Chapter 49

The Roles of Organizational Change Management and Resistance to Change in the Modern Business World

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ABSTRACT

This chapter introduces the roles of organizational change management (OCM) and resistance to change (RTC) in the modern business world, thus explaining the theoretical and practical concepts of OCM and RTC; strategies for driving organizational change; the application of sources of organizational resistance and inertia; the obstacles of organizational change; and the management of RTC in modern organizations. OCM and RTC are the essential factors to be considered in any change process, since a proper management of resistance is the key for change success or failure. The importance of OCM and RTC lies in its ability to influence an organization’s readiness for change and to identify the level of resistance it expects to meet, and the approach to change it needs to adopt. Understanding the roles of OCM and RTC will enhance organizational performance and achieve strategic goals in the modern business world.

INTRODUCTION

To be competitive and cope with the evolution of markets, organizations need to adapt their structures and processes in a flexible way (Barbaroux, 2011). Sustainable organizational change is crucial to the development, growth, success and survival of any organization operating within an ever-changing environment (Farjoun, 2010). Organizations are in the process of change, with the hopes of becoming more productive, efficient, and effective in their mission (Briody, Pester, & Trotter, 2012). Specific organizational capabilities are required to bring about change for sustainability (Ryan, Mitchell, & Daskou, 2012).
The Roles of Organizational Change Management and Resistance to Change

Organizational change faces theoretical tension between considering non-acceptance behaviors as resistance and requiring change recipients to tailor and adapt change agendas to fit local contexts (McDermott, Fitzgerald, & Buchanan, 2013). In order to survive in a rapidly changing environment, firms have to use strategies of various types and levels to become more competitive and profitable (Tsai & Yen, 2008).

There is a tendency to identify leadership and organizational issues as the reasons for failure rather than individual resistance in modern business (Michel, By, & Burnes, 2013). RTC is defined as the reason why the change fails (Ford & Ford, 2010; Kotter & Schlesinger, 2008; Reisner, 2002), though a wide range of other factors have been cited, including poor leadership, functional boundaries, inappropriate culture, and political behavior by managers (Burnes, 2003; Hoag, Ritschard, & Cooper, 2002). Planning such organizational changes can help companies better overcome RTC (Lozano, 2013).

The strength of this chapter is on the thorough literature consolidation of OCM and RTC. The extant literatures of OCM and RTC provide a contribution to practitioners and researchers by describing a comprehensive view of the functional applications of OCM and RTC to appeal to different segments of OCM and RTC in order to maximize the business impact of OCM and RTC in modern business.

BACKGROUND

In a rapidly changing world, the unique competitive advantage of organizations appears to be its ability to adopt and adapt to change (Lawler & Worley, 2006). Most of the literature on change management was developed in Western countries (Pihlak & Alas, 2012). The greatest constant of modern times is the change (Sterman, 2000). Change and the way to lead it have become a critical issue in the organizational leaders’ minds (Ramezan, Sanjaghi, & Baly, 2013). Managing change requires leadership (Johnson, 2004). The process of change implementation is a critical task for all firms that pursue to develop and maintain a competitive position in modern organizations (Burke, 2002; Zajac, Kraatz, & Bresser, 2000).

Change is a requirement for continued success (Anderson & Ackerman Anderson, 2010). Resistance is defined as a phenomenon that introduces unanticipated delays, costs and instability into the process of strategic change (Ansoff, 1988); the enemy of change (Schein, 1988) in order to maintain the status quo in the face of organizational pressure to change the status quo (Zaltman & Duncan, 1977); any employee actions perceived as attempting to stop, delay, or alter change (Bemmels & Reshef, 1991); and an expression of reservation, which normally arises as a response or reaction to change. Buono and Kerber (2010) stated that from a conceptual vantage point, there are three interrelated approaches to implementing organizational change (i.e., directed change, planned change, and guided change).

ORGANIZATIONAL CHANGE MANAGEMENT AND RESISTANCE TO CHANGE IN THE MODERN BUSINESS WORLD

This section introduces the theoretical and practical concepts of OCM and RTC; strategies for driving organizational change; the application of sources of organizational resistance and inertia; the obstacles of organizational change; and the management of RTC in modern organizations.