The Impact of Organizational Trust on Resistance to Change

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Abstract

Change is an inevitable aspect of everyday life and resistance to change is a natural phenomenon. However, this resistance can threaten and undermine organizational change. The literature on capacity for change has identified eight dimensions required for the successful implementation of organizational change. One of these is trust.

The present study investigated the impact of organizational trust on resistance to change and its three dimensions: cognitive, affective and behavioral. It was found that there is significant negative correlation between organizational trust and employee's resistance to change. It was also found that the greatest impact of trust was on behavioral resistance and least on cognitive resistance.

Keywords: *Organizational change, organizational trust, resistance to change.*

Paper Type: *Empirical research*

Introduction

Change is an inevitable aspect of everyday life. It is a continuous process and a phenomenon that individuals and organizations face on an almost daily basis. The most successful organizations and people are those that focus on doing whatever it takes to adapt to the changing conditions.

Organizational change has been around as long as there have been organizations. In the modern business environment, characterized by high level of uncertainty, dynamism and turbulence, change is the only constant (Cummings & Worley, 2009). Even in the most stable organizations, change is necessary just to keep the level of stability.

Resistance to change is a natural phenomenon. People are afraid that any change will be potentially disruptive and will only make things worse. Employees fear change because it threatens their needs for security, social interaction, status, competence and self-esteem. It is for these reasons that people show an unwillingness to accept change.

Resistance to change is expressed in the form of behaviors that attempt to delay, discredit or prevent the implementation of change. People try to protect themselves from the effects of change through actions

such as complaints, remaining absent, deliberately going slow and sabotage. Resistance to change is usually across the board - both white-collar and blue-collar workers resist stress.

Individuals differ widely in the way they react to change. Some people focus only on the positive aspects (benefits) while others see only the costs. Some react with fear despite the change being for the better while others respond initially with enthusiasm but later are shrouded with doubts.

The need to understand the effect of resistance to change has increased significantly in private industries and government organizations over the last decade because of globalization, fast-changing markets and economic developments (Piderit, 2000). Because resistance to change can threaten and undermine organizational change, one important implication of resistance to change is its significant effect on employees' organizational commitment, job-satisfaction and intention to leave their organizations (Oreg, 2006; Van den Heuvel & Schalk, 2009). Therefore, organizations that evaluate resistance to change may provide an important point of reference to understand better, the variables that support organizational change through positive organizational behavior (Del Val & Fuentes, 2003).

Literature Review

Resistance to Change

Oreg (2003) conceptualized resistance to change as an individual's dispositional inclination to resist changes. Oreg identified a four-facet structure to the disposition of resistance to change – routine seeking, emotional reaction to imposed change, short-term focus, and cognitive rigidity.

Routine seeking includes reluctance to give up old habits and preference for low levels of stimulation and novelty. Emotional reaction to imposed change includes reluctance to lose control and lack of psychological resilience. Cognitive rigidity refers to "the tendency of an individual not to change" (Schultz & Searleman, 2002, p. 166). In contrast to rational resistance, which can be overcome through an explanation of benefits, cognitive rigidity is more like irrational resistance when people are unwilling to change simply because they don't like change (deJager, 2001). Short-term focus refers to the notion that resistance to change is known to occur even when individuals know that the change will benefit them. For example, the extra effort and attention required during the initial stages of change to learn new behaviors and address old habits and routines requires patience and a focus on the long-term benefits. Intolerance for the adjustment period in the short term can lead to increased resistance to change (Oreg, 2003).

Oreg (2003) in his study of sixty-seven faculty members from eight departments at Cornell University found that professors who exhibited higher levels of resistance to change were less likely to try out a new system for designing course web sites. Among those who did adopt the new system, higher levels of resistance were associated with a longer wait time before starting to use the system. In another study, Oreg (2003) found that individuals who were dispositionally inclined to resist changes were more distraught by the change and reported an increased difficulty to work effectively.

In the context of change management research, the issue of resistance occupies a crucial place. Organizations should be aware of the human element and its implications for the success of all change management decisions. The success of change management depends upon organizational structure, availability of resources, vision and mission of the organization, and employees' willingness to work towards the change-related goals (Brisson-Banks, 2010). Managers who ignore this last element guarantee themselves an uphill battle, if not a sure failure.

Organizational Trust

There has been an explosion of interest in the topic of trust over the last two decades. Perhaps this sudden and intensive interest was the result of a series of aggressive, bottom-line driven approaches to organizational restructuring that is understood as business process re-engineering. More recently, there were a number of well-publicized corporate scandals, such as corporate theft at Enron and illicit document shredding at Arthur Andersen (Forbes, 2008). The literature emerging from this research focus is extensive, varied and complex and covers many layers of analysis.

Given the increasing complexity of our world and the relentless need for organizations to adapt to changing environmental priorities, organizations are required to be nimble and be prepared for change in order to survive. Trust between managers and employees has an effect on how an organization adapts to the need for change; the way this change is operationalized and can influence the quality of trust within an organization (Bruhn, 2002; Kotter & Schlesinger, 1979; Lines, Selart, Espedal, & Johansen, 2005; Poppo, Zheng Zhou, & Ryu, 2008; Ring & Van de Ven, 1992; Rosell & Yankelovich, 2003; Zak & Knack, 2001).

The literature on capacity for change identifies eight dimensions required for the successful implementation of organizational change strategies. Two of these, trust in leadership and trusting followers, clearly highlight the importance of trust as a change enabler (Judge, Bowler, & Douglas, 2006).

Resistance to Change and Organizational Trust

Research has found strong relation between trust in management and employee attitudes toward change. Martin (1998) found that employees who trust their management are more likely to react positively to changes in organizational direction. Likewise, arguing that trust in management leads to acceptance of organizational change, Rousseau and Tijoriwala (1999) found that high trust creates extensive acceptance levels for complex organizational change. Similarly, management credibility, which is based on past honest relations, also increases positive employee responses to change (Kramer, 1996). In terms of a relationship between trust in management and attitudes to change, Kanter and Mirvis (1989) found that when employees do not trust the motives of senior management, they behave cynically. Trust may decrease the level of uncertainty and eliminate speculations and fears in the work environment. All of these studies identify trust as a core factor in the process when employees evaluate features of organizational change.

Framework of Study

Aim of the Study

The objective of the present study was to investigate the impact of organizational trust on resistance to change.

Specific Objectives

The specific objectives of the study are:

(1) To study the relationship between organizational trust and resistance to change.

(2) To study the relationship between organizational trust and various dimensions of resistance to change.

Methodology

The sample for the study consisted of 35 office employees in a midsized pharmaceutical company in the city of Mumbai. 53 questionnaires were distributed among the employees. 37 employees returned the duly filled questionnaires. The responses of 2 participants were rejected as the respondents had either not filled up the questionnaires fully or had not filled them correctly.

The findings and conclusions in this study are based on the responses of 25 male and 10 female employees. The average age of the participants in the study was 37 years.

Measuring Tools

The following Psychometric Instruments were used for the study:

(1) **Resistance to Change Scale:** Attitude towards change was measured using the 'Resistance to Change Scale' developed by Shaul Oreg. The scale is designed to measure an individual's dispositional inclination to resist changes.

The 'Resistance to Change Scale' is a 18-item scale that measures the major four underlying factors that result in a disposition to resist change. The four factors are: (a) Routine Seeking, (b) Emotional Reaction to Imposed Change, (c) Short-Term Focus, and (d) Cognitive Rigidity. These factors reflect the behavioral, affective, and cognitive aspects of resistance to change, respectively. The participants in the study had to check on each statement, indicating the extent to which he/she agreed or disagreed with the statement (on a 5-point scale). The higher the score, stronger is the resistance to change.

The reliability coefficient alpha (Cronbach's) of the scale is 0.92. The scale has demonstrated good convergent, discriminant, concurrent and predictive validities.

(2) **Organizational Trust Scale:** The authors administered the 7-item organizational trust scale used by Robinson (1996). Participants responded on a five-point Likert-type scale with anchors ranging from "strongly disagree" to "strongly agree". Coefficient alpha for the scale is 0.87.

Hypotheses

Based on past research findings, the following two hypotheses were proposed and tested:

H1: There is a significant negative correlation between organizational trust and resistance to change.

H2: There is a significant negative correlation between organizational trust and the four dimensions of resistance to change. (routine seeking, emotional reaction, short-term focus, and cognitive rigidity).

Analysis of the results

Table 1: Inter-correlations between study variables

Variable	Resistance to Change	Routine Seeking	Emotional Response	Short-term Focus	Cognitive Rigidity
Organizational Trust	-0.347*	-0.439**	-0.334*	-0.339*	-0.012 ns

Pearson's Correlation Coefficient.
**, $p < 0.01$ *, $p < 0.05$

The data collected from the study was tabulated and analyzed using popular statistical tools and techniques. The findings of the study are given here below.

Table 1 presents the inter-correlations of the variables under investigation. There was significant negative correlation (-0.34) between organizational trust and employees resistance to change. The lower the level of trust employees had in their organization, the higher was the resistance to change.

All the four dimensions of organizational trust were also negatively correlated to resistance to change. Three of the four correlations were statistically significant. There was very low negative correlation between cognitive rigidity and organizational trust. This correlation was not statistically insignificant.

Of the four dimensions of resistance to change, the routine seeking dimension was most strongly negatively correlated to organizational trust and cognitive rigidity the least.

The results completely support H1. The findings support H2 to a large extent. The findings are generally in line with past researches.

Findings and Discussion

The present study investigated relationship between resistance to change (RTC) and organizational trust amongst employees of a mid-sized private sector pharmaceutical company. The authors hope to contribute to the research on resistance to change by investigating the phenomenon in the Indian context.

The study investigated the impact of organizational trust on resistance to change. It also specifically examined the relationship between organizational trust and the four dimensions of resistance to change (routine seeking, emotional reaction, short-term focus, and cognitive rigidity). These four factors have been conceptualized as reflecting behavioral, affective, and cognitive aspects of resistance to change, respectively (Bartunek et al. 1992). The behavioral dimension consists of people's inclination to adopt routines. The affective dimension comprises two components: First, the emotional reaction factor reflects the amount of stress and uneasiness the individual experiences when confronted with change. Second, the extent to which individuals are distracted by the short-term inconveniences involved in change, such that they refrain from choosing a rationally valued long-term benefit, also reflects an affective reaction to change. The cognitive dimension is represented by the cognitive rigidity factor, which taps the frequency and ease with which people change their minds.

The significant moderate negative correlation between organizational trust and overall resistance to change once again reemphasizes the important relationship between trust and an organization's capacity for change. In the fast-paced, competitive global economy which is our present reality, trust becomes closely related to an organization's ability to adapt to a continually changing external environment. Low trust inhibits the capacity for an organization to adapt, and may even hinder its survival. High trust enables efficient operations and increases organizational potential (Dervitsiotis, 2006). In sum, the change literature and the findings of this study clearly suggest that there is an important relationship between trust and an organization's capacity for change.

The major finding of the study is that organizational trust had the least impact on the cognitive dimension of resistance to change and the highest impact on the behavioral dimension. The impact of the organizational trust on the affective dimension was between that of the behavioral and cognitive dimensions. This suggests that an increase in organizational trust will be most effective in reducing behavioral resistance to change. Employees are willing to give up the safety and comfort of routine

seeking as their trust in management increases. They will show a willingness to adopt new patterns and learn necessary new behaviors as their organizational trust grows. Similarly employees' tendency to focus on the short-term and levels of stress (affective dimensions of resistance to change) will decrease as trust in organizations increase. Increasing organizational trust will help employees focus more on the long-term benefits of change and reduce psychological disturbance. The results suggest that cognitive rigidity is virtually unaffected by organizational trust. This is an interesting finding that needs to be further probed.

The findings of the current study are different from that of Oreg's findings. Oreg (2006) had found that trust in management had greatest impact on cognitive resistance and least on affective resistance. These differences may be attributed to cultural differences. The role of cross-cultural factors in resistance to change could serve as an area of investigation for other researchers. However, the findings of this study are more in line with the Oreg's general findings that factors involved in the change process are more strongly associated with the behavioral component of resistance than with cognitive or affective resistance.

Significance of the Study

This study does not treat resistance as a unified concept. Such an approach unduly simplifies the term by assuming that how people behave under conditions of change completely corresponds with how they feel or what they think about that change. The analyses conducted supported the three-component structure. The present study suggests that reducing resistance to change at the cognitive level is more challenging than at the behavioral and affective levels. Behavioral and affective changes is not necessarily proof of cognitive change. Further research may be conducted to investigate the negligible effect of organizational trust on cognitive rigidity and the measures needed to reduce it.

Limitations of the Study

An important limitation is common source bias, in which researchers used the same sample to gather data on both independent and dependent variables. This method of obtaining data may result in common source bias and lead to inflated relationships (Podsakoff, MacKenzie, Lee & Podskoff, 2003). The prescribed approach to reducing common source bias is to obtain predictor measurements from one observer and measurements of outcomes from another (or use separate occasions for measuring). The authors did not use these methods because of resource constraints about the ability to issue several surveys and use several observers. However, one should note that data from different observers or measurement occasions might distort the prediction estimates as much as common source variance does (Kammeyer-Muller, Steel & Rubenstein, 2010).

The interpretations in the study are based on the data of a single organization. Hence, caution should be exercised while generalizing the results to other organizations.

Conclusions

The current study examined the effect of organizational trust on resistance to change and found a significant negative correlation between the two. It was found that there were differences in the impact of trust on the different dimensions of resistance to change. The greatest impact of trust was on behavioral resistance and least on cognitive resistance. This suggests that change in thinking does not necessarily precede change in behavior.

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