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Individual and Organisational Dimensions of Change Management for IHRD

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Abstract

Human resource development (HRD) has long been seen as an integral part of human resource management (HRM). Whilst international HRM (IHRM) has become recognised as an ever-increasing challenge for those organisations operating in an international arena, so too has international HRD (IHRD). One of the common elements recognised in models and theories of change management is that of resistance by individuals, sometimes suggested to vary depending on national culture, organisational culture, individual experience and a range of other factors. This study examined resistance to change and how it may affect the unlearning required during significant organisational change. The findings suggest that an individual's level of resistance to change has significant impact on their ability to unlearn, and suggests that managers need to find ways to engage those individuals with a higher level of resistance to change if organisational change is to be successful. For those responsible for IHRD, this adds an additional level of complexity to the management of change.

Introduction

IHRM frequently addresses the challenges confronting the individual and the organisation operating across national and cultural borders. IHRD is not as well-recognised as IHRM, and it is suggested that due to the immaturity of this field, even a consensus on the definition of IHRD is yet to be achieved (Wang & McLean, 2007). Regardless of a strict definition, the importance of developing human capital within organisations operating on an international basis is widely accepted. Such operations typically call for adaptability to change and the ability to manage successfully, at both personal and organisational levels.

This study into the personal mechanics of change and especially into the importance of unlearning for enduring change to occur, is potentially significant for the IHRM manager. Without a firm understanding of the ways in which change can be managed, including the constraints on its progress, it is unlikely that the manager in an international environment will be able to cope with its inherent challenges.

Literature Review

Change Management

Organisational change literature traditionally discussed change and its management as a logical process; often outlining processes for change as a linear model containing specific elements. An example is that of Kotter's (1995) eight steps: establishing a sense of urgency, forming a powerful guiding coalition, creating a vision, communicating the vision, empowering others to act on the vision, planning for and creating short-term wins, consolidating improvements and producing still more change, and finally institutionalising new approaches. However, the nature of the required change is a critical consideration. Those changes with wide-reaching impacts requiring significant unlearning by an individual, can be anticipated to have more of an impact on individuals than those requiring only minor adjustments to current practices.

The concept of unlearning is a key theme of this study. One definition of this concept is as of “a process that shows people they should no longer rely on their current beliefs and methods” (Starbuck 1996, p. 727). Similarly, Newstrom (1983, p. 36) suggests that unlearning is “the process of reducing or eliminating pre-existing knowledge or habits that would otherwise represent formidable barriers to new learning”. These definitions both recognise unlearning as a process rather than a discrete event, and also invite the question of the role of unlearning during times of organisational change.

The importance of considering individual learning and unlearning as part of change management is supported by the fact that many organisational change programs commence by focussing upon the individual and their awareness of self in order to enable unlearning (Garrety, Badham, Murrigan, Rifkin, & Zanko, 2003; Kiel, Rimmer, Williams, & Doyle, 1996). It has been also recognised that “positive individual change has a positive organisational impact” (Kiel et al., 1996 p. 71). Likewise, Kim (1993 p. 37) argues that “...organizations ultimately learn via their individual members. Hence, theories of individual learning are crucial for understanding organizational learning.” Most importantly, these researchers are also implying that individual change that meets with high levels of resistance will ultimately impact on organisational change.

Much of the traditional change management literature gives the impression of striving to ensure that change is implemented and then stability is achieved. For example, the widely-cited, albeit often criticised, model of Lewin (cited in Thornhill, Lewis, Millmore, & Saunders, 2000), suggests steps of unfreeze, change, refreeze: offering some hope in terms of the upfront consideration to acknowledging what is, and allowing some time to unfreeze the organisation and its current practices, thereby giving individuals a chance to unlearn. What is also implied however, is that by refreezing, not only does it ensure that the change remains, but the organisation will return to a state of equilibrium. This is a very hopeful viewpoint, although arguably unrealistic. In a dynamic, globalised marketplace, no organisation will survive with this outlook on change management where steady state is idealised as the desirable norm.

There are also change models at the level of the individual rather than organisational level in relation to the management of change. However, French and Delahaye (1996) contend that some of the models of individual change are based upon assumptions that do not always apply. This includes assumptions such as change transitions having a linear progression and being an externally forced and finite process. These authors also question the veracity of assuming that resistance to change is a certainty. Rather, they suggest a model of individual change, involving four phases: security, anxiety, discovery and integration, all occurring in a cyclical and ongoing process of change adaption. Within this model, it is assumed that at stages within this process, individuals are able to show a level of self-awareness, and during this process will experience a certain level of anxiety “caused by the loss of old familiar patterns and processes” (French & Delahaye, 1996 p. 25). Here it is being suggested that overcoming resistance and ensuring unlearning occurs is an integral and important part of individual change and transition.

Resistance to Change

When considering individuals and their reactions to the implementation of change, there has also been a focus specifically on resistance to change and the underlying causes of this resistance. Much of the more traditional change literature deals with the issue of resistance to change implementation in quite a detached way. However, many of the more recent researchers in the area have acknowledged the emotional element of change. For example, Goodstone and Diamante (1998) make the point that information alone does not provide a compelling reason for change at an individual level and that sometimes resistance and the current mindset can impede. The erroneous assumption is often made that simply providing information is enough to produce change. This effectively ignores the reality that there is often an emotional resistance to change (Goodstone & Diamante, 1998). Paoli and Pencipe (2003) likewise suggest that “emotions, fairly neglected in the organisation theory and behaviour literature, are very much part of individual learning processes since effective learning takes place when emotions are involved” (Paoli & Pencipe, 2003 p. 153).

More recent research in relation to resistance to change has more clearly articulated the potential causes of resistance, and have even challenged the often implied if not explicit assumption, that resistance to change is a negative issue and merely an obstacle to be overcome. It is now being suggested that if resistance to change is better understood, it may in fact have specific utility in a change process (Waddell & Sohal, 1998). At the organisational level, Waddell and Sohal (1998) suggest that resistance is a function of four (4) factors: rational, non-rational, political and management factors. At the individual level, George and Jones (2001) recognise resistance to change as having cognitive and affective elements, whilst Macri et al (2002) suggest that motivation and willingness to change can be impacted by perceptions; emphasising that the change needs to be seen by the stakeholders as desirable and necessary.

The concept of ‘coping’ in relation to change at an individual level has also been considered by many researchers. Based upon a review of literature in the personality area, Judge et al (1999) identified seven traits considered to be linked to the ability to cope with change: locus of control, generalised self-efficacy, self-esteem, positive affectivity, openness to experience, tolerance for ambiguity and risk aversion. Based on the research conducted, it was possible to reduce these seven factors to two which reflect these traits - labelled positive self-concept and risk tolerance - which were then able to be linked to the ability to cope with change (Judge et al., 1999). Again, links to individual factors and organisational factors are identified as impacting on coping levels, leading to the likelihood that these may also have an impact on the level of resistance to change encountered and the level of unlearning likely to occur.

In order to put some measurement to the concept of resistance to change, Oreg (2003) developed an instrument that is “designed to tap an individual’s tendency to resist or avoid making changes, to devalue change generally, and to find change aversive across diverse contexts and types of change” (Oreg, 2003 p. 680). The Resistance to Change Scale is based on a range of studies conducted into personality traits and assumes that resistance to change is multidimensional, viz. that it is behavioural, cognitive and affective in nature. The use of the scale involves measurement of individuals on four separate sub-scales: routine seeking, emotional reaction, short-term focus and cognitive rigidity.

In summary, whilst the change management literature and particularly the resistance to change literature have progressed, there is still a need to better understand an individual's level of resistance to change and what impact, either positively or negatively, this may have on unlearning. This study therefore sought to measure reactions to a change within a case organisation and compared these to a measure of the individual's resistance to change. The relationship between resistance to change and unlearning is also explored.

The Study

Research Questions

The research set out to further explore how individuals unlearn, and what factors may impact upon this unlearning in times of organisational change. Specifically, the findings reported in this paper focus on the development of a set of individual and organisational factors relating to unlearning, and the correlation between these factors and an individual's level of resistance to change. The findings reported are part of a larger, ongoing study into organisational change.

The Case Organisation

The organisation involved in this study, is a Government-Owned Corporation within Australia operating in the energy industry. The organisation was formed in the late 1990's when the industry underwent significant restructuring and was a result of the amalgamation of six regional organisations. Although operating predominantly in one state in a regulated market, the organisation also competes at a national level in a contestable market. The organisation has approximately 5000 employees and revenue of over \$2.2 billion per annum.

One of the results of the amalgamation of the previous organisations into one corporation was the large number of inherited systems, many of which duplicated information or approached similar tasks in different ways. Each organisation had its own systems and procedures prior to amalgamation, and given the size of the corporation, the streamlining of these was a major undertaking. Over two years ago, a large corporate-wide project was established to engage all parts of the business in the development and implementation of system capable of fulfilling the needs of all users, and replacing the many previous systems and eliminating the replication and duplication of information and activities. The systems covered an extensive range of functions including budgeting, asset performance and monitoring, cost management, payroll, materials planning and procurement, works programs and requests, job allocation, and human resource management. The project involved a large number of employees in the development and implementation of the system, but impacted on most positions across the corporation in terms of how their jobs are done on a daily basis. As the project required employees to let go of old ways and adopt new ways of doing things and was widespread, this gave an opportunity to assess the impact of an individual's Resistance to Change on unlearning factors.

Methodology

The findings reported in this paper relate to a quantitative study conducted within the case organisation. A previous qualitative phase of the study allowed for the development of an instrument to measure unlearning factors. This survey questionnaire, the Organisational and Individual Unlearning Inventory (OIUI) was combined with two previously validated instruments, the Resistance to Change Scale (Oreg, 2003) and the Organisational Culture Assessment Instrument (OCAI) (Cameron & Quinn, 1999). The OIUI asked respondents to

provide background information, and then to reflect on their feelings, opinions and attitudes prior to the change, during the change, and at the time of surveying.

The survey questionnaire was sent to the 235 staff involved in the support and implementation of the new system, in the form of an online survey questionnaire. A total of 189 responses were received, providing an overall response rate of 80.4%. Once compiled, the data were reviewed for anomalies and omissions, and a further five respondents were identified as not having answered more than the demographics in the survey. Their responses were discarded from the final analysis, leaving a total of 184 total usable responses to be reported within this analysis. It was also noted during the cleaning of data, that a further three respondents did not complete the Resistance to Change scale. These respondents are not included in the analysis relating to this instrument, but are reported in the initial findings.

Sample

In summary, over 60% of respondents were at least degree qualified and fell within the age bracket of 26-45 years of age. Of note, 80% of respondents were male and in relation to the level of position held by respondents, over 75% of respondents fell at Level 3 or below (two levels below direct reports to the CEO).

TABLE 1 shows the number of years respondents have spent in the organisation (and its predecessor organisations), in the position and in their type of work respectively. The means indicate that on average, respondents had over ten years' experience in both the organisation and their current type of work. However, the average for length of time in their current position is less than three years. This reflects the many recent structural changes within the organisation.

TABLE 1
Years in organisation, position & type of work

	N	Minimum	Maximum	Mean
Years in organisation	184	1.00	43.00	13.3141
Years in position	183	.20	19.00	2.8913
Years in this type of work	182	.20	48.00	14.4874

Findings

To establish a background of the respondents, information was gathered in relation to awareness of the change, and the length of time respondents had been using the previous system. Results indicated that the large majority of the respondents (66.8%) had been aware of the impending change for over 12 months and 75% had been using the previous system for more than 2 years.

In relation to the outlook on the change and its implementation at the time of surveying, TABLE 2 shows that the respondents overwhelmingly reported initial problems, but with a belief that things would eventually improve.

TABLE 2
At present the new way is...

	Frequency	Percent
Much better than the old way	17	9.2
Problematic but I think it will be better than the old way	144	78.3
No better or worse than the old way	13	7.1
Problematic and is only going to get worse	6	3.3
Much worse than the old way	3	1.6
Missing	1	.5
Total	184	100.0

When asked how advanced the organisation was in terms of change implementation at the time of surveying, a majority of respondents saw the change as being only partially implemented, with 62% identifying the midpoint response. This finding provides reinforcement to the previous viewpoint on the change: as the full implications have not been seen as yet, problems are occurring but are anticipated to improve as full implementation occurs.

In terms of the perceived difference to their job since implementation of the new system, TABLE 3 shows over 60% of respondents reported somewhere between the midpoint and very different. This result gives an assurance that the change was of significant magnitude and impact that it would require unlearning on behalf of most individuals.

TABLE 3
How would you rate the level of change to your job since the implementation of the new way?

	Frequency	Percent
Very different	3	1.6
2	38	20.7
3	76	41.3
4	48	26.1
No difference	18	9.8
Missing	1	.5
Total	184	100.0

Resistance to Change

The Resistance to Change Scale (Oreg, 2003) was completed by 181 respondents. The instrument was scored and the results are shown in TABLE 4. The Scale is comprised of four subscales relating to the level of routine seeking behaviour, the emotional reaction, the extent of focus on short term and the level of cognitive rigidity. TABLE 4 shows the amalgamated results for these four subscales as well as an overall result gained by calculating the mean of these subscales. Each scale and the overall result can range between 0 and 6; 0 indicating the least level of resistance to change. The results indicate that respondents on average rated highest on the cognitive rigidity sub-scale, and this sub-scale also had the highest minimum rating and the highest maximum rating.

TABLE 4
Resistance to Change Scale results

Sub-scale	N	Minimum	Maximum	Mean	Std Deviation
Routine Seeking	181	1.00	4.40	2.1856	.59816
Emotional Reaction	181	1.00	5.00	2.4116	.83943
Short term focus	181	.75	3.75	2.0138	.65602
Cognitive rigidity	181	1.75	5.75	3.5428	.80097
RTC overall	181	1.35	4.01	2.5397	.49873

Unlearning Factors

The OIUI section of the survey questionnaire was analysed using Principal Components Analysis (PCA), identifying eight factors that influenced unlearning. These are outlined in TABLE 5, showing the Cronbach's Alpha result and a description of the items emerging in this factor.

TABLE 5
Unlearning Factors

Factor	Cronbach's Alpha	Description
1. Understanding the need for change	.721	Relating mostly to views at the time of surveying related to understanding of the need for the new way, why the organisation chose the new way and the level of comfort with the organisation's decision to change
2. Organisational support and training	.911	Relating to the quality, timeliness and applicability of the written documentation and the training provided to support the change
3. Assessment of new way	.668	Relating to the views about the difficulty of the new way and the level of comparison still being done between the old way and the new way at the time of surveying
4. Positive experience and informal support	.665	Relating to experiences during the change; in particular the level of support from manager and colleagues, and the impact of their own level of experience on their ability to unlearn and accommodate the change
5. History of organisational change	.628	Relating to how well change had been handled in the past and the individual perception of previous change efforts
6. Positive prior outlook	.736	Relating to the outlook of the individual prior to the change; positive overall view and understanding of why change was needed, and an expectation that they would be well prepared for the new way by the time it was introduced
7. Feelings and expectations	.624	Relating specifically to feelings of apprehension toward the change, levels of comfort with the prior system, and expectations that changes would be difficult
8. Individual Inertia	.591	Relating specifically to attitudes prior to the change; a level of comfort with existing systems and a lack of acceptance of the need for change

These factors were predominantly individual factors, with the exception of Factors 2 and 5; both of which related to organisational factors that influence unlearning. The factors that emerged were tested for internal reliability using Cronbach's alpha which indicates the average inter-item correlation within each of the factors. Those factors resulting in a Cronbach's alpha of 0.6 or greater are generally considered to be reliable and therefore useful for further analysis as part of a specific variable (Hair (Jnr), Black, Babin, Anderson, & Tatham, 2006). It is acknowledged that the final factor falls below the recommended level of 0.6, but due to the relative closeness to this cut-off, it was retained as a factor.

The Impact of Resistance to Change on Unlearning

Once the factors emerging from the PCA were finalised, a correlation analysis was conducted to identify whether a relationship existed between the results of the Resistance to Change Scale and the Unlearning Factors. TABLE 6 shows the results of this correlation analysis.

TABLE 6
Correlation of Resistance to Change and Unlearning Factors

		Routine Seeking	Emotional Reaction	Short term focus	Cognitive rigidity	RTC overall
Factor1	Pearson Correlation	-.247(**)	-.195(**)	-.281(**)	-.025	-.259(**)
Understanding the need for change	Sig. (2-tailed)	.001	.008	.000	.736	.000
Factor2	Pearson Correlation	-.142	-.037	.015	.088	-.017
Organisational support & training	Sig. (2-tailed)	.056	.623	.839	.240	.817
Factor3	Pearson Correlation	.069	.226(**)	.184(*)	.079	.209(**)
Assessment of new way	Sig. (2-tailed)	.354	.002	.013	.288	.005
Factor4	Pearson Correlation	-.205(**)	-.191(**)	-.164(*)	-.061	-.219(**)
Positive experience & informal support	Sig. (2-tailed)	.006	.010	.028	.416	.003
Factor5	Pearson Correlation	.104	.143	.004	.097	.132
History of organisational change	Sig. (2-tailed)	.163	.055	.952	.193	.077
Factor6	Pearson Correlation	-.090	-.084	-.249(**)	.029	-.132
Positive prior outlook	Sig. (2-tailed)	.226	.259	.001	.701	.075
Factor7	Pearson Correlation	.178(*)	.368(**)	.322(**)	-.068	.287(**)
Feelings & expectations	Sig. (2-tailed)	.017	.000	.000	.365	.000
Factor8	Pearson Correlation	.149(*)	.164(*)	.162(*)	.015	.173(*)
Individual inertia	Sig. (2-tailed)	.046	.027	.029	.839	.020

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

The correlation was conducted on each of the sub-scales in the Resistance to Change Scale as well as the overall result. The results highlight a number of interesting issues. Firstly, it can be seen that neither Factor 2 nor Factor 5 correlated with any of the scales in the Resistance to Change Scale instrument. This could be anticipated given that both these factors are related more to organisational issues than specific individual issues: Factor 2 related to the organisational processes that provide information and training relating to the change, and Factor 5 related to the organisational change processes employed. Factor 6 likewise did not show a correlation with the Resistance to Change Scale result overall. This factor relates to the individual's expectations of the change prior to its occurrence but again is closely linked to the organisational processes that prepare individuals for the change.

The second finding from the correlation analysis relates to the Cognitive Rigidity sub-scale in the Resistance to Change Scale. This sub-scale is not correlated with any of the factors emerging from the PCA. This scale measures the extent to which an individual is dogmatic or close-minded in relation to change (Oreg, 2003), indicating that this is less likely to impact upon the unlearning factors than the results in the other three scales. This is a noteworthy finding as it was previously indicated (refer TABLE 4) that the average result on this sub-scale was highest of all

the subscales in this study. This finding supports another study by Oreg (2003) that found that the subscale of Cognitive Rigidity was the only subscale not significant when conducting regression analysis of respondents' reactions to a workplace change against the Resistance to Change results.

Conclusion and Future Research Directions

International human resource management increasingly confronts the challenges inherent in the operations of the individual and the organisation across national and cultural borders. Organisational change in an international context often focuses heavily on changing organisational culture (Lucas, Lupton, & Mathieson, 2006), and changing culture involves changing the underlying assumptions that guide individuals and groups (Schein, 2004). International operations therefore, typically require adaptability to change and the ability to manage change successfully, at both personal and organisational levels. This study into the personal mechanics of change and especially into the role played by the necessity of unlearning for enduring change to occur, presents some key messages for practitioners in the field of IHRD.

Firstly change management must allow for individual differences including differing levels of receptiveness to change, taking every opportunity to engage individuals. This is frequently advocated in the change management literature (such as Graetz, Rimmer, Lawrence, & Smith, 2006). Secondly, the findings show that simply having adequate change processes and avenues for information dissemination during change is not likely to be sufficient to engage those with higher levels of resistance to change. In these instances, time must be spent on individuals' understanding the change, and being given time to acclimatise to the changes. This reinforces that unlearning is often an emotional process, and change management techniques not allowing for a level of emotive responses will not be as effective as those that do. The challenge for HRD practitioners is to find ways to achieve these outcomes, often across differing nationalities and cultures.

These findings are part of an ongoing study into unlearning and its role in management of change. Future research will need to focus on the extent to which the findings differ when applied across differing nationalities, industries and organisational structures. Use of multiple regression analysis for an understanding of the unlearning factors and the extent to which they impact upon the level of resistance to change will also provide a way of prioritising the key factors on which change managers should focus their efforts for maximum effect.

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