

Review

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Subject: dissertation work for the acquisition of **Doctoral** educational and scientific degree in field of higher education 3. Social, economic and legal sciences; professional direction 3.7. Administration and Management, Scientific Specialty "Social management"

Reasons for presenting the review: the reviewer is a member of the scientific panel for the defense of the dissertation work as per Order No. RD 38-629/30.11.2022 of the Rector of Sofia University.

Author of the dissertation: Irena Borisova Mladenova, a PhD student on a self-study basis in doctoral program "Economic Management" at Sofia University St. Kliment Ohridski

Dissertation title: "Organizational capacity for change, organizational adaptability and organizational performance"

Research supervisor: Assoc. Prof. Olimpiya Velichkova-Veder, PhD

This review has been prepared in accordance with the Development of the Academic Staff of the Republic of Bulgaria Act, the Regulations for the implementation of this Act and the Ordinance on the development of the academic staff of SU St. Kliment Ohridski.

1. General characteristics of the presented dissertation work

The reviewed dissertation consists of 188 pages and includes two chapters, an introduction, a conclusion, a list of tables, figures and abbreviations used in the text, bibliographical reference and 6 appendices. The main body is 147 pages long and contains 39 tables and 30 figures. There are 22 pages of applications related to the study in the dissertation, which include the questionnaire used, figures with one-dimensional distributions outlining the profile of the people participating in the survey, as well as additional tables with results derived through factor and regression analyses performed. 174 literary sources have been researched, 13 of which in Bulgarian and 161 in English.

The presented dissertation is dedicated to **an understudied topical issue** related to the role and applicability of the constructs "readiness for change" (the focus is on commitment and trust in the collective ability to implement a given change initiative) and "change capacity" (implementation of initiatives to change and achieve both short-term and long-term strategic goals) in the process of organizational adaptation in an environment with a high degree of uncertainty. The various changes in technology in

terms of scope and depth, consumer requirements, the shorter life cycle of goods and services offered, as well as economic and political instability force organizations to continuously redesign and balance the elements of organizational design (processes, structure, systems) in order to accomplish strategic company goals, gain competitive advantage and achieve sustainable organizational performance. *The subject of the study* is *factors* constituting organizational capacity for change, and their interrelationship with adaptability and organizational performance. *The main purpose* of the study is to identify the factors which conceptualize (form) organizational capacity for change, and to explore their interrelationship with adaptability and organizational performance. The *main research argument* is that organizational capacity for change is a tool towards increasing adaptability and improving organizational performance in the long term. Two research hypotheses have been formulated:

- ✓ X1. The factors involved in organizational capacity for change impact the adaptability of the organization directly and in a positive manner;
- ✓ X2. The factors involved in organizational capacity for change impact organizational performance directly and in a positive manner.

Based on a detailed and critical analysis of published representative empirical research, the PhD student identifies 11 factors that form organizational capacity for change. To evaluate each of the factors and their dependent variables, the author uses confirmed and reliable scales. Additionally, two sets of control variables have been adequately adapted during the course of the study (based on Supriharyanti & Sukoco, 2022; Vakola, et al., 2013) and related to: (1) the characteristics of the organization - size, sector, ownership, origin of capital, export orientation and (2) related to the characteristics of the subjects - age, gender, education, position, experience in the organization.

The research methodology is presented in the second chapter and is in full compliance with the main objective and the research tasks as formulated. There is clear decomposition of methodological tools along research tasks, which ensures achievement of the main research objective. An adapted toolkit has been developed for the purposes of the study (a questionnaire of the scales and indicators used translated into Bulgarian and compiled after being tested among a group of experts and modified by the author). The toolkit includes 50 statements rated on a 5-degree Likert scale. The empirical research was conducted in the period between November 2020 and January 2021. The data collection method the author has used is an online survey (via Google Forms). Specialized software (IBM SPSS, MS Excel) has been used for data analysis purposes. Six factors of organizational capacity for change have been derived through factor analysis. A reliability check of the thus derived factors (Cronbach's alpha) has been performed. Two multiple linear regressions have been applied to test working hypotheses.

I fully approve of the approach to research development methodology described above and find it well reasoned and logical. On the one hand, it clearly demonstrates the connection and logical "goals-methods-results" line of the dissertation and on the other hand, it guarantees the precision of the research and the relevance of the results obtained.

In this context, the statements, ideas and suggestions have a practical-applied character.

The dissertation is **balanced**, the issues under consideration are presented in logical sequence and connectedness, the style of exposition is consistently scientific, and the technical layout is excellent.

The goal and tasks are well tied to one another; they are consistent and they fully correspond to the topic of the dissertation. The main scientific problem is correctly formulated and its boundaries have been precisely defined. The research questions, the tasks set, the object, the subject and the main thesis of the research are all clearly formulated. A methodology has been developed, which is fully sufficient to achieve the objectives of the study. Furthermore, concepts and terms used in the dissertation have been defined.

The reference list compiled is closely related to the topic of the dissertation work providing a sufficiently complete picture of the state of the studied problem. Literary sources have been arranged according to the requirements of approved standards.

The doctoral student has analyzed and systematized an impressive reference list and cited it correctly throughout the work. A critical interpretation of the points presented in them has been made.

The text is well illustrated with many tables and figures, which are essential to its understanding. The results of the scientific research are presented in a clear, logical and understandable manner.

All things considered, it can be concluded that the ultimate clarity the doctoral student achieves on the issues mentioned above, is key to the high quality of the entire dissertation paper.

2. Evaluation of the obtained scientific and applied science results

The structure of the dissertation has been built to serve the stated goal and detailed tasks.

The introduction of the dissertation contains all the necessary "prerequisites": i.e. convincing justification of the problem and its significance; clear and precise wording of the purpose and research tasks; formulation of the object and subject of the research; the research thesis and hypotheses; argumentation of the choice of research approaches and methods. Last but not least, the limitations under which the research was conducted have been identified too.

The first chapter focuses on a critical theoretical analysis and literature review. In it the doctoral student clarifies the conceptual apparatus, fundamental concepts and relations, regarding the essence of organizational change examined through the prism of a variety of perspectives. The fundamentals on which the research on organizational change is developed is presented, i.e. the concept of organizational development, such as the two approaches to improvements in organizations (organizational development and change management) are adequately distinguished along three dimensions: scope, focus and levels of interventions. The influencing theoretical frameworks on the modern understanding of organizational change, namely resource theory, framework of dynamic capabilities, and organizational duality have been analyzed. The concept of organizational change is defined here too. Some change management models have been explored and the prerequisites and key success factors in the process of its implementation have been clarified. Stepping on this, the main determinants and interrelationships in the organizational change management process and important insights into the characteristics, process, mechanisms, preconditions and consequences for organizations have been conceptualized.

Further in this part of the dissertation, the PhD student analyzes the essence and characteristics of organizational capacity for change through the lens and within the

framework of the dynamic capabilities and organizational duality, distinguishing it from another important factor for success in implementing changes, namely "readiness for change". The construct is integrative and characterizes the adequate organizational context, leadership and organizational learning. Empirical and meta researches on the subject help reveal 11 fundamental factors (clear vision (goals); organizational flexibility (structure); reward systems; climate (cohesion); trust (in the leader); the organization's previous experience with change; valence (utility from personal point of view); distributive justice; participation in decision-making and the implementation of previous changes; learning in the organization; leadership), as well as the goals and results that organizations achieve through capacity for change.

As a result, the first chapter concludes by formulating two hypotheses about the relationship between the factors constituting organizational capacity for change and the adaptability of the organization as well as its ability to achieve better results compared to competitors.

The **first chapter** reveals the degree of development of the research problem and lays the theoretical foundations of the main research argument. The conclusions reached by the doctoral student are reasonable and supported by solid argumentation. The research in the first chapter is thorough and serves as a stepping stone for further development of the methodology of the empirical study.

The **second chapter** is in its essence a presentation of the doctoral student's **methodology, data analysis and immediate research results**. In constructing the said methodology, the doctoral student relies on approaches that include a set of tools, models and techniques to match the specific goals, objectives and hypotheses. The **indicators** used are systematized to measure the independent and dependent variables; the reasons behind the decisions taken regarding methodological issues, related to the procedures for testing and conducting the empirical study are justified too.

A total of 204 survey cards were validated in the research process. The profile of the obtained sample (researched persons and organizations) renders it representative for the purposes of the empirical study. The distributions of the demographic dimensions of the researched persons (by age, gender, education, experience in the organization and position held) and of the organizations (by sector, size, form and ownership share, focus on domestic/external markets) impart legitimacy of the opinions of the surveyed employees as representatives of various organizations in Bulgaria.

Based on factor analysis aiming to extract the smallest number of hypothesized factors that explain the order and structure among those measured variables), the PhD student **identifies six** of the **11 previously included factors** of organizational capacity for change (OCC): F1: Leadership, F2: Valence (usefulness from a personal perspective), F3: Organizational flexibility (structure), F4: Previous experience with change, F5: Climate (cohesion) and F6: Goals for improvement (vision) **that unite 20 of the 39 indicators originally included in the survey card**. Factor weights and their significance have been determined in the process of assessment of validity. The inclusion rates of all indicators are above 0.5. The six factors identified explain 77.4% of the variance. The reliability check result confirms that the included **indicators** measure the derived factors correctly. One of the six factors (F4: Previous experience with changes) where the Cronbach alpha value (0.651) was close but below the cutoff threshold of 0.7, is kept as part of organizational capacity for change the decision for which has been adequately reasoned. Through two multiple hierarchical regression analyses, the PhD student categorically identifies the relationship between the constituent factors of organizational

capacity for change (independent variables), and adaptability and organizational outcomes (dependent variables). The prerequisites for applicability of analyses have been analyzed. Four observations out of the original 204 were excluded due to finite values. Thus, the results were obtained on the basis of 200 respondents.

The results of the multiple regression analysis provide grounds for a partial confirmation of formulated hypotheses. Four of the six factors identified, (namely F1: Leadership, F2: Valence (usefulness from a personal perspective), F3: *Organizational flexibility* (structure) and F4: *Previous experience with changes*) affect **adaptability and organizational performance**. The other two factors of organizational capacity for change have not demonstrated statistical significance with the dependent variables formulated in the study, namely: *climate and targets for improvement*. To some extent this could be said to confirm the conclusions of the analysis of the literature on the subject of organizational change, and in particular the OCP.

Processing and analysis of the information provided by the respondents has been carried out through specialized statistical software (IBM SPSS, MS Excel), which allows to check the reliability of the scales used as well as to outline the strength of the connections between the studied phenomena.

Processing of the information unequivocally evidences the doctoral student's contribution to the collection and analysis of empirical data.

To sum up, not only does the doctoral student demonstrate ability to study objects, problems, relevant situations, and to systematize classifications, but she also proves a talent for clear highlighting and reasoned scientific defense of her arguments. The approach of comparison and contrast of objects and tools has been widely used, as is abstraction (extraction of common features) and concretization (search the transformation of abstract patterns and images into new objects). A number of generalizations, reasoned judgments and formalizations are made. The methods of induction and deduction have been used for transition from the particular to the general and back to the particular. Numerous instances of analogies and modeling to utilize the theoretical accumulations in the final result can be seen too. The developed methodology is based on quantitative models for data analysis and statistical methods for the analysis of the factors that form organizational capacity for change, with outcomes sought in relation to the definition of clinical significance. Survey tends to be the main data collection method. Elements of the hypotheses have been verified employing a detailed multidisciplinary qualitative and quantitative justification of the immediate results of the research.

In the conclusion, the author analyzes and offers adequate solutions to the investigated problems, systematizing and summarizing the recommendations to the social and organizational practice. Limitations of the study and the main contributions are presented here. Directions for future research are outlined.

Dissertation research outcome: confirmation of the formulated major research thesis.

3. Description of scientific and applied science contributions

The current dissertation is a *serious scientific study* of a topical problem. The main contributing points can be summarized and evaluated in two groups - scientific and applied scientific contributions as follows:

✓ ***Scientific contributions:***

- Theoretical and empirical studies in the field of organizational change and the “organizational capacity for change” construct. On this basis, factors affecting capacity of organizations to implement changes have been derived;
- An authored tool for assessing the capacity for change has been proposed. Original research has been performed offering a snapshot of the organizational level capacity among Bulgarian organizations with different sectoral and demographic profiles;
- The relationship between the derived factors constituting the capacity for change, and adaptability and organizational performance. The results of research confirm the influence of three factors (leadership, organizational flexibility and previous experience with change) on adaptability and three factors (leadership, valence, and previous experience with change) on organizational performance;
- ✓ ***Practical – applied contributions***
- The immediate results of the study serve as an additional validation of two of the scales, respectively: (a) the GTL instrument (Global Transformational Leadership) to measure transformational leadership and (b) scale for measuring organizational results in another national context (Bulgaria);
- The practical significance of the obtained results is evidenced in the formulation of guidelines for assessing and developing organizational capacity for change.

4. Impact of the dissertation work on the external environment

In support of her research background and publicity for her ideas, the doctoral student has submitted a list of *four independent publications* – 2 articles and 2 reports. They have been published in reputable specialized scientific publications, which testifies that the immediate results of the dissertation research are accessible to a professional audience. They all reflect specific aspects of the doctoral student's research work and provide the necessary publicity.

It can be concluded that the publications meet and even exceed the minimum national requirements set, both in quantity and quality.

5. Evaluation of the abstract

The submitted abstract is in Bulgarian (46 pages of length) and in English (41 pages of length) and correctly reflects the content of the dissertation work. It contains the main points of the dissertation in a synthesized form: general characteristic; content and construction of the work; scientific contributions; publications on the questions of the dissertation, bibliography and as such meets the set requirements.

6. Criticisms, recommendations and questions

No critical remarks on the exposition of ideas, the performances and the immediate results in the dissertation work are made. It is recommended that the PhD student publishes the thesis as a book. It would be worthwhile to hear the opinion of the doctoral student on the following question: How should one interpret the fact that factor analysis ignores the impact of two major factors of organizational capacity for change on adaptability and organizational outcomes (trust (in the leader) and learning in the organization)? This is probably a consequence of the way the sample was formed, i.e., not allowing for categorical conclusions. In addition, it would be of particular scientific

interest to apply the toolkit of research through focus groups of representatives of goal-adaptive or perfect organizations and analyze the results through the lens of both models.

7. Conclusion

The presented dissertation demonstrates the author's thorough knowledge of the researched issues; she knows and analyzes the literature on the topic, she can formulate research problems, systematize classical and new theories and concepts, construct a research apparatus, conduct empirical research and justify proposals for the improvement of the existing one practice. The topic of the dissertation work is relevant and significant from a scientific and applied science perspective. The dissertation is in essence a complete scientific and applied science research that meets the requirements of the Academic Staff Development Act, the Regulations on its application, as well as the internal regulatory framework of SU St. Kliment Ohridski for awarding a doctoral educational and scientific degree. In her research, the doctoral student demonstrates ability to conduct independent scientific research and obtain scientific and applied scientific results and contributions.

All this gives me every reason for a positive assessment of the reviewed dissertation work and I hereby recommend to the respected members of the scientific jury that they award a doctoral educational and scientific degree in scientific specialty "Social Management", professional direction 3.7 "Administration and management" to Irena Borisova Mladenova.

Sofia,

January 14, 2023

Signature: 

/Prof. Kristiyan Hadzhiev, PhD/