Challenges of Change Management in Organizations: Systematic Narrative Review

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Abstract

The study revisits past research papers on the importance of organizational change (OC) and change management (CM). Effective CM is necessary for organizations’ growth and sustainability in the competitive market. The existing literature suggests that researchers have conflicting views on CM theories and empirical evidence. Given these discussed conflicts, this study provides a systematic narrative review of organizational CM. In addition, it identifies the challenges faced by organizations during the implementation of change. Further, this study also highlights the suggestions for further research. To overcome CM, firms should promote communication because it bridges the gap between employees and managers. Managers should design a reward system for employees who accept the change happily in organizations. If employees view the ideal process rather than an interruption, the transition period may be smoother. This research has focused on re-examining the literature on OC. Future research should expand the types of changes and change methods.

Keywords: Narrative review, change management, systematic review, organizational culture, organization change.

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Introduction

CM is a comprehensive way to change or develop an organization’s strategies, practices, or technologies (Will & Mueller 2019). It is a process that guides preparing, training, and supporting individuals to implement transitions to accomplish organizational goals (Paton & McCalman 2008; Bv, 2005). Thus, CM aims to introduce strategies to bring about and regulate changes and help people respond positively to change (Lauer, 2010). CM process allows employees to align current resources within the organization. At the same time, it allows organizations to assess the general effect of a change. Firms can enhance their productivity and effectiveness by aligning the business process with current and future requirements (Galli, 2018). Employees’ empowerment and understanding of the change process improve productivity and efficiency (Kho, Gillespie & Martin-Khan, 2020). Edmonstone (1995) asserts that an efficient CM process decreases the volatility of CM. It also creates opportunities to promote best practices, develop leadership, and establish teams (Paton & McCalman, 2008). Effective CM promotes a smooth transition from the old to the new while maintaining morality, productivity, quality of labor, and enhancing the corporate image. Petronio and Child (2020) assert that an efficient CM process increases communication with all stakeholders, resulting in stakeholder confidence.

Organizations are an integral part of modern businesses with complex social structures that help solve interconnected problems and achieve organizational goals and objectives (Lozano, Carpenter & Sammalisto, 2020; Colsen, 2018). The main goal of organizational change, which is usually an anticipated, scheduled, and regulated opportunity, is to transition from an existing status quo to a better state. Organizational reforms involving a shift in the status quo often face resistance from the various hierarchical organizational levels (Lozano et al., 2020). The study’s main purpose is to identify the critical factors to successfully manage change within public and private sector organizations (Will & Mueller, 2019). The study used a systematic narrative review to achieve the above objectives discussed in the following section.

Methodology

The study has used a systematic narrative review method. More than one hundred (100) academic papers have been descriptively reviewed in this study. A descriptive narrative literature review is a non-systematic review. Unsystematic narrative analysis or story diagrams are the full narrative renovation of previously published information (Moher et al., 2015; Pawson et al., 2005). A narrative review is a valuable contribution to literature for research scholars if properly organized (Whittemore & Knafl, 2005). The study has presented the adopted review process in Figure-1 (MARS).
Figure 1: Literature Search Diagram

- Records Identified from Database Searchers (n=900)
- Records Identified from Other Sources (n=25)

- Records Screened (n=750)
- Records Excluded (n=600)

- Records Eligible for Inclusion (n=150)
- Studies where Data Unavailable (n=30)

- Records Included (n=120)
This study has adopted the following steps. Initially, the study searched for existing reviews and identified relevant variables for search (Khan et al., 2003). Then it formulated specific research themes and designed a conceptual framework and search strategy. It identified the relevant studies by searching leasing databases. And finally, the study has interpreted the findings and prepared a detailed report on all aspects of CM and O.D. (Whittemore & Knafl, 2005).

The study has specifically focused on the following journals: Journal of Organizational CM, The International Journal of Strategic CM, Journal of Strategic Leadership, Journal of Management and Change. The study searched several databases, including Emerald Insight, National Digital Library, Elsevier, Springer, Sage, and Taylor and Francis. While reviewing the articles, we have mainly focused on the CM process, barriers to implementing changes, strategies, and models related to CM.

**Literature Review**

Several studies have emphasized the value of change, proposed ways of approaching it, and proposed hypotheses and solutions (Guimaraes & Armstrong, 1998). Based on the above-discussed methodology, the study summarized the factors related to organizational change and theories in the following sections.

**Today’s World of Change**

Change is necessary for the growth and sustainability of organizations. It is an ongoing process. The organizational improvement depends on different exchange models, discussed in the latter part of the review. Such models are valuable for organizations (Love et al., 2000). In this era, organizational leaders align the changes with the new business requirements. For such changes, they need an appropriate model. When a firm implements changes by following due process sends positive messages to employees and stakeholders.

**Types of OC**

According to Senior and Fleming (2006), the three basic types of OCs are developmental, transitional, and transformational change. Developmental change strengthens the processes and procedures already developed (Romanelli et al., 1994). Transitional change is the type of OC in which organizations switch from their present state to a new state for problem-solving, such as financial services and optimization (Clark et al., 2010). Ackerman (1986) asserts that transitional change is the simplest that focuses on improving the existing way of doing things, doing more, or doing things better. While transformational change is linked to change that significantly changes the organizations’ culture (Brown & May 2012). Transformational change is more complicated
than the first, which is based on the reorganization or dismantling of outdated operating methods to implement a known new state. This planned change accounts for a small, gradual change. It is believed that transformed changes are the most challenging since it is more significant and more stressful because it is implemented and executed in a very short period.

**Challenges of CM**

CM is an essential factor for an organization’s success and sustained growth (Hoffman, 1999). According to Akgün (2007), the need for change is often unpredictable, and it tends to be reactive, discontinuous, and often implemented in an organizational crisis (Dumitriu, Meșniță & Radu, 2019). Organizations implementing a CM plan from the ground up often face challenges. Some of them are discussed in the following section.

**Communication**

Organizations often fail to implement CM strategies successfully due to a lack of communication (Jones et al., 2004). Lack of communication with the stakeholders adversely affects the organizational change process. CM process requires extensive communication with all the stakeholders using multiple channels of communication (Kovaitė, Šūmakaris, & Stankevičienė, 2020). To manage change successfully in the organization, the manager should use different communication strategies. It also included speaking, writing, recording, training, focus groups, newsletters, intranets, and more about the transition. There is no organization where workers are fully satisfied with the communication, which is one of the most challenging problems in organizations (Allen et al., 2007).

Leaders are responsible for communicating correct information to employees. It allows employees to know about the organization’s decisions, goals, and progress and make CM more effective (Gilley, Gilley, and McMillan, 2009). Incorrect information can destroy leaders’ credibility about the changes. Altamony et al. (2016) asserts that if the goal and objectives of the CM are clear to the employee, it will create ambiguity leading to slow the process of organizational change. Involving employees in the change process increases their support for change management and stimulates their commitments (Bell & Raj, 2016; Johansson & Heide, 2008).

**Proper Planning and Employee Morale**

OC requires proper and systematic planning. According to Berry (2007), organizational planning relates to setting goals and aligning the resources to achieve OC goals. Lack of proper planning in OC adversely affects the implementation of the change process (Van Woerkum, Aarts, & De Grip, 2007).
Employees often have a negative perception of change management. They are not sure whether the new changes are employees friendly or not. This apprehension adversely affects their morale and enhances resistance to change management (Misch, 2017). Such uncertainties adversely affect employee productivity and performance. (Kaehr Serra & Thiel, 2018). At the same time, if employees believe is that the new changes are favorable to them, they would cooperate with the management to implement OC (Prottas, 2013). Sharing the organizational change policies with the employees increases their confidence in management and positively affects their morale. Employees’ confidence and morale are essential precursors to OC (Misch et al., 2017; Kaer-Sirra, Thiel, 2018).

**Lack of Consensus**

Identifying shared goals helps in reaching consensus. For example, employees may want to know whether the organizational change would affect work-life balance adversely if they believe that the change will not, and their cooperation towards OC will increase (Galli, 2018). Firms planning OC changes must anticipate the employees’ common questions and prepare themselves for the questions (Kho, Gillespie & Martin-Khan, 2020). Employee queries could be what they on different aspects of the proposed changes. Some changes employees may like while they may not. They may be worried about how the changes may affect their role. If a firm satisfactorily addresses these questions, they would have consensus and cooperation on the OC.

**Technical Growth**

Technological development can adversely affect an organization’s whole workflow (Margulies & Raia, 1972). Specialized software, on the one hand, promotes efficient workflow. On the other hand, it is difficult for organizations to incorporate emerging technologies into existing systems (Chege, Wang & Suntu, 2020). Organizations can prevent this by building a network of early learners who share it with other employees (Davidson, 2006). Another challenge is to motivate employees to learn and apply these skills at work.

An organization needs two types of users for using software-related technology: front and back-end users. Most firms have software engineers who can often be efficient back end-users. The non-technical employees in H.R., management, and marketing are front-end-user. Developing technical skills for front-end users is challenging for firms (Galli, 2018). If employees do not learn modern technical skills, modern technology tools incorporated by firms would be of no use (Chege, Wang & Suntu, 2020).
Communication

Employees understand and observe what is happening in an organization. When management does not take employees in confidence and communicate with them, it promotes uncertainty and ambiguity. Consequently, these factors develop a perception in the employees that they are not part of the decision-making (Petronio & Child 2020). Thus the management should keep employees well informed about the plan and progress of OC. Successful managers engage all employees in the change process through seminars or brainstorming sessions (Jones et al., 2004). Communication with employees aims to take them in confidence, attend to their queries related to OC, increase their engagement and cooperation, and remove barriers that may slow down the OC process (Kho, Gillespie & Martin-Khan, 2020).

Leadership

Leadership is important for implementing OC smoothly and successfully (Tang, 2019). Organizational leadership plays a vital role in establishing direction, promoting change, and implementing OC in an organization. Based on empirical evidence, Balogun and Hope Hailey (2004) found that one of the most important reasons for failure to implement changes is the lack of strong leadership. Leaders help employees build the capabilities and skills necessary for organizational change (Vakola & Nikolaou, 2005). They also inspire and motivate employees to understand the necessity of OC. Leaders also make the employees realize that OC benefits firms and them (Guimaraes & Armstrong, 1998).

Employee Resistance

Avey et al. (2008) asserts that employee resistive behavior challenges, undermines, or subverts OC implementation. Most employees resist OC due to uncertainty in their future roles. They are concerned about job security as well (Chalakani, 2020). During the OC process, employees' productivity decreases, which delays the implementation of systematic changes (Furst & Cable, 2008). Resistance is a reactive response to management control (Burnes, 2004). It arises because employees perceive that OC may be unfavorable to them.

Organizational Change versus Organizational Transformation

OC is also known as organizational development (Ding & Nguyen, 2016). The important areas of OC are (i) Simultaneity of change, (ii) Speed of exclusive change, (iii) Complexity of change, (iv) Direct communication and impact of change on the world, (v) Ability to make appropriate leaders and individuals in the organization to select and respond to problems, problems, and solutions (Hayes, 2018). In addition to contemporary and evolutionary changes, the changes are also very different in integration and radical
communication (Waddell et al., 2004).

Fundamental change refers to major changes that transform an organization completely (Todd, 1999). Two important aspects of transformational changes are how OCs occur and how unexpected it is. Regardless of its pace, OC is a movement of an organization from a static state to a desired dynamic state to improve its performance and effectiveness (Buchanan & Badham 2020).

A fundamental change often revives an organization (Senior and Fleming 2006). In addition to adopting incremental strategies, organization leaders also adopt intensive/thorough change methods. Firms concurrently and continuously learn innovative business processes in this method (Olsen, 2018). Leaders change their organizations by formulating (and deploying) new visions, missions, values, aspirations, strategies, and structures. These new visions, tasks, values, aspirations, strategies, and structures translate into ongoing changes resulting in the organization’s transformation. In other words, to a certain extent, the transformed organization will continuously adopt developing technology and may push innovation to a new level. Organizations transform under the impetus of macro-environmental forces and technological, financial, and political changes (Pryor et al., 2008).

CM Models
Many change models are available that guide and provide a framework to implement major organizational changes (Mento, Jones, & Dirndorfer 2002). A few we have discussed in the following sections.

ADKAR Model
This model was developed as a practical tool by Hiatt in 2003 and was introduced by Prosci, a well-known center for learning and management of change (Hiatt, 2006). This model helps employees in the organization to understand the importance of change (Shah, 2014). The model highlights the positive aspect of change. The leaders also use this model to identify the aspects of successful changes and how to implement them with the help of employees (Wong et al., 2019). ADKAR is a CM model that focuses on specific business outcomes and assesses the organizations’ desired outcomes. It also provides a protocol for communicating and training approaches in an organization. The drawback of this model is that it lacks clarity in defining the position of leadership and process principles (Shah, 2014). Besides this, it also provides the dimensions to change and offers a checklist for changing management. Therefore the ADKAR model is an effective tool for planning to change, diagnosing deficiencies, formulating corrective actions, and supporting managers and supervisors (Hiatt, 2006).
Kurt Lewin Model

This model asserts that an organization’s culture is essential to understand and implement the change (Burnes, 2004). At the same time, Burnes (2004) believes that this model is the driving force of OC. The three stages for implementing change in the organization are refreezing, changing, and freezing. The first phase of change prepares an organization to break up the current business process before applying new operations (Schein, 1996). The strategy for this action is to send out a clear message describing why a new way of doing things is essential (Hussain et al., 2018).

According to Gilley et al. (2009), leaders need to highlight the poor financial conditions, customers dissatisfaction, and poor organizational performance. And emphasize the need to improve the organizational business process (Galli, 2018). All these discussed factors would generate a powerful drive to implement change (Kho, Gillespie & Martin-Khan, 2020). These measures may promote cognitive thinking in employees leading to the successful implementation of OC (Merrey et al., 2018). To shift to the change phase takes time to adapt and active participation. When subordinates accept and understand the changes are beneficial for them and the organization, their cooperation increases. This process needs superiors and the company’s support (Schein, 1999). The main factors for refreezing include a cohesive structure and consistent work requirements. Consequently, subordinates may be more satisfied with the new work style. Even if the change is constant in many organizations, the phase of refreezing is important. The last phase of change is freezing. The subordinates at this stage fall into a transition trap where they are not sure what to do (Hussain et al., 2018). This model also focuses on the internal and external forces that stimulate change and those that inhabit OC (Levasseur, 2001; Muñoz-Torres et al., 2019).

Kotter 8-Step Change Model

Kotter (1995), based on his experience of change management in hundreds of organizations, presented a change model. His model, known as the mind mapping diagram, is depicted in Figure 2.
Figure 2: Mind Mapping Diagram
Kotter (1995), based on experience, asserted that organizations face many challenges while implementing change. He believes that the theoretical aspects of the process of CM align with the “vision” of the process of change. The disparity between complacency and urgency is one of the reasons for the failure of change (Kotter, 1995). Organizations, due to complacency, often underestimate the importance of OC, which reduces employees’ commitment to change (Berger & Luckmann, 2007; Apostolopoulos et al., 2016; Pawson et al., 2005).

Kotter (1995) asserts that leadership in an organization must develop relevant skills to implement organizational change effectively. A clear vision helps in decision-making and allocation of resources for future change. The vision aims to change and inspire employees to participate in OC (Gupta, 2011). Moreover, coordination between change agents and employee behavior helps acquire relevant knowledge for implementing OC. Employees’ low awareness of a firm’s vision suggests poor communication with the stakeholders (Langer & LeRoux, 2017). Appelbaum et al. (2012) believes that organizational culture is critical in OC and employees’ attitudes and behavior toward change. Many past studies have concluded that leadership and organizational culture foster change (Langer & LeRoux, 2017; Graetz, 2000; Robert, 2001).

**Conclusion**

The business environment is dynamic, demanding changes in the organization’s business process. Organizations for growth and sustainability must incorporate the required changes from the dynamic business environment (Waddel et al., 2005). This article reviewed the literature on OC and integrated the existing methods for managing change. Many past studies have emphasized that firms cannot survive without changing their business process. The change is an ongoing process and will continue in the future. To achieve the transformation goals in an organization, employees and leadership can adopt a systematic approach, which is also called the CM process. For implementing the CM process, firms must keep themselves updated on the new and updated modern technologies. It is important to plan for changes and address the key factors that lead to success. OC helps firms gain a competitive advantage. CM also improves the effectiveness of strategic plans and strategies and enables them to change quickly in the future. Organizations that delay the OC change, in the long run, would have to incur huge resources. A formal change is necessary for the growth and sustainability of firms. It makes firms more competitive and promotes a process-oriented culture. Thus the firms must change efficiency without delay. OC’s efficient management improves employee morale and promotes a culture of teamwork and social interaction leading to production and excellence.
Further Considerations

Organizational CM is a process that requires detailed planning, clear goals, open communication, and continuous attention to employee feedback. OCs can scare and frustrate employees accustomed to specific routines, leading to resistance to change. To overcome this resistance, firms should promote communication because it bridges the gap between employees and managers. Managers should design a reward system for employees who accept the change happily in organizations. If employees view the ideal process rather than an interruption, the transition period may be smoother. This research has focused on re-examining the literature on OC. Future research should expand the types of changes and change methods.
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