



Full length article

Examining barriers to organizational change for sustainability and drivers of sustainable performance in the metal manufacturing industry

Ifeyinwa Juliet Orji

Ningbo Supply Chain Innovation Institute, Ningbo, 315100, China

ARTICLE INFO

Keywords:

Metal manufacturing industry
Organizational change management
Sustainable performance
ISM
TOPSIS

ABSTRACT

Traditionally, the metal manufacturing industry in China is focused only on economic growth and just in the past decade, environmental regulatory policies have started to emphasize organizational sustainable improvements. Thus, the metal manufacturing industry in China has a high potential for value addition and organizational change for sustainability. The success of organizational change for sustainability should be based on an in-depth insight into barriers to organizational change for sustainability and drivers which support sustainable performance. In this context, this study employed interpretive structural modeling (ISM) technique and Technique for Order Performance by Similarity to Ideal Solution (TOPSIS) to examine the barriers to organizational change for sustainability and drivers which support sustainable performance. Firstly, ISM technique was applied to select the key barriers to organizational change for sustainability based on experts' evaluations in the Chinese metal manufacturing industry. Then, TOPSIS model was applied to assess and prioritize the drivers which support sustainable performance with respect to their influence on the key barriers. Based on the study results, inefficient legal framework, inadequate proactive plans, lack of sustainable waste management and preferences of institutional buyers are the key barriers. Furthermore, enforcing government regulations, integrating sustainability in proactive plans, promoting sustainable products and developing infrastructure support and facility for sustainability were found to be the most influential drivers. This study will enable managers and government bodies to manage their resources in an efficient way so that organizational change management for sustainability can be achieved in the metal manufacturing industry in China.

1. Introduction

Organizations are integral part of modern societies being complex social systems with sets of interrelated units in joint problem-solving to accomplish a goal and classified as civil society, companies and public agencies (Lozano and Haartman, 2018). Usually, organizations are influenced by circumstances that act beyond their boundaries, which influence their strength to acquire and utilize resources to create value. The main aim of organizational change which is generally an anticipated, prepared for and managed opportunity is to transit from a current status quo to a better state. Organizational changes that cause a shift in the status quo are bound to encounter resistance at the various organizational hierarchical levels. Resistance to organizational change and lack of appropriate response to new opportunities can result in unsustainable conditions; thus sustainable performance can be the main justification for organizational change (Lozano, 2012). Organizations have become a main focus of attention in the sustainability debate and perceived as possessing resources, technology and motivation to work towards more sustainable societies (Lozano, 2012). Sustainability is often referred to as the triple-bottom-line because it involves the integration of environmental and social responsibilities with economic goals to create value for the company as well as for society (Rankin

et al., 2011). In this context, organizations and managers are increasingly recognizing the interrelationships between economic benefits, social and environmental consequences as well as their short and long term effects on change for sustainability. Long-lasting organizational change for sustainability requires in addition to the development of sustainability visions for the future, the identification and examination of barriers which pose resistance and respective drivers which support sustainable performance. Many managers not only underestimate the causes of resistance to change towards sustainability, but also the drivers which influence organizational change to sustainable performance (Kotter and Schlesinger, 2008). Organizations need to have an explicit approach for addressing and managing change. Furthermore, an insight on the appropriate strategies in order to catalyze change from the unsustainable status quo to a more-sustainable state is crucial (Lozano, 2015). Innovation can provide a solution to the main environmental issues, but often meets resistance thus necessitating adjusting its output to ensure successful adoption (Acciaro et al., 2014). Certain barriers usually hinder organizational change for sustainability; identifying them can help to apply appropriate strategies to overcome them, thus helping to better incorporate and institutionalize sustainability (Lozano, 2012).

Several myriad barriers to change for sustainability and the drivers

<https://doi.org/10.1016/j.resconrec.2018.08.005>

Received 20 September 2017; Received in revised form 6 August 2018; Accepted 8 August 2018

0921-3449/© 2018 Elsevier B.V. All rights reserved.

which are the appropriate strategies which support sustainable performance have been recognized for different organizations (Alessandra et al., 2018; Moktadir et al., 2018a,b). While many of the barriers and drivers of change to sustainability are industry-specific, it is, nonetheless, possible to find some that can be associated with more than one industry or organization (Zhu, 2016). Most of the literature on barriers and drivers to change for sustainability has focused on industry groups while few authors have focused on offering a clear panorama of the entire system of the specific industry or organization (Lozano, 2012). In particular, there have been past studies on organizational change to sustainability in the manufacturing sector with focus on analyzing the barriers to change (Trianni et al., 2017; Alessandra et al., 2018; Moktadir et al., 2018a,b; Thomas-Seale et al., 2018). Although, the topic of sustainability has gained increased attention in the manufacturing sector due to the sector's huge environmental and societal impact, most manufacturing firms in China still place more emphasis on economic sustainability than on environmental and social dimensions of sustainability (Trianni et al., 2017). China provides a significant illustration on the negative impacts of climate created by the manufacturing sector and provides potential opportunities for sustainability objectives (Ely et al., 2016; Liu et al., 2016). Government regulations, rapid technology development and economic gains has propelled the Chinese manufacturing sector to consider adopting organizational change management for sustainability (Zhu, 2016). In response to the high incidence of environmental pollution in China and government target to reduce carbon emissions per unit GDP by 40–45%, the manufacturing industry must undertake organizational change management for sustainability. In the context of Chinese metal manufacturing sector, a limited research on organizational change management for sustainability has been reported (Subramanian and Abdulrahman, 2017). The metal manufacturing sector is the largest energy-consuming industrial sector in China (Yu et al., 2017), thus it is important to implement organizational change management for sustainability. Although, there are potential opportunities to implement organizational change for sustainability in the Chinese metal manufacturing industry and government has set ambitious targets, there exists several barriers to change for sustainability. A thorough understanding of the barriers to change for sustainability and drivers which support sustainable performance is necessary to effectively achieve organizational change management for sustainability in the Chinese metal manufacturing industry (Liu and Bai, 2014). There is a crucial need to identify barriers to organizational change for sustainability and prioritize strategies which support sustainable performance in the Chinese metal manufacturing sector. Hence, this study takes the initial step to address the following research questions:

- Based on the survey of experts in the Chinese metal manufacturing industry on the identified barriers, what are the key barriers which hinder organizational change management for sustainability?
- Using the responses from experts in this study, what are the most influential drivers which encourage sustainable performance?

In the following section, the literature review on organizational change for sustainability, the Chinese metal manufacturing industry and research methodology is outlined. The proposed analytical framework in the study, study design, identified barriers of change to sustainability and drivers which support sustainable performance are presented in Section 3. In Section 4, the results of the study which indicates the key barriers to organizational change for sustainability and prioritized drivers which support sustainable performance are summarized. Also, theoretical and managerial implications are presented in Section 4. The conclusion of the study is presented in Section 5.

2. Literature review

In this section, a detailed literature review on organizational change

management for sustainability, the China metal manufacturing industry and the proposed research methodology are discussed.

2.1. Organizational change management for sustainability

Sustainability includes a group of actions taken to meet the needs of the present moment with committing to future capacity, thus striking a balance between increasing economic gains while minimizing environmental and social consequences (Helleno et al., 2017). Sustainability has been emphasized in many business organizations due to competitive advantage and pressures from government and customers. Organizational change management for sustainability involves an anticipated and managed opportunity to transit from an unsustainable status quo to a sustainable state (Acciaro et al., 2014). Organizational change management for sustainability is highly vital and have been widely discussed, hence motivated industrial organizations are modifying their activities and considering the environmental, social and economic impacts of their operations (Zhu, 2016; Moktadir et al., 2018a,b). In this context, organizational change for sustainability can aid in modifying traditional operations in firms and their supply chains. This modification actually accrues to the focus on sustainability in business organizations. The focus on sustainability can bring advantages such as better quality, reduced costs, improved image and opening of new markets (Gabzdylova et al., 2009). Given the impending necessity to transit towards focus on sustainability, the main political, economic and societal actors are looking for innovative solutions to aid organizational change for sustainability (Ivanaj et al., 2017). The adoption of sustainable operations involves strategies to produce manufactured products that are sustainable and tends to pave way for employment, community and product safety and security, thereby ensuring organizational change for sustainability (Moktadir et al., 2018a,b). In fact, many manufacturing firms are increasingly aware of the numerous benefits associated with adopting sustainable operations which includes financial, social and environmental benefits (Yu et al., 2017; Alessandra et al., 2018). Sustainable operations have the capability to increase organizational competitiveness and assess performance in the manufacturing industry. Sustainable consumption and production, sustainable manufacturing, green supply chain and reverse logistics are all integrated parts of sustainable operations which are relevant to manufacturing firms (Zhu and Geng, 2013; Saavedra et al., 2018). Moreover, organizational change for sustainability increases operational efficiency, creates new customers and increases competitive advantage through protecting brand image and building public trust (Moktadir et al., 2018a,b).

Pressures and resistances in the form of barriers are bound to exist for firms pursuing organizational change for sustainability. Challenges and barriers usually hinder organizations from effective implementation of organizational change management in business to achieve sustainability objectives (Uyarra et al., 2014). The barriers to organizational change for sustainability can only be overcome through drivers which support sustainable performance. According to Lozano (2012), planning organizational changes through applying appropriate strategies to overcome barriers to change for sustainability could help companies to overcome the resistance to organizational changes and integrate their efforts to sustainability more holistically. A holistic perspective on the different drivers of corporate sustainability can catalyze change from the unsustainable status quo to a more sustainable-oriented state (Lozano, 2015). It is important to recognize the barriers and drivers of sustainable performance which have the highest influence for each type of organization, in order to foster them and achieve organizational change management for sustainability (Lozano and Haartman, 2018). A summary of the existing literature on organizational change management for sustainability in the manufacturing industry is shown in Table 1.

Download English Version:

<https://daneshyari.com/en/article/11027497>

Download Persian Version:

<https://daneshyari.com/article/11027497>

[Daneshyari.com](https://daneshyari.com)