## Resistance is Futile:

# Risk disposition & achieving successful organisational change

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In 2004, <u>Blockbuster reported \$6 billion in revenue</u>. This was in stark contrast to Netflix who, despite being a promising start-up formed in 1999, were still trailing far behind.



But these companies are not only linked by their shared industry. In 2000, Netflix's founder Reed Hastings met with Blockbuster's senior management team to offer a partnership. He proposed that Netflix would run Blockbuster's online service in exchange for instore promotion. Hastings was <u>laughed out of</u> <u>the room</u>.

In the intervening years, board disputes and leadership changes led Blockbuster to double down on a model that encompassed retail locations, profit-making late fees and physical stock. In contrast, Netflix pursued avenues that included online streaming technology, content creation, and flexible membership options.

Ten years after Hastings' ill-fated meeting, <u>Blockbuster filed for bankruptcy</u>. Eight years after that, Netflix reported annual sales and market capitalization of <u>\$12.8 billion and \$141.9 billion</u> respectively.

Blockbuster's demise symbolizes a stark warning about resisting change. In this instance, disruptive technologies played their part, but a whole host of internal and external influences demanded change. Examples include, but are certainly not restricted to:

- Globalisation
- Technological advances
- •Emerging markets
- •Financial volatility
- •Demand for flexible working
- Political changes
- Active competitors
- Shifting population demographics

Stagnation is not an option in light of such factors. But poorly planned and/or implemented change can be every bit as dangerous. Effects are witnessed at an organisational level but can also emerge at a personal level.



This paper will adopt a psychological perspective to better understand why people may resist the need for, or implementation of, organisational change. Specific focus will be given to individual risk disposition, and how this can have far-reaching effects at a team, department, and even organisational level.

## Change Management

It could be argued that the importance of effective change management is greater than ever. But we must begin by establishing what change management is.

Several definitions exist, reflecting variation in conceptual focus and emphasis. Fincham and Rhodes (2005, p. 525) highlight leadership, claiming it to be "...the leadership of the process of organisational transformation – especially with regards to human aspects and overcoming resistance to change."

In slight contrast, Armstrong (2009, p. 424) focuses on the method, defining change management as "...the process of achieving the smooth implementation of change by planning and introducing it systematically, taking into account the likelihood of it being resisted." Lewin's (1936) classic three-step model also focuses on the method, citing the stages of 'unfreezing > changing > freezing'.

The current project adopts a more generally applicable definition that defines change management as "attending to organisational change transition processes at organisational, group and individual levels" (Hughes, 2010, p.4). The author also defines organisational change to mean "the process by which organisations move from their present state to some desired future state to increase their effectiveness (Hughes, 2010, p.13).

## The Shifting Focus of the Literature

Change management has a long history. Burke (2007, p. 27) asserts that the first recorded case could date back to the Old Testament (Exodus 18:13-27) when Moses led the Israelites out of Egypt. As for change management in its more recognisable modern-day form, a more suitable basis would be Frederick Taylor's famous 1911 book 'Scientific Management' (Burke, 2007, p. 28). This work adopted an organisational perspective of change with focus on management structures.

The resulting trend was clear when Oreg, Vakola, and Armenakis (2011) reviewed sixty years of quantitative research into organisational change. The authors noted a typical focus on how *organisations* prepare for, implement and react to organisational change. Oreg et al. (2011) suggest this misaligns with the main determinant of success – how *change recipients* react to organisational change – but note that more recent research was beginning to address this shortfall.

Kim and Chung (2017) echoed similar sentiments in the conclusion of their systematic literature review into innovation implementation. The authors were



critical of the neglect afforded to individual characteristics (e.g. personality, affect, attitude and emotion), citing focus on contextual factors (e.g. management practices) as the culprit. In their conclusion, Kim and Chung (2017, p. 20) argue that:

Scholars should emphasize the role of individual characteristics as primary antecedents for implementation processes and outcomes for a more balanced understanding of the individual-level implementation process

The current study recognises this call to action by contributing to this emergent trend. We acknowledge that change agents face a range of challenges when delivering successful organisational change and development. As psychologists, we are keen to lend our understanding on the role that people, and more specifically, personality, can play in whether or not change succeeds.

## Individual Dispositions and Resistance to Change

Organisational change researchers have sought to provide guidance for practice. In doing so, efforts have focussed on identifying the biggest cause of failure.

Prochaska, Prochaska, and Levesque (2001) cite a Deloitte and Touche survey of 400 organisations highlighting resistance to change as the number one reason for failed change initiatives. A survey of 500 Australian organisations cited by Bovey and Hede (2001) also reported this finding.

Encompassing the influence of the individual has proved a fruitful avenue of enquiry. One approach has been to consider 'dispositional resistance to change'. Oreg (2003) defines this as a negative personal orientation towards the notion of change. This led to the development of Oreg's (2003) four-factor 'Resistance to Change' variable.

Oreg (2003) noted many correlations with personality traits when validating the measure. Examples included sensation seeking, risk aversion, tolerance for ambiguity, dogmatism, neuroticism and openness to experience. Oreg (2003) concluded that researchers should view resistance above and beyond contextual causes.

Judge, Thoresen, Pucik, and Welbourne (1999) researched how management coped with organisational change. The goal was to identify the most valuable dispositional constructs for coping with change. They surveyed 514 Managers from six organisations that had experienced recent large-scale changes. Analysis indicated two independent factors, labelled 'Positive Self-Concept' and 'Risk Tolerance'. The former is composed of locus of control, positive affectivity, self-esteem and self-efficacy. The latter is comprised of openness to experience, low risk aversion, and tolerance for ambiguity.



Erwin and Garman (2010) examined 18 post-1998 peer reviewed papers. The aim was to provide research-based guidance to change agents facing individual resistance to organisational change. In their concluding comments, Erwin and Garman (2010, p. 53) note that:

Researchers have provided insights into the cognitive, affective, and behaviour dimensions of resistance, how various personality differences and individual concerns influence resistance, and what change agents and managers might be able to do to appropriately influence resistance.

The various findings outlined above suggest individual dispositions affect how staff react to, resist and cope with organisational change. This could be perceived through the lens of risk.

Every change carries an element of risk. As psychologists, we recognise that individual dispositions affect if and how people perceive risk, and the consequences of the resulting perception. Insight not only guides research but helps practitioners plan for resistance in their change initiatives.

Our next step was to incorporate a psychometric into our research that enabled us to explore this dynamic.



## Foundations of the Risk Type Compass™

Our search for a risk-focussed psychometric assessment led us to the Risk Type Compass™ (RTC). The RTC is a trait-based personality assessment that views the Five Factor Model (FFM) of personality through the lens of risk. The RTC is a <u>Registered Test</u> with the <u>British Psychological Society</u>'s Psychological Testing Centre, having been audited against the technical criteria outlined by the <u>European Federation of Psychologists' Associations</u> (EFPA).

The FFM emerged through statistical analysis of the lexicon used to describe personality. 'A-theoretical' in nature, the model has been further validated using meta-analysis. The result is a workable framework for personality psychology used by thousands of researchers over several decades. Searching for "Five Factor Personality" on Google Scholar returns millions of results.

The five factors are 'Agreeableness', 'Extraversion', 'Openness to Experience', 'Conscientiousness' and 'Neuroticism' (McCrae & John, 1992). These five broad groupings seek to encompass the complexity of personality. They form the basis of the majority of personality-based psychometrics.

The development of the Risk Type Compass<sup>™</sup> used the FFM to approach risk. Analysis identified 18 FFM 'subthemes' of relevance (Trickey, 2017). Subsequent factor analysis identified four risk-relevant personality factors labelled 'Calm', 'Emotional', 'Daring' and 'Measured'. Analysis indicated that these factors formed two orthogonal bi-polar scales: the 'Emotional:Calm' and 'Daring:Measured' scales (see Figure 1. below).

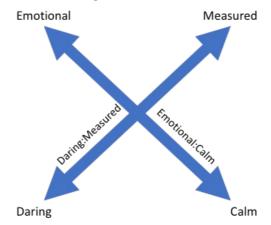


Figure 1. The four factors/two scales of the Risk Type Compass™ Completing the Risk Type Compass™ assessment will result in a score for both scales. Each scale can have profound implications on our risk-related behaviour. Analysis of scale scores on approximately 13,500 participants indicated a very weak correlation of '0.05', providing evidence for the independent and orthogonal nature of the scales. This supports <u>Walport's</u> (2014) conclusion that there are two separate neurological systems involved in decision making: the analytical and the emotional. This approach differs from others that view risk disposition as a simple linear scale, as these approaches



fail to account for the complexity of risk tolerance indicated by the RTC.

The **Emotional:Calm** scale is concerned with the emotional elements associated with decision making. It plots an individual's tendency to be emotional, apprehensive and anxious at one end of the scale, or calm, confident and resilient at the other.

The **Daring:Measured** scale is concerned with the cognitive elements associated with decision making; caution, preparedness and need for certainty; and the extent to which an individual needs the reassurance of familiarity, clarity and knowledge. The other end of the scale identifies those who are impulsive, flexible and happy to work with ambiguity and uncertainty.

Scores on these two scales locate all participants on the Compass. A norm group of 10,000 people determine positions on these scales. The Compass has over 200 potential positions, and placement denotes participants' Risk Type. Analysis of over 13,500 individuals indicates that Risk Types are evenly distributed across the general population. Figure 2. below illustrates the Compass using an 'Adventurous' Risk Type as an example.

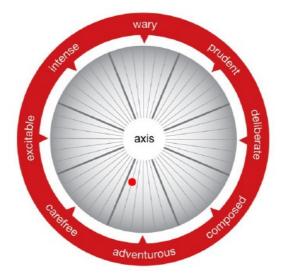


Figure 2. The Risk Type Compass

Adventurous Risk Types will possess scores that push them towards the 'Calm' and 'Daring' ends of the Emotional:Calm and Daring:Measured scales respectively (see Figure 1.) The dot not only denotes closeness to neighbouring Risk Types, but also 'strength' of the Risk Type. The closer to the circumference, the stronger the Risk Type.

The Risk Type Compass<sup>™</sup> collects data at 'subtheme', 'scale' and 'Risk Type' level. The instrument also generates a 'Risk Tolerance index' (RTi) metric. The RTi draws a vertical line from the top of the Compass (very strong Wary) to the bottom (very strong Adventurous), using a 1-100 scale to convey placement. This provides insight into participants' risk tolerance but lacks some of the narrative nuance of Risk Type.



## Method

So far, the paper has outlined the considerable challenges faced by agents of organisational change, and the shifting focus of researchers to account for the role of the individual recipients.

The following sections will outline the methodological approach of the current study.

## Sample

The study includes 121 participants primarily recruited through opportunity sampling methods. The sample was 68.6% female and had an average age of 33.6 (SD = 13.4). It should also be noted that, whilst the sample encompassed 42 students, the average age of this student subsample was 24.7 (Std. 3.42), and several were in some form of part-time employment.

## Variables

Three key variables were incorporated by the current research:

**Resistance to Organisational Change** (Oreg, 2003) – The scale was designed to measure an individual's dispositional inclination to resist changes. The scale consists of four factors: Routine Seeking, Emotional Reaction to Imposed Change, Cognitive Rigidity, and Short-Term Focus.

*Perceptions of Organisational Change* (Rafferty & Griffin, 2006) – The measure identifies three characteristics of change events that influence individuals' responses to change and, ultimately, their job satisfaction and turnover intentions. The scale consists of three Factors: Frequency of Change, Planned Change, and Uncertainty

**Risk Type Compass™** (<u>Trickey, 2017</u>) – Described in greater detail above, the Risk Type Compass™ is a BPS-Registered psychometric that views the Five Factor Model of personality through the prism of risk. It assigns participants a 'Risk Type' based upon their placement on two scales encompassing 18 subthemes.

## Procedure

Potential participants were briefed on the purpose, procedure and ethical guidelines of the study, including their guarantee of anonymity. Participants who consented to take part in the research were provided with an access code that allowed them to complete the Risk Type Compass™ questionnaire online. Participants were then automatically redirected to a second questionnaire that included the items for the Resistance to Organisations Change and Perceptions of Organisational Change variables. The process took 20–30 minutes.

All participants received free Risk Type Compass™ Personal Reports upon completion.



## Findings

As indicated previously, the Risk Type Compass provides multiple layers of understanding. Completing the assessment will assign participants a 'Risk Type'. However, it also provides us with insight at the level of the two underlying scales, and the 18 subthemes these scales encompass. Finally, it provides a broad 'Risk Tolerance Index' (RTi) value. The relationship that each of these levels have to the 'change' variables will be explored in our findings.

## **Risk Type and Resistance**

Initial analyses focussed on Oreg's (2003) 'Resistance to Organisational Change' variable to determine whether variations occurred between different Risk Types. Table 1 below gives the averages for the variable and its four factors across each of the Risk Types.

Table 1. Average scores by Risk Type for the 4 Factors and Total of Resistance to Organisational Change

	N	Resistanc	De sistema de			
Risk Type		Routine Seeking	Emotional Reaction	Short Term Thinking	Cognitive Rigidity	Resistance to Change
Wary	17	3.14	4.00	3.25	3.12	3.38
Prudent	10	2.67	2.70	2.47	3.40	2.81
Intense	20	2.25	2.98	2.30	2.90	2.61
Deliberate	7	2.38	2.43	1.62	3.19	2.40
Axial	17	2.14	2.73	2.18	3.24	2.57
Excitable	18	1.98	2.94	2.52	2.50	2.49
Composed	11	2.06	2.15	1.70	3.18	2.27
Carefree	13	2.10	2.67	2.21	3.05	2.51
Adventurous	8	1.75	2.13	1.79	3.25	2.23
Total	121	2.29	2.86	2.33	3.04	2.63

The table highlights the lowest (in green) and highest (in red) average of each column, with Risk Types roughly sorted by RTi from lowest (Wary) to highest (Adventurous). Analysis identified the most and least 'change resistant' Risk Types to be Wary and Adventurous respectively (although Factor variation does exist).

Analysis of variance (ANOVA) is a collection of statistical methods that can be used to determine the likelihood that differences between groups are down to chance. One-way ANOVA found inter-Risk Type differences in all Factors (excluding 'Cognitive Rigidity') and the total 'Resistance to Change' score to be statistically significant (at the <0.01 level).

The clearest finding that emerges from Table 1 is that the sample's Wary Risk Types were the most resistant to change. This is better understood in light of Trickey's (2017, p. 41) description of this group:

#### Wary

Characterised by a combination of self-discipline and concern about risk, these are cautious, organised people who put security at the top of their agenda. They are likely to be alert to the risk aspect of any investment opportunity before evaluating any potential benefits. Ideally, such people like



to know precisely what they can expect. This quest for certainty may make it difficult to make decisions. At the extreme they will be strongly attracted to the idea of securing their future but anxious that, however well it has worked for others, something may go wrong in their case.

Interpreting these findings in light of the description becomes easier. Wary Risk Types reside on the 'Emotional' and 'Measured' ends of the Emotional:Calm and Daring:Measured spectrums respectively. These can be viewed as two underlying driving forces for why change is more likely to be resisted by these individuals. These are illustrated in Figure 3 below.

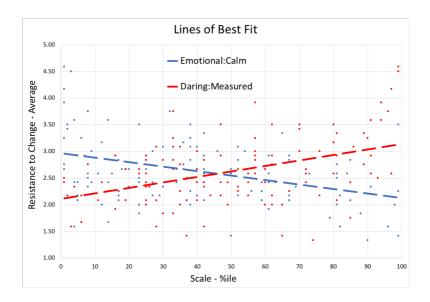


Figure 3. Lines of best fit for Resistance to Organisational Change and the two RTC scales

Figure 3 above visually illustrates the relationship between the Emotional:Calm and Daring:Measured scales in relation to the overall scale of the Resistance to Organisational Change variable. This is emphasised using the line of best fit, which shows the trends within the data.

Individuals located towards the 'emotional' end of the Emotional:Calm spectrum experience greater anxiety, doubt and negative affectivity. Individuals placed closer to the 'measured' end of the Daring:Measured scale favour predictable systematic consistency over unpredictable variability in their working lives. Wary Risk Types embody both tendencies. This becomes apparent in their reported resistance to organisational change.

The next question we sought to ask was: *are certain Risk Types more likely to* <u>perceive</u> change?



## **Risk Type and Perception**

This question shifted focus onto Rafferty and Griffin's (2006) Perceptions of Organisational Change variable. Table 2 below breaks down the averages of this multi-factor variable in the context of the Risk Type framework.

Risk Type	N	Frequency of Change	NGNGE Planned Change	Uncertainty	Perceptions of Change Total
Wary	17	4.08	2.94	2.73	3.25
Prudent	10	3.67	2.70	2.30	2.89
Intense	20	3.50	3.30	2.40	3.07
Deliberate	7	4.14	3.81	2.19	3.38
Axial	17	3.39	2.76	2.08	2.75
Excitable	18	3.43	2.87	2.28	2.86
Composed	11	3.39	3.36	1.85	2.87
Carefree	13	3.31	3.33	2.08	2.91
Adventurous	8	3.58	3.29	1.88	2.92
Total	121	3.58	3.10	2.24	2.97

Table 2. Average scores by Risk Type for the 3 Factors and Total of Perceptions

The table highlights the lowest (in green) and highest (in red) average of each column, with Risk Types roughly sorted by RTi from lowest (Wary) to highest (Adventurous). Analysis indicates that, whilst there is a slightly greater chance that low-RTi Risk Types (i.e. those most risk averse) would perceive more organisational change, this effect is less pronounced in comparison with the Resistance to Change variable (see Table 1).

With the exception of the 'Uncertainty' factor, Deliberate Risk Types appear most likely to perceive organisational change to be afoot. Reading Trickey's (2017, p. 41) description of this Risk Type sheds light on this finding:

#### Deliberate

At the root of this Risk Type are high levels of calm self-confidence combined with caution. This Type tends to be unusually calm. In situations that would worry most people, they experience little anxiety and may seem almost too accepting of risk and uncertainty. However, any concerns about them being unaware of risk should be balanced by a desire to do things in a planned and systematic way. Because they are highly organised, compliant and like to be fully informed about what is going on, they are unlikely to walk into anything unprepared.

This description gives us narrative grounding to interpret Table 2's findings. The measured tendencies they share with Wary Risk Types appear to make Deliberate Risk Types more perceptive of change. However, these Risk Types are differentiated by their position on the Emotional:Calm scale. Findings indicate the greater 'calm' tendencies of Deliberate Risk Types appear to temper negative affectivity, and therefore their resistance to said change, in a manner that Wary Risk Type's would not.

So, what is driving these findings?



## Beyond Risk Type: Scales and Subthemes

Initial analysis highlights some statistically significant differences between certain Risk Types, but the Risk Type Compass™ allows us to delve deeper using the two scales and 18 subthemes they encompass.

The Risk Tolerance index (RTi) is a 1-100 scale that can be visualised as a vertical line drawn from the top of the Compass to the bottom. High strength Wary Risk Types will therefore reside at the lower end of the scale, and high strength Adventurous Risk Types will reside at the upper end.

Table 3 below presents the correlations between the Resistance to Organisational Change variable and the subthemes, scales and RTi of the Risk Type Compass.

Risk Type Compass		Resistance to Organisational Change Factors				
		Routine Seeking	Emotional Reaction	Short Term Thinking	Cognitive Rigidity	Resistance to Change Total
	Resilience	-0.128	419**	404**	0.083	322
	Equable	205*	416**	384**	0.135	323 <sup>**</sup>
F	Confident	354**	463**	472**	.214 <sup>*</sup>	395
Calr	Forgiving	292**	376**	357**	-0.138	419 <sup>**</sup>
Emotional:Calm	Patient	-0.104	-0.12	223 <sup>*</sup>	0.072	-0.137
tion	Optimistic	344**	224*	207*	-0.061	297
bu	Trusting	0.038	0.011	-0.142	-0.063	-0.054
Ш	Apprehensive	.252**	.553**	.389**	-0.061	.420 <sup>**</sup>
	Sentimental	.180*	.365**	.355**	224 <sup>*</sup>	.254
	Intuitive	-0.025	-0.004	0.125	233**	-0.045
	Focused	-0.157	243**	236**	.374**	-0.104
ed e	Methodical	.304**	.321**	0.126	.253**	.359
Daring:Measured	Perfectionistic	0.109	0.156	-0.004	.196 <sup>*</sup>	0.164
lea	Conforming	.224*	0.172	0.059	0.118	.204 <sup>*</sup>
g:∑	Audacious	593**	441**	454**	-0.07	556**
arin	Excitement Seeking	432**	256**	285**	-0.087	377
Ď	Reckless	472**	368**	318**	-0.123	457
	Spontaneous	259**	237**	250**	0.05	250**
RTC	Emotional:Calm	258**	480**	507**	0.162	399
Scales	Scales Daring:Measured		.330**	.231 <sup>*</sup>	.217*	.439**
	RTi		615**	564**	-0.066	644**

Table 3. Correlations between the RTC and Resistance to Organisational Change (Oreg, 2003)

\* p < 0.05, \*\* p < 0.01. N = 121

The initial finding is the sheer number of statistically significant (highlighted yellow) relationships between the Resistance to Organisational Change variable and the Risk Type Compass™. In short – personality is extremely important.

There is too much data to allow an in-depth exploration of all findings, but some of the strongest relationships for each factor will be considered.



#### **Routine Seeking**

Oreg (2003) conceptualises the 'Routine Seeking' factor as a behavioural aspect of the construct that determines people's inclination to adopt routines. Several notable negative correlations emerge, the most prominent of which include the 'Audacious', 'Reckless' and 'Excitement Seeking' subthemes. This suggests that high scorers in these subthemes are more likely to reject the monotony of consistency, and instead be drawn to the excitement of uncertainty.

#### **Emotional Reaction**

The 'Emotional Reaction' factor reflects the amount of stress and uneasiness the individual experiences when confronted with change (Oreg, 2003). Unsurprisingly, subthemes encompassed within the Emotional:Calm scale are more influential, with examples of negative correlations including the 'Apprehensive', 'Confident', 'Resilience' and 'Equable' subthemes. Those with a pattern of scores pushing them towards the calm end of the spectrum are less likely to experience a negative emotional reaction to change.

#### **Short-Term Thinking**

Oreg (2003) characterises the 'Short-term thinking' factor as 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. Various subthemes were of interest, but the strongest correlate was the 'Emotional:Calm' scale. This indicates that those closer to the 'emotional' end of the scale may be more likely to draw comfort from the immediacy and safety of the short-term future. This contrasts with those possessing greater confidence, resilience and self-esteem.

#### **Cognitive Rigidity**

The Cognitive Rigidity factor taps into the frequency and ease with which people change their minds (Oreg, 2003). Despite having the least association with personality, its positive correlations with the Focussed and Methodical subthemes suggest a potential 'disadvantage' to being high in these subtraits during periods when change is required.

Factor-level analysis provides some interesting nuance into which elements of organisational change can drive resistance. At the combined-factor scale level, the element of the Risk Type Compass<sup>™</sup> with the strongest correlation is the RTi. This indicates an individual's overarching risk tolerance is a powerful predictor for their resistance to organisational change. This is also apparent at Risk Type level (see Table 1).



#### The Eye of the Beholder

In contrast to resistance, findings from the perceptions of change variable were less clear at Risk Type level. Table 4. below breaks down these findings beyond Risk Type.

Risk Type Compass		Perceptions			
		Frequency of Change	Planned Change	Uncertainty	Perceptions of Change Total
	Resilience	267**	0.144	276**	-0.176
	Equable	-0.064	0.176	280**	-0.052
F	Confident	185 <sup>*</sup>	0.031	450**	277**
Calr	Forgiving	-0.113	.193 <sup>*</sup>	238**	-0.05
Emotional:Calm	Patient	206*	0.063	220*	-0.168
tion	Optimistic	0.063	0.074	237**	-0.028
mot	Trusting	0.158	0.084	0.002	0.134
ш	Apprehensive	0.115	0.013	.417**	.253
	Sentimental	0.048	-0.153	.259**	0.049
	Intuitive	-0.112	-0.067	-0.004	-0.102
	Focused	-0.023	0.006	199 <sup>*</sup>	-0.096
eq	Methodical	.246**	0.025	.181 <sup>*</sup>	.225 <sup>*</sup>
sur	Perfectionistic	0.176	-0.04	0.103	0.116
lea	Conforming	.189 <sup>*</sup>	0.097	.185*	.240**
Daring:Measured	Audacious	-0.122	0.045	394**	212*
	Excitement Seeking	219 <sup>*</sup>	0.046	256**	202 <sup>*</sup>
	Reckless	-0.13	-0.111	347**	290**
	Spontaneous	0.096	0.036	210 <sup>*</sup>	-0.021
RTC	Emotional:Calm	-0.073	.182 <sup>*</sup>	386**	-0.1
Scales	Daring:Measured	.236**	0.04	.287**	.277**
RTi		211*	0.112	507**	270 <sup>**</sup>

Table 4. Correlations between the RTC and Perceptions of Organisational Change variable (Rafferty & Griffin, 2006)

\* p < 0.05, \*\* p < 0.01. N = 121

Interestingly, a picture soon emerges when a factor-level perspective is taken. The most prominent finding is the influence of the 'Uncertainty' factor, which encompassed items like "My work environment is changing in an unpredictable manner." Findings at scale level indicated that individuals possessing a higher abundance of 'emotional' and 'measured' traits were more likely to perceive the very existence of uncertain change.

The Uncertainty factor had several clear relationships with the Resistance to Change variable. Correlations were reported for the Routine Seeking (.351\*\*), Emotional Reaction (.478\*\*), and Short-term Thinking (.387\*\*) factors, in addition to the overall Resistance to Change variable (.429\*\*). This could indicate that the perceived uncertainty of impending change could 'activate' resistance to said change, most notably at an emotional level.

Of the negative correlations at RTC subtheme level, 'Confident', 'Audacious' and 'Reckless' were the largest, indicating that those scoring highly on these subthemes were less likely to regard organisational change as uncertain. This is further endorsed by the strong positive correlation with the 'Apprehensive' subtheme, demonstrating that apprehension and perceived uncertainty go hand in hand.



These influences culminate with the RTi correlation. This suggests that perceptions of individuals residing towards the base of the Compass (e.g. Adventurous, Carefree and Composed) may perceive change very differently to colleagues near the top (e.g. Wary, Intense and Prudent).

Ultimately, our findings not only indicate that an individual's risk disposition influences their reaction to organisational change, but whether they perceive it at all.



### Discussion

The results of our analyses above are clear. Personality plays a sizeable role in determining how employees are likely to perceive and react to the efforts of change agents. Adopting a risk perspective served to enhance this finding. Analysis found Wary Risk Types to be the most resistant to change.

Does this mean they should be a cause for concern to agents of organisational change?

#### The Importance of Being Wary

To answer this question, we first need to revisit the concept of resistance. Ford, Ford, and D'Amelio (2008, p. 362) criticise the "change agent–centric" tendency to label resistance to change as a dysfunctional obstacle or liability to successful change. The authors point out several benefits to resisting change in the early stages of the process.

Resistance requires thought. Thoughtful post-debate acceptance is more powerful and enduring than immediate blind acceptance. Ford et al (2008; p. 370) point this out when they state that:

## In a world with absolutely no resistance, no change would stick, and recipients would completely accept the advocacy of all messages received, including those detrimental to the organization.

In the same way that devil's advocacy can strengthen an argument in the fires of debate, initial resistance could work to improve subsequent change processes. Nord and Jermier (1994) noted an alternative to 'resisting resistance'. It could help address employees' subjective experiences and recognise what is driving resistance.

Resistance is a defence mechanism, and defence mechanisms are not inherently bad. They could warn against ill-conceived and poorly executed change processes.

The determining factor is how change agents perceive resistance. Assuming resistance is dysfunctional inhibits its potential to work as a strengthening value. This can serve to poison the well for any resulting discourse.

It is also important to understand change as part of an organisation's existence. Lewin's (1936) three-step model concludes with a 'freezing' stage essential to stability and success. Oreg's (2017) findings counter some of the negative connotations of change-resistant individuals. Whilst change resistance was negatively associated with dynamic non-routine task performance, it was positively associated with routine task performance.

From this, we can infer that risk averse individuals not only prefer stable working environments, but they are likely to perform better in them. Their preference for stability may encourage them to play an integral role in



Lewin's (1936) post-change 'freezing' phase. Failure to achieve this phase can result in ongoing turmoil. It is thereby essential to achieve the predicted benefits of change processes.

#### March of the Innovators

Our findings state that Adventurous Risk Types are the least resistant to change. This may not just result from reduced risk aversion. An attraction to innovation may also be a significant influencing factor. Further understanding emerges in light of the Risk Type's description (Trickey, 2017, p. 42):

#### **Adventurous**

At the root of this Risk Type is a combination of impulsiveness and fearlessness. Extreme examples of this Type are people who combine a deeply constitutional calmness with impulsiveness and a disregard for custom, tradition or convention. They are imperturbable and seemingly oblivious to risk. Their decision making is likely to be influenced by both their lack of anxiety and their impulsiveness.

On first reading, the lesson of Blockbuster is that 'stagnation can result in a slow and inevitable death'. Add Netflix to the mix, and the lesson could expand to include '... and innovation is the antidote.' In this context, it is clear how the personality characteristics of Adventurous Risk Types can materialise as 'pro-change' behaviours.

Drilling into the Risk Type Compass<sup>™</sup> rounds out the picture of what is occurring. Both scales recorded significant relationships with resistance to change. But the Daring:Measured scale was slightly stronger. Of the scale's eight subthemes, Audacious, Excitement Seeking and Reckless reported the strongest correlations. This enhances our understanding about why resistance to change varies across Risk Types.

Embracers of change may not be driven by greater risk tolerance alone. Their attraction to change could stem from the desire to innovate and try something different.

Practitioners tasked with enacting a process of change will welcome this mindset. Change agents need cheerleaders in the organisation and predicting who these individuals are is a considerable advantage. However, despite these initial benefits, change agents must also ensure that attraction to change is not coupled with an aversion to stability required by the conclusion of a change process. Ongoing turmoil can be every bit as dangerous to organisations as stagnation.

#### **Consequences of Unacknowledged Resistance**

So far, the paper has focused on what drives resistance to organisational change. But what happens when it is left unacknowledged and unaddressed?

Previous research on the topic has identified a range of negative outcomes.



Oreg (2006) noted that affective resistance correlated negatively with job satisfaction and behavioural resistance positively correlated with intention to quit. Rafferty and Griffin (2006) also flagged the consequences of reduced job satisfaction and increased turnover intentions.

The research by Judge et al. (1999) found that failing to cope with organisational change had negative repercussions on the career outcomes of job performance, job satisfaction and organisational commitment.

Oreg et al's (2011) review into sixty years of research identified several dozen work- and personal-related reactions to organisational change. The list is extensive, but the most prominent were organisational commitment, job satisfaction, and intentions to quit. Further consequences included, but were not limited to: performance, motivation, psychological and physiological health and well-being, absenteeism, trust, and organisational citizenship behaviours (Oreg et al., 2011).

This led the authors to note the importance for change agents to outline ramifications of change processes. Consideration should also be given to change recipients' perspectives in light of risk and reward, with expressed concerns accounted for in the planning.

The consequences of poorly-managed changes are extensive and well documented. Failure on this front can lead to a workforce filled with unsatisfied, demotivated, uncommitted, insecure staff who are far more likely to seek alternative employment arrangements in the near- to medium-term future.

#### **Time is the Great Healer?**

Resistance is clearly complex and addressing it will undoubtedly be a challenge. This could lead to a temptation to ignore resistance and push through changes in the hope that any negative reaction will dissipate with time.

Jones and Van de Ven (2016) conducted a longitudinal study into the longterm effects of change resistance on 40 healthcare clinics over a three-year period. In addition to change resistance, the researchers took yearly measurements of organisational commitment, perceived organisational effectiveness and organisational fairness. Change resistance was not only found to negatively correlate with these variables, but these effects actually strengthened with time.

Put simply, resistance to change had a 'festering' effect that could inflict increasing harm if left unchecked.

#### **Risk Landscape**

Findings outlined above highlight the importance of risk disposition when predicting if and how individuals perceive and resist organisational change.



Specifically, the RTi recorded the strongest relationship with the Resistance to Change variable.

But can this predictive power only be used at the individual level?

This avenue is addressed by a function of the Risk Type Compass<sup>™</sup> called the Risk Landscape. This tool can be used to group individuals (e.g. by department) before identifying the average RTi of each grouping. This information can be visually presented using the newly-developed Risk Landscape function of the Risk Type Compass<sup>™</sup> (see Figure 4 below).

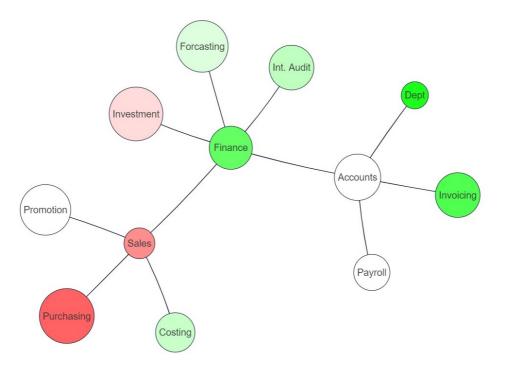


Figure 4. The Risk Landscape

The Risk Landscape function provides users with a visual overview of a group's RTi. A bespoke colour pallet denotes whether groups possess above or below average RTi. White signifies neutral levels. The strength of RTi is further illustrated using colour saturation.

Risk tolerance influences various behaviours including resistance to organisational change. This function can serve to predict these behaviours at an organisational level.



## Lessons for Change Agents

This paper's findings provide fascinating insight into personality and change resistance. This allows us to make some evidence-based suggestions for change agents.

**Use tools to predict resistance**: Our research supports the important role of dispositional resistance. This means a suitable tool could help predict resistance before plans have even been announced.

**Identify 'cheer leaders'**: those within departments or functions that will be most disposed to assist and facilitate change and to influence colleagues.

**Educate change agents**: Ensure that those implementing change understand the nature of resistance as something inherent in segments of normal range personality.

**Strategize and communicate**: Analysis indicates a strong relationship between resistance to change and the 'uncertainty' perception factor. Change agents should reduce uncertainty by outlining plans for change to staff whenever possible.

**Listen to employees**: Their reasons for resisting may be well thought out and reasonable. Addressing these concerns will not only allay fears, but potentially improve the quality and success of the change process.

**Do not let resistance fester**: Negative consequences are clear. Yet longitudinal analysis shows consequences actually deepen and become more entrenched over time.

**Consider 'step changes':** Set change objectives that are tailored; targeted (in terms of the teams or functions involved) and realistic (in terms of demands and attainability).



## **Concluding Remarks**

Change is an unavoidable part of an organisation's existence and employees play a major role in its success or failure. As with individuals, an organisation's ability to adapt and balance risk with opportunity is a matter of survival.

Yet the even distribution of Risk Types throughout the general population is telling: temperamental diversity improves the chance of survival. When understood, it can bring crucial balance to company strategy. Conversely, it can have dangerous consequences if misunderstood or ignored.

This is especially true in the context of organisational change. Lewin's (1936) three-stage model gives a rough outline of a change process's life cycle. Different Risk Types will not perceive each phase with equal relish, but each has strengths that could come to the fore. Understanding this dynamic is a crucial factor in predicting, using, and resolving resistance.

Failing to do this will result in an exercise in futility.



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