

# Organizational Change: Where Have We Come From and Where Are We Going?

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**Abstract** *This study was conducted to determine the most studied topics which studied in organizational change management and pave the way the future research in organizational change. For this purpose, first of all, concept of organizational change is explained by theoretical view. Then, the studies which were conducted before 2000 and after 2000 to today were examined in dimension of content, context, process and outcome. As a result, Theories of change, leadership and change, organizational change in multi-national company, organizational culture and change, employees' behaviour, information technology and organizational development strategies are the most studied topics of organizational change literature. Also we stressed that leadership and technological change are the most studied topics especially after 2000, and non-linear changing approaches because of the fact that uncertainty and chaos in nowadays.*

**Key words** Organizational Change Management, Theory of Change, Organizational Development

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## 1. Introduction

Organizations have a life expectancy like other living creatures. They born, grow and die like them. Today we live in a world in which there is a continuous change and rivalry. So, to be successful in this world, organizations must adapt to their environment and use technology in their area. In the first part of study, the concept of organizational change is explained in a theoretical way. Then the articles which pressed in SCI index are examined. Finally, the topics focused on organizational change management areas, outcomes and proposition for future research are evaluated.

## 2. Literature review

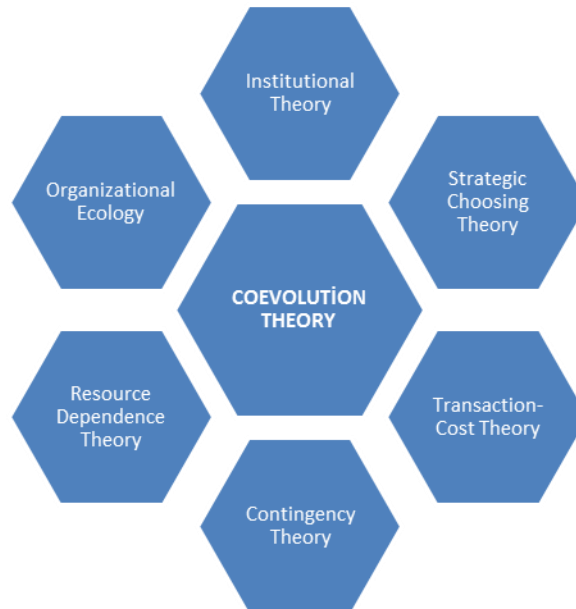
### 2.1. Organizational change and its theory

Organizations provide the change with the changing behaviour of their employees in today's rapid changing world. The question of Why are some organizations more successful? is particularly pave the way benchmarking and innovations in organizations. When examining the history of human, change has been made since the discovery of wheel. Organizational change can be defined as change in organizational structure, its systems, employees and relation of between them in a planned or non-planned way. Also, this change process can result in good or bad (Varoğlu and Basım, 2009).

Organizations have the process of change as a result of internal and external causes. While motivation, individual-group behaviour, new ideas proposed by employees are internal effects, giving response to natural environment is the external effects of organizational change. The studies made so far, organizational change has been made because of the process of adapting to rapid change of environment and decide to choose the suitable one to organization. When examining the extensively accepted thoughts in organizational theory, according to the institutional theory, organizations can live and cope with problems with adapting to their natural environment and accepted by them (Meyer and Rawon, 1983).

Organizational ecology theory proposes that organizations can change by interaction with their environment and choosing the best one for them. (Baum, 1996) When making a comparison with theory of institutional and ecology, organizations focus on internal groups in ecology theory. Resource dependence

theory which depends on open-system approach, sustains that organizational change variables can be appear with the relationship of organization and environment. According to the this theory, organizations response to their environment as adapting and managing the changing in their areas. (Pfeffer and Salancik, 1978) While transaction cost theory proposes that organizations examine their environment and choose the low-cost way and go in organizational change process (Varoğlu and Basim, 2009). Contingency theory says that organizations must adapt to strategy, environment and technology which formed the organizational structure (Donaldson, 1996). But according to the strategic choosing theory, managers are the real actor of change process (Child, 1997).



Source: Author

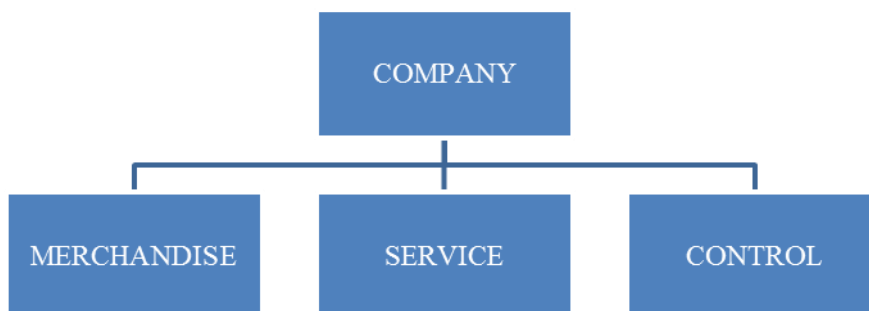
Figure 1. Organization Change and Related Theories

When reviewing the analyses of theoretical view, it is possible that organizations can go in the change process by adapting to their natural environment and choosing the right example type for them. So, coevolution theory is the main idea of the todays organizations (Figure 1). Because in this theory, adapting and choice model are together and organizations decide to use how much they use adapting and choice (Porter, 2006).

### 3. Studies in organizational change area

#### 3.1. From 1920 to 2000

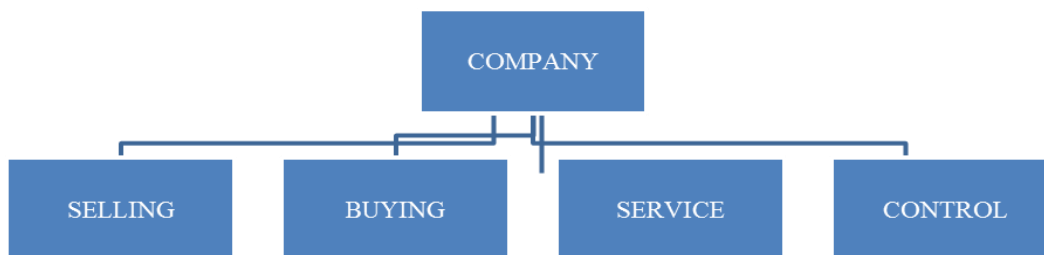
The first studies about organizational change were made in 1920s. There were three types of department in organization according to the article called ‘Seperating Buying and Selling Function in a Department Store’ in HBR. See this below in Figure 2.



Source: (HBR, 1923)

Figure 2. Organization Chart

In this period, particularly before WW2, Studies in organizational change proposed that there must be four types of department. In this proposed plan, the merchandise must be divided as buying and selling. This chart presented below at Figure 3. This was a good way in order to give good service to customer. And also, there must be a sales manager to provide flexibility of company and customer relations and to minimize the problem occurred with customers.



Source: (HBR, 1923)

Figure 3. Organization Chart (Proposed)

After the WW2, human relations were the most studied area because of the effects of approach of behavioural and system. Communication and technology also gave a new way to organizational change process. The studies were made in this period signed that change in organizational flexibility, change in centralization and change in power between departments in organizations. Rice (1963) and Sofer (1961) explained organizational flexibility as giving response to the organizational environment and adapting to them. And they also explained that centralization is giving authority to sub-manager to decide. McNulty (1962), stressed that it has bad effect in organizations when there aren't full adaptation between organization communication structure and managerial change after studying in 30 companies during 1947 to 1955. According to the Haos (1960), innovation is old wine in new bottles and electronic data processing is new technology for the organizations. He also said that change and innovations has started with the discovery of wheel and go on forever. The studies in this period stressed that women were more prone to office work than men and criticized that technical workers had much more salary than also manager because of their multi-company work. Employees said that with the technology, they had to stick to machine.

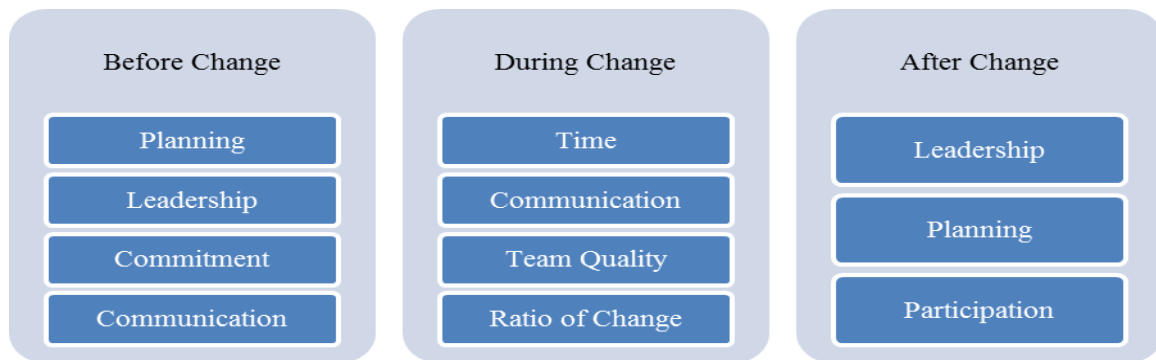
Sofer (1964) indicated that the main objective of organizational change is to increase profit not increase efficiency, and also stressed that psychological process had a big role in this process. So, organizations had to give attention to their employees. After 1960s, organizational development programmes and concept of change agents and theories of change had a dominancy in the organizational change literature. According to the Nielsen ve Kimberlyand (1974), organizational change can be provided by changing employees behaviour and their perception of change. A study made by Tichy (1974) in 133 change agents who worked in American and European Companies, indicated that change agent was very important for the companies own change process and success. He also attained that while they gave attention to human and deciding method in American companies, they gave attention to power, authority and political process in European companies. Studies on change agents indicated that they have focused on planned change process in organizations. Zeira ve Harari (1975) stressed that participation was a big factor in change process. Because organizational change process which contained top management and their dedication was a right way to increase the effective of organizational communication and solve the problems. Hunt (1980) also studied in managers and indicated that managers who support change process and motivate employees to change, attained their organizational goals.

In 1980s and 1990s, there were a transition to human resources from personnel management. So, researchers have started to focus on the topics of information technology, leadership, managerial and employees career path. They tried to change by this way. Gaertner (1988) indicated that adapting and coherence with change could be possible by providing employees and managerial position career path.

And Zupan and Menke (1988) expressed that traditional employees had problem in information technology and it gave a decrease in organization's profitability in the long term and also stated that employees whose perception of organizational culture are high, have high organizational commitment and job satisfaction. Sashkin and Burke (1987) studied new trends in oc process and proposed five new trends in this area. These trends are a) an increasing interest to new work structure b) keen to developing OD

theory c) a growing interest with mergers and acquisitions d) improved technology in OD and e) an increasing focus on in organization culture for managing change. Later, Woodman (1989) indicated seven trends four of them parallel with Sashkin and Burke’s trends. Their other trends are high performance-high commitment work systems and applicability of organizational change in international arenas. Pasmore and Fagans (1992) stressed participation and use of participation in organizational change after identifying Woodman and Sashkin and Burke’s trends.

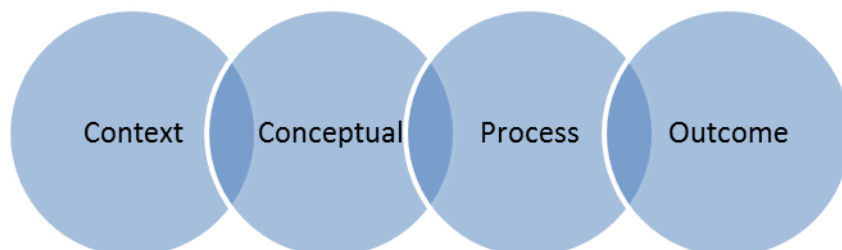
According to the Nadler and Tushman (1990), leader is very important for the rapid changing and implementing change process. They indicated that charismatic leadership which contains the propoints of vision and energy, give accelerate to organizational change and increase the coherence of employees. Gambrell and Stevens (1992) stated antecedents and consecutive of organizational change in their study. According to them, motivation can decrease during change but leader can cope with this problem with his leadership quality. See this phases below at Figure 4.



Source: Author

Figure 4. Antecedents and Consecutive of Organizational Change

In 1990s, researches in organizational change literature have been done in content, contextual, process and outcome (Figure 4). Organizational orientation, organization structure and organization-environment fit which determine the organizations mission and direction in change period are the content factors. Burke and Litwins (1992) stated that transformational and transactional dynamics were relevant to successful change. They identified transformational dynamics as dealing with employees behaviours to external and internal pressure, transactional dynamics as psychological factors controlling organizational climate. Also, Woolman (1996) proposed a model in content research which contains eight facets which are strategic intent, competencies, processes, resources, outcomes, strategic responses, challenges and learning capacity. The contextual studies contains impacts of internal and external factors to organization and organization’s respond to environmental changes. Haveman (1992) attained a conclusion that a quick response to environmental change especially in technological areas bring short-term profit and long-term survival, in his research in loan industry. Armenakis and Bedenian (1999) stated in their reviews that dealing with simulations of organizational responses to potential environment can hinder the potential problems in organization such as inertia and stress.



Source: Author

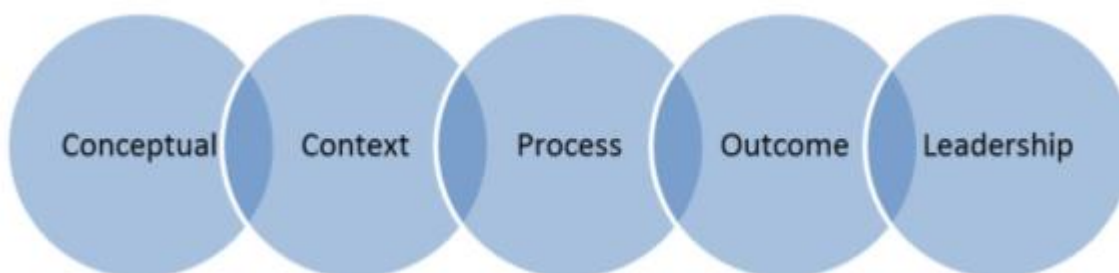
Figure 5. Dimensions of Researches in Organization Change Before 2000

The process researches are relevant to implementing change. This process has its roots to Kewin’s (1947) model called unfreezing, moving and freezing. Then Judson (1991) and Kotter (1995) have developed models for implementing change. According to the Judson Model (1991), Implementing change

must contains five phases: a) Planning the change, b) communicating the change, c) acceptance of new behaviours, d) changing from past to new and e) setting up new state. But, according to the Kotter, Changing period is comprised eight steps which are a) establishing a sense of urgency to change, b) forming a collaboration in workplace for changing, c) vision, d) communicating vision in organization, e) empowering others to act in vision way, f) creating short-term wins g) changing structures and f) institutionalizing the new approaches. Resistance, receptivity, commitment, cynicism, personal reaction are the variables of researches involving outcome process. The success or failure of change have been primarily involved in outcome process. When evaluating the studies which examined before 2000 in organizational change literature, Organizational change can be in organizational structure, system and sub-system in organizations and employees-managers behavioural position. Before WW2, Researchers have focused on organizational structure, after WW2 and during Cold War period, they have converted their interest to technology and human relations because of the fact that behavioural and system approaches. After 1970s, they have focused on the change agents, resist to change and then leadership, employees and managers career path came to the areas.

### 3.2. From 2000 – Today's

While researchers have gone to their studies content, context, process and outcome particularly to 2000s, they have added a new dimension which is leadership (Figure 6). There was a big uncertainty in 2000 years because of the rapid changing and rivalry in market condition. In the first years of 2000, research has still focused on the leadership and human relations. They believed that uncertainty conditions could be achieved by a good leadership quality and qualified employees. Also resisting to change and how to cope with this problem again has been popular topics.



Source: Author

Figure 6. Dimensions of Researches in Organization Change (After 2000)

There will be conflict of power if employees don't believe the leader and this negative position affects the change process in bad way. The Change leader must have extra leadership quality in 2000 years. Because we have in a global world, companies are multinational and also their employees are from different cultures. (Henry and Walker, 2002: 98). Rapid and continuous change in the world requires smart and coherent response. So change leader must use the every opportunity for the success of changing process. (Miles, Snow and Meyer, 2003). Drucker (2002) indicated that organizational change can be happened by the change leaders willings and capability of communication and technology. According to the Sugarman (2001), effective communication is very important for the success of organizational change process. Because it also have cultural role. Feedback period is also very good way to provide contribution to organization change process by taking customers ideas.

Skinner (2004) indicated that Leadership style can be effective in organizational change management if it is used in right time and place. And also most of studies stated that leaders role in change process is to affect employees adhering to organizational vision. Robbins (2004) particularly indicated that organizational behaviour which focus on individual group, structure and relationship between them, is identifier for organizational change and individuals psychological state must be taken into consideration for the success of organizational change. Leaders also must convince the employees who resist to change. This is the other role of leaders in change process.

According to the Buchanan *et al.* (2005), Sustainability which refers to Lewin's freezings is the key problem in organizational change process and it depends on different analysis of these multiple factors:

substantial, managerial, individual, leadership, organizational cultural, political, processual, contextual and temporal. Studies that have been done so far estimated that two-thirds of change projects fail and also this rate may be higher. Underestimating the central role of individual in change process by change leader is the foremost reason of the failure. To overcome this problem, Choi (2011) studied organization change process in four dimensions. These dimensions are readiness for change, commitment to change, openness to change and cynicism about organizational change. With understanding this dimensions, change leader or HR managers lead employees toward change process and also reveal problems and alternative paths to solutions. According to the Hanson (2010) Organizational Change consists of 4 (four) period. Preparation to change both organization and employees, forming change process, implementing change and sustaining change according to the positive outcomes are these period. Karen and Karen (2010) identified the linking between change driver and organization change process. They proposed that change driver established an accepted vision and it is the key part of the organizational change process. Because an accepted vision becomes a change driver.

Lyons *et al.* (2011) indicated that organizational change process is very hard and expensive. We don't have a chance trial and error in this period. To cope with this problem, he proposed a simulated model in our digital world. Also Ray ve Goppelt (2011) stressed that leader development programmes can be good effect for organizational change. A study examined Creasey ve Taylor (2013) in 63 countries with 833 participant, expressed that active and visioner sponsor, organizational change approaches, resources for change, open communication models, employees participation, managerial support are the determinants of organizational change management.

Banker (2012) proposed five factors to understand and help organization change process a) executive sense-giving and middle managers sense making in process, b) understanding routines and trial and error method in OD, c) ideological differences in organization, d) economic crises bare in organization, e) demographic depletion. According to the Jaros (2012), the success or failure of organizational change process are more relevant to commitment. Commitment to change is very important for employees in their worklife and to managers in for overcoming resistance to change. According to the Kerman ve Öztop (2014), employees participation is essential to organizational change process and leaders skills are very important for the process. Nowadays, not only private sector but also state sector has undergone organizational change. Lord, Dinh and Hoffman (2015) proposes a quantum approach to time and organization change process. According to them, planning future from the past is a big mistake because of the uncertainty of today. When evaluating the studies after 2000s, organizations can live and compete with rivalries if they can cope with uncertainty created by rapid technological change. Nowadays studies have focused on change leader, participation, leadership development programmes, resist to change. After 2010, Project management integration and simulation based on digital are also studied. And also there are many studies about organizational change implementation in state sector.

#### 4. Conclusions

Organizations have to change by adapting to their natural environment and choosing change model which is consistent with their structure and strategies. To live in this uncertainty based world it is inevitable. Initially, this change process has based on organizational structure and nowadays it is relation with organization sub-systems, human relations and leaders. In theoretical frame, organizational ecology, institutional theory, resource dependence theory, transaction cost theory, strategic choice theory and contingency theory explain the organizational change. They propose that organizations must change by adapting their natural environment and choosing the right model for them. But today, we live in a uncertainty world and in the future these uncertainty will increase day by day. It is clear that chaos and complexity is inevitable. According to the Co-evolution theory, this problem can be solve by integrating adapting and choosing model.

When evaluating the studies which examined before 2000 in organizational change literature, Organizational change can be in organizational structure, system and sub-system in organizations and employees-managers behavioural position. Before WW2, Researchers have focused on organizational structure, after WW2 and during Cold War period, they have converted their interest to technology and human relations because of the fact that behavioural and system approaches. After 1970s to 2000s, they

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This study will shed light on the future research by highlighting the most studied topics in organizational change literature. Studies on organizational change management will go on with regards organizational learning, leadership with the support of coevolution theory. Also, strategic human resources management which is about organization's vision and strategic goals and organization members, will be also topics of organization change management.

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