Co-Opetitive Management and Leadership Methodology for Democratic Organizational Change

Evangelos Markopoulos[1], Alisia Jordanou[2], Hannu Vanharanta[3], and Jussi Kantola[1]

[1]University of Turku Turku, 20014, Finland
[2]University of Cyprus Nicosia, 20537, 1678, Cyprus
[3]University of Vaasa Vaasa, 65200, Finland

ABSTRACT

According to Heraclitus, change is constant, and so does change management. This paper presents a critical and comparative analysis of Kotter's Model for change, the ADKAR Model, and Lewin's Forces for change. The result of this analysis introduces a new leadership type to be used in such cases and highlights its distance from other leadership types. It also indicates the switching between different management and leadership practices during the change management process and the challenges related to that. The result of this analysis attempts to identify the degree of democracy used in the change management process which is essential for the effective and long-lasting implementation of a change strategy. The research conducted for this paper is based on an extensive literature review of change management theories and an analysis of case-related studies to indicate the need for a new change management and leadership theory. Furthermore, the paper presents the pre and post-condition for adopting the new theory, highlights research limitations, and identifies areas of further research to be conducted for the optimization of the new theory and its contribution to the science of management and leadership.

Keywords: Change management, Leadership, Strategy, Management, Human resource management, Company democracy, Philosophy

INTRODUCTION

If change is constant, then change management is constant, but maintaining successful change management programs and strategies can be challenging, especially if the impact of the change is big, the time between the changes is small, or if the frequency of changes is high. Organizational changes can be seen as a mandatory route for the adaptation to new market trends, client expectations, or responses to social and geopolitical situations and events that demand structural and radical changes for the organization to move on. However, organizations are composed of humans and change management tends to be more related to human resource management than operations management. The degree of effective human involvement defines and drives a successful change, even in

changes with limited human input such as technological changes, supplier changes, etc.

Over the years several change management theories evolved and have been adopted in the market (Gali, 2018). Some use more aggressive and X-type of management practices, such as Kotter's model for change (Appelbaum, 2012), while others use more democratic and Y-type of management practices such as the ADKAR model for change (Prosci, 2023). In either case or in the ones that are more in the middle such as Lewin's Field Force Analysis (Swanson & Creed, 2014), the participation of the employees and their willingness to engage constructively and not disruptively must be secured before any process begins. Change is more likely to be adopted, and last longer, if employees are convinced, intentionally or unintentionally, that this is the right thing to do, with personal first, but also organizational benefits. Therefore a change management strategy must be directed under a new leadership type that integrates democratic, participative, situational, and transformational leadership theories and traits.

LITERATURE REVIEW. ADVANCES IN CHANGE MANAGEMENT

Change management is a term involving the organizational mechanisms that must be adjusted to reach a strategic change (Alvesson & Sveningsson, 2015). One theory is that a company needs to be transformed when it suffers from the "Burnout Syndrome", characterized by uncontrolled change, excessive growth, and autocratic leadership (Probst & Raisch, 2005). When employees are aware that change management and organizational changes occur, friction and resistance to the procedure might be created, which can hinder or even boycott the mission. Disobedience to new regulations can occur as a result of this sense (Alvesson & Sveningsson, 2015).

Shifting the focus to the sources of change, these are divided into planned and emergent. The first refers to planned change such as change programs that are designed by managers and supported by Human Resources or external consultants. Such changes can be restructuring, outsourcing, downsizing, and redefining quality standards (Alvesson & Sveningsson, 2015).

In a significant manner, change agents have a central role in supporting and implementing organizational changes, as they are strategically coordinate and integrate challenging and complex change projects to transform the organization, after the company's weak spots and issues have been identified (Caldwell, 2003). Some characteristics of the change agency aspect include teams that are self-managed, task groups, and quality circles (Caldwell, 2003). Therefore, the essence of this tactic focuses on the team rather than individual work, and this can be due to the fact that it sheds light on diminishing hierarchical control and enhancing horizontal coordination throughout the various units, divisions, and work contexts (Caldwell, 2003). Therefore, change management is a structured procedure in which the strategic partners are expected to take action and fill the organizational gaps by building the relevant tactics to address them and involving the change

agents. Simultaneously, it ensures that the changes implemented are smooth and thorough, to achieve lasting change effects (Goyal & Patwardhan, 2013).

THE ADKAR MODEL FOR CHANGE

In 1998, the ADKAR model was built by Jeff Hiatt; Prosci Research as a mechanism for assessing whether the activities of change management provided the results required (Goyal & Patwardhan, 2013). Essentially, to achieve effective management of change, the framework focuses on five compounds (Goyal & Patwardhan, 2013). Firstly, the change management is expected to raise awareness about the need for change, which is followed by the desire to support the forthcoming organizational alteration, and then, thirdly, to provide relevant knowledge and information on the ways that the procedures will be implemented (Goyal & Patwardhan, 2013). The fourth goal involves the ability to incorporate the daily tasks and finally, the reinforcement of maintaining the change in the organizational context. Ultimately, the framework encourages the employees to be change sponsors and to be involved in the procedure, making them feel part of the change (Goyal & Patwardhan, 2013).

KOTTER's MODEL FOR CHANGE

The Kotter model established in 1996, aspires to vanish any doubts employees have and to enhance their engaged spirit within the organizational space (Alvesson & Sveningsson, 2015). After identifying the gaps, the framework introduces a series of 8 steps to achieve employee commitment. Initially, a sense of urgency is established, where there is an extensive market examination and crisis analysis to locate the exact gaps and needs that need to be addressed. Secondly, to build a guiding coalition which is defined by the action of forming a change group of capable individuals; responsible for the change mission. Thirdly, it is crucial to develop a strategy (to support the vision) and vision (to guide the change journey) that can function as the organization's compass. The fourth step includes the communication of the change vision through multiple communication channels to share the strategy and vision with the support of the guiding coalition to navigate through any extreme behaviors.

The fifth stage involves empowering actions regarding the obstacles to demolishment, diminishing structures and systems that challenge the change procedure, and promoting risk-taking and openness to new experiences. Consequently, the sixth phase supports the action of celebrating short-term wins, as they are a sign of progress and they reward the efforts, encouraging the employees to go on. Within the seventh step, the procedure becomes even more intense, as all the policies, systems, and structures that don't align with the new strategy are thrown away. Lastly, the anchoring stage encourages effective management and leadership, boosted productivity, and generally ensures that the changes introduced are here to stay; even a small habit towards the change direction can have quite an effect on the employees' behaviors.

LEWIN's FORCE FIELD ANALYSIS

Lewin's Force Field Analysis was developed in 1951 (Baulcomb, 2003) and involves the school of Group Dynamics and Organizational Development (OD). The framework emphasizes on change at the group level, as it is believed that the employees are part of small groups within the organizational sphere and that their behavior is affected by the cliques' existing roles, norms, and values (Alvesson & Sveningsson, 2015). There is a focus on participative and evolutionary change with a direction towards organizational changes that have as focal points managerial and integrative scopes (Alvesson & Sveningsson, 2015). The changes that include strategic, revolutionary, and cultural components are also underlined, in combination with the fact that the OD framework especially supports long-term changes instead of temporary ones, for their everlasting effect. An additional note is that the OD supports external change agents to implement the organizational change, as they can constantly apply their expertise to behavioral patterns and scientific knowledge (Alvesson & Sveningsson, 2015).

COMPARATIVE ANALYSIS

ADKAR, Kotter's, and Lewin's theories from three change management philosophies. The ADKAR model tends to follow a more liberal approach with strong democratic elements in employee contribution and development. Kotter's model, on the other hand, significantly reduces the degree of democracy, following a more conservative, take-it-or-leave-it approach, while Lewin's model stands in the middle of ADKAR and Kotter, helping make a change decision but not implement it.

Each approach has a different philosophy and characteristics. Table 1 presents an indicative comparison analysis. The ADKAR model is close to the Y-type management theory, KOTTER's is closer to the X-type, and Lewin's is in the middle as it facilitates participation in the decision-making process.

Table 1. ADKAR-KOTTER-LEWIN comparison table.

| Characteristic	ADKAR	KOTTER	LEWIN
Y-X type	Y	X	Neutral
Philosophy	Liberal	Aggressive	Logical
Strategy type	Short term	Long term	-
Leadership type	Democratic	Transactional	Situational
HR approach	People driven	Leader driven	-
Staged	5 stages	8 stages	3 stages
Time orientation	Long term	Short term	Immediate
Expected results	End of process	Gradually	Immediate
Participation	Volunteer	Imposed	Requested
Complexity	Communication	Maintain control	Rationality
Project Driven	Yes, can be	No	Yes
Degree of democracy	High	Low	High

RESEARCH GAP

The three major change management models indicate three different schools of thinking and indicate a research gap on any integration among them that can deliver a more agile and efficient change process and strategy. On the one hand, the liberalism of being very democratic and people-oriented (ADKAR) takes time, needs patience, and efficiency sacrifices until people are convinced to participate in a change. On the other hand, the conservatism on implementing change by force as people generally don't like to change (Kotter's), can result in high employee turnover, sooner or later, dismissing any quick results gained.

The same applies to intentional neutrality (Lewin's forces) which needs strong leadership to manage the outcome of a voting process. If the result is not unanimous or strong the leader much bridge the gap between those who were against it, or conditional power can be given to those against the change to run the organization in a more efficient way without changing anything.

THE COMPANY DEMOCRACY MODEL AS A CHANGE CATALYST

In this attempt, to integrate the three change management theories, the Company Democracy Model (CDM) will be used as the common denominator of this equation. CDM is an incentivized knowledge management and participative management methodology where knowledge derives from all the employees in a company to address a business need, innovation, or operations challenge (Markopoulos & Vanharanta, 2014). In all cases the participation of the employees in any organizational change is essential, therefore CDM will be used as the platform on which the selected change management model will be used to implement the change. The staged structure of CDM on achieving an organizational strategic goal is used to adjust the change management intensity through this process based on the change management model selected (Markopoulos & Vanharanta, 2015).

To initiate this process an organization needs to select first the changed management model that can work with the CDM per organizational change. For this decision, Lewin's forces can be used (Figure 1).
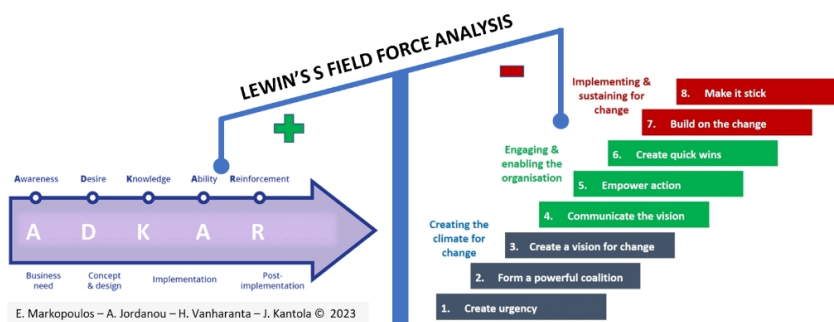

Figure 1: Lewin's field force analysis for the selection of a change management model.

COMPANY DEMOCRACY ON ADKAR MODEL

The liberal approach of the ADKAR model is based on democratic leadership aiming to help everyone, or almost everyone, in an organization, understand the need for change and actively participate. Such participative thinking is aligned with the CDM philosophy. However, organizational change might require more than voluntary knowledge contribution to the resolution of organizational challenges. Therefore, even though the two models seem to have democracy as their significant factor, their operational conditions and organizational urgency can bring them apart.

The implementation of the ADKAR model using the CDM can be achieved by mapping the ADKAR stages in the CDM levels (Figure 2).
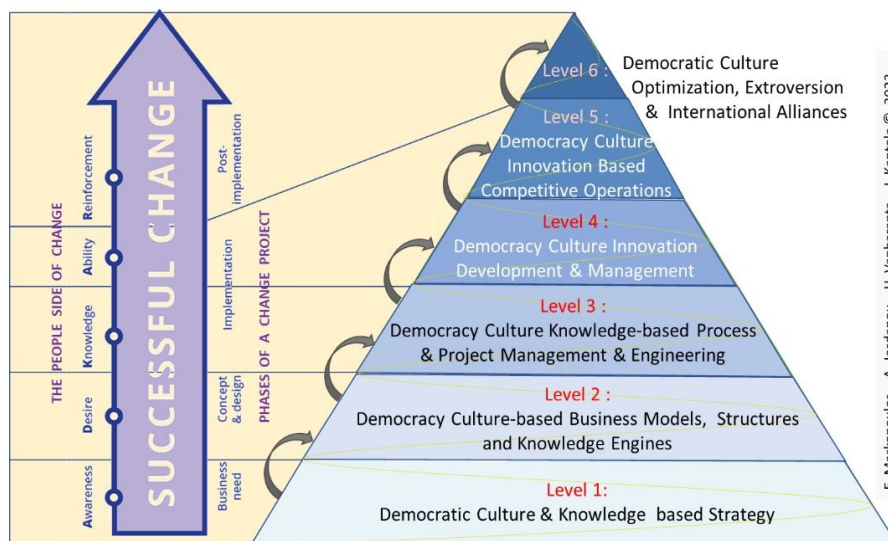
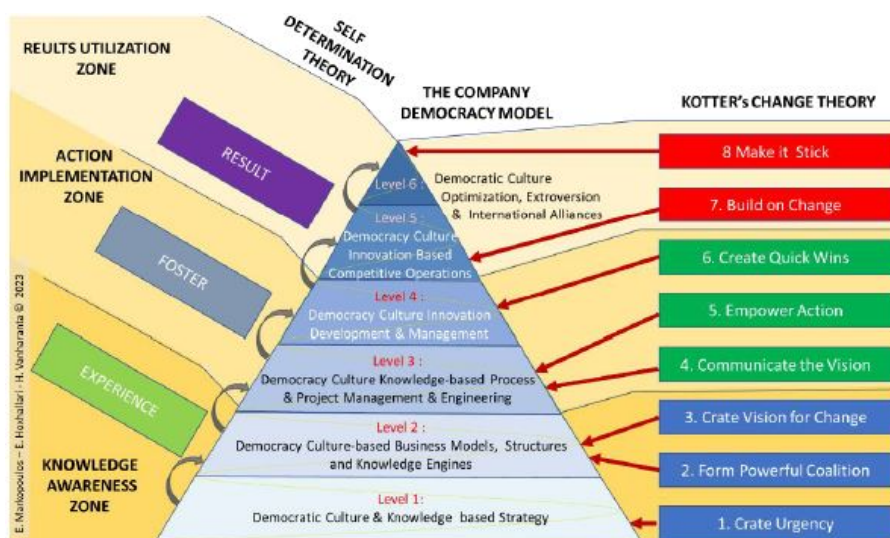**Figure 2:** Implementation of the ADKAR model with the company democracy model.

ADKAR's awareness (A) is implemented with the support of CDM's level 1 to identify the willingness of the employees to change. The desire (D) stage is implemented with level 2 where the awareness, that has been turned into desire, is tested for its strength and commitment to deliver the change. The knowledge (K) stage is implemented at level 3 where the first pilot applications of the change are completed and the results are tested for validity, acceptance, impact and the process needed to carry on with the change. The ability (A) is implemented at levels 4 and 5 where the success of the pilot changes achieved in level 3 is rolled out into the organization as new innovative operations processes (level 4) that give an organizational competitive advantage (level 5). Lastly, the reinforcement (R) stage is implemented at level 6 where success must be maintained and increased.

COMPANY DEMOCRACY ON KOTTER's MODEL

The conservative approach of Kotter's model for change does not leave much room for democratic leadership due to the speed needed for radical changes to

happen, especially in complex environments. In such cases, transactional, and autarchic leadership is required to get things done with the least resistance and time. To reduce the decree of anarchism and increase at least reactive participation, the Company Democracy Model is used.

The integration of Kotter's Model and the CDM has been introduced in the work of Markopoulos, Hoxhallari, and Vanharanta on an application of CDM towards governmental corporate entrepreneurship for the transformation of the public sector in the Balkan region (Markopoulos et al, 2021). This work distributes Kotter's 8 stages in the CDM's six levels with three categories that reflect the three elements of the self-determination theory. The first 3 stages of Kotter are linked with CDM levels 1 and 2 forming the 'Knowledge Awareness' zone. The next three Kotter stages are linked with CDM levels 3 and 4, forming the 'Action Implementation' zone, and the last 2 Kotter stages are linked with CDM levels 5 and 6, forming the 'Results Utilization' zone. The three zones are related to the Self Determination Theory elements where 'Experience' is expressed in the Knowledge Awareness zone, 'Foster' is within the Action Implementation and 'Results' is within the Results Utilization zone. This work is being revised to indicate the relationship of Kotter's stagers with the CDM levels in a more precise and one-to-one relationship (Figure 3).

Figure 3: Implementation of Kotter's model with the company democracy model.

CO-OPETITIVE DEMOCRATIC ORGANIZATIONAL CHANGE

In an attempt to integrate the distant philosophies and operations of the ADKAR and Kotter's change management models the Company Democracy Model has been used to stand in the middle and promote co-opettion instead of competition among employees (Markopoulos & Vanharanta, 2017).

Co-opetive organizational cultures utilize the contributions of all for a common goal regardless of how these contributions are derived. When they

come voluntarily and democratically, democratic co-opetition is achieved with ideal conditions and clear benefits for each one involved prior to the initiation of a change process. On the other hand, when contributions derive by force, co-opetition is achieved in an attempt to first survive the shock from the change, and then gradually, in a collective way, benefit from the change, or get used to it.

In both cases, co-opetition is needed, and competition must be avoided. Co-opetitive management and leadership unite everyone with a common goal regardless if that goal is to progress or to survive. Collective thinking and acting are key processes of co-opetitive leadership, while patience, sharing, caring optimism and are key leadership traits.

Figure 4 presents the holistic integration of the ADKAR, Kotter's, and Lewin's models for change within the CDM levels of knowledge maturity.
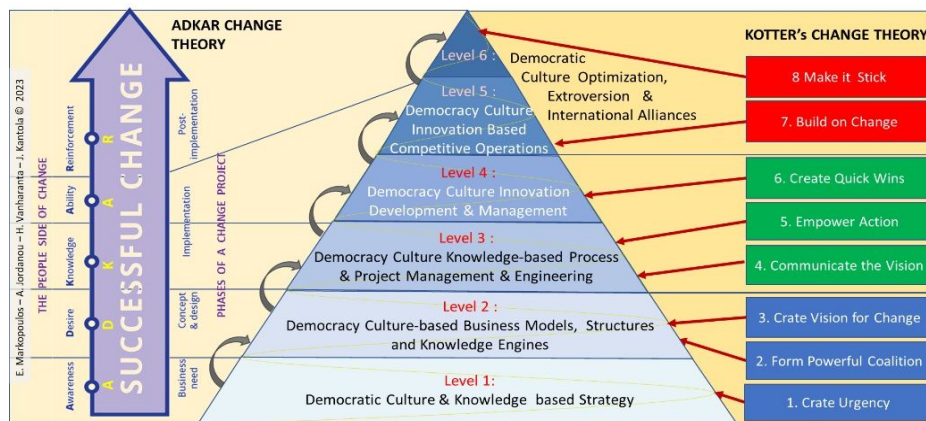
Figure 4: Holistic organizational changes approach.

This holistic approach to organizational changes starts with the execution of the Lewin Field Force Analysis to identify the main change approach to be adopted in the implementation of the organizational change. This critical leadership decision sets the management model to be used (ADKAR or Kotter). In both cases, and regardless of the selected change model, CDM stands in the middle to facilitate the execution of the change with the participation of the employees and their knowledge contributions to the change implementation process from the first stage to the last.

Due to the significant differences in the philosophies of the Kotter and ADKAR models, switching from one model to the other is not easy. Therefore, the Lewin forces have a critical role in carefully determining the change model to be used which affects the way CDM will support it.

LIMITATIONS AND AREAS OF FURTHER RESEARCH

The limited available literature review on the integrated change management approaches impacted the secondary research and its attempt to integrate change management with knowledge management. The proposed co-opetitive change management approach needs to be developed further

in terms of defining key metrics to measure the execution effectiveness of each stage within the related CDM levels. This will determine if the change management process shall be continued, changed, or stopped. The goal is to develop a process that can switch, change or combine management models as the change process evolves at the CDM levels. If, for example, ADKAR is used in CDM level 1 with limited participation then Kotter's stages 1 and 2 can support ADKAR's stage 1. This is a complicated dynamic approach as the parameters needed to make such decisions cannot be predicted without systemic thinking and ontologies to provide the needed agility (Salo, 2017) Therefore new and reactive co-opetitive leadership types and management practices need to be developed to support continuous and agile change implementation performance.

CONCLUSION

Democratic change programs can be implemented with less resistance regardless of the impact of the change or the frequency they are executed. This paper identified a new change management and leadership approach based on the Company Democracy Model which is used primarily for innovation-based organizations characterized by their non-hierarchical structures and organizational cultures. These types of neo-liberal organizations are the most difficult to implement changes as their degree of democracy and freedom to operate does not favor change management strategies driven mostly by logic, order, and authority. The proposed Democratic Change Management Model promotes co-opetition instead of competition, a non-competitive collective effort to go through a change, and a new agile and democratic leadership type applied based on the organizational strategy per case. As change remains constant, so does democracy must be, where justified thoughts and opinions avoid social and economic disasters while contributing to effective, sustainable and rewarding changes for all.

REFERENCES

Alvesson, M. and Sveningsson, S., (2015). Changing organizational culture: Cultural change work in progress. Routledge.

Appelbaum S. H., Habashy S., Malo J-L, and Shafiq H. (2012). Back to the future: revisiting Kotter's 1996 change model. Journal of Management Development Vol. 31 No. 8, pp. 764–782 Emerald Group Publishing Limited 0262–1711.

Baulcomb, J. S., 2003. Management of change through force field analysis. Journal of nursing management, 11(4), pp. 275–280.

Boca, G. D., 2013, March. Adkar model VS. quality management change. In International Conference Risk in Contemporary Economy; Faculty of Economics and Business Administration, Dunarea de Jos University of Galati.

Caldwell, R., 2003. Models of change agency: a fourfold classification. British Journal of Management, 14(2), pp. 131–142.

Donald James Swanson & Andrew Shawn Creed (2014) Sharpening the Focus of Force Field Analysis, Journal of Change Management, 14:1, 28–47.

Galli B, J. (2018), "Change Management Models: A Comparative Analysis and Concerns," in IEEE Engineering Management Review, vol. 46, no. 3, pp. 124–132.

Goyal, C. and Patwardhan, M., (2018). Role of change management using ADKAR model: a study of the gender perspective in a leading bank organisation of India. International Journal of Human Resources Development and Management, 18(3-4), pp. 297–316.

Markopoulos E., Hoxhallari E., Vanharanta H. (2021) Democratic Governmental Corporate Entrepreneurship for the Transformation of the Public Sector in the Balkan Region. Advances in Creativity, Innovation, Entrepreneurship and Communication of Design. AHFE 2021. Lecture Notes in Networks and Systems, vol 276, pp 153–161. Springer.

Markopoulos E., Vanharanta H. (2015). 'Company Democracy Model for Development of Shared Value', Elsevier, Procedia Manufacturing, Volume 3, Pages 603-610, 2015.

Markopoulos E., Vanharanta H. (2017) Space for Company Democracy. In: Kantola J., Barath T., Nazir S., Andre T. (eds) Advances in Human Factors, Business Management, Training and Education. Advances in Intelligent Systems and Computing, vol 498. 275–287. Springer, Cham.

Markopoulos E., Vanharanta H.. (2014). 'Democratic Culture Paradigm for Organizational Management and Leadership Strategies - The Company Democracy Model. ' In: Charytonowicz J. (ed) Advances in Human Factors and Sustainable Infrastructure. 5th International Conference on Applied Human Factors and Ergonomics. vol 20. pp. 190–201 (2014).

Probst, G. and Raisch, S., 2005. Organizational crisis: The logic of failure. Academy of Management Perspectives, 19(1), pp. 90–105.

Prosci (2023). The Prosci ADKAR Model. A powerful yet simple model for facilitating individual change. Prosci website: https://www.prosci.com/methodology/adkar.

Salo M., Markopoulos E., Vanharanta H., Kantola J. I. (2017) Degree of Agility with an Ontology Based Application. In: Kantola J., Barath T., Nazir S., Andre T. (eds) Advances in Human Factors, Business Management, Training and Education. Advances in Intelligent Systems and Computing, vol. 498. Springer.