

# Managing Organizational Change and Resistance from an Individualist vs. Collectivist Perspective

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## Abstract

The current research paper looked into the concept of organizational individualism and collectivism and its effect on managing change. This paper focused on the factors underlying the concepts of individualism and collectivism that influence change to take place or be resistant to it altogether. Our capacity and capability to change is very important in any organization because change is what helps us to survive. Culture is one of the landmarks to adaptability. Since change happens at different levels in the organizations, the benefits and drawbacks from individualism and collectivism are explained. Moreover, a discussion on the application of these two strong cultural views in particular organizations is made to show if research depicts well on the cultural factors that influence organizational change.

**Keywords:** Organizational individualism, organizational collectivism, factors influencing change, organizational change, culture.

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## Introduction

In order to keep up with the fast-paced world, companies and organizations around the globe need to manage change effectively, without disrupting employee's ability to work

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and at the same time increase productivity. Despite change being a global constant, it is perceived very differently due to cultures and their impact on what we think is a good or bad change or what we can possibly adapt to. These differences can result from the factors of individualism and collectivism within the organization. Research suggests that although both factors are very influential to the change, collectivism holds a greater positive change compared to individualism (Sirias, Karp, & Brotherton, 2007). However, in different cultures, different factors are catered to allowing for that effectiveness in change and explain why that is so. Although not enough research has been carried out on the effect of organizational individualism and collectivism, some research shows that individualism is related to human resources practices (Robert & Wasti, 2002) of competitiveness, compensation, and performances (Cho, 2008) while collectivism is related to maintenance of relationships (Ng, 2001) through shared interests and teamwork (Cho, 2008). The following research paper attempts to explain how organizational individualism and collectivism influence change management and their possible effects to the process of managing change, both good and bad. An attempt also is made to discuss the effect of these cultures as well as generational effects across the globe to provide insightful information on a broader level.

## **Methodology**

The current research paper has resourced secondary data on organizational individualism and collectivism to provide a consensus on managing effect change. Data has been gathered from well-recognized resource links including the Shapiro Library, EbscoHost, Sage Publications, Emerald, and JSTOR. The following literature review gives an explanation on the roles of individualism and collectivism in managing change in terms of technology, organizational structure, and corporate population to name a few.

## **Individualism, collectivism, and managing organizational change**

In order to understand the effect of organizational individualism and collectivism, it is important to know what each term means and what input it carries in this research paper. Due to culture's large influence on our everyday activity and ideas, organizations have been infested with cultural aspects of individualism and collectivism to provide success and development for the organization.

According to the Hofstede model, individualism is a society in which ties between its members are loose and people are only expected to look after themselves and their immediate family (Brewer & Venaik, 2011). Collectivism is illustrated in the GLOBE study and showcases two dimensions of collectivism namely institutional collectivism and in-group collectivism (Brewer & Venaik, 2011). Institutional collectivism is "the degree to which organizational and societal institutional practices encourage and reward collective distribution of resources and collective action" (House & Javidan, 2004, as cited in Brewer & Venaik, 2011). In-group collectivism is the expression and behavior of the individuals in terms of pride, reliability and cohesiveness (Brewer & Venaik, 2011).

Organizational change involves the capacity of the people within an organization to adapt to changes in the way the organization works to improve on the output of the organization. In other words, if an organization is to survive, it must adapt to changes in

technology, the marketplace, and systems in the organization, economy, social values, and the environment (Al-Haddad & Kotnour, 2015). It is important to know that organizational change is reciprocated in many ways and one of the ways could involve generational differences in the list. Before proceeding to the generational differences, individual differences is of bigger consideration. Since every one of us reacts to stress and change differently, the Folkman and Lazarus 1984 model can be used to help explain how stress, appraisal, and theories of coping alter an individual's perception of change (Matthieu & Ivanoff, 2006). This implies that although an organization comes up with policies and regulations that help in making the acceptance of change better in terms of the members working in it, there will always be those few individuals who will not easily adapt to the changes. In a sample of 261 professionals who are considered young completed a survey that uses Folkman and Lazarus' 1984 model of change and found that despite change occurring, this sample had greater job satisfaction because the professionals were more subjective to changes high in magnitude and more frequent (Lattuch & Young, 2011). One reason for this easygoing generation could be that this generation is more accepting of change and adapting compared to older generations (Lattuch & Young, 2011). Also, in this day and age, we do not have strict competence to last in one organization until retirement while previous generations had that experience of a structure that provided a lifetime guarantee once an individual gets a job (Lattuch & Young, 2011). Therefore, demographics could provide us with some of the reasons as to why and why not individualism and collectivism work in managing change.

#### *Benefits of organizational change from individualism*

One reason why there is a massive increase in entrepreneurial work is because of the individualistic culture that has grown ever so strong with time that people are busy running a race to be in the lead every day. The Lattuch and Young (2011) study that focused on the acceptance and adaptation of organizational change showed that individuals in this generation are in a constant battle to be on top. Mainly because lay off can happen to anyone at any time due to the unstable global economy, many individuals prefer to find their own way out before getting kicked out. This makes employees focus on a more individualistic and 'I have to think about myself' approach to changing in the organization to be in the lead.

Individualism in organizational change allows for employees to determine if and why the company is moving slower despite the potential output of the collective group of employees. This was determined in a study by Wagner (1995) who collected 492 pieces of data to understand the effect on cooperation in groups through individualism and collectivism. It was postulated that both social loafing as well as free riding was a component in the slower and less efficient output of group work (Wagner, 1995), which makes it important that individualism be promoted so that each individual is responsible for him- or herself. During the implementation of new systems, for example, employees put within groups will not feel responsible to understand the system because they might depend on someone else to get it right and this can be observed by employers and will be able to determine why change has always been so difficult to administer in an organization.

Another reason why organizational individualism works well for change is because employees can garner a lot more of their personal goals and not feel dragged behind because of a group that does not pace with their level or integrity and devotion to the organization. One such study in Qatar found that individualism has a very high score and allows competitiveness to increase which in turn effects the acceptance of change because the competition makes one committed to accepting change when it means better results for the organization (Aldulaimi & Zedan, 2012). This probably explains why Qatar is one of the leading economic countries in the world. Another way to look at it is through a cycle. Qatar's resources within the country made many people follow a more individualistic approach to working and career development, which in turn made Qatar, use the right resources in the right sectors to apply on an economic level. So societally and nationally, the people of Qatar were motivated to commit to change and allow a greater depth of individualism in terms of that change (Contiu, 2008).

### *Drawbacks of organizational change from individualism*

With the rapid intention of individualistic views of many employees within an organization, change can be limited because individuals prefer to follow their own ways of doing work or allocating deadlines instead of following what the company plans to get done as a team. A study conducted on the Israeli kibbutz found that with individualism being on the high, commitment to the organization would be lower in terms of attempting to accept the changes that are happening in the organization to reach potential output (Heilbrunn, 2005). This can be due to the fact that many employees focus on their capabilities and for them it does not matter which organization they are a part of as long as the paychecks are large. Thus, organizations need to be aware which cultural approach approves their process of change.

Due to the fact that there is a large number of organizations following the individualistic path, cultures in which it is greatly difficult to accept change on an individual level can be a drawback for organizational change. For example, in a study carried out in Odisha, India – a very collectively cultured nation – it was found that employees look to their employers to help give direction on the ways in which the organization should change (Jena & Goswami, 2014). This could be a major setback for the many collectivistic countries around the world who need leaders every step of the way instead of the being their own boss and taking a stand.

Organizational individualism is a drawback for those who rely on cooperation to get things done in an organization. Individualists are more comfortable working with people who they believe are of the same knowledge level as them, which makes it difficult for employees to work together in organizations because members in a group are from different departments, ranks, and qualifications (Boros, Meslec, Curseu, & Emons, 2010). This type of perspective will not allow for effective change to take place in the organization unless the organization consists of one person. For people to be only responsible towards themselves will mean that they would change for themselves and not for the organization. This could cause the organization a lot more measures of motivating employees to keep changing one person at a time to allow the entire organization to eventually change.

### *Benefits of organizational change from collectivism*

In today's growing culture although there is a shift to accepting individualism due to Western influence, collectivism is a trend that has been in many organizations for a long time and seems to make a comeback. With the world getting smaller and smaller with technology, there is a large demand for people to prove their culture distinctive from others so as to get noticed (Ali & Amirshahi 2002). In a study conducted in Iran, it was found that managers are more outer-directed in terms of values and appreciate a more collectivistic approach to organizational change and could possibly be due to the culture's great devotion to the religion of Islam (Ali & Amirshahi, 2002). This implies that organizations who follow a collectivistic approach to change have shared responsibility which ties them closer together for a particular goal (Ali & Amirshahi, 2002).

In Chinese organizations for example, employees have attitudes towards change and learning in terms of the learning environment and the goal that the organization is committed to as a whole (Alas, Vadi, & Sun, 2009). It was also found that employees were satisfied with their positions and relationships with their counterparts so accepting the change that was for the greater good of the organization was achieved (Alas, Vadi, & Sun, 2009). Research shows that satisfaction in groups allows for organizational change to take place more appropriately (Noordin & Jusoff, 2010). In a research conducted on job satisfaction and collectivism between Malaysia and Australia, it was found that Malaysians were more collectivistic, especially in group work as well as responding to the rapidly growing economy (Noordin & Jusoff, 2010). This research also indicated that Malaysians were becoming more competitive and with the collectivistic approach, they are becoming competitive together (Noordin & Jusoff, 2010), so responding to organizational change must be a lot easier compared individualistic organizational change.

In-group members in a collectivistic group work harder than individualistic members of the same group (Decker, Calo, Yao, & Weer, 2015), a study on American and Chinese preference for group work found. This research postulates that employees who felt connected to one another worked hard to meet the demands of the organization due to their achievement needs and in turn affect the development of change more positively (Decker, Calo, Yao, & Weer, 2015). Organizational commitment was also found to be the result of feeling connected and assuming the organization as an in-group, in China, which makes the collectivistic culture the moderator for change in organizations who follow such cultural ways (Francesco & Chen, 2004).

### *Drawbacks of organizational change from collectivism*

One of the main drawbacks from sticking to the collectivistic custom of working in teams and groups would be that individual feelings and attitudes might be overshadowed (Bergiel, Bergiel, & Balsmeier, 2008). The problem with this is that sometimes certain members are not satisfied with the changes made in the organization and therefore, despite having the right to express their thoughts and feelings, do not do anything about it – not even committing to the change. An example of technological changes can be made – some employees cannot manage too much technological change because they prefer stimulated interaction environments. These individuals make up the organization one

piece at a time and for them to be overlooked can cause serious damage to the change taking place and make it ineffective. Things that must be looked into at the individual level are feelings, attitudes, perceptions, and disputes between organizational members (Bergiel, Bergiel, & Balsmeier, 2008).

Collectivistic nations can drawback from implementing this cultural tradition of working in teams, sharing responsibilities and so forth because the twenty-first century generation does not approve of change through sharing and working in teams (Pimpa, 2012). A study carried in out Thailand which is a very collectivistic nation, revealed that the new generation of individuals in organizations prefer a more individualistic approach to effective change and overall organizational input (Pimpa, 2012). At a time and day where newer generations are stepping into organizations with a heavy influence on individualistic competition, racing to be on top, and work hard as much as possible, a collective concept will likely not be applicable to their way of thinking and perception of change in the organization. One key hold back would be when introducing technological advancements in the organization to provide more effective output (Mukherjee, Hanlon, Kedia, & Srivastava, 2012). This can lead to many people in the older generations to be sacked if they cannot adjust to the technology and use it effectively (Mekherjee, Hanlon, Kedia, & Srivastava, 2012).

To a large extent, although a collectivistic setting to the organization brings about better personalized relationships, teamwork and steady output on a whole (Alas, Vadi, & Sun, 2007), such a collective view can limit the diversity of the members within the organization (Podsiadlowski, Groschke, Kogler, Springer, & Zee, 2013; McMillan-Capehart, 2005). Organizational change is the result of trying to be up to date to the way other organizations work, and therefore it is important to bring about diversity so effective change can take place provided that the field of knowledge is open to accessibility (Al-Haddad & Kotnour, 2015). With a collective concept, individuals are limited to working with members of their own community and therefore to work with people of different diversities would mean that individuals would hold back certain thoughts and ideas regarding change since they do not meet on a balance (Podsiadlowski et al., 2012).

## **Discussion**

The current research paper looked into the concept of organizational individualism and collectivism and its effectiveness in change management. This paper focused on the factors underlying the concepts of individualism and collectivism that influence change to take place or be avoided altogether. On a research perspective, it seems to make considerable sense that we give importance to the individualistic aspect of culture because we are headed in a direction that is similar and it would make it easier to accept change on an individual level. However, the collectivistic perspective seems to create more of a connectedness to the organization – something that makes us want to go to work every day. That commitment to make the people in the organization better for the organization can be a great tool to achieve change, one that contrasts to the individualistic perspective of changing for oneself instead of the organization. Changes takes place at the individual level to make a collective enhancement for the organization, which is why individualism is very crucial to the development of an organization's change.

One thing to note between the two cultural perspectives of individualism and collectivism is how they differ on the kind of organization in which one works. For example, school teachers prefer a more collectivistic culture in accordance to job satisfaction (Cerit, 2014) which directly relates to the commitment of change to make the school or classroom activities more enhanced. Another study postulates that collectivism is stronger in the total culture of the nation and people in various organizations such as textile workers, bankers, pilots, and soldiers are more prone to accepting the collectivistic approach to work together for successful change management (Vadi, Allik, & Realo, 2002). On the other hand, new public management trends have shown a greater increase in the individualistic perspective on work outcomes and show that managerial positions in organizations work on the individual level to assume change and to make it more vivid (Cho & Yoon, 2009). People working in manufacturing cells also suggest that despite working together, workers aim to achieve greater change among themselves at the individual level in an attempt to change the organizations output (Papamacros, Latshaw, & Watson, 2007), accepting organizational individualism to meeting their own needs first and then the organization's.

To a large extent it is significant to say that different workplace cultures require different ways of working. If a particular environment is individualistically oriented, then by all means that company will promote individualism and benefit as much as possible by increasing competition and giving individual value to each employee to motivate him or her to do better. If an environment is oriented in a collectivistic manner, then the company will work hard to promote group efforts and team building followed by cooperation. It is very important that companies become aware of the changing trends in order to allow effective change and progress in the company with the details of how the employees are molded into being the people they are. Despite the importance of having collectivistic approaches to running a company or just working in it, it does seem like an individual battle to prove oneself over the other constantly and managers and employers must appreciate this change first before coming to a conclusion on how to change or improve the company on a larger scale.

## Conclusion

All in all, this paper reflects on the factors that make or break organizational change in regards to factors that prove to be beneficial to the organization, or at least attempt to be. To a certain extent, both organizational individualism and collectivism affect the change an organization is destined to go through. Where one pushes employees to strive to be better than the rest, the other believes it is important pull up together. Research allows us to take a look at the different perceptions culture has on people in different regions of the world, making us see the importance of global, yet distinctive cultural, perspectives. Researches from Turkey, China, Qatar, the United States, India, Malaysia, Iran, and Australia shed light on the approach to individualism or collectivism and whether these approaches are met with acceptance or resistance to make change for the progression of the company.

Since we have understood that different organizations in different cultures are known to appreciate a specific way of accepting change, this research also portrays that if employers do not follow in line with that, there will be repercussions. As it has been

shown, if employers follow an individualistic path by creating their own deadlines and work management, they would not be considering the employee who would be doing the work and whether they can handle the workload appointed to them. This can cause resistance to changes such as deadlines, or work management trainings and so on. Also, for employers who follow a collectivistic path, it can be difficult if they are dealing with a team of individualists who prefer working on their own and committing to only their own ideas. Therefore, organizations must be aware of the cultural context in which they have set up their organization and look for changes to occur through that culture in order to reach an optimal level of change which is effectively met.

Despite all of this, many organizations today still do not grasp well onto the idea that following the trend will lead them to be better because employees in an organizations, particularly those from various backgrounds, will bring with them a lot of ideas and innovation and knowledge which can be used effectively for change to take place. In this fast-paced world today, diversity is in full swing and it is very important that organizations become aware of this. This will allow the greatest innovation, creativity, and progress to make change happen and survive within the business of the organization.

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