ORGANIZATIONAL CHANGE LEADERSHIP CONSIDERATIONS FOR WORKPLACE ENGAGEMENT, PERFORMANCE, AND CHANGE.

by

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A seminar paper submitted in partial fulfillment of the requirements for the degree of

MASTER OF SCIENCE IN ORGANIZATIONAL CHANGE LEADERSHIP

2017

University of Wisconsin- Platteville
Platteville, WI

Approved by: 12/18/2017
This paper analytically explores the role organizational change leadership plays in relationship to the generational aspects of individual change readiness within the performance management change process. Exploring this relationship provides a lens into understanding the multi-faceted relationship between the individual abilities toward change readiness and workplace engagement, performance, and change within a multi-generational workforce. The significance of this paper primarily pertains to contributing to positive organizational change leadership approaches, pragmatic business solutions, and the literature on the generational aspects on individual and organizational change readiness, engagement, and performance. The paper uses a literature review approach to identify these relationships. The first review compares the four prevalent models on the factors that create individual change readiness within organizations. The second focuses on the historical development of engagement and performance management as controlled or spontaneous change processes. The third literature review summarizes the research on whether generational differences impact individuals’ responses toward change. The conclusion of the paper explains the paper’s findings on how generational aspects influence some but not all of individual change readiness in the performance management change process.
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INTRODUCTION AND BACKGROUND OF THE STUDY

The capability to manage the high-rates of external and internal changes within organizations has increasingly become a strategic leadership priority around the world. Changing demographic trends, transforming organizational cultures, and shifting workforce needs have increased in saliency and gained the attention of organizational leaders, management researchers, and change practitioners. This is due, in part, to the fact that global organizational leaders are increasingly struggling with flat engagement levels, change-resistant cultures, ineffective performance management, failed change initiatives, and a dynamic multi-generational workforce. The opportunities and threats to business success and organizational life are profound. This paper addresses these opportunities and threats by analytically focusing on the role organizational change leadership plays in relationship to the generational aspects of individual change readiness within the performance management change process. Exploring this relationship in which individual, supervisor, group, and organization intersect around performance feedback provides a lens into understanding the relationship between the individual abilities toward change readiness and workplace engagement, performance, and change within a multi-generational workforce. A framework is proposed to help organizations to support, leaders to inspire, and individuals to proactively facilitate individual change readiness actions that prepare themselves and others to comprehend, embrace, and work through frequent, and potentially destabilizing, organizational change.

Generational demographic change has been a significant phenomenon within the global workforce over the past few decades (Kultalahti & Liisa Viitala, 2014; Meister & Willyerd, 2010; Mulcahy, 2016; Schwartz, 2017). The millennial generation born between 1981 and 1997 currently makes up over 50% of the global workforce with projections that they will make
up to 75% of the work world before 2030 (Catalyst, 2017; Deloitte, 2017). Much of the popular literature and thought leaders (Sinek, 2016; Buckley, 2017) focus on surface level behavior changes, such as how organizations have or need to change business operating patterns, perspectives and policies to attract, develop, motivate, and retain millennial workers (Schwartz, 2017). Proposed changes to organizational life range from more individualized career development coaching to improving work-life balance policies. The prevalent perception among many organizational leaders is how best to implement the right policies and organizational culture to motivate and engage millennials to achieve higher levels of engagement, organizational loyalty, performance, and change adaptability. Such proposals parallel the decade-long effort by leading business research companies like Gallup, Deloitte, and Aon-Hewitt to identify the key factors to positively impact employee engagement and performance. Despite such awareness and policy changes, Gallup (2017) recently soberly reported that the return on investment of engagement initiatives have proven to be less than optimal with minimal improvement in global engagement levels over the past fifteen years.

Behind these popular discourses, organizational leaders increasingly struggle with engagement levels not improving, performance management systems hindering rather than driving performance, and change efforts continuing to fail due to the inability of individuals to embrace sustained change. The lack of progress in these areas have profound impact on organizational engagement, performance improvement, and change initiatives. The problem statement is less about the inability of organizations and leaders to quickly adapt and implement consultant advice to accommodate millennials’ work preferences. The problem statement is more about understanding better how the generational aspects of individual change readiness impact and influence change on an individual, group, organizational level. This understanding,
in turn, will directly shape leadership behaviors and organizational strategies to improve individual, group, and organizational performance in service to achieving desired business results and change outcomes. This paper examines this problem statement through an analysis of the literature on change readiness, engagement, and generations to better understand how the generational aspects on individual change readiness affect the change process.

Performance management is significant within organizational life in that it blends together performance improvement, engagement, individual and organizational change, and human interactions between individuals from different generations. Within organizations, the performance management process is considered a pervasive organizational need and an important managerial technique for motivating individuals to be more engaged and change (improve) their individual performance. In this paper, performance management will be defined broadly to encompass everyday performance conversations and structured formal performance reviews (Berger & Berger, 2004; Bernardin et al., 2016; Cappelli & Tavis, 2016; Cho & Perry, 2012; Desini & Pritchard, 2006, Desini & Smith, 2014; Igalens & Roussel, 1999). Performance management is a dynamic, integrated process in which individuals are adapting to feedback to improve their individual performance on a daily basis (Eyal & Fishbach, 2010; Hoole & Bonnema, 2015; Kaymaz, 2011; Tizner & Latham, 1989). The ability to tolerate and react to an ambiguous situation is considered to be a significant competency during change. Evidence exists indicating that individuals who constructively manage emotions and tolerate ambiguity tend to have higher levels of performance and engagement (Lloyd & Hartel, 2010). Conversely, individuals often find themselves in situations where the lack of information, support, and self-awareness leads to confusion, poor performance and disengagement.
The significance of this paper primarily pertains to contributing to positive organizational change leadership approaches, pragmatic business solutions, and the literature on the generational aspects on individual and organizational change readiness, engagement, and performance. The literature review has three main sections. The first part begins by comparing the four prevalent models on the factors that create individual change readiness within organizations. Strengths and limitations are identified on how cognition (mindset), affect (emotion), biology (neuroscience), and identity (who am I?) affect individual change readiness. The second part focuses on the historical development of engagement and performance management as controlled or spontaneous change processes. This includes explaining three perspectives - performance management-by-objective, cognitive-affective psychology, and motivational theory - on how to motivate individual engagement and performance. The third part summarizes the research on whether generational differences impact individuals’ responses toward change. The conclusion of the paper is a discussion of the findings on how generations have similar and different responses to performance management. An integrated approach is proposed to pragmatically help organizational change leaders, change practitioners, and employees to understand how generational aspects of individual change readiness play out and how this understanding can be used to effectively navigate and sustain individual, group, and organization changes.

LITERATURE REVIEW

The purpose of this section is to review the thinking and concepts in the three bodies of literature pertaining to the purpose of this paper – the role organizational change leadership plays in relationship to the generational aspects of individual change readiness within the performance management change process. The first part begins by comparing the four prevalent approaches
on the factors that create individual change readiness within organizations. The second part focuses on the historical development of engagement and performance management in terms of motivating individuals and preparing for controlled or spontaneous change processes. The third part summarizes the nascent research on whether generational differences impact individuals’ responses toward change. This review’s goal is to provide foundational insights and identify strengths and limitations on facilitating effective individual change readiness in multi-generational organizations.

**Individual Change Readiness**

The study of individual change readiness is among the most widely studied constructs for management researchers and practitioners of organizational change (Bouckenooghe, 2010; Caldwell, 2013; Rafferty et al., 2013). Preparing and motivating individuals to execute change is a critical construct to predetermine the likelihood of resistance or support of the change, as well as the overall success or failure of the change initiative (Oreg et al., 2011; Schultz et al., 2017; Vakola, 2014). This construct, along with its ancillary constructs like commitment, openness, and adjustment to change, is embedded in positive psychology thinking. Positive psychology has reoriented organizational change management away from it focus on disorder and dysfunction toward wellbeing and effective functioning (Csikszentmihalyi, 1997; Dweck, 2014; Pink, 2009; Seligman & Csikszentmihalyi, 2000). Change readiness is often juxtaposed against the constructs of change resistance, which is deeply rooted in negative psychology thinking (Armenakis et al., 1993; Rafferty et al., 2013). The sections below will describe the primary tenets and intersections of four approaches to individual change readiness: cognitive, affective, biological, and identity (see Figure 1). The objective is to identify each approach’s strengths and limitations in order to determine the role organizational change leadership plays in
relationship to the generational aspects of individual change readiness within the performance management change process.

Figure 1. Individual change readiness approaches

Cognitive approach

The cognitive approach is based on the proposition that mental processes determine the extent to which an individual or organization will perceive, solve, decide, and become motivated to accept and adopt a particular change plan to alter the status quo. Derived from cognitive psychology focus on understanding how individuals sense and interpret external stimuli, this approach reveals the impact of preconceived notions (mental models) and beliefs on an individual’s self-awareness and interpretation of their current reality, changing situations, and future visions (Olsen & Simerson, 2005). From this perspective, change readiness has been traditionally defined as the individual’s “beliefs, attitudes, and intentions regarding the extent to which changes are needed and to the organization’s capacity to successfully undertake those changes” (Armenakis et al., 1993). An individual’s mindset is not completely static or hard
wired to either resist or support a change effort. Instead, an individual’s change inclination can be altered and molded by individual and organizational dynamic factors influencing their attitudes, beliefs, and intentions regarding change. Armenakis et al. (1993, 1999) defined readiness as the cognitive evaluation made by the member that can lead to the member’s support for or resistance to the change initiative. The review below focuses on strength and limitations of this approach’s core concepts, factors influencing change, and preferred level of analysis.

Several core concepts within the voluminous change management literature provides insights into the methods, validity, and scope of the cognitive approach (Armenakis et al., 1993; Rafferty, 2014; Self & Schraeder, 2008). These concepts can be reflected in three principles from Kurt Lewin’s planned three-step model of organizational change, which is comprised of field theory, group dynamics, and action research (Burns, 2017; Hayes, 2014). First, human beings are constructed as being predisposed to respond in certain ways when experiencing change. An individual commitment for or against the change is altered by either applying additional forces for change in the desired direction or by diminishing the opposing or resisting forces. Lewin argued that human behavior is conditioned within a quasi-stationary equilibrium in which behavior can unfrozen, changed, and refrozen at a new desirable level. He emphasized the importance of “reducing the restraining forces (a pull strategy) in preference to a high-pressured approach that only focused on increasing the forces pushing for change (a push strategy)” (Hayes, 2014). Building on Lewin’s, Armenakis (1993) postulated that readiness is the cognitive evaluation that can lead to the individual’s support for or resistance to the change initiative. This change readiness model “assumes that if change participants receive appropriate messages (knowledge), they will believe, and that if they believe, then their motivation to engage the change will follow” (Caldwell, 2013; Self & Schraeder, 2008). Effective management
communications are, thus, critically important in transforming the current state of an individual’s beliefs, attitudes, and intentions to accept, support, and sustain the change initiative (Caliskan & Isik, 2016; Holt & Vardman, 2013; Kotter & Cohen, 2002; Lewis, 2007; Oreg et al., 2011; Rafferty et al., 2013; Rusly et al., 2014; Vakola, 2014).

The second concept underscoring the cognitive approach involves conceptualizing stages of readiness that ranges from a less desirable to a more desirable level of commitment to change. Lewin developed a three-step process to help navigating the change process for individuals, groups, and organizations. This first stage “unfreezing” change involves preparing individuals to accept the necessity of change, which stirs up emotions to break down existing beliefs, attitudes, and social habits toward the status quo. With the uncertainty resulting from unfreezing, the second stage “moving” is where people actually change by looking for new ways to do things and starting to believe and act in ways that support the change. The third stage “refreezing” is when the new behaviors, attitudes, beliefs, habits, and norms are refrozen to anchor and sustain the change in the organization. Burns (2017) posited that “Lewin believed that the best and most effective means of bringing about change in individuals is through group encounters.”

Dissatisfaction with Lewin’s planned change model by the early 1980s resulted in the emergence of alternative approaches to the change that asserted individual behavior changes happening in stages over time (Demitor, 2014). More contemporary cognitive advocates turned to more dynamic psychological models of change behavior, especially Prochaska and DiClemente’s five-stage cyclical cognitive model of precontemplation, contemplation, preparation, action, and maintenance. Readiness for change “equates to the preparation stage, whereby individuals have positive attitudes toward a change and indicate an inclination to take
action in the immediate future” (Holt & Vardman, 2013). This approach also takes into account the cognitive and behavioral factors impacting change readiness for planned, organic, and spontaneous changes. Cognitive advocates use this approach to understand implications when individuals exit the change process at any time and exhibit resiliency in learning from relapses to increase their commitment to individual, group, and organizational change (Kritsonis, 2004).

The third concept involves how the cognitive approach adheres to a humanist belief that organizations and leaders can positively shepherd changes to assist individual change readiness and the better of society. Lewin rejects, like most change management researchers and practitioners, the reward-punishment motivation perspective to influencing, modifying, and managing human behavior. Change brought about by increasing the forces pushing for change will result in an increase in tension. Lewin believed pushing for change will be accompanied by “high aggressiveness (especially towards the source of the increased pressure for change), high emotionality and low levels of constructive behavior and can trigger a reactive sequence … that challenges the change agent’s intention” (Hayes, 2014). Instead, the more optimal result is when individuals can change their attitudes and beliefs with a sense of autonomy without adversely impacting their psychological wellbeing. As discussed below in the section on engagement, researchers like Deci and Ryan (2009) and Pink (2009) have empirically discovered that autonomous motivation promotes greater performance and levels of psychological wellbeing. The cognitive model similarly concludes that creating a climate of trust and enhancing positive communication has a high level of influence on individual readiness to change. Satisfied employees are more likely to change because they understand positive consequences of changing and therefore decide to embrace change (Bouckenooghe, 2010; Caliskan & Isik, 2016; Holt & Vardman, 2013; Rafferty et al., 2013; Rusly et al., 2014, Vakola, 2014).
A comparison of several systematic reviews of the literature reveals five individual-level factors that impact the extent individuals are cognitively inclined to believe, accept, embrace, and implement a particular change (Armenakis et al., 1993; Holt & Vardman, 2013; Self & Schraeder, 2008). First, the precontemplation and preparation factors indicate the degree to which an individual is inclined to take action in the immediate future. Based on empirical studies and practitioner testimonials, individual personality factors such as higher competencies in adaptability, intercultural relationships, and flexibility make people more predisposed to have a positive perception of change and more readiness for change (Caliskan & Isik, 2016; Rusley et al., 2014; Vakola, 2014; Oreg et al., 2011). Second, the appropriateness factor refers to the person’s belief that a specific change is appropriate for the situation. Until individuals become aware the current state is no longer desirable and that a new future state is needed, there will be little incentive to consider a change (Self & Schraeder, 2008). Third, the principal support factor is the belief in the leadership commitment to change and having faith in its intentions. Change management researchers have verified that employees with higher levels of trust with their management are more likely to “consider change positively and therefore are ready to follow change” (Vakola, 2014). Fourth, the change efficacy factor indicates the individual’s belief that they can successfully change. This is important because individuals need self-confident incentives to act and perseverance to face the uncertainties associated with change (Holt & Vardman, 2013; Self & Schraeder, 2008). Finally, the valence factor refers to the individual belief that change is beneficial to themselves. The change benefit to the individual is sufficient to motivate themselves to determine the effort and support is ‘worth it’ (Caldwell, 2013).

While there is general agreement about the key concepts and factors that underlie individual change readiness (Armenakis et al., 1993; Rafferty et al., 2014), researchers and
practitioners have increasingly identified two shortcomings with the cognitive approach that limit a holistic and humanist understanding of change readiness. First, the cognitive approach’s theory, measurement, and practice have been overwhelmingly based on the individual level of analysis (Holt et al., 2007; Rafferty et al., 2014; Vakola, 2014). Bouckenooghe (2010) identified that approximately 84% of the cognitive studies on change readiness adopted an individual level of analysis. The organizational and group component is often conceptualized as either a component of an individual perception of the organization’s readiness. This prevalent focus inadvertently neglects the oscillating back-and-forth dynamics among the individual, group, and organizational levels as expounded by numerous studies of organizational life (Conroy & O’Leary-Kelly, 2014). The individual unit of analysis is prevalent due to the positivist orientation to unearth empirical data on the conscious and unconscious psychological roots of people’s attitudes. Less attention is paid to the external environmental factors, group norms, and organizational culture that produce and shape various emotional responses to change.

As a response to such critiques, cognitive advocates increasingly expanded their research boundaries to encapsulate cognitive elements to the organizational level (Caver, 2012; Choi, 2011; Holt & Vardman, 2013; Lewis, 2007; Rafferty et al., 2013; Volka, 2014). Some researchers focused on how people’s perception of organizational readiness to change influences their attitude toward change (Vakola, 2014). In this context, organizational readiness refers to the existing mechanisms, processes or policies that can encourage or disrupt change such as organizational structure, culture, climate, and leadership commitment (Vakola, 2014). Cognitive advocates argued that the perception of organizational readiness ranges from seeing the organization as capable of successfully undertaking change to realizing the organization is not ready to implement the change. Three organizational-level factors are considered significant
in relating to the individual’s beliefs about and readiness for change (Holt & Vardman, 2014; Self & Schraeder, 2008). First, collective commitment defines how successful change implementation hinges on a shared belief and resolve among individuals to accept and pursue change. Second, collective efficacy involves the shared belief in their capabilities to organize and execute the courses of action required to implement change successfully. Third, collective trust requires the credibility to build the shared belief that leaders will act in the best interest of the organization’s stakeholders.

Another limitation is the heavy emphasis upon the cognitive domain presents a skewed understanding of how affective or emotional elements underlying change readiness and human behavior. Cognitive approaches either “de-emotionalized” change or treat emotions as something under the control of rational, unemotional actors (Carr, 2001). Studies in recent decades provide evidence that individuals react with a variety of emotions to change as well as to many aspects of organizational life (Carr, 2001; Helpap & Bekmeir-Feuerhahn, 2016; Kotter & Cohen, 2002; Steinberger, 2015). Reactions to organization change is laden with base emotional responses like anxiety, fear, anger, pleasure, or hope. While broadly acknowledging that affect is an important component of the change readiness construct, many cognitive advocates either downplay the impact of effectiveness (Caliskan & Isik, 2016; Carr, 2001; Vakola, 2014) or integrate affective as an independent variable into their cognition-based approaches. For instance, Rafferty et al. (2014) acknowledged that it is “essential to consider both the cognitive and affective aspects of change readiness when defining and measuring this [change readiness] construct.” They construct affection as a proximal antecedent to understand change readiness as influenced by the individual’s beliefs and their positive emotional response to a specific change
event. Some studies, as will be explained in the next section, consider emotions more influential stimuli when reacting to change than those resulting from cognitive thought.

Despite these limitations, the cognitive approach provides organization change practitioners with several beneficial techniques and activities to understand how their employees perceive change and motivate them to accept and become ready for change. Each of the change management approaches shown in Figure 2 stress the importance of communication in unfreezing fixed cognitive mindsets and behaviors. Positively harnessing change is contingent upon effectively communicating a vision and crystal-clear directions (Mathews & Linski, 2016). For example, Kotter’s change model stresses the importance of communication “in reducing resistance to the extent that they first create readiness….to preempt the likelihood of resistance to change, increasing the potential for change efforts to be more effective” (Armenakis, et al., 1993). Effective change messages need to create a cognitive sense of discrepancy (belief) and appropriate response on the need for change. It also needs bolster the sense of individual efficacy (perceived capability), principle organizational commitment, and valence on the benefits and costs of the change initiative (Rafferty, 2014). Effective change communication can also foster “perceptions of trust among employees by encouraging open communication, with emphasis on feedback, accurate information, adequate explanation of decisions, and open exchange of thoughts and ideas” (Vakola, 2014). In summarizing, the cognitive approach highlighted that communicating the reason, urgency, benefits, and vision for the intended change is the most effective way to build individual change readiness.
This communication needs to resemble more a dialogue than a top-down-directive communication. In each model shown in Figure 2, communication is a two-way dialogue in which appreciative listening skills are used to comprehend readiness and employees’ thoughts regarding the change initiative. Engaging employees in the change process is a critical activity to help practitioners to identify, build, and sustain change readiness. Since Levin introduce his theory of change, cognitive approach proponents posit that successful change “requires active
participation of change agents in understanding the problem, finding a solution and implementing it” (Al-Haddad & Kotnour, 2015). Kotter’s fifth step illustrates the importance of employee engagement to motivate and ensure the empowerment of others to act on the change vision. The importance of empowering others and communication to implement and sustain change are critical practitioner actions that were derived in part from the cognitive approaches on employee reaction and acceptance of change.

**Affective approach**

Whereas cognition consists of mental (thinking) responses, affect consists of emotional responses to change. Emotional responses to a stimulus change event can vary in intensity and range from positive feelings of joy, trust, and anticipation to negative feelings of anger, fear, and distrust (Carr, 2001; Liu & Perrewe, 2005; Smollan, 2014). Bridges (2016) and Kotter (1996) were among the first to emphasize the critical role of emotions on the success of organizational and individual change efforts. Kotter argued in his influential work bear the name that the “heart of change is in the emotions” (Kotter & Cohen, 2002; Kotter, 1995). Kotter drew a distinction between seeing and analyzing and between feeling and thinking. Successful organizations compellingly show people what the problems are and how to resolve the problems. They provoked responses that reduce feelings that slow and stifle needed change, and they enhance feelings that motivate useful actions (Kotter & Cohen, 2002, pp. 7-8).

Instead of stifling to reduce resistance, emotion can be harnessed to accept, adapt, and promote the change process, no matter how painful or difficult (Caldwell, 2013; Kotter & Cohen, 2002). In terms of causality, emotions precede cognition. Some researchers hold the opposite view in which cognition precedes emotions, especially when individuals cope with and appraise the
positivity and negativity of organizational change (Fugate et al., 2008; Fugate et al., 2012; Holt & Vardaman, 2013; Liu & Perrew, 2005; Mathews & Linski, 2016; Rafferty, 2014). Heath and Heath (2010) proposed a middle-ground perspective. Their research identified how the affective and cognitive elements co-exist as separate processes that influence the extent people accept, embrace, and adopt change. They described three affective approaches - social cognitive, emotional intelligence innate ability, and emotional intelligence trait – to illustrate the complex, multifaceted intersection between affect, cognition, and individual change readiness.

Social cognitive advocates explore the transactional relationship between thought, emotion, behaviors, and external environment influences an individual’s appraisal and response to change (Fugate et al., 2012; Fugate et al., 2008; Lewis, 2007). Social-cognitivists theorists acknowledge that early cognitive approaches either dismissed or marginalized emotions despite the overwhelming evidence and antidotes from business leaders, practitioners, and researchers (Conroy & O’Leary-Kelly, 2014; Maitlis, et al., 2013; Sonenshein & Dholakia, 2012; Vuori & Viraharju, 2012;). The social-cognitive approach draws from Sigmund Freud’s psychoanalysis theory to conceptualize the term affect in relation to cognition. Freud believed that conscious and unconscious mental processes prompt affective responses (emotional impulses) (Carr, 2001). As a construct, emotions did not exhibit themselves independently, instead they are directly shaped by cognitive processes. The affective responses may be perceived or observable, but are often misinterpreted by the individual and external analyst given a deep-seated association with one’s self identity. Social-cognitivist advocates build on Freud’s belief on how identification is the earliest expression of an emotional tie with another person. During organizational change, an individual’s affective identification with others may be strengthened, weakened, or severed depending on the intensity and scope of the change. The Lazarus transactional model from the
early 1990s has also influenced this approach’s emphasis on individual’s appraisal of the change implications (Carr, 2001; Liu & Perrewe, 2005). The cognitive-emotional process that individuals experience during change typically includes appraising the change and struggling through their emotions as they choose coping mechanisms. Individuals will self-appraise whether they have a personal stake in the change in the person-environment relationship. Such appraisals impact how individuals “make sense of the change, struggle with their emotional tensions, and choose their ways of coping” (Liu & Perrewe, 2005).

Liu and Perrewe (2005) proposed an appraisal theory model building on the Lazarus transition model. At the onset of change, individuals will try to determine whether the change initiative is relevant to their wellbeing. In an organizational context, the individual seeks to cognitively make sense on the impact of the change with their work-related goals. Perceptions and emotions may be mixed, exhibiting oscillating emotions ranging from excitement to fear. For example, one manager might perceive a change plan as adversely impacting the budget and compensation for their organization, while another embraces the change that will solve deep-seated organizational problems (Liu and Perrewe, 2005). As more is learned about the change, individuals will proportionally appraise the relevancy of the change with their own self-wellbeing. Individuals focus on the WIFM (What’s in It for Me), specifically regarding goal congruence, perceived potential success, engagement with strategic, and emotional ties to colleagues (Liu and Perrewe, 2005). An individual’s sense making and emotional states are determinants on whether the individuals gain more realistic views of the change, envision the future, and cope with the change on a cognitive and emotional level.

The study of the link between emotions and sensemaking within change was increased as a research topic and in importance for organizations within the past decade. Sensemaking refers
to the process in which an individual or group attempt to explain unexpected, confusing, or novel events (Maitlis et al., 2012). Emotional reactions influence how an individual makes sense (interpret) information and how they experience the change situation. Empirical research was shown that individuals with high levels of positive emotions tend to exhibit more proactive coping behaviors. Conversely, passive coping mechanisms tend to be more prevalent when there are high levels of fear and other negative emotions (Maitlis et al., 2013; Shin et al., 2012).

Rather than being treated as the target or obstacle to change, individuals seek to understand the purpose of the change and the benefits it may have for themselves, colleagues, and the overall organization. Sonenshein and Dholakia study on frontline employees overcoming strategic change discovered how an individuals’ “varied interpretations of change affect the psychological processes that explain employee engagement with (versus resistance of) strategic change” (2012). Manager and colleagues influence an individual’s psychological resources to construct meaning of and engage with change. These resources include a “desire for performance, a need for performance, and an instilled belief of performance” (Sonenshein & Dholakia, 2012). In a study of the sensemaking tactics used by effective executive coaches, Vuori and Virtaharju (2012) showed that emotional responses affect the intensity in which individuals come to hold beliefs about the change. Helpap and Bekmeir-Feuerhahn research on the direct impact of emotions on employee’s psychological resources concluded that emotional responses during times of change are “significantly related to change commitment, change efficacy, and expectations involving organizational change “(2012).

The recent research by Steinberger (2016) provides empirical support for several premises of this paper. In his study, he showed how specific emotions are inputs influencing individuals’ sensemaking commitment and outcomes determining their intensity to be motivated
to act. An individual’s “willingness to accept a sensemaking account developed in an inter-
personal sensemaking process, also critically depends on the emotional state, in particular the
openness or closedness associated with experiencing a particular emotion” (Steinberger, 2016).
The influence of several critical emotions in the sensemaking process and engagement are
displayed in Table 1.

Table. 1

Emotions in the sensemaking process

<table>
<thead>
<tr>
<th>Behavioral response induced by sensemaking</th>
<th>Anger</th>
<th>Fear</th>
<th>Anxiety</th>
<th>Hope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivation level derived from the sensemaking process</td>
<td>Firm</td>
<td>Evading</td>
<td>Evading</td>
<td>Firm</td>
</tr>
</tbody>
</table>

Anger and hope are emotions that trigger the decisiveness of an individual to figure out and
close the interpretation of the change, such as a work-related job loss due to corporate
downsizing or expansion of a job role with better compensation. Conversely, emotions of fear
and anxiety creates behaviors that try to avoid making sense of the feared or anxious object.
High levels of angry or fearful emotions can causes an individual to have higher-levels of
engagement and motivation due to being emotions with strong impetus for action. The emotions
of hope and anxiety, conversely, are less likely to be impetuses to engage and motivate
individuals due to being the emotions with relatively low-effort intensity. His study
recommended that future research on sensemaking explore how change leaders might benefit
from active emotion management, such as leverage anger or mitigating anxiety, to implement
successful change efforts in an organization.
The active management of emotions is directly addressed in the academic and management literature on emotional intelligence. This approach provides a robust scientific framework to explain the impact emotions have on an individuals’ readiness for change. Emotional intelligence research explores the ability of individuals to perceive, interpret, regulate, and evaluate emotions in themselves and when interacting with others (Ackley, 2016; Cherry, 2017; Spielberger, 2004). In contrast to the cognitive-based approaches described above, the affective is as a distinct, separate process emanating biologically in the mind to recognize and “use of one’s own and others’ emotional states to solve problems and regulate behavior” (Salovey & Mayer, 1990). In their influential article “Emotional Intelligence,” Salovey and Mayer (1990) defined emotional intelligence as

the ability to monitor one's own and others' feelings and emotions, to discriminate among them and to use this information to guide one's thinking and actions. We posit that life tasks … are laden with affective information, that this affective information must be processed (perhaps differently than the cognitive information), and that individuals may differ in the skill with which they do so (p. 189).

Emotional intelligence gained credence among organizational leaders with the publication of Daniel Goleman’s influential book on Emotional Intelligence: Why It Can Matter More than IQ (Goleman, 1995). Goleman asserted that emotional intelligence is a learned capacity that contributes to effective performance. Bar-On’s research provided deeper scientific foundations to support the view that emotional intelligence is a range of noncognitive competencies that can influence an individual’s ability to cope with organizational demands and pressures (Ackley, 2016; Bar-on, 2017; Cherry, 2017; Di Fabio et al., 2012). Emotional Intelligence’s popularity
grew exponentially in managerial and academic literature as exemplified in a 2016 study’s finding that a “recent search of APA’s PsycNET for publications referring to “emotional intelligence” “since 2000” yielded 11,183 hits” (Ackley, 2016).

Table 2

*Three models of emotional intelligence*

<table>
<thead>
<tr>
<th>Approach</th>
<th>Salovey-Mayer</th>
<th>Goleman</th>
<th>Bar-On</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key components</td>
<td>Innate ability to perceive, understand, manage, and use emotions to facilitate thinking</td>
<td>Social and emotional competencies that contribute to leadership performance</td>
<td>Interrelated non-cognitive capabilities, competencies, and skills that impact coping behaviors</td>
</tr>
<tr>
<td>Assessment</td>
<td>Measures individual capacity for reasoning with emotional information</td>
<td>Measures social and emotional capabilities that can be improved and learned</td>
<td>Measures social and emotional intelligence between a person and their work environment</td>
</tr>
<tr>
<td>Assessment Tool</td>
<td>Mayer-Salovey-Caruso Emotional Intelligence Test (MSCEIT)</td>
<td>Emotional Competency Inventory (ECI)</td>
<td>Emotional Quotient Inventory (EQ-i)</td>
</tr>
</tbody>
</table>

From the perspective of individual change readiness, the emotional intelligence models provide several insights into biological origins of affective responses and for individual change reasons. First, the emotional intelligence models identify the important role of emotional intelligence in differentiating individuals’ behavioral responses to change. Several change management researchers and practitioners have provided evidence on the positive relationship between how “individuals with high levels of EI experience more career success, feel less job insecurity, are more effective in team leadership and performance, are more adaptable to stressful events, and exhibit better coping strategies than those with low EI levels” (Wittig,
Those with higher levels are expected to use their emotions appropriately to positively understand and interpret the change with a proactive attitude (Vakola et al., 2004). Similarly, individuals with high emotional intelligence tend to unconsciously adopt adaptive behaviors when confronted with change. Individuals with low emotional intelligence levels are prone to pre-existing irrational thinking and negative attitudes that result in fixed negative interpretations toward the change. Those with low emotional intelligence react negatively since they are not well equipped to deal effectively with the affective consequences of stressful and emotionally charged change (Vakola et al., 2004). Such individuals are more unconsciously inclined to exhibit maladaptive defenses to resist change (Wittig, 2012). The correlation of emotional intelligence with cognitive attitudes toward change and abilities to cope pinpoints the importance of emotional intelligence for understanding individuals’ readiness for change.

Second, the Bar-on model highlights the importance of correlating emotional intelligence with personality trait theory. In their study on the role of personality variables and emotional intelligence variables on change among professionals in Greece, Vakola et al. (2004) identified a significant relationship between personality traits, emotional intelligence, and attitudes. Their study positively identified a significant relationship between organizational change and the stable individual characteristics as described by the five-factor model of personality. They were able to “form the profile of the ‘positive to organisational change’ employee, who is an extrovert, open to new experiences, agreeable and conscientious employee” (Vakola et al., 2004). These personality traits were correlated to the emotional intelligence dimension for problem solving. This dimension depicts “optimistic, energetic, hopeful people who trust their abilities and prepare well-organized plans using and assessing their own emotions appropriately” (Vakola et al., 2004). While cautioning on making general causal conclusions, this study provided practical
implications on selecting change leaders and agents with high emotional intelligence to increase the overall success of organizational change efforts.

The affective approach has several limitations. First, the predictive power of the model has not been thoroughly tested. In providing significantly relevant descriptive analytics, emotional intelligence assessments can help individuals and organizations to identify development areas for improvement or support actions for everyday and planned change activities. As a stand-alone predictive tool, it has less power to determine an individual’s commitment to develop into a more emotional-intelligent change leader or change agent. Second, the studies on affective aspects do not directly identify the specific competencies and behaviors that are most significantly relevant for organizational change initiatives. That is, while there is strong consensus among change researchers and management consultants that emotional intelligence is a developable competency or trait, the specific competencies need to be identified and tested. Third, the affective approach needs to be coupled with process or strategic organizational change models to avoid solely explaining how individual leadership traits determine the success or failure of change initiatives. These important traits need to be coupled with strategic change models.

The affective approach provides tangible actions for change leaders and practitioners. The personality trait perspective described above highlights the importance of employee and leadership development initiatives with customized solutions based on personality traits. The emotional intelligence assessment can be used to help organizational leaders identify the predisposition individuals may have toward change (Ackley, 2016; Caruso & Salovey, 2004). Change leaders should incorporate tactics to identify the affective dispositions of team members toward various change interventions. This knowledge provides change leaders with insights and
customized actions on how to approach communicating, leading, and engaging others in change process. This can also help change leaders to identify the specific communication content and activities needed to address the emotional side of change. Change leaders may also discover ways to leverage positive emotions and mitigate negative emotional responses to change. For instance, change-related communications can begin with stories, graphic, and music that increase positive emotional responses (Vuori & Virtaharju, 2012). This would in effect help the individual’s readiness to accept and engage in the change process.

The affective approach to change readiness emphasizes the importance of everyday management of affective reactions of people subject to the change process. Active emotional management should be part of leadership training (Steigenberger, 2015). Caruso and Salovey (2004) outlined four sets of affective-oriented actions organizational leaders can use to effectively manage and motivate their teams, especially when being challenged by change.

First, identify the emotions of a team by getting actionable data from the team. This data can be gathers using active listening skills by asking questions and paraphrasing to ensure the feelings of the team are understood. Second, use the emotions to guide the leaders own thinking and facilitate the thinking of the team. This helps leaders to appreciate how the team perceives the organizational change in order to help diagnosis concerns, resistance, and strengths to leverage in implementing and sustaining the change. Third, examine the causes of the emotions and try to envision future emotional scenarios. Evaluating future scenarios based on different emotional drivers can help prepare leaders to leverage proactive emotions and mitigate reactive emotions. Fourth, determining the root cause underlying the prevalent emotions in order to take actions to solve the problems. Leadership action includes analyzing the available emotional data to make
optimal decisions. These actions can help leaders and change agents to guide and navigate individuals through the change situations they may be facing.

**Biological approach**

The biological approach to individual change readiness is based on the social neuroscience research on the primal biological influencers of organizational cognition (attitudes), sentiment (emotion), and behaviors. Social neuroscience explores “the biological foundations of the way humans relate to each other and to themselves and covers diverse topics that have a different degree to which they can be operationalized and unambiguously tested” (Rock, 2008). Management and organizational behavioral scientists explain the importance of human biology from three perspectives: human evolution, genetics, and physiological responses to external stimuli. Despite their differences, these approaches provide insights into “the brain processes behind observed attitudes and behaviors…. [and] their implications for predicting and modifying these behaviors in the workplace” (Becker et al., 2011). Two themes permeate this literature. First, social needs draw from the same brain networks used for primary survival needs. Needs to minimize threat and maximize reward are treated similarly in the brain as needs for water and food. Second, social behavior is “such that much of our motivation driving social behavior is governed by an overarching organizing principle of minimizing threat and maximizing reward” (Rock, 2008). This discipline provides missing pieces of the puzzle in understanding underlying brain insights into effective leadership and specific organizational life behaviors like trust, feedback, team work, implicit biases, inclusion, learning, performance, connectedness, persuasion, and goal pursuit (Becker et al., 2011; Rock, 2008; Rock, 2017; Rock et al., 2006; Schwartz et al., 2017; Zak, 2017).
Within the organizational change leadership literature, this approach increasingly is used to understand the biological foundations of behavioral responses to organizational change and identify practical solutions to help individuals and organizations navigate the change process (Andreatta, 2014; Dowling, 2014; Haydenfeld, 2010; Neuroleadership, 2017; Scarlet, 2013). Rock and Schwartz (2006) wrote that “change is pain” in that it provokes sensations of physiological discomfort which contributes to the difficulty leaders have in shepherding organizational change. There are four brain structures that are simultaneously activated during change, as shown in Table 4. First, human memory and its relationship to conscious attention.

When confronting a new situation, like a workplace change, working memory activates the prefrontal cortex, an energy-intensive part associated with higher intellectual functions, to compare the new information against the old. When organizational life is more routine, like daily meetings and standardized processes, the working memory pushes into the basal ganglia where long-standing habits are formed and held (Andreatta, 2014; Haydenfeld, 2010; Rock, 2008). Working memory will thus focus more on actions. Second, the orbital frontal cortex interface with the amygdala is hardwired to detect change. It sends out error detection signals that push people to be more emotional and impulsive when perceiving differences between reality and expectations. These signals draw energy from the higher intellectual functions, resulting in emotional feelings dominating thought typically beginning with fear followed by anger or by avoidance. This fight-flight-freeze response results in individuals losing their logical analysis and self-awareness (Andreatta, 2014; Goleman, 1995; Rock, 2008; Scarlet, 2013).
Table 3

Brain structures relationship to change

<table>
<thead>
<tr>
<th>Structures</th>
<th>Neurological function</th>
<th>Influence on change responses</th>
<th>Behavioral response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amygdala</td>
<td>Processing emotions</td>
<td>Detects danger with change</td>
<td>Fight-Flight-Freeze</td>
</tr>
<tr>
<td>Basal Ganglia</td>
<td>Initiating and integrating movements</td>
<td>Make new habits from repeating behaviors</td>
<td>Exhausting effort</td>
</tr>
<tr>
<td>Habenula</td>
<td>Decision making and actions</td>
<td>Rewards and punishes</td>
<td>Avoidance and fear of failure</td>
</tr>
<tr>
<td>Entorhinal Cortex</td>
<td>Hub for memory and navigation</td>
<td>Mental mapping of physical and social space</td>
<td>Mental and physical fatigue</td>
</tr>
</tbody>
</table>

Third, the habenula, which is located deep in the center of the brain, directly influences the avoidance response to avoid failure. The habenula naturally releases feel-good chemicals when something is done right, which is part of the positive reward system. When properly rewarded, individuals will seek to experience that reward again, which can become a proactive habit. When a decision leads to punishment, the habenula restricting the flow of dopamine and serotonin which makes individuals feel bad (Andreatta, 2017). The physiological response can range from feeling unmotivated to frozen body movements. Common examples in the workplace is when a person receives negative performance feedback or perceives a new change as a criticism of past successes. Several neuroscience studies reveal an elevated activity in the habenulas when receiving negative performance feedback (Andreatta, 2017, Neuroleadership, 2017; Rock, 2017). The fourth part of the brain that biologically impacts behavioral and cognitive responses to change is the entorhinal cortex, which is commonly referred to as human’s internal GPS (Andreatta, 2017). The entorhinal cortex provided individuals with the mental mapping of physical and social space in their environmental surroundings. Like the habit-forming part of the brain, this brain structure operates with little strain on the mind and body when people have formed habits within physical and social environments. When the
environment changes, like moving office locations or engaging new colleagues in a merger, it will take an individual a longer period of time to develop new mental models. Unfamiliar change or starting something new results in individuals experiencing higher levels of fatigue. The new mapping requires some emotional heavy-lifting, and also evokes strong responses to establishing trust, fearing loss of connections, and securing new sense of security. If left unfettered, this can spiral downward to the point “the exhaustion and fatigue may become chronic, driving employee disengagement and attrition” (Andreatta, 2017). These four biological-influenced cognitive dynamics are prevalent when individuals experience changes in organizational life. Change leaders are often challenged to change hardwired habits, transform negative emotional responses, harness positive rewards, and sustain meaningful change.

There are several limitations when using this approach to enhance change readiness. The empirical research is limited in quantity and scope as acknowledge by social neuroscientists (Andretta, 2014; Becker et al., 2011; Rock et al., 2006; Rock, 2008; Schwartz et al., 2017; Zak, 2017). Being a newer discipline, social neuroscience is shaped by the new technological advances and neuroscience discoveries on the brain. Being one of the most complex human organs, change leaders need avoid using “monocausal relationships, as they are described by simple if–then statements, … to describe the functions of the brain and its interactions with a complex environment” (Rosler, 2010). The mind and body are continuously interacting and changing as a result of thousands of influences. This multicausality is a fact. Scientific and everyday explanations are most often monocausal, focusing on “one input–output variable pair only while other variables are either ignored or assumed to be sufficiently controlled” (Rosler, 2010). While social neuroscience provides many insightful explanations, “it is still far away from providing exact predictions of individual behavior or, even more ambitious, explanations of
the interaction of mind and body” (Rosler, 2012). While understood in academic circles, practitioners need to understand and communicate what is factually known and what is hypothesized about the brain and change responses. Rosler (2012) also identified several obstacles that social neuroscience confronts when mapping biological concepts and physiological concepts. The mapping of the mind and body consists of concepts of the two domains that are not defined equivalently. “Psychological concepts are ontologically subjective while biological concepts are ontologically objective” (Rosler, 2010). This means that researchers are objectively measuring biological observations while subjectively assessing psychological observations. These limitations do not negate the understanding the dynamic between the brain and cognitive-behavior aspects. They are instead challenges to help translate this research in a way to directly help organizational leaders promote more effective thinking, sentiments, and behaviors during change events.

The biological approach provides practitioners several powerful conceptual and empirical tools. Social neurosciences challenge several underlying normative assumptions found in the cognitive and affective approaches for change readiness. First, neuroscience advocates reject behaviorism and its emphasis on providing incentives and threats (carrots and sticks) to motivate individual and group motivation. The focus is instead on presenting the right incentives so that the desired cognitive or affective change will naturally occur. If change fails occur, then the challenge is to adjust the mix of incentives. Social neuroscientists provide evidence that strict adherence to behaviorism, especially threats, will hinder successful change given the fear–fight–flight response when individuals confront change. Also, the threat of punishment triggers unproductive behaviors given the heightened activity of the habenula. Social neuroscience also challenges the person-centered approach to change in which focus is placed on building self-
Esteem, addressing emotional needs, and bolstering values as a means to change behavior. This self-actualization (humanist) approach is based on the belief that a person will change when provided with the right information and incentives. Social neuroscientists, like emotional intelligence advocates, identified how change causes the brain to release a rush of chemicals and neurotransmitters that result in irrational attitudes and behaviors (Rock et al., 2006). Instead, individuals are constructed as social beings who may often think, act, and value organizational life in different ways and in more social settings.

The biological approach brings insights into pragmatic actions organizational leaders can implement based on the biological influencers impacting individual, group, and organizational change. David Rock (2017, 2008, 2006) developed the SCARF model to help plan interactions with other individuals by minimizing threats and maximizing rewards in each five domains as shown in Table 5. The domains are areas of interaction that can activate the brain positively or negatively depending if an individual feels safe or threatened (Scarlet, 2013). Individuals feeling safe are more likely to move toward collaboration, learning, and performing well. Conversely, if an individual’s brain detects a threat, then the individual will most likely move away from change and be more difficult to influence positively given their negative behaviors and emotions (see Figure 3). Britt Andreatta (2017) introduced a model, summarized in Table 6, that integrates the four brain structures response to change into three tools for organizational leaders: navigation tools, motivation tools, and connection tools. These actions directly correlate to a brain structure response to change. The goal of these actions is to help leaders to mitigate negative reactions and help others to embrace proactive attitudes, emotions, and behaviors during individual and organizational change events. The biological approach provides positive and pragmatic ways to address managing and facilitating change readiness with its emphasis on
crafting strategies, actions, and communications that directly address their understanding, responses, and acceptance of the specific change effort.

Table 4

**Scarf models' five domains**

<table>
<thead>
<tr>
<th>Domain</th>
<th>Key Trait</th>
<th>Reducing Threat Actions</th>
<th>Increasing Reward Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status</td>
<td>Relative importance vis-à-vis others</td>
<td>Avoid feedback threatening status; promote self-feedback</td>
<td>Give positive feedback, especially in public</td>
</tr>
<tr>
<td>Certainty</td>
<td>Uncertainty creates ‘error’ threat response; certainty leads to prediction</td>
<td>Break work into small steps; set clear expectations</td>
<td>Increase certainty with facts and transparency; set clear goals</td>
</tr>
<tr>
<td>Autonomy</td>
<td>Perception to having choices and control over one’s environment</td>
<td>Offer options better than directives; build importance within teams</td>
<td>Decision-making without consultations; set boundaries</td>
</tr>
<tr>
<td>Relatedness</td>
<td>Deciding whether others are ‘in’ or ‘out’ of a social group.</td>
<td>Build collaboration within groups</td>
<td>Safe connections between people with coaching, smaller teams, mentoring</td>
</tr>
<tr>
<td>Fairness</td>
<td>Fair exchanges among people</td>
<td>Increase transparency, communication, and involvement</td>
<td>Allow teams to set own rules and goals</td>
</tr>
</tbody>
</table>

**Figure 3. Positive and negative outcome to threats and rewards**

- Reactive
  - Threat: Negative, Poorer performance, Distracted, Unclear thinking, Avoidance, Disengaged, Increased stress
  - Reward: Positive, Innovative, More focused, Creative, Collaborative, Engaged, Increased resilience

- Proactive
Table 5.

Change journey’s neuroleadership actions

<table>
<thead>
<tr>
<th>Brain structure</th>
<th>Action</th>
<th>Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Navigation tools</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amgydal</td>
<td>Start with the why</td>
<td>Change less threatening</td>
</tr>
<tr>
<td>Entorhinal cortex</td>
<td>Map the route</td>
<td>Adapt to new social and physical space</td>
</tr>
<tr>
<td>Basal ganglia</td>
<td>Build the habits</td>
<td>Change old habits and create new ones</td>
</tr>
<tr>
<td>Amgydal</td>
<td>Be a steady presence</td>
<td>Establish reliability and consistency</td>
</tr>
<tr>
<td>Motivation tools</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entorhinal Cortex</td>
<td>Focus on purpose</td>
<td>Increase motivation and productivity</td>
</tr>
<tr>
<td>Habenula</td>
<td>Problem solving focus</td>
<td>Shift from fixed to growth mindset</td>
</tr>
<tr>
<td>Amgydal</td>
<td>Recognize effort</td>
<td>Strengthen outcome (less threatening)</td>
</tr>
<tr>
<td>Habenula &amp; basal ganglia</td>
<td>Give right rewards</td>
<td>Code success and replicate habit</td>
</tr>
<tr>
<td>Connection tools</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basal ganglia</td>
<td>Start with empathy</td>
<td>Build positive relationships</td>
</tr>
<tr>
<td>Amgydal</td>
<td>Psychological safety</td>
<td>Builds trust and vulnerability</td>
</tr>
<tr>
<td>Amgydal</td>
<td>Empower connections</td>
<td>Reduce reactivity around unfamiliarity</td>
</tr>
<tr>
<td>Basal Ganglia</td>
<td>Embrace patience</td>
<td>Provide stability and guidance</td>
</tr>
</tbody>
</table>

Identity approach

The identity approach explains change readiness as a product of personal and social identities. Identification of the self provides an answer to the question ‘Who am I?’ The answer to this question indicates the way people construct perceptions of themselves or the knowledge they have about themselves. This process influences and governs the way people feel, think, perceive, behave, and strive for particular goals within organizational contexts (Slater et al., 2013; Wisse & Sleebos, 2016). A key issue is that the identity of the self is relatively dynamic and complex. Common to personal and social identity is the core belief that multiple identities co-exist and can be activated in different social contexts (Wisse & Sleebos, 2016). Personal identities tend to be either biological derived and bound. Individuals define themselves
within organizational life in terms of their idiosyncratic personal attributes that differentiate themselves from others. The accentuation of personal identity results in the governance of cognitive thinking, emotional sentiments, and behaviors. That is, when the personal self is most salient, self-identification tends to result in either proactive self-enhancement or reactive self-interests at the expense of the collective group (Kang et al., 2017; Wisse & Sleebos, 2016).

Social identity is when individuals simultaneously define themselves as individuals and group members in social contexts. This identification is derived and shaped from an individual’s social group membership, such as an organizational group, family, ethnic group, or socio-economic class. The self and group merge. Individuals perceive themselves as similar to others in the group or ascribe to group-defining characteristics of the self. These social identities govern cognitions, emotions, and behaviors within organization change (Slater et al., 2016). Individuals strive for group welfare and enhancements that either benefit or harm their own self-interests when they adhere to a collective sense of themselves. This identification reflects the extent to which an individual feels they psychologically belong to a group, which in turn, has individual (e.g. intrinsic motivation) and group level (e.g. effective co-ordination) ramifications (Slater et al., 2013; Weiss & Sleebos, 2016).

Figure 4. Identity model
The dynamic interplay between personal and social identities play an important role in the organizational change process. First, the level of meaningful attachment to a group influences the acceptance of the change process and goals (Slater et al., 2016). If there exists a meaningful attachment, individuals are more apt to accept and work through the change since they are more inclined to align and make decisions for the benefit of the group. Conversely, individuals will resist or opt out of the change process when they lack meaningful group attachments. They will align, act, and make decisions for their individual needs or causes. Construction of an individual social identity is thus a significant contributing factor for change readiness on a personal, group, and organizational level. Second, the often-unsettling nature of organizational change tends to disrupt affiliations within and between groups. Group norms, preferences, and identities undergo a transformation that alter how individuals define themselves as individuals and group members in social contexts. Individuals confront an identity crisis that often requires them to let go of old identities and move on to accepting new identities (Conroy & O’Leary-Kelly, 2014; Hytti & Heinonen, 2013; Oles, 2016; Slater et al., 2016; Smollan, 2014; Weiss & Sleebos, 2016). Third, the saliency and strength of the social identity plays an important role in whether the individual will advance the group’s interest during the change process. This commitment is intertwined with their own self-interests and identity. The successful outcome or mitigating the threat of the change is based on the readiness of individuals to see the fate of the group as their own.

The flux occurring between personal and social identities is very pertinent when diagnosing, working with, and enhancing individual and collective psychological belonging to build the necessary readiness to acknowledge, accept, and advance the change initiative. Conroy & O’Leary (2014) demonstrate this in their study on work-loss identity. They build on earlier
research, such as Carr (2001) and Bridges (2016), that pointed to how the emotional sense of grieving accompanies the dislodging of identify during organizational transitions. They argued that small and large-scale work changes involve a disruption to or loss of an individual’s work-related identity relative to work activities and membership in work-related groups. Work-loss identity involves losing the valued aspects of one’s professional identity, like close working relationships, treasured group memberships, valued positions, and material compensation. The loss triggers “an interruption to the existing identity, it creates the need for development of a new sense of self, and…a liminal state between letting go of the old and moving on to a new identity” (Conroy & O’Leary, 2014).

The first stage of this process is the separation phase triggered by work changes, personal trauma, or external events. As shown in Figure 4, the identity processing prompted in the separation phase involves a flux between disassociating from the former identity to constructing a new identity. In the oscillating phase, identity loss and reconstruction are treated as dynamic and less a series of linear stages especially during times of uncertainty and change. The next stage is a transitional time of identity sensemaking in which individuals construct new social

Figure 5. Work-loss identity model
identities that are dynamically influenced by social groups and on the individual’s ability to identify a new positive identity. A transitional identity is formed that is created, discarded, revised, and negotiated against individual and group standards (Conroy & O’Leary, 2014). The final stage is when the successful creation of a new identity is internalized and provides a coherent sense of self and a continuous need for identity development on a personal and group level. This identity process shares similarities with the literature on bereavement (Kubler-Ross, 1969) and post-traumatic growth (Duckworth, 2017; Sandberg & Grant, 2017).

The identity model also shares the view on the importance of positive and negative emotions as highlighted above in the affective and biological approaches to change readiness. Wisse and Sleebos (2016) empirically researched how change is more likely to lead to stress when personal identity is salient and the change has consequences relating to the individual’s sense of self. They set up a series of tests to ascertain who would be most affected by the change (the individual vs. the group) and self-construal (personal vs. collective) by measuring physiological stress with blood pressure measurements. Two findings from their study provide insights into the role of identity in the change process. In testing physiological stress responses to change of performance measurement and goal orientation, they discovered that the extent “change infringes on salient aspects of the self-concept is of major importance for people’s responses to change” (Wisse & Sleebos, 2016). Individuals with less a sense of belonging to the social group were less affected physiologically than the responses of people whose personal self is more salient. Their research underscored the importance of personal identity, demonstrating the discontinuity of identity causes higher level of stress due to uncertainty.

The practical implications points in the direction for organizational leaders to proactively address a sense of continuity and new identity formation during the organizational change
process. This identity work needs to focus on both personal and social identity development. Hytii and Heinonen (2013) identified how helping individuals to explore and construct new identities in the research on development programs for entrepreneurship. They concluded “entrepreneurship training should not only provide the participants with business knowledge and skills but facilitate their entrepreneurial identity work” (2013). This identity work involved the construction of two identities, one heroic and another humanist, to help the participants to self-realize the importance of building a growth-minded approach to building the necessary skills, knowledge, and identity to be a successful entrepreneur. The heroic identity was noticed when research participants expressed their resolve to overcome difficult obstacles. The humanist identity was more prevalent when participants expressed a humility in the often-steep learning curve they may have in learning how to do the business. While the empirical work is still limited, the identity model has direct applications for organizational change situations. Similar identity work activities can be used to help provide the tools for leaders, change agents, and individuals to facilitate the necessary identity development required from the organizational change. In reading individuals for change, leaders may appeal to a heroic identity to motivate and shape individuals’ resolve to overcome the change and to accept the new. They may also help facilitate the humanist identity formation to encourage innovation, risk taking, and growth during the change event. Building a growth-minded culture requires organizational actors to shape and re-shape their identities with the context of internal and external change.

This section provided an overview of the literature pertaining to the primary tenets and commonalities of the four approaches on individual change readiness: cognitive, affective, biological, and identity. This overview identified strengths and limitations in each model and determined pragmatic actions organizational change leaders, practitioners, and individuals can
use to effectively prepare their and others’ readiness for large- and small-scale change (see Table 6). In the next section, the literature on workplace employee engagement and performance management are reviewed to identify the factors shaping individual change readiness within the performance management change processes.

Table 6.  
Summary of change readiness limitations and action steps

<table>
<thead>
<tr>
<th>Approach</th>
<th>Limitations</th>
<th>Pragmatic action steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cognitive</td>
<td>Limited individual level of analysis</td>
<td>Communicate vision and clear directions</td>
</tr>
<tr>
<td></td>
<td>Dismiss or marginalize affective responses</td>
<td>Engage employees in change process</td>
</tr>
<tr>
<td>Affective</td>
<td>Predictive power not tested empirically</td>
<td>Everyday management of emotions</td>
</tr>
<tr>
<td></td>
<td>Specific competencies not spelled out</td>
<td>Emotional intelligence leadership traits</td>
</tr>
<tr>
<td>Biological</td>
<td>Empirical research is limited in quantity and scope</td>
<td>Right incentives positively impact affective and cognitive change</td>
</tr>
<tr>
<td></td>
<td>Discrepancy between biological &amp; psychological measurement approaches</td>
<td>Use SCARF and Change Journey actions to positively impact individual readiness</td>
</tr>
<tr>
<td>Identity</td>
<td>Tendency to emphasize heroic identity over humanist identity development</td>
<td>Focus on both personal and social identity development</td>
</tr>
<tr>
<td></td>
<td>Difficult to measure oscillating social and personal identities during change</td>
<td>Address a sense of continuity and new identity formation during change</td>
</tr>
</tbody>
</table>

Employee Engagement and Performance Management

The section aims to highlight the historical roots and recent development of employee engagement and performance management. This review seeks to identify the factors and tangible actions for organizational change leaders to facilitate conditions to motivate individual and organization to increase their engagement and improve their performance. Employee engagement has gained considerable popularity in the past several decades within the business management, practitioner, and academic literature. CEOs and business research companies, like Gallup, AON-Hewitt, and Deloitte, propagate the claim that improved employee engagement
focuses on motivational, satisfaction, and performance outcomes for the individual and organization. These business research companies often correlate high-engagement companies with quantifiable benefits, like increased net revenue and higher total shareholder return, and business improvements with employee retention, product quality, and improved customer service (Shuck et al., 2011; Schuller, 2013). This direct correlation is rarely questioned in the business world. Gallup (2017) recently reported that the fact global employee engagement levels have remained flat over the past decade, calling into question the empirical correlation between performance and employee engagement. Within the growing academic research over the past twenty-years, employee engagement tends to be defined as “an individual employee’s cognitive, emotional, and behavioral state directed toward desired organizational outcomes” (Dagher et al., 2015; Rana et al., 2014; Shuck & Wollard, 2010). In fact, the seminal research by Kahn (1990) explored the conditions conducive to leading individuals to personally engage or disengage their personal selves at work. Both approaches share the normative conceptualization on the correlation between individual engagement and performance outcomes. This section provides an overview of the three different strains within the popular and academic literature on employee engagement and performance: management by objective, cognitive-affective psychology, and motivation theory.

**Management by objective**

Classical management theory management by objective espoused management controlling the facilitation of employee engagement with the desired objective of increasing productivity. Beginning in the late 19th Century, Frederick Taylor proposed scientific management to improve business efficiency and to effectively utilize the human resource (Dagher et al., 2015; Pink, 2009). Manager-led engagement of employees sought to build a
collaborative and harmonious workforce. The management tactics available to induce continuous productivity included providing clear work expectations, motivating through rewards, and giving feedback. These tactics were designed to promote the creation of meaning work and purpose (Dagher et al., 2015; Shuck et al., 2011; Shuck & Wollard, 2009). Taylor’s work led to the 1930s human relations movement that highlighted the significance of achieving greater work satisfaction through cooperation. Mayo’s Haythorne experiments influenced later studies by emphasizing the workers’ need to have a sense of belonging and have a voice in their work (Dagher et al., 2015; Griffin & Moorehead, 2014). The management by objective thinking crystalized these concepts with post-World War business corporations. This management approach was popularized by Peter Drucker into corporate board rooms like General Motors and General Electric. This approach involved a process where managers align on common goals, define major areas of accountability, and then measure to guide business operations and assess individuals’ contributions (Wood & Wood, 2005). Drucker posited that workers needed to be motivated in a way that was not controlling and instead facilitated perceiving a purpose more meaningful than profit (Zinger, 2009). The significance of this approach is that it shaped present-day approaches to performance and engagement in which management facilitates individual actions in service to organizational business objectives, organizational loyalty, and performance results.

**Cognitive-affective psychology**

While most published articles on engagement and performance tend to be found in practitioner journals (Dagher et al., 2015; Shuck & Wollard, 2010; Shuck et al., 2011), the academic literature on engagement and performance can be categorized into cognitive-affective psychology and motivation theory approaches. The cognitive-affective psychology approach
evolved, much like the individual change readiness approach did, from primary focus on positive conditions for cognitive commitment, emotional attachment, and behavioral actions (Saratun, 2015; Shuck & Wollard, 2010). Kahn’s (1990) study identified three cognitive conditions that affect personal engagement and disengagement at work. First, psychological meaningfulness is the state when an individual receives a reward or recognition for exerting themselves in job tasks and interactions. Second, psychological safety refers to the security an individual feel in working without fearing negative consequences to one’s status at work or interpersonal relationships. Third, psychological availability refers to the physical, emotional and psychological resources provided to individuals to effective do their work. Other researchers have added conditions relating to job enrichment, job role fit, supportive supervisor relations and rewards, and effective human resource development actions (Dagher et al., 2015; Rana et al., 2014). Recent studies have also built of the employee engagement dimensions postulated by Kahn. Engagement is a cognitive state characterized by vigor, dedication, and absorption.

Vigor refers to high levels of energy and psychological resilience while working, willingness to invest effort in a task, and persistence in difficult times. Dedication is described as having a sense of significance, enthusiasm, inspiration, pride, and challenge, whereas absorption can be considered as “flow” – a state of optimal experience…” (Rana et al., 2014, p. 251).

When engaged, individuals invest more cognitive, affectsive, and behavioral energy into their work performance. This approach is based on empirical studies indicating that engaged individuals outperform disengaged counterparts. It is more than a mindset. Engaged individuals contribute to organization performance success by exhibiting better behaviors with higher retention rates and lower absenteeism (Dagher et al., 2015; Rana et al., 2014; Shuck et al., 2011).
These concepts are utilized in the business world, reflected in the Corporate Executive Board research finding that engaged employees perform 25% and are retained 35 percent more than their disengaged counterparts (Corporate Executive Board, 2015).

**Motivation theory**

The motivational theory approach is used to explain the extrinsic and intrinsic factors propelling people to engage or disengage with their work, which directly impacts their performance. Pink (2009) classified the motivation approach into Motivation 1.0, 2.0, and 3.0. Motivation 1.0 presumes individuals solely work for their survival. The key driver is pay. Motivation 2.0 is derived from the management-by-objective business model explained above. According to this perspective, individuals have a drive to satisfy biological urges and seek external rewards. Individuals are understood to more likely to respond to extrinsic motivators that provide monetary or other biological needs. This influenced the carrot and stick approach associated with many post-World War II organizational human resources practices and management styles. Rewarding the good and punishing the bad, especially through compensation, is considered as the more optimal way to increase motivation with higher levels of productivity, performance, and organizational engagement. Pink (2009) identified three limitations with Motivation 2.0. First, the carrot and stick approach is faulty since human beings are more than extrinsically motivated profit maximizers. Individuals are more intrinsically motivated around purpose and contributing value at work and outside work. Second, Pink challenged the rational actor view of humans in that individuals are single-minded economic actors seeking material gains. Third, sole reliance on extrinsic motivation “impair performance of the heuristic, right-brain work on which modern economies depend” (Pink, 2009). Work
requires less routine and predictability. Instead, work requires more adaptability, creativity, and innovation.

Motivation 3.0 reflects more contemporary efforts to motivating employee engagement and performance. These approaches argue that “human beings have an innate inner drive to be autonomous, self-determined, and connected to one another” (Pink, 2009). Deci and Ryan’s self-determination theory is based on empirical research that once the innate psychological needs for competence, autonomy, and relatedness are met, individuals will become more motivate, productive, and engaged (Deci & Ryan, 2000, 2008). When thwarted, especially by extrinsic punishment, individuals will become less engaged, productive, and motivated. Motivation 3.0 is conceptualized as being like an operating system in which behavior is fueled more by intrinsic satisfaction of the activity itself. Behavior is less about carrots and sticks. Instead, the focus for facilitating engagement and performance is more oriented toward effective functioning and individual well-being. Within the context of organizational change, leaders need to create conditions to provide for individual autonomy, mastery, and purpose (see Figure 5).

Figure 6. Motivation 3.0 elements
Individuals need autonomy over what they do, when they do it, who they do it with, and how they do it rather than being dictated to think and act in accordance with a master change plan. Mastery involves improving individuals and encouraging them to better themselves. Organizational leaders might provide stretch goals or offer new assignments during change to help guide individuals in treating change as a development opportunity. For Pink (2009), purpose maximization is more important than profit maximization. Organizational change leaders can give employees a greater vision or cause that their work is contributing to during change.

The applicability of these three approaches is demonstrated in the literature on performance feedback and motivation. Performance feedback and reviews are change events. They are critical events for everyday change to improve individual, group, and organizational performance. The primary aim of performance feedback is to motivate, encourage, and change expected behavior and performance in service to the strategic success of a group or organization (Berger & Berger, 2004, Cappelli & Tavis, 2016, Covey et. al, 2012, DeNisi & Pritchard, 2006, Gravina & Siers, 2011). This analysis on the relationship between engagement and performance has significance for the current academic and business researcher debate over performance management (Bernardin, et. al, 2016; Cappelli & Tavis, 2016; DeNisi & Smith, 2014). In this debate, the traditional school of thought posits that a direct correlation exists between extrinsic rewards and feedback within the performance appraisal process that directly impacts an employee’s intrinsic motivation to perform at high levels. This school is based on McGregor’s classic “Theory X” approach to management that assumes employees are best motivated with the material rewards and punishments (Cappelli & Tavis, 2016). Good quality performance
feedback thus improves the technical and behavioral effectiveness of employees which then positively effects their work motivation and engagement. The other school of thought conversely argues that employee motivation and engagement is negatively impacted by performance feedback associated with appraisal rating process. This school is based on McGregor’s classic “Theory Y” approach to management that assumes employees want to perform better and would do so if properly supported (Cappelli & Tavis, 2016). Motivation and engagement is positively influenced by the quality and frequency of the feedback, as well as other factors, such as career development, not associated with extrinsic rewards from performance ratings.

Motivation 2.0 theories posit that “positive feedback is more effective for motivating goal pursuit than negative feedback because it increases outcome expectancy of the goal and perceived self-efficacy of the pursuer” (Eyal et al., 2010). Extrinsic rewards reinforce this motivational technique in that financial rewards become a driver for employee motivation, engagement, and productivity. Negative feedback has the opposite impact on motivation as it undermines people’s motivation in pursuing goals and expecting success. Proponents of this view include advocates of the 1960-late 1970s motivational theorists, like Atkinson and Lewin (as stated in Eyal et al., 2010), and business leaders advocating the management-by-objective management approach first introduced by Peter Drucker in the 1950s (Cappelli and Tavis, 2016). From a pragmatic managerial point of view, positive feedback is considered an effective tool to motivate employees to commit themselves to pursue and excel at achieving performance goals (Eyal et al., 2010, Ryan & Deci, 2000).

Motivational 2.0 advocates also take the opposite position, arguing that negative feedback and intrinsic motivation serve as the primary catalysts to increase individual motivation
in the workplace. This view holds that “negative feedback on lack of successes signals that more effort is needed and encourages goal pursuit” (Eyal et al., 2010). Intrinsic motivational factors like self-worth and pride become the driving catalyst to motivate an individual to exert more effort and motivation to obtain goals and achieve desired results. Proponents of this view tend to be advocates of 1980s and 1990s motivational theories like cybernetics and from business leaders, like former GE-leader Jack Welch, desiring to use forced performance rankings to unleash internal organizational innovation (Eyal et al., 2010, Cappelli & Tavis, 2016). From a pragmatic managerial point of view, negative feedback becomes a way to encourage intrinsic motivation and stimulate conflict especially when an “organization is stagnant and … employees are content with the status quo” (Griffin & Moorhead 2014; Van de Vliert & De Dreu, 1994).

Motivation 3.0 can be best depicted as the approach in which different conditions and variables impact the motivational advantage of performance feedback (Bernardin, et. al, 2016; Cappelli & Tavis, 2016, DeNisi & Smith, 2014, Eyal et al., 2010, Zak, 2017). That is, positive or negative feedback may result in increasing commitment to goal achievement while decreasing motivation. It may also decrease commitment to goal achievement while increasing motivation. One approach, reflecting a growing trend among businesses, posit the value of decoupling feedback from the rating process to allow more focus on intrinsic motivation, like individual autonomy, development and nimbleness in adjusting goal and work priorities (Cappelli & Tavis, 2016, Ryan & Deci, 2000). Proponents of this view tend to be more contemporary motivational theorists who reject the one-size-fits-all approach to organizational behavioral models. Proponents in the business world such as Google and GE seek to reduce managerial time and effort in the formal performance appraisal process, and instead seek more frequent performance feedback to drive employee motivation (Zak, 2017). From a manager perspective, more time
needs to be spent on providing timely, frequent feedback to provide continuous support for intrinsic motivation that results in high-quality and productive work outcomes.

A common thread shared by these approaches is that there is a causal relationship between performance feedback and motivation. Performance feedback does have an impact on extrinsic and intrinsic motivation by improving performance and increasing internal self-worth. Likewise, there is general agreement that intrinsic and extrinsic rewards have a causal effect on employee attitudes, behaviors, job satisfaction, and organizational commitment. There are two opportunities for improvement. First, too often practitioners and researchers do not see eye to eye. DeSini & Pitchard (2006) highlight this gap in which “practitioners continue to complain about how academic research in this area has been of limited usefulness, and academics continue to bemoan the state of affairs on the practice front.” Second, the correlation between feedback and motivation needs to be analyzed in a more systematic way to determine the relationship among extrinsic and intrinsic rewards, performance feedback, and employee motivation. The analysis below addresses the later point through an analysis of five variables effecting the relationship between feedback and motivation.

Wollard & Schuck (2011) discovered that the individual and organizational antecedents impacting engagement and performance are not process dependent. Instead, they are “rather functions that usher in the conditions for the state of engagement to develop.” The motivational factors thus are affected by how an organization’s strategies and methods to create a culture conducive to positive engagement and performance. Building on a conceptual framework from Kaymaz (2011), the framework show in Figure 7 expands conceptualizing motivation to include both intrinsic and extrinsic motivational factors from a positive psychology perspective. The key actions are focused on positively influencing intrinsic and extrinsic motivation with five
variables. First, decreasing performance (job) ambiguity as result of performance feedback positively impacts intrinsic and extrinsic employee motivation. Organizational leaders can reduce uncertainties and tap into the employees’ intrinsic motivators to help steer them proactively toward positively growing self-worth and contributing to the organization. Second, quality manager-subordinate relationships as a result of receiving performance feedback has a positive effect on intrinsic employee motivation. Two important factors influencing positive interactions involves the feedback delivery style and the content of the feedback. The manner in which the feedback is delivered directly determines is the feedback is a positive interaction. Positive interactions often have a rapport in which the manager can openly provide constructive feedback and the employee actively listens and answers questions. The supervisor and employee both behave in a way in which they consider each other’s comments and agree to disagree on points of disagreements. The second factor is the content of the feedback. More often than not, positive feedback results in bolstering employee motivation and organizational commitment. If negative, the supervisor’s ability to redirect the feedback in a proactive manner is critical to maintaining a quality relationship. Third, providing clear expectations on goal

Figure 7. Effective performance feedback model
achievement through performance feedback aligns the employee’s sense of self-worth with the organization. This increases the employees’ organizational commitment (Ajmal et al., 2015; Tizner & Lathan, 1989).

Fourth, personal development plays a key role in both effective performance feedback and increasing employee motivation. Supporting and aligning such development opportunities to performance goals will increase the productivity and motivation of the employee (Campbell & Smith, 2013, Cappelli & Tavis, 2015, Covey et al., 2012, Kaymaz, 2011). An employee’s deep motivation for learning is a well-established fact, and may even be more prevalent among millennials in the workplace (Kultalahti & Liisa Viitala, 2014). Fifth, adaptation to change as result of receiving performance feedback can positively affects intrinsic motivation (Cappelli and Tavis, 2015, Eyal et al., 2010, Kaymaz, 2011). First, performance feedback increases awareness to help the employee to quickly process and move through the behavior change process to accepting the future state of affairs. Much like the discussion above on reducing performance ambiguity, feedback information helps reduce uncertainty and increase intrinsic motivation. The employee is more likely to proactively work and make decisions, rather than resisting the change process. Second, performance feedback will open up emotions, especially if negative, in which the manager can proactively address to help the employee adapt to change. This will reduce stress and build confidence in that the employee will know and appreciate the future state of affairs. Third, performance feedback enhances adaptability for change by helping the employee re-evaluate their environment. The internalization of both intrinsic and extrinsic motivational factors is critical in determining in how constructive feedback positively effects employee motivation, behaviors, and performance. This framework assumes that the performance feedback input is effective and of high quality. It also acknowledges that
performance feedback indirectly effects individual productivity, engagement levels, and organizational goals via work group dynamics, human resource programs, and organizational leadership motivation.

This section provided an overview of the literature pertaining to the historical development of workplace employee engagement and performance management. In addition, this overview identified the factors and tangible actions to facilitate conditions to motivate individual and organization to increase their engagement and improve their performance. The next section will provide an overview of the factors influencing workplace generational differences toward organizational change and change readiness.

**Generational Theory and Differences**

Generational differences in the workplace have been a popular topic over the past several decades, resulting in a volume of popular and academic articles, books, commentaries, and social media posts. The “Millennial are Different” segment of the global HR consulting market has been estimated to be over $150 billion annually (Pfau, 2016). This level of interest reflects how workplaces around the world are experiencing greater multi-generational diversity that has directly enhanced organizational inclusiveness while creating new business and talent management challenges (Catalyst, 2017; De Meuse & Mlodzik, 2010; Deloitte, 2017; Ey, 2015; Meister & Willyerd, 2010a; Pwc, 2013). These demographic trends and the culture around generational differences are a fact. What is less certain is the empirical evidence concerning generational differences in a variety of organizational life-related variables, including change readiness (adeptness), motivation, personality, work attitudes, performance, career patterns, team work, and leadership. Several studies have concluded how most of this research is descriptive with either contradictory and faulty empirical evidence (Bourne, 2015; De Meuse & Mlodzik,
ORGANIZATIONAL CHANGE LEADERSHIP CONSIDERATIONS

2010; Lyons & Kuron, 2014) or gross stereotyping of a multi-faceted diverse population group (Burgess, 2017; Pfau, 2016). Other studies, which will be review below, have primarily identified generation aspects influencing different responses to the change process and individual change readiness. While not conclusive, the scorecard on the current academic research indicates a balance scorecard with both unique and similar aspects among the current generations in the global workforce.

Understanding generations

The social science research and theory of generations define a generation as a group of individuals who had developed unifying commonalities as a result of experiencing similar formative experiences within the same socio-cultural and historical context (Campbell et al., 2015; Lyons & Kuron, 2014). Although every generation is subject to similar physiological and cognitive developmental processes, a collective memory, which is defined as a mode of thought and action, develops uniquely in that it sets parameters on behavioral responses to events throughout their lives. Each generational grouping responds differently to contemporaneous events on the basis of their life-cycle stage at the time. Three distinct schools of thought toward generations and their differences are prevalent in the academic research. First, the cohort perspective refers to generations simply as collections of people who share birth years and experiences as they move through history. This perspective tends to prevalent in the psychology and demography fields. Generational cohorts in the United States, for example, are demarcated by their birth demographics with shared work values and preferences (De Meuse & Mlodzik, 2010). Second, period perspective views generations from a sociological lens in which these groupings enter each life stage through their own unique generational personality or collective consciousness. Generational similarities are more about sharing a common history through the
life phases which influences their feelings and behaviors. The sociological perspective builds on Karl Mannheim’s seminal work on generation theory to emphasize three variables: age-related effects (maturation) process, cohort (formative); and collective memory imprinted by their generational crisis (Lyons and Kuron, 2014). Third, the cultural psychological perspective defines generations as group of individuals with the same age range who “experience a similar cultural context and, in turn, create the culture” (Campbell et al., 2015). The relationship between culture and individual attitudes and traits is a dynamic, mutually constitutive system. These attitudes and traits change as the culture changes primarily due to technological innovation and cultural contact among generational cultures.

Figure 8. Three perspectives on generations

These three perspectives each postulate that each generation experiences organization life and change differently through their own generational lens. The generations in the United States workplace today – baby boomers, gen x’ers, millennials, and gen Z – each bring their own unique perspectives, values, and attitudes to the workplace. Their experiences, traits, and technological innovation impacting each generation is shown in Chart 3.2 details. Lyons & and Kuron (2014) identified broad generation trends based on longitudinal and cross-sectional evidence. First, generations appear to be successively more extroverted, conscientious, and positive. The younger generations have greater interest in workplaces that are expressive of
extroversion and social influence. Second, while the differences among work values are changing more toward extrinsic work values, social volunteerism, and work-life balance, the research indicated these values are less stable as a person transitions to adulthood. Third, significant generational differences exist in work attitudes, especially with job satisfaction increasing and organizational commitment decreasing among the younger generations. Fourth, work-life balance has increasingly become a priority both behaviorally and attitudinally with successive generations. Fifth, there is little evidence to conclude that generational differences exist around team work and leadership styles. Finally, careers have become less stable, more mobile, and more multi-directional for successively younger generations. These shifts have several implications at organizational life and change as will be discussed below in detail.

*Table 1.*

*Four generations in the US workforce*

<table>
<thead>
<tr>
<th>Generation</th>
<th>Major influences</th>
<th>Broad traits</th>
<th>Defining technology</th>
<th>Work attitudes and values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baby boomers (1946-1964)</td>
<td>Cold war; civil rights; Vietnam War; Watergate; JFK assignation</td>
<td>Competitive; hard working; personal gratification; optimistic</td>
<td>Personal computer</td>
<td>Relationship building; loyalty; team-oriented</td>
</tr>
<tr>
<td>Gen x’ers (1965-1980)</td>
<td>Gulf war; fall of communism; AIDS; 1987 stock market crash</td>
<td>Self-reliant; skeptical; independence</td>
<td>Mobile phone</td>
<td>Work-life balance; job-hoppers; risk-taking</td>
</tr>
<tr>
<td>Millennials (1981-1997)</td>
<td>9/11 terrorist attacks, Obama presidency; social media</td>
<td>Immediacy; tolerance; social; confidence</td>
<td>Social media (Google &amp; Facebook)</td>
<td>Value feedback; change; diversity; open communication;</td>
</tr>
<tr>
<td>Gen Z (since 1998)</td>
<td>Iraq war; 2008 global recession; immigration; gender equality</td>
<td>Optimistic, achievement-oriented, civically responsible,</td>
<td>Social media (snap chat)</td>
<td>To-be-determined</td>
</tr>
</tbody>
</table>
Generational aspects within performance management

The intergenerational relationship is a critical dynamic to understanding how generational aspects play out in the performance management change process. The cultural psychology approach identifies how generational cultural traits will be driven by both time period and cohort effects. For example, gen x’ers used social media first. Millennials and gen z have never known a life without it. Baby boomers have learned it and remain the largest generational group using Facebook (Campbell et al., 2015). Another example from contemporary organizational life is that most employees from all generations increasingly prefer more work-life balance. The time period in which this emerged as a workforce trend has affected both Boomers and Millennials, but it likely affected less emphasis on work–life balance. Even if this trend is purely a time period effect, with an equal shift among both Boomers and Millennials, Boomers may resent Millennials enjoying work–life balance privileges Boomers only obtained after many years of work experience (Campbell et al., pp. 326-327).

Generational cultural change is also achieved with increased interactions among individuals from different generational groupings. The inclusion of multi-generations in the workforce is a mainstay in organizational life. While individual preferences may differ among co-workers, they do exchange cultural messages and learning that will gradually change the other generational groups.

The generation differences studies on organizational change and performance management, while plagued by the scant data or over-reliance on anecdotes, has provided valuable information regarding real difference observed between generational groups. Bourne (2015) conducted a qualitative phenomenological study with controlled focus groups that
identified several important generational aspects. When communicating to remove uncertainty during change, the communication needs to be designed and delivered in the most effective way for the generation. This can be done by customizing communication content and using more than one channel based on understanding the generational cohorts. For example, millennials in the study overwhelming preferred electronic communications while gen x’ers and baby boomers preferred face-to-face communications. This is also applicable to routine everyday performance feedback and formal performance review meetings for different generational cohort interactions. The content and approach may be customized based on generational cohorts, especially the instantaneous performance feedback mechanisms like texting comments into an integrated talent management software. This is more likely accepted by younger generations than the baby boomers who still prefer face-to-face feedback (Bourne, 2015). The generational differences were less notable in the areas of employee involvement, understanding impact of change, and change perceptions. Wood (2016) reported differences among work values and attitudes among generational groupings that affect employee motivation. Gen x’ers tended to have higher value for extrinsic work values like salary, while boomers and millennials “shared the perspective that salary is less important than other considerations such as challenging assignments, a range of new experiences, and explicit performance evaluation and recognition” (Wood, 2016). These research findings are critical data points to help organizational leaders to understand when generational cohort might be considered around change events and whether to implement customized programs to meet the needs of a diverse multi-generational workforce.

Performance feedback is considered to be a double-edge sword for millennials. While seeking straight feedback to enhance future career opportunities especially through mentoring and coaching (Meister & Willyerd, 2010b), millennials are less adept in accepting negative or
constructive (change) feedback given the predominance of seeking reinforcing positive feedback (Anderson et al., 2016). Millennial workers are more inclined to be uncomfortable with criticism that requires personal change. They are more comfortable with self-validation. Research has indicated that effective feedback to millennials needs to be ongoing and frequent. It cannot be an annual or a quasi-periodic formal performance appraisal as this generation seeks continuous feedback as a means of self-validation (Meister and Willyerd, 2010b) and to develop attitudes of engagement with the organization (Anderson et al., 2016). Another aspect is that the deliverer of the feedback most likely will have different work styles, attitudes, and values than the millennial employee receiving the feedback. Older managers may lack the knowledge and comfort level in constructing feedback that validates while requesting performance change improvements. This suggests the manager needs to consider the nature of the millennial employee when providing negative or constructive feedback requiring a personal change.

One major limitation in the generational theory and differences research is the inference of generational stereotyping. Burgess (2017) explained the significant importance in the relationship between generational stereotyping and low employee engagement and increased communication conflicts. Identifying age-based differences at work essentially pigeon holes people with certain positive or negative attributes that may not accurately depict their individual personality and workstyle traits. IBM’s 2015 report directly challenged several myths about millennials. First, the report concluded that millennials have similar career aspirations as other generational groups in the workplace. This debunked the popular myth that they possessed a different set of career goal orientations. Second, in terms of performance feedback, millennials are not ‘trophy kids’ who constantly seek positive feedback no matter the results. The IBM study identified that millennials have a greater preference for an ethical boss than one who
recognizes their accomplishments. The lesson from these studies is that leaders should neither ignore or base performance actions based on generalized generational traits. Instead, this review strongly indicates the importance of managers to first understand their employee as an individual who potentially possesses certain orientations toward organizational life based on their generational cohort.

This section provided an overview of the literature pertaining to generational theory and generational aspects toward organizational change and performance management. While the extant research is limited in volume and scientific rigor, this overview identified several factors and tangible actions relating to the workplace generational differences toward organizational change and change readiness within the performance management process. The research on generational differences can be used as a managerial guide when providing critical feedback to individuals in different generations.

DISCUSSION OF THE FINDINGS AND CONCLUSION

This section will explain the findings that generational aspects impact some, but not all, of the change readiness responses within the performance management change process. The constructive role that organizational change leadership plays in proactively preparing individual change readiness, motivating workforce engagement and performance, and facilitating generational cohort interactions are clearly identified in the three literature reviews above. These roles are significant within the context of large-scale and everyday change situations, like the performance management processes. While not conclusively providing a meta-theory to understand the generational aspect within change, the literature reviews above did indicate several areas in that generational aspects, individual change readiness, and performance management intersected.
Organizational change leaders are critical, as emphasized in the change readiness and performance management literature, in clearly communicating the vision and expectations for all employees involved in performance change process. The literature review on generations explained the importance for the performance management communication, such as everyday performance feedback or the annual performance review, to be designed and delivered in the most effective way for each generation cohort. For example, communication to gen x’ers can place more value in the extrinsic rewards like monetary compensation or annual salary increases. These extrinsic rewards are important motivators to engage gen x’ers to improve performance and discretionary efforts. The communication to millennials and baby boomers would, in contrast, focus more on the intrinsic motivation to contribute value to the organization. Given the proclivity of millennials to seek development and mentoring opportunities, communication content on the value of developing oneself based on performance feedback would be more likely receptive to millennials. This messaging on development most likely would also appeal to gen x’ers, especially those seeking either lateral or upward career moves. Customizing the delivery of the performance feedback should also be considered given the empirical indications that millennials are more open to electronic communications as a means of receiving feedback. The generations literature review included a study on how millennials would be more receptive to virtual electronic feedback than gen x’ers and baby boomers.

There is also indication that generational aspects are less notable in several significant areas in the performance management change process, especially the motivational drivers associated with employee engagement, understanding impact of change, and change perceptions. An example of this is how different generational cohorts perceive and react to performance feedback. Popular literature portrays millennial as being averse to feedback that fails to validate
their self-worth. Such concerns are relatively similar to other generations as it pertains to change. Currently in the workplace, many employees are less adept in accepting negative or constructive (change) feedback. This is among the factors fueling the call to eliminate performance management given its widespread unpopularity. Instead, employees prefer reinforcing positive feedback that self-validates their intrinsic value. Like millennials, baby boomers and gen x’ers are increasingly open to more ongoing and frequent feedback instead of just relying on formal performance appraisal meetings. In this regard, this literature review suggested that there are more universal characteristics among the generations as it pertains to performance management and organizational change. For example, affective and biological approaches to change readiness indicate that organizational change leaders need to devote time and energy to assess individual and groups’ emotional responses to everyday and formal performance feedback. Within the current research as reviewed in this study, there is little evidence on the need to customize or alter the SCARF and Change Journey neuroleadership tools designed to assess, implement, and sustain change. What matters more is for organizational change leaders to assess and identify the biological stressors or triggers influencing less than optimal behaviors and cognitive mindsets. One recommended action is to create a workplace culture that emphasizes a growth mindset and values how individuals may embrace or resist change based on different biological responses to the change. The shared commonalities among generations reflects the limited research on generational aspects toward performance management process change.

The literature review on individual change readiness provided insights into the framework and the actions available to organizational change leaders when addressing and managing large- and small-scale changes. The cognitive approach placed predominate role in
understanding the antecedents and factors impacting an individuals’ understanding, reactions, and acceptance of change. The sensemaking concept remains an important aspect of change since individuals and groups are more inclined to accept and advocate change the more they can relate the change to their own personal WIFM and group goals. Future research might consider identifying how affective, biological, and identity aspects influence the sensemaking process.

For example, a mid-career employee who receives a poor performance review may experience the fight-flight-freeze emotional response identified in the biological approaches. Their reactions might range from anger to reluctance in making the necessary improvements as laid out by their manager. An organizational change leader tooled up with the neuroleadership approaches discussed in this paper would quickly realize the individual’s response was due to a biological response. This leader might proactively use the Change Journey’s navigation tools to facilitate needed behavior change. In asking the individual to correct their performance, the manager could make the change less threatening by starting with the why or the purpose for change. This would counter act the fight-flight-freeze responses associated with amygdala. The manager could also proactively work with the individual to build new habits and encourage check-in progress sessions to consistently support and guide the needed performance improvements.

The personal and social identity approaches to change are another area that could benefit from additional research and provides proactive actions to help organizational change leaders. When change occurs in the performance management process, whether it is positive or negative, more often than not an individual’s identity is changing. An individual receiving positive performance feedback might be encouraged to have stretch goals or engage in cross-functional goals that broaden their workplace identity, especially if it involves leadership promotions. Organizational change leaders who understand how identity develops could proactively address
the development of the new identity and letting go of the old identity. This process is much like the habit-forming process within the biological approach in that the leader can serve as a guide and coach to help the person form a new workplace identity. This may involve mentoring or job shadowing other individuals who currently hold similar positions or have made similar transitions. The social identity approach brings to light an aspect of change often overlooked within performance management and change efforts. Social connectivity in which the person identifies and ascribes self-meaning is often influenced by the social interactions of workplace groups. This may encompass a specific office or plant location, or perhaps a department or leadership level group. In the change process, addressing the social group aspects of change would create a more transparent and flexible environment for change. In the performance management process, a leader could provide team goals that all individuals would be have their performance assessed. This creates a more collaborative and supportive environment in which individuals share goals, successes, and failures as a collective unit. Likewise, in larger change

Figure 9. Integrated approach to generational aspects toward change readiness
situations, addressing group dynamics is considered to be an important tool for leaders to use to ensure successful outcomes for the change process.

In conclusion, this paper provided some evidence from the current literature that generational aspects toward individual change readiness affects the performance management change process. There are also inconclusive empirical results and research gaps that may be substantiated with more research, especially given the popularity of generational differences in public discourses. This is particularly of interest when developing organizational change leaders and change practitioners as well as conceptualizing the intersections as shown in Figure 9. As the research on the brain has demonstrated over the past decades, new technologies and research from non-traditional disciplines like social neuroscience and social constructivism may provide analytical and empirical insights on the cognitive, emotional, biological, and identity responses among difference generational cohorts during change events like the performance management processes.
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