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Research Question:

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What influence does the leader have on employees' organisational readiness for change?

Introduction

Change leadership is a critical management task (Graetz 2000) but change failure rates of up to 70% are consistently reported by authors (e.g., By 2005; Beer & Nohria 2001). Hughes (2011) identified a lack of empirical evidence for this figure, although executives surveyed by the Project Management Institute (2020) reported 21% of changes failed outright, and 44% failed to meet specific goals.

Employee resistance is a major reason changes fail (Mosadeghrad & Ansarian 2014) but is difficult to overcome (Bakari, Hunjra & Niazi 2017). Conversely, commitment to change corresponds positively to compliance with change requirements (Herscovitch & Meyer 2002) suggesting instead of focusing on resistance organisations could concentrate on creating positive change behaviour, including improving employee readiness for change (By 2020).

Authors cannot agree on a universal definition of readiness for change (Miake-Lye et al. 2020) but they do agree readiness addresses the organisation's capacity to meet the demands effective change requires (Stouten, Rousseau & de Cremer 2018) and focuses on establishing preconditions for successful change (Bagrationi & Thurner 2020).

Change readiness can be considered at the organisational, work group and individual levels (Rafferty, Jimmieson & Armenakis 2013). In this context group change is attained as an effect of collective outcomes of individual efforts (Schein 1996) so individual perception of readiness to change is critical (Vakola 2014). Individuals' perceptions and interpretation of change readiness will differ (Eby et al. 2000) which can be problematic for a change team leader. A key condition for effective team performance is a shared mindset (Haas & Mortensen 2016) so team members with disparate perceptions of change readiness could compromise outcomes (Weiner 2009). Shared mindset is comparable to the norming stage of team development which is a prerequisite to effective performance (Tuckman 1965) so it behoves a leader to identify strategies for influencing employees to have a shared perception of how ready they are to action the change, ergo achieving desired change outcomes through optimal team performance.

Change Readiness

Change Readiness is an ongoing state (Weiner et al. 2020; Vakola 2014) suggesting individuals' readiness perception is changeable. Individuals' commitment to change is highest when they value the change and *want* to commit, rather than feel they ought to (Herscovitch & Meyer 2002). Employees can be assisted to intensify their desire to want to change (Wirth 2004) and a leader is in a key position to influence this desire as the arbiter of team behaviour.

An individual's state of change readiness can be identified on the five stage Transtheoretical Change model (TTM) (Prochaska, Redding & Evers 2008) (Figure 1). Ideally, a leader would ensure all employees are in the action stage before the change is implemented, as preceding stages are not reliable predictive indicators of action (Weiner et al. 2020).

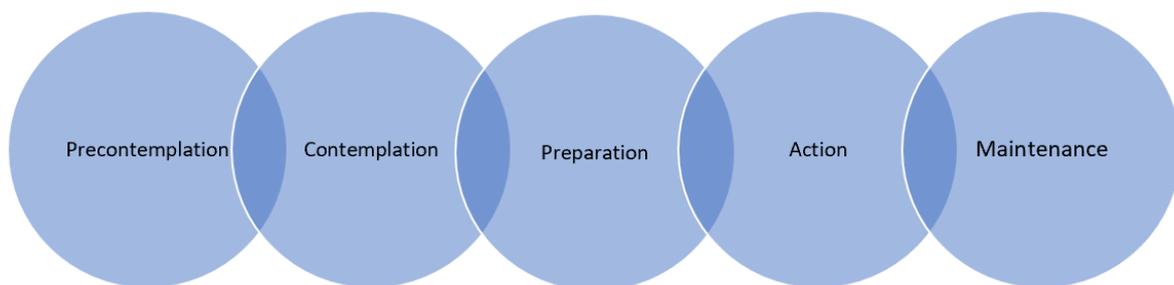


Figure 1: Transtheoretical Model of Change (TTM) (Prochaska et al. 2008)

Wirth (2004) identified levers for utilisation at each stage to encourage individuals to the next stage of change readiness. This suggests leaders can assess employees' starting perception of readiness, and invoke relevant strategies needed to influence the move to the action stage. However, no effective readiness assessment diagnostic tool is available (Husmann 2020; Roos & Nilsson 2020) so leaders often fail to accurately assess change readiness (Husmann 2020). This could result in leaders being unable to identify appropriate influencing tactics thus limiting the effectiveness of this approach.

Individual Readiness to Change

Change readiness is observable at individual, workgroup and organisational level, (Rafferty, Jimmieson & Armenakis 2013; Weiner 2009), however readiness to change is determined by individuals' beliefs regardless of level (Weiner et al. 2020).

Successful change requires individuals to 'unfreeze' current behaviour, a construct attributed to Lewin (1947),¹ in order to embrace new behaviour (Schein 1996). Unfreezing has three pre-conditions – dissatisfaction with current process (disconfirmation), induction of guilt, and creation of psychological safety. This suggests satisfaction of both change readiness beliefs and unfreezing conditions can establish individuals' alignment to the action stage of the TTM (figure 2).

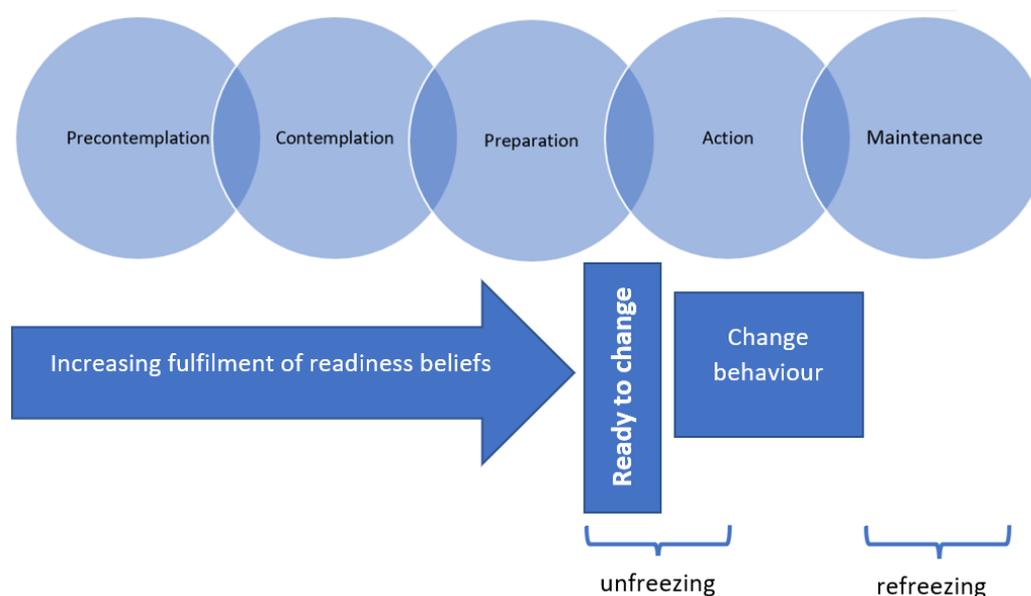


Figure 2: Relationship between change readiness, 'unfreezing' and TTM. (based on Lewin, 1947; Schein, 1996, Prochaska et al. 2008).

Although authors agree individuals' beliefs regarding their own readiness are critical, they are unable to agree on a set of common beliefs (Weiner et al. 2020). Armenakis et al. (2002) identified five beliefs individuals must hold in order to perceive they are ready for change, namely discrepancy, appropriateness, valence, efficacy and principal support. These five are most frequently identified by other authors investigating change readiness (Weiner, 2020); leaders influence in fulfilling these beliefs is addressed below.

¹ It is interesting to note that Lewin's original article (Lewin 1947) was a discussion explaining forces driving decision-making in social contexts and makes no mention of the three-step model since widely cited and attributed to him (eg Schein, 1996, Wirth, 2004). Bakari et al. (2017) conducted a comprehensive literature review but were not able to identify the source of the misattribution.

Discrepancy is the belief that change is needed, consistent with Schein's (1996) 'disconfirmation'. Unfreezing disrupts the existing equilibrium, contributing to reducing change-resistant forces (Lewin, 1947). Leaders can increase awareness of change costs and benefits to individuals at the Precontemplation stage (Wirth, 2004) encouraging beliefs that existing behaviour is undesirable.

Employees need to believe the change solution is *appropriate*, otherwise they may resist (Ouedraogo & Ouakouak 2018), even if their discrepancy belief is validated (Armenakis & Harris 2002). This is reflected by Schein's (1996) second unfreezing condition - Induction of Guilt – accepting negative emotions of disconfirmation. This process can be characterised by resistance or challenges, although resistance can be positive (By, 2020), as through unpacking challenges to the change proposal employees may come to understand its *appropriateness*, or otherwise satisfy Schein's final unfreezing condition of creation of psychological safety where guilt and associated lack of self-esteem is overcome. This process takes place during Contemplation (Wirth, 2004). The validation of the Valence belief can also happen during the Contemplation stage.

Valence is a perception of self interest in the change (Armenakis, 2003) and organisational readiness may vary depending on the employee's perceptions of how they value change over status quo Vakola (2013). Wirth (2004) suggests leaders should continue emphasising change benefits (driving forces) until individuals perceive they outweigh costs (restraining forces), creating the imbalance required to effect change (figure 3) (Lewin 1947).

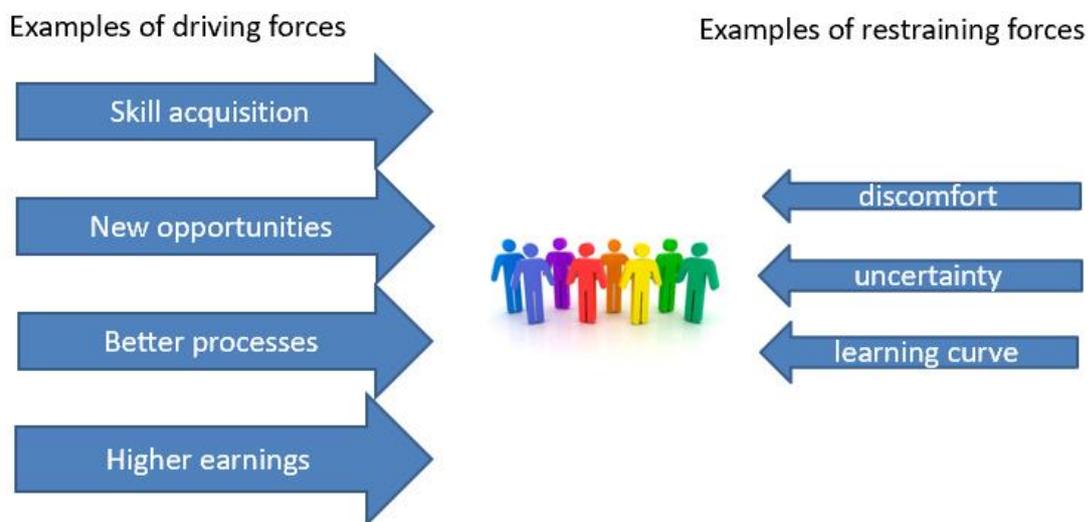


Figure 3: Lewin's force field analysis, demonstrating imbalance between forces (Lewin, 1947)

Efficacy is a key component of readiness to change (Bakari, Hunjra & Niazi 2017) and refers to an individual's perception of their ability to successfully effect change. Lack of confidence in their abilities will inhibit individuals' performance in change initiatives but confidence provides perceptions of higher readiness (Vakola et al, 2012). Leaders can facilitate efficacy to employees in the Preparation stage by providing information through coaching and training (Wirth, 2004).

Principal support demonstrates senior management's commitment to the change ensuring it is institutionalised (Armekanis 2003). This relates to the final step in Kotter's (1996) eight step change process and is reflected in the maintenance stage of the TTM where leaders can provide positive feedback and encouragement (Wirth, 2004) until changed behaviour is refrozen as the new norm.

Trust

Trust in management is cited by many authors as a precursor to organisational readiness (Weiner et al. 2020; Vakola 2014; Eby et al. 2000) and many of the beliefs associated with readiness to change are a function of trust in leaders (Weiner, 2020). Trust invokes vulnerability to other employees' actions (Mayer, Davis & Schoorman 1995) but Gilley et al. (2009) found 74.4% of employees judged leaders ineffective at change, suggesting a lack of trust in change leaders' capabilities.

Level of trust is a critical factor in how employees relate to change (Ouedraogo & Ouakouak 2018), and trust in management can change over the duration of the change effort (Farahnak et al. 2020) suggesting if a manager can positively influence trust, this could impact beliefs about readiness (figure 4).

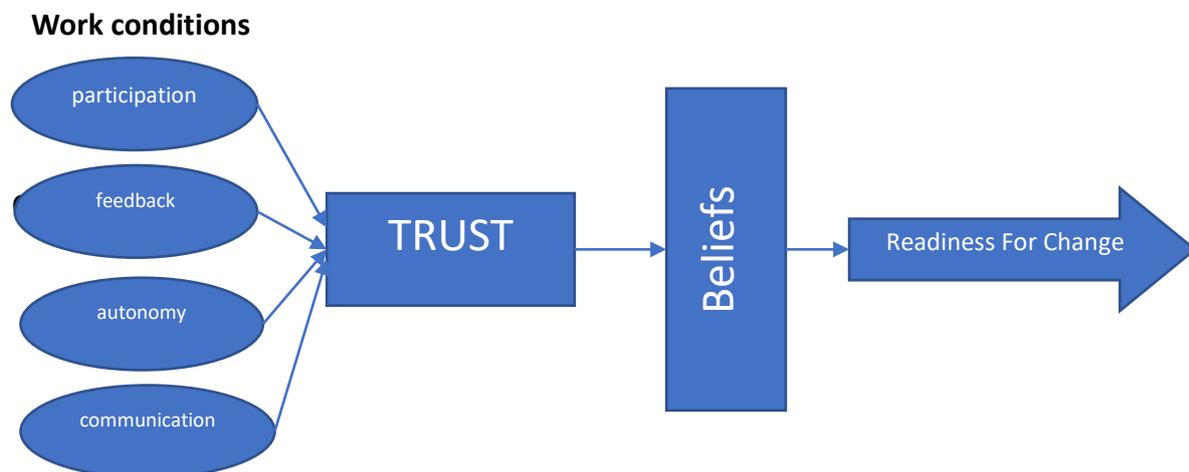


Figure 4: Proposed model of factors impacting Change Readiness perceptions in individuals

Opportunities for workplace participation, feedback, autonomy (Weber & Weber 2001; Stouten, Rousseau & de Cremer 2018) and communication (Yang, Kuria & Gu 2020) have all been shown to increase trust in management. These factors will be examined to determine the influence of leaders in creating conditions for trust in management.

Trust in other employees has also been found to be positively associated with readiness for change (Eby et al. 2000) and open communication via feedback, accurate information, explanation of decisions, and open exchange of thoughts and ideas facilitates this (Vakola et al. 2014) – all leadership activities.

Communication

Communication creates trust, particularly supportive communication, and expressing confidence in employees' efficacy (Yang et al. 2020). This is consistent with creation of environment of psychological safety which is an antecedent to change (Schein, 1996).

High quality, timely and accurate communication is positively associated with change readiness (Weiner, 2020) and effective team performance (figure 5) (Marlow et al. 2018) needed for successful change.

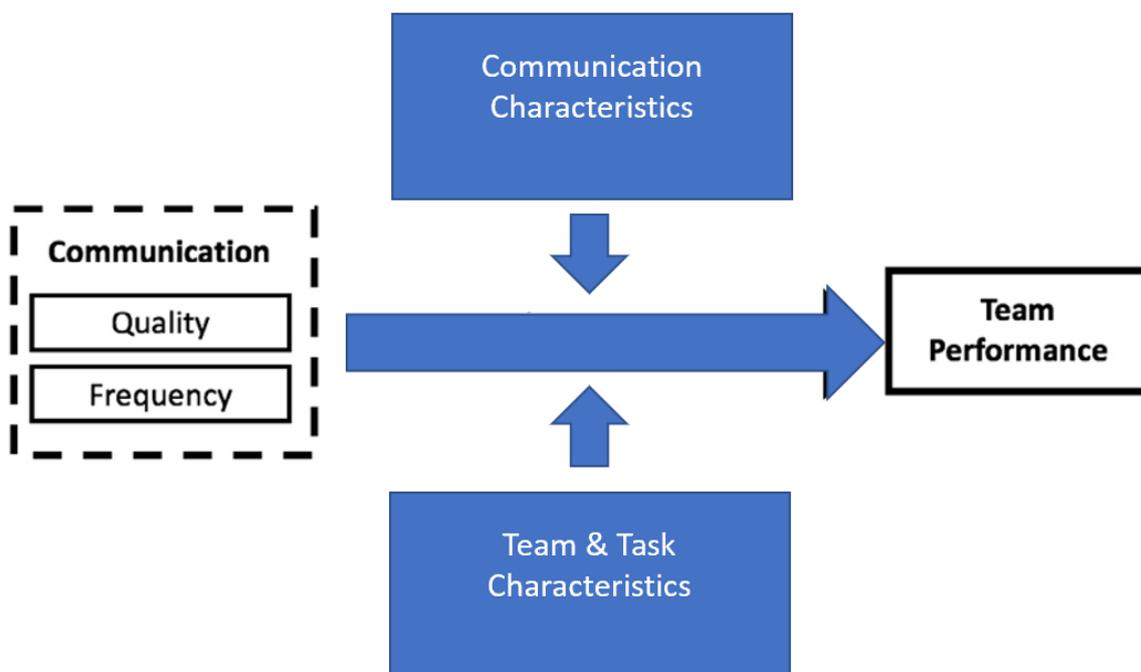


Figure 5: Model of the relationship between communication and team performance (based on Marlow et al, 2018)

In their case study of a large multinational corporation Armenakis et al. (2002) discovered communication is critical to validating the five beliefs discussed above, and referencing the beliefs in all change communication improved readiness for change. This clarity, and frequent and relevant communication of a compelling future vision is described in key change models (Lewin 1947; Kotter 1995) and could create discrepancy by establishing a dissatisfaction with the status quo (Armenakis & Harris 2002).

Lack of communication inhibits individual's ability to judge their change efficacy (Vakola, 2014) but reciprocal transparent communication with a leader generates trust (Holtz et al. 2020), facilitates understanding of appropriateness and provides opportunities to challenge beliefs about the change. Valid challenges in pursuit of the appropriateness belief may

enhance the change implementation by identifying further items for consideration or other change alternatives (By 2020). These emerging insights could engender appropriateness beliefs, perhaps identifying better solutions. Information sharing by a leader creates group cohesion or shared mindset (Roos & Nilsson 2020) contributing to effective team performance (Haas et al. 2008) and improved trustworthiness (Holtz et al. 2020).

Participation

Lack of employees' participation in formulating and implementing the change programme inhibits organisational change (Eby et al. 2000) but inclusion has been shown to have a positive relationship with organisational change (Volmer, Spurk & Niessen 2012).

Employee involvement in change processes, and subsequent perception of management's involvement, support, and ability to lead change are positively associated with readiness (Weiner, 2020). Participation can increase understanding of the change and promote change readiness (Roos, 2020), positively affecting efficacy beliefs (Stouten et al. 2018). Employees in a participative work environment anticipate participation in decision making, which improves trust in management (Rahi & Ahmad 2020). Leaders can influence work environment through inclusion of employees in project teams, creating task forces, and collaborative decision making. Collaboration has also been shown to improve group and task cohesion, indicating increased readiness for change (Roos et al, 2020).

Autonomy is linked to individuals' control of their jobs (Stouten et al. 2018) and refers to the ability to determine the pace, sequence and methods to accomplish tasks (Hameed et al. 2019). An individual's belief in their ability to control their work environment (internal locus of control) is positively related to readiness to change (Vakola et al. 2014), as is greater perceived autonomy (Volmer, Spurk & Niessen 2012). Leaders can promote autonomy by providing opportunities for employees to exert their internal locus of control within change initiatives.

Hameed et al. (2019) note communication, participation and autonomy are all components of Organisational Identification, which sees employees internalising the organisation's successes and failures and promotes readiness for change.

Mediating factors

Leaders can influence employees' beliefs and behaviour and subsequently their readiness to change (Hameed et al, 2019), however the quality of employee/manager relationship may mediate these attempts (Puspitasari & Mangundjaya 2020). This suggests the TTM levers prescribed by Wirth (2004) to improve individual readiness may have inconsistent outcomes depending on relationship quality, and interpretation of intent. Therefore, managers could invest in improving employee relationship quality, before attempting to influence readiness to change. Standardising relationship quality among employees would reduce variability of outcomes of a particular influencing tactic as a shared mindset would prevail. Shared mindset is a key component of effective teams (Haas & Mortensen 2016) and would reduce variability in readiness to change which is problematic for managers (Weiner, 2009). High quality relationships also improve subordinates' perception of change efficacy.

Further, transformational leaders are more effective communicators and tend to promote more participative working styles (Weiner et al, 2020), suggesting some leadership styles could inadvertently create change-ready employees without leaders devising and implementing strategies to create the prerequisite conditions.

Non-environmental conditions

Studies suggest while leaders can create favourable conditions for positive perceptions of change readiness, leveraging interpretation of employee’s predispositions, attitudes and emotions also fosters increased readiness for change.

Managers’ efforts to attend to employee’s emotions can contribute to successful change efforts by reducing the likelihood of extreme responses to change (Huy 2002). Further, optimistic employees can have better commitment to change, particularly when paired with similarly optimistic leaders (Parent-Rocheleau et al. 2020). Appropriate team composition positively influences outcomes (Kruyt, Malan & Tuffield 2011) so leaders could recruit employees with positive change dispositions (Vakola et al, 2014), in addition to the influencing activities outlined above.

Conclusion

Readiness to change is an antecedent to successful change. Readiness addresses individuals’ beliefs the organisation is capable of effectively implementing change, and individuals’ perceptions of this may vary. A team with similar readiness perceptions has better change outcomes, so positively influencing their attitudes, behaviours and beliefs is desirable.

As summarised in figure 6 leaders have many opportunities to influence individuals’ readiness to change, and address their five core requisite beliefs about change, through influencing their work environment, and creating trust which is a critical antecedent to improving readiness to change. Leaders can further enhance likelihood of change readiness by improving quality of employee relationships, understanding employees’ emotions and recruiting employees predisposed to change readiness, creating an effective and efficient change ready team.

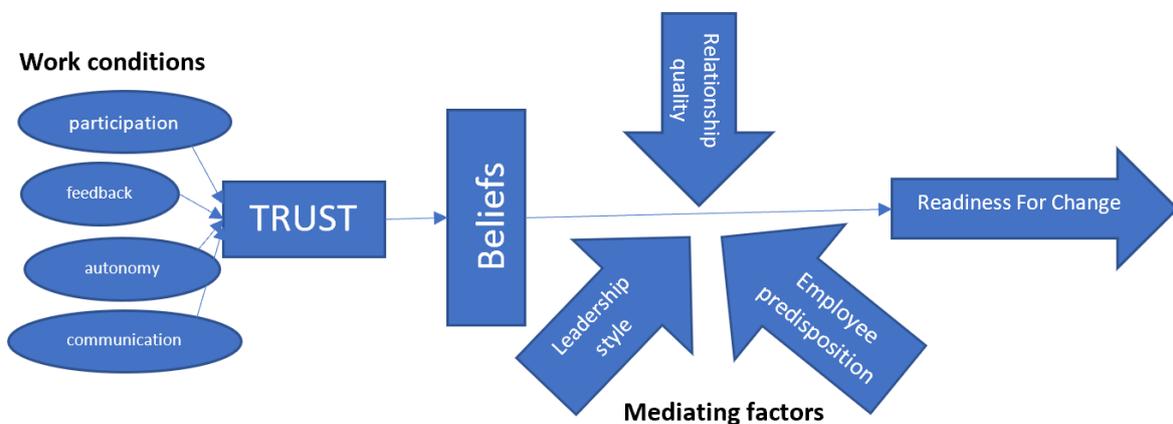


Figure 6: Summary of leaders’ influences on individual readiness to change.

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