

**The implementation of a clear change management plan assists
employees in remaining committed to the organisation**

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MASTERS DEGREE IN BUSINESS ADMINISTRATION

By

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Declaration of own work

I, Taryn Haynes-Smart, declare that this Research Report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the Masters Degree in Business Administration to the Graduate School of Business Leadership (University of South Africa). It has not been submitted before for any other degree at this or any other university. This report was prepared under the guidance of Doctor Rene Erasmus at the Graduate School of Business Leadership (University of South Africa).

Taryn Haynes-Smart

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Executive Summary

The concept of change is not unfamiliar to organisations, however, the implementation of change within organisations would appear to remain challenging to most organisations; especially as experiences of change can differ amongst stakeholders. McNulty (2007: 7) defines change management as "...the purposeful and proactive discipline associated with anticipating and facilitating people's response to change, and reducing the resistance which hijacks change initiatives." A clearer understanding of what the factors are that influence these perceptions can be expected to help improve the success rate of change.

This study looks at five cases of organisational change and considers how the respondents have perceived the implementation of change within their organisations. As the research sought to investigate people's perceptions and experience of change, a qualitative study was conducted. Data was collected via semi-structured interviews, a confidential questionnaire and through a review of organisational documentation where available.

The research aimed to investigate whether the implementation of a clear change management plan could be seen to assist employees in remaining committed to the organisation. The research was broken down into the following three objectives:

- To determine how the management of change in organisations impacted on individuals' perceptions of change,
- To investigate the problems experienced during the implementation of recent changes, and
- To determine what support employees required during the change process.

While time and access constraints were a concern, especially at the time of data collection, adjustments to the sample population were made to accommodate these constraints. Due to the nature of the investigation, confidentiality was a critical consideration, especially for individuals that were not necessarily in agreement with the reasons for or methods used to implement change. It was felt that the interview and questionnaire respondents from the five organisations were comfortable to express their views of the changes openly and candidly.

The results showed that where organisations did not adopt a specific change management methodology, there was a greater incidence of problems arising within the workforce and change was more likely to be experienced negatively. Negativity could be seen to be fuelled by how people perceived the content and context of change which in turn impacted on the way they responded to the changes. The overall perceptions ranged from negative to positive and a link could be seen to emerge between this perception and the approach to change adopted. Where change was not well managed, there were a number of management and communication problems cited along with high levels of uncertainty and insecurity and worrying levels of employee turnover. Regardless of how change was managed, the results showed that change increases the workload of employees, which can lead to stress-related problems. Many of these obstacles, however, can be overcome with proper planning, thorough preparation and the provision of support. Respondents viewed strong, consistent, engaged and communicative leadership as crucial to their support.

The disruption to, and insecurity experienced within the workforce, as a result of change should not be underestimated, even if the change is viewed positively. Implementing change without a clear plan risks overlooking key workforce concerns and, in effect, setting up the change initiative for resistance, or failure. Change, at whatever level, affects the terms of the relationship between the organisation and its workforce. If not well handled, this relationship deteriorates resulting in behaviours consistent with low levels of commitment. The provision of support can be seen as a means of renegotiating these terms, so that individuals are able to make sense of the changes and continue to feel a connection to the organisation.

The report concludes with recommendations for improving the way change is managed. Critically change management should not be tackled by managers that are not fully equipped to deal with the uncertainties and insecurities that tend to result. Organisations undergoing changes to their cultures, values and strategic direction would be advised to carefully consider the degree of difference between the existing and proposed culture, values or strategy, and thereafter embark on a comprehensive communication drive, to establish a shared understanding, before implementing any changes.

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Chapter 1: Introduction

This research paper aimed to better understand how employees perceive organisational change and its impact on their commitment to the organisation by investigating the implementation of change within five South African organisations. Each of the organisations represented have undergone some form of major change in the last three years. Mabey (2006a: 77) noted that "...the destiny of an organisation is very much dependent on how well it attunes to and successfully confronts pressures to change." As such, organisations faced with the challenge of making difficult decisions to survive in the short term whilst building organisations that are sustainable in the long term and fit and friendly for human life, must also decide how best to prepare for and implement the necessary changes (Nel and Beudeker, 2009). This study looks at how the implementation of a clear change plan can help to minimise the people issues arising as a consequence of organisational change.

1.1. Background to and motivation for the study

Pressure to change stems from a variety of internal and external sources and as a result, the business environment has become more dynamic and complex (Boojihawon and Segal-Horn, 2006). This dynamism and complexity can be seen in the many financial, social, political, resource-based and environmental crises which dominate not only news headlines but also organisational and institutional agendas for change.

External changes within sector landscapes are often accompanied by amendments to existing legislation and the promulgation of new legislation which impacts significantly on organisations. In embarking on this study, the preliminary research was done within a single organisation facing the challenge of change management in its holding structure and across a number of its subsidiaries. This organisation and its subsidiaries embarked on a number of major changes to processes, programmes, systems, structures and leadership. The decisions made impacted on the performance of the various divisions within the group; some divisions were able to take advantage of new opportunities in niche areas while others floundered seeing up to a thirty percent decline in customers and revenue.

A number of the business units could arguably have been said to have drifted out of alignment with their environments and the group executive committee and shareholders recognised the need for urgent action. The continued decline in performance, even after the initial series of continuous incremental changes, which included several changes to the product offering, organisational structure and leadership, demanded an even more stringent approach. In July 2007, the two largest independent operating units of the group were merged into a single operation in a further attempt to turn it around.

The merger resulted in an extensive restructuring exercise across all levels leading to retrenchments, mostly at a head office level where duplication existed. There was little formal communication to keep staff informed of the progress, and the decisions being made, in order to prepare them for what to expect. Shortly after the merger, rumours of a buy-out appeared in the press in September 2007, fuelling concerns both within the organisation and in the marketplace. At the time, these rumours were dismissed, however, in October 2007, a formal announcement in the press confirmed that an offer to purchase the group as a going concern had been accepted. Operations were handed over to the new ownership structure in January 2008.

Once under new ownership, change continued within the organisation on a leadership and operational level. Eighty percent of the original executive team left the organisation and were replaced by new leaders. Operationally, an intensive cost-cutting and organisational turnaround strategy was adopted which has continued over the last two years. This strategy focused on streamlining operations and processes within the business and on implementing centralised control and decision-making structures. Within the first year, this strategy resulted in significant financial improvements such as the reduction of one division's deficit by close to ninety percent. While this strategy can be argued to have ensured the short term survival of the group, there was no evidence of any medium in place to address the sense of anxiety which has been growing amongst employees since the changes were initially implemented. The workforce was not fully prepared for the change and there is evidence to suggest employees have struggled to adapt to the new cultural resulting from the change in ownership.

1.2. Problem Review

The approach to change

Prior to the change in ownership, pressure to show a return on the shareholder's capital investment into the group's operations triggered various system changes and an initial wave of retrenchments and restructuring, including the appointment of a new Chief Executive Officer from within the larger holding structure. This had been a tumultuous time for the workforce who had to adapt to a number of leadership changes, new products and new processes. When the September 2007 rumours of the group being up for sale were confirmed in the press a month later, without any formal communication to the staff, people felt unprepared for what to expect and anxiety levels were high.

Once sold off, the need for the organisation to be financially self-sustainable to ensure its continued survival, became even more critical and once again raised anxiety levels within the workforce who feared job losses would result. The change in ownership, and the exit of eighty percent of the senior management team, left a void in the relationship between management and the organisation's workforce. The management of change was complicated by the lack of constancy at the top levels in the company as people essentially felt ambushed by the changes.

Change management consultants were approached to assist the organisation to navigate the change however their expense could not be justified within the context of a cost-cutting turnaround strategy. Internal resource constraints prevented a formal change management process from being implemented internally. As a result, the workforce was largely unprepared for the changes that occurred.

Many of the ensuing changes were implemented from the top of the organisation with little involvement of others. Company communications and important announcements were conveyed predominantly via mass electronic mail as opposed to the face-to-face formal communication sessions the workforce were used to previously. As such, employees were often only exposed to the outcomes of the cost-cutting strategy and did not necessarily see the big picture benefits of the changes.

Staff losses as a result of change

The loss of the senior leaders created a great deal of instability within the workforce. Employees were uncertain of what to expect, or where to look for assurance, as new relationships with the organisation's leadership had not yet been established. The new leaders' management style was consistent with the new corporate culture of performance above all else and as a result an 'us and them' scenario was created throughout the organisation.

Since the initial retrenchment exercise in 2007, approximately twenty-four percent of the workforce in one division had exited the organisation; of this, thirty-four percent were retrenched, eight percent were dismissed and fifty-eight percent resigned. However, these figures are likely to be somewhat understated as it does not factor in the appointment of new staff to fill vacancies in the organisation. Staff turnover has continued to be an issue with the attrition rate being as high as eighty percent in some divisions. Initially, it was hoped that 2009 would act as a year of stability from which the organisation could grow, however, continued movements in senior and other key positions have instead heightened the perceived instability.

Declining levels of employee commitment

In spite of the uncertainty surrounding the changes, it was felt that commitment levels prior to June 2009 remained relatively high. A string of at least forty resignations, many by key individuals in the last four months of 2009, suggested these levels are declining. The combination of the economic recession and the third consecutive year without a wage increase has compounded work concerns which previously had been set aside. Further evidence to suggest that employee commitment levels have declined was seen in the reluctance of staff to get involved in the various staff committees that were previously very active in the organisation dealing with a variety of issues, including diversity, development, the promotion of organisational values and staff wellness. Some of these committees have all but been dissolved due to vacancies arising from staff losses, which meant that new members needed to be elected to the committee. However, current employees have declined to participate. It is believed that this is in part due to the feeling that their participation will not be valued and supported in the new organisational culture.

Summary

Change, however, is not unique to this environment. Every organisation is confronted with change at some point in its lifecycle. The way each organisation views and approaches changes can be expected to be influenced by the external and internal pressures and reasons for change. The incidence of mergers, acquisitions and restructuring has tended to dominate the change arena in recent years, and economically the recent global economic crisis has had a significant influence on many of these types of change initiatives. Other popular change initiatives seen to impact on an organisation's workforce include business process re-engineering and major system changes which can also be seen to go hand in hand with mergers and acquisitions.

1.3. Problem Statement

A snapshot of the organisations considered in this research study shows that several major changes have taken place within some of these organisation within a relatively short space of time. As such, there is always a very real risk of change fatigue stalling or derailing change strategies. The exact impact of the various changes on employees, remaining with the organisation, is often not measured. The behaviour of employees in the introductory case, suggests levels of trust and commitment have declined over time. While models of change management propose a method for implementing change more smoothly, they still need to be contextualised according to the specific circumstances and be appropriately applied and supported within the organisation, for change to be successful.

Research Statement

The implementation of a clear change management plan assists employees in remaining committed to the organisation.

1.4. Research Objectives

The aim of the study was to assess the approach adopted for implementing change in a number of organisations and the impact this had on its employees.

The specific objectives of the study were:

- 1) To determine how the management of change in organisations impacted on individuals' perceptions of change.
- 2) To investigate the problems experienced during the implementation of recent changes.
- 3) To determine what support employees required during the change process.

1.4.1. Achievability of Objectives

As individuals can interpret events and changes differently, data relating to an employee's perception of change provides essential insight into how the implementation of change was experienced. Collecting this information by survey enables these existing perceptions to be quantified while interviews and the review of company documentation provide additional insights into a company's change management approach.

The problems experienced are likely to shape perceptions of change and just as change can be experienced differently, so too can the impact or consequences of change differ. Survey results again provide a means of quantifying the actual problems encountered in the organisation while interviews with individuals representing the five organisations drill down further into the nature thereof.

There can be a gap between the support needs employees identify as important to help them cope with and accept change and mechanisms of support provided by the organisations. The questionnaire provided an opportunity for individuals to reflect on the types of support they would prefer to receive whether or not these were offered within the organisation. The interviews in turn provided an opportunity to reflect on the types of support implemented in practice.

1.5. Delineation of the study

This study is part of the discipline of Strategic Management, in particular the sub-discipline of change management. The study considered employee perspectives and support needs as well as the issues which arose during the implementation of change, in order to gain a better understanding of the experience of change and how the implementation of change can be improved to ensure the success of future changes.

The research itself took place within several organisations that had been through or were currently experiencing change. It was not intended as a study of each organisation in its entirety but was specifically focused on the change experiences which included mergers, acquisitions and organisational process and system changes. The approach and impact of change within these organisations was reviewed. Findings and recommendations arising out of this study are based on trends identified within these organisations.

1.6. Importance of the study

This study provided the opportunity to review and reflect on the implementation of change both with and without a clear change management plan. It is hoped that this study of change management will benefit the participating organisations by providing an assessment of the impact of the various approaches to date and would hopefully provide an opportunity to improve their view of change management for future change initiatives. By identifying problems experienced, it is expected to help build the business case for other organisations facing major changes. It is hoped that this study of change implementation will make a contribution to the knowledge of change management best practice. Without this study, organisations risk underestimating the impact of change on employees and as such may not provide suitable channels to address the resulting issues, thereby creating a toxic work environment, or worse case scenario, forcing an organisation to shut down, affecting not only its staff but also its customer base.

1.7. Summary

Major organisational change necessitated by factors in the external and internal environment, while important for the survival of an organisation, can also impact on the stability thereof. In particular, the workforce can experience a sense of anxiety as a consequence of the changes implemented. A cost-cutting turnaround strategy, while effective in the short term, can make it difficult for leaders to gain the commitment of the workforce, especially where downsizing and restructuring has been used to reduce costs. Understanding the impact and support needs resulting from change, provides an opportunity for leaders to address issues of anxiety, distrust and dissatisfaction, in order to strengthen the employment relationship. The following chapter discusses the management theories forming the foundational framework for this study.

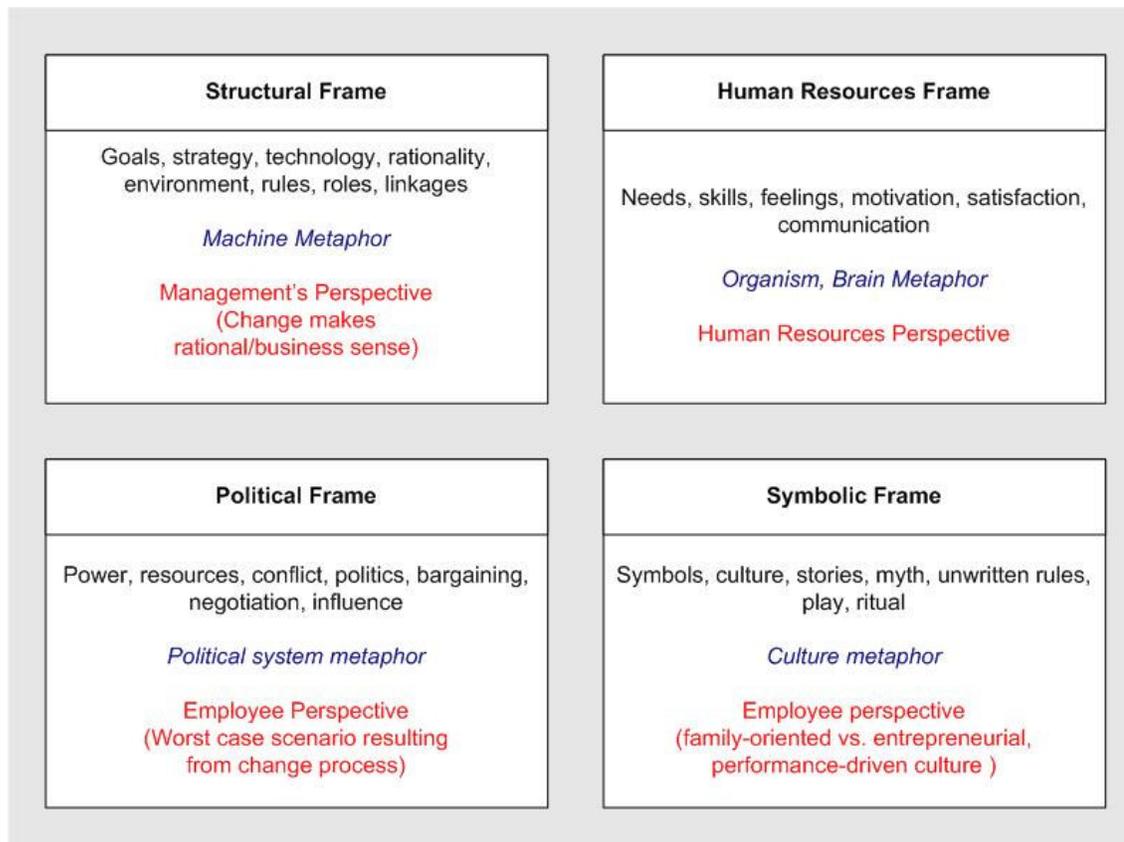
Chapter 2: Theoretical Considerations

Given the instability present within both the external and internal environment of organisations, radical change is often necessary for continued survival. Organisational change, even where its necessity is obvious, is still expected to place a significant amount of stress on the workforce. While mergers, acquisitions and restructuring can be seen as popular means of organisational change, they can be associated with a variety of negative consequences which arise during implementation, such as that of a 'survivor syndrome' whereby remaining employees experience reduced motivation and commitment (Sturges, 2006). This chapter reflects on existing theories and models, especially as they relate to the issues of change management, implementation and employee motivation and commitment.

2.1. Approaches to Change Management

2.1.1. Different Perspectives of Change

Mabey (2006a:85) describes organisations as "...complex, surprising, deceptive and ambiguous..." making them difficult to understand, manage and change. Different groups within an organisation are likely to see specific events and changes differently and these different viewpoints will impact on the way change is then handled and the meaning attributed to it. Figure 1 maps out the four perspectives making up the Four Frame Model and associated metaphors adapted from the work of Bolman and Deal (1997) and Morgan (1986) in Mabey (2006a). The different way in which individuals perceive and make sense of change can be seen to impact on their experience of the change process. Not everyone will perceive change in the same way. The Four Frame Model and associated metaphors provide a snapshot of the types of multiple perspectives that can exist within any one environment, with each reflecting part of the reality. In some cases these realities may be at opposite ends of the scale.



Adapted from: Bolman and Deal (1997) and Morgan (1986) in Mabey (2006a: 86)

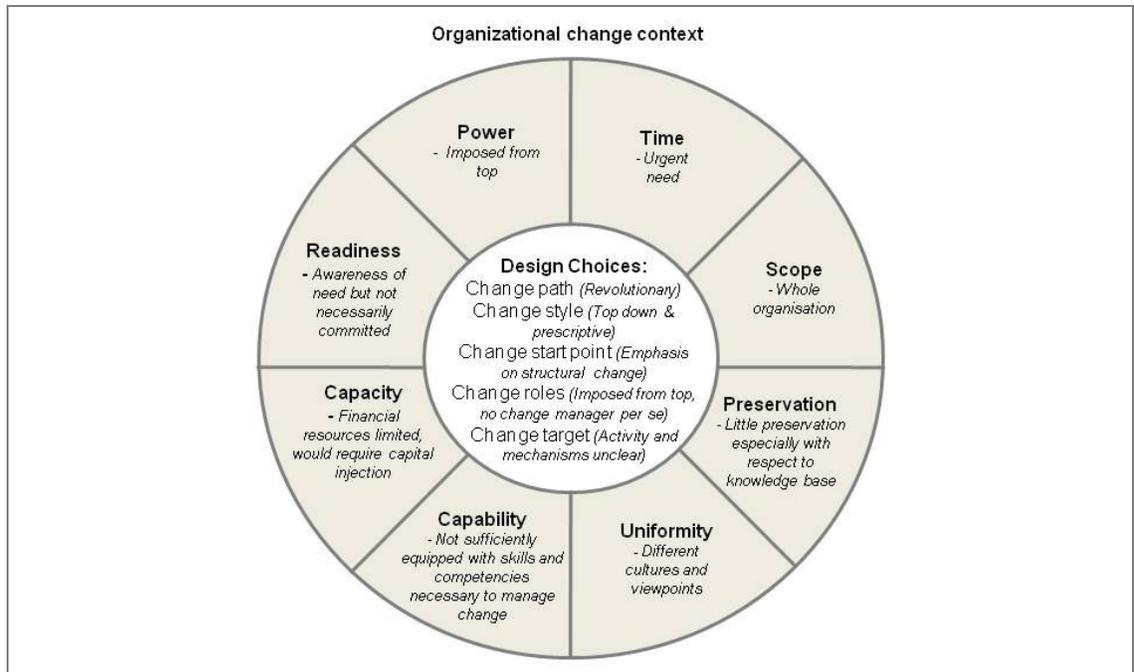
Figure 1: Differing perspectives and metaphors of change held within organisations

Within the organisations considered for this study, elements of the structural, political and symbolic frames can be seen to shape the approaches to and experiences of change significantly. The machine metaphor and structural frame are most likely to encapsulate the approach adopted from a management perspective, where change is implemented in response to clear business objectives. Change, as seen in the introductory case, was managed structurally and rationally through the focus on cost-cutting, downsizing and the introduction of more centralised control processes. The implementation of this kind of structural change, however, was met with an emotional rather than a rational response by employees who responded with apprehension.

In making changes to an organisation's top order and way of doing things, the organisation essentially became a battleground where employees perceived the leadership as a rival force against which they must fight to have their interests upheld (Mabey, 2006a). Lack of sufficient formal communications in some instances may fail to provide a context for certain events, and the resulting myths and stories that develop, circulate through informal communication networks, thereby increasing resistance to change. Communications need to take account of the various perspectives of the different stakeholders if it is to be effective. Communications focused on providing rational explanations are unlikely to have a significant impact where ambiguity and uncertainty are prevalent (Mabey, 2006a).

2.1.2. The Preparation of Change

Differences in organisational contexts make it difficult to prescribe one best way for managing change. Mabey (2006b:110) notes that the management of change entails a "...series of informed choices..." whereby the most appropriate approach is selected and thereafter the tactics to be employed are identified. These areas are illustrated in Figure 2. The eight contextual factors depicted in the outer circle influence the implementation of organisational change and are considered especially important in the early diagnostic phases of change (Mabey, 2006b). Decisions regarding scope, time, power and readiness are considered contextual in nature while those relating to capacity, capability, uniformity and preservation are seen to rely more on the change leader's judgment. However, as Mabey (2006b) points out, the outcome of transformational change is not necessarily predictable especially where it entails change at several levels.



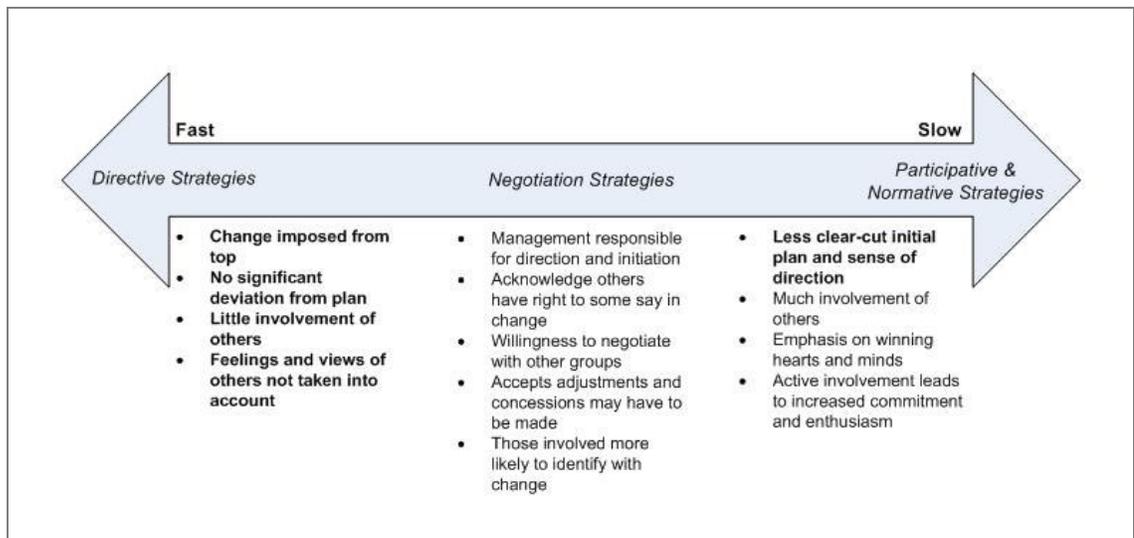
Adapted from: Balogun et al (1998) in Mabey (2006b: 110)

Figure 2: Contextual factors informing an appropriate approach to change

Where several change initiatives are adopted in close succession, high levels of anxiety are often present and communication is often perceived as insufficient. This builds a case to suggest the context of change was not fully considered when initially planning how the organisation should change. Scope wise, major change impacts on the whole organisation, both contextually and culturally. Declining performance, drastic changes in the external environment and the need to satisfy shareholders normally calls for urgent and decisive action to turnaround the situation, thereby impacting on the timing of change. Where change is not contained, it can progress quickly from transitional change to transformational change within a few months increasing resistance and anxiety in response to sudden changes that are not communicated well. An organisation that is not financially able to fund a change initiative or where its staff are not properly equipped with the skills, competencies and knowledge to manage the change, is almost certainly guaranteed to face myriad challenges in the implementation of change.

2.2. Implementing Change

Kotter and Schlesinger (1979) in Mabey (2006b) emphasised the importance of timing and speed in implementing change, which Mabey (2006b) went on to consider as part of the scope of a change initiative. As such, a variety of strategic options exist, making use of either a fast or slow pace or any measure in between. The strategies adapted from Thurley and Wiredenius (1973) in Mabey (2006b) are mapped against Mabey's continuum of change, as illustrated in Figure 3.



Adapted from: Mabey (2006b: 116)

Figure 3: Implications of Various Strategies and Pace of Change

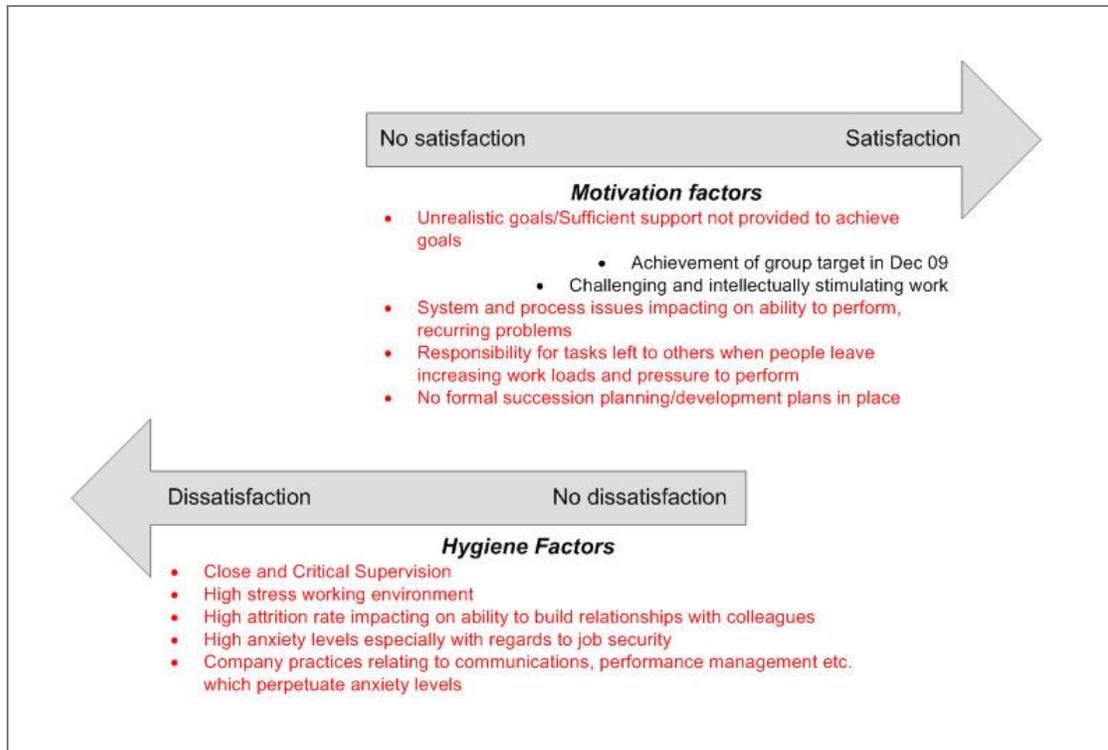
The strategy adopted by the organisation reviewed during the preliminary research, can be seen to have favoured a fast, directive approach whereby change was imposed from the top with no significant deviation from the turnaround agenda of cost cutting and very little involvement of others or consideration of alternative views. The extent and number of changes implemented could conceivably be seen as overwhelming to the members of the organisation. Being uncertain of the plan and faced with conflicting cultures made it difficult for employees to identify with the change and the new values that invariably emerge within an organisation going through this type of change. The prolonged state of transition and uncertainty can be seen to have impacted on commitment levels and threatens to derail the progress of change, especially if the necessary resources are not invested to involve and negotiate with the staff to carry the change forward.

Without a clear plan to guide the implementation of change, the likelihood of an unsatisfactory outcome increases. Mabey (2006c) identified several unsatisfactory outcomes including the emergence of unanticipated negative consequences such as the decline in employee commitment and customer service levels which can eventually outweigh the benefits of the change.

2.3. Supporting Employees

An important part of managing change in organisations includes the management and motivation of human resources as decisions and actions taken during change greatly impact on the relationship existing between the organisation and its staff members. As motivated staff are in general considered to perform better and are seen to be more satisfied in their jobs, declining levels of motivation would present a significant concern for any organisation.

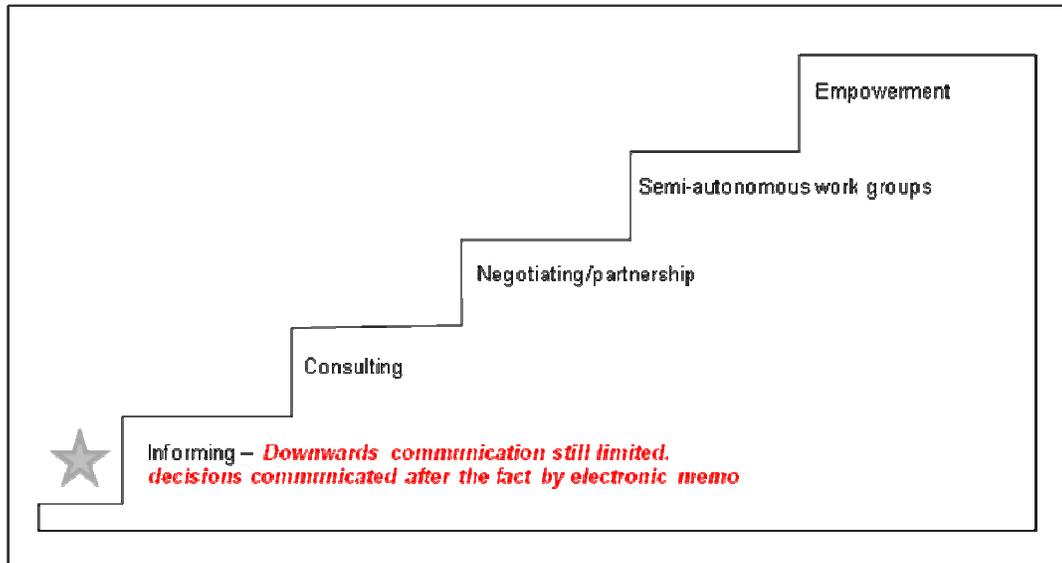
Motivation of the workforce is a complex issue comprising a number of interrelated factors which are seen to influence directly satisfaction levels to varying extents. Herzberg's (1959) Two-Factor Theory illustrated in Figure 4 distinguishes between motivation and hygiene factors and their resulting impact on levels of employee satisfaction. Hygiene factors, in effect, represent the minimum expectations of employees such as good working conditions, job security, fair remuneration and reasonable company policies. Many of the tools relied on by an organisation to navigate through the change can be equated with Herzberg's view of motivation and in particular his hygiene factors (Cameron, 2007). While Herzberg proposed that introducing or improving the hygiene factors did not increase job satisfaction, neglect of or a perceived decline in these factors is guaranteed to increase dissatisfaction. The hygiene factors and motivators seen to manifest within the organisation initially reviewed have been highlighted in Figure 4 clearly raising a red flag to suggest the dissatisfiers have outweighed the satisfiers.



Adapted from: Cameron (2007: 133)

Figure 4: A theoretical view of motivation and the implications for change

Effective communication and feedback is a critical element in employee support and change management. Practicing good communications skills can be seen to get acceptance for change more quickly and is more likely to be able to encourage support and understanding from the relevant stakeholders. The issue of employee involvement is closely linked to communication. Involvement has been suggested as an important driver of employee commitment boosting both morale and quality of effort (Storey, 2006). Storey's (2006) staircase of employee involvement and empowerment suggests a series of steps in the involvement process, as illustrated in Figure 5.



Adapted from: Storey (2006:17)

Figure 5: The various stages of employee participation and involvement in change

In considering the methods and frequency of communication employed in the organisation reviewed initially, it suggests the first step in the process is currently insufficient. Communication within the organisation is perceived as being one-directional and is frequently provided retrospectively so does not contribute to the preparation and involvement of employees. Any organisation wanting to move up this staircase would need first to ensure that the downward communication within the organisation is effective before focusing on more progressive forms of employee involvement. The illustration of the stage as successive steps may, however, belie the complexity of an empowerment and involvement exercise. Employees wishing to be consulted and included in the decision and change processes are likely to become frustrated quickly and disillusioned if they perceive little movement from the level of informing to consulting and further. As a result, they are likely to perceive limited communications as unsupportive and the uncertainty is likely to hinder their ability to cope with and adapt to change effectively. An involvement paradox could easily develop, explaining the reluctance of employees to volunteer their involvement in the various committees as discussed previously. Employees resist becoming more involved, even when given the opportunity, as they perceive the environment to be unsupportive or unappreciative of their efforts.

2.4. Summary

A successful change implementation would appear to rest as much on how change is perceived by organisational stakeholders as the careful planning of how it is to be implemented. Different perspectives can make it difficult to establish a shared vision of the desired future state. Careful consideration of multiple factors is seen as essential to deciding on the most appropriate strategy to use when implementing change. Critically, most change models pay particular attention to employee resistance to change and the potential it holds for derailing the change process. Human resources management, motivation and employee involvement theories provide a good foundation from which to review the impact of change on the employment situation and to design an appropriate support system. The uncertainty attached to change requires a concerted effort to maintain and in some cases regain the commitment of the organisation's employees to a changing organisational identity. Having considered some of the theory and models of change, the next chapter reflects on the findings of recent research relevant to the topic.

Chapter 3: Literature Review

An increase in the occurrence of organisational change has led to a significant amount of research in recent years into the challenges surrounding the planning, implementation and management of change. The existing research into change builds a persuasive argument around the importance of positive attitudes and commitment to change in ensuring change is successfully implemented.

3.1. Employee Perceptions and Experiences of Change

Previous research into the relationship that exists between employees and organisational change emphasise the differences with regards to the composition of the workforce as well as the variety of dispositional and personality characteristics. These differences contribute to the complexity of planning and implementing change. Individuals perceive and experience change differently and these perceptions have been found to have a significant impact on the success of change (Walker, Armenakis & Bernerth, 2007; Kooor-Misra, 2009; Raukko, 2009; Jones, Watson, Hobman, Bordia, Gallois & Callan, 2008).

Thurlow and Mills (2009) considered the importance of language as setting the context for change rather than it being merely a tool to facilitate change. As the language of change is often based in a fear context, the motivation to change is often driven by fear impacting on the successful outcome of the intended change. Having conducted their study of how individuals make sense of change within the context of a merger, Thurlow and Mills (2009) found that the meaning of change is interpreted through individual lenses of past experience, previous exposure, social interactions and cues from the environment. They concluded that embracing organisational change is more likely to rest in the employee acceptance of language that reflects a desired organisational identity to support a commonly desired change agenda rather than the adoption of change practices.

In their research, Walker, Armenakis and Bernerth (2007) investigated the integrative influence of content, context, process and individual differences on organisational change efforts. While it was established that employees do not develop cynical feelings about change deliberately, cynicism is seen to develop in response to confusion about change, poor perceptions of leaders' competence, organisational history of change and unknown consequences which threaten an individual's psychological well-being. An employee's tolerance for such ambiguity is therefore seen to influence their reaction to and experience of the change attempts.

Walker *et al.* (2007:769) concluded that "...change success hinges on management's ability to consider all change factors (i.e. content, process, context, and individual differences) when planning change efforts." An important finding was that even if individuals have high levels of cynicism, they are more likely to commit to the changes if they are properly prepared. Cynicism about change is often seen to result from a loss of faith in either the change agents or a history of unsuccessful change attempts; and as such a trial and error approach to implementing change is detrimental not only to an organisation's employees but also to the outcome of change itself (Reichers *et al.*, 1997 in Walker *et al.*, 2007).

Qian and Daniels (2008:329) concluded that "...cynicism is a common reaction among employees during organizational change." The results of their research indicate that change-specific cynicism has a significant impact on one's intention to resist change and if not addressed resistance is often the next step for employees. Their research also confirmed the role communication plays in either fuelling or reducing cynicism, specifically the impact of the perceived quality of information as measured by timeliness, usefulness, appropriateness, adequacy and favourableness.

Jones, Watson, Hobman, Bordia, Gallois and Callan (2008) examined the influence of organisational levels on employees' perceptions and reactions to a complex organisational change. Using a model developed by Oreg (2006), Jones *et al.* (2008) found that different organisational groups are likely to have different perceptions of change based on their experiences and as such these differing perceptions would need to be included in plans for implementing change.

Research into employees' perceptions led Jones *et al.* (2008) to conclude that the majority of employees considered change to be difficult and expressed high levels of anxiety and an acute awareness of negative outcomes despite displaying positive attitudes towards change. In particular, "...all groups talked about the problematic nature of communication and participation during organizational change..." (Jones *et al.*, 2008:309). Individuals reported not been given sufficient notice and information regarding the changes in a sufficiently convenient way emphasising the importance of high quality, frequent communications during change.

Previous research into the impact of change situations on the perceptions of organisations and organisational identity, formed the foundation for further research by Kooor-Misra (2009). Kooor-Misra (2009) developed a threat/opportunity framework to predict the dominant perceptions likely to arise under either threat or opportunity conditions in order to recommend the best way to manage these perceptions to ensure successful transformational change. Through the research conducted, Kooor-Misra (2009) further confirmed that different groups perceive a situation differently. Groups which perceived the potential for loss viewed the change as threatening, whereas groups that could see the potential for gain considered the changes to present an opportunity.

Referring to the example of a planned downsizing initiative, Kooor-Misra (2009) noted that employees may either perceive the change as a threat fearing loss of jobs; or alternatively they may perceive it as an opportunity to make the strategic changes necessary to ensure the sustainability of the organisation. Perceived organisational identities enable individuals to identify with and attach to their organisations both cognitively and emotionally. By creating and communicating a positive perceived organisational identity image of attainable organisation success, individuals are more likely to perceive the change as worth the effort and therefore view the change process more favourably.

Raukko's (2009) research provides valuable insight into the perceptions of key employees to organisational change post-acquisition. While prior research viewed the post-acquisition process predominantly from the acquirer's perspective, Raukko focused on the experiences of the acquired company's key employees post-acquisition (2009). Previous research by Buono and Bowditch (1989) considered in Raukko's research considered the nature of an acquisition as a key determinant of how employees and managers will react to the changes brought about by the integration of organisations.

Raukko (2009:346) observed that as organisational changes had essentially occurred in waves, individuals' perceptions of the changes could be expected to vary over time. In the beginning key individuals "...were very enthusiastic about the changes the acquisition would bring, and appreciated a slower approach...However, after a year from the deal the expectations of a stronger operational integration to the global business units grew...after two years, key employees felt the organizational changes took place at short intervals and were not well communicated or implemented in the acquired organisation." Raukko's findings suggest employees' expectations need to be carefully managed throughout the change process in order to maintain commitment, as even a friendly acquisition can be perceived as traumatic and stressful if not communicated well or implemented well.

In the literature to date, the focus has been more on how an individual's receptivity to the proposed changes impacts on the success of the change initiative and the way individuals react to the changes. The employee perceptions of the approach to the implementation of change itself have not been measured in the previous studies whereas it appears as a specific objective in this research.

3.2. Challenges in the Implementation of Change

While a variety of change management models have been developed to guide an organisation through the process of change, many studies show the failure rate of planned change initiatives can be as high as seventy percent (Judge & Douglas, 2009; Raukko, 2009). Reasons for failure range from a lack of understanding surrounding an organisation's capacity for change (Judge & Douglas, 2009) to other human factors, such as employee resistance toward organisational change (Martin, Jones & Callan, 2006).

Previous research has "...highlighted the problematic nature of achieving effective communication, conflict and negative attitudes to change..." as well as planning challenges and uncertainty associated with change (Jones *et al.*, 2008:309). Problems relating to the implementation of changes have been identified and reported on as a secondary finding in prior research focused on other elements of a change initiative. In reviewing the literature, certain problems can be seen to re-emerge from one study to the next. Many of these problems can be seen to be associated with resistance to change. While each change situation will be unique, general principles drawn from an investigation into the problems arising during change can lead to a set of principles to be applied to overcome or prevent these in future change initiatives.

Employees who struggle to adjust to change recorded feelings of threat, uncertainty, alienation and anxiety resulting in increased workplace stress and increased levels of absenteeism and turnover. Failure of many corporate change initiatives can be attributed to employee resistance which has impeded the process of change. Even though change may be implemented for positive reasons, the increased pressure, stress and uncertainty arising during change results in negative responses to change.

Beaudan (2006) notes that change occurs in three phases: a launch phase; a mid-course phase and finally, a completion phase. A change initiative requires effort, planning and support from senior management, in particular, during the initial launch phase to build a convincing case for the intended change. However, momentum needs to be maintained throughout the change process to ensure its ultimate success as "...a successful early drive is rarely sufficient to overcome internal resistance and people's longing for the "old ways"..." (Beaudan, 2006: 4). Beaudan (2006) argues that every change experiences internal resistances or unforeseen factors which threaten to derail its progress. Without visible leadership, clear communication and focused energy to address the issues, overcome resistances, maintain momentum or re-energise those experiencing and implementing the elements of change, the likelihood of failure is high even if initially well planned and implemented.

Frahm and Brown (2007) found communication during the initial change sequence to be a critical signal of the likely success of a change implementation. Frahm and Brown (2007) found that the flow of information often stops at supervisor level, creating gaps in the information received by lower level staff members and impacting their ability to make sense of the changes around them. In their study, data was collected on individuals' understanding of the type of change that was occurring, how they felt about it and how they believed communication of change was handled. While the majority of respondents reported feeling positive and accepting of change initially, the positive receptivity could be seen to decline. In general, there were relatively high levels of dissatisfaction with:

- how redundancies were implemented,
- the lack of involvement in the change process,
- uncertainty regarding what was going on and the direction of change,
- the lack of sufficient formal communication channels, and
- frustration regarding the speed of change resulting in mixed feelings.

Emotions of frustration and change contempt run high if management is perceived to have failed to handle the change process effectively (Frahm & Brown, 2007). Where communication is not forthcoming, employees construct their own information. "In the absence of formal communication and information about changes, rumours and grapevine discussions are filling the gap..." which in turn leads to decreased receptivity to change and increased cynicism, contempt, uncertainty and frustration as the rumours spread quickly through informal social networks (Frahm & Brown, 2007:380).

Vakola and Nikolaou (2005) measured workplace stress, organisational commitment and attitudes towards organisational change and confirmed the expectation that occupational stressors and attitudes to change are negatively correlated. They found that "...almost all occupational stressors (apart from control and resources-communication) were related to negative attitudes to change" (2005:169). These researchers also found that "...stress created by bad work relationships, overload and unfair pay and benefits can cause negative attitudes towards organizational change and, therefore, inhibit change processes...more specifically lack of a socially supportive environment, as expressed by bad work relationships, was found to be the strongest predictor of negative attitudes towards change" (2005:169).

Not only does Vakola and Nikolaou's (2005) conclusions build a strong argument for the importance of a supportive environment for successful change, they also highlight the workload issues frequently arising during change and especially where downsizing or restructuring has occurred as part of organisational change. Namely, an "...increase in workload is not only easily attributable to the change but it also makes change unattractive and problematic, leading to non-supportive attitudes..." (Vakola and Nikolaou, 2005:171). This highlights the importance of planning change carefully to "...create a well-structured work environment and a well-balanced work schedule to reduce stress and uncertainty..." arising as a result of change (Vakola and Nikolaou, 2005: 171).

3.3. Supporting Employees in order to Build Commitment to Change

From the literature reviewed, there is a strong emphasis placed on management's ability as a change agent to properly diagnose and communicate the context of change and to provide the right environment in order to prepare employees sufficiently, both cognitively and emotionally, for change (Vakola and Nikolaou, 2005; Jones *et al.*, 2008; Wilson, 1993; Frahm and Brown, 2007; Raukko, 2009; Walker *et al.*, 2007; Qian and Daniels, 2008). Implementing change without the necessary commitment of employees is more difficult and also more likely to fail. The current body of knowledge surrounding change management suggests that the more people are committed to a change initiative, the greater the likelihood of its success. If the problems identified above serve to reduce levels of commitment, supportive strategies are necessary to retain or increase organisational commitment.

Judge and Douglas (2009) define an organisation's capacity for change as a combination of both managerial and organisational capabilities which enable an organisation to adapt quickly and effectively to changing situations. Judge and Douglas (2009) relate their concept of organisational capacity to previous researchers' concepts of organisational receptivity and employee readiness for change, noting that when an individual feels cognitively and emotionally prepared, they are more inclined to accept, embrace and adopt the change plan. Using eight interrelated dimensions to measure organisational capacity to change, positive relationships were seen to exist between an organisation's capacity to change and their financial performance and levels of adaptability (Judge and Douglas, 2009). Preparing the organisation for change can then be seen as essential to the successful implementation of change.

Alas and Vadi (2006) argue that employee willingness to participate in the process of change is the most critical attitude for success in the implementation of change and that organisational culture in turn influences employee attitudes. They also note that employee attitudes toward a pending change can have a wider impact in terms of overall job satisfaction, organisational commitment, morale, productivity, absenteeism and turnover intentions.

Specifically, Alas and Vadi (2006:49) found that "...employees with higher job satisfaction are more willing to participate in an organisational change process than employees with a lower level of job satisfaction." Alas and Vadi (2006) also emphasise the role a manager plays in increasing an employee's willingness to participate in change through the clear communication of reasons for and content of planned changes from the early stages of change.

Ertürk (2008) found that a trust-based approach to implementing change not only has the potential to speed up the process of change, it also decreases resistance to change. Ertürk (2008:476) "...examined the combined effects of managerial communication, employee participation and trust in supervisor on openness to organizational change." His findings indicate that a strong positive relationship exists between managerial communication, employee participation and supervisory trust as well as between supervisory trust and openness to organisational change. Where employees trust their supervisors, they have a greater sense of belonging, membership and identification with the organisation, increased feelings of job importance and are also less anxious and more positive about change.

Ertürk (2008) found that communication is closely associated with trustworthiness and openness to change. Organisations and supervisors are seen as trustworthy when communication is perceived as accurate and forthcoming. He explored several dimensions of communication, namely task communication, career communication and communication responsiveness alongside employee participation, as important in building a trusting environment. Employees receiving useful and sufficient task information showed an increased understanding of the goals, vision, norms and values of organisational change while the receipt of sufficient career communication enabled employees to adapt and develop quicker. The communication responsiveness of the supervisor is important in developing trust as the relationship between employees and supervisors plays an important role in enabling employees to support change.

3.4. Summary

Over and over again change is seen to be experienced differently from one group of individuals to the next. This can be seen to hold important implications for organisations implementing change in terms of choosing the most appropriate approach. Resistance to change, often as a result of not being fully prepared for change, can spark a wide variety of problems which threaten to stall or even derail the process of change. Providing supportive environments, to overcome this resistance, can be seen as critical if change is to be successful. The above reflections along with the theoretical models discussed in Chapter 2 provide a foundation for the research design discussed in Chapter 4.

Chapter 4: Research Design

4.1. Introduction

The purpose of research can be seen as an investigation into specific issues in business in order to build a deeper understanding thereof and to improve managerial decision-making (Coldwell and Herbst, 2004). The uncertainty and differing individual perceptions often associated with change management highlight the importance of a process whereby critical business information could be gathered, recorded and analysed. This research set out to consider the recent changes that took place within the South African operations of five organisations, in order to examine the impact of these changes on the workforce. It is hoped that the findings from the analysis of the data gathered will help to improve the way change is planned and implemented, in order to retain employee commitment and improve the success rate of change initiatives.

4.2. Research Approach and Method

Exploratory research can either be used to “...find a problem or hypothesis to be tested...” or it may involve “...research into an area where tentative hypotheses about a particular relationship exist...” (Coldwell and Herbst, 2007:10). The research conducted relates to the latter purpose. More specifically, a case study method was chosen as it enabled an investigation of the real-life activities with regards to the implementation of change within the five cases selected (Noor, 2008). Greater clarity was sought on whether a relationship does in fact exist between the implementation of a clear change management plan and employee commitment to the organisation, as well as on a more holistic view of the challenges associated with implementing change.

The review of the literature existing on the topic of change provided a good foundation for understanding, not only the different perceptions of change, but also the problems that arise as a result of the way change is perceived or experienced during the process of change, especially as these problems may directly impact on levels of commitment if not addressed.

Charlesworth, Lawton, Lewis, Martin and Taylor (2003a:21) note that opinions "...do not conform to a strict scientific method." The research as such lends itself to adopting a primarily qualitative approach to investigate the perceptions of individuals with regards to their experience of the change process within their organisations and to learn more about what support has and should be provided during change to help employees cope with change and to retain their commitment. While time consuming, a qualitative approach using face-to-face methods for data collection (Charlesworth *et al.*, 2003a), allowed for an analysis of the organisational context post change, the problems experienced as well as opportunities for improved employee support and implementation of change (Coldwell and Herbst, 2004). In addition, survey data collected was analysed quantitatively to support the interpretation of the qualitative data (Glatthorn and Joyner, 2005).

4.3. Data Collecting Methods

Charlesworth *et al.* (2003a) recommend face-to-face methods as a good source for the collection of quality data. As such semi-structured interviews were selected as a means of gathering the qualitative data required for this study. As interviews can be time-consuming and difficult to compare, especially if unstructured, a schedule of interview questions, included in Appendix 1, was carefully designed to contain the interview in terms of both scope and time (Charlesworth *et al.*, 2003a). The semi-structured nature enabled flexibility in the interview process to ensure the appropriate data could be collected. The questions relating to each objective were grouped together and general questions were used to open and close the interviews to ensure a smooth progression between sections and questions.

Documents can also be an important source for empirical data collection especially in qualitative research projects (Charlesworth, 2002). Relevant corporate records relating to an organisation's change methodology or implementation were sourced. While corporate documentation has generally been produced with a specific goal in mind, and as such may be seen to present a somewhat biased viewpoint, considering it in context is expected to provide key insights into how change was implemented in the organisation (Charlesworth, 2002).

The questionnaire was designed to collect information on the experience of change from a broader group of individuals to support the findings obtained in the interviews and documentation. While face-to-face methods provide in-depth information into the types of experiences of change, the questionnaire results can complement these findings by collecting data from other individuals. Once analysed according to a quantitative scoring framework, these results provided greater accuracy in the interpretation of the findings from the interviews (Coldwell and Herbst, 2004). The questionnaire has the added advantage of providing a greater sense of anonymity as respondents are not required to identify themselves on the questionnaire and a private and confidential mailbox was set up to receive the responses. In finalising the design of the questionnaire, included in Appendix 2, it was reviewed by a small sample of individuals in Company A selected by convenience in order to test its completeness, flow, speed and user-friendliness. Amendments were made to the items on the questionnaire based on this feedback.

Section A of the questionnaire recorded descriptive information such as the type of change, level in the organisation and role in the implementation of change in order to identify patterns emerging in individuals' perceptions and experience of the changes. Section B is a fourteen-item scale designed to record how respondents feel about the process of change undergone. Using a scale ranging from strongly disagree to strongly agree, the results are expected to give a good indication of how positively the approach to change has been perceived. Section C utilises the same rating scale for the eight-item scale of typical problems experienced during the implementation of change. The responses indicate the degree to which these problems impacted on the organisation. Respondents are also given the option to list other problems experienced, in order to allow for other problems not mentioned in the listing provided. Section D relates to those support elements which respondents consider to be important for retaining commitment to the organisation. Respondents are required to rank the eight items listed in order of importance. Again, an opportunity was provided for respondents to indicate other forms of support that they require. In the small pilot study that was run, it was found that respondents utilised the further comments section to emphasise issues they considered important.

The combination of data collection methods is useful for triangulation purposes in order to minimise "...the inadequacies of single-source research..." (Bailey-Beckett & Turner, 2009). By using various sources of information, findings can be verified especially if they appear in all three methods. The various research instruments for the interviews and survey were developed from information gathered in the literature review and document analysis was done on the same basis so that any patterns emerging from the research findings could be applied within reason to the wider population. It has also been found that case studies using multiple cases can also allow for generalisations (Noor, 2008).

4.4. Sampling

The population refers to the complete 'group of people, items or units under investigation' (Coldwell and Herbst, 2004). In this case, the population in this study therefore comprises of individuals employed at all levels within several organisations in South Africa. Sampling in turn is "...the act, process or technique of selecting a representative part of a population for the purpose of determining parameters or characteristics of the whole population..." (Coldwell and Herbst, 2004: 74).

The survey was conducted with a sample of employees from various organisations. Due to challenges experienced with regards to access to the initial sample, a second smaller sample of individuals was selected based on availability. While Charlesworth *et al.*, (2003a) warn that survey response rates can often be quite low, the questionnaire was kept short, organisational support was requested and a confidential e-mail box was established for the purposes of collecting the results in an effort to encourage as high a response rate as possible. Forty-six individuals were invited to participate in the survey and seventeen responses were received providing a thirty-seven percent response rate.

A smaller sample was chosen for the interviews based on purposeful sampling as a sampling strategy (Noor, 2008). As such, the names of some participants were determined by the management of two of the organisations based on their job responsibilities, position and involvement in the implementation of change (Noor, 2008). The other respondents were selected on the basis of the researcher's individual judgement as it was felt that they could provide key insights into the implementation of change within their organisations. Those interviewed needed to have been exposed to the change process to some degree. Management and senior key individuals were selected for the interviews as they are expected to have access to more information relating to the implementation of change (Martin *et al.*, 2006). Twelve interviews were conducted with individuals representing five organisations. Two individuals represented Company A, two individuals represented Company B, two individuals represented Company C, with one of these individuals also providing input into the change implemented in Company D, and finally six individuals represented Company E.

4.5. Bias

Charlesworth *et al.*, (2003a: 69) note that "...bias is implicit in research..." and while it may not necessarily be removed completely, its potential influence needs to be considered so as to ensure the research findings can be considered valuable and significant. As an 'insider' to Company A, the researcher had pre-existing knowledge and experience of the situation and people involved (Lewis, 2003). As this knowledge and experience guided the direction of the research, personal bias could have presented a concern during the research. This was however managed by grounding preconceptions in theory, discussing assumptions with peers to ensure all perspectives were considered and also through collecting data outside of the organisation. Considering that the wording of questions in interviews and on the questionnaire could affect the answers that are provided, every effort was made to draft questions that were not leading but were clearly worded so as to reduce misunderstanding or misinterpretation and encourage respondents to answer as honestly as possible. The question schedule provided a framework from which to ask the questions in a consistent manner when conducting the interviews so as not to unduly influence the participants.

4.6. Data Analysis Techniques

The process of data analysis generates meaning from the raw data in the form of interview and questionnaire responses collected during the research (Coldwell and Herbst, 2004). Charlesworth, Lewis, Martin and Taylor (2003b) note that analysing qualitative data in particular, can be challenging. A poor process of analysis would bring the validity of the research into question and as such needs to be as rigorous as possible.

The questionnaire can be analysed quantitatively. Section A represents nominal data reflected by the categories relating to length of service, employment type, position in the organisation and perceived role in the change process. A comparison of the responses to Sections B and C utilising a rating and attitude scale across these categories may provide clarity on any differences that appear between the different groups. For example, the problems experienced or types of support required may be seen to differ across the different levels, type of employment or length of service. The responses to Section B and C were scored according to the responses and a total score provided. Some of the items in Section B needed to be reverse-coded when adding up the totals and a framework was developed to ensure accuracy. In Section D the responses needed to be ranked in order of importance as an ordinal scaling which could be used to express differences in the variable of support required quantitatively (Charlesworth *et al.*, 2003b). This scale intended to reflect the order of importance and not the degree thereof, however, respondents' interpretation thereof varied and so the method of analysis was amended.

Permission from the participants to record the interviews was sought so as to prepare transcripts after each discussion had taken place. While categories were identified in the development of the questionnaire these were not directly imposed on the coding of the interviews. They were however cross-referenced to the categories emerging from the data gathered to ensure consistency in the findings. Coding categories were allocated according to the research objectives. Through content analysis and coding of the interview data a more quantitative analysis was possible by considering both the frequency and appearance of similar items across interviews (Charlesworth *et al.*, 2003b).

Coding the detailed responses gathered during the interviews enabled the data to be organised into more manageable themes or categories containing information considered appropriate to the objectives for appropriate conclusions to be drawn. As the primary focus was on collecting qualitative data in order to understand the different perceptions of the respondents, statistical analysis was not considered necessary for the findings. The cases were analysed individually and were cross-referenced to identify trends in the data.

4.7. Ethical Issues

Ethics are an important consideration in research and are likely to have a strong bearing on the acceptance of the research both during the study and thereafter. In the context of change, uncertainty and discomfort often run high and as this study considers the perceptions of the change implementation, negative feelings and insecurities could emerge which could impact not only on the way the questions are answered but also on participants' behaviour. Confidentiality was therefore stressed in the introductions of each of the research instruments and maintaining the confidentiality of respondents was seen as essential (Coldwell and Herbst, 2004). For this reason, an external e-mailbox was set up with restricted access to collect the questionnaire responses so as to alleviate concerns of their responses being accessible to others within the company.

Data requires interpretation. The researcher's own knowledge and experience can influence the way data is interpreted. As such, interpretations need to be carefully vetted against the objectives of the research to ensure personal and subjective influences do not skew or make more of the facts (Coldwell and Herbst, 2004). There is always the possibility that the findings may not support the initial research statement and viewpoint of the researcher and should this be the case, it would be imperative that the results reflect this even if the findings oppose the researcher's viewpoint. While the decision might be taken to exclude certain responses such as in the case of individuals with little knowledge of the change process and would thus not be relevant to the study or where questions have been answered incorrectly, it is important that results that are relevant are not excluded or altered on the basis of the responses which do not fit in with the researcher's point of view (Charlesworth *et al.*, 2003a).

4.8. Limitations of the Study

Time and access constraints prohibited a formal pilot study and required the interviews and survey to be conducted simultaneously. A handful of individuals were asked to work through the questionnaire in the absence of a formal pilot study, prior to distribution to the sample, and the questionnaire was updated accordingly. One particular question in Section B of the questionnaire proved to be quite ambiguous, namely 'I was prepared for the changes that took place in the organisation'. Worded in this way it was ambiguous as to whether this preparation referred to an internal or external component and as such it was reframed as 'I did not know what to expect during the process of change' directing the respondent to reflect on the clarity experienced during the implementation of change. Additional items were included in Section C & D based on the feedback received. The questionnaire limited the aspects of the experience of change that employees can report on to the items specified. Space was therefore provided on the questionnaire for individuals to include additional items or comments. Changes to the first question on the interview schedule and in the questionnaire were also made in order to accommodate respondents from multiple companies.

During the collection of data it was expected that there might be some resistance to answering the questions on change especially due to the uncertainties that exist in the environment. It was hoped that the provision of a confidential and a safe space in which to express one's opinions without fear of discrimination or identification, would help overcome any such resistance. While the research instrument emphasised the assurance of confidentiality, personal influence and sensitivity to participants' concerns was still important when conducting the interviews in order to successfully build rapport with the interviewees and alleviate any concerns they may have.

4.9. Delimitations of the Study

The research looks at the perceptions of change by a small group of respondents from five organisations operating in South Africa. As it looks at more than one organisation across a number of different industries, the findings could be expected to be generalised, within reason, to other companies, at least where the conditions can be seen to be replicated. It is however a subjective reflection of individual attitudes at a specific point in time and does not necessarily reflect attitudes over time. The study measures employees' perceptions of how change had been implemented, identifying problems experienced during the implementation and ways in which employees prefer to be supported during change. Support mechanisms are considered important for the creation of the right environment that is conducive to change and the growth of organisational commitment (Wilson, 1993). The questionnaire asked employees to identify and rank support techniques in order of importance to themselves as individuals. It does not however consider whether these elements were in place in the organisation during the implementation of change. Data collected during the interviews, however, did give some indication of the existence of support methods in the organisations.

4.10. Summary

Having established the knowledge base in preceding chapters on which the research was founded, it was important that the research instruments enabled the collection of valid and reliable data on the perceptions of change, problems experienced and support needs of employees. The combination of both qualitative and quantitative research approaches, the use of a variety of sources and the selection of multiple cases provided the opportunity to gain a clearer and more detailed understanding of the impact of change on organisations and the support requirements of employees. Findings from the data collected during the interviews, corporate records review and the survey, are presented and discussed in Chapter 5.

Chapter 5: Results and Discussion

5.1. Introduction

As discussed in Chapter 1 of this report, this study set out to understand the responses to change as a factor of the individual's experience of change in order to consider whether the implementation of a clear change management plan could serve to increase employee commitment to the organisation; and thereby ensure a greater success rate for change initiatives. This chapter starts with some descriptive results indicating the types of change and positioning of respondents. Following this, results are reported by objective, specifically how the management of change has been perceived by respondents, the problems experienced during the implementation of change, and finally the employee support requirements are listed, alongside a reflection of actual support mechanisms implemented.

5.2. Descriptive Results

The data was collected from semi-structured interviews, surveys and a review of company documentation. A total of twenty-nine individuals representing five companies, participated in the research. Twelve interviews were conducted and seventeen questionnaires were returned. The respondents represented various levels within the organisations from general employee to executive management with the majority of respondents in skilled senior positions and middle to senior management. The composition of the group of respondents by position and organisation is illustrated in Figure 6.

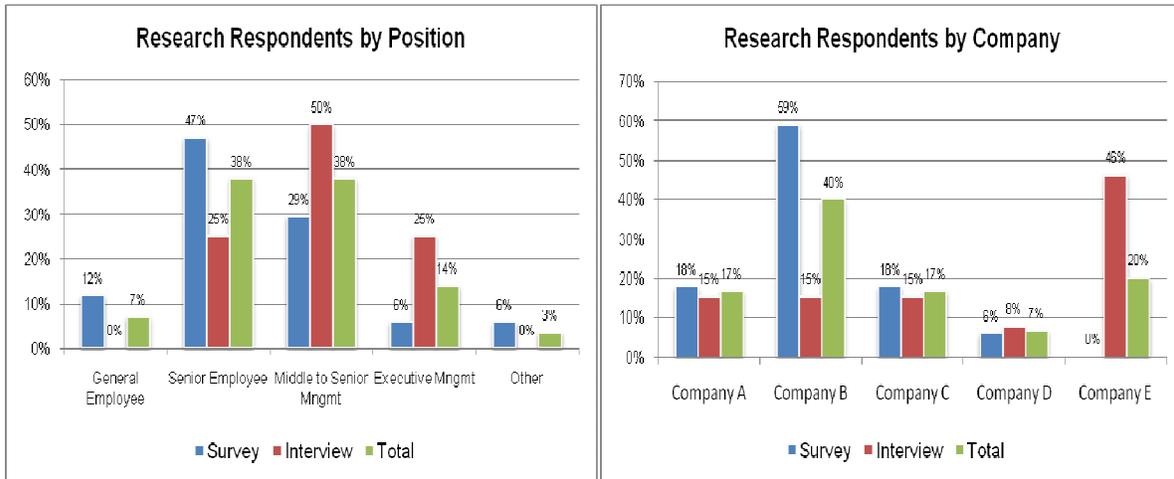


Figure 6: Composition of research respondents by position and company

Over 80% of the respondents from both the interviews and survey identified that two or more major changes took place simultaneously or in close succession of each other. The changes experienced by the individuals within the organisations in the study included mergers, acquisitions, ownership changes, restructuring, process re-engineering, and system changes (as illustrated in Figure 7) with mergers, acquisitions and ownership changes reflecting as the highest. Some organisational restructuring and business process re-engineering was evident as a result of most mergers, acquisitions and ownership changes.

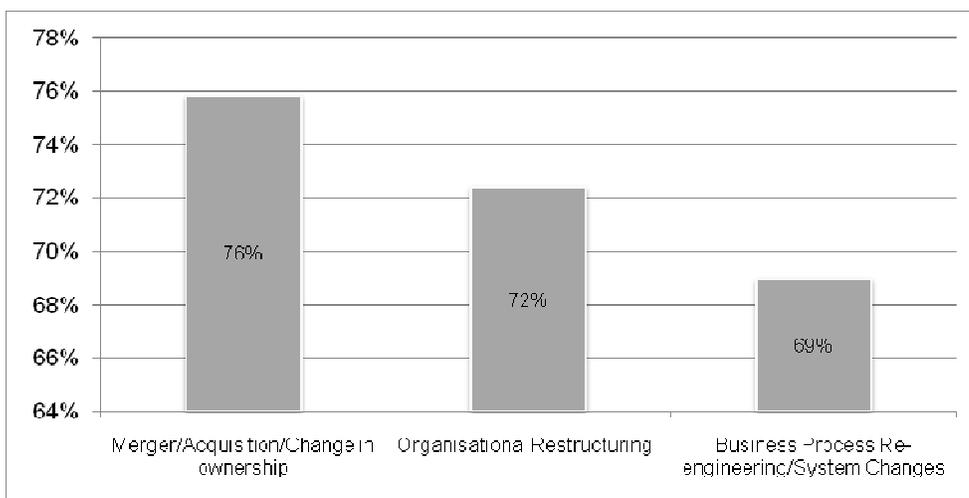


Figure 7: Types of change experienced

The level or position in the organisation can be seen to impact on the change role with which the individuals identified. The majority of employees report a limited degree of involvement in determining how change is managed. The questionnaire results, illustrated in Figure 8, show that employees are twice as likely to perceive themselves as change recipients rather than change agents. While middle and senior managers are more likely to report a greater degree of influence over change, this was not always the case. In Company A, management incumbents felt they were as much a recipient of change as those employed at lower levels within the organisation.

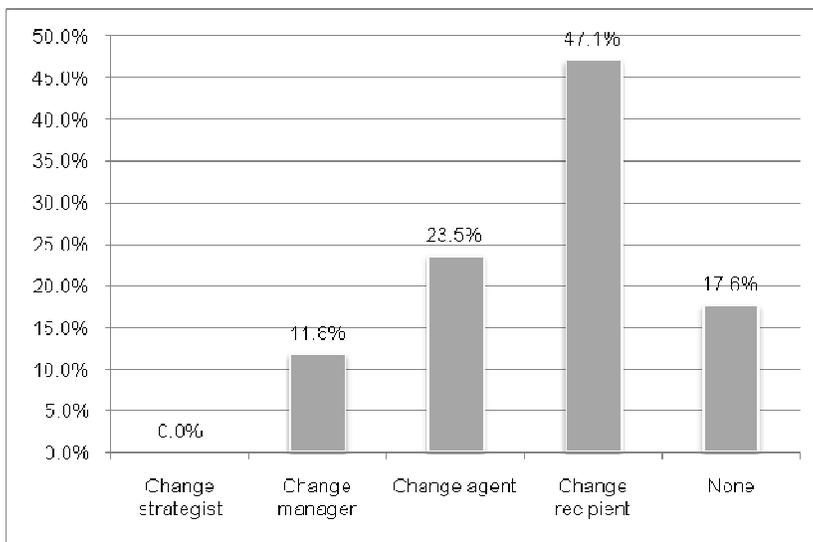


Figure 8: Survey results: Perceived role in change

5.3. Findings Regarding Perceptions of Change Management Approach

Individuals that perceive change as being imposed from the top are more likely to experience the management of change negatively whereas change implemented in collaboration with employees is generally viewed more positively. In analysing and comparing the interview and survey responses, general trends and critical differences in the experiences of change emerged. In total, two organisations (Company A & D) had largely negative experiences of change, two had mixed experiences (Company B & C) and only one had a largely positive experience of the management of change (Company E).

Perception of Change Management by Interview Respondents

Experiences ranged from extremely negative to extremely positive across the five organisations depending on how various change management variables were experienced. As indicated in Table 1, the variables influencing the overall perception of change include how clearly the change plan had been communicated, what the prevailing approach was, what resources were made available to manage the change, how much involvement and preparation of stakeholders was done, whether there was agreement in terms of the specific reasons for change, the language used in describing the change and the perceived benefits of the changes.

Table 1: Overview of interview responses

| | Company A | Company B | Company C | Company D | Company E |
|-------------------------------------|--|---|---|--|---|
| Communication of change plan | Limited/Poor Reactive | Generally Good, Top-down | Mostly good | Not well maintained | Well planned, Use of a range of channels |
| Approach to change | Unstructured, unplanned | Unstructured | Phased in | Informal | Structured methodology |
| Plan documented | For 2 of 3 | Unclear | Unclear | No | Yes |
| Resources to manage change | For 2 of 3 | No | Not clear | No | Yes |
| Implementation of plan | Limited | No | Partial, stage 2 of implementation paused | No | Yes, measured |
| General state of employees | Insecure, uncertain | Initial uncertainty | Excited but apprehensive | Initially excited but became resistant | Accepting, little to no resistance |
| View of change introduction | Imposed from top | Decided at HO & filtered down | Informed from top, regional input for implementation | Informed from top | Initiated from internal need |
| Involvement of stakeholders | Very little/none | 2-way communications | 2-way communications | Limited | Throughout change process |
| Preparation | Limited to product intro | General awareness of proposed plan | Well prepared for change (not for interruption due to economic crisis) | Not well prepared | Very well prepared |
| Cultural impact of change | High | High | Low | High | Low |
| General attitudes | Negative | Mixed | Mixed | Negative | Positive |
| Reasons for change agreed | Yes | No | Yes | Yes | Yes |
| Level of interruption | High | Low/Moderate | Low/Moderate | High | High |
| Benefits of change | Unclear | Too soon to tell | Better business | Unrealised | Extensive |
| Language choices | Turned to chaos, felt like a hostile takeover | Underestimated our value and functioning, not overwhelming | Change is inevitable, made perfect sense, had good synergies | | Change dovetailed with project management methodology |
| Overall Perception | Negative – not well managed | Mixed – Handled reasonably well | Mixed – Done was well as can be expected | Unsuccessful – division closed | Very successful – people adapted well |

Perception of Change by Questionnaire Respondents

The 14-item scale in section B of the questionnaire measured how respondents perceived change across three categories or themes, namely the context of change, content of change and responses or reactions to change. Of the respondents, 53% had an overall score of less than zero, which indicates a generally negative experience of change. Respondents from Company A, Company C and Company D unanimously posted negative overall scores whereas Company B's respondents accounted for all of the positive responses, with the exception of two respondents, as can be seen in Figure 9. These two respondents viewed the content and context questions as either negative or neutral, accounting for the difference resulting in the overall negative score. The raw data can be reviewed in Appendix 3.

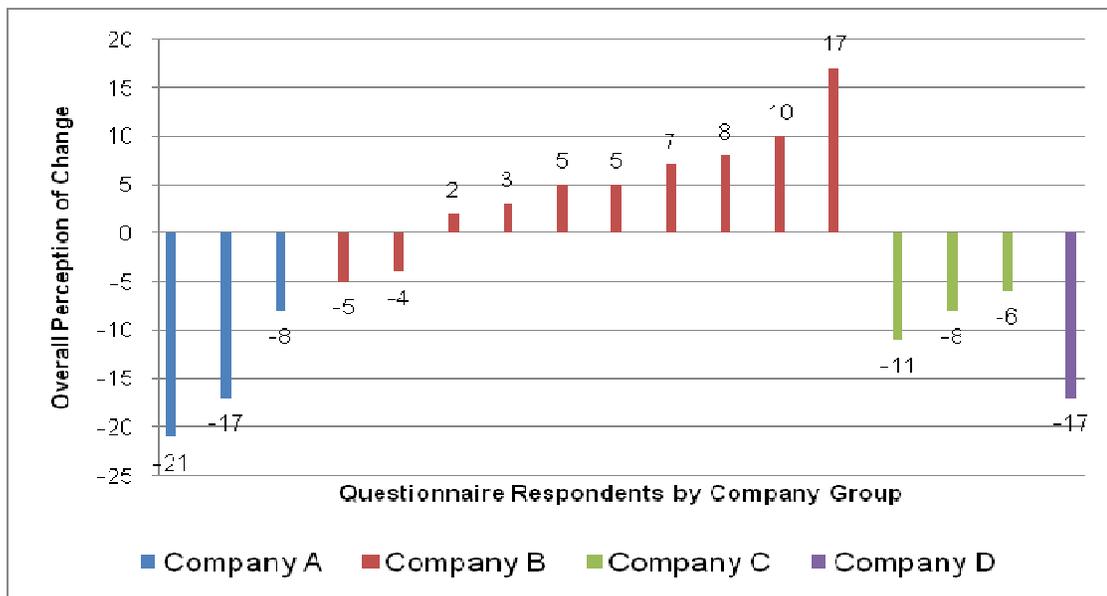


Figure 9: Spread of perception scores for questionnaire respondents

Results from Documentation Reviewed

A review of the company documentation, made available by Company E, supported the interviewees' references of their planned and structured approach to change management. The documentation reviewed included a Change Strategy document, Change Management Methodology presentation, Project Management Framework, User guide and promotional literature.

Summary

The results presented above indicate clearly that respondents in this study had experienced change differently. The interviews and questionnaires provided a detailed picture of exactly how the experiences of change varied between the five organisations and between the respondents. The questionnaire and interview results for Company A, Company B and Company D are consistent in terms of the overall perception but there are discrepancies within Company C's results. While Company E did not participate in the survey due to the time constraints, the interviews did consider the experiences from a number of different perspectives. Company E is the only company in this study to have gone so far as to develop their own change management methodology which guides the implementation of change.

5.4. Findings Regarding Implementation Problems Experienced

The way change is implemented in the organisation not only impacts on the individual experience of change but also determines the degree to which problems impact on the entire organisation. All the change initiatives reviewed for this study were seen to raise the required workload and increase stress levels during the process of change regardless of how they were implemented or perceived. Where change was not well managed, there was clear evidence of problems arising as a result.

Problems identified by Interview Respondents

There are typical problems that re-occur in organisations implementing change and these can generally be categorised into the following categories: people issues, resource and capacity issues, management and communication issues and process and system issues. As indicated in Table 2, the most significant issues facing companies, and Company A in particular, relate to management and communication issues and people issues. A count was done of each reference to a particular problem category in order to give an indication of the relative importance for each organisation. Company A had an alarmingly high incidence of problem references relative to the duration of the interviews. Appendix 4 provides a detailed list of the specific issues and obstacles identified in each company.

Table 2: Organisational problems experienced in the implementation of change (Interview findings)

| | A | B | C | D | E | Total |
|--|----------|----------|----------|----------|----------|--------------|
| People Issues (including issues such as high insecurity, high resistance, non-participation, high staff turnover and loss of intellectual capital) | 20 | 6 | 9 | 3 | 2 | 40 |
| Resource and Capacity Issues (Including issues such as insufficient resources, increased workload and pressure) | 2 | - | - | - | 13 | 15 |
| Management and Communication Issues (including ineffective management practices, poor communication, lack of alignment of values, loss of trust, no bigger picture communicated) | 77 | 4 | 13 | 2 | 6 | 102 |
| Process and System issues (Including technical system issues and negative impacts on processes) | 7 | 2 | 3 | - | 3 | 15 |
| | 106 | 12 | 25 | 5 | 24 | 172 |
| Total Number of Respondents Interviewed | 2 | 2 | 2 | 1 | 6 | 12* |
| Total time of interviews (in minutes) | 54.44 | 60.00 | 71.27 | 21.27 | 192.42 | |

* One respondent related the change experiences from two organisations

Problems Identified by Questionnaire Respondents

The most commonly occurring problems in 75% of the organisations surveyed, was increased levels of stress and frustration, decreased motivation and morale and increased resistance to change and new ideas. Company A and company D showed a high incidence across all the problems listed while Company B was seen to have experienced the least amount of problems to date, however during the interviews it was advised that the change was still in its early stages and as such may be too soon to tell what the full impact would be. Figure 10 illustrates how the respondents rated the problems within their organisation.

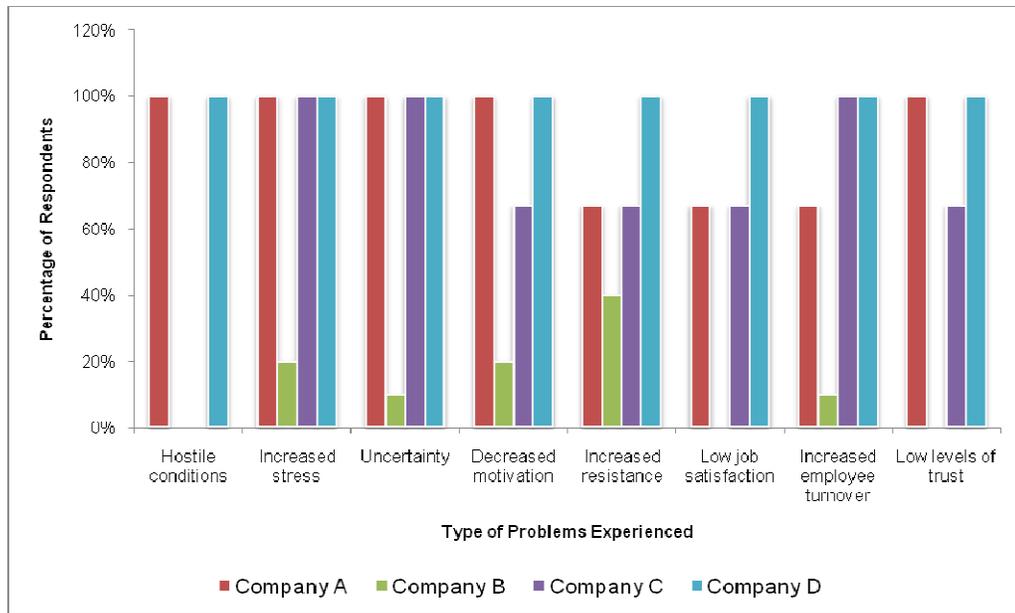


Figure 10: Nature of problems experienced in companies implementing change (Survey findings)

Summary

The results above indicate the main problems experienced within the organisations. Many of these problems are interlinked to the point that, where one exists, several others are also likely to occur. In companies with a number of significant management and communication issues, it is not unexpected to find high levels of uncertainty and insecurity resulting in higher levels of stress and frustration, lower job satisfaction and increased employee turnover, creating further issues around the loss of intellectual capital. On the other hand, where change is well planned and well communicated, the organisation is better prepared and many of the obstacles can be overcome prior to them becoming serious problems.

5.5. Findings Regarding Support Needs of Employees during the Change Process

Employees can be seen to look predominantly to the leaders for direction, communication and understanding, for the changes being implemented. As illustrated in Table 3, respondents rated leadership, communication and understanding as their preferred mechanisms of support. The opportunity to participate in the process of change rated lower than expected, however when investigating people's experience of change, a number of respondents considered communication as a means of involvement. With regards to the sense of urgency, a number of respondents suggested it was more important for the change to be well timed and carefully thought out by those at the top and not necessarily urgent.

Table 3: Importance of support mechanisms for employees

| Support Mechanism | High Importance | | Medium Importance | | Low Importance | |
|--|-----------------|--------|-------------------|-------|----------------|-------|
| | # | % | # | % | # | % |
| The presence of strong, positive and consistent leadership | 17 | 100.0% | 0 | 0.0% | 0 | 0.0% |
| Frequent open and transparent communication and feedback | 16 | 94.1% | 1 | 5.9% | 0 | 0.0% |
| Understanding of the reasons and content of the proposed changes | 12 | 70.6% | 4 | 23.5% | 1 | 5.9% |
| Access to adequate resources to implement the changes successfully | 10 | 58.8% | 7 | 41.2% | 0 | 0.0% |
| Opportunities to learn and apply new skills | 10 | 58.8% | 1 | 5.9% | 6 | 35.3% |
| The opportunity to participate in the process of change | 9 | 52.9% | 4 | 23.5% | 4 | 23.5% |
| A sense of urgency when making and implementing decisions | 7 | 41.2% | 4 | 23.5% | 6 | 35.3% |
| Access to career and stress counseling | 6 | 35.3% | 2 | 11.8% | 9 | 52.9% |

A Review of Support Mechanisms Offered

The interviews provided an opportunity to reflect on what types and levels of support had been offered in the organisations involved in this study. Company E respondents attributed their success to the structure introduced through the change management methodology and the support provided. The results showed a well constructed support model and communication plan encompassing a variety of tools and media for communication, training and dedicated support resources whereas in the other organisations managers appeared to have been expected to take on the support role informally without being fully equipped for such a role.

- **Communication**

Communication was the most frequently used mechanism for supporting employees during change however there are significant differences in the amount, frequency and quality of communications across the organisations. Table 4 highlights some of these similarities and differences. Communications were most successful when they contained information relevant to and helpful for the specific audience being communicated with.

Table 4: Methods of communication employed in the organisations

| Company | Method | Frequency |
|---------|---|------------------------|
| A | Formal, written communications Issued from central source (group email) Product Training | Reactive Infrequent |
| B | Face to face communication (From branch manager) Email communications in support | As available |
| C | Use of technology such as webinars, video conferencing etc. to facilitate two-way global communications Product training Line management interactions | Regular |
| D | Regional Road-shows Failed to maintain communications | Once off |
| E | Comprehensive communication strategy including mix of: Group communication sessions (Formal presentations) Management meetings Status reports Promotional literature and items Classroom based training Electronic channels (Emails, Web portal, e-learning) Print media (Guides, Posters) | Regular Frequent |

- **Involvement and Participation**

The change strategy document prepared by Company E clearly identifies the various stakeholders to the change and their roles and responsibilities. Participation and involvement is encouraged within the organisation and rewarded after the change has been implemented. Findings indicate that change only gets implemented in Company E once ownership for the change has been established and the required investment in terms of input and time has been committed to by a senior resource. This is not surprising, considering access to adequate resources was considered an important means of support. Company E appoints a dedicated change team to drive large scale change projects according to the change management methodology, whereas this was not really seen in the other companies.

A collaborative working environment is established in Company E by involving users throughout the process from initial scoping through to prototype testing, user acceptance testing and post-implementation review. Training in Company E is focused on building the appropriate competencies and post implementation support is provided to ensure new systems are fully functional and new processes are fully embedded before formally closing the project. Even after project closure, support is available in the form of refresher training and user support via the helpdesk. In the other companies, product and system knowledge formed the basis of the training conducted, however, it was felt that the training in Company A was forced on employees with punitive measures for non-compliance and as such was not seen as supportive.

Summary

The results presented above indicate clearly the types of support mechanisms individuals prefer to assist them to cope with the change, make sense of it and remain committed to the organisation itself. The presence of strong, positive and consistent leadership as well as frequent, open and transparent communication, were clearly identified as central to an effective support model and to ensure successful change. Where change initiatives went on to meet most of the possible mechanisms identified, no fallout was recorded and any gaps that do appear are addressed through the provision of ongoing support.

5.6. Discussion of Results

The results presented in the preceding sections of the chapter indicated that change is experienced differently from person to person and company to company. These results indicated that despite the mass of literature and theoretical frameworks available on implementing change effectively, change was still not effectively implemented in four out of the five organisations considered during in this study. The indication and severity of the problems experienced within these organisations, which was presented next, was not surprising considering the negative and relatively low positive scores obtained when considering respondents' views of the management of change.

A number of the more significant problems create somewhat of a vicious cycle with the problems intensifying on each round, especially where management has appeared unconcerned and has done nothing to reduce these issues. The last set of results indicated employees' preferences for various support mechanisms considering how these impacted on their receptivity to change.

Leadership and communication could be seen to be emphasized as the foundational blocks for gaining commitment, however, further to these, the support model, adopted in Company E, which also undertook to provide an understanding of the change and its benefits, access to adequate resources, access to training, opportunities for involvement along with being well timed and well thought out truly distinguished itself from the communication based model, which tended to be preferred in the other companies.

The impact of change management on an individual's perception of change

The organisations in this study were all at different points in the process of change and most of those that had completed the main change were still experiencing further change either as a consequence of or further requirement of the initial change. These results highlighted the variances in perceptions that can occur over time as identified by Raukko (2009). The initial uncertainty reported in the organisations at the beginning of change is consistent with the findings of Qian and Daniels (2008). In a number of instances, the proposed changes were even eagerly anticipated, however the results suggest this excitement was quickly lost where people were not fully prepared for the change and disagreement existed with regards to the reasons for or method of implementing change.

Where the benefits of change were clearly articulated in an engaging manner in order to build excitement for the change, individuals were able to buy-in to a common vision and had something towards which to work, which Thurlow and Mills (2009) also discovered. However, in organisations where the bigger picture or vision was not communicated, uncertainty and insecurity were rife, fuelling the negative perceptions. The prevailing management style in one organisation appeared to have done little to alleviate the issues which resulted and the resulting negativity can be likened to the notion of change cynicism discussed by Walker *et al.*, (2007).

The problems experienced during the implementation of change

The results clearly indicate that there is still a gap between what is occurring in organisations implementing change and the wisdom expressed within change management theories and best practice recommendations. There is sufficient evidence to suggest that a number of the issues experienced could have been avoided if the stakeholders had been clearly identified, the requirements had been clearly understood, an action plan had been drawn up and the organisations had been properly prepared and equipped to embark on the change. Rather than listing the problems experienced, respondents from Company E identified obstacles or challenges faced in implementing change, along with a possible solution or preventative measure; and as a result no significant problems have been experienced post change. Several large-scale change projects continue to be successfully implemented each year within Company E.

Instead, the change agenda in four of the five organisations appeared to be tightly controlled by a minority of leaders and managers who provided limited communications, strategic direction and clarity on what could be expected and often overlooked employee wellbeing when implementing the changes. Where Company E structured their communications in such a way as to provide regular feedback, even when things were not going according to plan, the other companies appeared to reduce their communications when difficulties arose, presumably to allow the leaders to decide on the next step. Instead of minimising losses, the lack of communication created a second layer of problems as a result of increased employee resistance as identified by Beaudan (2006).

The provision of support during change

While the emphasis of the third objective was on determining the support needs preferred by individuals, the interviews provided an opportunity to reflect on the actual support mechanisms provided. The results indicate significant differences between the importance organisational decision makers place on the provision of support. Company A showed no support model whatsoever; with several management changes and organisational leadership described as uncommunicative and dictatorial, the two foundational support modes identified were not available.

In the three other companies, elements of the leadership and communication support structures did exist however communication was either not sufficient or leadership failed to act decisively. Company E, however, have invested time in developing change management competencies and reviewing best practice and available models in order to develop one that would work for them. The resulting change strategy document not only identifies the change leaders, provides the motivation for and direction of the change and produces a comprehensive communication strategy spanning the entire change path; it provides a framework in which the additional support mechanisms also exist. User involvement and participation is encouraged throughout the process of change and has led to greater buy-in, greater engagement and increased ownership for change, as identified in Storey (2006).

5.7. Summary

Throughout the period of this study, the complexities involved in planning and implementing change have been highlighted and while change can be seen to be inevitable, successful change is not. These results prove that ineffective change management approaches have a negative impact on individuals and organisations. Even though reality may not match up with theory directly, the adjustment and application of theory and best practice methodology is possible and indicated considerable short, medium and long term benefits for organisations. These findings have built a strong argument in favour of the implementation of a clear change management plan as a means of supporting employees during change and ensuring their commitment to the organisation. The research statement is once again brought under review in the following chapter in the conclusion of this study. Recommendations as to how change management can be improved are also listed for consideration.

Chapter 6: Conclusions and Recommendations

One respondent referred to change as inevitable and with a growing number of organisations in some state of transition, this in itself is not a difficult conclusion to draw. While change is necessary for survival and growth, it is nevertheless a difficult and stressful time for an organisation's stakeholders both internally and externally. The high risk of failure in change remains a concern suggesting that the gap between the theories of change management and the reality of how change management is being implemented still remains relatively wide; a gap which has a major impact on how change is perceived. Of particular interest in this study was the impact of change on employees of an organisation and whether the way change was implemented could in fact be seen to affect how committed they felt to the organisation. Having considered the specific objectives of the study and how the results tie up with these objectives, this chapter concludes the report by reflecting back on the research statement and providing recommendations for future research and for organisations faced with implementing change.

6.1. Conclusions

In setting out to determine whether the implementation of a clear change management plan can be seen to assist employees in remaining committed to the organisation, three objectives were selected. These three objectives related to three key themes identified within the research statement, namely: approach to change, problems in implementation and employee support. The findings from each of these objectives presented in Chapter 5 provide a good foundation to support the research statement.

In considering the approach to change, significant differences were noted in the results showing individuals' experience of change management between those organisations that were considered to have a vision but no clear action plan for implementing change and those organisations that openly communicated not only the vision and action plan for change but also the progress thereof. An organisation drafting a change strategy shows a greater level of awareness of the stakeholders affected by change and the preparation needs of these stakeholders and could show evidence of an ownership mindset developing in many of these stakeholders.

The results suggest that where change management is perceived negatively in respect to individuals' perceptions, the organisation or its leadership are also more likely to be viewed in a negative light as a result of how people felt the change had been handled. The language used in the interviews and in the open-ended questions on the questionnaire provided a number of rich descriptions to support this view.

While difficulties can certainly occur at any time during the process of change, the change strategy seen to include impact assessments and risk registers as part of the process, recorded far fewer and more easily resolved issues. These issues tended to revolve more around resource or systems issues than people issues. It was felt that the communication and involvement in designing the change solution ensured uncertainty and resistance was generally addressed in the early stages of change. Furthermore, levels of commitment and acceptance could be seen to increase as the change progressed. Those organisations that did not consider such steps were more prone to people-related issues. It would therefore appear that organisational change, at whatever level, has an impact on the psychological contract between organisations and their employees and when the terms of this contract start to change, this contract is essentially renegotiated by the actions and behaviours of those implementing or managing change. If employees are not comfortable with these changes, it impacts on their motivation and sense of purpose in the organisation.

Support mechanisms, in particular those of communication and leadership, provide a means of renegotiating the terms of this psychological contract so as to present the change in a mutually beneficial manner. The way change is communicated sets the tone for engagement. Communicating the reasons for and content of change openly and transparently is more likely to gain the trust, buy-in and participation of employees, whereas closed and limited communications are more likely to alienate staff and raise questions with regards to management's motives.

For organisations that have implemented extensive support models including communication, participation, user acceptance testing, incentives, training and hands-on post-implementation support, the staffing benefits have been substantial. The effort, time and money invested in providing such support have been more than paid back in terms of business performance. In addition, the support was consistently considered to be a critical component of the positive reviews post change; and without the support, the respondents felt people would have responded negatively to the change.

All things considered, the findings provide a strong indication to suggest that the implementation of a clear change management plan not only assists employees to remain committed to the organisation but also appears to have a significant impact on the success of change.

However, the results are not fully conclusive due to the delineation and limitations of the study. Only a handful of organisations were involved in this particular study and while they could be seen to represent various approaches to change, a fully representative sample across all organisations was not possible due to time and access constraints. However, as the study was qualitative and no statistical analysis was required, the findings could be generalised to provide a checklist for other organisations implementing change. The researcher believes the strategic implications of this study lie within the consideration of employees' perceptions to the experience of change. Change management models are traditionally provided from the perspective of the organisation and gaining employee support tends to be considered a step in the process rather than the foundation for successful change. Considering how employees' perception of change impacts on their commitment to the organisation frames change management as an important strategic discipline to ensure long-term sustainability.

6.2. Recommendations

McNulty (2007:7) observed that "...change management is as much about how you do what you do, as it is about what you do." What people think about the changes can be expected to shape their behaviour either positively or negatively. The success of change cannot simply be measured on the basis of whether the change initially speculated was implemented. Measuring the success of change also needs to take into account how smoothly the organisation and workforce were able to transition from one state to the next. The change management role, therefore, needs to manage this transition with the least amount of disruption. The change management plan should form the foundation of this role; however, it is not the sole determinant of success.

The following list provides recommendations for improving the way change is managed. These recommendations are based on best practice observed in organisations as well as deductions made during the analysis of the data.

- Where several major changes take place in close proximity, formal change management is even more essential to minimise the disruption to an organisation.
- Where change will result in, or is implemented by a team with different values to those previously in existence, alignment of these values is critical before attempting to implement change. Different values that are not clearly communicated can be interpreted as a lack of values.
- Change management is a specialist role and should be undertaken by individuals who are equipped with the essential knowledge and skills required, and who can devote the required time and effort to see the change through from beginning to end.
- Divisional managers have an important role to play in ensuring the momentum of change is maintained. As such they must be well informed of the motivation, vision and direction for change at all times and must be equipped to support their staff.

- Change plans must take account of the risks both internally and externally and various contingency plans should be deliberated upfront to ensure a consistent and appropriate response is communicated and acted on to ensure change remains on track. This may require amendments to a number of elements within the initial change plan.
- Support mechanisms need to be appropriate to the delivery channels available within the organisation and should also be relevant to the targeted audience if they are to be effective.
- Buy-in, especially from influential members of the organisation, should be sought from the beginning, however, effective communication and leadership is required to ensure it is maintained throughout the duration of change.
- Taking sufficient time to introduce the change to the members of the organisation and involving them in the change improves an organisation's ability to understand and align the multiple perspectives that exist within the organisation. A good change management plan takes these different perspectives into account and successfully communicates a shared vision of the change to each group, in a manner appropriate to each group.

Recommendations for further studies could include:

- A similar study considering a broader population group and employing statistical analysis to allow for a greater degree of generalisation of the results.
- A comparative study of employee commitment levels before, during and post change, to assess the exact impact of change on employee commitment within a specific sample.
- A study of the specific role communications and leadership play in building employee commitment.

Considering the view of change as an inevitable characteristic of organisational life, the relatively high failure rate recorded for change initiatives, and the potential impact of change on the psychological contract of an organisation's workforce, change management appears to be emerging as a key competency required by managers and leaders.

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Appendices

1. Experience of Change Management Interview Schedule
2. Experience of Change Management Questionnaire
3. Raw Data from Questionnaire's 14-Item Scale
4. Specific Problems and Challenges Raised During Interviews

1. Experience of Change Management Interview Schedule

Introduction:

This interview forms part of a current research study being conducted for the fulfilment of requirements for a Masters Degree in Business Administration through UNISA's School of Business Leadership. The researcher, Taryn Haynes-Smart, is investigating the implementation of change within the organisation and the impact thereof on individuals employed in the organisation. The interview is designed to obtain feedback from you regarding your experience of change in the organisation. With your permission, the interview will be recorded to ensure an accurate analysis of the responses obtained. Extracts of the interview will only be included in the results chapter once you have verified the interpretation thereof. Responses gained during the interview will be kept confidential and will be used by the researcher for the purpose of the research defined above. Responses gained during the interview will be coded and analysed in order to determine frequency and commonality of responses as they relate to the objectives of the study. Research results will be reported to the company in general terms providing an overview of how the change process has been experienced. Copies of the research results will be provided to all participants.

Biographical & Role Information:

- 1) Briefly list the types of change experienced in your organisation
- 2) How would you describe your role in the implementation of change within the organisation?

Change Management Approach:

- 3) How was/is change introduced in the organisation
- 4) Have the attitudes towards change remained constant?
- 5) As a whole, how well prepared was the organisation for change?

Problems experienced during implementation of change:

- 6) What were the biggest obstacles faced in implementing change?
- 7) How were the changes received by the organisation?
- 8) What problems have been experienced in the organisation post change?

Provision of Support to Employees to Retain Commitment

- 9) What mechanisms were put in place to help employees to cope with the changes?
- 10) How has employee participation in implementing changes been encouraged?
- 11) How has the progress of change been communicated to the members of the organisation?

Closing Questions:

- 12) What would you do differently when planning for and implementing future changes?

Thank you for your participation.

2. Experience of Change Management Questionnaire

Introduction:

The following questionnaire forms part of a current research study being conducted for the fulfilment of requirements for a Masters Degree in Business Administration with UNISA's School of Business Leadership. The researcher, Taryn Haynes-Smart, is investigating the implementation of change within the organisation and the impact thereof on individuals within the organisation. This survey has been designed to obtain feedback from you regarding your experience of change in the organisation. The results of the survey will be analysed and used to support this study into change management and employee commitment.

Privacy:

This survey is being distributed to all employees within the organisation. Responses to this survey will be kept confidential and will be analysed by the researcher for the purpose defined above. As such, a private email box has been set-up for the collection of survey results. Any biographical information requested such as length of employment is required only for clarification purposes and will not be used to identify respondents. Survey results will be reported to the company in general terms providing an overview of how the change process has been experienced. Copies of the survey results will be provided to all respondents.

Should you have any questions or comments, contact details for the researcher are as follows:

Taryn Haynes-Smart

Tel: 021-4176952

Cell: 083-3815410

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Instructions for completion:

This survey consists of 3 sections. Section A relates to your role and position within the organisation and during the implementation of change. Section B & C reflect on your experience of change. Please consider each question or statement in relation to **your** viewpoint surrounding the implementation of organisational changes. Mark the block that best represents your answer with an X, according to the scale indicated. Once you have completed the survey, please send your completed survey to changesurvey@24.com. Please answer all questions as you honestly feel at this point in time. Your responses will be kept in absolute confidence. Your feedback is very important and greatly appreciated!

Section A

Company:

Indicate the types of change/s implemented (mark all that apply)

| | |
|--------------------------|---------------------------------|
| <input type="checkbox"/> | Merger or Acquisition |
| <input type="checkbox"/> | Organisational restructuring |
| <input type="checkbox"/> | Business process re-engineering |
| <input type="checkbox"/> | Other (Please specify): |

Indicate your level/position within the organisation

| | |
|--------------------------|--|
| <input type="checkbox"/> | General Employee (s.a. Administrator, Co-ordinator, Agent) |
| <input type="checkbox"/> | Senior skilled Employee (Do not have any direct reports) |
| <input type="checkbox"/> | Team Leader |
| <input type="checkbox"/> | Middle Management |
| <input type="checkbox"/> | Senior Management |
| <input type="checkbox"/> | Other (Please specify): |

What role do you feel you have played in the implementation of change in the organisation?

| | |
|--------------------------|--|
| <input type="checkbox"/> | Change strategist (Responsible for deciding what and how to change) |
| <input type="checkbox"/> | Change manager (Responsible for implementing the required changes) |
| <input type="checkbox"/> | Change agent (Not responsible for implementing change but in a position to influence its implementation) |
| <input type="checkbox"/> | Change recipient (Impacted by the changes implemented, no input into the process of change) |
| <input type="checkbox"/> | None |
| <input type="checkbox"/> | Other (Please specify): |

Section B

The following statements express how people might feel about the process of change experienced over the last three years. Please consider each statement below in relation to **your** experience of this change within the organisation. Then mark the block that best represents your opinion ranging from strongly disagree to strongly agree with an X, according to the scale indicated.

| | Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|--|-------------------|----------|----------------------------|-------|----------------|
| 1. The changes implemented in the organisation ensured its survival | | | | | |
| 2. A clear, structured plan for change was communicated and implemented | | | | | |
| 3. I did not know what to expect during the process of change | | | | | |
| 4. I am doubtful of whether change has been successful | | | | | |
| 5. The changes have had a significant impact on the way things are done in the organisation | | | | | |
| 6. People have left the organisation as a result of the changes implemented | | | | | |
| 7. The positive outcomes of the change outweigh the negative outcomes of the changes experienced | | | | | |
| 8. There are still changes taking place in the organisation | | | | | |
| 9. A constant environment of change has made it difficult to remain committed to the organisation | | | | | |
| 10. In my experience, when change is proposed it presents a threat to my environment | | | | | |
| 11. I was consulted on the specific changes which impacted me directly which helped me adapt to the changes more readily | | | | | |
| 12. I have an outlet to discuss my concerns and anxieties regarding change | | | | | |
| 13. I have been given an opportunity to acquire new skills through the change process | | | | | |
| 14. I am excited about my future career within the organisation | | | | | |

Section C

The following table contains issues commonly experienced during a process of change. Please consider each issue below in relation to **your** experience of the change within the organisation. Mark the block that best represents your opinion of the related issues ranging from strongly disagree to strongly agree with an X, according to the scale indicated.

| | Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|---|-------------------|----------|----------------------------|-------|----------------|
| 1. Unpleasant, hostile working conditions with increased interpersonal conflict | | | | | |
| 2. Increased levels of stress and frustration | | | | | |
| 3. Uncertainty with regards to job security and stability of the organisation | | | | | |
| 4. Decreased motivation and morale | | | | | |
| 5. Increased resistance to change and new ideas | | | | | |
| 6. Lower job satisfaction | | | | | |
| 7. Increased employee turnover | | | | | |
| 8. Low levels of trust | | | | | |
| 9. Other problems experienced during the implementation of change (Please specify): | | | | | |

Section D

The following table contains a number of mechanisms used to create an environment that is supportive of change. Consider each statement below from your own perspective and rank each one from 1 to 8 according to its relative importance in gaining commitment to change. Place a 1 against the item that you feel is most likely to increase your receptivity to change, a 2 against the next most likely item and so on down to 8 indicating the item least likely to increase your receptivity to change.

| | Rank |
|---|------|
| An understanding of the reasons and content of the proposed changes | |
| A sense of urgency when making and implementing decisions | |
| The presence of strong, positive and consistent leadership | |
| Frequent open and transparent communication and feedback | |
| Access to adequate resources to implement the changes successfully | |
| Access to career and stress counselling | |
| Opportunities to learn and apply new skills | |
| The opportunity to participate in the process of change | |

Other means of support you would like to have seen provided to improve openness to change (Please specify):

Further comments regarding the change process:

Thank you for taking the time to complete this survey. Please remember to send your completed survey to changesurvey@24.com. Your support is greatly appreciated.

3. Raw Data from Questionnaire's 14-Item Scale

| # | Co. | Context Items | | | | | | Content Items | | | | | | Response Items | | | | | Overall |
|----|-----|---------------|----|-----|----|----|----|---------------|----|-----|----|----|----|----------------|----|----|----|----|---------|
| | | 1 | 4 | 5 | 7 | 14 | ST | 2 | 3 | 8 | 10 | 11 | ST | 6 | 9 | 12 | 13 | ST | |
| 1 | A | 1 | 0 | -2 | -1 | -1 | -3 | -2 | -2 | -2 | -2 | -1 | -9 | -2 | -2 | -2 | 1 | -5 | -17 |
| 2 | A | 1 | -2 | -2 | -1 | -1 | -5 | -2 | 0 | -1 | 1 | 1 | -1 | -2 | -2 | 1 | 1 | -2 | -8 |
| 3 | A | 0 | -1 | -1 | -2 | -2 | -6 | -2 | -2 | -1 | -1 | -2 | -8 | -2 | -1 | -2 | -2 | -7 | -21 |
| 4 | B | 2 | 0 | -1 | -1 | -1 | -1 | 0 | 1 | -1 | 1 | 1 | 2 | 1 | 1 | 2 | 0 | 4 | 5 |
| 5 | B | -1 | 0 | 0 | 0 | 0 | -1 | -2 | 0 | -2 | -1 | 1 | -4 | 1 | -1 | 1 | 0 | 1 | -4 |
| 6 | B | -1 | 0 | 0 | 0 | 0 | -1 | 0 | 1 | -1 | -1 | 1 | 0 | 1 | 0 | 2 | 0 | 3 | 2 |
| 7 | B | 1 | 0 | -1 | 0 | 1 | 1 | 0 | 1 | -2 | 1 | 0 | 0 | 1 | 1 | 1 | 1 | 4 | 5 |
| 8 | B | 0 | 1 | -1 | 1 | 1 | 2 | 1 | 1 | -2 | 2 | 1 | 3 | 2 | 2 | 1 | 0 | 5 | 10 |
| 9 | B | 2 | 2 | 2 | -2 | 0 | 4 | 0 | 2 | -2 | 0 | 0 | 0 | 0 | -2 | 1 | 0 | -1 | 3 |
| 10 | B | 2 | 1 | 1 | 0 | 2 | 6 | 2 | -2 | -1 | 2 | 2 | 3 | 2 | 2 | 2 | 2 | 8 | 17 |
| 11 | B | -1 | -1 | -1 | 0 | 0 | -3 | -1 | 0 | -2 | 0 | -1 | -4 | 0 | 0 | 1 | 1 | 2 | -5 |
| 12 | B | 1 | 1 | -1 | 1 | 1 | 3 | 0 | 1 | -1 | 0 | 1 | 1 | 1 | 0 | 1 | 1 | 3 | 7 |
| 13 | B | 1 | 1 | -2 | 0 | 2 | 2 | 2 | 0 | -1 | 1 | 2 | 4 | 1 | 1 | -1 | 1 | 2 | 8 |
| 14 | C | 0 | -1 | -1 | -1 | 1 | -2 | -1 | 1 | -1 | -1 | 0 | -2 | -2 | -1 | 1 | 0 | -2 | -6 |
| 15 | C | -2 | -2 | -2 | 0 | 1 | -5 | -1 | 1 | -1 | -1 | 1 | -1 | -2 | 0 | 0 | 0 | -2 | -8 |
| 16 | C | -1 | -1 | -1 | 2 | 0 | -1 | -1 | 0 | -1 | 1 | -2 | -3 | -2 | -2 | -1 | -2 | -7 | -11 |
| 17 | D | 0 | -1 | -1 | 0 | -2 | -4 | -2 | 0 | -2 | -1 | -2 | -7 | -2 | -1 | -1 | -2 | -6 | -17 |
| | | 5 | -3 | -14 | -4 | 2 | | -9 | 3 | -24 | 1 | 3 | | -4 | -5 | 7 | 2 | | |

Key to 14-Items

1. The changes implemented in the organisation ensured its survival
2. A clear, structured plan for change was communicated and implemented
3. I did not know what to expect during the process of change
4. I am doubtful of whether change has been successful
5. The changes have had a significant impact on the way things are done in the organisation
6. People have left the organisation as a result of the changes implemented
7. The positive outcomes of the change outweigh the negative outcomes of the changes experienced
8. There are still changes taking place in the organisation
9. A constant environment of change has made it difficult to remain committed to the organisation
10. In my experience, when change is proposed it presents a threat to my environment
11. I was consulted on the specific changes which impacted me directly which helped me adapt to the changes more readily
12. I have an outlet to discuss my concerns and anxieties regarding change
13. I have been given an opportunity to acquire new skills through the change process
14. I am excited about my future career within the organisation

4. Specific Problems and Challenges Raised During Interviews

| Company | Problems/Challenges |
|----------|---|
| A | Technical problems, No communication of bigger picture, Disparate management styles, Cultural tensions, Lack of understanding, No common goal/vision, Lack of values/values unaligned, Slow uptake of new systems, Stakeholder conflict, Lack of empathy, No direction, High levels of Insecurity, Insufficient tools to do job, Staff unprepared, Loss of integrity, credibility and trust, High staff turnover, Damaged market competitiveness, Loss of knowledge |
| B | Negative impact on customer, New systems open to abuse, Resistance to change, Lack of understanding of structure and business |
| C | Loss of knowledge, Handovers not done, Uncertainty, Slower decision making, Alignment of processes, Impact of economic crisis on change, Poor communication, Staff resistance |
| D | Communication not maintained, Resistance, Uncertainty |
| E | Lack of resources, Employees revert back to old habits where processes not embedded, Usability of system, Timing, Additional workload, Too much information to absorb, Communicating to multiple sites, Getting the right person with the right attitude to take ownership of projects, Stress during implementation |