Managing Employee Resistance during Organizational Change: Causes and Solutions Available.

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Abstract

Purpose: The aim of this study was to examine how employee resist to change during organizational change and how human resource managers can use organizational strategies to manage employee resistance.

Methodology: The study adopted desktop research approach to review previous literature on the subject matter.

Findings: The study found that employees’ reactions to change depend on the benefits that they think will result from it. If employees believe they will profit from organizational change, they will support it but they will resist it if they feel it will make them lose status, prestige, earning power, or the job. In some instances, employees resist change because they have to learn something new. In many cases, there is no disagreement with the benefits of the new process, but rather a fear of the unknown future and about the ability to adapt to it. The study also found out that a significant number of human resource managers fear employee resistance and do not use resistance as an opportunity to engage and learn.

Conclusion: Evaluation of change will always lead to one of the four reactions: rejection, resistance, tolerance or acceptance.

Recommendation: Human resource managers should be trained to possess the requisite skills and competencies in change management so that they could efficiently handle all forms of resistance from employees. Also, the study recommend human resource managers to study the root causes of employee resistance to change so that appropriate corrective measures and strategies can be developed.

Keywords: Collaboration, Organizational Change, Resistance to Change.
1.0 Introduction

According to Al-Haddad and Kotnour (2015), organizational change refers to the actions in which a company or business alters a major component of its organization, such as its culture, the underlying technologies or infrastructure it uses to operate, or its internal processes. In the same vein Kaufma (2017) described organizational changes as those that have a significant impact on the organization as a whole. Such changes that can be considered forms of organizational change are major shifts to personnel, company goals, service offerings, and operations.

One of the most baffling and recalcitrant of the problems which business executives face is employee resistance to change. Such resistance may take a number of forms such as persistent reduction in output, increase in the number of quits and requests for transfer, chronic quarrels, sullen hostility, slowdown strikes, or the expression of a lot of pseudo logical reasons why the change will not work. Even the more petty forms of this resistance can be troublesome. No one of these changes makes the headlines, but in total they account for much of organizational increase in productivity. They are not the spectacular once-in-a-lifetime technological revolutions that involve mass layoffs or the obsolescence of traditional skills, but they are vital to business progress. In this modern era, everything will change because change is everywhere, including in an organization. Changes are made so that the organization remains dynamic, while at the same time to improve organizational progress and employee’s performance, adapt to the environment, and change behaviour patterns in the workplace (Leana & Barry, 2000).

All too often when executives encounter resistance to change, they explain it by quoting the phrase that people resist change and never look further (Darling & Taylor, 2005). Yet changes must continually occur in an organization. This applies with particular force to the all-important little changes that constantly take place such as changes in work methods, in routine office procedures, in the location of a machine or a desk, in personnel assignments and job titles. Change is very risky as evidence suggests that only 30 percent of change is successful. With such hugely unfavourable odds, it is imperative that companies get it right from the beginning to avoid their strategies to fail (Prokesch, 2009). The business environment has also become more complex and turbulent which has resulted to organizations having to adapt to these changes (Alexander, 2007). Organizations today are rapidly encountering change in the external environment but are not able to implement new strategies because there would be resistance to change within the organization (Burns, 2004).

The change management process is not an easy process (Lawrence, 2013). There are two sides in the change management process, some of the employee’s understand the need of change and the other employee’s do not understand the need of change and so they resist to this change (Burke & Ghada, 2014). Many people in organization do not like change, and so they resist to this change, as addressed earlier, change is important to any organization to stay competitive in the turbulent environment (Darling et al., 2005). However, not all planned changes can be successful and can be accepted by all employees. In fact, the rate of failure of organizational change turns out to be up to 70% (Balogun & Hailey, 2004). It explains that success in change depends on how employees respond to these changes because, in essence, each employee must have a different perspective with other employees in responding to a change (Lines, 2004). Not all employees react positively to change; some even react negatively, and one of the employees’ negative attitudes to change is called resistance to change (Piderit, 2000).

It is the purpose of this study to investigate how human resource managers can excel in managing employee resistance during organizational change.
2.0 Literature Review

2.1 Organizational Change

Organizational change management has been defined by Moran and Brightman (2011) as the process of continually renewing an organization’s direction, structure and capabilities to serve the ever changing needs of external and internal customers. Raineri (2011) sees change management practices as a variety of organizational interventions that when executed properly and in consistency with internal and external organizational events, facilitate the enactment of organizational change processes. Korir, Mukotive, Loice and Kimeli (2012) defined change management as the effective management of a business change such that executive leaders, managers and frontline employers work in concert to successfully implement the needed process, technology or organizational changes.

Change in organizations does not happen in a vacuum. Johnson and Scholes (2002), identify political, economic, social, technological and ecological factors as comprising the external environment that present the organization with opportunities, threats and constraints. They pointed out that these factors produce powerful forces in the environment that pressurizes both the public and private organizations to alter permanently existing strategy, structure, policies, technology and practices. This in turn implies that the aim of organizational change is an adaptation of the environment to improve its performance.

2.1.1 Types of Organizational Change

Many organizations have undergone substantial change and the pace of change is increasing (Paton & McCalman, 2011). Organizational change can occur on any level of the organization, it can occur on the operational level which requires simple changes to day-to-day tasks, that engages in improving performance (Lawrence, 2013). On the other hand change can also be at top level or the strategic level that impacts on the mission and vision of the company (Kotter & Cohen, 2002). As per Price and Chahal (2007), if change managers are to develop effective implementation of change strategies, they need to understand the different types of change; crisis change which is a reactive approach driven by external factors and fear of failure and the chosen change which is more a proactive approach driven by a workforce committed to the success of an organization.

However, previous scholars such as Balogun and Hailey (2008) described three main types of organization change; Developmental change: the doing more of, or better than, what currently exists; Transitional change: implementation of a new desired state requiring dismantling existing ways; Transformational change: implementing an evolutionary new state, requiring major and ongoing shifts in organizational strategy and vision. Paton and McCalman (2011) model identifies four types of organizational change by cross-referencing anticipatory and reactive change with incremental and strategic change. Four resulting types of change are tuning, adaptation, reorientation, and recreation.

2.1.2 Resistance to Change

Resistance to change can be interpreted as an attitude or behaviour of an individual who can frustrate the purpose of change goals (Chawla & Kelloway, 2004). Employee adverse reactions to changes will have enormous consequences; this is because they will inhibit the success of the planned changes (Fugate, Prussia & Kinicki, 2012). The facts show that one of the factors that causes the failure of organizational change is employees who resistance to change (Regar et al., 1994). Generally, resistance is an individual reaction that arises from opposition to change ( Folger & Skarlicki, 1999). Meanwhile, Oreg (2006) in his research, states that
resistance to change is an individual characteristic that shows a negative attitude to change, and there is a tendency to avoid and even fight against it. Employees who have resistance to change must have specific goals and objectives for management; therefore, resistance to change is an essential factor for consideration of organizational change programs. Forms of resistance carried out by employees, include: boycotting, reduced interest, blocking, opposing views, strikes, to negative perceptions and attitudes (Coetsee, 1999).

People’s reactions to change will depend on the benefits that they think will result from it. If they believe they will profit from change, they will support it; if they feel they will lose status, prestige, earning power, or the job itself because of change, they will fight it. Evaluation of change will almost always lead to one of the four reactions: rejection, resistance, tolerance or acceptance (Julia & Veronica, 2008).

Employee resistance can either be overt or covert. Overt resistance is observable; management can see it. Work slowdown, the setting of lower informal production norms, and outright sabotage are examples. Covert resistance is not readily observable because it is done under the guise of working as usual.

According to De jager (2001), employees resist change because they have to learn something new. In many cases, there is no disagreement with the benefits of the new process, but rather a fear of the unknown future and about the ability to adapt to it. According to Greenberg and Baron (2002), a distinction exists between primary and secondary causes of resistance. Primary sources of resistance are perceived as being directly linked to the content of change. This is often the case when change has detrimental effects on the work conditions. In contrast, secondary causes of resistance are defined as barriers that directly or indirectly hinder the implementation of the change. Examples of secondary causes of employee resistance include; lack of time, resources, competencies, and absence of a clear plan to implement change.

2.1.3 Impact of Resistance to Change

The resistance of employees to change that occurs in an organization will bring a negative impact on the sustainability of the organization's growth, because resistance to change is a negative reaction of employees that inhibit change. The negative effects of resistance to change in an organization include reducing job satisfaction (Wanberg & Banas, 2000; Burke et al., 2009), reducing perceived organizational effectiveness (Jones & Ven, 2016), and minimizing creative performance (Hon et al., 2011). In addition, as a result of employee resistance to change turned out to be referred to as one of the main obstacles to organizational change initiatives (Lippert & Davis, 2006), and cause negative impacts such as reducing employee motivation (Ude & Diala, 2015), less than optimal results of failure change programs (Giangreco & Peccei, 2005), reducing employees' adaptability to work and causing organizational setbacks and ultimately increasing turnover (Oreg, 2006). On the other hand, not all consequences of resistance to change have a negative impact, but there are also positive effects. Piderit (2000) has found that resistance to change is also able to provide a useful source of information for learning how to develop a more successful change process.

3.0 Findings

3.1 Forces Leading to Employee Resistance to Change

Resistance to change is a natural defence mechanism by employees as they wary when they are stepping into unfamiliar territory of change (Darling et al., 2005). It is commonly known that for some employees the best defence is a good offense which is the resisting force. Laws of physics state that it takes a certain amount of energy to overcome inertia, and that resistance (friction) is a force that will slow down a moving object (Wenhe, 2011). After studying the
different causes of employees’ resistance to change as discussed by different authors, Julia and Veroica (2008) were able to divide these causes in four different categories, based on the nature of resistance causes. These categories include: Psychological: Employees negative perception, frustration, anxiety, preference towards status quo, cognitive comfort, fear, past failure, Cynicism or mistrust in top management/owner (Val & Fuentes 2003); Materialistic: Loss of pay, comfort, status, and threat to job security (Dent & Goldberg 1999); Employees’ constant capabilities: Employee’s skills (existing), knowledge, & expertise getting obsolete i.e. capabilities gap, embedded routines (Val & Fuentes 2003).

The most powerful barriers to change include (Lunenburg, 2010): insecurity, concerns about personal loss, group resistance, dependence, confidence in administration and - awareness of weaknesses related to the proposed change. Approaches that explain the employee’s resistant behaviour vary considerably depending on the viewpoints of the researchers. Resistance to change is an action undertaken by individuals or groups when they perceive change as a threat. Employees tend to have a high inclination to make changes when environmental factors pose no other choice than change, so in this situation the organization’s employees are forced to change (Eseroghene & Aguenza, 2016). Eseroghene et al., (2016) point out that employees tend to show resistance to change even when business environment factors disappear. Reasons for employee resistance to change are different and vary depending on the individual’s personality. An employee can well accept a change, while another looks angrily. Managers need to be aware that employees can withstand changes in different ways.

According to Zander (quoted in Mutihac, 2010), there are five main reasons for resisting change: uncertainty about the nature of change, different interpretations regarding its change and impact, strong forces prevent individuals from change, top-down forces impose on individuals who are affected by change and personal interest in direction of change. Other factors that engender employee resistance to change are:

3.1.1 Uncertainty

Uncertainty during the change process is typically about the aim, process and expected outcomes of the change and suggestions for the individual employees (Huse, 2008). According to Kotter (2008) most people fear the unknown, particularly in the workplace, where staff grow accustomed to certain processes and procedures. Employees usually hang on to the fear, uncertainty, resentment and other emotions that big changes bring if it seems to them that management has no clue about how they feel (Wenhe, 2011). Fear is often one of the most common reasons for resisting change as the employee has fear of the unknown, of failure, loss or leaving a comfort zone. This fear is usually caused by uncertainty (McKnight, 2005). Bryant (2011) noted that uncertainty in employee’s can be caused by; basic predisposition to change which is derived from birth experiences, early feeding and weaning, toilet training, sibling rivalries etc., personal sense of security which dependent on individual personality and current circumstances such as financial and marital status, prevailing cultural beliefs, relating to a particular country or community, class, trade or even work group and extent of trust and loyalty which results from past and present relationships with management, union and work groups.

3.1.2 Mistrust in the Management

Trust in management refers to the psychological contract established between individuals and organizations based on the messages an employee receives regarding organizational expectations and employee perceptions of desired managerial actions (Fred, 2012). Morrison (2015) suggests that trust is a vital tool in management to have implementation of new strategies in the organization. In organizations where there is a lot of trust in the management,
there will be lower resistance to change. Mutual mistrust between the management and the employees if the organization will lead to the company going into a downward spiral as the firm’s strategies will not be implemented as wanted, so trust is a must. Another common reason that Morrison (2015) brought to the table was that people resist organizational change because they assess the situation differently from their managers. Different assessments of the situation by employees can also create mistrust in the management, this is mainly because of poor leadership skill and communication which makes the employees not to trust the management (Schermerhorn, Hunt & Osborn, 2005). Also the study by Davis (2012) found that many employees resisted change because of past experience with the management that lead to the mistrust in management.

3.1.3 Employees Self Interest

One another major reason employees resist organizational change is that they believe that they will lose something of value as a result. It could be power, position, title or they could be moved to the unknown state (Schermerhorn et al., 2005). In such cases, people focus on their own best interests and not of those of the total organization, resistance and often results in “politics” or “political behaviour (Jansen, 2012). According to Morrison (2015) one of the major concerns of self-interest of the employees is the loss of control of the environment they are working in, this is another key reason why employees resist change as familiar routines help employees develop a sense of control over their environment they are working in. When employees are asked to change the way they work and operate, it may make employees feel powerless and confused. People are more likely to understand and implement changes when they feel they have some form of control (Burke & Ghada, 2014).

3.2 Strategies to Managing Resistance to Change

Change is important to the organization today as organizations need to stay competitive in the industry they are working in. Manager can be able to manage change in various ways (Wenhe, 2011). John Kotter one of the Gurus of change talks about his 8-Step model to help in implementation of change, the 8-Step Model is a classic model which has formed the base on many change management models (Senior & Fleming, 2004). Hansen, Randolph, Chen, Robinson, Marin and Lee (2015) argued that business leaders must also manage the people within its walls as many institutionalized opponents can negatively influence prospective adopters. A firm’s employees must undertake a learning phase to develop competencies and new processes during technological-induced change (Ahsan, Ozer, & Alakent, 2010). Cullen, Edwards, Caspter and Gue (2014) added that changing employee mind-sets and behaviours is much harder than changing a process or system. Every innovation has potential users that will either adapt or resist its use (Hutchings & Quinney, 2015). A significant problem for many business leaders is that they fear employee resistance and do not use resistance as an opportunity to engage and learn (Ali, Zhou, Miller, & Ieromonachou, 2016). Many potential users will adapt and learn new skills, and many will have their competences destroyed. Ahsan et al., (2010) argued that knowledge and experience will help employees adapt, but an over-reliance on existing techniques and routines will slow down and erode success. Leaders must pursue knowledge both internally and externally and leverage existing experience to help staff move towards competence-destroying change (Ahsan et al., 2010).

Managing and leading employees in a changing environment is critical to overall business success. Hansen, Randolph, Chen, Robinson, Marin and Lee (2015) argued that business leaders must understand that both influencers and opponents seek to encourage imitators, and managers must use institutional pressures to their advantage in changing those very institutions.
Thus, managers are needed to anticipate and manage resistance, draw up a plan of action, and a realistic timeline to allow the firm to remain healthy and competitive (Cullen, Edwards, Casper, & Gue, 2014). Some of the strategies of managing employee resistance to change are discussed hereunder:

3.2.1 Effective Communication

Communication is known as the transfer and understanding of meaning from one to another. According to Davis (2012) Communication is a critical element in managing change, with companies’ turbulent environment and introducing new strategies are more often to perform less effective peers. Kotter and Schlesinger (2008) points out that one of the most common ways today to reduce resistance to change through communication by educating people. Communication of the organization vision helps people see the need for and the logic of a change. A weak communications system in the organization is considered to be one of the obstacles on the way of the implementing the change (Kotter et al., 2008). Every managerial function and activity requires some form of communication, whether it is planning, directing, leading or coordinating (Graetz, 2006). Hayton (2015) suggests that poor human communication can lead to conflicts within the organization as expectations are met and during the change management process poor communication can be a barrier to change. Stewart (2009) points out that employees, customers and managers need to communicate effectively and efficiently so that they can exchange information about goal, expectation and performance. Educating the employees through communication is imperative; it helps the employee’s understand the mission and vision of the organization. Paton and McCalman (2011) suggest that leaders should create a learning organization through training that can create effective communication so that they can create readiness to change.

3.2.2 Employee Participation in Decision-Making

Julia et al., (2008) point out that participation is limited collaboration. The principle that involvement will equal greater commitment still justifies this approach to change. However, employees are allowed only limited involvement in certain areas of change, such as how the desired change can be achieved. It is a key role for managers and leaders to create the conditions in which individual initiative and teamwork thrive, rather than identify and prescribe in detail what individuals should do (Kotter et al., 2008). As per Bernard (2011), managers should no longer identify and implement some ideal universal model; they rather should establish, jointly work with those employees that are most closely affected, the structures and practices necessary to operate effectively under the conditions which prevail at any particular point in time (Price & Chahal, 2007). Employee participation in decision aids the change management process to work efficiently as the employees are the ones who are affected by the change when the decision are made (Burke et al., 2014). It also motivates the employees as they become the drivers of change because of their inputs in the decision making (Esther & Mike, 2015). Kotter et al., (2008) pointed out that if you want resisters to become more committed to the change, encourage their participation in its design or implementation. This method increases grassroots support for change but can cause problems if people lack the expertise to develop effective plans. Though it has been argued by Senior and Fleming (2004) that participation of employee’s in decision making can be very time consuming and most of the time these decisions are reactive rather than proactive decision which need immediate attention.
3.2.3 Collaboration

In collaboration, there is widespread involvement of employees in both what to change, and how to deliver the needed changes. Employees are asked to contribute to both the goals set for change and the means of achieving those goals. This may be through participative face-to-face meeting, such as workshops or focus groups in which, for example, consultants introduce participants to analytical tools and frameworks that can provide new insight on the participants’ business and lead to identification of the critical change issues and an explicit consideration of actions to be taken, and by whom (Kreitner, 1992). According to Julia et al., (2008), the principle behind collaboration is that the more employees are involved, the more likely they are to support and be committed to the change that they have helped design, and the more likely they also are to sell those changes to others in the organization. In other words, collaboration can be used to bypass resistance. Furthermore, collaboration can be used not only to determine what to change and how, but also to create an awareness of the need for change by challenging complacency within the organization.

3.2.4 Negotiating and Motivation

Management can be able to reduce resistance to change by negotiating and motivating the employees during the change management process so as to eliminate the resisters to change (Jansen, 2008). Bernard (2011) emphasis that negotiation during the change management process is important so as to reduce the resistance to change, he also adds that the organization must keep the employees satisfied through motivation so that they are able to retain employees who would be drivers of change in the organization. For instance, management could give a higher wage reward and incentives to the employees so that they are motivated to take the part in the change process.

Negotiation is particularly appropriate when it is clear that the employee is going to lose out as a result of a change and yet his or her power to resist is significant (Jukka, Timo, & Markku, 2011). Negotiated agreements can be an easy way to avoid major resistance, though, like some other processes; they may become expensive (Kotter et al., 2008). Jukka et al., (2011) suggested that the management can improve the employees satisfaction by improving the position of the employee through promotion so as to motivate the employee during the change process, they also add that not only the improvement of position will bring about the motivation but also the participation of the employee during decision making. Increase in salary can also be used to motivate the employee which makes the employee feel appreciated of the efforts that they had put are being recognized by the organization. Other benefits such as higher bonuses can also be considered by the organization to motivate the employees to go through the change process knowing that they will be regarded at the end of it for the discomfort they will be facing (Burke et al., 2014).

3.2.5 Effective Direction

When those leading change make the majority of decisions about what to change and how, and use their authority to direct the achievement of change, this is a management style of direction. This approach effectively separates the thinkers from the doers. The thinkers come up with the change ideas and ‘sell’ them to the doers, who are then supposed to implement these plans and the ideas. There may still be an attempt to sell the changes to the employees, to encourage them to buy effort in which employees are involved in workshops to debate the implications of change for themselves. However, employees are not invited to contribute to the goals or means of change, except in a limited way. Many turnarounds, for example, involve this style of change (Julia et al., 2008).
3.2.6 Effective Reward Management

Mejia-Morelos, Grima and Trepo (2013) suggested that for leaders and managers to secure the desired results of change, they have to go through compensation and reward philosophy that recognizes employees for their performance and acknowledgement of efforts put in when undergoing the change process. Rewarding change efforts demonstrates the importance of and need for change, along with leaders’ understanding that "the things that get rewarded get done." There is a common business saying that “the managers get what they reward” (McKnight, 2005). Organizational employees will resist change when they do not see anything in it for them in terms of rewards. Without ‘WIIFM’ (What Is In For Me) or a reward, there is no motivation to support the change over the long run. This often means that organizational reward systems must be altered to support the change that management wants to implement. The reward does not have to always be major or costly (Mejia-Morelos et al., 2013).

An effective compensation and reward system takes into account the dynamic nature of the organization’s change initiatives while allowing the firm to establish and navigate its ultimate course. Consequently, effective compensation and rewards are fluid, dynamic, and constantly changing (Jorgensen, Owen & Neus, 2009). Compensation and reward research suggests that an integrated reward system supports each step of the organization’s change implementation.

The recipients of the change will react positively to rewards for incremental change and strategic changes, celebrations of milestone achievements, and leaders who create win-win situations related to change (McKnight, 2005). Reward programs help organizations achieve specific change goals such as improved creativity, innovative products and services, competitiveness and willing to work harder, collaboration and teamwork within the organization, employee commitment and loyalty, long-term plans, and continual learning and application of new skills are positively adopted related to organizational goal achievement (Jorgensen et al., 2009).

3.2.7 Employing Coercion

According to Julia et al., (2008), coercion is an extension of direction. Here change is imposed on employees, rather than staff having the idea of change sold to them. It is a way of achieving rapid change, but as with direction, it may lead to greater resistance. Given the lack of effort devoted to explaining the need for change to staff, or to encouraging buy-in for the changes, this approach is unlikely to work unless there is a very real crisis that is felt by most employees within the organization. However, unless the coercion is such that all aspects of behavioural change can be enforced in some way, the result may still be lip-service to the changes rather than actual change (Julia et al., 2008).

4.0 Conclusion

Organizations are constantly being forced to go through continuous adaption due to factors like progressive globalization, increased competition, change in information technology, and deregulation. Increasingly, managing change is seen as a permanent business function to improve efficiency and keep organizations adaptable to the competitive marketplace. Many organizations strategically use change to improve organizational effectiveness. But bringing about successful change in today's competitive environment requires thoughtful planning, effective communication and employee acceptance. Resistance to change is considered to be one of the key factors in failing on the success of changes in business. People resist change because changes are seen as a threat to them, their status and financial rewards. Change management programs must have been the result of the fact that many people resist change.
There are many people who are stimulated by change and see it as a challenge and an opportunity. But they are scarce.

5.0 Recommendations

Human resource managers should be trained to possess the requisite skills and competencies in change management so that they could efficiently handle all forms of resistance from employees. Also, the study recommend human resource managers to study the root causes of employee resistance to change so that appropriate corrective measures and strategies can be developed.

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Conflict of Interest

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