Organizational Change Management and Family Firms Socio Emotional Wealth: What Form of Impact?

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Abstract: The speed and the complexity of political, regulatory, and technological changes, confronting most companies has made radical organizational change and adaptation, a central research issue. Although the raise and the integration of artificial intelligence is generally considered as an important lever that have increased the organizational change recurrence, So The purpose of this study is to identify how the family firme socio emotional wealth impact the change process implementation within organizations, and that’s will take place by primary and secondary data analysis, illustrated by a case study.

Keywords: Organizational change, Family Business, Socio emotional wealth

Introduction

Considered for a long time as an obsolete and trivialized organizational form, the family business blames this for several reasons such as the quasi-dogmatization of A, Smith Work that urge the closure of capital, Also Chandler's work (1990) that explain the relative economic backwardness of Britain in the 19th century to the dominance of family firms and their reluctance to open up capital, the spectacular rise of managerial capitalism in most of the country. According to (Allouche, 2000), And that is quite plausible and legitimate. And currently, Today Business leaders are facing the complex task of leading their organizations and even their countries into the future, a trend is under way that is going to change the design of organizations, which make organizational change management a central issue for modern companies, on the other hand on academia, There's a consensus in literature about the fact that managing change is one of the hardest tasks, for instance based on a five year study conducted by the world-renowned McKinsey consulting firm (Isern, & Pung, 2007), out of the 1536 companies that underwent organizational change, only 38% of the company managers claimed that the process succeeded.

Moreover, what makes the situation more tight for managers is the seek of the organizational legitimacy which means that in today’s competitive environment, organizations are forced to change according to the pressures of the outside forces, so as to survive, Referring to Beer (1997), Theoretically speaking when it comes to organizational change we can apprehend organizational change under two perspectives,

The first one is the passive point of view which consider firms transformation as a reaction, or adaptation to external environment changes, that’s can be reflected as a response to a current crisis situation, or unexpected scenario, The second perspective is a proactive one, according to this approach organizational change appear like an event something that can be planned in advance, and it’s a reflection of manager insight Van de Ven and Poole (1995).

Furthermore, family businesses are highly considered by the organizational since they fundamentally prepare the succession, and they are built-in a moving environment, when it come to family it's predominant at the world level is undeniable, two-thirds of companies in the economic sphere of Western countries have the family characteristic,
However, it is necessary to mention that the field of "family business", is a domain which is characterized by a strong amphibology that is manifested in the fact that there is a lack of meaning unification the used theories. Worse, sometimes we find theoretical models and works that are based on diametrically opposed axioms facing this ambiguous reality we decide to answer the following question:

Research Question

Paradoxically with the reality the literature that focus on studying organizational change, concentrate most of the time on limited type of questions like : What are the antecedents or the consequences of establishing an organizational change? What are its forms and administrative practices? Or how does organizational change emerge develop, grow or terminate over time?

Meanwhile, lot of researches focused on two major subjects, the first one is the structural inertia that manifest like an obstacle in front of change implementation, and the scholars on that field are questioning, How strong are inertial forces on organizational structure? Or how can we eradicate them? The second type of questions is related to employee and their resistance towards change and how they can be involved on the change process? Or how managers can reduce their resistance level?

So in this research paper we aim to apprehend the phenomenon, under a new and an original perspective which study the relation between the family firms socio emotional wealth and organizational change implementation.

- How family business socio-emotional wealth impacts the process of organizational change implementation?

This problem is articulated around a certain number of questions which we summarize as follows:

- What is meant by organizational change? And what are its forms and dimensions within the family business?
- What are the factors responsible for the success and implementation of organizational change in Moroccan family businesses?
- What are the factors that hinder the implementation of organizational change in Moroccan family businesses?

Literature Review

Organizational change

Actually, the topic of organizational change is one of the major topic in management, because it is conceived as a solution allowing the organizations to react in front of all the crucial problems of adaptation to the environment on which it feeds and on which it depends. For some researchers (Beaudoin, 1990: 43), The change is all at once becoming, adjusting, adapt and transform, and for other writers like (Collerette et al 1997, 20), the change is "the transition from a state to another, which is observed in the environment and which has a relatively sustainable character. Profoundly speaking, Change is generally a reaction to some significant threat or opportunity appearing outside the organization. According to Pettigrew (Daft,1983) Changes within an organization can manifest in two forms, As a response to business and economic and social events or a proposition of a new managerial perception, choice and actions.

For better understanding of the change concept, (lewin 1995), suggest a description of the change implementation process, which called «The Three-step Model of Change» :

The first step is «Unfreezing» : The present level reflect the confrontation or the process of re-education, which might be achieved through team building.

The second step «Moving» : To the new level which requires developing new behaviours, values and attitudes. The third step «Refreezing» : the new level seeks to stabilize the organization at a new state of equilibrium to ensure that the new ways are safe from regression.
But, until now nobody can deny the huge debates around the change management approaches, that have been fuelled by the contradiction between « deterministic» (Armenakis and Bedeian 1999, Pettigrew et al,2001, and Beer and Nohria 2000), and «voluntaristic», (Weick and Quinn, 1999,Sturdy and Grey, 2003) conceptions. The deterministic point of view of organizational change emphasizes the character inflexible of the organization, and apprehends the firms structure, system, and culture as factors of rigidity and inertia that tend to preserve the organization initial forms, Likewise, deterministic scholars (Aldrich, 1979, Hannan et Freeman, 1984), emphasizes the permanence factors of the organization and sees the pressures of the external environment factors as the main trigger of organizational transformations. In contrary, the intentional conception of organizational change, enhance the idea that change is imperative (change is good, stability is bad) and that change should be managed and controlled (Weick and Quinn, 1999), Moreover intentionalist explain that organization, in its systemic and human population, develops many resistances and poses that constraints to change.

In short, Change becomes a preoccupation inherent to the companies social activity, that generates the necessity toward a better understanding of its mechanisms, process and procedures, certain conceptual advances allow us today to conceive the firm performance and durability as resultants of it ability to implement change.

There are many reasons that change occurs in organisations, The Burke-Litwin model[1] shows the various drivers of change and ranks them in terms of importance. The model is expressed diagrammatically, with the most important factors featuring at the top

**Figure 1. Litwen model that explain the multiple sourse of change**

**External Environment** This includes such factors as markets, legislation, competition and the economy. All of these will have consequences for organizations, and, as a change manager, it is vital that you continually scan the environment for issues that will affect you and your team. For example, in the world of accountancy, International Accounting Standards and International Financial Reporting Standards will have a significant impact on the way companies manage their accounts and report their results. In the public sector, legislative changes across health, local government

**Mission and Strategy** Very often, the strategy will be developed in light of environmental change, which imply that this element is extremely related and conditioned by the first one.
Organisation Culture

Organization culture can be described as “the way we do things around here”. It considers the beliefs, behaviours, values and conventions that prevail in an organisation. Culture change does not happen overnight. It evolves over time as a result of many other changes in the organization.

Family Business

The definition of what is a family business presents a huge controversy; the literature dedicated to this subject is unable to propose a definition that fit researcher’s expectations. On the other hand, we have a multiple and diversity of incomplete definitions, which anchor a structural ambivalence in this area and generates a high level of skepticism in relation to the value of the knowledge produced.

Several definitions emerge from the literature. For instance, mono-criteria definitions, which focus singularly on the criterion of ownership or that of control or that of the Family / Enterprise interaction. (BB Barnes, S.A. Hershon, 1976) focus on the notion of control, they consider that a firm is qualified as family one, only if the control of ownership is held by one or more members of the same family. The semantic amendment of this definition is done by (Lansberg et al., 1988), when he integrated the notion of "legal control".

On the other hand (W.J. Dyer, 1986), emphasis on the separation of ownership and management. He argued that a business is worthy of having family quality if ownership or controlled and influenced by a family. After (W.C Handler 1998) will present a virtually identical definition, the only point of difference is relative to the extended nature of the family.

Moreover, (Beckhard, R. and W.G. Dyer, 1983) have the exclusive right to approach for the first time interaction (family / business) as a defining criterion. They stipulate that the presence of the family on the board of directors constitutes the link that links these two worlds (family / company) and that give the family essence to the company.

The multi-criteria definitions are proposed to overcome the limitations of the previous one, and focus on ownership, control and family / business interaction and intention of continuity. MH Stern, (1986), concurrently proposes ownership, and control as two factors that determine the family or non-family nature of a business, so a business is considered family-owned when it is managed (controlled), and owned by one or more members of a family or several families, and (Rosenblatt, 1985) will support this definition by proposing the concept of involving family members in leadership through the exercise of effective roles in management.

In addition, (CM Daily, Mr. Dollinger 1992), reports the relevance of blood relationship between family members, it must be people (two minimum) with the same name, they must be involved in the board of directors of the company.

On the other hand, (Chanson, 1971) will try to quantify the problem by proposing scales of measurement for the criteria. For him, a company is defined as a family if its board of directors is chaired by a family member, and control is exercised successively by at least two generations, with a minimum of 5% of voting rights.

Theoretical Background

Sense-making approach

Developed by the famous American psychologist (karl Weick, 1995), it consists in analysing the process according to which individuals or organizations create an understanding of the situations, which are often ambivalent, uncertain, and in perpetual change. Also Wieck(1998), emphasize the substantial role of this approach in the purification, of individual or organizational behaviours in time of change, which certainly leads to sense of harmonization, and engender more adequate reactions with the context.

Following this approach, sense construction mechanism in transformation time, will be triggered fundamentally by developing answers to questions like “what's going on?” “what should I do ? ”, and in a more methodical way Klein (2009) propose three big sequential steps needed for sense edification in the changing period, (the clues detection, Situation framing, context appreciation).
Clues detection: Each individual within the organization that is involved in change process start by detecting the clues and indicators that seem important to him, and he will base his framing on those indicators. This selection is subjective in nature, because it depends on the level of visibility of the signs in the environment as well as the "tank of the meaning already built" by these individuals, which actually is conditioned by the story of change implementation on the firm.

The Framing: As we said earlier this phase is intimately related to the first one, because the reading frame determine by the nature of the indicators that will be identified and decrypted by priority, also the situation framing is conditioned indirectly by the ideology, culture and history of the organization.

Context appreciation: Generally describes the place and time state, the challenge for organizations in this phase is to always stay in touch with the world around it, which can be difficult in some area, seen even unattainable in certain situation.

Moreover, the bottom line with the sense making approach, that change implementation is more controllable process than we might think, by orienting the attitude of the worker and improves their cognitive and adaptive capacities, by a good leadership strategies which promote creativity and encourage innovation.

So with this approach we can understand that change implementation is a controllable process and the employee play a major role, because it’s whom who can facilitate or resist to the change implementation, and by good strategy of innovative leadership we can shape their behaviour and oriented to the right path, and that can be possible if the leaders play in the sense made by the employee on the change period and their emotional reaction.

Also, this approach emphasize the learning aspect in the transformation period it states that concurrently, when taking actions to implement new system we are building meaning which will be part of a long term learning process, it could be a «single loop learning», «double loop learning», or «Learning By doing», and the process is decease in the change implementation success because, There is a delicate trade off between dangerous action which produces understanding and safe inaction which produces confusion»

Stake-holders theory

Recently, with the development of the new economy and the neo-institutional approach, scholars have become increasingly interested in the concept of stakeholder, because they all aware of its importance and how stakeholders can be a promoter or a destroyer of firms competitiveness.

William Freeman, 1963, by a simple word game during a communication at the Stanford Research Institute, he took the English term "shareholders" he replaced the syllable "share" by "Stake", which gave birth to the new term "stakeholders", which refers to a group of individuals who have interests to receive from organization. Nevertheless, there is a truth, assuming that any truth good to say, the consensus is far from being established about a definition of the concept «stakeholders», according to (Freeman, 1984) the stakeholders are all institutions or individuals that can impact or be impacted by the achievement of the company's objectives " and for (Mercier, 1999), the stakeholders are all individuals or groups for whom the development and durability of the firm is a crucial issues.

Beyond the definition issues (Carroll, 1995) proposes a classification of Stakeholders in which he distinguishes two broad categories:

Primary stakeholders: who are usually in contact with the company through contractual links such as (employees, bank, supplier, ...).

Secondary stakeholders: the opposite of the first category are agents linked with the company through non-formal and non-contractual links (lobby groups).

Moreover, according to (Donaldson and Preston, 1995: 74) this theory has three empirical dimensions: descriptive, instrumental, normative.
Descriptive: this is the most visible part of this theory, it reflects the way with which the organization takes into account the interests of the different stakeholders, it describes the management system and the nature of the company behaviour toward the stakeholders:

Instrumental: it is the most pragmatic dimension between these three, it represents how the company seeks to exploit the consideration of the interests of its various Stakeholders to achieve its objectives of an economic nature.

Normative: this variable is relative to everything that is ethical it argues that firms are currently under the obligation to take equitably the needs of all stakeholders because the durability of the company depends mainly on its behavior towards of all stakeholders

Research Methodology

The results presented in this paper are the fruits of a large empirical study conducted, based on the available data provided by the consulting companies, The methodology of this research as well as the framework of the study will be presented here in a synthetic way down below.

First things first, we choose a qualitative research, and an interpretive approach that seeks to describe, comprehend, and explain people behaviours in terms of the meaning it holds for them. Compatibly with positivism, Interpretativiste research retains the assumption that the goal of research is to describe and explain reality without a value bias. contrary to the positivist approach, the interpretive viewpoint rejects the possibility of creating generic laws (Bain, 1989), As a result of that, this research main focuses is to understand individuals perceptions, opinions, beliefs, and the assigning of these views with an underpinning meaning. However, under the qualitative perspective particular attention is paid to the research assumptions, and the subjective perceptions of the respondents. Also this interpretive approach holds that based on people’s individual and collective thinking and action, we create meaning which can be made intelligible (Minichiello, Aroni, Timewell, & Alexander, 1995).

The qualitative methodology adopted, stand on with the conceptions of the «case study method» developed by Yin [1989] which focused on demonstrating how relevance and interesting the case study it could be, As a research strategy . This approach is in line with the mainstream of our research, which requires taking completely and deeply into account, the organizational change context in which the actors are nested, Yin [1989: 23], Therefore (Cress, 1999) said that case study is a good approach if purpose of researcher is to investigate the process.

Since the focus of this research is exploratory in nature, and we seek by this study to provides a unique ability to capture empirical descriptions of phenomena such as integration. To this end we used a grounded theory methodologies, (Glaser and Strauss in 1967).

Grounded theory methods emerged from the work of the well known sociologists Barney G. Glaser and Anselm L. Strauss's (1965, 1967) after a successful teamwork during their studies related to the dying people in hospitals (see Glaser & Strauss, 1965, 1968; Strauss & Glaser, 1970). In the early 1960s in the United States, hospital staff seldom talked about or even acknowledged dying and death of seriously ill patients. As they constructed their analyses of dying, they create systematic methodological plan of action that social scientists could adopt for studying many other subjects. Glaser and Strauss's book The Discovery of Grounded Theory (1967) first introduced these strategies and advocated developing theories from research grounded in data rather than deducing testable hypotheses from existing theories.

Grounded theory focus on the progressive identification and integration of meaning categories extracted from data. It is a double process that aims to identify and integrate the categories (as method), and its product (as theory). meanwhile GT, as method provides us with schema on how to identify categories, how to make links between categories and how to establish relationships between them. Moreover, Grounded theory use a number of key strategies, including constant comparative analysis, theoretical sampling and theoretical coding. which Let us take a closer look at the major analytical constructs, or building blocks, of the grounded theory method. The grounded theory method has undergone a number of revisions. Most significantly, Glaser and Strauss themselves parted company and proposed different ways in which grounded theory thought to be practised.
Material and Methods

Using grounded theory by the case study method, Eisenhardt (1989), implies the utilization of multiple data collection methods, multiple investigators, flexible and opportunistic data analysis methods, and cross-case analysis, comparison to the literature. So in our research, the collection of data was carried out by an accumulation of information extracted from numerous sources of evidence, included publicly available documents, journals, reports. Observation, desk research and semi-structured interviews represent the bulk of field work.

We conducted more than one case studies to check the validity of the change management proposed model. Researchers get different kinds of observations from these case studies because each company have different strategies, scopes, and market. Meanwhile The processing and qualitative data analysis was done through a cyclical and iterative process which can be synthesized by repeating this three phases identified by Miles and Huberman [1991]:

Condensation of data: Operation that consist to organize data so as to make intelligible and voluminous facts from chaotic informations.

Presentation of data: Consists to draw conclusion from analysing already built informations. The elaboration / verification of the results: The results are elaborated with a more and more important degree of abstraction to lead to theoretical propositions. They are related to empirical data through inferences.

Our “analysis” involved the collection, cumulative coding cycles, and reduction of qualitative data. We looked for reflective themes and tried to “search for patterns in data and for ideas that help explain why those patterns are there in the first place” (Bernard, 2011). and all the data that we used is qualified as secondary data, published by Deloitte in (2016).

Results and Discussion

Secondary data-analysis (survey documentary analysis)

We will be delighted to present the results of how Change Management process can be impacted by the innovative leadership. The research will focus on verifying the compatibility between the theoretical ideas and the empirical facts, by identifying the most popular Change Management ideas. The survey that we will use are whom conducted by Deloitte, in 2016 which was structured to identify the level of Change Management awareness among participants as well as the relationship between the application of the Change Management tools and the successful implementation of innovative processes.

Here’s some examples of The surveys participants which represent a diverse selection of companies in different fields, this Change Management survey attracted the attention of a number of managers in charge of planning and implementing project activities, because they are the one who are involve and able to communicate authentic knowledge, Down below some examples of the secondary data available.

Figure 1. Breakdown of survey participants by their role inside the organizations
Referring to the literature, change is defined as a transition from one state to another. Also, change is perceived like continuous and embraces all areas of life and activity of a single person, organization or society at large. Down below there’s a benchmark between literature and reality regarding these definitions.

**Figure 3. Agreement about the definition of change management**

Source: Deloitte Survey (2016).

100% of survey participants agree that the success of any business transformation is determined by effective procedural engagement, and change implementation is a continuous process that can and should be managed by phases, so the coming question are related to this fact.

**Figure 4. The Change Management process, on the participant opinions**

Source: Deloitte Survey (2016).

And about the innovative leadership, Deloitte conducted another survey about 15 minute quantitative questionnaire conducted on line. Approximately 300 interviews per market, and compatibly with the theoretical work, participants agreed that innovation is essential for business growth and 87% believe the success of a business should be measured by more than just financial performance, but also the ability of managing change, moreover they confirmed the fact that creativity is the key factor for innovation, followed by academic ability, technical skills and the ability to challenge. Also it certainly help in managing the external changes.

**Figure 5. Innovation helps in company transformation in order to face External Challenges**

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1 Deloitte is one of the "Big Four" accounting organizations and the largest professional services network in the world by revenue and number of professionals. Deloitte provides audit, tax, consulting, enterprise risk and financial advisory services with more than 263,900 professionals globally. In FY 2017, the network earned a record $38.8 billion USD in aggregate revenues. As of 2016, Deloitte is the 6th-largest privately owned organization in the United States.
Primary data-analysis (case study SOREMAR FAMILY BUSNIES)

Since its creation in 1999, SOREMAR has successfully improved its position in the global automotive industry, ranking among the best of the Moroccan biggest maritime manufacturer. We choose this case for Not only it economic performances but also for the fact that ford during the past years it encountered lot of organizational changes because of the different type of Challenges that it faced like the global financial crisis left marks on the maritime industry. Further to that, trends such as increasing competition and stronger environmental regulations already have and further will challenge that market. Moreover ford it well known by it investment in the innovation Paradigm.

Analysis process (TROPES Software):
As we said earlier we will gather data by in depth interviewee, later on we will precede by transcription, “analysis” involved the collection, cumulative coding cycles, and reduction of data, and all this will be done thanks to TROPES.

Tropes is created by (Agnès Landré and Pierre Molette 1998), they take as fundamentals The work of (Rodolphe Ghiglione, 1988) this software offers the possibility to perform a semantic text analysis. (Wheel & Manual, 2013), Furthermore it allows for a two-dimensional content analysis, that could be divided in two phases, in the first one, researcher subjectivity is eliminated thanks to the realization of strict statistical treatment of collected data, the second one is related to the researcher's interpretation work, it gives the possibility to the latter to carry out an analysis of the textual content based on conceptual scenarios constructed by the researcher himself. By the way for (Garcias F. et al., 2010).

Down below a list of manager’s that were interviewed

<table>
<thead>
<tr>
<th>Name</th>
<th>Position within company</th>
<th>The source of the interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nouredddin gnaou</td>
<td>President and chief executive officer of the Ford Motor Company.</td>
<td>Stanford Graduate School of Business conference</td>
</tr>
<tr>
<td>Dounia gnaou</td>
<td>Ford Motor Group Vice President of Global Product Development.</td>
<td>Bloomberg channel</td>
</tr>
<tr>
<td>Karim gnaou</td>
<td>Director of Research and Advanced Engineering, Ford Motor Company.</td>
<td>Bloomberg channel</td>
</tr>
</tbody>
</table>

Yet, firstly we started with a statistical presentation of different categories of terms used by the actors some examples interviewed

We find out that terms like «creativity-innovation-change-leadearship..» have a pretty considerable presence in the speeches of FORD MOTORS managers, and that’s reflect the fact that (innovative leadership and change management are quite related topics, Because thanks to a well planned strategy of innovation FORDMOTORS was able to face all the changes stirred by the environmental and the external forces, moreover investing in developing a good leadership practices certainly will have a huge impact on the change implementation within FORD MOTORS COMPANY.
The second type of analysis will focus on the relationship that remains between the different categories of terms through the use of what is called “the area graph, the latter is composed of two axes (horizontal and vertical), the studied concepts are exposed in the form of balloons on the left and right, this results from the action (taker/receiver) relationship, as well as the size of each balloon depends on its importance in the story, and the proximity between the sphere and the center area reflects the level of relationship between the two concepts. The area graphs are provided by the Tropes software based on a statistical study of the repetitiveness of the terms positioning before and after the verb. Her’s an example down below.

![Area Graph Example](image)

At first sight, we find that the sphere “INNOVATION” is the closest in the middle and it is present in the biggest ball, this justifies that innovation is a key factor in change implementation and creativity is the base of all innovation work.

**Conclusion**

As conclusion we can say that the family business socio emotional has a multi-dimensional impact on organizational change implementation for instance if the family’s well-constructed and the social value are correct and visible it would have positive impact and vice versa.

**References**

References and citations should be prepared in the latest APA (http://owl.english.purdue.edu/owl/resource/560/02/) format. References have to be cited in article text. See the references examples below.


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