

Approaches and models for change management

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Abstract

Change management is currently one of the most sought-after business management technologies. Often, change management is called the most difficult part of a managerial work, which requires great skill. This is particularly relevant in the context of modern business, when deep, almost constant changes are in principle considered a factor that is very important for a company to adapt to the changing demands of the market and the global economic situation. The purpose of the article is an analysis of approaches and models of change management. To achieve it a literature review was carried out. Article describes main differences between ADKAR, EASIER, Lewin's model of change and Nadkar twelve steps approach to name a few. Analysis led to the conclusion, that it is impossible to pick the best approach to change management. Each approach to change management draws attention to different aspects of this issue but at the same time they do not exclude but complement each other. Change management models focus, to a large extent, on the practical process of this management area.

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Introduction

Change management is currently one of the most sought-after business management technologies. Often, change management is called the most difficult part of a manager activity, which requires complex skills. This is particularly relevant in the context of modern business when deep, almost constant changes are in principle considered a factor that is very important for a company to adapt to the changing demands of the market and the global economic situation. Change management has evolved over the past several years with change management models, processes, and plans developed to help ease the impact change can have on organizations.

The article is an attempt to organize knowledge in the field of change management and presents the main models related to this issue. To achieve this goal, an analysis of the literature on the subject was made, focused on approaches and models, on the basis of which effective change management is carried out.

1. Change management – definition

There is a large body of literature from several disciplines about change management and what makes it succeed. It is a complex topic with many contradictions. Notable to organizational change theory are an institutional theory, neo-institutional theory, organizational ecology theory, evolution theory and political theory.

Even though the world has changed ever since Lewin has published the model in 1947, it is still extremely relevant and the foundation of several other new models (Newstrom & Davis, 1985). This three-step model was for many years the dominant framework (Todnem By, 2005). Ever since its formulation, the theory has been reviewed and adapted, with stages being divided to make more precise steps. For example, Bullock and Batten (1985) developed a four-stage model: exploration, planning, action, integration.

Building on the work of the early theorists, change has been consistently conceptualized in two basic ways. The first sees change as a rational, strategic process where the organization chooses a new course of action and adapts to change. The second approach views change as an evolutionary selection, where organizations typically resist the change happening around them (Flood & Fennell, 1995). This is parallel to earlier viewpoints – organizations adapt through strategic processes, or they fail to see the need for change and are replaced.

Wiggins (2008) cites flawed maps of change, complex problems, superficial solutions, misunderstanding resistance, and misuse of knowledge about change management process as the main challenges in the change management process. Change management cannot be an *ad hoc* performance but is a crucial skill for leaders and managers. It should be a structured process of managing people, processes and

technology in response to the changing environment, so as to align business strategies with external changes and keep competitive. Leaders should become role models and demonstrate what is expected from employees in relation to the change. This is consistent with social learning theory and the concept that people learn through observation of others. The move from resistance to acceptance goes through stages, and there should be the ongoing support that reflects those stages. The first reaction is commonly disbelief and a strong need for accurate information. Later people go through a number of emotions – anger, loss feelings, depression, for example, and they need a different kind of support. When they reach the change acceptance phase they need to find their own way of making the necessary changes, and they may need support while doing this. At all stages, there should be clear communication of the vision, the desired changes, and the advantages that the change will bring.

Anyieni, Bcom, and Campus (2013) further argues that change management means to plan, initiate, realize, control and stabilize change processes on both corporate and personal levels. Nickolas (2006) argues that the task of managing change includes its impact on people, and many managers find this difficult. Change may cover such diverse problems as strategic direction or personal development programmers for staff. Strategic, technological, and structural changes, as well as changes in attitudes and behaviors, are all aimed at competitiveness and viability.

Another key element is to have the suitable and updated technology, from the start of implementation, through monitoring during the process, and in the final evaluation. This is very expensive, and financial strength is essential (Senge, et al., 1999). However, technology can also reduce cost. Training in skills and professional development of the IT workforce is critical and it is an important driver of ERP (Enterprise Resource Planning). Technological change may be either incremental (gradual changes over time made for general improvement) or breakthrough (major change due to new advances), which applies new knowledge to existing problems. It is likely to lead to new jobs, and to old jobs being phased out. A business that does not keep up with technological advances will fail sooner or later.

Willingness to change means flexibility, but unforeseen events at any point in the business process make that difficult (Kotter, 1995). Good management of information flow will reduce, but not eliminate, unforeseen events. Kotter (1995) observes that other initiatives, such as total quality management, rightsizing, restructuring and cultural change are also forms of change management. Kotter (1995) produced an eight-step model:

- establishing a sense of urgency,
- creating a guiding coalition,
- developing a vision and strategy,
- communicating the change vision,
- empowering employees for broad-based action,
- generating short-term wins,
- consolidating gains and producing more change,

- anchoring new approaches in the culture.

Kanter, Stein, and Jick (1992) argue that the first step to implementing change is building coalitions of stakeholders, including employees and sponsors, such as local authorities whose support is essential. A leader has to be able to influence others, create a vision and then communicate, empower people, and build teams to make the vision happen.

Aladwani (2001) postulates that the tools of management of change are leadership, communication, training, planning, and incentive systems, which can all act as levers and can move great obstacles with a minimum of effort when applied correctly. Organizational change can occur at different levels which require different change strategies and techniques (Goodstein & Burke, 1991):

- changing the individuals who work in the organization,
- changing organisational structures and systems,
- directly changing the organizational climate.

Meyer and Rowan (1977) point out the need to sustain those parts of the business that are working well while making changes. Daily essential tasks must be maintained while addressing fundamental change. The changes within the company reflect changes in the wider social, economic, political and technological environment, and organizations need to respond to those changes. The necessary internal restructuring is likely to be strategic or “mould-breaking.” The mould that needs to be broken is the rigid, autocratic, bureaucratic approach to organization and management.

Burnes (2000) noted the importance of responding to change in consumer preferences, which may be simply due to fashion. Rumours can also make a disproportionate difference; if it is suggested that a product or type of product is harmful in any way, even if there is no basis in reality. A lot depends on customer belief, and no organization can succeed without customers. An in-depth knowledge of their behavior is vital if their wants and needs are to be satisfied. Specific markets or segments of markets need to be targeted in order to provide a focus for the marketing effort. In order to understand the behavior of consumers, one must understand who the customers are, what they buy, how they buy, and when they buy. Each customer market has particular features which can be identified through careful analysis.

There are concrete reasons for accelerated growth in the change management industry. Products, technology, or ideas that used to take years to design, develop, test, and deploy are now being squeezed down to months or even weeks. The evolving consumer expectations for better, faster, and cheaper products also drive the need to reorganize the work culture to meet demand. Books touting these concepts run from the obvious, such as *Change the Culture, Change the Game* by Connors and Smith (2011), to Deutschman’s (2007) dire call to action in *Change or Die*, Anderson and Anderson’s (2010) *Beyond Change Management*, and Conner’s (1993) *Managing at the Speed of Change*. In addition, models and certifications from The

Association of Change Management Professionals have come to life in support of this growing industry.

2. Change management approaches

Central to the concept of change management is the idea that all changes in the organization affect not only the basic and auxiliary processes, but also the staff. The concept suggests that it is possible to create a reproducible model of successful change and that there are specific processes and tools that allow you to implement change effectively.

With effective change management, a high-tech enterprise can gain the following competitive advantages:

1. Creating a unified organizational approach to change, implying the establishment of all processes, the use of necessary tools, the formation of a unified system of goals.
2. Reducing resistance to change, which results in avoiding a drop in productivity and the occurrence of conflicts.
3. Consistency and sustainability of changes, accelerated learning, the ability to continuously improve the processes of introducing changes and developing an organizational development strategy.

At high-tech enterprises, creating a model of successful changes, implying specific processes and tools that allow you to implement changes effectively, depends on the direction of activity, strategy, methods of doing business and can include various approaches and models of change management, the classification of which is quite extensive.

By the type of change, there are two radically opposite approaches to management: revolutionary and evolutionary.

The first – a revolutionary approach – provides for a fundamental change in processes, calling into question the established methods and foundations, thereby achieving the optimum state of affairs. This approach is also called reengineering. The focus of the approach is determined by the radical growth of indicators, and its application is peculiar only in situations whose solution requires extreme methods.

The second approach – an evolutionary – includes changes which occur within the organizational development. The approach is based on systemic improvement aimed at increasing the efficiency of the company by changing the established norms and values. The implementation of evolutionary development is based on the modification of the structures and processes underlying the activities of the organization.

Change management can also be classified according to the direction of change.

There are the following approaches:

- “Theory O.” From the point of view of theory, an organization is an evolving learning system. Changes are aimed at developing organizational competencies and abilities. The approach focuses on the behavioral aspects of the organization and is focused on bottom-up changes. The application of this theory is most likely in the absence of urgent problems requiring immediate action.
- “Theory E.” The approach involves changes affecting the structure of the organization, the main focus of which provides economic performance. The main aspect of the theory is the implementation of leadership from top to bottom, which allows you to focus on elements that are able to focus on the rapid achievement of effect. Application due to cases where the decision must be taken immediately.

Classification of change management approaches can be based on the principle of temporal changes. From this point of view, approaches are considered: “changes as a project” and “changes as a constant part of the component”.

One approach regards change as a project. In this case, the changes are assumed to be a one-time action with a clearly defined start and end dates of the project, with a clear and transparent result. The approach is used when significant changes in the company’s strategy are necessary, as well as the restructuring of the business model caused by mergers or acquisitions. The advantage of the project is its concreteness, focusing on important management tasks. The disadvantages of the approach include the risk of a gap between the objectives of the implementation of the strategy and the objectives of the project for managing change, and the likelihood that after the end of the project the company may not be ready for further transformations and an evolutionary continuation of development: to do this, it is necessary to launch a new project.

The second approach to change management is that the company and its employees develop the ability and willingness to change. This work is carried out continuously, without time limits and regardless of specific projects. This process is aimed at the long-term development of the company and is not a solution to any specific problems, but rather an investment in the development of human resources. The main risk in this case is the loss of connection with specific business problems, when abilities develop, and changes do not occur.

In addition to the above, approaches to change management can be viewed through the prism of managing the development of an organization.

It is necessary to distinguish between approaches to development management in those settings that determine the nature of planning, organization, management and control.

There are the following signs of distinguishing approaches to development management:

- The subject of development management. On this basis, it is established who is the subject of the organization. On the basis of the definition, two approaches to management are distinguished: administrative, that is, decisions are made only by management, or participatory, and the labor collective is involved in making decisions.
- Orientation management. The sign allows determining the focus of the management of the organization. Process-oriented management sets as its goal the development of innovations, without imagining what, there will be improvements after implementation. Target management believes that you first need to determine the desired result, and then develop an innovation that allows you to get it.
- Integrated management. Allocate autonomous control, the purpose of which is the development of various innovations occurs independently and system management, when innovation is part of the implementation of a complex project.
- Type of management response to changes requiring solutions. The reactive control allows you to react to irreversible changes that have already occurred.
- The opposite is the advanced management, which allows developing an action plan for future changes, forecasted. In addition to the approaches to change management in high-tech enterprises, it is advisable to use different models.

3. Change management models

One of the dominant perspectives within “planned approaches” to change is a Lewin’s (1951) model of change, which argues that change involves a three-stage process:

- unfreezing current behavior,
- moving to the new behavior,
- refreezing the new behavior.

Unfreezing means that old ideas and practices need to be cast aside so that new ideas can be learned. It basically means to have an open mind and flexibility to accept new changes. It’s getting rid of old practices and accepting new challenges. It’s basically breaking the current comfort zone and getting ready for a change. So a manager must help employees clear their minds of old roles and old procedures. Only then they will be able to embrace new ideas. The Unfreezing stage is probably one of the more important stages to understand in the world of change we live in today.

Moving to the new behavior (changing) is a step in which new ideas and practices are learnt. This process involves helping an employee think reason and perform in a variety of new ways. It can be a time of confusion, disorientation, overload and despair. Patience is very important at this point. There should be hope, discovery and excitement to overcome to overcome all chaos and enter a new mode of development.

Refreezing means that what has been learned is integrated into actual practice. The new practices become emotionally embraced and incorporated into the employee's routine behavior. Successful on-the-job practice they must be the ultimate goal of the refreezing step. In this step, the emphasis is on stabilizing the work process after rapid change transition (Lewin, Internet resource).

It is this concept that is fundamental to change management and to form a basic understanding of the process of change.

Nadler (1997), has developed a management framework of twelve action steps which is helpful for managers and executives to apply at every level of hierarchy during the change process. This is immensely helpful for leading and managing change at every corner of the organization. The twelve action steps are as follows:

- get the support of key power groups,
- get leaders to model change behavior,
- use symbols and language,
- define areas of stability,
- surface dissatisfaction with the present conditions,
- promote participation in change,
- reward behaviors that support change,
- disengage from the old,
- develop and clearly communicate an image of the future,
- use multiple leverage points,
- develop transition management arrangements,
- create feedback.

Kanter et al. (1992) have done a wonderful research on organization change and proposed *Ten Commandments* on how to plan a change process, which are:

- analyze the need for change,
- create a shared vision,
- separate from past,
- create a sense of urgency,
- support a strong leadership role,
- line up political sponsorship,
- craft an implementation plan,
- develop enabling structures,
- communicate and involve people,
- reinforce and institutionalize change.

Kotter (1995) has designed an extremely helpful model (*Eight-Step Change Model*) to understand and manage change. Each step in the model is characterized by the key principle, in which people see, feel and then change. Kotler (1995) explained them as principles of response and approach to change. These are explained descriptively in his highly appreciated book *Leading Change*. Kotter's Eight-Step Change model is considered one of the world's best change management models. It has simplified the change process immensely and concluded that every successful change effort is messy and full of surprises. Managers have to view the change process in a see-feel view where major problems in the process are highlighted and thereby easily solved.

Ghoshal and Barlett (1996) argue for the importance of sequencing and implementation of activities in a change process. The interrelated change phases are (Ghoshal and Barlett's Model):

- Rationalization: Streamlining company operations.
- Revitalization: Leveraging resources and linking opportunities across the whole organization.
- Regeneration: Managing business unit operations and tensions, while at the same time collaborating elsewhere in the organization to achieve performance.

They claim that while change is often presented as difficult and messy, there is nothing mystical about the process of achieving change with effective strategies following the rationalization, revitalization and regeneration sequential process (Aswathappa & Reddy, 2009).

Pendlebury, Grouard, and Meston (1998) have presented the *Ten Key Factors Model* which can be adapted to any particular change situation. All these keys may be needed to be implemented either simultaneously or separately based on the change process. The ten keys are as follows:

- define the vision,
- mobilize,
- catalyze,
- steer,
- deliver,
- obtain participation,
- handle emotions,
- handle power,
- train and coach,
- actively communicate

Model of changes - *Force field* - is based on the analysis of factors (forces) that may contribute to changes or, on the contrary, inhibit them. It is assumed that under any conditions there are two groups of forces: driving and restraining, and these forces are possible both inside the organization, for example, in the behavior of people, in resources, and outside it - in the processes that occur in the country. The structure of the model is shown in Figure 1.

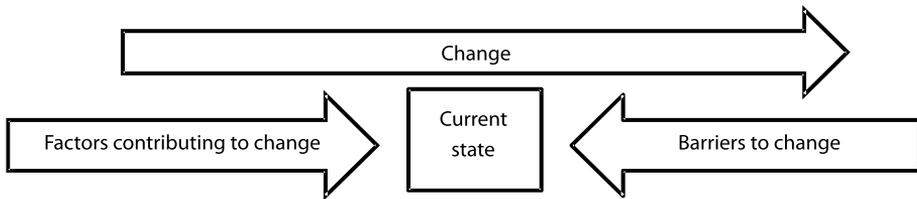


Figure 1. *The force field change management model.*

Source: own drawing

Huy (2001) categorizes change into four ideal types:

- **Commanding:** Commanding change intervention is one where the time period is short term, abrupt and rapid. Change is usually implemented by senior managers who demand compliance from organizational members. Changes may well include downsizing, outsourcing and divestments.
- **Engineering:** This model is oriented toward a medium – term, relatively fast change perspective and often assisted by work design analysts who assist in changing work and operational systems. The change agent act as a catalyst in this process.
- **Teaching:** This model takes a more gradual, long-term organizational change perspective. Assisted by outside process consultants, staffs and taught how to probe their work practices and behaviors to reveal new ways of working.
- **Socializing:** This intervention is also gradual and long-term. It sees change as developing through participative experimental learning based on self-monitored democratic organizational processes.

Each ideal type has its limitations. The commanding approach may lead to resentment and rarely produces lasting behavioral change. The teaching approach is very individualistic and may not be aligned with corporate strategic objectives.

Another model – ADKAR – is a practically oriented model of change, consisting of five consecutive steps:

- **Awareness of the need for change.** The reasons for the change are described at this stage.
- **Desire and willingness to change.** At the stage, a decision is made to support these or other changes, which are achieved only if they are understood as necessary.
- **Knowledge of how to change.** At this stage, knowledge is formed about how exactly it is necessary and should be changed, and also contains the knowledge and skills necessary for changes.
- **Ability to implement change.** The stage involves the demonstration of the applicability and attractiveness of changes, as well as the identification of barriers that may prevent change.

- Providing support for change. Here, special attention is paid to efforts to support change. Their stabilization and adoption are achieved through feedback, reward, performance evaluation and corrective action.

High-tech enterprises introducing changes in the production process must go through all phases of changes in order for the ADKAR model to be effective (Figure 2).

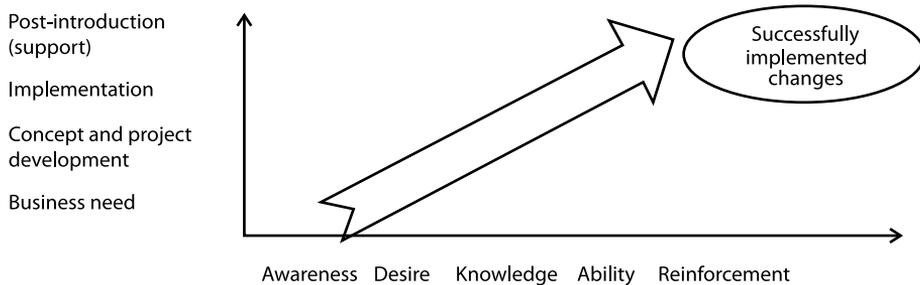


Figure 2. *Model ADKAR.*

Source: based on Hiatt, 2006, pp. 43–62.

The EASIER model is a change management model. This model is used to analyze the strategy, it is applicable in a situation of any complexity associated with the changes and is shown in Figure 3.

The model includes six elements. The elements of EAS (creation of vision, activation, support) are more behavioral, and the rest – IER (implementation, provision, recognition) are related to issues of the system and processes (Hussey, 2000).

With regard to high-tech enterprises, the elements of the EASIER model imply the following:

- Creating a vision – an understanding that changes resulting from project implementation will provide competitive advantages in the industry.
- Activation – the creation of a project team of employees convinced of the need for implementations, the creation of cooperation for the development of the project.
- Support – finding and convincing investors of the need to invest in the project.
- Implementation – writing R&D on the subject of the project, the creation of prototypes.
- Providing – carrying out monitoring of activity, drawing up reports on the performed works.
- Approval, recognition.
- Project implementation.

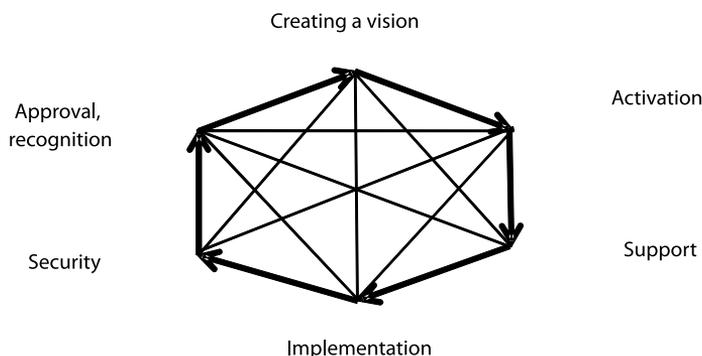


Figure 3. *Model EASIER.*

Source: based on Hussey, 2000, p. 74.

Conclusions

It should be noticed that none of the approaches and models for a change management is the ideal one. The choice of a particular approach should be based on consideration of real conditions, as well as when integrating several models.

Thus, for the correct implementation of changes, it is necessary, first of all, to assess the specific situation and desired results, as well as learn how to correctly manage changes based on the approaches and models considered. A special role is given to the creation of high-tech enterprises engaged in the design, development and production of competitive products with a high degree of knowledge-intensiveness and novelty, and, as a result, ensuring the country's leading position in the world market.

All of the models listed have a unique approach to change management, emphasizing different aspects of the issue. Therefore, these models should be considered in terms of complementarity and not opposites. Due to its complexity, change management requires knowledge of different perspectives, models and approaches. The aim of the article was to confront these approaches, which allows to see both differences and similarities in the presented views.

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