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Article · December 2016

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Organisational Change: A Critical Review of the Literature

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Abstract
This paper presents a literature review on change management. Change management has been defined as "the process of continually renewing an organisation’s direction, structure, and capabilities to serve the ever-changing needs of external and internal customers (Moran & Brightman 2000). Kanter (1992) contends that we live in a constantly changing world, and change has an impact on the individuals and the organisation as a whole. In this context, organisations have to look into the future to find new advantages. New technologies, new products, new competitors, new regulations, and new people with new values and experience is the order of the modern organisation. Nevertheless, theories and approaches to change management are often conflicting, lacking in empirical evidence and based on unchallenged assumptions about the nature of modern organisational change management. This paper looks at some of the main theories and approaches to organisational change management as an important first step towards constructing a new framework for managing change.

Key words: Strategy, Change, Change management, Organisational change

Introduction
There is continuous pressure on organisations to adopt new technologies, be competitive and revise strategy for their survival. The cases where conventional approaches can be lucratively applied are getting rarer. "Stable states" are a mirage; recurrent, disruptive change is becoming more and more familiar. Organisations must persistently align themselves with their environments either by reacting to external events, or by proactively shaping the business. With technology, economies, demographics, governments, consumer preferences and competition all changing fast, it is not a question of whether organisations should change but of how and in what direction they must change. This is well-known, but still many change initiatives fail to achieve their objectives. The task of the change management expert is to
help prepare client organisations for periodic change and to help them through instances that may be particularly complicated.

There is a large body of literature from several disciplines about change management and what makes it succeed. It is a complex topic with many contradictions. Notable to organisational change theory are institutional theory, neo-institutional theory, organisational ecology theory, evolution theory and political theory.

One of the dominant perspectives within ‘planned approaches’ to change is that of Lewin (1951), which argues that change involves a three stage process:

- Unfreezing current behaviour
- Moving to the new behaviour
- Refreezing the new behaviour

This three-step model was for many years the dominant framework (Todnem, 2005). Ever since its formulation, the theory has been reviewed and adapted, with stages being divided to make more precise steps. For example, Bullock & Batten (1985) developed a four-stage model:

- Exploration
- Planning
- Action
- Integration

Building on the work of the early theorists, change has been consistently conceptualised in two basic ways. The first sees change as a rational, strategic process where the organisation chooses a new course of action and adapts to change. The second approach views change as evolutionary selection, where organisations typically resist the change happening around them. (Flood & Fennell, 1995). This is parallel to earlier viewpoints – organisations adapt through strategic processes, or they fail to see the need for change and are replaced.

Wiggins (2009) cites flawed maps of change, complex problems, superficial solutions, misunderstanding resistance, and misuse of knowledge about change management process as the main challenges in the change management process.

Change management cannot be an ad hoc performance, but is a crucial skill for leaders and managers. It should be a structured process of managing people, processes and technology in response to the changing environment, so as to align business strategies with external changes and keep competitive. Leaders should become role models and demonstrate what is expected from employees in relation to the change. This is consistent with social learning theory and the concept that people learn through observation of others.

The move from resistance to acceptance goes through stages, and there should be ongoing support that reflects those stages. The first reaction is commonly disbelief, and a strong need for accurate information. Later people go through a number of emotions – anger, loss feelings, depression, for example, and they need a different kind of support. When they reach acceptance they need to find their own way of making the necessary changes, and they may need support while doing this. At all stages, there should be clear communication of the vision, the desired changes, and the advantages that change will bring.
Anyieni, (2013) further argues that change management means to plan, initiate, realise, control and stabilise change processes on both corporate and personal levels. Nickolas, (2006) argues that the task of managing change includes its impact on people, and many managers find this difficult. Change may cover such diverse problems as strategic direction or personal development programmes for staff. Strategic, technological, and structural changes, as well as changes in attitudes and behaviours, are all aimed at competitiveness and viability.

Another key element is to have suitable and updated technology, from the start of implementation, through monitoring during the process, and in the final evaluation. This is very expensive, and financial strength is essential (Senge, 1999). However, technology can also reduce cost. Training in skills and professional development of the IT workforce is critical and it is important driver of ERP (Enterprise Resource Planning). Technological change may be either incremental (gradual changes over time made for general improvement) or breakthrough (major change due to new advances), which applies new knowledge to existing problems. It is likely to lead to new jobs, and to old jobs being phased out. A business that does not keep up with technological advances will fail sooner or later.

Willingness to change means flexibility, but unforeseen events at any point in the business process make that difficult (Kotter, 1995). Good management of information flow will reduce, but not eliminate, unforeseen events. Kotter observes that other initiatives, such as total quality management, rightsizing, restructuring and cultural change are also forms of change management.

Kotter (1996) produced an 8-step model:

- Establishing a sense of urgency
- Creating a guiding coalition
- Developing a vision and strategy
- Communicating the change vision
- Empowering employees for broad based action
- Generating short term wins
- Consolidating gains and producing more change
- Anchoring new approaches in the culture.

Kanter et al (1992) argue that the first step to implementing change is building coalitions of stakeholders, including employees and sponsors, such as local authorities whose support is essential. A leader has to be able to influence others, create a vision and then communicate, empower people, and build teams to make the vision happen.

Aladwani (2001) postulates that the tools of management of change are leadership, communication, training, planning, and incentive systems, which can all act as levers and can move great obstacles with a minimum of effort when applied correctly. Organisational change can occur at different levels which require different change strategies and techniques (Goodstein & Burke, 1991). Lashunda (2010) gives three levels:

- Changing the individuals who work in the organisation
- Changing organisational structures and systems
- Directly changing the organisational climate
Meyer & Rowan (1977) point out the need to sustain those parts of the business that are working well while making changes. Daily essential tasks must be maintained while addressing fundamental change. The changes within the company reflect changes in the wider social, economic, political and technological environment, and organisations need to respond to those changes. The necessary internal restructuring is likely to be strategic or ‘mould breaking’. The mould that needs to be broken is the rigid, autocratic, bureaucratic approach to organisation and management.

Burnes (2000) noted the importance of responding to change in consumer preferences, which may be simply due to fashion. Rumours can also make a disproportionate difference; if it is suggested that a product or type of product is harmful in any way, even if there is no basis in reality. A lot depends on customer belief, and no organisation can succeed without customers. An in-depth knowledge of their behaviour is vital if their wants and needs are to be satisfied. Specific markets or segments of markets need to be targeted in order to provide a focus for the marketing effort. In order to understand the behaviour of consumers one must understand who the customers are, what they buy, how they buy, and when they buy. Each customer market has particular features which can be identified through careful analysis.

**Conclusion**

This research paper attempted to provide a critique of the literature on organisational change, but this literature is a huge and conflicting, and not always backed by empirical evidence. Change management literature is consistent in indicating that change isn’t a single, continuous process, but rather is broken down into a number of different steps.

However carefully leaders and managers plan the change it should be remembered that employees may feel that work is a constantly shifting environment. It is important to be aware of what other changes are also occurring and acknowledge the risk that one set of changes may be overwhelmed by the combination of other changes taking place.

Change is an initiative that every organisation has to take to sustain and compete in changing environment and to be flexible in all aspects. The organisation and people in it have to be committed to change process successfully and take positive steps towards new heights, sustainability and profit. Last but not least, studies have shown that organisational change is forced by both internal and external drivers to produce new products, services or business approaches to meet and satisfy the needs of customers.

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