DIVERSIFICATION OF THE WORLD IN RECENT ORGANIZATIONAL CHANGES: A LITERATURE REVIEW

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ABSTRACT

Diversification is an approach to shifting/transitioning individuals, teams, and organizations from a current state to a desired future state. It is an organizational process aimed at helping change stakeholders to accept and embrace changes in their business environment. In some project management contexts, change management refers to a project management process wherein changes to a project are formally introduced and approved. It is change in management as the utilization of basic structures and tools to control any organizational change effort. Change management’s goal is to minimize the change impacts on workers and avoid distractions. In this paper we have reviewed some research articles which are relevant to the topic.

KEYWORDS: Organization, Business, Management, Project.

INTRODUCTION

Organizational change is often stimulated by a major external force, for example, substantial cuts in funding, decreased market opportunity and dramatic increases in services. Typically, organizations undertake technical, structural or strategic shifts in the organization to evolve to a different level in their life cycle, for example changing from a highly reactive organization to a more stable proactive environment. Change management is a set of processes employed to ensure that significant changes are implemented in a controlled and systematic manner. One of the goals of change management is the alignment of people and culture with strategic shifts in the organization, to overcome resistance to change in order to increase engagement and the achievement of the organization’s goal for effective transformation. Generally speaking, organizations face strong resistance to change. People are afraid of the unknown, many think things are fine the way they are and don’t understand the need for change. Recognizing the need to change, and acting on it, can be difficult decisions for leaders and managers to make. Managers are taught to manage processes and resources effectively. Change however requires the ‘management’ of people’s anxiety and confusion, or conversely their excitement and engagement. These are emotions that most managers find difficult to deal with or address.
Managing the change process and transition emotions is fundamental to the success of a change oriented project. Many people are inherently cynical about change, many doubt there are effective means to accomplish major organizational change. Often there are conflicting goals within the organization, for example, increasing resources to accomplish goals yet cutting costs to remain viable. Organizational change often goes against the very values held dear by people, that is, the change may go against how they believe things should be done or diminish ownership of ‘how we do things around here’. Resistance is a natural defense mechanism for those ‘losing’ something. The closer we are to something or someone, the greater the grief or loss. Reasons for resisting change are varied. The reasons could include perceived loss of security, money, pride or satisfaction, friends, freedom, responsibility, authority, good working conditions, status, lack of respect, objectionable manner, negative attitude, personal criticism, not having had input, bad timing, challenge to authority or second hand information.

LITERATURE REVIEW

Holt et al., 2007, analyzed “When the organizational members temporarily alter their attitudes and behaviors to conform to the expectations of the change” the organization is considered in the adoption stage. The organizational change is considered to be in the institutionalization phase “when the change becomes a stable part of employees’ behavior”. 1

Del Val and Fuentes (2003) analyzed the importance of the type and source of resistance in terms of their effects on change success; and Robertson, Roberts, and Porras (1993) highlighted the need to integrate empirical findings through their meta-analysis testing of a theoretical model for planned organizational change. The change literature has grown and matured significantly since their analysis, however, and would be served well with an effort to update those results. 2,3

Cunningham et al., 2002 said that employee readiness is a critical driver of change success. Several aspects of the change event and organization can be interpreted by organizational members, indicating the organization’s readiness. Arguing that if employees do not have the subjective beliefs that change is needed or the organization is capable, initiatives are more likely to fail. 4

Armenakis et al. (1993); Jones et al. (2005); and Madsen et al. (2005) have explored other attitudes that include perceptions regarding the benefits and the leader’s support for the change. They have suggested that individuals’ interpretations regarding the organization indicate readiness. A synthesis of the research revealed that readiness is reflected through the subjective assessments and interpretations of “what is involved (i.e., change content), how change occurs (i.e., change process), where changes occur (i.e., internal context), who is involved (i.e., individual attributes), and the responses of those involved (i.e., reactions)”. 5,6,7

Bernerth (2004) demonstrated the need for these particular messages by associating qualitative responses from change targets with insufficiently addressed components of the change message. 8

Weinstein, Grubb and Vautier (1986) demonstrated that conveying the discrepancy and personal valence components of a change message increased seat-belt wearing habits among individuals.
Implementation Strategies Beyond the development of an effective message, the change process includes the strategies used to convey and reinforce the message.\(^9\)

Armenakis and Harris (2002), are using sales records to establish the need for a change or gathering metrics and survey data within the organization to demonstrate the progress since implementation. Conversely, external information like popular press articles could be used to demonstrate the successes that other organizations have experienced with similar changes. Empirical support for the effectiveness of management of information is mixed. Recent research has given mixed results on the effect that information has on change outcomes.\(^10\)

Jimmieson et al (2004) demonstrated that change information can reduce change-related difficulties while increasing the self-efficacy of participants.\(^11\)

Oreg (2006) found information to increase resistance to change, suggesting that the relationship may be dependent on whether the change is desirable or that the relationship may be non-linear.\(^12\)

Naswall et al. (2005) demonstrated a strong relationship between negative affectivity and job-induced tension. However, Iverson (1996) found no significant correlation between negative affectivity and acceptance of change. Locus of control. Locus of control refers to people's beliefs concerning the source of control over events affecting them.\(^13,14\)

Wanberg & Banas, 2000 and Hui & Lee, 2000 suggested that individual may not ascribe any value to his or her abilities, which would result in low self-esteem, regardless of the level of self-efficacy. Self-esteem has been positively correlated with change acceptance and has been revealed to moderate the effect that change has on absenteeism and organizational commitment.\(^15,16\)

Colquitt et al (2000) conducted manual searches within seventeen journals deemed seminal by the researchers, and contacted several researchers within the field for expert input, they offered no guidance on how to select journals nor did they report a response rate from those experts who were contacted.\(^17\)

Welborn (2001) merged these two methods, conducting a three phased method of data collection. Initially, relevant studies from two previous reviews were collected. Subsequently, seven databases and three internet search engines were used to perform an electronic search for key terms.\(^18\)

Jeyavelu (2007) provided one such example of disparate labels by using “organizational change” and “organizational turnaround” to describe the same construct.\(^19\)

Wanberg & Banas (2000) "The overall level of functioning in his or her workgroup" and "The need for change" "Employees here are resistant to change" and "Employees here act as agents of change".\(^20\)

Weber & Weber, 2001; Oreg, 2003; Rafferty & Simons, 2006). Oreg (2003) considers resistance to change to be a stable personality trait that makes people less likely to voluntarily incorporate
changes into their lives. Accordingly, the measures he developed measured aspects such as routine-seeking tendencies and cognitive rigidity. In contrast, others seem to view readiness as a state that is based on a specific change event.\textsuperscript{21,22,23}

Cunningham et al., 2002; Chen & Wang, 2007; Furst & Cable, 2008 they are distinct construct that caused some confusion during the study selection process, which resulted in the late elimination of dispositional studies initially considered relevant to this effort. When looking at readiness as a situational contingency, many have differed as to whether it is a broad construct or a set of more finely specified dimensions (analogous to the discussion of broad and narrow personality traits).\textsuperscript{24,25,26}

Holt et al. (2007) and Armenakis et al. (2007) suggested that readiness is manifested in the organizational members’ beliefs that the proposed change is appropriate, the leaders support the change, and the individual is capable of changing. In instances of broad readiness conceptualizations, a common issue throughout the literature was the use of multiple terms for apparently similar constructs.\textsuperscript{27,28}

Stanley et al (2005) devised a change-specific measure of cynicism, as opposed to cynicism about any change attempts made by an organization. They found this measure to be significantly correlated with resistance behavior. Change-Specific Self-Efficacy. Change-specific self-efficacy differs from the selfefficacy discussed above in that it is “an individual's perceived ability to handle change in a given situation and to function well on the job despite demands of the change”\textsuperscript{29}

Wanberg & Banas (2000) as opposed to perceived ability to achieve goals in general. This concept is more closely related to the self-efficacy that is to be communicated as an integral part of a change message, and individuals with high change-specific self-efficacy would be more willing to participate in the change.\textsuperscript{30}

REFERENCES


