ORGANIZATIONAL DEVELOPMENT – COPING-UP WITH DISRUPTIVE CHANGE

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ABSTRACT

Disruptive change is new and normal in all industries and regions. Electronic components and globalization increase customer behaviours and the presenter of other circumstances are creating a highly effective business environment, in which, companies must constantly adapt or be overtaken. In some cases, the change is progressive and slowly effective; in other, it is revolutionary and immediate. But all changes can be highly disruptive - at both the organizational and personal levels.

Anyone’s live change is a common factor along with corporate existence also. Almost all of the organizations faced the importance to change in their daily operations; however, their views on change differ. Disruptive change has never been easy, especially the management of business requires determining of adaptations to the element; it is a temporary future to modify and change the impact of a portion of an industry. This can be used by changing trends to cause changes in the production method, according to customer demands. The main trust of this study is to critically evaluate the impact of disruptive change and change management to achieve corporate goals and goals from the prospective of the organization, also how managers successfully cope with the demands of organizational change, despite the fact that change is becoming the order of the day in most organizations; examined executives on mid-level managerial coping with organizational change, as a function of dispositional factors and strategic coping tactics.

KEYWORDS: Organizational Change, Development, Disruptive Change

INTRODUCTION

Change cannot be stopped when they occur. The change has enabled most organizations to accept and consider the coming; it is a part of the organization’s existence. Huge change is on the way. We are at the beginning of a fourth industrial revolution, and the future world of work is going to be very different from the past. Yet, organizations and their employees are struggling to address or keep up with the pace of change. When we consult on organizational change projects, we can meet a lot of resistance. This resistance is often carried out of fear; fear of the unknown, there is a comfort factor knowing the road well-travelled. Viewing is defined by different authors and can be realized individually. Armstrong (2009) has defined change as any changes in structure, management, employees, processes, and other related activities. Consequently, organizational change is regarded as the empirical observation in an organizational entity of variations in shape, quality or state overtime (Van de Ven and poole, 1995). Lucey (2008) stressed that any change initiatives any efforts should align with the corporate goals and objectives to ensure organizational success. This means that management of change plays an important role in handling and responding to change effectively as well as counter the notion of resistance to change. Change can bring positive and negative impact to organizational outcomes and because of
this, the need to manage the change has become an urgent concern, management may understand all of that still many of the effort to cope and execute change fall short, because they don’t examine the underlying psychological factors all human beings experience in the face of change. In periods of disruption, people move to return to learned, foreseeable behaviours that may have worked for them in a more ordered past, but that can limit their or their organizations performance during a crisis. People can get stiff, huddle down or even freeze. This can become a notable problem among employees, whose behaviours in the face of change can have a huge impact on an organizations performance. Other hand, managers are instead scared, as they see disruptive changes coming on their way and even if they have the resources to deal with it like technological know-how specialist, strong product portfolios and the money; they do not take time to realize the capabilities of the organization, as they do with individual capabilities.

A good example of disruptive change is in the invention of mobile phone against the regular analogue phones. Learning the psychology of disruptive change, can help executives manage such as responses both in themselves and in their organizations. By learning how to identify dysfunctional behaviour and convert it to more productive responses, executives will become better able to take the disruption as a genuine learning experience for themselves and their terms, steer the companies through a highly dynamic business environment, avoid obsolescence and- most importantly, embrace new opportunities.

**LITERATURE REVIEW**

Change encompasses different dimensions and can be caused by various factors. According to the UNDP (2006), there are several factors that influence change and these factors directly and indirectly impact the organization’s goals and objectives. Categorizing these factors into two, it can be described as internal factors that include technologies, operational changes and processes, internal laws and policies, conversion of government organizations to private enterprises, organizational modernization initiatives, changes in management decision and others. While external factors include but not limited to stiff competitions between companies in the same industry, increasing pressures of globalization, political, economic, socio-cultural, technological, legal and environmental forces (Lynn, 2001).

The rapid advancement in technology, increase of international trade and investment growth, wealth throughout the globe, and convergence of consumer demands and needs are influencing firms to expand globalization strategies and tactics (Akkrawimut & Ussahawanitchakit, 2011).

A recent article supports disruptive innovation or changes as not just technological advancements, but is business model changers (saravanan, 2012).

Lazarus and Folkman’s (1984) the transactional model has been used to investigate the impact of organizational change on coping and welfare from a variety of perspectives. Often studies seek specific results, such as job changes, such as reduced employment (Gowan, Riordan, & Gate wood, 1999) mergers (Armstrong- Stassen, Cameron, Mantler, & Horshburgh, 2001; Fugate, Kinicki, & Scheek, 2002; Terry, Callan, & Sartori, 1996), and acquisitions (e.g., Scheek & Kinicki, 2002). These studies are important, but do not identify the properties of change events that lead to negative employee outcomes.

Other authors have argued that individuals are concerned with the timing of change in the workplace and make judgements about whether change occurs very frequently or infrequently (Glick, Huber, Miller, Harold, & Sutcliffe, 1995; monge, 1995).
Empirical researches suggest that the plan that has been put in place with the change plan is a major concern for staff (Armenakis, Harris; & Field, 1999; Eby, Adamas, Russell, & Gaby 2000; French & Bell, 1999; Korsgaard, Sapienza, & Schweiger, 2000; Levy, 1986; Orlikowski & Hofman, 1997; Porras & Robertson, 1992; weingart, 1992).

Continuous change is becoming a way of life for organizations, employees and managers’ as like (Leanna & Barry, 2002).

In these, research fields have suggested several approaches to explain the technological and industrial changes, such as the theory by Christensen (1997, 2006), which introduces the concept of disruptive technology to new entrants disrupting the competitive advantage of incoming market participants.

Many industries are characterized by arrivals that focus primarily on improving their products and services (usually the most profitable), and entrants that try to develop new technologies in market segments, perform market functions that are essential to the mainstream customers of the providers (Christensen et. al., 2015; Christensen, 1997). In this context, Christensen (1997) argues that disruptive innovations generate significant shifts in market (Cf., Henderson, 2006).

The scholars further argued that the ability of marketing, and marketing responsibility for disruptive innovations was due to their specific ambivalence: merit-degradation and merit-supporting incremental and substantive innovation based on simultaneous exploration and exploitation activities (Danneels, 2006; Durisin and Todorova, 2012; Lin and McDonough III, 2014; O’ Reilly III and Tushman, 2004, 2008; Cf., Henderson, 2006; Madsen and Leiblein, 2015).

Some have argued that organizations are able to successfully make radical and disruptive changes (Nadler and Tushman, 1989, 1990).

Another possible contributing factor to the negative emotional and psychological consequences for organizational change workers is that, the effects of organizational change are related to the breach of the underlying psychological contract. This common explanation for effects of organizational change dates back (Argyris, 1960; Levinson et. al, 1962; Schein, 1995).

Kapoor and Klueter (2015) argue that incumbents tend to not invest in disruptive technological regimes and maintain a competence enhancing approach.

The theoretical framework of catastrophic technology suffers with some limitations, such as ambiguity in the definition of catastrophic innovation that technologies also take into account product and business models (cf., Christensen and Raynor, 2003; Tellis, 2006).

**Recognizing Disruptive Change**

Disruptive changes do not affect a particular region of the entire value network. The areas that have undergone continuous change are the telecommunications sector and the incorporation of computers as they move into the digital age, with the discovery of new and efficient featured products. Others include the education sector, retail sales, the pharmaceutical industry and more.

How can people realize that they are about to face a disruptive change? The index appears early and allows the managers of the business or company, the time to prepare to deal with the change, but sometimes there is no interruption until the last time if there is no transition time. Indicators can be specific to a particular industry, but are among the indicators that are cut across industries.
• Change in government policies, legislation and regulations.
• Availability of affordable products and convenient services.
• Change in accessibility of customers.
• Vendors’ consolidation within a given industry.
• Customers are being over-sold.

If these indicators appear at approximately the same time, then it shows that disruptive changes are already occurring, and if some of them are already witnesses, they should be considered as a precautionary measure.

**Responding to Disruptive Change and Innovation**

Disruptive change usually affects many companies, and the impact they have on the business depends on the preparation and the way it is usually managed. Many businesses are swallowed up and never seen again and others are grown successfully. There are some who will adapt their business and fight through change, while others are simply industrious because they are unable to cope with the change. These consequences come as a result of the way people respond to a disruptive change. For example, others will try and deny the disruption and do nothing about it. Those who are smart will work and try to reduce the barrier, and there will be some people who recognize the disruption, but fail to appreciate the extent of it. Whatever the outcome, the real thing is that change is inevitable and only powerful people can survive it.

The disruptive innovation theory was coined by Christensen (n.d) as “A process by which a product or service take root initially in simple applications at the bottom of a market and then harsh way to moves ‘up-market’, eventually displacing established competitors”. The advantage of utilizing disruptive technology can create new revenue streams through the enhancement of others disruptive innovations.

Disruptive innovations are all around us, and they are causing disruptive changes in our companies at an ever-increasing pace and scale. Whether driven by technology, demographics, globalization or other forces, organizations are wrestling with the current performance offerings while preparing for the future of change. This has profound implications for the leaders of firms.

**Implementing Change**

The process of implementing change is easy if the purpose of the senior management and the employees are same. Employees perceive more committed to organization and believe that whatever change is going to be executed that would bring equal benefits to their career and the organization. Employees, if given chance to take part in strategic change execute results in better decision quality, perceptual change responses and successful change implementation. As a result of this participation in strategic executive change, employees gain a strong feeling of goal achievement, organizational commitment and the resistance factor is invalidate. In some cases, if there is a gap between the two, they may resist to the change, which causes stress for both the employees as well as the management. This communication gap makes employees feel disconnected and worried, because of the change.

**The impact of Change**

Important agreement in the organizational change literature that people are concerned with what the impact of change will be on themselves, their job and their work colleagues (e.g., Herskovits & Meyer, 2002; Lau & Woodman, 1995; weber & manning, 2001). When discussing the impact of workplace change, the authors draw a fundamental distinction between
incremental or first-order change and transformational or second-order change (e.g., Bartunek and Moch, 1987; Levy, 1986). Impact of change is the use of the term spontaneous, and transformative change to individuals, which refers to a person's discretion as to how changes in the organization's core system with changes in quantity, quality of work, structure and strategy are involved. Modification are likely to be experienced as highly novel events as people are required to act in completely new ways and to adopt new values. These changes consist of progressive and fundamental changes that originate from change in organizational structure, culture and both. Modification change can also be called quantum change and incremental change deals with the introduction of change in smaller scale gradually.

**Disruptive Effects of Organizational Change**

There are plenty of organizational theories that argue for the impact of disruptions on organizational change. This holds especially for theories of organizational ecology (Hannan and Freeman; 1977, 1984, 1989). The rationale here is that change can gradually erode the credibility and accountability of an organization, leading to frustration and confusion within the organization (Peli et al., 2000). The instability follows a process that involves significant reshuffling and significant cost of organization change. Furthermore, during this period of restructuring, firms are at risk of losing opportunities that they do not combine to exploit (Hannan et al., 2003 a). It is arguable that these disruptive effects increase the risk of exit and employee turnover due to employee dissatisfaction (Baron et al., 2001).

In the case of organizational behaviour, the relationship between organizational change and employee resistance is a big issue, where the focus is on the importance of the negative emotions that result from the change (Sagie et al., 1985; Sagie and Koslowsky, 1994; Huy, 2002; Jimmieson et al., 2004; Kiefer, 2005). Frequent results of extended employee stress level changes if tested in applied and professional psychology as well (Motowidlo et al., 1986; Judge et al., 1999; Terry and Jimmieson, 2003; Rafferty and Griffin, 2006; Hansson et al., 2008). This indicates the potential negative effects of organizational change at the employee level. Companies do things that directly affect them, and these reactions can expose themselves to emotional distress, so employees are bound to respond, so the impact of changing characteristics and risk on company characteristics can be either beneficial or harmful. Content effects refer to differences in an organization's design before and after the change. They are involved in restoring the organization as well as adopting a new culture or structure, depending on whether these effects are positive or negative, how well the new design fits the organization's environment.

These changes, coupled with increasing frustration, uncertainty, fear, and mental insecurity, suggest that these theories prove that organizational changes can increase employee stress. This is underlined still further by research that links organizational change with decreased job satisfaction and increased uncertainty (Rafferty and Griffin, 2006). Consequently, I hypothesize that:

- **H1:** Organizational change increases the likelihood of negative stress on employees.
- **H2:** The disparity that has changed since discussion and planning will show a significant, unique negative relationship with emotional uncertainty.
- **H3:** The large number of changes in the organization increases the likelihood of negative employees being stressed over relatively insignificant and narrow changes.
Through the Disruption

When the changes occur, executives move to manage their own responses and then try to find to conduct change throughout the organization. First, they should have experienced co-ordinators or trusted advisors, internally or externally, who can provide guidance on the board and executive teams as more objective and challenging, and more effective and serve as a challenger. This can help the executive team shift from nondirective to adaptive responses and reduce time from initial disruption to mobility and growth stage.

If executives deliberately conduct their own responses to pending changes, they will be able to effectively lead their organizations, become leaders of change, communicate new perspectives, define exactly what is involved, and build confidence throughout the initiative.

The Challenges for Executives

Through the company leaders, the effect of disruptive change can sometimes be magnified due to the high stakes and the level of urgency that executives routinely confront. In this situation, individual and group effectiveness may stick. Leaders revert to familiar, conservation responses that worked well in a static environment.

Organization restructuring and productive enforcement of change enable a smoother experience of positive outcomes for change for both employees and the organization. Various evidences of positive impact to employees are evidenced by the confidence associated with managing leadership in developing and delivering ideal management decisions. As a result, employees influence their tasks to perform and make spiritual decisions that make things easier for them.

When changes are accepted by numerous people or organization, there are also members of the workforce that would likely withstand of changing. Resistance has become undeniable that cannot be ignored in any change efforts whether in individual level or organizational level. Todnem (2005), Fernandez and Rainey (2006) stressed that, resistance in an organization embedded phenomena that exists in every organization and may happen individually organization-level. Disruptive change is progressively becoming a core capability for organizations and executives teams.

The Psychological Impacts of Change Management

The change management has psychological effects on employees, because of the fact that every modification creates a resistance of the organization. As the former will create a new system for them, it can be said that every change management programme is the change itself. As psychological impacts, “Shock of the new” (Armstrong, 2009) it means that employees will go through a process that they do not know, and they are afraid of it since it is unknown: the new situation will be distinct from the routine.

Also, the changes reflect the economic fears and uncertainties of the new situation, and subsequently symbolize the threat to interpersonal relationships during their previous organizational life. The new system will likely come with new rules, and they will need to be integrated into new methods, as noted earlier that employees will face different aspects of their own organization, change their habits and group rules, and have multiple influences on their psychology.

The psychological effect is covered in five steps by the kernel (1990), which may be helpful in understanding the change of résistance. The first stage is “denial” where the employee does not admit that he needs a change in the
organization and tries not to accept any changes with disbelief to his employers. The second stage is the “defence” where the employee gets the new position or the new environment, but does not want to do it and find excuses related to the new situation. The third one is “discarding” when employee starts to let go the past, and starts to getting used to the new procedure; in these case, employee accepts that “the change was inevitable”. Stage four is “adaptation” where the integration of the employee is realized and everything works according to the plan. The last one is the “internalization, where the new change management plan has become a “normal one” it is the phase where the normalization of the behaviour occurred.

**Coping with Change**

Change and our ability to act on our behalf, not against us has become a defining feature of successful individuals, teams, departments and agencies. Our ability to cope with change has been strengthened, as change has become a very important component of a thriving organization. Despite knowing all this, change is still often greeted with fear and avoidance. Why? We fear change at workplace for a variety of valid reasons. Many of these fears are associated with a fear of failure, fear of rejection, fear of criticism, but more often than not, fear of the unknown. Dealing with workplace changes is a stressful thing for most people because work is a big issue for most of us. This is how we make a living; Pay the rent or mortgage and put the food on the table. But it’s not just about the money. The reason for this is that because we spend most of our waking time in the grindstone, we invest heavily in our work, mentally and emotionally. So, a change in any way or shape of work can easily be unsettling for us.

With the right attitude and action, we will always find opportunities for change. When we are concerned about change or worry that our work days will look dramatically different, try this guide to how to cope with workplace changes.

These are the 10 ways of how to cope with change:

- Read up on Change and understand how the change curve works
- Know your rights
- Turn detective
- Know what you can control and what you have no control over. Focus on what you can control
- Recognize the emotions caused by change.
- See change as a fresh start
- Be flexible and find the balance
- Keep records
- Take control of your life
- Keep smiling. It’s time for a new beginning – Manage the outcome of change.

Knowing how to fight change in the workplace, importantly, is often our attitude toward change that determines our emotions, our experience about it, and how we will be affected by it. Some people see change positively and see it as an exciting opportunity to learn and grow at work. Others view change negatively, as in order to avoid fear and at no cost
Some Cases

Generally speaking, change management refers to switching up the way things are done at an organization. Whether that means reallocating the distribution of resources or budgets or changing processes altogether depends on the organization’s specific situation.

Business firms are also no different when a company faces a major disruption to its markets—one that could fundamentally change the business—the way its managers perceive the disruption influences how they describe it to the rest of the organization. How they organize the response and how they allocate resources. If they see this disruption as a threat, they react too much, too much resources being promised too quickly. But if they see this as an opportunity, then they can probably commit insufficient resources to develop it. In other words, the way managers determine the context of a hurdle - the way they frame it. They shape the strategy they adopt.

Nokia

In July 2012, shares of Nokia were trading below $2 — far off from their highs of nearly $60 in 2000 and nearly $40 in 2007. At the time of this writing, the shares have somewhat rebounded, up more than 300% after having climbed into the $6.50 range. At the turn of the millennium, Nokia was one of the world’s largest suppliers of mobile devices. This, of course, was before smartphone mania swept the nation (and the world).

Fast forward to 2010, and while Nokia remained profitable, the writing was on the wall. It was only a matter of time before Nokia phones, as they currently existed, would remain relevant. Because Apple beat Nokia to market with its iPhone, the latter company missed its opportunity to lead the smartphone revolution. Understanding this all too well — Nokia has reinvented itself time and again in its 150-plus-year history — the Finland-based company hired a new CEO to take the reins. Ultimately, Nokia’s new management team decided to sell the company’s struggling phone division to Microsoft. Like it has done so many times over the years (how else does a company founded in 1865 become the worldwide leader in mobile devices in the 1990s?), Nokia has changed the focus of its operations once more. Currently, the company is building network and mapping technologies, among other initiatives.

Photography to Digital Photography and Chemical Photography

Primary digital cameras suffered from lower image quality and resolution and longer shutter lags. Quality and resolution are no longer the main problems in the 20's and shutter lag problems have mostly been solved. The advantages of small memory cards and portable hard drives that hold hundreds or thousands of pictures, as well as the lack of need to develop these images, help digital cameras to top the market. Digital cameras have high power consumption (but several lightweight battery packs can provide enough power for thousands of pictures).

Cameras are a stand-alone device for classic photography. In the same manner high-resolution digital video recording replaced film stock without high-budget motion pictures and fine art. The rise of digital cameras led Eastman Kodak, one of the largest camera companies for decades, to declare bankruptcy in 2012. Despite inventing one of the first digital cameras in 1975, Kodak remained invested in traditional film until much later.
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Medical Field Ultrasound to Radiography (X-Ray Imaging)

Ultrasound technology is a barrier associated with X-ray imaging. The ultrasound was a new market disruption. None of the X-ray companies participate in ultrasound until they acquire large ultrasound equipment companies.

Netflix, Streaming Video, and OTT Devices

Netflix -- and other streaming services -- are continuing to disrupt the entertainment industry. They have eliminated physical video rental grocery stores and are slowly allowing more and more customers to simply cut their subscriptions. OTT options such as Hulu and Pluto TV as alternatives to the low cost of conventional subscriptions, and when they were caught, appeared out of nowhere; Customers couldn't help thinking of their media in new ways.

TV and Cable Industry

So, what is going on with alternatives or substitutes to cable and satellite services? For everyone who LOVES television but HATES being forced into a raw deal, there’s been a lot of good news lately. These are scary times for cable and satellite television veterans. Audiences rarely disappear without news of disappearances and revenue shrinking. This is called industry disruptive change or otherwise known as digital disruption. The winds of change are blowing in, and now is your chance to choose alternatives to cable and satellite services. These are the cable and satellite providers that many of us fork over more than two thousand dollars of our hard-earned money to, year after year. And even though we’re seeing more ads and less real programming than ever. If you have an internet connection, you can probably dig out your expensive cable television subscription without any hesitation in your viewing habits. You’ll still be able to see all the shows you like and find some new ones too. By connecting a number of streaming services, you can enjoy almost the same programming that comes out of the same subscription, while saving money in the process. So what is the wire industry doing? Do not do too much and will certainly protect their business.

Computer Industry

In the computing industry, for example, Digital Equipment Corporation missed the personal computer (P.C.) in the early 1980’s, started to fall apart in the early 1990’s, and got acquired by Compaq in 1998.

    Dell Computer’s low-cost business model destroyed Compaq, forcing a merger with Hewlett-Packard (H.P.) in 2001. Dell’s continued incursion into the P.C. and printing office now threatens H.P., which announced more than 10,000 layoffs last year in an effort to remain competitive and who can forget IBM and its denial of the personal computer? After the last 35 years, they have gone from the largest computer manufacturer in the world to barely being in the hardware business at all. Luckily new leadership found new markets to keep them in an industry leadership position.

CONCLUSIONS

Change is inevitable and inevitable. It exists at various levels and can be described as internal factors, including technology, operational changes and processes, internal laws and policies, transformation of government entities into private institutions, organizational modernization initiatives, changes in management decisions, and others. While external factors include but not limited to stiff competitions between companies in the same industry, increasing pressures of globalization, political, economic, socio-cultural, technological, legal, and environmental forces. Different views and perspective of changes varies between organizations, as it can give positive and negative consequences. More importantly,
managing resistance to change effectively helps organizations manage the implementation of change effectively. Organizational change enables firms to apply ways to manage change effectively with the help of various change models. Lastly, change management provides many benefits that organization receives provided such change is aligned with the corporate are goals and objectives.

So, change in the current business environment is constant and happens more frequently than ever. Companies need to learn to manage their changes if they are competing effectively. Behavioural science—the psychology of disruptive change and adaptation—can be invaluable to these efforts. Executives, who fail to understand how psychology drives performance at both the individual and organizational levels, will more likely struggle. However, those who understand the issues will arm themselves with the tools needed to embrace disruptive change—and through it, grow.

REFERENCES


