Perceived Personal Impact and Trust in Management as a determinants for resistance to change.

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Abstract

This study examines the determinants to resistance to change in a business organization. Two factors namely Perceived Personal Impact and Trust in Management were selected to test the possibility of having a simple but comprehensive model that can predict resistance to change. A survey questionnaire was chosen as the instrument of choice to collect the data for this study. Collected data was entered into SPSS 12.0 for statistical analysis. The data was then analyzed using Pearson Correlation Analysis and Multiple Regression Analysis to test the hypotheses. The two factors were found to have a relationship with resistance to change. The findings from this research helps to explain how change resistance antecedents relates to one another and the circumstances that it can become the underlying factor that results in resistance to change at workplace.

Keywords: Resistance to change, Perceived personal impact, Trust

Introduction

Resistance is a natural phenomenon in change progress. The failure of many large-scale corporate change programs can be traced directly to employee resistance (Bovey & Hede, 2001). Literature on managing the change transitions recommends that managers survey the reactions of those affected; quickly detect and correct what does not work; continually remind those affected of the objectives of the change; exchange ideas directly with these individuals as often as possible; pay attention to people; highlight efforts and provide support to keep energy levels high (Collerette, Delisle, & Perron, 1997, as cited in Bareil, 2004). Organizational development literature has predominantly followed an organizational systems or macro orientation to the the study of change. Fewer studies have followed a more “people focused” orientation to the research of organizational change (Herscovitch & Meyer, 2002 as cited in Orth, 2002). A search on literature for surveys that can measure change resistance yielded very few studies that can simplify and summarize the issue of change resistance and present it as a comprehensive model that identifies the core factors that causes resistance to change from employee perspectives. Researches on change resistance are too scattered that it lacks a cohesive presentation on what are the common factors that can cause resistance and how the resistance itself can be measured. Due to the need for researchers to narrow down the scope of their research, there is lack of researches on change resistance which
comprehensively cover the core antecedents that causes resistance to change from employee perspectives.

From many issues that may rise from a change process, employee resistance is possibly the greatest factor that will decide the success or failure of the change initiative as it is the individual employees who will respond to and carry out the desired change. In order to be an effective change agent, the people who are driving the change will need additional information at the individual level of employees to understand what factors that may lead resistance to change. A simplified yet comprehensive model is needed to identify the factors that can predict resistance to change.

**Resistance to Change**

Resistance to change has generally been understood as a result of personal experiences and assessments about the reliability of others. Accordingly, attempts are made to alter these factors in order to win support and overcome resistance (Ford & McNamara, 2002). When taken as a whole, much of the literature on resistance to change deals with the underlying factors that causes employees to indicate resistance behaviors towards change. The literature on organizational development and change is replete with research on how individual differences influence responses to experiences towards change normally in negative way which is an indication of resistance to change. Successfully dealing with resistance ultimately depends on an ability to represent accurately and describe the source of resistance in the individual and to choose and implement strategies appropriate for addressing and overcoming that source of resistance (Ford et al. 2002).

The literature has various interpretations and definitions of the resistance construct. Resistance is researched as having many forms such as active or passive (Herscovitch & Meyer, 2002), and overt or covert (Clark & Koonce, 1997). While there is many theories on type of resistance, Herscovitch (2004) provided an additional dimension towards resistance to change by saying that resistance to change can be breakdown into three types namely: (1) Constructive Resistance, (2) Aggressive Resistance and (3) Passive Resistance. Constructive Resistance consists of active attempts to prevent/terminate a change initiative that are expressed in an appropriate manner and that take into account the organization’s objectives. Aggressive Resistance also consist of active attempts to prevent/terminate a change initiative but expressed in a more hostile and destructive manner. Passive Resistance is also destructive in nature but it represents a less confrontational form of behavior characterized by attempts to avoid change initiative or indirectly contribute to its downfall.

On a general note, change can be unsettling, unnerving and intimidating. Even anticipated and welcomed change can cause fear, stress, resentment and resistance. For leaders, these resistances to change reactions are often viewed as roadblocks and must be overcome. Reactions to change often follow a series of stages: denial, resistance, exploration, questioning, reflection and finally commitment. In resistance stage, people try to preserve familiar ways of doing things. Resistance to change is often manifested as anger, negative and pessimistic thoughts and statements, expressed frustration, anxiety and fear. Leaders who ignore or dismiss resistance reactions in their subordinates undergoing change may end up with a withdrawn, self absorbed, disoriented and immobilized workforce (Calarco & Gurvis, 2006).

Some view resistance as an unavoidable and natural behavioral response to the perceived threat of change. It may be seen to be politically motivated and part of a coordinated of class struggle or to be a constructive counter balance to organizational change (Mabin, Forgeson, & Green, 2001). People will not resist change as an automatic reaction. They will resist the way
in which change is handled, because it is sometimes seen as destabilizing at an organizational level, and threatening at a personal level. The question of rewards can also be part of the mindset of the resister. For some, one of the outcomes of a change project will be material reward. For others, this will not be so, and there will sometimes be all-round losers. The task of management, in planning how to deal with resistance based on a suspicious view of the personal outcome, is to present the change, as far as possible, as a rewarding professional and personal development. For the losers, it is also vital to create the opportunity of a way out which allows for the retention of some dignity. There is also a way of actively dealing with resistance during the change process. This does not mean the sometimes unavoidable necessity of reacting to unforeseen trouble, but planning to identify resistance, dealing with its causes, and using resistance positively where possible in order to improve the process. This is part of the strategy of change management, and it is an early consideration in the process (Lyndon, 2007).

As status differences erode, some employees are coming to expect involvement in decisions about organizational change. Successful organizational adaptation is increasingly reliant on generating employee support and enthusiasm for proposed changes, rather than merely overcoming resistance (Piderit, 2000). Even then, change resistance remains one of the biggest challenges for organizations that are trying to implement changes.

Management should never assume that the reason resistance to a particular change initiative is occurring is because people don’t like change. To object in writing to a change initiative or to stand in front of management and verbalize it is an act of courage. Management should, therefore, carefully consider any actions that are perceived to be resistant towards the proposed change initiative, because the organizational change actions may well be grounded in the reality that the change initiative either is the wrong initiative altogether, or is flawed in some way. Resistances of this nature are normally constructive in manner with the view of the well-being of the organization becoming a prime concern for employees (Herscovitch, 2004).

Even if there is no overt resistance to the change initiative, management should never assume that it has crafted the perfect change initiative because, it needs an act of courage to verbalize opposition to a change initiative that might be carrying the endorsement of the highest levels of management (Self & Schraeder, 2009). While most of the literature related to change resistance identifies it as an element that prohibits or hinders the change process, there are some opinions that views resistance to change as a positive force in the change process. Perren and Megginson (1996) suggested that prevailing view of resistance to change might be wrong and that far from being a hindrance, it could actually be a benefit to an organization. At its best, such resistance could be seen as natural survival mechanism within organizations that tests, adapts and sometimes stops decisions by fallible and often ill-informed senior managers. Change agents may learn much to their advantage by attending to the messages of resistors. Often, those who resist change will have more detailed understanding of the organizational consequences than those who are driving the change. Resistance should be seen as an opportunity rather than a problem. Resistance can be used by the change leader as a tool to alert areas that needed attention and situations that may require further thought (Gullickson, 2009).

Resistance has been classically understood as a foundation cause of conflict that is undesirable and detrimental to organizational health. However, resistance plays a crucial role in influencing the organization toward greater stability. While pressure from external and internal environments continues to encourage change, resistance is a factor that can balance these demands against the need for constancy and stability. Human systems remaining in a steady state encourage processes and specializations to stabilize, consolidate, and improve which allows the organization a level of predictability and control. Resistance plays a crucial role in drawing attention to aspects of change that may be inappropriate, not well thought through, or perhaps plain wrong. With resistance and conflict comes the energy or motivation
to seriously address the problem at hand. In addition to injecting energy into a change process, resistance also encourages the search for alternative methods and outcomes in order to synthesize the conflicting opinions that may exist. Thus, resistance becomes a critical source of innovation in a change process as more possibilities are considered and evaluated (Waddell & Sohal, 1998). As such, resistance to change is an essential factor to be considered in any change process, since a proper management of resistance is the key for change success or failure. By resistance to change we understand any phenomenon that hinders the process at its beginning or its development aiming to keep the current situation (Pardo & Fuentes, 2003). One of the few determinants of whether employee will accept or resist change is the extent to which the change is perceived as beneficial versus detrimental to them (Oreg, 2006). Employees will assess to what extent the change will impact them personally before deciding to support or resist the change. Five main elements are most commonly cited in the literature that impacts employees personally during the change process. The five elements are Job Security, Loss of Expertise, Diminishing influence, authority and control, Loss of Social Status and Change in customs and long held practices and behaviors. These five elements are combined and will be presented as a Personal Impact antecedent in this study.

Massive changes may also threaten employee job security. Change may alter the nature of the job or even diminish some roles altogether. What the individual perceives as potential loss of continuity in a job situation can span the range from permanent loss of the job itself to loss of some subjectively important feature of the job. Loss of valued job features is an important but often overlooked aspect of job security. The phenomenon is experienced as a type of job loss in as much as it involves losing the job as the affected employee currently knows it. The findings involving propensity to leave and resistance to change are consistent across studies with regards to job security (Greenhalgh & Rosenblatt, 1984).

Evanski (1996) identified personal loss as one of key components of resistance to change. Personal loss is characterized by the feeling that with the installation of the change, something positive would be lost. Subcomponents under personal loss were loss of expertise, lost of primacy and loss of routine. The loss of expertise was related to the perception that the change would cause a loss of expertness due to the change. The loss of primacy refers to the patterns or techniques that were discovered when a person is confronted with certain tasks. It appears that resistance may come if an employee perceives that the change would cause him deviate or modify this primacy. The loss of routine means a resistance attitude if the perception was that the change would require employees to change their habits or routines.

Locus of control is also a form of resistance to change attitude. People who strongly believe that the locus of control is internal (“internals”) believe that they have control over change events. If they see a reasonable probability of success, they are not afraid of change. Even if high internals attribute changes to external causes, they may still feel able to influence the course of change or feel confident about coping with it. This is not to argue that individuals with a high internal locus of control will never resist change. If, for example, such people thought that a particular change would be detrimental to their organization, they might be more likely to resist the change than would people who considered control over events external, since the former would be more likely to believe that their resistance would be successful (Chung Ming & Woodman, 1995).

Many organizations found change to be a real challenge due to change process in each organization is unique in each situation. One such challenge that exist in change process is the influence of organizational culture. Organizational culture refers to a set of shared values, belief, assumptions and practices that shape and guide members attitude and behaviour in the organization (Wilson, 2001 as cited in Abdul Rashid, Sambasivan, & Abdul Rahman, 2004). In their study of the influence of organizational culture on attitudes towards organizational change, it is found that organizational culture indeed has an effect in the organizational change process. The findings of the study suggests that if organizational culture promotes
single minded dedication to the organization’s mission and goals, quick response to changes in the environment and an unwillingness to accept poor performance, people are more receptive to change. Meanwhile, people will resist change if the organizational culture promotes a tolerance of poor performance and insufficient focus on mission, strategy and goals (Abdul Rashid, Sambasivan, & Abdul Rahman, 2004).

An organization culture is the largest and most controlling element in change resistance as it sets the standard for the ways things are done in an organization. It dictates how informal or individualistic people in the workplace are permitted to be. Culture also lays down the norms for the way social systems operate in the workplace. Culture tells what kind of politics are allowed and how members of an organization are allowed to play the political game (Egan, 1994 as cited in Lennox, 1994).

Trust may be thought of as not deliberately or accidentally, consciously or unconsciously taking unfair advantage of a person. It means that one can put one’s situation at the moment, status and self-esteem in the group, relationship, job, career, even life in the other person’s hands with complete confidence (McGregor, 1967 as cited in Proctor & Doukakis, 2003). Trust means a belief that those whom we depend on will meet our expectation on them. In the case of change management, employees will expect for the management to act fairly and do what is best for the employees as a result of the change. Employees will exhibit trust on the management if they perceive that the management is forthright and honest with them and not withholding any information to manipulate them or other. They will have to believe that the management is really interested in them as persons and have their best interest at heart (Proctor & Doukakis, 2003).

**Perceived Personal Impact and Resistance to Change**

Orth (2010) in his study on factors related to resistance and support of change found that perceived benefits of change had strong relationship with commitment to change, support of change and resistance. Individuals may carefully evaluate the consequences of a change and weigh the benefits against the cost before committing themselves to resisting or supporting the change. The study suggests that rather than automatically resisting change, individuals consider the consequences of the change before acting for or against it. Individual buy in of the change depends on the interest of the individuals are met. People must see ways they will benefit from the change in order to buy in or support the change. Depending on how the change impact the person facing the change personally, it may lead a person to act in one way or another; that is support the change or resist the change (Morgan, 1997). Thus we hypothesized that:

**H1:** There will be a positive relationship between perceived personal impact and resistance to change.

**Trust in Management and Resistance to Change**

Trust may be thought of as not deliberately or accidentally, consciously or unconsciously taking unfair advantage of a person. It means that one can put one’s situation at the moment, status and self-esteem the group, relationship, job, career, even life in the other person’s hands with complete confidence (McGregor, 1967 as cited in Proctor & Doukakis, 2003). Trust means a belief that those whom we depend on will meet our expectation on them. In the case of change management, employees will expect for the management to act fairly and do what is best for the employees as a result of the change. Employees will exhibit trust on the
management if they perceive that the management is forthright and honest with them and not withholding any information to manipulate them or other. They will have to believe that the management is really interested in them as persons and have their best interest at heart (Proctor & Doukakis, 2003).

In his investigation of resistance to change to organizational change, Oreg (2006) found that Trust in management in the form of lack of faith in the leadership strongly related to increased resistance to organizational change. Karim and Kathawala (2005) list distrust of management as significant cause for resistance. While many factors cause employees to resist change, there is also a concern that the management or leadership itself could cause resistance to change. Some staff does resist change, but the blame for unsuccessful organizational change must lay with those who are responsible for implementing it not other things or other people. Poor leaders and weak managers were an obstacle for effective organizational change. Employees who did not get clear guidance and direction from the leaders are more prone to resistance to change. Leadership is poor when there is no clear vision and mission. When management fails to lead and manage the organization up to the expectations of the employees can create a culture which is resistance to change (Hoag, Ritschard, & Cooper, 2002). Thus we hypothesized that:

**H2**: There will be negative relation between Trust In Management and resistance to change.

**Methodology**

The study was conducted at a technology company in Penang. The population for this study is 1960 employees and the sample size is 320 (Krejcie & Morgan, 1970). The sample were taken from three departments namely Human Resource, Information Technology and Manufacturing departments. Table 1 summarized the measurements for the study.

**Table1**: Measurement for the study

<table>
<thead>
<tr>
<th>Variables</th>
<th>Total Number of Items</th>
<th>Scales</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Personal Impact</td>
<td>5</td>
<td>Likert Scale 1-5</td>
<td>(Leigh, 2000)</td>
</tr>
<tr>
<td>Resistance to Change</td>
<td>12</td>
<td>Likert Scale 1-5</td>
<td>(Herscovitch, 2004)</td>
</tr>
<tr>
<td>Trust in Management</td>
<td>5</td>
<td>Likert Scale 1-5</td>
<td>(Bouckenooghe, Devos, &amp; Broeck, 2009)</td>
</tr>
</tbody>
</table>

The data for this study was collected through an online survey. Personalized email was sent to the identified subjects in the population introducing about this study and its purpose and
seeking their cooperation. The respondents were assured of the confidentiality of their response and identity. A total of 400 questionnaires were sent via email to three departments. However, only 131 respondents answer the questionnaires completely.

Findings and Discussions

Table 2 shows the sample characteristics of the respondents. The respondents come from three departments. 28 (21.4%) from HR department, 40 (30.5%) from IT department, while 63 (48.1%) from manufacturing department. In terms of job grade, 10 (7.6%) respondents are manager, 74 (56.4%) Exempt, while 47 (35.9%) are non exempt.

The majority of the respondents came from the male employees with a frequency of 71 or 54.2% of total respondents. The female employee accounts 45.8% or 60 respondents out of the total respondents. In terms of length of service, most of the respondents are between 1 to 10 years of service.

<table>
<thead>
<tr>
<th>Demographic variables</th>
<th>Frequency n=121</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Department</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Resource</td>
<td>28</td>
<td>21.4</td>
</tr>
<tr>
<td>Information Technology</td>
<td>40</td>
<td>30.5</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>63</td>
<td>48.1</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>60</td>
<td>45.8</td>
</tr>
<tr>
<td>Female</td>
<td>71</td>
<td>54.2</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below 20</td>
<td>4</td>
<td>3.3</td>
</tr>
<tr>
<td>21-30</td>
<td>13</td>
<td>10.7</td>
</tr>
<tr>
<td>31-40</td>
<td>59</td>
<td>48.8</td>
</tr>
<tr>
<td>More than 40</td>
<td>45</td>
<td>37.2</td>
</tr>
<tr>
<td><strong>Job grade</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager</td>
<td>10</td>
<td>7.6</td>
</tr>
<tr>
<td>Exempt</td>
<td>74</td>
<td>56.5</td>
</tr>
<tr>
<td>Non-exempt</td>
<td>47</td>
<td>35.9</td>
</tr>
<tr>
<td><strong>Years of service</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-10</td>
<td>120</td>
<td>91.6</td>
</tr>
<tr>
<td>More than 10</td>
<td>11</td>
<td>8.4</td>
</tr>
</tbody>
</table>

Table 3. Standard Multiple Regression Result: Coefficients of Resistance to Change
<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std.Error</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>2.165</td>
<td>.634</td>
</tr>
<tr>
<td>Perceived Personal Impact</td>
<td>.401</td>
<td>.077</td>
</tr>
<tr>
<td>Trust In Management</td>
<td>.103</td>
<td>-.199</td>
</tr>
</tbody>
</table>

The beta(β) values are Perceived Personal Impact(β=.416, p<.05) and Trust In Management (β= -.199, p<.05). Perceived Personal Impact and Trust In Management have a Sig. value less than .05 which is an indication that these two variables are making a statistically significant unique contribution to the prediction of the dependent variable. As such it can be summarized that Perceived Personal Impact (β=.416) is the strongest unique contributor in explaining resistance to change followed by Trust In Management (β= -.199). The two research questions can be answered based on these findings. The proposed model only explains 31.6% of the variance in employee’s resistance to change. As such, the model is not comprehensive enough to effectively predict resistance to change. From this analysis, it is evident that the strongest variables that influence resistance to change is Perceived Personal Impact.

Research Objective 1: To examine the relationship between perceived personal impact and resistance to change.

Perceived Personal Impact in this study refers to how employees perceived the change at the workplace will impact them at personal level. Using Pearson Correlation Analysis, it was found that perceived personal impact has a significant high positive relationship with resistance to change [r=.511, n=131, p<.001]. It is further confirmed in Multiple Regression Analysis that Perceived Personal Impact (β=.416, p< .01) is making a significant unique contribution to the prediction of the resistance to change. This means that employees assess the level of impact the change had on them before giving a reaction towards the change. If the change has high personal impact then employees tendencies to resist to change also increases by adopting resistance behaviors at their workplace. This finding is consistent with what (Leigh, 2000) explained about factors that are underlying causes of resistance. Resistances to change among individual employees are mainly tied to the self interest factor. If employees are bound to lose something as a result of change then employees may engage in defensive and resistant behaviors. There is a direct relationship between perceived personal impact and resistance to change. There are many sources from the literature that uses the theories of individual needs to predict when organizational change will be resisted. Dirks, Cummings and Pierce (1996) proposed a theory with three basic needs that is relevant for an individual to resist or support organizational change. The three basic needs are:

- Self Enhancement – Defined as the desire to achieve high self esteem
- Self Continuity – Defined as the desire to maintain stability of one’s self concept over time and across situations
- Control and Efficacy – Defined as desire to maintain control over one’s self and demonstrate one’s ability to cope effectively with the environment.
Change that results in personal losses that impacts one or more personal impact factors defined as above will cause resistance to change. As such, measuring and identifying personal impact becomes one of the most fundamental area that need to be focused in managing change resistance.

**Research Objective 2**: To examine the relationship between trust in management and resistance to change.

In the context of this research, trust in management refers to how employees perceive their management as trustworthy in leading the change effort. The Pearson Correlation Analysis between the two variables indicated a medium, negative correlation between Trust in Management and resistance to change \( r = -0.374, n=131, p<.001 \). Multiple regression analysis also indicated that Trust In Management \( \beta = -0.199, p < .05 \) made a unique significant contribution in predicting resistance to change. The findings echo what was reported by Oreg (2006) where trust in management had significant effects on resistance to change. In other words, lack of trust in management will result in increased resistance behaviors which may be constructive or destructive in nature. Weinbach (1994) suggested that lack of confidence or trust in management was identified as one important factor affecting resistance to change. If employees do not have trust in the management leading the change, they would potentially resist changes. Similarly, Gardner (1987) also identified lack of trust in management as factor that increased the level of resistance to change. As such, the relationship between trust in management and resistance to change does exist.

**Conclusions**

Change resistance is a natural and expected part of any organizational change. Understanding why and how resistance to change occurs and developing the ability to respond effectively is crucial to the success or failure of change efforts. The key to effective managing change resistance is to clearly understand the nature and reasons for resistance (Smith, 2006). This study undertook the challenge of finding a simple but comprehensive model that can predict resistance to change. When introducing changes, organizations must evaluate what are the personal impacts for the employees and map out the action plan to counter their worries so that resistance can be reduced.

**References**


