance, we believe, may help to increase individuals’ willingness to comply with the requirement of new way of doing business. Thirdly, parallel to Argyris’ (1957) view, participation fulfils basic human needs in terms of making individuals active on matters that concern them, contributing their independency and ability to deal with problems and issues. Fourthly, as an ideal situation, participation is expected to facilitate information flow between change initiator and employees and therefore provide a ground for the former to be influenced by constructive criticism of the latter. Lastly, participation is one of the signs of democratic culture within an organization and influences commitment of employees to change programs in a positive way. Individuals who work under such conditions are more likely to comply with the necessities of change rather than complaining or resting because their participation on formulation of those changes may bring about a feeling of responsibility about the decisions which were taken with their participation. To sum up; by referring to participation, we aim to establish a notion that change should be something different that is imposed and placed on individuals. Managers or change initiators are expected to encourage and allow employees to be active change participants, rather than solely being change recipients. Benefits of participative management in organizations are many whereas it becomes especially crucial in resistance to change. It is a very useful to obtain commitment of individuals who are expected to comprehend meaning and necessity of change through sense making activities and to turn negative resistance into a constructive ingredient of change management.
8. CONCLUSION AND VISION

8.1. The Research Conclusion

Our journey for studying the research subject has started with the news that we read on the newspaper. The news talked about the political leader who aimed to introduce a change in the party programme in order to answer the new ideas flourished at the political scene. The news was about the failure of the political leader due to the strong resistance coming from some of the members of party. This news created the curiosity in our minds and led us to look at the fundamental reasons laid behind the failures of change programs in business life. The situation that the political leader had encountered was more or less the same which we located during our research to find a question to study on change management. Examples in business and politics have shown parallelism concerning resistance to change. Our research on the change programs introduced in the business organizations have shown us the same result that many change attempts have failed due to the strong resistance coming from the organization internally. Therefore, in this study, we aimed to analyze the resistance factors, which affect the success rate of change initiatives, and what kind of management can be introduced for effective management of resistance in the organization in order to increase the chance of success in change implementation.

During our study on the existing literature in the field of change management and resistance to change, we have reached the conclusion that the resistance factors to change initiatives require special managerial actions and processes. Therefore, we thought that the emerging theory that we have reached can make contribution to the literature. It can be said that diagnosis of resistance should be the starting points for the change initiators in order to understand these resistant behaviors. By referring to diagnosis, we emphasize two important aspects of resistance, namely, the “logical dimension” and “manifestation”. Classifying the types of resistance will provide managers with a framework to determine what kind of managerial actions should be implemented during the process. As the supportive elements of the framework, the type of leadership is the key factor for the success of resistance management. To manage the way of thinking of the employees through sense making activities should be in the first place for a leader to get rid of the negative effects of resistance, at the same time to benefit from the constructive ones. The roles of leaders/change initiators should also be extended to the participation and communication activities. Intense level communication and the high rate of participation are the complementary activities that help to create a convenient environment for successful resistance management.

To sum up, the literature reviews on change and resistance management and the case studies helped us to reach the emerging theory. We think that findings and implications of this present a comprehensive framework for individuals who plan to start and implement a change program.
Determining the various aspects of resistance, and understanding their nature increase the possibility of minimizing the negative effects of it, while at the same time enable the change initiator to benefit from the constructive value inherited in resistance.

8.2. The vision for future research

The conclusions and findings of this research can be furthered for future researches under the light of below points. It can be divided into theoretical and practical prospects that will open visions for future studies.

As a future research within the theoretical framework, the gender issue might be possible research area that is attractive to study on. Leader may need to revise the set of activities, presented in the framework as sense making; participation and communication, in accordance with the differences between females and males concerning their perceptions and reactions towards the idea of change. Psychological differences of women and men may lead to different classifications in terms of roots and symptoms of resistance.

Another area that has aroused a huge interest in us is the role of cultural differences in responding change initiatives. Especially in organizations that have multi-cultural employee profile, the management of resistance might show different characteristics. To relate the leadership and cultural differences within the framework of resistance management can be another interesting subject that potentially necessitates a different approach.

IT based applications as change instruments might be another area that is worth to study more deeply. The skills of managers in terms of introducing and promoting application of new technological means can significantly determine the success of a change program. Therefore, resistance which stems from introduction of unfamiliar, brand new technologies may require different managerial actions which take the differences in individuals’ backgrounds into consideration.
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