

Perceived Readiness to Change

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Abstract

Experience tells us that organizational change is chaotic, related to something new and unknown causing lesser sense of security and stability. Thus, the process can be dramatic for both the individual and the organization. When a change is triggered from external events like change of regulations and industry norms another burden of the top management adjustment occurs, which creates additional obstacle in the natural acceptance process which is believed to be vital for any change. These regulations require that organizations respond accordingly by taking measures to ensure that the behavior of employees change so that the desired outcomes are achieved. The goal of our study was to catalogue as many organizational actions as possible associated with perceived organizational readiness or lack of readiness for change and analyze which factors are decision in the process of implementation of the change itself.

Keywords: adaptation to change, change management, employees, implementing change, motivation, readiness, reform
JEL: M12, O15

Introduction

Authors argue that there is a clear correlation between the level of an organization's change readiness and proper and successful implementation of the management of the change process. The failure rate of change initiatives leaves us concerned about the importance of the above-mentioned link. According to Balogun and Hailey (2004), approximately 70 percent of all the change programs fail. Of course the methodology behind reaching this specific number can arguably be questioned along with the interpretation of the terms of "failure" and "success" itself (By, 2007). But still the figure being very high sends an open alarm to the owners and managers of the organizations saying that unless a significant importance is assigned to this fact, the organizations may continue failing, leading to more unsuccessful change processes. Exploring the topic was hoped to yield some shortcuts that would help the implementer guarantee at least some portion of success.

Scholars have increasingly focused their attention on change processes and overall of the change program itself. This area of inquiry has led to the emergence of two interrelated schools: that of change program management (Cummings & Worley, 2005; Kotter, 2007; Kotter & Schlesinger, 2008) and the second one of change dynamics such as readiness, resistance and commitment (Armenakis & Harris, 2007; Jaros, 2010; Oreg, 2003).

The first stream emphasizes change from top-down project model extending from Lewin's (1947) early work in which every change program must satisfy three stages in order to succeed. At first, the change program must unmake the transforming elements of organizational process, structure and culture.

Secondly, the change program must successfully insert the mentioned change element into the organization. Finally, the change program must re-freeze the structures, processes and culture of the organization in such a way to maintain the injected elements. This school was further enriched by Bridges (1991).

The second pole of change research focuses on selected dynamics of change. The works examine how individuals and groups make sense of change forces and develop attitudes and sentiments, thus framing how an individual reacts and responds to change programs. The studies concerning the readiness of the change started as early as in 1948 by Coch and French. Because of the lack of clarity over the terms and their use, this area was under great scrutiny. Different analyses were performed at various levels (Dent & Goldberg, 1999). A focus on resistance as an individual psychological variable was performed by (Furst & Cable, 2008; Oreg, 2003). The willingness and openness to change was also thoroughly examined by Chawla and Kelloway (2004), Miller, Johnson and Grau (1994), Wanberg and Banas (2000). Cynicism about change was also studied by Reichers, Wanous and Austin (1997), Stanley, Meyer and Topolnytsky (2005) and commitment was studied by Berneth, Armenakis, Fields, Giles and Walker (2007), Hersocovitch and Meyer (2002), Jaros (2010).

Recent studies which catch our attention are the ones concerning the readiness to change on individual level construct, which was examined by theory, scale development and cross cultural validation efforts (Armenakis & Harris, 2009; Cuninghame et al., 2002;

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Eby, Adams, Russels, & Gaby, 2000; Holt, Bartczak, Clark, & Trent, 2007; Jones, Jimmieson, & Griffiths, 2005). From the above mentioned writers we would like to point out Holt et al. and their work of 2007 which clearly states the following: "readiness can be defined as a comprehensive attitude that is influenced simultaneously by the content (i.e. what is being changed), the process (i.e. how the change is being implemented), the context (i.e. the circumstances under which change is occurring), and the individual (i.e. characteristics of those being asked to change/ be involved). As such, readiness, refers to the extent to which individuals and groups are cognitively and emotionally ready to address the change request and process (Holt et al., 2007).

Change readiness has been defined as "the cognitive precursor to the behaviors of either resistance to or support for a change effort" (Armenakis, Harris, Cole, Fillmer & Self, 2007). Further extension on this concept, Jones et al (2005) note that it refers to "the extent to which employees hold positive views about the need for organizational change (i.e. change acceptance), as well as the extent to which the employees believe that such changes are likely to have positive implications for themselves and the wider organization. Armenakis et al. (2007), Armenakis and Harris (2002), Kotter (1996) and Leucke (2003) all argue that it is vital for an organization to be change ready before attempting to implement and manage any kind of change initiative. Jones et al. (2005) suggest that "premature implementation (of change) may not produce intended outcomes simply because employees are not psychologically ready.

Factors, identified as decisive in organization's readiness for change are also linked to those identified in Kanter, Stein, & Jick (1992) ten commandments for executing change; Kotter's (1996) eight-stage process for successful organizational transformation and Leucke's (2003) seven steps as suggestions on how to facilitate emergent change. Vakola and Nikolaou's (2005) study implies that factors such as effective communication, top management commitment, allocation of resources, good and effective work relationships, rewards, training and participation in the planning and implementation are crucial in order to increase the level of change readiness.

Change readiness framework developed by Armenakis et al. (2007) includes three phases: readiness, adoption and institutionalization. They argue that the lack of change readiness is the main reason for organizations failing in their attempts to manage change successfully (Armenakis et al., 2007). Further, they note that "Readiness ... is reflected in organizational members' beliefs, attitudes, and intentions regarding the extent to which changes are needed and the organization's capacity to successfully make those changes" (Armenakis et al., 2007).

The Armenakis et al.'s (2007) change readiness framework provides five change message components and three change message conveying strategies what needs to be said, and how this message

should be communicated. Key message components involve: a. discrepancy – is the change really necessary; b. efficacy – can this change be implemented successfully; c. appropriateness – is this the change required; d. principal support – are leaders and managers committed to this change; e. personal valence – what is in it for me. Message conveying strategies involve: a. persuasive communication – direct communication like speeches and memos; b. active participation – vicarious learning and participation in decision making; and c. managing internal and external information – provide the views of others, like consultants.

Other authors have also supported the importance of free will of an employee (Furst, 2008), even though it is shaped by social and cultural factors that set the frame for each employee in the organization. An organizational members' attitude toward change can play an important role in determining whether the individual chooses to support or resist a change (Kirton & Mulligan, 1973). Attitude toward change, in general, consists of a person's affective reactions to change, cognitions about change, and behavioral tendency toward change (Dunham, Grube, Gardner, Cummings, & Pierce, 1989). Consistent with this, and according to Elizur and Guttman (1976), individual's or group's responses to organizational change are classified into three types: a. affective, b. cognitive, and c. behavioral. Affective responses involve the extent to which employees feel themselves linked to, satisfied with, or anxious about change. Cognitive responses are the opinions employees have about advantages, disadvantages, usefulness and necessity of the change, and about the knowledge and information required to handle it. Behavioral responses are actions one has already taken or may take in the future for or against the change. Analyzing the belonging of each individual to the above mentioned level can help group individuals in the organization and apply tutoring, training or even different message conveying strategies to motivate the members of organization for better outcome and reaching desired results.

Kwahk and Kim (2008) have outlined four possible antecedents of readiness for change: organizational commitment, perceived personal competence, performance expectancy and effort expectancy. According to them, the first two factors are more relevant to individuals' tendency and characteristics regardless of the system introducing the organizational change, while the other two factors are more relevant to the characteristics of the target system to be adopted by individuals in organization.

Organizational Commitment is the relative strength of an individual's identification with and involvement in a particular organization (Mowday, Porter, & Steers, 1981). Meyer and Allen (1991) divided organizational commitment into three components: 1. Desire – affective commitment. This factor arises from emotional attachment to the organization and is especially very strong in family owned organizations; 2. Need – continuance commitment. This factor arises when an employee has a high level of awareness of the costs as-

sociated with leaving the organization and it is very strong towards the middle of the career ladder; and 3. Obligation – normative commitment to maintain employment and continue working in an organization.

Perceived personal competence is the degree of competence in the work role (Meyer & Allen, 1991). High level of perceived personal competence leads to employee self-confidence, when s/he believes s/he can execute the particular task under any settings and even different tasks, the ones an employee is not used to perform. This is particularly important in times of change, when the level of uncertainty rises and the employees are forced to improvise within the line of change, try new approaches to fulfill the tasks at the working place.

Performance expectancy means when employees believe their performance will lead to gains in job performance. If people expect performance improvement from the use for example newly developed enterprise systems, they would have more positive attitude toward change and be more ready for the change.

Effort expectancy is the degree of ease or difficulty associated with the use of something new. If the new, the change requires a lot of learning, it would deter employees from using it. In contrast, it is easy to use a new system of a practice a positive attitude toward the change will be generated, making employees more ready for change. Previous studies based on the technology acceptance model (Venkatesh, Morris, Davis, & Davis, 2003) have indicated that individual's behavioral intention to use a new approach is influenced by performance expectancy and effort expectancy for the system (Kwahk & Kim, 2008).

Readiness to change - survey

Experience tells us that organizational change is chaotic, related to something new and unknown causing lesser sense of security and stability. The process can be dramatic for both the individual and the organization (Abrahamson, 2000). Schein (1996) describes change as a difficult process involving painful unlearning and relearning as employees attempt to restructure their thoughts, feelings and behaviors with regard to the change at hand. When a change is triggered from external events like change of regulations and industry norms another burden of the top management adjustment occurs, which creates additional obstacle in the natural acceptance process which is believed to be vital for any change. New legal regulations, restructuring, changes in policies of human resources or the general political dimensions are the most common regulations imposed by government bodies. These regulations require that organizations respond accordingly by taking measures to ensure that the behavior of employees change so that the desired outcomes are achieved (Armenakis & Bedeian, 1999).

What happens is that new practices acquire a normative character and thus are compulsory for all employees (Rainey, 2003). The problem with such kind of normative acts is that most organizations have no

control over the decisions and even more the top management may not even favor the policies they have to implement. A bigger uncertainty occurs till these policies become viewed as largely consistent with values of the organization, otherwise the pressure of change alerts more imbalance and unclearness of actions that are not linked to better outcomes or simply not explained well enough to be understood and implemented. If the pressures are sufficiently powerful, then the organization will likely change in the prescribed direction, even if there is opposition to the move (Oliver, 1991). Disregarding the direction of initiation of change, its outcomes will be shaped by internal processes within the organization. Employee's reactions to change can therefore differ: instead of recognizing the benefits of change, people might just change because they fear the costs of not doing so and as a consequence exhibit negative behavior, such as turnover, or even boycott the change effort (Neves & Caetano, 2009).

In the present case, the need for change is illustrated by the guidelines outlined by governmental bodies, namely the ministry of education and science and the organizations, regardless of being public or private have to comply and the organization leaders were committed to the successful implementation of change, since important organizational outcomes such as approval for functioning would be affected by the outcome of change.

We interviewed change agents in the organization to gather background information about the concrete actions in the organization during the change process implementation. It should be noted that in this study the term "change agent" denotes organizational members with the official mandate to implement change regardless of their position. In our case we interviewed heads of departments and the head of quality assurance office, responsible for the transformation process. Changes that had been undertaken by these departments included a shift in the strategic direction toward a higher degree of transparency, a shift from a command, centralized, control management style to the one based on employee initiative, empowerment, changes in decision making processes and project initiation.

The major goal of the interviews was to catalogue as many organizational actions as possible associated with perceived organizational readiness or lack of readiness for change. Volunteers were contacted by phone and e-mail to schedule an interview. In this interview respondents were asked to nominate organizational behaviors typical to the readiness or lack of readiness to change. We created two lists of behaviors by asking the following two questions: 1. "What kinds of behaviors did you see in your organization that would lead you to think that it was ready for or capable of change?"; 2. "What kinds of behaviors did you see in your organization that would lead you to think that it was not ready for or capable of change?". Respondents were asked to focus on specific and tangible actions in the organization. The interview and

responses were recorded and analyzed with the permission of the respondents. We also made every effort to avoid any leading questions and or comments. When the interviews did not yield anything new, the domain was considered saturated and the interview stage completed. The two lists of behaviors were then edited for redundancies, vague actions and non-act statements.

For the purpose of measure development, it was essential to retain only those behavioral acts which we considered as typical by the vast majority of the raters. We hoped to obtain the results that would typify either an organization, or particular department that was ready for change (driven by the vision shared by everybody) or an organization or particular department that was not ready for change (the reasons of change not well explained). We reduced the nominated actions to a "manageable" number of 5-10 items.

I. Senior Management

While describing the situation in the organization, the respondents were asked to give concrete examples of the actions the members in order to evaluate the readiness of the organization and its employees. While discussing senior management, three items were agreed on, which were the decision-making on the behalf of the senior management, the definition of the course of action and having a champion on all key senior management levels.

II. Change Agent/Immediate Manager

When implementing the actions during the change, it is very important to have a role model who is competent in the topics related to the actions that need to be taken and at the same time available for an advice, appraise or even a criticism. This part focused on the competency and sufficient time to be spent for the subordinates.

III. Communication of change

As mentioned in the literature, the change starts from the perception of every individual and the willingness to be a part of a change process. These perception and willingness is highly shaped by external factors as well. Communicating a message makes it easier for the recipient to follow the actions that are expected by the supervisors. The most important aspect here is the reason of every change that needs to be properly understood. Timely evaluation of the outcomes and the benefits sustain the high level of involvement in the change processes keeping the employees motivated for the expected actions. And for a better outcome, it is necessary to maintain commonly shared vision, a vision that drives the employees through the difficulties of the change process itself.

IV. Impact of change on work

Most of the employees view change having an adverse effect on their jobs in terms of making it harder, having to do double tasks and being overloaded by new actions that are expected. Especially in the transition period, the employees are asked to perform the tasks in both the old and the new styles, which created an extra load, having to work overtime.

Conclusive remarks

Question: "What kinds of behaviors did you see in your organization that would lead you to think that it was ready for or capable of change?"/ "What kinds of behaviors did you see in your organization that would lead you to think that it was not ready for or capable of change?"

1. Senior management

- Senior management is not always decisive and clear about the change with respect to organizational goals, priorities and strategies.

- Senior management defines the course of change for the following several years but does not stay consistent with it.

- There is not a champion of change on most of the senior management levels.

2. Change agent or immediate manager

- Change agents or immediate managers are not always competent to answer the questions of employees about the change.

- Change agents or immediate managers do not spend sufficient time to help and encourage the actions directed towards the change.

3. Communication of change

- The reason for change is well explained.

- The outcomes and benefits of change are well explained.

- There is no vision for the change that everybody in the organization understands.

4. Impact of change on work

- Old duties are not replaced by new duties which make the job harder for employees.

- Workload distribution does not allow the employees to get involved in the change initiatives.

Conclusion

The findings of the survey are consistent to the literature that links organizational readiness for change to the capacity of senior management and day-to-day leadership provided by the change agents or immediate managers. In our case the decision-making on the behalf of the senior management and the definition of the course of action was highly influenced by the outside forces, namely the norms and regulation adopted by the government bodies. In this case, the difficulty of making timely decisions and crafting the course of action on the behalf of the senior management led the employees doubt the process of change itself, which led to delays in implementation. The theory of perceived organizational support (Eisenberger, Huntington, Hutchinson, & Sowa, 1986) posits that employees tend to view actions by agents of the organization as actions of the organization itself (Levinson, 1965). The personification of the organization is assumed to represent an employee's view of who controls that individual's material and symbolic resources within the organization. In our case the organization could not have a champion on all key senior management levels, due to the senior management itself being under

uncertainty. So this made it more difficult for immediate managers to take the initiative steps towards the change. The risk of failure in uncertainty was too high that again undermined the initiative taking.

All change agents or immediate managers who have direct reports, therefore need to be ready and well equipped to communicate change to their staff and provide the necessary and timely support. As Dawson, 2003 has noted, it is the organization's responsibility to prepare all those who supervise others to deal with change and involve them in designing and implementing change. Lack of appropriate expertise in the change processes led the change agents or immediate managers lose respect by the subordinates and it made it even more difficult to implement even the simplest tasks in the course of action.

Organizations that are ready for change have been associated with effective communication (Trahan & Burke, 1996). This provides a stimulus to each employee because they realize that they follow the organization that actually knows what it is doing. The literature highlights the necessity of the common vision shared by all employees. This helps overcome the difficulty and the stress associated with the change. The team spirit is helpful and it is important to establish one in an organization if management wants to succeed in the change process.

Even more influential factor here is the impact that a change will have on each employee. It is discouraging when the new duties do not rule out the old duties and an employee is simply forced to double the tasks and maintain the old style while trying to adapt to the new one. This hinders employees from getting involved in the change initiatives and the change process is now being imperatively imposed on employees that are unable to say "no" to the process but at the same time are not very happy with the process itself.

There are also some limitations of the study that could be addressed in the future research. More testing is necessary to validate the developed measure and strengthen its generalizability. This measure was developed and tested within a small private school staff undergoing transformation change. As noticeable differences have been observed between the environments and cultures of private and public schools (Rainy, 2003), the measure cannot therefore be automatically assumed to apply to other types of schools or other types of change. A detailed survey of public sector schools will provide a check point for our current research and clear out its extent to generalizability.

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