Chapter 8
Organizational Change:
Review of the Literature

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ABSTRACT

Nearly no organizational phenomenon has garnered as much attention as organizational change. It appears as one of the fascinating and nearly eroticizing inducements for business organizations, and it has been highly acknowledging as a response. Highlighting the importance this phenomenon holds in the current environment, there is a huge and still growing body of research concentrating on organizational change. This chapter briefly explains the overview of the three major organizational change approaches (teleological approaches and evolutionary approaches and psychological approaches), which highlight organizational change through different models and theories.

INTRODUCTION

Nearly no organizational phenomenon has altered as much attention as organizational change. It appears as one of the fascinating and nearly eroticizing inducements for business organizations, and it has been highly acknowledging as a response. Highlighting the importance, this phenomenon holds in the current environment, there is a huge and still growing body of research concentrating on organizational change (Schwarz, 2012; Wetzel & Van Gorp, 2014). Change is a basic, notable and recurring part of life. As a result, it has become one of the big comforts in organization theory (Wetzel & Van Gorp, 2014). Generally, organizational change can be defined as "a new state of things, different from the old state of things" (French & Bell Jr 1999, p. 2). Furthermore, Huse and Cummings (1985) defined organizational change as "a state of transition between the current state and a future one, towards which the organization is directed". It shows that organizations are constantly engaged in change processes in order to survive in a competitive environment. Lewin (1947) was the first to propose that life is never without change, and organizations are constantly engaged in the change processes although the nature of change is not always the same, as change comes in different sizes and shapes (Hodges & Gill, 2014). Therefore, this chapter briefly explains the overview of the two major organizational change approaches (teleological approaches and evolutionary approaches), which highlight organizational change through different models and theories.

Background

In terms of size and shape, organizational change can further be divided into incremental (first order change) and transformational (second order/strategic) change. Incremental change pointed out the less-drastic and small-scale transformation that helps the organization to improve its efficiency and overcome inactiveness. Moreover, incremental change tends to be easy and quick to implement and therefore, having both will lower failure risk and allow return in terms of benefits. Conversely, transformational change impacts the organizational structure and the critical areas that form the organizational structure are culture, power distance, strategy, and control system (Tushman & Romanelli, 1985). The transformational change is also referred to as revolutionary or strategic change. Many researchers acknowledged that the success of any type of change depends on the people (employees) of the organizations, and it is more critical for the employees to alter their perspectives and values according to the overall perspective of the organization (Jacobs, van & Christe-Zeyse, 2013; Moran & Brightman, 2001). Therefore, it is supposed that social actors live in the zone of upheaval, and organizations try to gradually change and to manage its effects (Burke, 2008; Schwarz & Huber, 2008). This makes it more

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