DISCOMFORT IN ACADEMIA AND ITS EFFECT ON READINESS FOR CHANGE

Laurie A. Branch, Tony Lingham, and Kalle Lyytinen

Laurie A. Branch, Ph.D. (lbranch@sbu.edu)

St. Bonaventure University

Tony Lingham, Ph.D. (tony.lingham@gmail.com)

Kalle Lyytinen, Ph.D. (kalle.lyytinen@case.edu)

Case Western University

Abstract

This study examines the impact of individual differences, specifically self-efficacy, perceived collective efficacy and tolerance for the discomforts associated with change, on readiness for change among business school faculty and administrators. Our study is based on 489 survey responses by faculty and administrators across a representative sample of U.S. business schools. Our findings suggest that self-efficacy is an important factor in predicting readiness for change. Further, our results indicate perceived collective efficacy positively mediates the relationship between self-efficacy and readiness for change. Surprisingly, we found that some forms of discomfort such as increased workload, changing relationships, and decreased job security actually increase readiness. However, as the level of frustration and anger about the impact of change

increases, we saw a dramatic reduction in readiness. This research suggests that business school leaders can feel comfortable asking faculty and administrators to accept some level of discomfort associated with change, but leaders and change agents must be mindful not to overstretch the faculty's tolerance or they risk turning the positive effect of efforts to stretch into a strongly adverse effect on readiness for change.

Keywords: Organizational Change; Business Schools; Curriculum; Higher Education; Self-efficacy; Perceived Collective Efficacy; Discomfort

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INTRODUCTION

U.S. business schools have experienced five years of straight decline in full-time MBA applications (Graduate Management Admission Council, 2019). Even the top-ranked schools are being impacted. Harvard and Stanford applications were down 6.7% and 6%, respectively, in 2019 versus 2018 and other top schools experienced even greater declines (Cutter, 2019). Some smaller, less highly ranked schools are closing their full-time MBA programs and shifting their limited financial and faculty resources to their online MBA or to specialized master's degrees (Gee, 2019; Thomas, 2020). The general consensus is this decline in demand has three main drivers: 1) U.S. schools have become less attractive to international students due to a more hostile immigration environment that makes it harder to attend school and to secure employment in the U.S. combined with improved options for education outside the U.S.; 2) a strong economy with low unemployment which significantly increases the opportunity cost of leaving the job market to attend a multi-year full-time MBA program; and, 3) students are choosing specialized master's programs in finance, analytics, etc. over the MBA due to lower costs and similar or higher upside revenue potential or turning to lower cost, more

flexible online MBA programs (Byrne, 2019; Cutter, 2019; Ethier, 2019; Gee, 2019; Jaschik, 2019a; Jaschik, 2019b; Moules, 2019; Thomas, 2020).

The pressure for business schools to change comes from many sources. Employers are telling business schools that the skills being taught are not what employers are looking for (Rubin & Dierdorff, 2009; Thomas, 2020). Students are discovering that the MBA is no longer the only ticket to success in the business world (Moules, 2019). The Association to Advance Collegiate Business Schools (AACSB) has acknowledged that their emphasis on making “business schools more academic and academically credible on campus” may have come at the cost of “being less connected with business” (Gordon, 2017). In line with this, the AACSB has created a new mission and vision informed by “market input from key stakeholders – students, the business community, employees, and a global membership network” (Los Angeles Business Journal, 2019) which is focused on driving change (AACSB, 2018). The key question remains: will business schools be able to respond to AACSB’s call to “demonstrate the value, relevancy, and impact of business education?” (Robinson quoted in Los Angeles Business Journal, 2019) and get their internal stakeholders- faculty and staff- to execute upon this new vision?

The change literature teaches us that transforming business schools so deeply will be highly challenging. There is a general consensus that change is constant, pervasive and difficult to accomplish (Beer & Nohria, 2000; Kotter, 1995; Rafferty, Jimmieson, & Armenakis, 2012). Research suggests that individual dispositions and attitudes will determine the outcome of organizational change initiatives- especially those that are deep and potentially transformative (Herold, Fedor, & Caldwell, 2007; Miller, Johnson, & Grau, 1994; Oreg, Vakola, & Armenakis, 2011; Walker, Armenakis, & Bernerth, 2007). Given this challenge, how can business school leaders be comfortable entrusting the success of their necessary change effort, and by extension the survival of their institutions, to the very people most likely to resist the change and who have invested their

lives in the earlier business model (Coch & French, 1948; Lawrence, 1969; Watson, 1971)?

Recognizing that employee readiness for change is a necessary precursor to successfully implementing organizational change (Jones, Jimmieson & Griffiths, 2005; Neves, 2009; Rafferty et al., 2012; Rafferty & Simons, 2006), it is essential to inquire into what drives readiness for change in general. Research suggests it is a function of content, context and process (Armenakis, Harris & Mossholder, 1993; Walker et al., 2007) as well as individual differences (Bouckennooghe, 2009; Caldwell, Herold, & Fedor, 2004; Neves, 2009; Oreg, 2003). Understanding which individual differences most influence readiness for change as well as what factors might increase any positive effect found is an important area for continued research (Holt, Armenakis, Feild, & Harris, 2007; Oreg et al., 2011; Rafferty et al., 2012; Weiner, Amick, & Lee, 2008.). Moreover, because research suggests change can cause significant disruptions for the individual in a variety of ways that may adversely affect organizational change efforts (Bareil, Savoie, & Meunier, 2007; Chawla & Kelloway, 2004: 488; Dent & Goldberg, 1999: 36; Judge, Thoresen, Pucik, & Welbourne, 1999; Wanberg & Banas, 2000: 132), it would be helpful to understand what impact this discomfort may have on an individual's readiness for change. Therefore, the purpose of this study is to investigate discomfort as a potential new construct that can be added to the stream of research on organizational change. To accomplish this, we chose to test whether self-efficacy affects readiness for change among faculty and administrators at U. S. business schools and to investigate the mediating role of collective efficacy and discomfort on this relationship.

Research on how business school leaders might increase faculty and administrator readiness for change is critical to the leaders of business schools who wish to improve the chances that their change initiatives will be successful, but such research is limited. This study will provide business school leaders and change agents with information on how

individual differences can positively affect readiness for change among the school's faculty and administrators.

LITERATURE REVIEW

There is broad recognition that individual acceptance and support for change is critical to successful change implementation (Armenakis et al., 1993; Atlaf et al., 2019; Bouckennooghe, 2010; Herold et al., 2007; Miller et al., 1994; Oreg et al., 2011; Rosenbaum et al., 2018; Thakur et al., 2018; Walker et al., 2007). At the individual level, research into what might inhibit or enable organizational change efforts has focused on individual characteristics and predispositions (Jimmieson, Terry, & Callan, 2004; Miller et al., 1994; Oreg et al., 2011; Walker et al., 2007) as well as attitudes toward change (Bouckennooghe, 2010; Grimolizzi-Jensen, 2018; Herold et al., 2007; Oreg et al., 2011; Piderit, 2000). Judge and colleagues (1999) contend successful change may well be rooted in "the psychological predisposition of [the] individuals experiencing the change" (Judge et al., 1999: 107). Research has linked a number of individual characteristics, including locus of control, self-efficacy, self-esteem, positive affectivity, openness to experience, tolerance for ambiguity, emotional intelligence, social intelligence, and risk aversion, either directly or indirectly, to successful organizational change (Aslam et al., 2018; Cunningham et al., 2002; Holt et al., 2007; Judge et al., 1999; Lau & Woodman, 1995; Oreg, 2003, 2006; Oreg et al., 2008; Wanberg & Banas, 2000).

For the purposes of our study, we chose to examine the impact of self-efficacy on readiness for change. We chose self-efficacy because it is one of the five mechanisms that underlie the effective adoption and institutionalization of organizational change (Andrew et al., 2017; Armenakis et al., 1993), and, we believe, levels of self-efficacy will be high among faculty and administrators, most of whom have terminal degrees and clearly defined areas of expertise. Bandura (2003: 03) defines self-efficacy as "beliefs in one's capabilities to organize and execute the courses of action required to produce given attainments". Existing

research has shown that self-efficacy is particularly important in times of change (Armenakis et al., 1993; Bernerth, 2004; Neves, 2009). Bandura (2003: vii) notes that “[r]apid cycles of drastic change...place a premium on people’s sense of efficacy to shape their future.” This is echoed by Neves (2009: 217), who links readiness for change with self-efficacy stating that, “while creating readiness for change, one should reinforce employee’s feelings of self-efficacy.” Similarly, Bernerth (2004: 42) emphasizes that “during stressful times, such as an organizational change, low self-efficacy presents a negative cyclical relationship” whereby “self-doubt and worry elevate arousal, which in turn creates stress and impairs performance”. Bernerth (2004: 42) goes on to mention that “during times of change...high self-efficacy will divert attention to the demands of the situation and incite greater effort to succeed.”

Yet self-efficacy does not operate on readiness in isolation. Bandura (2003) presents a triadic reciprocal causation model between behavior, internal personal factors (of which self-efficacy is one) and the external environment. Bandura argues that although “conceptions of agent causality have been wedded to individual agency...social cognitive theory adopts a much broader view of agency” (Bandura, 2003: 7). He points out that “human lives are highly interdependent” and that “social cognitive theory...extends the analysis of human agency to the exercise of collective agency” (Bandura, 2003: viii). Based on this extension of Bandura’s theory, we chose to include perceived collective efficacy in our model as we believe it is particularly important in business schools where the collective efficacy of the faculty and administrators is essential to achieving successful student outcomes. Bandura defines collective efficacy as beliefs in one’s organization’s capabilities to organize and execute the courses of action required to produce given attainments and also points out that “[t]he strength of...organizations...lies partly in people’s sense of collective efficacy that they can solve their problems and improve their lives through concerted effort...perceived collective efficacy will influence what people choose to do as a group, [and] how much effort they put into it” (Bandura, 1982: 143).

However, missing from the literature on individual differences is an investigation of a construct that reflects the individual's tolerance for the discomfort associated with experiencing change. There is general consensus that change can cause significant disruptions for the individual in a variety of ways; empirical evidence suggests frustration, workload, change in status and/or work relationships, conflict at work and home, threats to the psychological wellbeing of the employee, ability to work efficiently and professionally, interruptions to work plans, changes in roles and responsibilities, fear of failure on new tasks, and job insecurity are all potential impacts of organizational change efforts (Bareil, Savoie, & Meunier, 2007; Chawla & Kelloway, 2004: 488; Coch & French, 1948; Dent & Goldberg, 1999: 36; Judge et al., 1999; Kiefer, 2005; Oreg, 2003; Rafferty & Simons, 2006; Wanberg & Banas, 2000: 132). In this study, we use five dimensions of discomfort based on prior research that identified multiple dimensions of the impact of change on employees' work situation (Branch & Lingham, 2012); these dimensions are: 1) workload; 2) ability to maintain work focus; 3) relationships at work; 4) job security; and, 5) emotional response to the effects of change at work.

The outcomes of organizational change efforts also depend on individuals' attitudes toward change (Bouckennooghe, 2009, 2010; Harrington, Staffo, & Wright, 2006; Lau & Woodman, 1995; Miller et al., 1994; Piderit, 2000). While the seminal work by Coch and French (1948) characterized individuals as either being 'resistant to change' or not, research since then has found more nuanced ways to express individual attitudes. The literature is currently divided into four main streams: resistance to change, readiness for change, openness to change and ambivalence to change:

1. *Resistance to change.* This is the most researched of the four attitudes of interest (Bouckennooghe, 2010: 502) and has been a focal point of organizational research since Lewin (1947) first introduced the concept of freezing/unfreezing/refreezing. Resistance is characterized generally as an unwillingness to unfreeze (Bernerth, 2004: 40) and more specifically as "an individual's tendency to resist or avoid making changes, to devalue

change generally, and to find change aversive across diverse contexts and types of change” (Oreg, 2003: 680). Past studies have conceptualized resistance as taking three forms: a) cognitive resistance centered in negative thoughts about the change; b) emotional resistance expressed in terms of aggression, frustration, and anxiety; and, c) behavioral resistance which can take one of two forms: either taking actions designed to stymie or defeat change efforts or failing to take action needed to implement the change (Piderit, 2000).

2. *Readiness for change.* This is the second most often used construct in research on attitudes toward change (Bouckennooghe, 2010: 502). There is fairly broad consensus on the definition of readiness for change as being “an organizational members’ beliefs, attitudes and intentions regarding the extent to which changes are needed and the organization’s capacity to successfully make those changes” (Armenakis et al., 1993: 681). Research into readiness for change includes investigations into its antecedents, its outcomes and its role as a mediator (Armenakis et al., 1993; Bouckennooghe, 2009; Bouckennooghe & Devos, 2007; Bouckennooghe, Devos & Van den Broeck, 2009; Cunningham et al., 2002; Jones et al., 2005; Rafferty et al., 2012; Rafferty & Simons, 2006).

3. *Openness to change.* “Conceptualized as support for change, positive affect about the potential consequences of the change...it is considered a necessary, initial condition for successful planned change” (Miller et al., 1994: 60). Openness to change has been linked to individual job characteristics and social information processing (Miller et al., 1994), differences and context-specific variables (Wanberg & Banas, 2000), job security, procedural justice, and indirectly to participation (Chawla & Kelloway, 2004). Openness to change is thought to positively affect job satisfaction and negatively affect workplace irritation and turnover (Chawla & Kelloway, 2004; Wanberg & Banas, 2000)

4. *Ambivalence to change.* Piderit (2000) argues that singular constructs are too simplistic to describe employee attitudes toward change and proposes a multi-dimensional attitudinal model. This model acknowl-

edges that some aspects of the change might be supported by an individual while other aspects are opposed leading to an overall attitude of ambivalence toward the change that masks the underlying dynamics. She identifies three dimensions of an individual's attitude toward change: cognitive, emotional, and intentional (Piderit, 2000: 786). She argues that an important benefit of using a "multi-dimensional definition to describe employees' attitudes toward proposed change is that conceptualizing each dimension as a separate continuum allows for the possibility of different reactions along the different dimensions" (2000: 787).

Based on this literature and related synthesis, we chose to focus on an *individual's intentional readiness for change* in our study because, as Ajzen (1991: 181) states in his theory of planned behavior, "the stronger the intention to engage in a behavior, the more likely should be its performance." In summary, a review of the literature suggests individual differences may affect an individual's intentional readiness for change, which in turn is essential to the success of institutional change initiative (Ajzen, 1991; Bandura, 2003). In this study we chose to investigate how self-efficacy beliefs influence an individual's intentions, and consequently, his or her actions while also seeking to understand how both perceived collective efficacy and tolerance for discomfort affect this outcome. Our study is based on two underlying research questions: 1) How does Self-efficacy affect one's readiness for change?; and, 2) How do both discomfort and collective efficacy mediate this fundamental path?

HYPOTHESES

We chose to measure the intentional readiness dimension of the Bouckennooghe et al. Readiness for Change scale (2009) as our dependent variable, because we were most interested in the behaviors that might result from the effects of self-efficacy. This is based on Bandura's argument that "efficacy beliefs regulate aspirations, choices of behavioral courses, mobilization and maintenance of effort and affective reactions" (Bandura, 2003). We define intentional readiness as an organiza-

tional member's intentions regarding the extent to which they are willing to support organizational change efforts. It should be noted that our choice directly contradicts the position put forward by Rafferty et al. (2012: 114) who argue that it is not appropriate to include intentions as a component of change readiness despite the fact that it is part of the definition. However, we believe that intention is perhaps the most important dimension of readiness because it speaks to the actions an individual is likely to take with regard to change initiatives and it is the sum of those individual actions that will determine the success or failure of an organizational change.

We chose self-efficacy as our independent variable based on our review of the literature which indicates this is an important individual difference that is likely to affect intentional readiness. Bandura's model based on human agency theory underlies our first hypothesis that self-efficacy will directly and positively affect readiness for change.

Hypothesis 1. Self-efficacy will positively affect intentional readiness for change.

Bandura notes that "efficacy beliefs work in concert with other socio-cognitive determinants in governing human adaptation and change" (Bandura, 2003: vii). This suggests mediators may play an important role in better understanding the influence of self-efficacy on intentional readiness for change. The first mediator we chose to include in our model, perceived collective efficacy, is also based on Bandura's work in social cognitive theory (1982). Because "both individual self-efficacy and collective efficacy has been shown to relate to the amount of effort and persistence employees are willing to put forth to reach particular outcomes" (Bernerth, 2004: 42), we posit that perceived collective efficacy will partially positively mediate the effect of self-efficacy on intentional readiness for change.

Hypothesis 2. Perceived collective efficacy will partially and positively mediate the relationship between self-efficacy and intentional readiness for change.

The second mediator we chose to include in our model is based on the impact that change has on an individual's work situation and the domino effect that experiencing the discomforts associated with change will have on an individual's intentional readiness. We have divided these impacts into five categories: workload impact; work relationships impact; job security impact; work focus impact; and, emotional impact. In our study these five constructs reflect the dimensions of a new second order construct which we call discomfort. We believe that discomfort will partially and negatively mediate the positive relationship between self-efficacy and intentional readiness for change.

Hypothesis 3. Discomfort will partially and negatively mediate the positive relationship between self-efficacy and intentional readiness for change.

Beyond the typical control for gender, we identified five more variables that we felt might affect our sample population. Because we conducted our study among faculty and administrators at business schools, we felt it was important to control for some aspects that are unique to that environment including Tenure Status, Years Employed at the Present Institution, Faculty Rank, Type of school (public non-profit; private non-profit and for-profit) and Ranking of the school relative to all other business schools by the press.

METHODS

Measures

For all variables we used scales based on reflective measures designed to capture the underlying theoretical construct because the phenomena we

are interested in are not “readily observable by direct means” (DeVellis, 2011: 11) To measure our independent variable, self-efficacy (SE), we used an eight item-scale proffered by Chen et al. (Bandura, 2006; Chen, Gully, & Eden, 2001). A sample item is “When facing difficult tasks, I am certain that I will accomplish them.” We measured our dependent variable, intentional readiness for change (IR), using the intentional readiness dimension of Bouckennooghe et al.’s readiness for change scale (2009: 575), which we adapted slightly to capture feelings about change in general rather than a single specific change. A sample item is “I want to devote myself to the process of change.” In order to measure the impact of our first mediator, perceived collective efficacy (PCE), we adapted our self-efficacy scale according to Bandura’s instructions for scale adaptation to create the eight-item measure for collective self-efficacy (Bandura, 2006; Chen et al., 2001). The sample item that corresponds with the example given for the self-efficacy scale is: “When facing difficult tasks, I am certain that my organization will accomplish them.”

LIMITED PREVIEW COMPLETE

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WEB APPENDIX

A web appendix for this paper is available at: <https://dx.doi.org/10.15239/j.brcacadje.2020.08.01.wa02>