

Effects of Organizational Cultural Changes in Organizational Development, Case Study on Od Practitioners/Consultants

RANA TAHIR NAVEED

Faculty of Economics & Management, Universiti Putra Malaysia(UPM), 43400 UPM Serdang

AL JOHANI ABDULRAHMAN A.

Department of Occupational Health and Safety, Faculty of Medicine and Health Science, Universiti Putra Malaysia, 43400 UPM Serdang, Malaysia

Abstract

This qualitative study examine organizational development (OD) consultants point of view regarding Organizational culture change and organizational performance. Investigation based on this main question: How organizational cultural changes can affect the performance of organizations? The main objective of this study is to critically evaluate the strategies of organizational development regarding cultural change. Study reveals that organizational performance is related with organizational culture change. The study finds that people behaviors in organizations, environment of organization and process of change can play a vital role in culture change process.

Keywords: Organizational development; Organizational Culture; Performance; Consultants.

1. INTRODUCTION

Change and adaptability are vital for organizations to stay competitive (Balogun, 2008), however effective organizational change is still none existent (Meaney, 2008). Current indicators reveal that only one-third of organizational changes endeavors were taken as successful by the change agents and consultants (Meaney, 2008). Effective change techniques are quite rare. The failure of such change endeavors is chiefly attributed to the resistance by the employees towards change (Ford, 2008). Therefore, there is need to be finding out some hidden factors related to resistance to change (Piderit, 2000).

Change is the only phenomenon that enjoys durability in every aspect and sphere of life. Change management and organization development persistence of management with which its responds promptly to the dynamic factors in the organizational environment in which it operates. However, organizational change face obstacles firstly on personal grounds like unwillingness to or fear of change later on stems as collective organizational change (Quinn, 1996). Barriers to change can come from managers, organizational culture, embedded conflict, or conformity pressure (Quinn, 1996; Kameron, 2006).

Organizations continually focus on organizational change due to process and implementation of organizational change (Maria Vakola, 2005). Human Resource Management always feel difficulty and face hard time by change in organizational structure, management , process, work practices, supervision. There are many change forces in business, which includes internal and external environment, growth in profitability, reorganization to increase organizational effectiveness, conflict between departments, and technological changes. Therefore, the changes are common in economical, technological, political and the social environment (Armenakis, 1999).

The importance of change activities of an organization is perceived as the most important issue that should be investigated and analyzed by the management on priority basis. This problem needs close attention for any organization that faces global competition. Varying customer demands, ever increasing competition and massive rate of globalization, force companies to renew and change in order to meet challenges of competitiveness and innovation. Hence, change management has become an integral part of every organization.

1.1 Important of study/research organizational culture

Organizations either welcome or enable or restrict strategy and capability. Misalignment between an organizations' culture that is, its values, beliefs, ways of getting things done, communications and its strategic vision will limit the effectiveness of the organization (Kameron, 2006). For example, organizations historically participated in industries produce commoditized products will have an as-is culture that may impede its potential to successfully compete in innovative industries that where demand for transformational products are required. Understanding the dimensions, behaviors thought processes that create and sustain organizational culture are essential to optimizing the effectiveness of the target organization (Frost, 1991).

The culture directs employee interaction in respective workplaces. Competition promotes a more competitive environment. The culture of an organization envisages certain policy that guides the individuals or groups to execrate a unity of direction inside the organizational environment .The organizational culture plays important role in creating the brand image of the organization. Organization culture provides all the employees a

common ground to perform. The organizational culture unites the employees who belong to diverse backgrounds; it promotes healthy relationships among the employees. It is organizations culture that synergizes and accommodates the best (or worst) out of each team member (Schein E. , 1992).

1.2 Problem statement and background of Problem

Every organization tends to stay competitive against its rivals through constant development. Change is only thing in this universe that enjoys immortality and is rapid in nature (Weeks, 1991). Normally organizational change which modifies the existing values and wants to change any organizational culture within the organizations usually encounter resistance individually or organizationally (Trader-Leigh, 2002).

When initiating change process, practitioners and consultants need to be understand the organizational culture, how it affects the company in their rules, policies, behaviors, and attention (Galpin, 1996; Crosby, 1979; Kameron, 2006). Now a day's risk of failure is magnified. The reason behind that is employees of company are generally reluctant to change, so change may bring panic, stress and disadvantages (Zahid, 2004). Sometimes leadership or change agents point out that employees perceiving change process as additional unproductive workload (Reichers, 1997). This study is crucial to answer that question why change is frequently perceived as a loss (Folger, 1999).

In the 1990s, Hammer (1993) pointed out that 70 percent of Business Process Reengineering initiatives process failed. In the 1980s, the failure ratio was 60 percent because of computer technologies (Bessant, 1985), and in 1970s, Crosby (1979) observed that 90 percent of quality development endeavors were not successful. Above studies duly indicate that number of change endeavors which were successful is far less than those which were not successful. Dawson (1994) also argued that resistance phenomena in process of organizational change may result from a single or a combination of factors such as recent job activities changes, loss of control, security threats, and individual performance.

According to change agents, change is always adopted for positive results but employees may be respond negatively and try to resist change activities. This negative reaction is largely because change brings with it increased pressure, stress, and uncertainty for employees (Armenakis, 1999) pointed out some reasons or resistance like stress or job insecurity. Resistance from employees or organization always leads towards failure of change process. Therefore positive values of organization are critical for effective change (Eby, 2000). Critics of resistance studies have argued that change agents and practitioners have to focus on subjective issues related to change (Nord, 1994; Oreg, 2006).

In organizations, the crucial part is the implementation of a change in its initial phase and the failure of management is to recognize the possible employee resistance toward change initial process (Del Val, 2003). Limited attempts have been done to examine the relationship between organizational culture and attitudes towards organizational change empirically (Md Zabid, 2004).

1.3 Research Objective

Main objective of current study is to critically evaluate the strategies of organizational development regarding cultural change.

1.4 Research Question

How can organizational cultural changes affect the performance of organizations?

1.5 Purpose of Study

Purpose of this study is to find out the expert opinion of Organizational Development Consultants and Practitioners regarding organizational culture change. These experts know about organizational life cycle, therefore some times when organizations feel difficulty to manage organizational changes, they need their expertise. Therefore their expert opinion matters.

1.6 Limitation of Study

This study is mainly focus on Organizational development consultant and Practitioners. It consists of only few interviews. These limitations are restricting to observe a broader prospect, which can be obtained by interviewing management of organizations and or a large number of samples.

2. LITERATURE REVIEW

2.1 Organizational culture:

Organizational culture is well known concept discuss by academic scholars and organizational experts (Brown, 1995). Peters (1982) argu that organization culture can be used to achive high level og effectiveness or performnce in organization. A lot of studies have been done to find out the importance of organizational culture and its role to improve organizational environment (Gordon, 1991; Brown, 1995; Md Zabid Abdul Rashid, 2004;

Maria Vakola, 2005; Kameron, 2006; Barbara & Stephen , 2010).

Organizational culture concept is mostly debated all over the world. Because of its academic nature and organizational nature, change agents (Crosby, 1979; Piderit, 2000; Frost, 1991) and academic writers (Barbara & Stephen , 2010; Kameron, 2006; Schein E. , 1969) has been divided into two different camps. Organizational culture has been defined and developed by group parameters (languages, ideologies) and by normative perspective, that set the foundation for authority, status and rewards (Millett, 2000).

Some writers argue that organizations have culture and subcultures inside but some argue that organization itself is culture (Frost, 1991). Kameron (2006) Claimed that organization have culture and can be change for developing or maintain organizational performance and effectiveness.

However, Handy (1993) makes the case that organizations perform power and person orient cultures. Change agents and academic writers has consensus on that leadership has central importance in organizational culture change. Culture change can be only done by top management.

2.2 OD consultants

Internal OD consultants are usually located within the human resource, personnel, or employee relation functions. They may be part of OD department. They may combine OD consultation with other duties as training, counseling, research, or career assessment and development. They usually operate in a staff function and they serve line manager throughout the organization (Barbara & Stephen , 2010).

External OD consultants are employed by a consulting firm, or may have academic appointment. In past, external OD Consultants usually come from colleges and universities, but now they are likely come from consulting firms or they are full time independent consultants. Shadow Consultant serves as an advisor, and a confidant for the consultant who is working directly with client (Barbara & Stephen , 2010)

Schein (1969) contrasts the process consultant role with purchase model and doctor-patient model. Purchase model: is the most prevalent form of consultation, essentially consisting of the client's purchase of expert services information. Market research studies are an example. of that kind of consultation Doctor-patient model: consists of the; clients tell the consultant what is wrong with the organization, usually in the form of symptoms, e.g. turnover is too high, losing market share, management system is a mess, then expecting the consultant to prescribe a remedy. Therefore, Schein contracts these two models with Process consultant.

2.3 Organizational Culture and Change:

A change in working environment has been because of two reasons, profit maximization or compare performance with external environment. Later reason leads company towards global competitiveness (Bajaj, 2009). Legatski (1998) has identified different kinds of changes in downsizing or merger and acquisitions.

Kameron (2006) observed culture with in organization and point out current culture of organization and desired aculture of organization. so change become so easy if there is gap between current and desire culture. Change and culture are essential for continuous progress in organization.

Organizational Development theory and stage theory are academic theories deal with organizational change management with in the organization. In 1940s Kurt Lewin of freezing and refreezing theory is consider a basic literature on change management. But appreciative Inquiry and feedback surveys are consider effective tools to deal with change process in the eyes of practitioners and change agents (Crosby P. R., 2011; Crosby P. R., 2002).

3. METHODOLOGY

3.1 Research Design

The researcher needed a methodology that would allow the challenges and process of cultural change to be studied within the organizational context and would allow usage of multiple sources of data. Case study research matches these criteria. It allows both- study of the process to be carried within its context and triangulation of data, and was thus chosen. Further, Organizational Development consultants and Practitioners engender challenges that might have been ignored by the researchers. Researcher used the case study strategy within the paradigm of a qualitative research. A semi-structured interview has been conducted by using an interview guide. Interviews were tape-recording. In case in which the researcher did not recorded the interviews, detailed notes were taken immediately after the interviews. The motive behind this research methodology is to grab the participant's point of view in depth.

3.2 Participants and setting

Population of this research was Organizational Development consultants and Practitioners. OD consultants are the best source of information because they encounter OD problems day by day and advise solutions accordingly. So using convenient sampling, researcher selected two experts to be interviewed.

3.3 Data Collection and method:

Data was collected from primary and secondary sources. Main source of primary data collection was interviews and then was processed and analyzed. A set of questions was developed to get useful information. The questions asked are as follows:

- i. Do you think organizational cultural change is crucial to implement in any organization?
- ii. How Organizational cultural change affects the company in terms of its rules, policies, habits and attention?
- iii. Do organizational culture changes affect the organizational performance?
- iv. If yes, then how it affects the organizational performance?

These questions were asked to the interviewees and all interviews were tap-recorded. After the recording, data was transcribed. After that researcher read the data read line by line and put into codes, categories and converted into themes. Now the data is ready for analysis.

4. FINDINGS AND DISCUSSION

4.1 Analyses Results

In this study all data transcription was done manually and then read carefully multiple times and 40 codes were extracted from this data. Furthermore, these codes were converted into categories and subcategories. Mainly there were three categories as follows: people behaviors in organization, environment of organization, process of change. 13 subcategories were further extracted from description of related data.

Table 1. Categories and sub categories

people behaviour in organization	<ul style="list-style-type: none">• assumptions, values and beliefs• hard work and reward
environment of organization	<ul style="list-style-type: none">• technical environment• cultural and political environment
process of change	<ul style="list-style-type: none">• time management and direction• develop programme, plan and stories

4.2 Background of Participants

First interviewee was Mr Satyaki Bhaticariya, (mentioning his name on his oral consent) has 20 years of experience in organizational development consultancy. Some interviews have been done from his change agents. Now he is chief people officer in an organization located in India. He maintains very critical eye on Organizational development issues. Second interviewee was Khairuddin Idris (mentioning his name on his oral consent), instructor in University of Putra Malaysia (UPM) for Organizational change and Development subject. He has a strong grip on OD problems and their solutions. So their expert opinion matters for this study.

4.3 People behaviors in Organizations

Organization culture consists of assumptions, values, and beliefs of the people in the organizations, and to initiate change in organization usually we need to change people behaviors, because the behaviors are actually presented by the assumptions and beliefs. So to change the organizational culture behavioral part is very crucial, Khairuddin Idris said:

“So if you understand what they believe, then you can change those beliefs, those assumptions and those values and more probably it is much easier to change the organizational culture. So as that we can achieve organizational change.”

Reward is also a part of behavior, for instance if they work hard and then they believe be rewarded will definitely alter their behaviors towards change positively. People are the most valuable asset of any organizations. So their ways of thinking, their mental models to process information definitely affect the process of change. Khairuddin Idris stated that:

“Moreover, one of the things that people within the organization, what they consider to be worthy, when they consider to be valuable, and these beliefs and values are change than of course is much easier to change culture.”

4.4 Environment of organization

An organization's environment is explained by the factors inside or outside the boundaries of the organization which can significantly effects the organizational values. According to the *Population Ecology* theory,

environment contributes to accept or reject the organization. Every specific organization has its specific culture and environment which distinguish from others. The environment of organization consists of cultural, technical and political environment. Legal formalities are also one of them. According to Satyaki Bhaticariya:

“Organization does not exist on solidarity, the organization does not exist in isolation. That organization exists in the business environment, political environment, social environment, technological environment, of the country. Therefore, it is part of that.”

4.5 Process of change

The process of change is imperative. If the people of an organization are not prepared for change then the process will encounter problems. In change process first thing to realize is the need for change, if top management feel there should be change then they have to find proper time for the change. Diagnosis of organization will unveil what kind of change is required (Kameron, 2006). Khairuddin Idris presented that concept:

“So determining the nature of a change of any organization through probably a diagnosis will be much more useful for you will be able to be plan for the future of the organization.”

Therefore, in the process of change they have to develop different programs, stories and plans. Khairuddin Idris said:

“If you want to work hard then you have to convince them at the values have to be changed. And you go through with many cycles, for example we begin to develop stories that are associated with values and they will be consider that hard work will be useful , hard work will be rewarded and people need to work hard to be rewarded and to be successful.”

5. FINDINGS

This study has provided expert opinion in organizational culture change process because the people in the sample observe such changes very closely. In this study, the researcher has found the problems and reasons that may affect a change process. The study revealed that if an organization wants any cultural changes than they have to bear in mind that such changes may affect the organization's development. The main purpose of cultural changes is to make the organization more effective in order to increase profitability and productivity. But if it's not handled carefully it may cast negative effects.

6. CONCLUSION

This study focused wholly on organizational development consultants and Practitioners. This sample was limited therefore more in-depth study can be conducted by increasing sample size. Moreover, viewpoints of top management and employees of organizations are also important and theirs ideas and conceptions about cultural change and development of organizations can be more radical and comprehensive.

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