NEAR EAST UNIVERSITY

FACULTY OF ECONOMICS AND ADMINISTRATIVE SCIENCES

DEPARTMENT OF BUSINESS ADMINISTRATIVE

MAN 400

GRADUATION PROJECT PROPOSAL

"THE FACTORS AFFECTING THE LEVEL OF INDIVIDUAL RESISTANCE TO CHANGE WHILE APPLYING A NEW MIS"

SUBMITTED BY: OYTUN DEMİR (2001404)

SUBMITTED TO: TAHİR YEŞİLADA

JULY 2005

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF FIGURES

ABSTRACT

This paper is a proposal for the graduation project (MAN400), BA in Business Administration Degree.

We are facing a time of "information revolution". Experts agree that more than half new jobs require some form of technology literacy. Human beings are certainly familiar with the change, and often prove them quite adoptive to it. Why, then, do they often resist change in their work environment. This question has troubled managers since the beginning of the industrial revolution. The faster pace of change required by the electronic age. In order to maintain existence, companies must adapt to the technology, and apply technological developments.

This paper intends to study on managing the change and overcoming the resistance while developing and applying a new Management Information System (MIS) program in the organization.

KEY WORDS: Management Information System (MIS), Managing Change in Organization, Resistance to Change

ACKNOWLEDGMENT

I would like to thank to my supervisor Tahir Yeşilada and Dr. Ahmet Ertugan to his invaluable advice, helps and support and I would like to thank to all my lecturers in the Near East University, Business Administration Department for their support.

Finally I would like to thank to Lale Taluy, she had been such an inspiration, my mother, my family and also my friends for their support and who have always giving me advice and support to study and complete this research project.

SECTION 1

1. SETTING THE SCENE

1.1 Introduction

This section includes a brief explanation of the broad problem area of the study, what the actual problem is to be studied and some research questions that will be answered at the end of the study.

1.2 Broad Problem Area

We are facing a time of "information revolution". Experts agree that more than half new jobs require some form of technology literacy. Human beings are certainly familiar with the change, and often prove them quite adoptive to it. Why, then, do they often resist change in their work environment. This question has troubled managers since the beginning of the industrial revolution. The faster pace of change required by the electronic age. In order to maintain existence, companies must adapt to the technology, and apply technological developments, learn to manage the change and overcome the resistance while developing and applying a new MIS program in the organization.

1.3 Problem Definition

Organizations need to follow technological improvements and adapt to those in order to exist. This study intends to explore the factors that are affecting individuals' level of resistance to change while applying a new MIS.

1.4 Purpose

The purpose of this study is to analyze the factors affecting the level of resistance in the process of applying a new IS.

1.5 Questions for the Project

- What is Management Information Systems (MIS)?

- What is 'change'?

- What is organizational change?

- What is resistance to chance?

- How to overcome resistance to change while developing a new MIS program?

- What are the factors that cause employees to resist to new IS?

1.6 Conclusion

This section has reported on the brief literature survey carried out the main variables affecting the problem defined are what factors are greatest influence the level of resistance in the process of applying a new IS.

3

SECTION 2

2 LITERATURE REVIEW

2.1 Literature Review:" Managing Change While Developing and Applying a New MIS Program"

2.1.1 Definition of Management Information Systems

It is basically defined as an information system that integrates data from all the departments it serves and provides operations and management with the information they require. MIS refers broadly to a computer-based system that provides managers with the tools for organizing, evaluating and efficiently running their departments. In order to provide past, present and prediction information, an MIS can include software that helps in decision making, data resources such as database, the hardware resources of a system, decision support systems decision support system, people management and project management application, and any computerized processes that enable the department to run efficiently.

Within companies and large organizations, the department responsible for computer systems is sometimes called the MIS department. Other names for MIS include *IS (Information Services), IT (Information Technology) and Information Processing Unit.*

Management Information is important to:

- Make decisions necessary to improve management of facilities and services; and

- Implement participatory planning, implementation, monitoring and evaluation.

To be able to use information to make management decisions, the information should be managed (collected, stored and analyzed). Whereas information management (the process of collecting and storing information) and management information (the information needed to make informed decisions) are different; they always reinforce each other and cannot be separated in day to day operations.

Management information therefore involves:

- determining information needed;

- collecting and analyzing information;

- storing and retrieving it when needed;

- using it; and

- disseminating it.

Determining Information Needed for Management: During project planning, management and monitoring, much information is generated. Some is needed for making management decisions on spot; other for later management decisions.

A good management information system should therefore assist the project managers to know the information they need to collect, for different management decisions at different times.

Collecting and Analyzing Information for Information Management: Information can be got from reports of technical people, forms filled by the different actors, community meetings, interviews, and observations.

Storing Information: It is important to store information for further references. Information can be stored in the village book, project reports, and forms and in the mind. The major principle in information storage is the ease in which it can be retrieved.

Using Information: Information can be used for solving community problems, determining resources (amount and nature), soliciting for their support and determining future projects.

Dissemination or Flow of Information: For information to be adequately used it needs to be shared with other stake holders or users. The other stake holders can also use this information for their management decisions and they can help the one collecting information to draw meaning and use out of it for management purposes
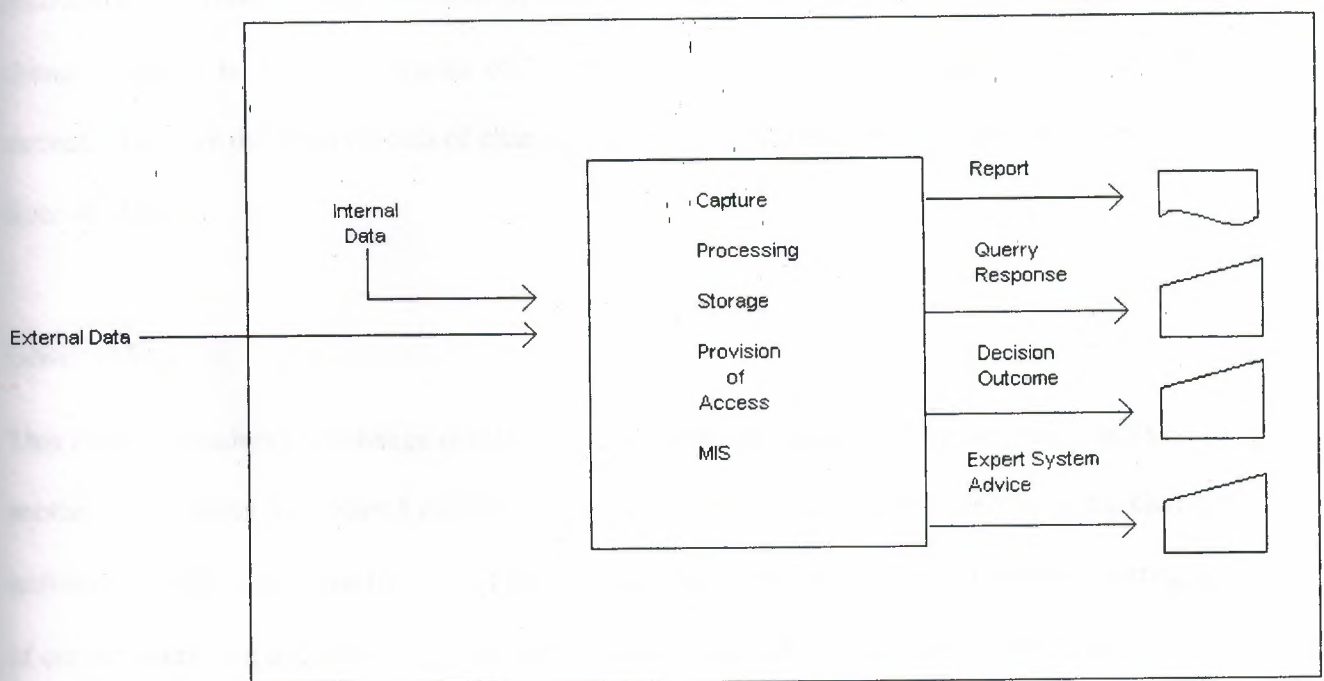
```
                                                        Report
                                      ┌──────────────┐             ┌────────┐
              Internal                │ ·Capture     │ ───────────▶│        │
              Data                    │              │             └────────┘
                                      │ Processing   │   Querry
                         ────────▶    │              │   Response
                                      │ Storage      │             ┌────────┐
External Data ──────────────────────▶ │              │ ───────────▶│        │
                                      │ Provision    │             └────────┘
                                      │    of        │   Decision
                                      │ Access       │   Outcome
                                      │              │             ┌────────┐
                                      │ MIS          │ ───────────▶│        │
                                      │              │             └────────┘
                                      └──────────────┘   Expert System
                                                         Advice
                                                                   ┌────────┐
                                                       ───────────▶│        │
                                                                   └────────┘
```

Figure An Information Processing View of MIS

Source: Management Information Systems, Zwass, 1992, p:14

In the figure, MIS is shown simply as the nexus of a general set of capabilities: capture of data, various forms of processing to transform data into information, long-term storage of data, and provision of access to information.

2.1.2 Definition of Change

It is basically defined as moving one condition to another, means to alter, vary, or modify conventional ways of thinking or behaving. You can not avoid change, it is inescapable, good and natural but it upsets employees. Nothing has greater potential to cause failures, loss of production, or falling quality. Yet nothing is as important to the survival of your organization as change. History is full of examples of organizations that failed to change and that are now extinct. There are different models of change. But three contrasting methods are from Lewin and Beer and Shaw.

Lewin's Model

This model considers that change involves a move from one static state via a state of activity to another static status quo. Kurt Lewin s model consist of 3 basic stages while managing change: unfreezing, changing and re-freezing. The first step, "unfreeze" involves the process of letting go of certain restricting attitudes during the initial stages of an outdoor education experience.

The second step, "change" involves alteration of self-conceptions and ways of thinking during the experience.

The third step, "refreeze" involves solidifying or crystallizing the changes into a new, permanent form for the individual, a process which takes place towards the end of an outdoor education program.

7

Lewin's Three-Step Change Model

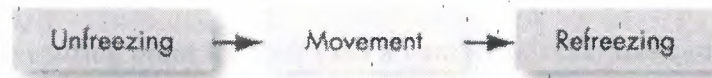Unfreezing → Movement → Refreezing

Figure 2.2 Kurt Lewin's Model for Change

Source: www.xmbatu.com/upload/NewConclusion_Chapter%2019.doc, Page: 7

Beer's Model

Beer realized that change is more complex and therefore requires a more complex, albeit still uniform set of responses to ensure its effectiveness. They prescribe a six-step process to achieve effective change. Beer concentrate on 'task alignment', whereby employees' roles, responsibilities and relationships are seen as key to bring about situations that enforce changed ways of thinking, attitudes and behaving. Their stages are:

- Mobilize commitment to change through joint diagnosis.

- Develop a shared vision of how to organize.

- Foster consensus, competence and commitment to shared vision.

- Spread the word about the change.

- Institutionalize the change through formal policies.

- Monitor and adjust as needed.

Shaw's Model

This model looks at change from a different perspective. Change is seen as both complex and also evolutionary. The starting point for their (and a number of other more recent models) model is that the environment of an organization is not in equilibrium. As such the change mechanisms within organizations tend to be 'messy' and to a certain extent operate in reverse to the way outlined by Lewin. It is not appropriate to consider the status quo as an appropriate starting point, given that organizations are not static entities. Rather the forces for change are already inherent in the system and emerge as the system adapts to its environment.

Such different models will have implications on the way organizations and their leaders view change, the way they manage change and the effectiveness of any change initiative.

2.1.3 Definition of Organizational Change

One meaning of "managing change" refers to the making of changes in a planned and managed or systematic fashion (Bruner, 2003). Typically, the concept of organizational change is in regard to organization-wide change, as opposed to smaller changes such as adding a new person, modifying a program, etc. Examples of organization-wide change might include a change in mission, restructuring operations (e.g., restructuring to self-managed teams, layoffs, etc.), new technologies, mergers, major collaborations, "rightsizing", new programs such as Total Quality Management, re-engineering, etc. Some experts refer to organizational transformation. Often this term designates a fundamental and radical reorientation in the way the organization operates. There are lots of causes for change. These include:

9

- challenges of growth, especially global markets

- changes in strategy

- technological changes

- competitive pressures

- customer pressure, particularly shifting markets

- to learn new organization behavior and skills

- government legislation/initiatives.

Researches show that companies undergoing major changes in every three years and minor changes continually.

Change should not be done for the sake of change -- it's a strategy to accomplish some overall goal. Usually organizational change is provoked by some major outside driving force, e.g., substantial cuts in funding, address major new markets/clients, need for dramatic increases in productivity/services, etc. Typically, organizations must undertake organization-wide change to evolve to a different level in their life cycle, e.g., going from a highly reactive, entrepreneurial organization to more stable and planned development. Transition to a new chief executive can provoke organization-wide change when his or her new and unique personality pervades the entire organization.

Typically there are strong resistances to change. People are afraid of the unknown. Many people think things are already just fine and don't understand the need for change. Many are inherently cynical about change, particularly from reading about the notion of "change" as if it's a mantra.

Many doubt there are effective means to accomplish major organizational change. Often there are conflicting goals in the organization, e.g., to increase resources to accomplish the change yet concurrently cut costs to remain viable. Organization-wide change often goes against the very values held dear by members in the organization, that is, the change may go against how members believe things should be done. That's why much of organizational-change literature discusses needed changes in the culture of the organization, including changes in members' values and beliefs and in the way they enact these values and beliefs. Successful change must involve top management, including the board and chief executive. Usually there's a champion who initially instigates the change by being visionary, persuasive and consistent. A change agent role is usually responsible to translate the vision to a realistic plan and carry out the plan. Change is usually best carried out as a team-wide effort. Communications about the change should be frequent and with all organization members. To sustain change, the structures of the organization itself should be modified, including strategic plans, policies and procedures. This change in the structures of the organization typically involves an unfreezing, change and re-freezing process.

The best approach to address resistances is through increased and sustained communications and education. For example, the leader should meet with all managers and staff to explain reasons for the change, how it generally will be carried out and where others can go for additional information. A plan should be developed and communicated. Plans do change. That's fine, but communicate that the plan has changed and why. Forums should be held for organization members to express their ideas for the plan. They should be able to express their concerns and frustrations as well.

"Organizational change is any alteration of activities in an organization...[that] may be the result

of changes in the structure of the organization, transfer of tasks, new product introduction, or changes in attitude of group members or process, or any number of events inside and outside of an organization" (Carson, 1998, p. 1). There are external and internal forces of change for every organization.

External Forces

The external forces of change can be "technological breakthroughs that either enhance or destroy the competence of firms in an industry" (Carson, 1998, p.) In other words, advancements in technology can either help an organization progress or can leave them lagging behind the competition that has been able to learn and utilize newer technologies to their benefit. "New and innovative technologies, along with process improvements, add value to organizations... [and] introduce change"(Puccinelli, 1998, p.1). Economic factors such as "interest rates and inflation" can wreak havoc on organizations despite their own internal "economic systems" (Carson, 1998, p.1). Organizations must also be aware of "legal-political element[s] that develop under the "legal and governmental systems within which an organization must function"(Carson, 1998, p.1). For instance, many companies must shift their attitudes or change their products as society pressures political systems to change with their new attitudes. The lawsuits against tobacco companies are a perfect example of organizational change forced by litigation and politics. Furthermore, organizations must be prepared to face "socio-cultural element[s]"(Carson, 1998, p.1) that will influence who works for them and who buys their products as America becomes more culturally diverse and the members of the job market shift. All of these factors bring shifts in "norms, values, beliefs and behaviors" with which every organization must cope (Carson, 1998, p.2). And lastly, organizations must cope with the "international element" of change that results from

12

"developments in countries outside the firm's home country that may potentially affect the organization"(Carson, 1998, p.2).

Internal Forces

"Organizational culture is the general conditions within organizations, and consists of shared values, norms, beliefs, and assumptions that unite members of an organization"(Carson, 1998, p.8). Most change in an organization takes place within the organization's culture and "managers must recognize that external and internal forces can be highly interrelated"(Carson, 1998, p.8). Carson (1998) suggests that managers cannot allow strong internal cultural beliefs to blind them from potentially important external forces and that they must be able to operate outside the cultural norm of their organization in times of change. Both external and internal forces of changes must be assessed, monitored, and evaluated to "avoid or reduce the impact...of threats..."(Carson, 1998, p. 4) and to determine the "strengths and weaknesses"(Carson, 1998, p. 8) of an organization as they encounter and deal with change.

Three Types of Change

According to Carson (1998), there are three kinds of change. First, "adaptive change involves reimplementation of a change in the same organizational unit at a later time or imitation of a similar change in a different unit...and is not considered particularly threatening"(Carson, 1998, p. 9). Second, "innovative change involves changes that are generally unfamiliar, and as such, create greater uncertainty and fear in organizations"(Carson, 1998, p.9). And, last, "radically innovative change is the most intimidating type of change and as such is the most resisted type of

13

change in organizations"(Carson, 1998, p.9). Dauphinais and Price (1998) suggest that when introducing radical change to an organization, the "business strategy typically work[s] on a one-to-three year cycle, but changing corporate values, and culture may take between five and 15 years." This supports the "critical principle of change management: Organizations don't change; people do"(Marshall and Conner, 1996, p.1). Organizations must realize that in order to implement change they must consider the change from the viewpoint of those who are affected by the change.

2.2.4 Definition of Resistance to Change

Most people don't like change because they don't like being changed. When change comes into view, fear and resistance to change follow - often despite its obvious benefits. People fight against change because they:

- fear to lose something they value, or

- don't understand the change and its implications, or

- don't think that the change makes sense, or

- find it difficult to cope with either the level or pace of the change.(Phil Baguley, 2001)

Resistance emerges when there s a threat to something the individual values. The threat may be real or it may be just a perception. It may arise from a genuine understanding of the change or from misunderstanding, or even almost total ignorance about it.

Resistance to change is the action taken by individuals and groups when they perceive that a

14

change that is occurring as a threat to them. Key words here are 'perceive' and 'threat'. The threat need not be real or large for resistance to occur.

In its usual description it refers to change within organizations, although it also is found elsewhere in other forms. Resistance is the equivalent of objections in sales and disagreement in general discussions.

Resistance may take many forms, including active or passive, overt or covert, individual or organized, aggressive or timid.

Resistance to change takes many forms. The more obvious forms consist of active resistance, where people will object, or refuse to cooperate with the change. Other, more subtle forms of resistance, however, are more difficult to deal with. Some examples of "resistive symptoms" include:

1. At a staff meeting everyone agrees to utilize a new procedure, but several weeks later you discover that the procedure has not been implemented.

2. New computers are introduced into the workplace. While all staff insisted that they have their own machines, virtually nobody is using them for the purpose for which they were intended.

3. A change in job responsibilities takes place for an employee. The employee consents to the change by saying: "You're the boss, and if that's what you want..." Later the employee only changes what he is doing enough to appear cooperative, but is in fact doing most things the way he was before the change.It is very important that the change manager anticipate, and plan strategies for dealing with resistance. This applies not only at the introduction of the change, but there must be follow-through, so that the change manager monitors the change over the long-

term, being alert for difficulties as the appear.

It is helpful to have an understanding of why people resist change, because understanding this allows us to plan strategies to reduce resistance from the beginning. Also, some of the reasons that people resist change do not seem to make sense to the casual observer. At times they can seem nonsensical and illogical. They are, nonetheless, important.

FORMS OF RESISTANCE: DELAY

Resistance to change comes in many forms and guises, but two particular methods stand out: delay and leakage of information.

The following entertaining excerpt from the "Yes Prime Minister" series introduces us to the first:

'We were indeed going to discuss Trident, Prime Minister, but I thought perhaps it might be wiser to leave it a little longer. Go into it thoroughly, give it closer scrutiny, think through the implications, produce some papers, have some inter-departmental discussions, make contingency plans. We are discussing the defence of the realm.'

I cannot believe that he still thinks these old devices will fool me. I challenged him and he protested innocence. 'No indeed, Prime Minister, but the Cabinet must have all the facts.'

I grinned, 'That's a novel idea.' He was not amused. 'Important

decisions take time, Prime Minister.'

I could see immediately what he was playing at: delaying tactics, the oldest trick in the book. The longer you leave things, the harder it is to get them off the ground.

(J. Lynn and A. Jay, 1984)

Delay, "the oldest trick in the book", may be as effective a method of resistance as outright opposition to the progress of reform proposals. While the reform team may recognise that its own priorities and sense of urgency are not shared by the bureaucracy, it also knows that delay breeds delay. The use of an armoury of reasonable measures is often orchestrated by the bureaucracy to impede a proposal until the moment for its introduction has passed forever.

Delay is a weapon which the civil service in Malta has not failed to use against reform initiatives. A case in point was the circulation of a survey on departmental information technology needs as part of a service-wide exercise.

Though the purpose and importance of this initiative was explained to top civil servants, and their cooperation sought, the civil service's reaction to it was defensive. Departments feared that the exercise would result in further centralisation of the procurement and use of information technology. By submission date-nine weeks after departments were briefed-less than ten per cent of the circulated surveys were returned.

Follow-ups and calls for meetings more often than not met an icy reception, or answers that further time was needed to study the situation, that a departmental committee was still looking into the matter, or that new information had come to

light.

In the end, it was decided to develop an autonomous picture of departmental needs. An exercise that should not have taken more than four months to complete lasted a whole year. The delaying tactics adopted by the civil service jeopardised the completion of this plan.

LEAKAGES

The second form of resistance is again aptly described by Sir Humphrey Appleby, Cabinet Secretary to the Prime Minister in the "Yes Prime Minister" series:

> If this [information relating to proposed health reforms] were to leak, shocking though such a leak might be, it could be a grave embarrassment to him [the Prime Minister]. (Lynn and Jay, 1984)

When faced with outright defeat, opposers to reform may 'leak' the government's programme to the public to create an environment hostile to the process of change.

In Britain, for example, a scrutiny of pensions and child benefit payments administered by the Department of Health and Social Security found that considerable savings could be made if such benefits were paid monthly rather than weekly and into bank accounts rather than through post offices.

These proposals meant that a confrontation could be expected with sub-postmasters, who would lose considerable income from the change in payment arrangements. The government was ready to make the changes, with Mrs

Thatcher stating that "political will was something this government did not lack".

But the wills of others soon came into play. The Department of Health and Social

Security, which opposed the project, leaked the plans to the media. The result was

a formidable outcry:

> ... the sub-postmasters marched on London, and deputed to the
>
> House of Commons. And in the general uproar which followed ...
>
> at one question time, the Prime Minister did in fact concede that
>
> benefits would continue to be paid weekly ... so the main plank of
>
> the scrutineers' report was actually lost.

All the plan's potential savings were lost to the opposition's argument that the

rural economy would be jeopardised and that rustic life would never be the same

again.

Types of resistance to change (from *Teachers and Technology*, published by the National School

Boards Association's Institute for the Transfer of Technology to Education)

- Positive Resister: agrees with new ideas and programs, but never moves to implement any

  changes

- Unique resister: believes each change is find for other areas but not for his or her "unique"

  situation

- Let-me-be-last resister: hopes new ideas and programs will die before his or her

  department must act on them

- We-need-more-time-to study resister: discovers that others find it hard to object to this

form of resistance

- State-rights resister: wants not part of programs initiated elsewhere (which may even mean rejection of whatever comes from outside his or her department or outside the school system; also known as the not-invented-here syndrome)

- Cost-justifier: want everything cost-justified before any change

- Incremental change resister: wants the new program, system, or machine as long as it just adds on to everything the old one had.

Resistance manifests itself in many ways. Maurer defines eight primary forms of resistance:

- Confusion (a fog that makes it hard for people to hear that change is going to happen)

- Immediate Criticism (before people hear the details they are against it)

- Denial (people refuse to see or accept that things are different)

- Malicious Compliance (they smile and seem to go along, only to discover later that they don't)

- Sabotage (actions taken to inhibit or kill the change)

- Easy Agreement (People agree without much resistance, but may not realize what they are agreeing to)

- Deflection (change the subject and maybe it'll go away)

- Silence (hard to deal with because of no input)

2.2.5 Individual Resistance

Why Do Employees Resist Change?

Surprise

- Unannounced significant changes threaten employees' sense of balance in the workplace.

Inertia

- Employees have a desire to maintain a safe, secure, and predictable status quo.

Misunderstanding and lack of skills

- Without introductory or remedial training, change may be perceived negatively.

Emotional Side Effects

- Forced acceptance of change can create a sense of powerlessness, anger, and passive resistance to change.

Lack of Trust

- Promises of improvement mean nothing if employees do not trust management.

Fear of Failure

- Employees are intimidated by change and doubt their abilities to meet new challenges.

Personality Conflicts

- Managers who are disliked by their managers are poor conduits for change.

Poor Timing

- Other events can conspire to create resentment about a particular change.

Lack of Tact

- No showing sensitivity to feelings can create resistance to change.

Threat to Job Status/Security

- Employees worry that any change may threaten their job or security.

Breakup of Work Group

- Changes can tear apart established on-the-job social relationships.

Competing Commitments

- Change can disrupt employees in their pursuit of other goals.

resistance is defined as an opposing or retarding force. Individual resistance to change at work stems from at least four different things.

Resistance to change comes from a fear of the unknown or an expectation of loss. The front-end of an individual's resistance to change is how they perceive the change. The back-end is how well they are equipped to deal with the change they expect.

An individual's degree of resistance to change is determined by whether they perceive the change as good or bad, and how severe they expect the impact of the change to be on them.

Their ultimate acceptance of the change is a function of how much resistance the person has and the quality of their coping skills and their support system.

Your job as a leader is to address their resistance from both ends to help the individual reduce it to a minimal, manageable level. Your job is not to bulldoze their resistance so you can move ahead.

If you move an employee's desk six inches, they may not notice or care. Yet if the reason you moved it those six inches was to fit in another worker in an adjacent desk, there may be high resistance to the change. It depends on whether the original employee feels the hiring of an additional employee is a threat to his job, or perceives the hiring as bringing in some needed assistance.

☐ A promotion is usually considered a good change. However an employee who doubts their ability to handle the new job may strongly resist the promotion. They will give you all kinds of reasons for not wanting the promotion, just not the real one.

☐ You might expect a higher-level employee to be less concerned about being laid off, because they have savings and investments to support them during a job search. However, the individual may feel they are over extended and that a job search will be long and complicated. Conversely, your concern for a low-income employee being laid off may be unfounded if they have stashed a nest egg in anticipation of the cut.

☐ Your best salesperson may balk at taking on new, high potential account because they

have an irrational feeling that they don't dress well enough.

If you try and bulldoze this resistance, you will fail. The employee whose desk you had to move will develop production problems. The top worker who keeps declining the promotion may quit rather than have to continue making up excuses for turning you down. And the top salesperson's sales may drop to the point that you stop considering them for the new account. Instead, you overcome the resistance by defining the change and by getting mutual understanding.

The following summarizes five reasons why individuals may exist to change;

Habit : As human beings, we're creatures of habit. Life is complex enough; we don't need to consider the full range of options for the hundereds of decisions we have to make every day. To cope with this complexicity, we all rely on habits or programmed responses. But when confronted with change, this tendency to respond in our accustomed ways becomes a source of resistance. So when you your department is moved to a new office building across town,it means you're likely to have to change many habits : waking up ten minutes earlier, taking a new set of streets to work, finfing a new parking place, adjusting to the new office layout, developing a new lunchtime routine, and so on.

Security : People with a high need for security are likely to resist change because it threatens their feeling of safety. When Sears announces it's laying off 50000 people or Ford introduces new robotic equipment, many employees at these firms may fear their jobs are in jeopardy.

Economic Factors : Another source of individual resistance is concern that changes will lower one's income. Changes in job tasks or established work routines also can arouse economic fears if people are concerned they won't be able to perform the new tasks or routines to their previous

standarts, especially when pay is closely tied to productivity.

Fear of the Unkown : Changes substitude ambiguity and uncertainty for the known. Regardless of how much you dislike attending collage, at least you know what is expected from you. But when you leave and venture out into the world of full-time employment, regardless of how much you want to get out of collage you have to trade the known for the unknown. If, for example, the introduction of TQM means production workers will have to learn statistical process control techniques, some may fear they'll be unable to do so. They may, therefore, develop a negative attitude toward TQM of behave dysfunctionally if required to use statistical techniques.

Selective Information Processing : Individuals shape their world through their perceptions. Once they have created this world, it resist to change. So individuals are guilty of selectively processing information in order to keep their perceptions intact. They hear what they want to hear. They ignore information that challanges the world they've created. To return to the production workers who are faced with the introduction of TQM, they may ignore the arguments their bosses make
in explaining why a knowledge of statistics is neccessary or the potential benefits the change will provide them.(Robbins 1996)

Sources of Individual Resistance to Change

Selective information processing

Habit

Individual resistance

Fear of the unknown
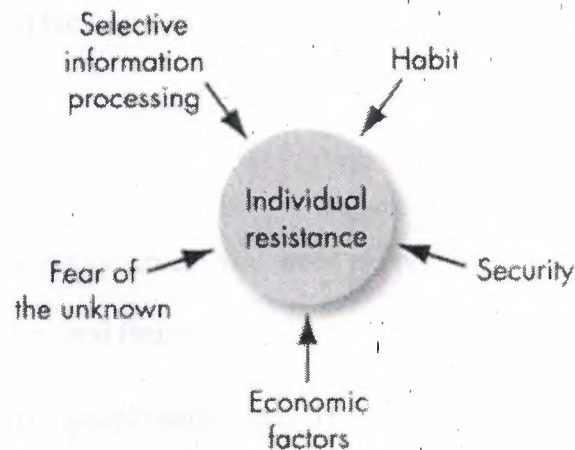
Security

Economic factors

Figure 2.3 Sources of Individual Resistance to Change

Source : www.xmbatu.com/upload/NewConclusion_Chapter%2019.doc, Page : 3

Defining Change

On the front end, you need to define the change for the employee in as much detail and as early as you can. Provide updates as things develop and become more clear. In the case of the desk that has to be moved, tell the employee what's going on. "We need to bring in more workers. Our sales have increased by 40% and we can't meet that demand, even with lots of overtime. To make room for them, we'll have to rearrange things a little." You could even ask the employees how

they think the space should be rearranged. You don't have to accept their suggestions, but it's a start toward understanding.

Definition is a two-way street. In addition to defining the problem, you need to get the employees to define the reasons behind their resistance.

Understanding

Understanding is also a two-way street. You want people to understand what is changing and why. You also need to understand their reluctance.

☐ You have to help your people understand. They want to know what the change will be and when it will happen, but they also want to know why. Why is it happening now? Why can't things stay like they have always been? Why is it happening to me?

☐ It is also important that they understand what is not changing. Not only does this give them one less thing to stress about, it also gives them an anchor, something to hold on to as they face the winds of uncertainty and change.

☐ You need to understand their specific fears. What are they concerned about? How strongly do they feel about it? Do they perceive it as a good or a bad thing?

Individual sources of resistance to change reside in basic human characteristics such as perceptions, peronalities, and needs.

Type 1 Resistance - Lack of Context and Direction

Type 1 Resistance stems from employees not understanding the business drivers, market place

and future vision of the organization. Too often this situation arises in organizations where internal communication operates on a non-strategic basis and is for the most part unplanned. Our experience and research suggests that when contextual and directional understanding is maximized resistance of this sort declines significantly.

Type 2 Resistance - Emotion

Emotional resistance stems from fear of the change being proposed or implemented. People fears are driven by their lack of understanding of multiple issues, including: not knowing how their job will be impacted, concerned that they will be laid off; worried about the loss of their work group through both layoffs and restructuring; new business processes that will be implemented and so forth. Helping people understand what is happening, when and how things will transpire and what plans are in place with respect to the change process itself and after the change is completed will do much to help overcome Emotional Resistance. You also need to understand that when dealing with emotional resistance, it is nearly impossible to address contextual and directional resistance.

Type 3 Resistance - Trust

Effective change relies heavily on the level of trust that exists between employees, their supervisors or managers and the organization itself. Where trust is low (based on a past change experience perhaps) resistance will be high. When trust is high, efforts to advance change become much easier.

Type 4 Resistance - Personality

We had not given much though to this type of resistance until a couple of years ago when we experienced something quite different from past experiences while working with a client. The resistance we experienced here took on the form of a very direct personality clash between the majority of the workforce and two key members of the senior management team. Essentially this clash meant that no one was interested in following the new direction set out by the executive simply because they did not like those responsible for leading the way. (Focus group participants suggested that the change being proposed was the right thing to do, but supporting it was out of the question because some members of the management team were not very well liked.) In reflecting on this, we realized that this type of resistance was quite common and needs to be monitored and addressed to keep the change on tract and sustainable.

2.1.6 Overcoming Resistance To Change

Six tactics have been suggested for use by change in dealing with resistance to change. (Stephen P. ROBBINS, 1996)

Education and communication: Resistance can be reduced through communicating with employees to help them see the logic of a change. This tactic basically assumes the source of resistance lies in misinformation or poor communication: If employees recieve the full facts and get any misunderstandings cleared up, resistance will subside. Communications can be achieved through one-on-one discussions, memos, group presentations, or reports. Does it work? It does, provided the source of resistance is inadequate communication and that management-employee relations are characterized by mutual trust and credibility. If these conditions don't exist, the change is unlikely to succeed.

Participation: It's difficult to resist a change decision in which they participated. Prior to making a change, those oppposed can be brought into the decision process. Assuming the participants have the expertise to make a meaningful contribution, their involvement can be reduce resistance,obtain commitment, and increase the quality of change decision. However, against these advantages are teh negatives; potential for a poor solution and great time consumption.

Facilitation and support: Change agents can offer a rane of supportive efforts to reduce resistance. When employees' fear and anxiety are high, employee counseling and therapy, new-skills training, or a short paid leave of absence may facilitate adjustment. The drawback of this tactic is that, as with the others, it is time consuming. Additionally, it's expensive, and its implementation offers no assurance of success.

Negotiation: Another way fir the change agent to deal with potential resistance to change is to exchange something of value for a lessening of the resistance. For instance, if the resistance is centered in a few powerful individuals, a specific reward package can be negotiated that will meet their individual needs. Negotiation as a tactic may be neccessary when resistance comes from a powerful source. Yet one cannot ignore it's potentially high costs. Additionally, there is the risk that, once a change agent negotiates with one party to avoid resistance, he or she is open the possibility of being blackmailled by other individuals in positions of power.

Manupulation and Cooptation: Manipulation refers to covert influence attemptes. Twisting and distotrting facts to make them appear more attractive, withholding undesirable information, and creating false rumors to get employees to accept a change are all examples

of manipulation. If corporate management threatens to close down a particular manifacturing plant if that plant's employees fail to accept an across-the-board pay cut, and if the threats is actually untrue, management is using manipulation.

Cooptation, however, is a form of both manipulartion and participation. It seeks to buy off the leaders of a resistance group by giving them a key role in the change decision. The leaders' advice is saught, not to seek a better decision, but to get their endorsement. Both manipulation and cooptation are relatively inexpensive and easy ways to gain the support of adversaries, but the tactisc can backfire if the targets become aware they are being tricked or used. Once discovered, the change agent's crediblity may drop to zero.

Coercion: Last on the list of tactics is cerccion, that is, tha application of direct threats or force on the resisters. If the corporate management mentioned in the previous discussion is really is determined to close a manufacturing plat if employees don't acquiesce to a pay cut, then coercion would be the label attached to its change tactic. Other examples of coercion are threats of transfer, loss of promotions, negative performance evaluations, and a poor letter recommendation. The advantages and drawbacks of coercion are approximately the same as those mentioned for manipulation and cooptation.

2.3 Conclusion

This section has reported on the brief literature survey carried out the main variables affecting the problem defined are what factors are greatest influence the level of resistance in the

process of applying a new IS.

SECTION 3

3. THE DESIGN

3.1 Introduction

This section explains the steps and methods that were used for the purpose of this study. It outlines the steps used in identfying the factors that affects individual resistance while applying a new MIS and overcoming this individual resistance.

3.2 Proposal Design

a) Literature survey on the definition of MIS, why change is necessary, identifying the reasons for individual resistance that occurs when a new MIS is applied and overcoming individual resistance.

b) The purpose of this study was to identify the factors affecting individual resistance to change while applying a new MIS and overcoming individual resistance to change.

c) This study was an exploratory study and it investigated the current situation as empirical investigation was not possible.

d) The study setting was non-contrived.

e) The time horizon for this study was cross-functional in type.

f) The unit analysis for this project was the individual.

SECTION 4

FINDINGS

We are living in the time of information. Developments in technology occurs continiously and people need to adapt themselves to these changes in order to not to fall behind those who can. On organizational basis, companies need to follow that technological developments and advancements and adapt themselves to these changes in order to maintain their existance. MIS is the short for *management information system* or *management information services*, MIS refers broadly to a computer-based system that provides managers with the tools for organizing, evaluating and efficiently running their departments. In order to provide past, present and prediction information, an MIS can include software that helps in decision making, data resources such as databases, the hardware resources of a system, decision support systems, people management and project management applications, and any computerized processes that enable the department to run efficiently.

Basically change means making thing differently, moving one condition to another. Change is unescapable and unavoidable. An organizational change means organization wide change. These changes can be major such as mergers or can be minor such as adding a new person to the company. Rallying cry among the manager's of today is "Change or die!". There are six specific factors that causes change. These are;

1. Changing Nature of the Workforce
2. Technology
3. Economic Shocks
4. Competition

5. Social Trends

6. World Politics

Technological improvements bring change with them and companies that are failed to apply these tecnological changes are bound to become history. Technological changes can be new mobile communication devices, a new information system or faster computers etc. Planned changes are change activities that are intentional and goal oriented. It's goals are seek to improve the ability of the organization to adapt to changes in its environment and seek to change employee behavior beacause the success or failure of the change is dependent on the individuals. Change is unavoidable and when it occurs resistnce to change is unescapable. The ressistance to change occurs in two ways;

1. Individual Resistance
2. Organizational Resistance

Individuals resist to change for five main reasons:

1. Habit : People are creatures of habits. They don't want their routine to be broken. Through this routines we have programmed responses. But when change occurs, this tendency, our automatic responses become our source of resistance.

2. Security : Change treaths security and individuals who has the higher needs for security tends to resist to the change.

3. Economic Factors : Changes bring new sandarts, expectations differ. If people are concerned that they won't be able to perform the new tasks or routines to their previous standards economic fears can arouse, especially when pay is closely tied to productivity.

4. Fear of the Unknown : Fear is an emotion a reaction to fight or flee. Fear of impending but unknown change will limit current performance and create future resistance to change. The

35

implementation of new technologies have demonstrated how some staff have 'fled' from the prospect of assimilating new skills.

5. Selective Information Processing : Individuals are guilty of selectively processing information in order to keep their perceptions intact. To return to the production workers who are faced with the introduction of quality management, they may ignore the arguments their managers make in explaining why a knowledge of statistics is necessary or the potential benefits the change will provide them.

To overcome these five reactions towards change analysis of the related literature about change management suggests six tactics;

Education and communication: Communicaton is the most powerful tool to show employees the logic and necessity of the change . This tactic basically assumes the source of

resistance lies in misinformation or poor communication: If employees recieve are educated and informed with the full facts and get any misunderstandings cleared up, resistance will subside.

Communications can be achieved through one-on-one discussions, memos, group presentations, or reports. To work this system employee relations must have been characterized by mutual trust and credibility. If these conditions don't exist, the change will fail.

Participation: Individuals feel relax when they participate the change, they feel llike they have a power on the change and the decision process. If they participate in the process in a positive way, their involvement can be reduce resistance, obtain commitment, and increase the quality of change decision. However, it has a great risk; potential for a poor solution and great time consumption. If an individual is at least allowed to participate and influence the change process, then some degree of ownership and control will be felt.
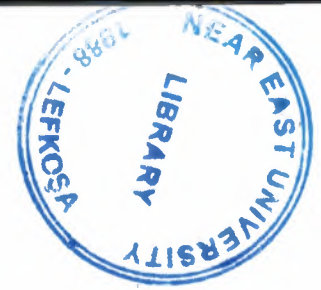
Facilitation and support: Change agents can offer support to reduce tha individual resistance, but it takes time,it is costly and it has no assurance of success. Change agents can offer employee counseling and therapy, training for new skills etc. to ease the fear and anxiety of the employees.

Negotiation: Another way for the change agent to deal with potential resistance to change is to exchange something of value for a lessening of the resistance. For instance, if the resistance is centered in a few powerful individuals, a specific reward package can be negotiated that will meet their individual needs. It may be a useful tactic when resistance comes from a powerful source. Yet one cannot ignore it's potentially high costs. Additionally, there is the risk that, once a change agent negotiates with one party to avoid resistance, he or she is open the possibility of being blackmailled by other individuals in positions of power.

Manipulation and Cooptation: Manipulation refers to covert influence attemptes. Twisting and distotrting facts to make them appear more attractive, withholding undesirable information, and creating false rumors to get employees to accept a change are all examples of manipulation.

Cooptation, however, is a form of both manipulartion and participation. It seeks to buy off the leaders of a resistance group by giving them a key role in the change decision. The leaders' advice is saught, not to seek a better decision, but to get their endorsement. Both manipulation and cooptation are relatively inexpensive and easy ways to gain the support of adversaries, but the tactisc can backfire if the targets become aware they are being tricked or used. Once discovered, the change agent's crediblity may drop to zero.

Coercion: Last on the list of tactics is coercion, that is, tha application of direct threats or force on the resisters. If the corporate management mentioned in the previous discussion is really is

determined to close a manufacturing plat if employees don't acquiesce to a pay cut, then

coercion would be the label attached to its change tactic. Other examples of coercion are

threats of transfer, loss of promotions, negative performance evaluations, and a poor letter

recommendation. The advantages and drawbacks of coercion are approximately the same as

those mentioned for manipulation and cooptation.

SECTION 5

RECOMMENDATIONS

Change is unavoidable and resistance to change is unescapable. Technology is one of the six factors that causes change. While applying a new MIS to the company we must know that whatever we do we can't completely ease the individual resistance to change, but we can lessen it. If the employees need support and it is not provided, the tecnical changes impant can be zero, or even it can be negative. Change must be planned to change employee bevaviour. Because an organization's success or failure depends on the things that employees do or fail to do.

There are 5 main reasons why individuals resist to change. First one is habit. People don't like their habits to be changed. They love their routines and when they feel their routines is going to change they tend to resist. Second one is security, people tend to resist when they perceive the change threaten their safety. Third one is economic factors, when new tecnology is acquired changes in work routines and job tasks occur. Individuals afraid of to fail to achieve this new standarts and when their pays are relatd with this standarts they resist to change. Fourth important factor is the fear of the unknown, when change occus the sittuation gets cloudy. When individuals can't see the future clearly they experience fear. When the new MIS program is applied, staff that doesn't have sufficient information what has to be done, or the requirements of the new system requires of them. They may not be able to use the new technology and adapt to this new technology. This doubts leads to fear for the unknown and makes people to resist. Fifth and the last factor that effects individual resistance to change is the selective information processing.

People understand what they want to understand. They look at the empty side of the glass. They consider what the new MIS program will take from them, not how they will benefit from it. They will selectively processing information to keep their perceptions intact.

The key word for lessening the individual resistance to change while applying a new MIS are communication and training. An effective communication with emloyees on what is forthcoming will ease their fears and doubts. An effective communication and training will clear the confusion and they will feel prepeared for the change and embrace it.

Participation, if an individual is at least allowed to participate and influence the change process, then some degree of degree of ownership and control will be felt. When individuals contribute to the change process in a positive way, their resistance tends to fall. They feel that they are a part of the change and show less resistance.

Change agents are an alternative idea for overcoming resistance to change. But it is costly and it has no guarantee of success.

Manipulation and Cooptation: Manipulation refers to covert influence attemptes. Twisting and distotrting facts to make them appear more attractive, withholding undesirable information, and creating false rumors to get employees to accept a change are all examples of manipulation.

Cooptation, however, is a form of both manipulartion and participation. It seeks to buy off the leaders of a resistance group by giving them a key role in the change decision. The

leaders' advice is saught, not to seek a better decision, but to get their endorsement. Both manipulation and cooptation are relatively inexpensive and easy ways to gain the support of adversaries, but the tactisc can backfire if the targets become aware they are being tricked or used. Once discovered, the change agent's crediblity may drop to zero.

Coercion: Last on the list of tactics is coercion, that is, tha application of direct threats or force on the resisters. If the corporate management mentiond in the previous discussion is really is determined to close a manufacturing plat if employees don't acquiesce to a pay cut, then coercion would be the label attached to its change tactic. Other examples of coercion are threats of transfer, loss of promotions, negative performance evaluations, and a poor letter recommendation. The advantages and drawbacks of coercion are approximately the same as those mentioned for manipulation and cooptation.

Ladership is also one another important variable in reducing the individual resistance. A new MIS brings new procedures amd working under different conditions. Effective leadership will reduce the confusion in employees, improve their level of confidence.

Technological innovations ocur continiously and MIS is one of them. A learning organization must be created to lower the resistance because a learning organization has the capacity to change and adapt.

Also cultural differences must be taken into consideration beacuse resistance to change influenced by the society's reliance on the tradition. In some cultures individuals take a proactive

41

view of change. In high power distance cultures the new MIS can be autocratically implemented. And in low power distance cultures it can be implemented differently.

REFERENCES

Bruner, R. F. (2003). *Good To Great* (1st). Boulder Colorado: Harper Business

Carson, Terry C. (1999, January). Organizational change and strategies for turbulent environments, [Internet]. *Journal of Modern Business.*

Puccinelli, Bob. (1998, September). Overcoming resistance to change. *Inform, 12(8),* 2 pages.

Dauphinais, G William & Colin Price. (1998, June). Radical change. *Across the Board, 35(6),* 2 pages.

Marshall, Jay & Daryl R. Conner. (1996, First Quarter). Another reason why companies resist change, [Internet]. *Strategy and Business Briefs,* 4 pages.

Phil Baguley, 2001. "Performance Management".

J. Lynn and A. Jay, *Yes Prime Minister* (London: BBC, 1984) p. 83

Stephen P. ROBBINS (1996), Organizational Behaviour, USA. Prentice Hall