

## CHAPTER I

*Introduction*

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**1.1 About This Second Edition**

In 2013 we published the first edition of *The Psychology of Organizational Change* – a collection of manuscripts describing theoretical developments and empirical research about organization members’ reactions to organizational change. In contrast to most books at the time, which relied heavily on a macro, strategic perspective of organizational change, we took on in our book a micro approach, focusing on change recipients’ perspectives. By “organizational change” we referred to any adjustment or alteration in an organization that has the potential to influence the stakeholders’ physical or psychological experience. Such alterations include, but are not limited to, changes to the organizational structure and culture, the implementation of new organizational practices, changes in employees’ conditions and job descriptions, and geographical relocation of the organization or its branches (Oreg et al., 2013).

In the decade that has passed since the first edition, the world has faced radical, overwhelming, changes that have drastically challenged how organizations and their members’ functioning. Although the chapters in this second edition were commissioned prior to the COVID-19 pandemic, the latest IPCC reports (Intergovernmental Panel on Climate Change), and the war in Ukraine, and does not focus on specific events such as Brexit or those leading up to the 2021 attack on the United States Capitol, the types of changes covered in the book’s chapters and the mechanisms studied for explaining the responses to them, are fundamental and relevant for understanding the basic tenets of changes at large. The specific changes studied herein include technological changes (Chapter 6); innovation, downsizing, restructuring, and personal development (Chapter 5); cross-cultural mergers and acquisitions (Chapters 7 and 8); and leader development (Chapter 10). Drawing on these examples, we acknowledge that organizational change extends beyond specific organizational conditions,

and often involves challenges to the status quo in the broader and more complex organizational environment. Dealing with change – whether proactively or reactively – is likely to remain an essential agenda item for both organizations and their members to address.

Accordingly, change in general, and in organizations in particular, remains a key phenomenon of interest among practitioners and scholars alike. Of particular interest is the amount of attention that recipients’ views of change have been receiving, in line with growing acknowledgment of recipients’ roles in the success of change. Although the number of studies per year focusing on organizational change is plateauing, a much more significant portion of this research is now focused on recipients’ perspectives of change. We compare these two trends in Figure 1.1. The white bars represent the number of entries in Google Scholar with the term “organizational change” in the title, per decade. As a rough means of capturing organizational change research that focuses on recipients’ perspectives, we included the term “reactions to change” in our search. The black bars in Figure 1.1 thus represent the number of Google Scholar

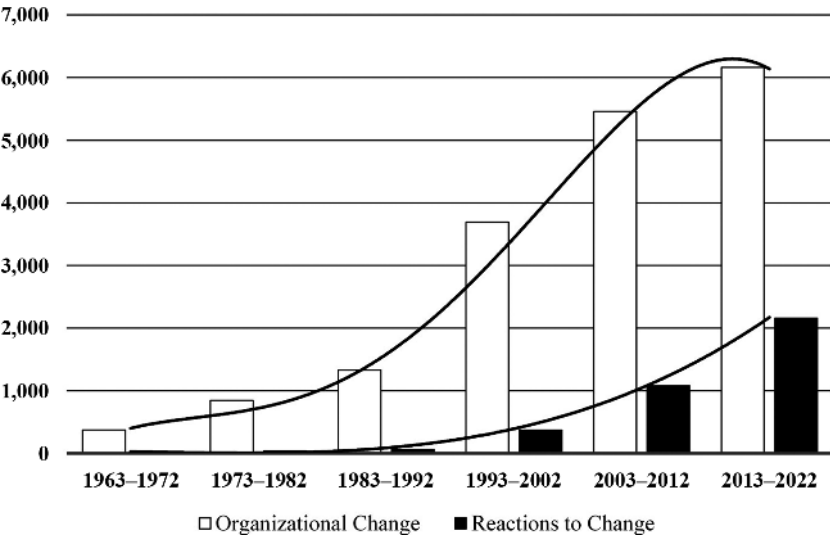


Figure 1.1 Number of articles with titles about organizational change and about reactions to change over the past sixty years  
White bars represent the number of publications listed in Google Scholar with a title including the term “organizational change.” Black bars represent the number of publications with the terms “organizational change” AND “reactions to change,” anywhere in the manuscript (data extracted July 21, 2022).

entries with the terms “organizational change” and “reactions to change” anywhere in the manuscript. As can be seen, researchers have only recently, over the past two to three decades, begun to consider recipients’ reactions to change, and this interest has doubled over the past decade (increased from 4,760 until 2012 to 8,860 by 2022). We join in this edition this trend and, like the previous edition, aim to update academics’ and practitioners’ knowledge about the state of the art of research on individuals’ responses to organizational change, and the antecedents and outcomes of these responses.

As in previous years, organizational change continues to be studied from a variety of disciplinary perspectives, including ongoing research from a strategic view, focusing on organizational actions in the process of managing change. The growing body of research focusing on change recipients’ perspective considers recipients’ cognitive, emotional, and behavioral reactions, the factors that drive them, and their consequences. Despite the significant progress in knowledge about organizational change, and the numerous books on the topic, there are still very few books that address the psychological underpinnings of organizational change, and none that we know of with an explicit focus on organization members’ responses. In this volume, we thus bring together thirty leading scholars from thirteen countries who provide integrative reviews, descriptions of theoretical developments, and new empirical findings about recipients’ responses to organizational change. Chapter authors, several of whom also contributed to the first edition, are well established within this line of research, and have conducted impactful research on the topic of organizational change in general and on reactions to change in particular. Although practical implications can be drawn from each of the individual chapters, and in some cases are explicitly highlighted, our main aim is to provide scientific, empirically based, insights about how members of the organization experience and respond to organizational change, and about the factors that drive these experiences and responses.

## **1.2 Structure of the Book**

This second edition consists of thirteen chapters classified within six parts: I. Introduction (Chapter 1), II. The Evolution of Change and Its Responses (Chapters 2–4), III. Change in Context: Exploring Types and Contexts of Change (Chapters 5–8), IV. The Development of Change Leadership (Chapters 9 and 10), V. The Process of Change Leadership (Chapters 11 and 12), and VI. Conclusions and Commentary

(Chapter 13). The chapters introduce a variety of approaches to conceptualizing organization members' reactions to change, predicting these reactions, and understanding their potential consequences. Contributions consist of both conceptual and empirical chapters, focusing on both change leaders and followers, using data and insights from a large variety of cultural settings. Several of the chapters provide extensive and integrative reviews of the literature accumulated in a given subfield within the topic of responses to change. We hope to follow up on the first edition's success in providing an updated benchmark for (a) integrating and classifying extant research in this field; (b) theory building and (c) how research on organization members' responses to change could be conducted. The book should be of great relevance to researchers, students, and practitioners with an interest in organizational change, its leadership and management in general, and its psychological underpinnings in particular.

Following this introduction, Part II of the book focuses on the evolution of change and the responses to it. The first two chapters bring to focus the notion of time. In Chapter 2, Pedro Neves proposes the concept of *intentions to resist future change* and develops a framework that incorporates individual- and context-level factors that contribute to such intentions. In line with established frameworks about the predictors of reactions to change (e.g., Armenakis & Bedeian, 1999), the predictors on which Neves focuses include organization members' personal attributes, such as dispositional resistance to change, alongside attributes of members' ties with the organization, attributes of the change leader, and aspects of the change history. These factors together bring about members' intentions to resist future changes, which, in turn, drive members' present behaviors in the organization. Moreover, Neves highlights other factors, such as attributes of the specific change at hand and broader factors in the organization's environment, such as the COVID-19 pandemic, that serve to attenuate or exacerbate the impact of the various individual and contextual factors on the intentions to resist future changes and on present workplace behaviors.

The focus on the temporal aspects of change is even more salient in Chapter 3, in which Gabriele Jacobs and Frank Belschak explicitly discuss the role of time. Addressing recurring calls to better acknowledge and study the dynamic nature of change (e.g., Kunisch et al., 2017; Berson et al., 2021), Jacobs and Belschak propose trajectories of responses to such change and highlight the various factors shaping these trajectories. After reviewing existing knowledge about the role of time in organizational change, and *phase models of organizational change* (e.g., Stouten et al.,

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2018), they describe a series of possible trajectories in change recipients' responses to change. They first describe the *classic change curve*, characterized by initial positive (cognitive, emotional, behavioral) responses to change, which transition into negative responses as recipients realize the complexities, costs, and losses involved in the change, and then back to positive once recipients adapt to the new situation and come to appreciate the change's potential benefits and rewards. They then explain how characteristics of change recipients and of the change project, and actions on the part of those managing the change, can impact the change curve in ways that can deepen, attenuate, or even prevent altogether the dip in change response favorability.

The focus in Chapter 4, by Alannah Rafferty, Ashlea Troth, and Peter Jordan, is on recipients' emotional responses to change. The authors discuss the nature of such responses and the processes through which they develop. Time is highlighted in their discussions of how emotional responses diffuse in the organization and how they evolve over time. After describing the nature and structure of the emotional response to change, Rafferty, Troth, and Jordan describe the antecedents and consequences of these reactions. In the integrative framework developed, they address the roles of the change process, context, and content, along with that of cognitive appraisals in forming the emotional response to change, and the outcomes of this response as manifested in recipients' coping with the change and its longer-term consequences at the individual and team levels. They also discuss the moderating roles of change recipients' and leaders' emotional intelligence and of leaders' interpersonal emotion regulation strategies.

In Part III we include a set of chapters addressing specific types and contexts of organizational change. The section begins with Chapter 5, in which Joris van Ruysseveldt, Karen van Dam, Hans De Witte, and Irina Nikolova provide a long called-for investigation of the role that the *change content* has in determining the consequences of change. Specifically, they develop a classification of organizational change types on the basis of two dimensions. The first, which they describe as "qualitative," has to do with the degree to which the change involves innovation. The second, termed "quantitative," focuses on whether the change at hand involves growth or decline, in which case the authors distinguish between whether or not the change also involves restructuring. Using these dimensions and distinctions, they collected data from 1,010 Dutch private sector employees about their experiences of change in their organizations. A cluster analysis of these data pointed to six types of change: Expansion, Shrinkage, Lean

restructuring, Thriving, Innovative restructuring, and Innovation expansion. They then tested the effects of the six types on employees' emotional exhaustion, newly acquired KSAOs, workload, and learning opportunities. They found that *innovative restructuring*, which combines decline, restructuring, and innovation, yielded the highest levels of emotional exhaustion and only moderate levels of active learning. This is in contrast to the *thriving* type – combining product innovation and growth – which yielded the lowest levels of emotional exhaustion and high levels of active learning. The authors end the chapter with a discussion of their findings' theoretical implications and suggestions for future research.

Chapters 6–8 focus on specific types of organizational change. In Chapter 6, Katerina Gonzalez and Rouven Kanitz provide a review of research on employees' responses to technological change. They begin by conducting a review of the literature on technological change, which resulted in a list of sixty-seven empirical studies of employees' reactions to technological change. They then use two dimensions of change characteristics for distinguishing among four categories of technological change – *Broad and Radical*, *Broad and Incremental*, *Narrow and Radical*, *Narrow and Incremental* – providing examples of each category. The authors then adapt earlier frameworks about the antecedents and consequences of the reaction to organizational change (e.g., Oreg et al., 2011) to the specific context of technological change. Similar to the antecedents highlighted in Chapters 2 (Neves) and 4 (Rafferty et al.), Gonzalez and Kanitz refer to recipient characteristics and the internal context, adding attributes of the technology introduced as well as time-related attributes, such as the rate at which the technological change is introduced and changes in recipients' perceptions over time. They link these antecedents with change recipients' decisions to accept or resist the technology, and with the longer-term consequences of the change on recipients' personal and work-related outcomes.

The two following chapters of this part focus specifically on the context of organizational mergers and acquisitions (M&As). Chapter 7, by Anna Lupina-Wegener, Rolf van Dick, and Shuang Liang, looks at how organization members' identity changes following M&As. They focus on Chinese acquisitions and argue for their unique nature, given their cultural context. Specifically, they argue that the cultural collectivism and power distance that characterize China may predispose Chinese organization members to be more tolerant than their Western counterparts to the conflicts that typically emerge in M&As. In the framework they develop, the authors discuss how organizational leaders influence change recipients'

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sense of continuity and congruence between the pre-merger and post-merger condition, and the particularly strong impact they are likely to have in the Chinese context. They then demonstrate their framework through the case of EuroMall's acquisition by ChinaCorp.

In Chapter 8, the same team of scholars, together with Johannes Ullrich (Liang, Lupina-Wegener, Ullrich, and van Dick), describe three studies in which they investigate the processes through which Eastern and Western managers make sense of M&As. They begin in Study 1 with a set of online experiments for testing the effects of different motives for the M&A on participants' responses to ingroup and outgroup criticisms following the M&A. They found that participants were more sensitive to ingroup versus outgroup criticisms, regardless of the motive for the M&A. In Study 2 they used interviews with managers in a European company acquired by a multidivisional Chinese firm, to learn about how managers in the acquired firm construct their multiple identities following the M&A. They found that the initial response to the acquisition was that of ambivalence, which decreased over time, whereas collaboration and knowledge sharing with members of the Chinese firm increased. In Study 3, interviews with the Chinese managers of the acquiring company and analyses of archival data showed that an *agile organizational identity* helped members of the Chinese company cope with the challenges involved in the M&A.

Part IV includes two chapters about the development of change leadership. In Chapter 9, Johan Abildgaard, Karina Nielsen, and Esben Olsen focus on managers acting as change agents of the daily implementation of change processes, while simultaneously managing daily operations. This double role puts them under pressure, suggesting a need for tools and techniques to improve managers' change competencies. The authors address this issue by describing a case study of a four-day change management competency intervention. Intervention participants had to deal with change dilemmas related to different challenges: change phases, change resistance/readiness, and balancing change and stability. Intervention effectiveness was evaluated using interviews with managers participating in the training. Thereby, the authors analyze the key role of sensemaking processes to describe the complexity of change competency development.

In Chapter 10, Bradley Hastings, Dave Bouckenoghe, and Gavin Schwarz discuss *mindset activation* as a process through which change leaders can develop themselves and learn to switch between the different behaviors that are required for dealing with a variety of responsibilities presented when managing change. They begin by describing mindset theory and the notions of fixed and growth mindsets, and link these with



top-down and bottom-up change processes, respectively. In their *mindset activation theory*, they explain the roles of situational cues in driving mindsets and the roles of mindsets in driving desired top-down and bottom-up leader behaviors. The differences between top-down and bottom-up processes are highlighted using the dimensions of *goals, temporal frames, activities, and leaders' interactions with their followers*. By linking the four dimensions with the desired leader behaviors, the authors demonstrate the value of mindsets for leading change. Whereas fixed mindsets may be useful for promoting top-down behaviors, such as setting performance goals, a growth mindset may be more useful for promoting bottom-up behaviors, such as setting learning goals. Given the role of situational cues in driving mindsets, the authors propose that change leaders can activate the mindset most appropriate for the change activity with which they are currently dealing.

In Part V the focus shifts from the processes that help develop change leaders to those that change leaders engage in to effectively implement change. In Chapter 11, John Meyer and Leonid Beletski explore the concept of change commitment and leaders' role in developing it. They begin by defining the concepts of commitment and commitment to change, and the concepts of leadership and change leadership. They then review the literature on leadership and commitment to change and highlight the types of leader behaviors that have been most frequently and consistently linked with change commitment, the mechanisms that mediate the effects of these leader behaviors, and the conditions that moderate them. In line with the literature on leadership and change in general, the largest portion of studies linking leadership with commitment to change focused on transformational leaders. The authors also found that affective commitment to change is the most frequently studied type of change commitment. As their review demonstrates, using a variety of methodological approaches, studies find positive relationships between direct managers' transformational leadership behaviors and their followers' affective commitment to the organizational change. Among the mechanisms through which transformational leadership is said to achieve its effect is through the development of trust between leader and follower. In their suggestions for future research, Meyer and Beletski elaborate on several promising directions, including research that could determine the unique value of the different types of leader behaviors, more research on commitment dimensions beyond affective commitment, and research about the role of national culture in moderating the effects of leadership on change commitment.



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In Chapter 12, Steffen Giessner and Kate Horton focus on change leadership from a social identity perspective. Such an approach sheds light on why organization members resist or support change and on how managers may facilitate positive change behaviors. The authors begin by describing the types of leader behaviors that have been linked with followers' support for change, and the conditions that maximize the effect of these behaviors. They then describe social identity theory and its extensions, and develop a multi-identity pathway model, describing how leaders can support their subordinates during change. They discuss leaders' role in promoting perceptions of identity continuity and enhancing a sense of identity gain during the organizational change. They conclude by discussing the notion of *leadership in the plural*, concerning the combined influence of multiple leaders, and its role in the process of organization members' identity management.

The book ends with a commentary by Jean Bartunek, who integrates and critically discusses the book's chapters. Bartunek classifies the chapters into seven themes that offer a somewhat different classification than that offered in the book's current structure: types of organizational changes, the importance of change leaders, the development of change leaders, the importance of affective processes in change, the importance of sensemaking and cognitive processes in change, the importance of identity processes in change, and the importance of temporal processes in change. She then highlights the contributions of each chapter, draws links between them and other findings in the field, and points to directions for further extending them. Bartunek also compares and contrasts the chapters in this edition to those in the previous one, and summarizes the developments included in this edition. She concludes by proposing possible directions for management to follow given the insights provided in this volume, and several open questions to be addressed in future investigations.

As emphasized in each of the book's chapters, understanding the backdrop and causes of organizational change, as well as the alternatives available to us, is becoming increasingly important. As a field of practice and study, organizational change has arguably been rather static, with an imprinted but perhaps fictional and constructed divide between "us and them" as in the distinctions between "managers and employees" and "change agents and change resisters." Each member of the organization, across levels and hierarchies, can simultaneously initiate one change, support a second, and oppose/resist a third (often with good reason). This highlights the fact that change recipients can also be change initiators and agents, and vice versa. Hence, it is becoming increasingly important to

further enable a deeper and more complex understanding of the psychology of organizational change. This second edition of *The Psychology of Organizational Change* compiles a broad range of efforts to provide such deeper and more complex understandings of organization members' experience of, and response to change, as well as of the factors preceding and resulting from these experiences and responses.

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