A Cognitive Model of Positive Organizational Change

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Abstract

Over the past three decades, change in the organizations has accelerated dramatically and has become a routine way of organizational life. Literature has recognized distress and resistance as two general reactions to organizational change. XXX (2011) introduced a model of stress management at the organization level, suggesting strategies that reduce distress and resistance and produce eustress and positive outcomes in response to organizational change. This paper introduces a cognitive model that explains how the strategies introduced by XXX (2011) can increase eustress and positive outcomes for employees as individuals.

Keywords: Organizational change; cognitive model, organizational stress; resistance to organizational change; positive psychology; organizational psychology

1. Introduction

In the contemporary western world, rapid change imposes itself on different aspects of life. Social systems must adjust to this rapid change to survive. Organizations, as social and open systems (Scott, 1998) and as dynamic phenomena (Egri & Pinfield, 1996) constantly adjust to their environment, which is often turbulent, competitive, dynamic and complex (Collins, 1998) and challenges organizations in different ways (Schein, 1980).

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The more complex and turbulent the environment, the more frequent changes in the organizations (Huber, Sutcliffe, Miller, & Glick, 1993). This situation has caused the organizations in our era to experience the highest rate of change in their history (Dupuy, 2002).

A change in different aspects of organizations is the result of internal and external forces. Whereas internal factors force organizations to change from the inside, external or environmental forces push organizations from the outside to change. Organizational restructuring or job redesign for conflict resolution (Shulman, 1982) are examples of internally motivated changes in organizations.

Three categories of social environmental factors that demand a change in the organizations include a) economic factors such as inflation and unemployment, b) socio-cultural changes such as demands for gender and minority equality, and c) socio-political changes, such as new laws or new interpretations of the old laws (Atchison & Hill, 1978; Heller, 1998). Technology is another important environmental factor driving change in the workplace (Collins, 1998). Both of internally and externally motivated organizational changes can affect the employees negatively or positively.

2. Positive and Negative Organizational Changes

Business and economics literature tends to view organizational change as positive in terms of whether they raise the productivity or efficiency of the organization (e.g., Uris, 1998). But from social and organizational psychologists point of view, organizational changes are positive that can promote the problem solving capacity of organizations, facilitate high performance, and/or raise living standards of employees. On the contrary, organizations that downsize, deactivate small businesses, or use increasingly strict managerial and financial controls to squeeze more out of the remaining labour force are viewed as changing in a negative direction (Cummings & Huse, 1989). Technology is frequently viewed as a cause of negative changes in the organizations. Some technological changes are criticized (Collingridge, 1982) as they put employees in situations that their previous skills become ineffective and redundant, or some function as a tool for the exploitation of employees, while promising to increase their psychological satisfaction and effectiveness (Ellul, 1980).
New technology plays a negative role if it disturbs the peace of employees and hurts their emotional lives by emphasizing on change or growth, and by neglecting such important social needs as stability and continuity (Vikers, 1972).

Unlike the perspective of the economic and business literature that focus on productivity and efficacy, this paper views positive changes in terms of how they affect employees. From this perspective, organizational changes are positive that not only attempt to achieve the objectives of change, but also plan to affect the employees positively. The positive effects include generating positive affect and feelings of flow, growth, and joy, as well as encouraging employees’ willingness, creativity, and the positive behaviours that facilitate change (XXX, 2011).

Promotion of health and raising the level of productivity are the primary outcomes of such positive atmospheres. By contrast, in negative changes, people involved in the change do not receive enough attention from their superiors. Distress, negative affect, health problems, and employees’ resistance to change are the natural consequences of negative changes (XXX, 2011).

Distress and negative affect would follow organizational change, when employees experience emotional and psychological reactions like fear, grief, and job insecurity (Appelbaum, Gandell, Yortis, Proper, & Jobin, 2000; Hansen, 2001). The stressor in turn can cause psychological and physical health problems, decrease organizational commitment, and increase the tendency to withdraw from work (Gibson, Ivancevich, & Donnelly, 1988; O’Brien-Wood, 2001; Probst, 1998). The following section explores how stress and resistance might affect organizations during change, and whether organizational change has the potential to be oriented toward producing positive results.
3. Organizational Change and Stress

Some organizational changes that generate stress are small and affect some individuals, whereas others are large and affect groups or a whole organization. Job change (Werbel, 1983), change in relationships with or isolation from coworkers (Kohler, 1999), change in degree of control over work processes (Parkes, 1998), and a changing shift pattern are a few of small stressful organizational changes (Barnes, Deacon, Forbes, & Arent, 1998).

Budget cuts and technological changes in general (Houtman & Kompier, 1995) and specifically computerization of organizations that may require extensive changes in various parts of organizations are examples of large stressful organizational changes (Smith, 1997). Organizational changes like downsizing and layoffs, which result in particularly high levels of stress (Sutton & D`Aunno, 1989), can be both small— affecting specific individuals— and large— affecting the entire organization.

While stress is a common outcome of organizational change (Hansen, 2001), the cognitive, emotional, and behavioural consequences of occupational stress are harmful for employees and costly for organizations and society (Gibson et al., 1988). An assessment of possible psycho-physiological changes in employees experiencing organizational change showed a higher level of endocrine indicators of stress including cortisol and prolactine (Lokk & Arnetz, 1997). An increased level of cortisol is a marker for feelings of uneasiness during a change process (Frankenhauser, 1991); and increased levels of prolactine is a sign of feelings of powerlessness in a crisis (Theorell, 1992).

Research on installations of a new data system for salary calculation immediately after the organizational change showed heightened levels of psychological symptoms of stress, including lack of concentration and decreasing level of energy and leisure activities. After the new data system started working properly, the level of stress indicators returned to baseline levels of health (Lindstrom, 1990).

The organizational change may cause stress, as it may provoke a sense of job insecurity, loss of control over one’s own future, and fear of loss of effective and close team members (Grossi, Theorell, Jurisoo, & Setterlind, 1999; Marks & Mirvis, 1992).
Other negative perceptions due to organizational change involve feelings of role ambiguity, and unpredictability of the future, and uncertainty about the new team members, supervisors, and in general about work relationships (Caplan, Cobb, French, Harrison, & Pinneue, 1980; Change, 1989; Hansen, 2001; Marks & Mirvis, 1992; Parkes, 1998).

A few examples of the fears associated with stress of organizational change include: fears of potential work overload, financial obligations associated with the loss of job, obligation to learn too many new things, being inefficient in coping with new challenging work requirements, and being replaced by a machine (Hales et al., 1994; Hansen, 2001; Kohler, 1999; Lindstrom, 1991; Marks & Mirvis, 1992; Shaver, 1985).

An explanation for how the above mentioned perceptions and fears may lead to stress is addressed by research that suggests stress is caused by psychological environment that exists inside people's minds (Kahn, 1981; Winnubst, de Jonge, & Schabracq, 1996). This stress is a function of how the employees perceive the events in the work life (French & Khan, 1962; Khan, Wolfe, Quinn, & Snoek, 1964). Researchers who have adopted this approach to organizational stress suggest when the job or workplace is demanding and the employees have little control over their situation, the employees experience strain (Karasek, 1992). From this perspective, negative perceptions, the impression of threat, and fears involving organizational change may be highly demanding. If the employees lack the required abilities, skills, or information to cope with and to control the demanding situation, they will experience high levels of stress.

When trying to explain why organizational change might cause stress, French (1973) suggests that stress results when there is a misfit or disagreement between the individual needs or wants and the opportunities provided by the job, or a misfit between the people's abilities and the organizational requirements. According to French, misfit can be subjective or objective. Subjective misfit happens when there is a disagreement between people's point of view about themselves and their subjective— or perceived— environment. For example, an employee may imagine that she or he cannot catch up with the perceived requirements of an anticipated change in the organization, and this can cause stress. Objective misfit refers to the situation in which the individual actually does not adjust to the demands of the work.
The situation in which an institution is computerized, but some of the employees are not trained or skilful enough to use a computer properly, exemplifies an objective misfit.

The stress associated with organizational change has many physiological and psychological consequences for employees. The feelings of lack of control and lack of efficacy are associated with resentment, anxiety, depression, and cardiovascular risks (Fisher, 1989; Schaufeli & Buunk, 1996). Hansen (2001) found that organizational change was a predictor of job insecurity, role ambiguity and concerns about work overload; and these three were positively associated with employees’ subjective distress and negatively related to organizational commitment.

A concern about job loss, as a powerful stressor, is associated with severe health problems such as ulcers, colitis, alopecia, and muscular and emotional complaints (Sutherland & Cooper, 1996). To explore physiological reactions to concerns about job loss during an organizational change, Grossi et al. (1999) gave a questionnaire and took blood samples of thirty-six police inspectors, who were informed about probability of losing their job. The participants were told that they had to re-apply for their positions in a new police district. The results showed a positive association between worrying about employment and symptoms of burnout—an indicator of job stress—during the reorganization.

In summary, stress appears to have been the result of almost all kinds of examined organizational changes. Even so, other than abundance of research on stressfulness of downsizing (e.g., Cook & Ferris, 1986; Sutton, Eisenhardt, & Jucker, 1986), very little is known about which organizational changes are more stressful than others and about whether each kind of change is ore likely to produce a particular reaction or symptom of stress. More information is needed about stress of large-scale organizational changes, especially about stress of planned organizational changes.

4. Change Free Of Negative Outcomes of Stress

Uncertainties and inconsistencies that arise during the periods of extensive societal change often become precursors of stress (Pearlin, 1993). Even some positive life changes can be stressful (Lewis, 1975).
Psychological and biological developments, such as those occurring in adolescence (e.g., puberty), which are gained through a process of adjustment for reaching a new equilibrium level, are often used as examples of stressful constructive changes in life (Heller, 1998).

A change in the financial state and in residence, marriage, divorce, and pregnancy are some examples of social and personal changes that can be stressful (Holmes and Rahe, 1967). In order to measure different life changes as sources of stress, Holmes and Rahe (1967) developed a version of Life Event Scale (Hawkins, Davis, & Holmes, 1957). Although it is imperfect in reflecting many changes that normally happen during the life span, this scale suggests that almost any kind of social readjustment, including change in work conditions or responsibilities, is stressful. Some of the items reflect stressful positive changes, such as outstanding personal achievements, reconciliation, gain of a new family member, and beginning or ending school.

Pearlin (1993), however, argues that change under some circumstances may not be stressful. Dohrenwend and Pearlin (1981), in their criticism of Holmes and Rahe’s (1967) scale, suggest that stressfulness of a life event may depend more on the nature of that event than on the enormity of the changes that accompany it. They suggest that desirability and voluntariness are two factors that moderate the stressfulness of those life events. They suggest that the more desirable or/and voluntary the event is, the less stressful it will be.

Another feature that differentiates stressful from unstressful life events is their scheduling (Pearlin & Lieberman, 1979). Scheduled events are more predictable and planned and therefore less stressful than are unscheduled ones. People may not know precisely when scheduled events will take place, but are rather confident of their occurrence. As a result, the person can develop an understanding of scheduled events and can develop required coping behaviours. For example, those family and career transitions that occur between life stages are scheduled events and are likely less stressful than unpredictable and unplanned transitions. Some other examples of scheduled transitional events are marriage, bearing children, grandparenthood, and retirement (Lowenthal, Thurnher, & Chiriboga, 1975). In contrast, the same event when unscheduled can lead to high amounts of stress.
A classic example is the difference between a planned and unplanned pregnancy. Divorce, injury, illness, job disruption, premature death, and broken friendships are other examples of unscheduled events (Pearlin & Lieberman, 1979).

In addition to the features of change that alleviate stress, some researchers have suggested that employees' perception of change can reduce or prevent stress. French and Khan (1962) suggested that objective and subjective environments may lead to stress. Unlike the objective environment that includes characteristics of the environment, the subjective environment is created by and within the people's perceptions about environment. Lazarus (1991) believed environmental and personal variables are two antecedents of stress. The environment includes situational demands and constraints of resources (e.g., social network), ambiguity, and/or imminence of harm.

Personal variables include beliefs, an existential sense of control and value-related commitments. Lazarus suggested reappraisal or a cognitive change could prevent stress in a situation that might originally be perceived as stressful (Lazarus, DeLongis, Folkman, & Gruen, 1985). Khan et al. (1964) agreed that cognition or appraisal intervenes between the stressors and the responses to them.

The idea of the above group of authors has valuable implications for studying and implementing organizational changes that are free of strain for both managers and employees. Even more, they seem useful in fulfilling positive organizational changes that elicit eustress. For example, French and Khan (1962) applied the idea of subjective versus objective environment to the organizational stress research and accordingly suggested some ways of reducing organizational stress. According to French and Khan, changing the perception of people by making them involved in organizational decision-making is a useful strategy that can control the destructive effects of stress. It is important to consider various ways of creating such positive organizational changes through positive reappraisal and cognitive change in employees.
5. Alleviating Stress of Organizational Change: A Cognitive Model

Some types of organizational changes that deliberately plan not to cause stress, like the ones designed to remove existing problems of employees (Shulman, 1982), are called proactive or preventive (rather than reactive or curative) strategies of stress management (Sutherland & Cooper, 1996).

An experimental organizational change that aimed to follow this model, transferred supervisors’ responsibilities to skilful workers and implemented flexible work timetable (Cotgrove, Dunham, & Vamplew, 1971). These changes improved the employees’ morale, productivity, job satisfaction, and their attitudes toward their jobs.

The idea of desirable and voluntary changes (Dohrenwend & Pearlin, 1981) and the theory that scheduled life events are not stressful (Pearlin & Lieberman, 1979) have some implications for preventing stress of organizational change. Those theories can imply that stress of organizational change can be reduced by giving necessary information to the employees well in advance of change, and by convincing them that the change would be desirable. The theories also imply that creation of an organizational context, which encourages employees’ volunteer involvement in a desirable change, can possibly stimulate eustress. Few studies have examined these propositions.

XXX (2011) proposed an Integrative Model of Organizational Change. The Integrative Model suggested that employers could adopt a variety of methods that would minimize stress and maximize eustress of organizational change. Some of the methods suggested by the Integrative Model included participative organizational change, benefit finding in change, training, supportive workplace, organizational justice, and honest and clear communication with employees. Based on the literature of stress, this paper proposes an Information Processing Model (see Figure 1) that explains how the methods suggested by The Integrative Model (XXX, 2011) would minimize stress and maximize eustress of organizational change.
The Information Processing Model proposes that the methods introduced by the Integrative Model of Organizational Change (XXX, 2011) can improve employees coping abilities and can change their negative perceptions of organizational change. Those methods can encourage a positive reframing of the organizational change or prevent viewing the change as threatening, and can improve employees coping skills and help them to believe they have ability, skill, power, or knowledge to cope with the situation. Improved coping abilities may in turn facilitate cognitive change in employees. Eustress is a consequence of such cognitive changes.

According to the Information Processing Model, the process of analysing information and producing resistance or positive responses to organizational change include:

(a) Figure 1 suggests that appraisal is the individual’s first reaction to information that an organizational change might occur (i.e., what is the change? How might it affect I and other people in the organization?)

(b) If enough information is not available from the managers to answer these questions or if the information is not credible, ambiguity, anxiety, and distress will follow.

(c) If distress is generated, it can lead the employee to seek information elsewhere or to resist the organizational change.
(d) Resistance leads to receiving negative feedback from the organization and leads to higher levels of distress. Seeking more information elsewhere also makes the employee more susceptible to rumour, tension, and to higher levels of distress.

(e) Resistance continues to affect negatively organizational change plans.

(f) Information is necessary but not sufficient for an employee to avoid distress and resistance. The employee must also believe in her or his own abilities and must feel enough efficacy and confidence that she or he can handle the situation. However, the model suggests that to the extent that an employee believes negative consequences might follow, s/he will begin to consider whether s/he is able and willing to cope or adapt to the change. XXX (2011) suggests the ability to cope or adapt depends on at least three factors: the adaptive skills of an employee; the knowledge an employee has about how to adapt; and the opportunities within the organization to gain and exercise the necessary skill and knowledge. Motivation to cope or adapt depends on many different factors such as trust in the organization and its managers, organizational justice, and support at workplace.

(g) If an employee believes that she or he lacks either the ability or the motivation to cope with the negative consequences of a change, distress results.

(h) Distress likely leads to resistance to organizational change.

(i) Resistance from one side leads to a higher level of tension and distress.

(j) Resistance from the other side affects negatively success of organizational change.

(k) However, if an employee believes she or he has both the ability and the motivation to cope with the negative consequences of an organizational change, then she or he should feel insufficient distress to resist, or eustress can be generated. Also an individual's appraisal that the organizational change would affect herself or himself positively can generate eustress (n).

(l) When eustress is generated, it has the potential to provoke positive responses of employee including health, willingness to change, challenge, growth, cooperation with the organizational change, and a higher level of productivity (XXX, 2011).

(m) Positive responses may contribute to a higher level of eustress for the employees and managers.
6. Conclusion

A core part of the Information Processing Model addresses the employees’ perceptions of social consequences of change, and the way the information and appraisals are processed to reach a new level, reappraisal, or cognitive change.

Cognitive change might lead employees to recognize the positive aspects of organizational change and to reconsider some of their negative reactions to change. As the stress literature shows, the possibility of negative consequences does not necessarily lead to distress (Lazarus, 1991); eustress is also possible (Selye, 1993). This may have implications for managers who seek to prevent distress and to create positive responses to organizational changes. Positive responses to organizational change are different outcomes of different information processes.

According to the Information Processing Model, distress can come from two sources: (1) lack of information, and (2) information that leads people to fear negative consequences with which they either cannot or do not wish to cope. Therefore, it is important for managers not only to provide employees with useful information about organizational change, but also to understand employees’ fears of negative consequences of organizational change, to prepare employees with the skills and opportunities to cope with negative consequences, and to encourage employees to use these skills and opportunities during the change.

References


XXX. (2011). YYYYYYY