

The Changing Environment of a Strategic Alliance and its Impact on  
Employee Motivation and Job Satisfaction

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Graduate School of Business Leadership  
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MASTERS DEGREE IN BUSINESS ADMINISTRATION,  
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by

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## **Declaration of Own Work**

I, Pamela Chetty, declare this research project is my own work. It is submitted in partial fulfilment of the requirements for the Master's degree in Business Administration for the University of South Africa. This report has not been submitted for any degree or examination in any other university.

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PAMELA CHETTY

09 MAY 2011

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## **Executive Summary**

Owing to the increasingly dynamic and volatile business environment, organisations are confronted by new and unforeseen challenges. Responding to these expectations requires significant changes within the company as well as externally. Given the transition, the company's change strategy places specific demands on employees with respect to their definition of their roles, responsibilities and functions in the business.

The focus of this research is on organisational change in a diversified logistics enterprise. The aim is to investigate employees' experiences and perceptions of constant change. A mixed method study was conducted among 23 employees. Data were gathered via semi-structured interviews and a confidential questionnaire.

The purpose of the research is to investigate the impact of constant change on the motivation and satisfaction of employees involved in a strategic alliance environment. The research objectives forming the focus of the study are the following:

- To determine service provider employees' perceptions of the continuous changes taking place in the alliance.
- To investigate service provider employees' perceptions of the role of culture during the change.
- To determine the factors that affected the motivation and job satisfaction of the service provider employees.
- To determine the support service provider employees require for coping with change.

The conclusions highlighted that employees wholly understand the need for the organisation to change; however, employees note that employee involvement, communication and effective leadership were poorly implemented during the change process. Furthermore, the existence of various sub-cultures led to cultural differences that had an impact on the success of the change initiatives. Despite these challenges, the results showed the motivation and job satisfaction levels of

employees were high and employee commitment to the organisation was positive. Employees considered the following as crucial to their support, namely, strong, consistent and inspiring leadership, urgency around decision-making, and honest and frequent communication.

The report is concluded with recommendations to assist the organisation in managing future changes. It is recommended the organisation change its culture to one more conducive to change in the strategic direction of the organisation. It is further recommended future organisational change be preceded by explicit and ongoing communication. It is critical managers be fully equipped to handle change management and able to provide strong, inspiring leadership amidst the uncertainties and insecurities that arise when change is implemented.

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# CHAPTER 1: THE PROBLEM IN CONTEXT, PROBLEM STATEMENT AND OBJECTIVES

## 1.1. Introduction

This chapter will indicate the need for the research and will state the problem statement and research objectives.

## 1.2. The Problem in Context

In a highly competitive business environment, the increasing demand to lower distribution costs and improve the quality of customer service has resulted in a substantial increase in the number of organisations outsourcing their logistics functions to fourth party logistics (4PL) companies (Banerjee & Williams, 2009; Kauser & Shaw, 2004; Inkpen & Ross, 2001). In a 4PL contract, a service provider that does not own the assets to carry out logistics activities outsources these logistics activities to sub-contractors.

A *strategic alliance* is a relationship between two or more independent companies that involves the sharing of resources or capabilities to achieve mutually relevant benefits (Kale & Singh, 2009; Marshall, Nguyen & Bryant, 2005). Establishing these strategic logistics alliances with fourth party service providers provides a differentiating competitive advantage, increases market share, positively influences customer satisfaction and improves organisational performance (Mentzer, Flint & Hult, 2001; Marshall, *et al.*, 2005).

The 4PL service provider in this study is one of the leading logistics and supply chain management businesses in Southern Africa. The company has operations in 38 countries around the world, with approximately 60% of the 18 000 employees based in South Africa (Appels, van Duin & Hamann, 2006); the company offers traditional logistics services such as transportation, warehousing and freight forwarding. The company's stated goal is to provide unique value for its customers through a holistic approach to supply chain management (Appels, *et al.*, 2006).

In July 2007, the local subsidiary of a global fast-moving consumer goods (FMCG) company signed a six-year, R900 million distribution deal with the service provider under study. As a part of the plan to achieve market differentiation and world-class delivery capabilities for the customer, the service provider team was integrated into the heart of the customer's work environment.

Strategic alliances present a paradox for companies. On the one hand, companies create a large number of alliance relationships to increase their competitive advantage and growth; on the other hand, between 30% and 70% of these alliances exhibit high failure rates (Dong & Glaister, 2007; Kale & Singh, 2009; Ulijn, Duijsters, Schaezlein & Remer, 2003). In this research, the typical South African logistics environment is examined to see what significant challenges may exist.

A 4PL relationship is seen as a 'partnership' between the service provider and its customer (Large, 2007). However, the customer strongly influences the relationship by placing specific demands on the service provider and expects the service provider to adapt to its own systems and procedures. The expectation forces the service provider to source new suppliers and invest in new equipment, technology and specific training and development of staff, some of which have no use in other contracts. Thus, a one-sided adaptation of the service provider to the customer instead of a mutual adaptation by both partners is often apparent.

Trust between partners in a strategic alliance plays an important role in ensuring the continuation of the relationship (Das & Teng, 2001; Marshall, *et al.*, 2005). The customer is dependent on the service provider to deliver the logistics value proposition continuously. Therefore, the customer places specific demands on the knowledge and skills of the service provider employees. The expectation is service provider employees are knowledgeable in supply chain and logistics aspects and will offer innovative solutions in logistics, transport, demand management and inventory control.

An alliance can only succeed if an organisation's members communicate freely externally and internally in all directions (Butler, 2010). Therefore, communication is critical to leverage synergy from the customer and service-provider relationship.

Service provider employees are required to be constantly aware of this requirement and are expected to produce quality communication in terms of speed, accuracy, credibility and appropriateness. Interpersonal communication plays a substantial role in the supplier-customer relationship (Butler, 2010); therefore, it is important service provider employees have the ability to collaborate and communicate with people within and outside of the alliance. Most importantly, it is critical the service provider be able to forge the link between 'what gets said' and 'what gets done' in order to improve efficiency, productivity, planning and decision making in the alliance.

The customer's perception of 4PL performance can be regarded as the "perceived performance improvements that the logistics outsourcing relationship has provided the user" (Large, 2007: 127). A 4PL company is required to provide key performance indicators and detailed management reports on a daily basis, as specified by the customer, in order to enable the customer to monitor the service provided.

Researchers have recently argued organisational culture is one of the major causes of the high failure rate of strategic alliances (Dong & Glaister, 2007; Lajara, Lillo & Sempere, 2002; Mehta, Larsen, Rosenbloom & Ganitsky, 2006; Meirovich, 2010). Underpinning the challenges facing alliance managers is the need to find ways of bridging the distinctive cultures each partner brings to the alliance.

Practices and routines are referred to as artefacts of organisational culture in which values and norms are reflected (Meirovich, 2010). The customer exhibits a culture that develops innovativeness, flexibility and creativity, while the service provider focuses on excelling at timely deliveries, accuracy and reliability. Therefore, within the alliance, both partners have different cultural attributes that are often unclear to employees. Without much deliberation, employees follow certain norms of their specific companies in an automatic fashion, claiming, "This is the way things are done around here" (Deal & Kennedy, 2007: 62).

However, commonality in certain cultural values and norms is critical to leverage synergy in the customer and service-provider relationship. Therefore, it is important

the cultural gaps be bridged in a strategic partnership (Dong & Glaister, 2007; Meirovich, 2010) to achieve open communication and a common strategic direction (Meirovich, 2010). This will ensure each party is 'on the same page' in terms of understanding what is expected and how to allocate resources, handle information and ensure the one's actions are interdependent with the other's (Kale & Singh, 2010).

The commitment of employees to organisational values and beliefs, or the corporate culture, is a crucial factor in the success of a company (Manetje & Martins, 2009; Roos & Eeden, n.d.). The manner in which employees are managed has an influential impact on productivity and profitability (Lajara, *et al.*, 2002). South African organisations have limited skills resources, and it is therefore critical for these organisations to strive to develop and retain a "loyal, committed and able workforce" continuously (Roos & Eeden, n.d.: 54).

The typical South African logistics environment is by nature a fast-paced and highly stressful environment due to the number of changes as well as tight deadlines, high work volumes of work and long working hours. Change is continuous at the leadership and operational levels. An intense focus on cost-cutting strategies is apparent, so change is focused on streamlining operations and processes. This creates a growing sense of apprehension among employees because they constantly worry how the next change is going to affect them directly.

Furthermore, the logistics environment is not generally associated with highly progressive careers or highly lucrative salary packages. All of these factors contribute to the difficulty service provider managers have in recruiting suitable people and developing and retaining them, such that they make significant contributions to the profitability and sustainability of strategic alliances.

Given the dynamics of change, organisational culture and human behaviour in strategic alliances, it is important to study the experiences of service provider employees working within alliances.

### **1.3. Problem Review**

The problem in context has uncovered a number of potentially complex issues associated with this study. Providing a snapshot of the strategic alliance facilitates critical reflection about the issues.

#### **1.3.1. Change Management**

Since the inception of the alliance, the service provider workforce has experienced a tumultuous time because it has had to adapt to various system changes, different leadership styles and new systems and procedures continuously. Most often, these changes have been made upon the request of the customer. This is exacerbated further because the service provider operates in the same environment as the customer. Generally, anxiety levels are high among the service provider employees, and employees feel unprepared for what to expect next.

Both the management of the customer and service provider have control over the alliance. The approach and operation of each organisation are very different, yet the strategic objectives are the same. This dual management is complicated by a lack of consistency at senior management levels in both companies. Changes are implemented at the top levels with little or no involvement of employees. Important communications are conveyed predominantly by mass electronic mails as opposed to the face-to-face communication to which the service provider was accustomed previously. As such, employees feel ambushed by the changes and do not necessarily understand the reasons for the changes.

#### **1.3.2. Employee Motivation**

The service provider managers are under constant pressure to meet rapidly increasing customer expectations. Managers have to meet the expectations, and according to conventional wisdom, they make use of their most readily and available asset: employees. Employees are expected to work beyond the normal scope of their responsibilities and very often are forced to demonstrate a combination of analytical, problem-solving and decision-making skills that do not fall within the key competencies of their functions. It appears an element of mistrust between

management and service provider employees exists. The mistrust may stem from the perception management is not fulfilling expectations created at the onset of the alliance.

One can argue that the unprecedented demands of being expected to fulfil roles beyond their responsibilities have a detrimental impact on employees. Evidence to support the view that certain aspects of the employees' wellbeing is not being attended to is demonstrated with a variety of negative consequences, such as increased absenteeism, the exodus of staff, increased errors, not meeting customer deadlines and an overall poor quality of work.

The service provider environment has become an unattractive place to work, and the company finds retention of the best people difficult to achieve. Ultimately, employee dissatisfaction will have an adverse financial impact on the 4PL business.

### 1.3.3. Employee Job Satisfaction

The logistics service provider performs a very comprehensive and integrated role with its customer. It is expected of employees to deal with unrealistic workloads, short lunch breaks and irregular working hours that interfere with their family responsibilities and personal time.

A *psychological contract* is defined as “the employees’ beliefs concerning mutual obligations, between the employee and the organisation” (Open University, 2005: 100). It is argued when an organisation does not fulfil its obligations to the psychological contract, employees may experience a breach of contract. Employees will change their behaviours by not exerting extra effort and commitment in their jobs, which negatively affects organisational effectiveness, which in turn, influences the success of the organisation.

Employees’ low work performance, poor customer service, and slower resolution of queries are all evidence to suggest employee commitment levels have declined. Further evidence to suggest employee commitment levels have declined is seen in employees’ reluctance to participate in team-building sessions and involvement in various employee committees dealing with employment equity, diversity and



employee wellbeing. It is believed employees decline involvement because they feel the organisation does not value and support their participation.

This poses a huge challenge to the service provider in the long term. The company will be unable to allocate resources effectively and improve the ability of employees and managers to work together to achieve excellent service quality. Furthermore, dissatisfied employees will result in productivity decreasing. Conceivably, lack of employee satisfaction will result in a low organisational effectiveness for the 4PL and jeopardize its ability to gain a competitive advantage over its competition. Therefore, a high risk of losing the customer is inevitable.

#### 1.3.4. Organisational Culture

Since 2007, the formation of the logistics alliance has resulted in a distinct 'us and them' scenario. Having to cope with two different organisational cultures creates a great deal of instability within the 4PL's workforce. The service provider employees are confused about which culture to follow. They still cling onto their own corporate culture but find decisions and practices appear to conform strongly to the customer's culture and ways of working. Initially, the service provider employees had to establish a viable relationship with the customer workforce as well as adapt to the customer's management style, which was different to that which they were previously accustomed. Because of the mixed culture and differing practices in the alliance, the service provider employees are also uncertain of what to expect and, in turn, unsure of what is expected by the customer.

The divergent expectations between these two partners stem from their differences in systems and procedures, strategic objectives, interpretations and perceptions, and cultures. Because the business environment undergoes rapid change, the companies also need to be flexible to adapt to the problems related to the uncertainties associated with change. Therefore, the challenge confronting management is finding ways to manage the culture differences in a relatively smooth way in order to achieve inter-organisational coordination and co-operation. The continuous turnover of employees in senior and lower levels has also increased the perceived instability.

In the event managers are unable to manage cultural contradictions effectively, it is highly likely the strategic alliance will not have the capacity to achieve efficiencies and effectiveness in its activities. This sends out a warning signal to management that simultaneous and continuous strategic thinking must be applied or else the strategic objectives of the alliance will eventually fail to materialise.

Furthermore, employees will naturally resist a change in culture, especially if the organisational values and beliefs are not congruent with their personal values and beliefs. Incongruence between organisational and personal values and beliefs could lead to a lower employment commitment to the organisation and to the alliance. Eventually, the incongruence could be detrimental to the growth of the alliance because the partnership relies on employees from both parties to be committed to achieve the benefits of the strategy. Lack of commitment to the strategy will lead to instability of the environment, which signals a potential risk to the future success of the alliance. Formulating and implementing strategies to overcome employees' resistance to change poses yet another major challenge to managers.

#### 1.3.5. Strategic Alliances

The 4PL's role is critical to the alliance; therefore it is important for 4PL managers to keep the promises made in order to build strong reliance within the relationship. The 4PL is the leader in shaping the relationship with the customer. This can only be achieved through open and honest communication, consistent information sharing and proactive decision making on problems. It can be argued the customer will show a breakdown in trust in the service provider should the key communication criteria not be met.

Apart from the potential impact on the organisation, the ability of the service provider to provide unique competitive advantages in an alliance relationship also has economic implications on both a national and increasingly, an international level. On the national front, the logistics industry is a rapidly growing and highly competitive industry on which other industries rely for strategic and operational excellence. Internationally, an increasing demand in the number of South African logistics companies that enter into alliances with other international organisations exists. The

manner in which logistics providers manage their portfolios of alliances has a powerful impact on both profitability and the opportunities to acquire new, flourishing contracts.

#### **1.4. Problem Statement**

A snapshot of the organisation considered in this study shows that several problems have arisen since the inception of the logistics alliance in 2007, and the problems pose a real risk to the success of the alliance. The exact impact of the continuous change and the different organisational cultures on the service provider employees has not often been measured. The behaviour of the service provider employees in the introductory phase suggests levels of motivation and job satisfaction have declined over time. While models of strategic management propose methods for managing organisational culture, the models still need to be contextualised according to the particular circumstances in which they are implemented and be appropriately applied to the organisation for the strategic alliance to be successful.

#### **1.5. Research Statement**

Change management problems have an impact on the motivation and job satisfaction of employees.

##### **1.5.1. Research Objectives**

The specific objectives of this research are the following:

- To determine service provider employees' perceptions of the continuous changes taking place in the alliance.
- To investigate service provider employees' perceptions of the role of culture during the change.
- To determine the factors that affected the motivation and job satisfaction of the service provider employees.
- To determine the support service provider employees require for coping with change.

## **1.6. Importance of the Research**

The success of the strategic alliance between a service provider and its customer ultimately depends on the relationship between the two companies. This study provides the opportunity to review and reflect on the management of a particular strategic alliance. The findings arising from this study may benefit the participating organisation by providing an assessment of the impact of change and culture on the motivation and satisfaction of its employees. By identifying the problems experienced, the study may provide the organisation with opportunities to improve its view of alliance management. Without this knowledge and insight, the organisation may underestimate the impact of the problems experienced on employees in the alliance. As such, management may not be able to provide suitable channels to address the issues associated with strategic alliances and thereby create an unattractive work environment.

It is expected the organisation will engage with new opportunities in strategic partnering in the future. It is envisaged the findings of this research will serve to assist management to improve the quality of decision making around issues that ultimately affect the success of a strategic alliance.

## **1.7. Assumptions and Delimitations**

### **1.7.1. Assumptions**

According to the University of Tennessee (2011), research is built upon assumptions because not everything required to move forward is known. "One must assume something to learn something. The more assumptions or the stronger assumptions one makes, the more one ensures that the analysis will yield clear-cut and interpretable results; at the same time, the researcher, more than the empirical observations or records, is determining these results."

Like all research, therefore, this research is limited with respect to what can be tested, and some variables identified in the course of analysis may not be

measurable or only measured in later research. Bearing this in mind, the following are the assumptions of this study:

- The sample represents the population.
- The measuring devices have validity and measure the desired constructs.
- All research participants will answer the survey honestly and fairly.

#### 1.7.2. Delimitations

The research conducted took place within an organisation that was involved in an alliance initiative. In the study, the issues that arose during the implementation of the strategic alliance as well as the service provider employees' perspectives are considered in order to gain a better understanding of how the implementation of an alliance can be improved in the future.

It was not the intention to study the alliance in its entirety. This study will be focused specifically on how continuous change and the difference in the organisational culture relates to the motivation and satisfaction of the service provider employees.

### **1.8. Outline of the Research Report**

The overview of the report is as follows:

- In Chapter 1, an outline of what the research entails was provided and the problem statement, the research objectives and the purpose of the study clarified.
- In Chapter 2, a critical review of the appropriate models and theories having a significant bearing on the research problem are presented.
- In Chapter 3, relevant studies pertaining to the research problem are critically analyzed and evaluated.
- In Chapter 4, the research design and methodology to be used to conduct the field research are outlined.
- In Chapter 5, the results stemming from the field research are presented and discussed.

- In Chapter 6, the outcome of the research is compared with the literature reviewed in Chapter 3 and discussed in order to formulate appropriate conclusions and recommendations.

### **1.9. Summary**

Understanding the impact of problems experienced in a strategic alliance may provide an opportunity for senior management to address the burning issues of demotivation and job dissatisfaction experienced in the organisation under study. This understanding may enable the organisations involved to strengthen their relationships with their employees. In this chapter, the problem in context revealed a number of potential complexities relevant to this research. Reviewing the problem constitutes a start to unravelling the relevant issues. In the next chapter, the management theories forming the foundation for this study are discussed.

## CHAPTER 2: THEORETICAL CONSIDERATIONS

### 2.1. Introduction

In this chapter, the theoretical frameworks inherent in business management models and theories will be reviewed critically in order to unravel the underlying complexity of the research problems and themes identified. An attempt will be made to establish a business case for this study. The aim is to lay bare some of the pertinent issues that informed construction of the questionnaire used to gather information to answer the study's objectives.

### 2.2. Different Perspectives of Change Management

The business environment in South Africa is in a state of constant change, and how companies are organized to meet change is fundamental to their strategies and performance. Coping with change at work has become a norm for employees in contemporary society. Different groups with different values within an organisation perceive change differently, which affects the way people respond and handle change. The four frames model and associated metaphors developed by Bolman and Deal (2007: 85) and Morgan (2007: 85) offer four different 'frames' through which employees experience and interpret change initiatives and outcomes. Figure 1 outlines the four frames and the metaphors closely linked to each frame.

<b>Structural frame</b> goals, strategy, technology, rationality, environment, rules, roles, linkages <i>Machine metaphor</i>	<b>Human resources frame</b> Needs, skills, feelings, motivation, satisfaction, communication <i>Organism, Brain metaphor</i>
<b>Political Frame</b> Power, resources, conflict, politics, bargaining, negotiation, influence <i>Political system metaphor</i>	<b>Symbolic frame</b> Symbols, culture, stories, myth, unwritten rules, play, ritual <i>Culture metaphor</i>

Source: Open University (2007: 86)

**Figure 1: Metaphors and differing perspectives of change.**

The implementation of change in the symbolic frame and the culture metaphor is implied in the way management adopts an unquestioned ruling position without taking into consideration the attitudes and values of the employees involved. Without considering employees, it is difficult for management to win support from employees in the lower echelons of the organisation. Employees become more or less resistant to the change because of what they stand to lose or gain from the change.

With the political system metaphor, a high degree of integration and commitment to the change is unsuccessful. Poor formal communication fails to gain employees' interest in the change, and most of the information gathered by employees is based on informal communication networks or corridor gossip, which further increases resistance to change and employees' fears of the unknown.

### **2.3. Implementing Changes**

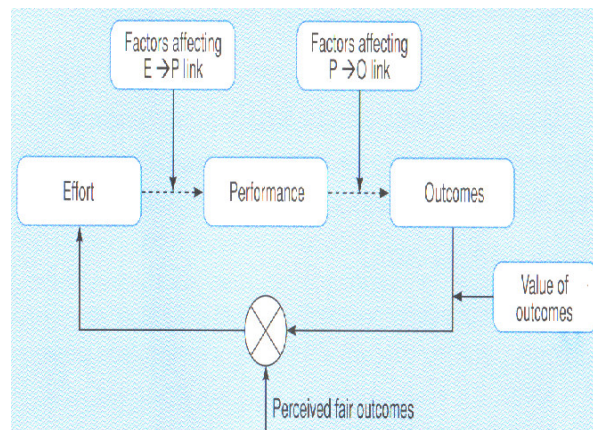
According to Thurley and Wirdenius (2007: 129), five strategic options exist, namely, directive, expert, negotiating, normative and participative strategies. The strategic options may make use of a fast (directive and expert strategy) or slow (participative and normative strategy) pace or use a measure in between (negotiation strategy). The organisation under study adopts a fast, directive strategy whereby management takes full and direct control for implementing change. The fast, directive strategy approach involves no or little involvement of others or consideration of others' opinions or suggestions.

One shortcoming of the approach is management assumes all employees share the same beliefs and values. This is not the case because each employee faces different uncertainties with the fast pace of the changes taking place. In addition, the customer organisation's culture, which conflicts with that of the organisation under study, makes it more difficult for the employees to identify with the changing work environment and adapt to new sets of systems and procedures. The difficulties prove to be overwhelming for employees, and employees feeling overwhelmed, in turn, poses challenges to management. The above discussion suggests the problems experienced in the alliance may be due to the way change is managed.



## 2.4. Employee Motivation

The issue of employee demotivation and the consequences thereof were identified and discussed in Chapter 1. Vroom (2007: 135) proposes expectancy theory, as depicted in Figure 2. Expectancy theory is focused on the links between efforts, rewards and performance achievement.



Source: Open University (2007: 137)

**Figure 2: The link between performance, effort and rewards.**

In the expectancy model, three distinct factors need to be taken into consideration in order to understand motivation at the workplace:

- *The link between effort and performance* – Low effort and poor performance will lead to punishment, while extra effort and high performance will lead to rewards. In the organisation under study, this link has a weak and negative value because employees believe no matter how hard they work to produce excellent results, management still does not value their alternative viewpoints. Employees believe the rewards they receive are superficial and exist merely as a 'tick the box exercise' for management. Communication from senior management is perceived to be insufficient for employees to be fully informed about the bigger picture of what goes on in the organisation.
- *The link between performance and rewards/costs* – The model states organisational rewards need to be compatible with employees' expectations.

Management needs to focus on influencing intrinsic rewards (2007: 139) by giving praise and recognition and showing appreciation. In addition, extrinsic rewards (2007:139), in the form of pay and promotion, must be awarded fairly for exceptional performance. Currently, employees show little interest in the reward programmes because they perceive management to be unsupportive. They produce at the required performance standards and are not willing to go the extra mile to earn either intrinsic or extrinsic rewards. High levels of frustration are often present and employees perceive management as unappreciative of their efforts.

- *The value of the different rewards/costs available* – The loyalty the service provider employees previously had to the organisation no longer exists. High numbers of changes generally bring about changes in procedures, processes and systems. Employees believe no consistency exists in what is expected from them. The constant change brings about confusion in employees with respect to their roles and responsibilities, which is a contributing factor to interpersonal conflicts between management and staff. The declining levels of motivation present significant challenges to management.

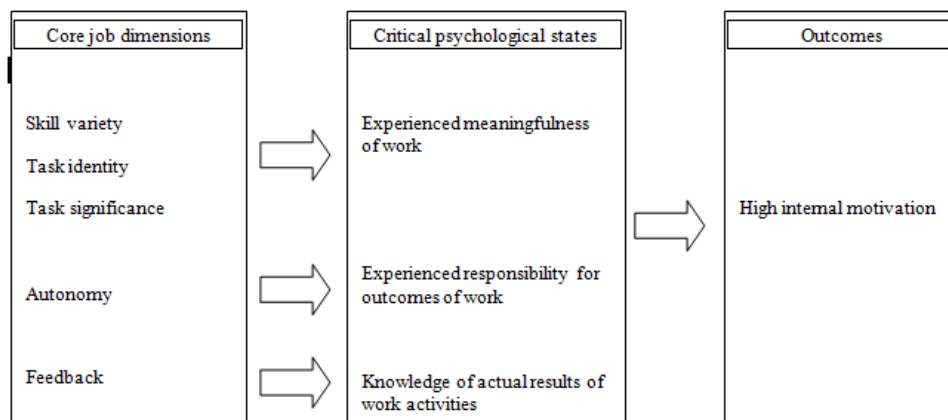
The expectancy model implies managers in the organisation under study need to understand the process of how to motivate individuals and how employees make choices based on performance, reward and effort.

According to Maslow (1954), physical and psychological needs are organised in a hierarchy. Maslow's hierarchy of needs is arranged into five levels ranging from lower to higher order needs. Physiological needs are the lowest needs and include food, shelter, air and water as physical essentials for survival. Safety needs fall into the second level and comprise the needs for freedom and security. The third level consists of social and love needs, indicating the individual's need for friendship, love and affection. Self-esteem and esteem for others fall into the fourth level. Self-actualisation is the highest order of needs and refers to an individual's ability to fulfil his/her personal goals by maximising his/her abilities, skills and potential. Maslow (1954) states an individual will not move to a higher level of need until the more basic need is satisfied. The implication is unfulfilled needs are demotivating.

Maslow's (1954) theory assists managers in understanding what an employee's needs are at work. Currently, the organisation assumes factors motivating one employee will motivate all employees. The application of Maslow's theory to the organisation would serve to ensure managers' awareness that each individual's needs are unique and that each individual is inspired and energised by different factors.

## 2.5. Employee Job Satisfaction

To exploit understanding of motivation in the workplace further, employees' attitudes and behaviours resulting from the job design will be analysed. Job design deals with how tasks are combined into jobs, and how tasks may be reorganised in order for the job to meet both the employees and organisation's needs (Open University, 2007: 143). Hackman and Oldham's job characteristics model (2007: 145), depicted in Figure 3, will be used to explore the relationship between core job characteristics and employees' psychological states in the organisation under study.



Source: Open University (2007: 145)

**Figure 3: The relationship between core job characteristics and employees' psychological states.**

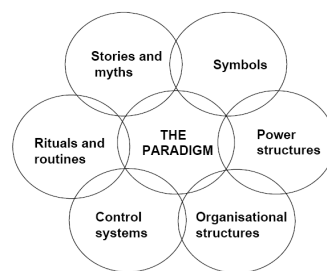
The job characteristics model explicitly shows the core job dimensions contributing to the psychological state of the individual employee affecting motivation. In the model, it is proposed employee motivation is determined by three fundamental

psychological states. First, the employee must feel personal responsibility for the outcomes of the job. Second, the job must be experienced as meaningful so that the employee feels that his/her contribution has a significant impact on achieving the overall objectives of the organisation. Last, the employee must be made aware of the significant role he/she has in contributing to the overall effectiveness of the organisation.

In the organisation under study, the link between core job dimensions and the psychological states of employees is weak. Because of constant change in the alliance, quick fixes to job functions have been made to ensure the smooth running of operations. The change has not been communicated formally to employees, and if formally communicated, the chances of the jobs changing again in the near future are high. Employees' frustration levels are high because management does not have a consultative approach when making key changes to employees' job functions. Employees are becoming disillusioned with numerous changes; the lack of support from managers further lowers employees' morale and commitment to the organisation.

## 2.6. Organisational Culture

The cultural web (2006: 81) is an appropriate model to use to understand the underlying complexity of organisational culture further (see Figure 4).



Source: Open University (2006: 81)

**Figure 4: Culture.**

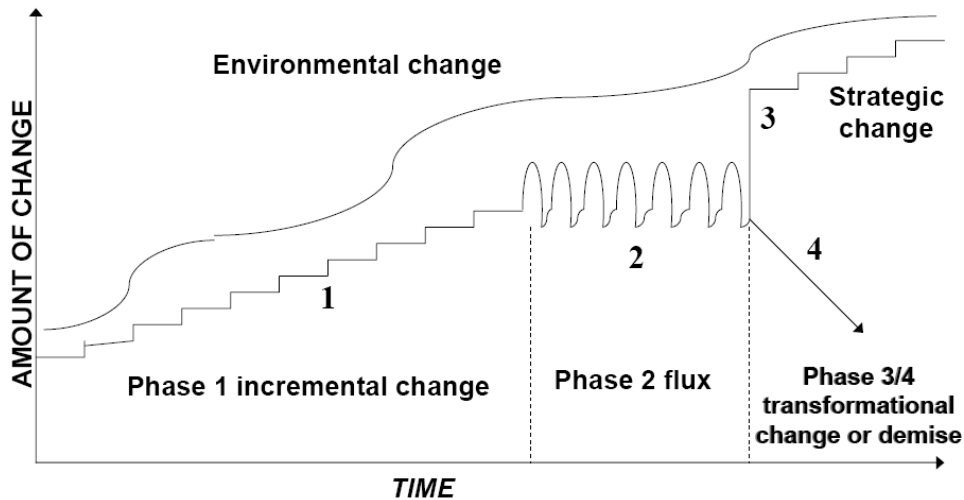
In the cultural web model, the emphasis is that employees have a set of specific taken-for-granted values, beliefs and assumptions relevant to the organisation in

which they work. The paradigm prescribes how employees interpret the complexities faced by the organisation; the routine ways in which employees interact with each other; the rituals associated with the rules of “the way we do things around here” (Deal & Kennedy, 2007: 62); and the control systems, logos, historical stories and titles representing the organisation.

It can be argued the service provider and customer under study are faced with a paradigm shift challenge. The differences in paradigms create a cultural constraint between the customer and the service provider when customer and service provider are based in the same environment. Management thinking in each organisation is shaped by the bounds of its own organisation’s paradigms. Therefore, even though managers perceive cultural conflicts going on within the alliance, they resist questioning behaviours and attitudes and ignore the need to make significant changes in their companies. The conflicts that arise due to the differences in management styles eventually filters down to the lower levels of the organisation, which proves challenging for the service provider employees who lack the ability to tolerate uncertainties and ambiguities evident.

The problem of differences of culture may be viewed as part of a wider set of problems associated with managing the alliance between two strategically different organisations. A major disadvantage to the service provider is the management systems and organisational capabilities required for logistics distribution are very different from those required by the customer for the manufacturing of goods. Dissimilar strategies are apparent between the service provider and the customer with respect to planning, control, people management and leadership. These differing strategies lead to differing perspectives and decisions on how the alliance should operate. The greatest problem arising between these two companies is no common culture has developed. Each company is intolerant of the other, and disagreements have arisen over how the companies should operate. Neither strategic partner is fully cognisant of the other’s role in the alliance; therefore, neither partner has a coherent view of the strategic intent for forming the alliance.

As the service provider battles with the issues of integration and the challenge of a paradigm shift, it is subjected to the high risk of what Johnson (2006: 79) calls 'strategic drift', as depicted in Figure 5.



Source: Open University (2006: 79)

**Figure 5: Strategic drift in change.**

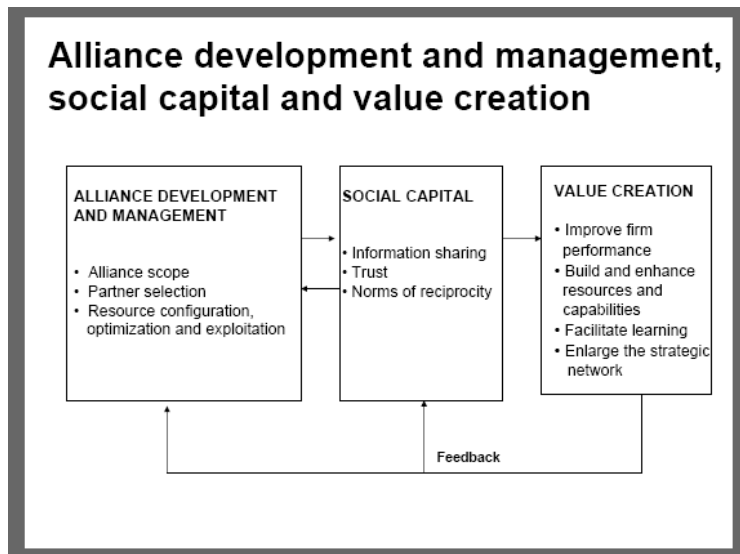
The rate of internal change in the service provider has been too slow to respond to the external changes, which implies the strategy of the service provider has gradually become less and less relevant to the environment in which it operates. Subsequently, the service provider has found itself at Phase 3. This means the organisation is no longer relevant and able to meet the changing and unique demands of the customer.

Therefore, in reality, a radical change is demanded at this stage. Failure to make a radical change will result in the drift becoming so significant that it will result in the decline of the organisation.

## 2.7. Strategic Alliance Management

Hitt, Ireland and Santoro (cited in *Strategy Reader*, 2004: 357) provide a model (see Figure 6) depicting the development and management of strategic alliances, which

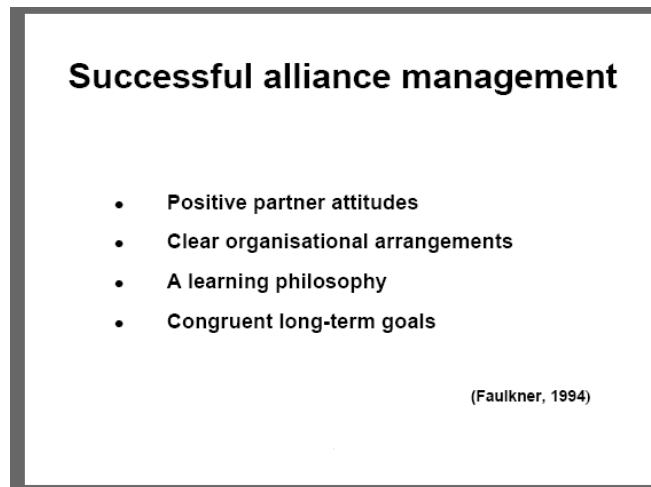
requires critical managerial capability in order for the alliance to provide value creation.



Source: Hitt, Ireland and Santoro (2004: 357)

**Figure 6: Alliance management.**

On further reflection, Faulkner (2007: 93), provides four factors, depicted in Figure 7 below, which play a key role in the successful management of alliances.



Source: Open University (2007: 93)

**Figure 7: Successful alliance management.**

Both the models above explicitly state specific demands are placed upon managers in a strategic alliance, and the success or failure of the alliance lies more in its management than the circumstances of the initial creation.

The philosophy behind Faulkner's model suggests that for the strategic alliance to be successful, it is crucial for the partners to adopt the four concepts of the model. It is apparent the partners in the alliance under study have not thoroughly considered the components of Faulkner's model of successful alliance management, a feature evident in elements such as lack of employee commitment, partner integration and customer management, all of which pose huge management challenges.

Because managers of the service provider and customer come from different corporate cultures, they have difficulty understanding or approving their partner's ways of working. Further reflection reveals managers from both companies were exposed to hierarchically structured firms previously and unaccustomed to working in a co-operative environment.

The frustrations of working together are considerable for both the service provider and customer. First, the strategic intent of forming the alliance appears not to have been communicated clearly to all employees. Because this task was not executed well, it is difficult for employees to work together. Certain individuals feel restricted in making decisions and are unwilling to compromise and work towards the interests of the alliance. Some individuals feel worse off in the alliance when compared to the former structure. One major problem exists: employees of each partner believe their way of working is the best way, an attitude that prevents organisational learning between the two companies.

## **2.8. Summary**

Chapter 2, through the application of business models and theories, analyzed the underlying complexity of the issues requiring research. Issues pertaining to change and alliance management, organisational culture, employee motivation and job satisfaction were identified.



## **CHAPTER 3: LITERATURE REVIEW**

### **3.1. Introduction**

Leedy and Ormrod (2005: 64) state the importance of the literature review is to describe theoretical perspectives and previous research findings, and to provide information about similar, relevant research. In Chapter 2, the underlying complexity of the research issues as well as the business case for this study were established. In this chapter, the underlying complexity of these issues is further explored by providing a critical review of relevant literature. The purpose of reviewing the literature is to reveal further issues relevant to developing a valid and reliable questionnaire and establishing an academic case for this study.

### **3.2. Organisational Culture**

Martins and Martins (2003: 380) define organisational culture as “a system of shared meaning held by members, distinguishing the organisation from other organisations”. Similarly, Schermerhorn, Hunt and Osborn (2008: 364) describe organisational culture as a “system of shared actions, values and beliefs that develops within an organisation and guides the behaviour of its members”. Lee and Yu (2004: 340) characterise culture as “something to do with the people and unique quality and style of the organisation”. The definitions suggest organisational culture distinguishes one organisation from another and exerts an influence on employees. Roos and Eeden (n.d.) state corporate culture not only has an impact on employees’ behaviour but also on the way employees think and feel about a company. Both Glission and James (2002) and Manetje and Martins (2009) state the culture of an organisation describes the experiences of employees and provides explanations about how organisations influence attitudes, behaviour and the well-being of individuals.

La Grange and Geldenhuys (2008) argue when organisations embark on implementing changes in their strategies or adapt to changing circumstances, it is critical they also implement corresponding changes in organisational culture. According to Manetje and Martins (2009), the major implication of constant change in the business world is the changes also affect other aspects of the functioning of the

organisation, such as organisational culture and organisational commitment. Similarly, Pool (2000) maintains organisational culture plays a significant role in organisational change. Weeks (2010) argues organisations are experiencing increasing difficulty with realigning their management responses to continuous change, implying strategies are likely to fail (La Grange & Geldenhuys, 2008) or re-engineering efforts will be defeated before they even begin (Detert, Schroeder & Mauriel, 2000).

Given the importance of culture to any organisation and the uniqueness of each culture, it can be argued that if an organisation cannot strongly define and effectively manage its own culture, creating alliances with a strategic partner will result in even more challenges. Munck (2001) states changing an organisation's culture is one of the most fundamental challenges facing an organisation because people's natural inclination is to hold onto whatever feels familiar, even when confronted with better options.

Previous research on strategic alliances has focused on financial performance (Kauser & Shaw, 2004), internal and lateral communication (Butler, 2010; Lloyd & Varey, 2003) and trust and knowledge sharing (Hult, Ketchen & Arrfelt, 2007; Marshall, *et al.*, 2005). However, neither financial nor strategic perspectives provide plausible explanations for the 30% to 70% failure rate of alliances (Kale & Singh, 2009). More recently, researchers such as Das and Kumar (2010), Dong and Glaister (2007), Meirovich (2010) and Mehta, *et al.* (2005) have voiced the opinion that cultural differences between organisations play an important role in strategic alliances. A consensus exists amongst researchers that a cultural fit between organisations in a strategic partnership should exist in order for the relationship to succeed.

In their article, Das and Kumar (2010) explicitly state cultural differences in alliances are reflected in differences in organisational routines or standard operating procedures, and the differences create problems of appropriation and coordination in alliances. Their analysis recognises alliance managers who have been exposed to different cultures are more than likely to interpret and respond to their partner's

behaviour in conflicting ways. The authors developed the interpartner sensemaking framework to understand the impact of cultural differences and internal tensions on the dynamics of strategic alliances. The framework proposes internal tensions are inevitable in strategic alliances. However, how these internal tensions present in an alliance are interpreted and acted upon by the alliance partners is what eventually shapes the dynamics of an alliance. Das and Kumar (2010) argue that if the conflicting tensions between partners are not appropriately managed, the tensions may lead to the emergence of “behavioural and structural contradictions” (Das & Kumar, 2010: 22), making it difficult for the alliance to achieve the desired outcomes.

A study of US export strategic alliances by Mehta, *et al.* (2005) found each partners’ perceptions of trust, commitment and co-operation need to be congruent in order for the alliance to succeed. The study confirmed when cultures are substantively different, trust, commitment and co-operation amongst strategic partners are more difficult to achieve. The findings indicate the greater the cultural differences between export alliance partners, the lower the levels of trust, commitment and co-operation. Partners in alliances where levels of trust, commitment and co-operation are low may find themselves in a dilemma because the alliance can be undermined if the cultural differences are significant enough to affect the communication process between strategic partners (Mehta, *et al.* 2005).

Ulijn, *et al.* (2003) conducted a study about the cultural fit in strategic alliances between Dutch and German companies and found the larger the cultural differences between partners, the more negative the impact on the financial performance of the alliance. Dong and Glaister (2007) studied the perceptions of Chinese partners in strategic alliances and reported Chinese managers perceived cultural differences and the effect thereof to be the contributing factor to the different views between Chinese and foreign managers about how the alliance should be managed. Dong and Glaister (2007) argue the challenge facing managers is to discover ways to bridge the cultural differences between partners if successful performance is to be attained.

Rashid, Sambasivan and Rahman (2004) argue the change process in each organisation is unique due to the differences in the nature of the business, work culture and values, leadership style and the attitude and behaviour of employees. They further state for some employees change may be a pleasant experience, while for others the change may bring “pain, stress and disadvantages” (Rashid, *et al.*, 2004). Rashid, *et al.* (2004) state an individual’s resistance to change may result from a “substantive change in job, psychological threats, reduction in economic security and lowering of status”. Rashid, *et al.* (2004) believe organisational culture has an influence on attitudes and behaviour toward organisational change. They further postulate certain types of culture may facilitate the change process while other types of culture may not. A corporate culture framework comprising of four main types of corporate cultures, namely, “the communal culture, fragmented culture, networked culture and mercenary culture” (Rashid, *et al.*, 2004: 167) was developed. In this framework, culture is the way people relate to each other. Each culture was further categorised into two dimensions, that is, sociability and solidarity. Sociability refers to the “friendliness in relationships between employees in an organisation” and solidarity refers to the “ability of employees to follow shared goals effectively and efficiently for the good of the organisation” (Rashid, *et al.*, 2004: 164). The communal culture is associated with high sociability and high solidarity where people pursue common goals and are strongly united. The fragmented culture is dysfunctional with low sociability and low solidarity making an organisation ungovernable. A networked culture has low solidarity and high sociability where employees see each other as friends in the organisation. Mercenary cultures have low sociability and high solidarity and are focused on strategy and winning in the business environment.

Rashid, *et al.* (2004) hypothesize there is an association between these organisation cultures and three types of attitudes towards organisational change, namely, “cognitive, affective and behavioral” (Rashid, *et al.*, 2004: 167). These authors explain the components of these attitudes as follows:

- The cognitive attitude consists of the information a person has about a person or object which is based on what the person believes is true.

- The affective attitude involves a person's evaluation and emotion of an object and is often expressed as 'like' or 'dislike' for the object.
- The behavioural attitude concerns the way a person intends to behave toward an object.

The findings of their study led the authors to conclude there is an association between organisational culture and the "affective, cognitive, and behavioural" (Rashid, *et al.*, 2004: 167) tendency of attitudes toward organisational change. The results showed organisations with a mercenary culture showed strongly positive attitudes toward change while organisations with communal, fragmented and networked cultures had lower levels of acceptance toward change. Rashid, *et al.*'s (2004) study have implications to managers on the need to find an appropriate organisational culture, consistent with the attitude toward organisational change to effectively and efficiently achieve the desired goals and objectives. The results also showed if organisational culture promotes strong dedication to the organisation's objectives, quick response to change and high focus on excellent performance, people become more receptive to change.

Sopow (2006) argue the main reason for the failure of corporate change is often linked to the misunderstanding of the distinct yet interrelated roles of culture and climate within the organisation. Organisational culture with "its deep roots in a well-defined past and its sense of predictability based on lessons learned" give employees a "sense of empowerment, knowledge and a sense of safety and security" (Sopow, 2006: 21). On the other hand, organisational culture where the interests of employees, customers and investors are second to other business and management interests leads to a climate of fear that engenders a "toxic workplace environment" (Sopow, 2006: 21). When management announces "change the culture", Sopow (2006) states employees immediately perceive it to mean the ousting of the strongly entrenched anchors of security found in the culture. In fact, what management actually means is create a new and positive mindset that focuses on better performance and an improved way of operating. Sopow (2006) advises when making the necessary changes, there must be an awareness of those cultural

factors having a positive and negative impact on the organisation. He provides two examples. If employee rights and values are not respected and trust levels are low then there is a strong possibility employees won't make independent decisions and openly share information. On the other hand, where the corporate culture contributes to a sense of trust and security employees feel safe to express their ideas and take clear accountability for their actions.

Sopow (2006) developed and administered the Organisational Environment Index to a Canadian police workforce undergoing a change process. The results of the survey showed the organisational culture did not encourage teamwork between different work units, effective communication from managers to employees and lacked a system of recognition for exemplary work. Thus, change was difficult to implement and employee resistance to change was high. His findings showed for change initiatives to succeed, the organisation's mindset needs to be reframed through implementing holistic and networked systems. Organisations must break away from the "mechanistic, command-and-control structures associated with old-style hereditary factors of corporate culture" (Sopow, 2006: 23). The findings conclude employee adaptability and innovativeness toward organisational change can be achieved through "enhanced communication, connectivity and cooperation" (Sopow, 2006: 23).

Pennington (2003) provides seven undesirable characteristics that indicate an organisation's culture is in trouble:

- High turnover and low morale. High performing employees decide to pursue alternate opportunities whilst the employees that decide to remain with the organisation become demoralised and lethargic in the performance of their duties.
- Lack of consistency. Consistency is a feature of a culture of excellence.
- Lack of focus on the external environment. Cultures in distress focus internally only and do not have a consistent focus on customers and competitors.

- Short-term thinking. A lack of long term vision limits the organisation's ability to grow.
- Rise of subcultures. Organisational silos breaks down teams and are difficult to penetrate.
- Undermining the success of others. Disagreements generally turn into personal vendettas and employees purposely withhold information.
- Increased cynicism. Change, whether good or bad, is approached with cynicism and employees assume the worst possible outcomes.

Pennington (2003) asserts changing performance is the critical component in any culture change initiative and offers the following five practical strategies to change an organisation's culture:

- Create a business-related sense of urgency.
- Focus on performance, set explicit goals, and measure these goals.
- Change systems, structures and provide employees with training.
- Make change a way of life to take advantage of future opportunities and challenges.
- Employees support what they help create therefore their involvement in tactical decisions is critical.

### **3.3. Perceptions and Experiences of Change Management**

In order for an organisation to adapt to its external and internal environment, it must undergo change. However, how individuals respond to change can be very complex (Randall & Procter, 2008) and have a significant impact on the success of change efforts (Del Val & Fuentes, 2003; Jones, Watson, Hobman, Bordia & Callan, 2008; Kooor-Misra, 2009; Randall & Procter, 2009).

Del Val and Fuentes (2003) conducted an empirical research to test if resistance to change is higher in strategic change (radical) as compared to evolutionary change (incremental) and found the more radical and transformational the change is, the more powerful the resistance to change is apparent. The findings led the authors to conclude the four most important sources of resistance to general change can be ranked as follows:

- the existence of deeply rooted values
- lack of the capabilities required to implement the change
- departmental politics
- associated costs.

These are the most significant issues of which managers involved in a change process should be aware of (Del Val & Fuentes, 2003).

Diefenbach (2007: 136) states human beings do not change easily and would only want to change when the 'pull-and-push-forces' are so strong they see no other alternative than to change. He further states employees are quite sensitive about how change is introduced and communicated and if their views are taken into account. Diefenbach found employees were not against change per se, but they were against how change was managed. Diefenbach (2007) reported on a change introduced in which employees were requested to 'adopt or go' (Diefenbach, 2007: 13); management's attitude put employees in a permanent state of fear and anxiety about losing their jobs and resulted in a blame game between managers and employees. Advocates of the change were blamed for using change as a tool to gain power on a personal level and further their careers. Employees were blamed for being apathetic, clinging to outdated beliefs, and unwilling to understand the need to change and act accordingly. The more employees resisted the change, the more pressure managers placed on them, leading to some employees resigning as a last resort. Diefenbach (2007: 138) concludes as long as change is primarily a political issue, the work environment will be portrayed as "hostile, dangerous and frightening" (Diefenbach, 2007: 138). The sources of resistance to change highlighted by Del Val and Fuentes (2003) confirm the resistances described by Diefenbach (2007).



In their study on employees' perceptions of and reactions to a major organisational change, Jones, *et al.* (2008) found different groups in the organisation had different perceptions of change based on their individual experiences. Jones, *et al.* (2008) reported most employees experienced change as difficult and displayed high anxiety levels and a strong awareness of negative outcomes even though they showed a positive attitude towards change. Their study also described employees' experiences of not being informed fully about changes, which emphasises the importance of a well-planned, regular communication strategy during a change process.

Randall and Procter (2008: 686) state, "Whilst an employee may welcome the imposed changes in theory, they [*sic*] may find its implementation uncongenial in practice". Randall and Procter examined how an employee's perceptions helped the individual to come to terms with the perceived contradictions during a change event. The findings suggested employees drew on their "cognitive, emotional and intentional" (Randal & Procter, 2008: 693) dimensions to interpret the imposed changes at work, which gave rise to different perceived ambiguities between what they expected of the change and what the reality of the change was. Some employees were intellectually convinced about the change but emotionally challenged by "their perception of covert critical comments made by their immediate managers" (Randall & Procter, 2008: 697). Individuals who were unable to resolve these challenges expressed dissatisfaction in their evaluations of the experience. Randall and Procter (2008) concluded unresolved ambiguities would continue to support resistance, suggesting the need for management intervention.

Through an investigation conducted in three different countries, Reissner (2010) found organisational change affects the personal identities of those involved through the way in which employee's expectations are met, exceeded or disappointed. When change is imposed, employees begin to make sense of the change by examining how the change will affect their professional development and future careers (Reissner, 2010). Reissner's (2010) findings reflected that when employees' expectations are met or exceeded, they develop identities that result in increased confidence, self-esteem and self-worth. When their expectations are not met,

employees develop identities that lead to reduced levels of confidence, self-esteem and self-worth. This, in turn, influences employees' perceptions and behaviours toward change, which may pose a threat to organisational efforts "to create shared meanings and a sustainable future" (Reissner, 2010: 297).

The purpose of Kooor-Misra's (2009) research was to develop a threat/opportunity framework to identify the threats and opportunities present in a crisis and change process. Kooor-Misra (2009: 495) states that different aspects of an employees' "perceived organisational identity" become salient when a threat or opportunity is perceived during change situations. In the study, Kooor-Misra found in threat situations, individuals focus on perceptions of 'who we are'. In these instances, employees defended and protected their identification with the organisation and resisted changing their perceived organisational identity. In contrast, in opportunity situations, individuals focus on 'who we could be'. Opportunity conditions were perceived positively because employees saw it as a potential for gain. Therefore, individuals in an opportunity situation will display a sense of control over the situation, are eager to take risks, and are more willing to change their perceived organisational identities. Kooor-Misra (2009) asserts organisations must create and communicate a positive image of organisational success in order to have their employees perceive the change as worth the effort and view the change process more favourably.

Reissner's (2010) findings concur with those described by Kooor-Misra (2009): employees make sense of the changes by engaging in identities based on their experiences of change.

### **3.4. Problems in Change Implementation**

Organisational change is one of the most prevalent topics in management theory and practice (Thurlow & Mills, 2009); studies have indicated approximately 70% of planned organisational change initiatives fail (Judge & Douglas, 2009). Reasons for failure range from a lack of charismatic leadership (Paulsen, Maldonado, Callan & Ayoko, 2009) to employees being resistant towards change (Cutcher, 2009), to failures of communication (Frahm & Brown, 2007).

Paulsen, *et al.* (2009) conducted interviews and focus groups in an R&D organisation experiencing a transformational change. The results provided evidence that charismatic leadership during transformational change has a positive influence on employees. Employees felt a greater sense of belonging to the team and were able to resolve issues and make decisions co-operatively as a team. Paulsen, *et al.* (2009) suggest there is a strong relationship between charismatic leadership and innovation. Through their position, style, effective communication and discussions, charismatic leaders can promote co-operative team behaviours that promote innovation even during a very challenging period of major restructuring.

Starke, *et al.*'s (2011: 44) study of a transformational change found the "pace, sequence and linearity of change" (Starke, *et al.*, 2011: 44) have an impact on employees' experience with and capacity to absorb change. An initial surge of change followed by a calm period allowed employees to become accustomed to the new systems and structures. Implementing decision-making systems for understanding the sequence of change enabled employees to make decisions that were more informed and to provide service that was more efficient to customers. Starke, *et al.* (2011) observed organisations in the early period of change grew at a high rate and once resources and capabilities for managing change became limited, the growth rate decreased. Starke, *et al.*'s (2011) study suggest, "Management information systems and interpretive schemes" (Starke, *et al.*, 2011: 46) may be important substitutes for leadership. The finding contradicts conventional wisdom about the importance of leadership for sustaining organisational transformation, as identified by Paulsen, *et al.* (2009).

Cutcher (2009: 275) notes changes in the workplace often reshape employees' identities in line with "an organisationally prescribed set of meanings and values". Cutcher (2009:280) also describes resistance can take form in "subtle, routine and covert forms, including cynicism and dis-identification, irony and guile and internalised stress-based reactions". In order to explore the spatial and temporal dimensions of resistance of employees, Cutcher (2009) studied how front-line service workers of an Australian credit union organisation resisted the changes being introduced. She found employees showed resistance towards changing their sales

strategy as the new strategy conflicted with the moral ownership employees had invested in their jobs over the years. Cutcher (2009) revealed that when a relatively high level of dissatisfaction exists about a change, employees react by drawing on the following:

- Established meanings of mutuality to resist the organisation's strategy
- Gender-based identity to resist work practices.

Cutcher (2009: 286) concludes an employee's self-identity is "constituted across time and space", and employees will draw on the "complex grid of their life experiences" in developing tactics of resistance.

With specific reference to change, Frahm and Brown (2007) studied individuals' understanding of the type of change being implemented, how individuals felt about the changes, and how individuals believed communication was handled during the process. Their findings show the poor flow of critical information from the management level to the lower levels about the changes affected employees' ability to understand the changes taking place around them. Employees' initial responses to the announcement of the change were positive, but the levels of positivity began to decline due to the information gaps created through lack of communication. Frahm and Brown (2007: 380) concluded, "In the absence of formal communication and information about changes, rumours and grapevine discussions are filling the gap", which in turn, leads to workplace stress, negativity towards the change and emotions of frustration and unhappiness.

He and Baruch (2009) argue in order to achieve organisational renewal or survival, organisations first need to change their identities according to the influence of their external environments. Second, old-fashioned and outdated beliefs have to be discarded and replaced with new ones in order to enhance innovation and encourage the implementation of new initiatives. He and Baruch (2009) employed a case study for examining a change process that took place within a financial market. Their results showed the organisation's identity became a serious issue for the employees because employees were not sure about in which direction they were going. He and Baruch (2009) reported the change process was a painful experience

for employees because employees had to abandon the existing organisational identity to which they were attached strongly. He and Baruch (2009: 594) conclude a change in organisational identity needs to be supported by “leadership, cultural management, and management of legitimacy”.

### **3.5. Employee Motivation and Job Satisfaction**

Previous traditional job satisfaction studies demonstrate job security, physical environment and opportunities for promotion (Bjerke, Ind & Paoli, 2007) are important factors affecting employees’ satisfaction levels. Demographic and social changes, women entering the workforce, technological advancement and globalisation are changing the way people work and think (Oosthuizen & Mostert, 2010). Studies conducted by various researchers (Castro & Martins, 2010; Nel & Haycock, 2005; Roos & Eeden, n.d. ; van Schalkwyk, du Toit, Bothma & Rothmann, 2010) show flexible working hours, recognition for work well done; and the feeling of accomplishment obtained from the job have an effect on employee’s job satisfaction.

Nel and Haycock (2005) administered the Minnesota Job Satisfaction Questionnaire to employees of a government sector to determine the status of employee satisfaction. The questionnaire consists of 20 questions aimed mainly at measuring intrinsic factors (responsibility, accomplishment, creativity) and extrinsic factors (advancement, recognition, compensation). The conclusions were employees were only ‘slightly satisfied’ or ‘dissatisfied’ with their jobs. Contributing issues to these conclusions were linked to “lack of recognition, limited advancement, inadequate compensation and supervision related issues” (Nel & Haycock, 2005: 263).

Research done by Castro and Martins (2010) to investigate the relationship between organisational climate and job satisfaction identified the dimensions having a direct, personal influence on the individual:

- personal growth and development
- interpersonal belonging and fit
- employee wellness
- challenging and interesting work.

Castro and Martins (2010) further identified the following dimensions having an indirect influence on the individual's job satisfaction:

- leadership of immediate manager
- transformation and diversity
- image
- pay
- physical work environment
- recognition and acknowledgement.

The results of the research indicate a strong positive correlation between these dimensions and job satisfaction. The results indicate that “employees were generally satisfied with their jobs, found their work interesting and challenging and perceived their future in the organisation positively” (Castro & Martins, 2010). However, training and development and remuneration and rewards received low scores, indicating employees perceived training and development opportunities and the remuneration and rewards practices negatively. These, Castro and Martins (2010) advise, are future development areas for the organisation.

The results of Govender and Parumasur's (2010) research are consistent with Castro and Martins' (2010) study. According to Govender and Parumasur (2010), the three aspects of the work environment affecting employee motivation are the following:

- The physical work environment: poor lighting, high noise levels, poor ventilation and extreme temperatures result in increased dissatisfaction and lack of motivation
- The social work environment, which refers to employees' interpersonal relationships with colleagues and immediate supervisors
- The psychological work environment, which refers to how employees perceive the work itself as well as the individual's personal job satisfaction.

Govender and Parumasur (2010) also identified the four sub-dimensions important to job involvement:

- Employees' responses to work
- The way employees express being job involved
- Employees sense of duty towards work
- Feelings of unfinished work and absenteeism.

Govender and Parumasur (2010) hypothesised the level of motivation has an influence on the strength of the four sub-dimensions of job involvement. Using descriptive statistics, their findings reported employees' environments provided the greatest degree of motivation, first through social relationships, second through intrinsic satisfaction, and last through economic rewards. Of the respondents, 27% 'agreed' and 34% 'strongly agreed' they felt dissatisfied when they compared their salaries with those of employees in other companies. In addition, many respondents felt it was unfair people who started after they did were financially better off than they were. This could lead to lack of motivation (Govender & Parumasur, 2010). Govender and Parumasur's findings suggest room for improvement in economic rewards to improve motivation levels.

The study emphasised "employees must have a feeling of social comfort within the organisation and must experience pleasant working conditions" in order to be motivated (Govender & Parumasur, 2010: 248). An important finding was a large percentage of employees indicated they "would not continue to work if they did not need the money" (Govender & Parumasur, 2010: 248). Overall, the majority of the dimensions of employee motivation correlated significantly with the dimensions of job involvement; therefore, Govender and Parumasur (2010) are able to validate a significant relationship exists between employee motivation and job involvement.

Arnolds, Boshoff, Mazibuko and Klemz (2010) investigated the influence of job security, recognition, monetary incentives and training on the motivation of blue-collar employees and found for South African blue-collar workers, job security was of critical importance. Their study also found the motivation levels of blue-collar employees was linked to the work environment. High levels of division of labour and specialisation in a labour-intensive environment lead to a dehumanised work environment with no emphasis on the social wellbeing of the employees. Arnolds, *et*

*al.* (2010) state dehumanised work environments are a major contributor to accidents in the workplace, suggesting the jobs should be redesigned to increase job enrichment. This, Arnolds, *et al.* (2010) believe, would contribute to increasing the productivity levels in factories. Blue-collar employees are found to be the least motivated by training and career development, which Arnolds, *et al.* (2010), explain could be a result of management not clearly demonstrating to these employees how training and skills development are related to career advancement in the organisation. Arnolds, *et al.* (2010: 99) recommended management use “a combination of monetary incentives and recognition strategies to improve employee job performance”. They further advise that paying more attention to the effective motivation of employees could contribute more to improving financial performance than restructuring, job engineering and technological innovation.

Kruger and Rootman (2010) posit employee satisfaction and employee commitment are critical for the success of any organisation. They further argue an unmotivated workforce leads to dissatisfaction and low commitment levels among employees. This, in turn, leads to higher costs, business closures and a negative effect on the country’s economy. It is vital employees be motivated; therefore, it is imperative managers learn how to motivate employees, and more important, how to keep employees motivated (Kruger & Rootman, 2010). In a similar study to Arnolds, *et al.* (2010), Kruger and Rootman (2010) adopted a quantitative research approach to scrutinise the motivational factors affecting the levels of satisfaction and commitment of small business employees. Predetermined motivational factors were presented to employees, and the relationship between these factors and employee satisfaction and commitment was determined.

Rewards and recognition were found to have the weakest correlation with employee satisfaction and commitment. Kruger and Rootman (2010) state receiving a salary every month makes employees see money as a right; therefore, money loses its motivational value and does not contribute to satisfaction and commitment. Kruger and Rootman (2010) strongly suggest over and above the praise and recognition of the manager, extra money must be given to employees who excel in their performance.



A positive relationship was found between employee participation and employee satisfaction and commitment. According to Kruger and Rootman (2010), the more employees participate in the objective-setting process, share their meaningful ideas and suggestions and receive regular feedback on their performance, the higher the levels of satisfaction and commitment.

The strongest positive relationship exists between job interest and importance and employee satisfaction and commitment. Kruger and Rootman (2010) conducted a simple regression analysis that showed motivation, quality of work, performance output, employee satisfaction and commitment, and absenteeism improve if a high focus on job interest and importance exists. Thus, managers should do everything in their power to ensure employees are placed in jobs they perceive as “interesting, meaningful, exciting and challenging” (Kruger & Rootman, 2010: 70).

Foss, Minbaeva, Pedersen and Reinholt (2009) and Gagne (2009) believe the design of jobs influence variables such as autonomy, task identity, and the degree of feedback the employee receives. These authors argue job characteristics influence employee motivation to engage in knowledge-sharing behaviour. Foss, *et al.* (2009) believe knowledge-sharing behaviour is pertinent when a risk exists that highly knowledgeable employees may leave the organisation. External motivation means that an individual “engages in an activity to attain a positive or to avoid a negative external outcome” (Foss, *et al.*, 2009). Typical external motivators include money and praise as well as avoidance of punishment. Intrinsic motivation involves the individual doing an activity because it is in accord with the individual’s personal values and interests. Introjection, according to Foss, *et al.* (2009), occurs when an individual is concerned with maintaining and enhancing feelings of worth in their social groups. For example: doing a good job that is socially acceptable and that other individuals view as appropriate becomes a prime mover of the employee’s actions.

In order to understand how the different aspects of job design foster intrinsic, introjected and external motivation, Foss, *et al.* (2009) analysed the response of the

263 employees that participated in the survey conducted at a multinational German company. The results of their study show the following:

- job autonomy increases employees' intrinsic motivation toward knowledge sharing
- task identity is positively linked to introjected motivation toward knowledge sharing
- feedback on the job has a positive impact on employees' external motivation to engage in knowledge sharing.

Based on their findings, Foss, *et al.* (2009) recommend management carefully consider how it designs jobs in order to enhance certain types of motivation.

Gagne (2009) proposes a model of knowledge-sharing motivation that predicts five human resource management (HRM) practices, namely, staffing, job design, performance appraisal, managerial styles and training, will influence attitudes, need satisfaction, and knowledge sharing. The model implies HRM practices should focus on selecting individuals whose values are congruent with the organisation's values; thus, if the organisation values knowledge sharing, it is recommended it select people with a positive attitude about sharing knowledge. The model further proposes performance appraisals having a developmental focus are more likely to enhance intrinsic motivation and performance. Job design and a more transformational managerial style also motivate employees to engage in knowledge sharing. Finally, employee training that promotes the sharing of norms and showing how to share motivates employees to effectively practice knowledge sharing (Gagne, 2009).

### **3.6. Summary**

The literature review has played an important role in providing knowledge and a theoretical background to the study. It reveals various factors need to be carefully managed in a strategic alliance.

## CHAPTER 4: RESEARCH DESIGN AND METHODOLOGY

### 4.1. Introduction

In this chapter, the research design underpinning this study is described. Application of the theory underlying the design to the relevant aspects required will ensure the research objectives are achieved with valid and reliable results. The research design, population, sample and measuring instrument used in this study are outlined.

### 4.2. Research Design

Cooper and Schindler (2001: 130) provide three essentials of research design. First, the research design is a plan for choosing the sources and types of information used to answer the research question. Second, the design is a framework for specifying the relationships among the study's variables. Third, the design outlines each procedure from the hypothesis to the data analysis. According to Leedy and Ormrod (2005: 94), researchers tend to categorise research studies into two broad categories: quantitative research and qualitative research. The distinguishing characteristics between these two categories are depicted in Table 1.

**Table 1. Distinguishing Characteristics of Quantitative and Qualitative Approaches**

Question	Quantitative	Qualitative
What is the purpose of the research?	<ul style="list-style-type: none"> <li>To explain and predict</li> <li>To confirm and validate</li> <li>To test theory</li> </ul>	<ul style="list-style-type: none"> <li>To describe and explain</li> <li>To explore and interpret</li> <li>To build theory</li> </ul>
What is the nature of the research?	<ul style="list-style-type: none"> <li>Focused</li> <li>Known variables</li> <li>Established guidelines</li> <li>Predetermined methods</li> <li>Somewhat context-free</li> <li>Detached view</li> </ul>	<ul style="list-style-type: none"> <li>Holistic</li> <li>Unknown variables</li> <li>Flexible guideline</li> <li>Emergent methods</li> <li>Context-bound</li> <li>Personal view</li> </ul>
What are the data like, and how are they collected?	<ul style="list-style-type: none"> <li>Numeric data</li> <li>Representative, large sample</li> <li>Standardised instruments</li> </ul>	<ul style="list-style-type: none"> <li>Textual and/or image-based data</li> <li>Informative, small sample</li> <li>Loosely structured or non standardised observations and interviews</li> </ul>
How are the data analysed to determine their meaning?	<ul style="list-style-type: none"> <li>Statistical analysis</li> <li>Stress on objectivity</li> <li>Deductive reasoning</li> </ul>	<ul style="list-style-type: none"> <li>Search for themes and categories</li> <li>Acknowledgment that analysis is subjective and potentially biased</li> <li>Inductive reasoning</li> </ul>
How are the findings communicated?	<ul style="list-style-type: none"> <li>Numbers</li> <li>Statistical aggregated data</li> <li>Formal voice, scientific style</li> </ul>	<ul style="list-style-type: none"> <li>Words</li> <li>Narratives, individual quotes</li> <li>Personal voice, literary style</li> </ul>

Source: Leedy & Ormrod (2005: 96)

In this study, a mixed-method design was adopted. A mixed method study integrates qualitative with quantitative methods (Spratt, Walker & Robinson, 2004: 7). In this research, the mixed method design included a survey followed up by detailed individual semi-structured interviews. Spratt, *et al.* (2004: 7) see the emergence of mixed methods as a 'third paradigm' which is distinct from the positivist perspective of quantitative research and the constructivist perspective of qualitative research. Mixed method designs provide the basis for triangulation and "become the source of different ways of conceptualising the problem" (Spratt, *et al.*, 2004: 8). This design is conceptually more complex, therefore, requires the researcher to have a wide repertoire of skills and capabilities to avoid mistakes (Spratt, *et al.*, 2004: 13).

A quantitative method was used to discover employees perceptions using a Likert scale because large samples become unwieldy unless one quantifies and narrows down the information in the scale used. Quantitative research is focused on the characteristics of observations and seeks to correlate the factors observed by describing, inferring and resolving problems using numbers (Coldwell & Herbst, 2004: 15). Generally, quantitative research makes use of deduction, that is, research conducted in relation to hypotheses drawn from theory (Spratt, *et al.*, 2004: 8).

The qualitative method entailed semi-structured interviews with managers that was subjected to a thematic analysis in order to deepen the understanding of the way in which the changes were introduced and the implications of the introduction of the change from the managers' points of view. Qualitative research is used to "answer questions about the complex nature of phenomena, often with the purpose of describing and understanding the phenomena from the participant's point of view" (Leedy & Ormrod, 2005: 94). In a qualitative research, the findings are not subjected to formal quantification or cannot be analysed by means of mathematical techniques (Coldwell & Herbst, 2004: 13). Primarily, qualitative research makes use of induction, that is, it produces theory from interpretation of the evidence (Spratt, *et al.*, 2004: 10).

The qualitative approach (Leedy & Ormrod, 2005: 134) enables the following:

- acquisition of new insights about a specific phenomenon
- the building of new concepts or theoretical perspectives about phenomena
- the discovery of problems that exist within a phenomenon.

Leedy and Ormrod (2005) explain qualitative researchers often start with general research questions, gather a large amount of verbal data from a small number of participants, organise the data into a coherent form, and use verbal descriptions to express the situation studied. Qualitative research has two advantages: first, it is less costly than quantitative research techniques for gathering data; second, it allows in-depth analysis of problems and situations (Coldwell & Herbst, 2004: 15). The disadvantage of this technique lies in the fact that it is not scientific and therefore it is not advisable to base important managerial decisions on qualitative data (Coldwell & Herbst, 2004: 15).

Five common qualitative research designs exist: case study, ethnography, phenomenological study, grounded theory study and content analysis (Leedy & Ormrod, 2005: 135). The distinctive characteristics of the different qualitative designs are depicted in Table 2.

**Table 2. Different Qualitative Designs**

<i>Design</i>	<i>Purpose</i>	<i>Focus</i>	<i>Methods of Data Collection</i>	<i>Methods of Data Analysis</i>
Case study	To understand one person or situation (or perhaps a very small number) in great depth	One case or a few cases within its/their natural setting	<ul style="list-style-type: none"> <li>• Observations</li> <li>• Interviews</li> <li>• Appropriate written documents and/or audiovisual material</li> </ul>	<ul style="list-style-type: none"> <li>• Categorization and interpretation of data in terms of common themes</li> <li>• Synthesis into an overall portrait of the case(s)</li> </ul>
Ethnography	To understand how behaviors reflect the culture of a group	A specific field site in which a group of people share a common culture	<ul style="list-style-type: none"> <li>• Participant observation</li> <li>• Structured or unstructured interviews with "informants"</li> <li>• Artifact/document collection</li> </ul>	<ul style="list-style-type: none"> <li>• Identification of significant phenomena and underlying structures and beliefs</li> <li>• Organization of data into a logical whole (e.g., chronology, typical day)</li> </ul>
Phenomenological study	To understand an experience from the participants' point of view	A particular phenomenon as it is typically lived and perceived by human beings	<ul style="list-style-type: none"> <li>• In-depth, unstructured interviews</li> <li>• Purposeful sampling of 5–25 individuals</li> </ul>	<ul style="list-style-type: none"> <li>• Search for "meaning units" that reflect various aspects of the experience</li> <li>• Integration of the meaning units into a "typical" experience</li> </ul>
Grounded theory study	To derive a theory from data collected in a natural setting	A process, including human actions and interactions and how they result from and influence one another	<ul style="list-style-type: none"> <li>• Interviews</li> <li>• Any other relevant data sources</li> </ul>	<ul style="list-style-type: none"> <li>• Prescribed and systematic method of coding the data into categories and identifying interrelationships</li> <li>• Continual interweaving of data collection and data analysis</li> <li>• Construction of a theory from the categories and interrelationships</li> </ul>
Content analysis	To identify the specific characteristics of a body of material	Any verbal, visual, or behavioral form of communication	<ul style="list-style-type: none"> <li>• Identification and possible sampling of the specific material to be analyzed</li> <li>• Coding of the material in terms of predetermined and precisely defined characteristics</li> </ul>	<ul style="list-style-type: none"> <li>• Tabulation of the frequency of each characteristic</li> <li>• Descriptive or inferential statistical analyses as needed to answer the research question</li> </ul>

Source: Leedy & Ormrod (2005: 144)

This study involved an exploratory study using a case study methodology. The approach was appropriate because the intention was to study how the changing environment of a strategic alliance affected employee motivation and job satisfaction.

The use of a case study has its own advantages and disadvantages (Coldwell & Herbst, 2004: 49). The advantages are the following:

- It fully depicts the client's experience in programme input, process and results
- It is a powerful way to portray the programme to outsiders.

The challenges that arise from using a case study are as follows:

- It is time consuming to collect data, organise the data and describe the results
- It depicts depth of information, rather than breadth.

#### **4.3. Population**

A population can be defined as a group of individual persons, objects or items from which samples are taken for measurement (Coldwell & Herbst, 2004: 74). The focus of this study was to establish how organisational change affects the motivation and satisfaction levels of a service provider employees. The population in this study are the 25 employees of a service provider that is directly engaged in a strategic alliance with a multinational FMCG company.

#### **4.4. Sample Size**

Coldwell and Herbst (2004: 74) define a sample as a set of respondents selected from a larger population for the purpose of a survey. Leedy and Ormrod (2005: 198) advise the results obtained from a sample can be used to generalise about the entire population only if the sample is truly representative of the population.

Due to time and financial constraints, a non-probability sampling technique was followed. Selection of the sample was intentionally non-random. In a purposive sampling strategy, employees are selected based on their abilities to yield the most information about the topic under investigation. The procedure was thus focused on

sampling all 25 employees of the service provider, which included 5 managers and 20 employees.

#### **4.5. Data collection**

Data collection was undertaken using a structured questionnaire and semi-structured interviews. The decision to use both a structured questionnaire and semi-structured interviews was based on the judgment that both instruments would assist with answering the research objectives satisfactorily. The data were collected in two phases. In the first phase, data were collected through self-administered questionnaires using the structured instrument. The intention was to administer the questionnaire to all 20 of the service provider employees. The second phase involved face-to-face, semi-structured interviews with all five of the service provider managers.

#### **4.6. Questionnaire**

The questionnaire was used to collect the quantitative data. Coldwell and Herbst (2004: 48) state the overall purpose of using questionnaires is to acquire information easily and quickly. However, the use of questionnaires to collect data has advantages and disadvantages. According to Coldwell and Herbst (2004: 48), the advantages are the following:

- Respondents complete the questionnaire anonymously.
- It is an inexpensive method of collecting data that not only saves time and costs, but allows the researcher to reach as many people as possible.
- It is an easy and quick method for collecting data.
- Many sample questionnaires exist that the researcher can refer to when drawing up his/her own questionnaire.

The disadvantages arising from using a questionnaire are as follows:

- Not all questionnaires will be completed and returned.
- Misinterpretations of the questions by respondents will result in inaccurate feedback.

- A sampling expert may be needed to conduct the survey.

A structured questionnaire was drawn up (see Appendix 1) around the constructs of organisational culture, employee motivation and job satisfaction. The questionnaire constructed was the primary source of data collection for this study. The questionnaire had four sections. Section A consisted of questions related to the biographical information of the respondent, containing questions about age, gender, tenure of service, race and job grade. Section B consisted of questions related to how the individual perceived the management of change in the organisation. Questions in Section C were aimed to measure the respondent's perception of the role of culture during change. Section D comprised questions aimed to measure the individual's level of motivation and job satisfaction in his/her current role. Section E consisted of six statements which respondents were requested to rank in order of importance to indicate what support they required from the organisation during change interventions.

The questionnaire consisted of only closed questions because closed questions have the advantages of being easier to analyse and avoid differences in interpretation. A five-point Likert scale was used in all four sections of the questionnaire. The points on the scale ranged from strongly disagree, to disagree, to agree, to strongly agree; to neither agree/disagree. Participants were required to mark their rating of each item on the questionnaire itself. The Likert scale was used in this study as it assists to compare one individual's score with a distribution of scores from a well-defined group (Cooper & Schindler, 2001: 189). It also assists to measure attitudes before and after a change program.

The questionnaire was self-explanatory and was completed individually by respondents. The questionnaires were delivered personally to the 20 service provider employees as an invitation to voluntarily participate. Supervision was not necessary. A cover letter was attached to the questionnaire, which explained the purpose of the study, reassured candidates of the confidentiality of their responses, and provided instructions for completing the questionnaire.



Because the researcher sits among the participants in an open-plan office, it was easy to follow-up with a friendly reminder to complete the survey. Participants were requested to place completed questionnaires in a tray marked 'confidential' on the researcher's desk. All the participants were experienced at completing questionnaires because numerous surveys have been conducted within the company, for example, the Individual Perception Monitor Survey, which is conducted annually. Therefore, participants did not have difficulty understanding and interpreting the questions in the survey.

In finalising the design of the questionnaire, a small pilot study of the questionnaire was performed on five conveniently selected individuals to test the questionnaire's user-friendliness, accuracy, and time for completion. Amendments were made to the questionnaire based on the feedback received from the pilot study.

#### **4.7. Interviews**

The semi-structured interviews were conducted to collect the qualitative data. The intention was to increase the depth of the information collected through interviews as a follow-up to the structured questionnaires. Semi-structured personal interviews (see Appendix 2) were conducted with five managers from the service provider company to determine the following:

- How managers perceived change to be managed in the organisation.
- How managers perceived changes affected employee motivation and job satisfaction.
- If managers believed the culture was supportive of the change environment.
- To view what support managers believe employees should be given to cope with change.

Open-ended questions were asked during the interviews. The use of interviews to collect data has advantages and disadvantages. According to Cooper and Schindler (2001: 304), the advantages are the following:

- Good cooperation from respondents are received.

- The interviewer can probe for answers, use follow-up questions and ask questions from survey.
- Interviewer can pre-screen respondent to ensure he/she fits the population profile.

The disadvantage arising from using semi-structured interviews are as follows, Cooper and Schindler (2001: 304):

- It is time consuming to collect the data.
- Follow-up with respondents is labour intensive.
- Not all respondents are available or accessible.

A pilot study was performed on the interview questions with two managers, and amendments were made in terms of their feedback. The interviews took place at work, based on the participant's availability.

#### **4.8. Bias**

According to Leedy and Ormrod (2005: 208), bias is "any influence, condition, or set of conditions that singly or together distort the data". In this study, the source of bias may be reflected in two domains: those arising from the research participants, and those arising from the researcher. In the first domain, the researcher is a colleague of the participants, which may have had an impact on participant's responses. Because the researcher holds a senior position in the company, the participants may have been tempted to lie, cheat, or create a false front in order to impress the researcher.

The researcher, who is linked closely to the topic under investigation, may hold prejudices and assumptions that may influence the structuring of the questionnaire in order to extract the desired information. The intention was to eliminate this possible bias by making every effort to draft questions so that they were not leading but clearly worded to prevent misunderstanding or misinterpretation so that participants would be encouraged to answer the questions honestly.

Because the research was conducted in-house, one concern was participants may have lacked the confidence about the promise of anonymity and confidentiality. The expectation was the response time and rate would be slow. However, because the researcher was familiar and acquainted with the participants, the initiative was taken to personally follow up with the participants and reassure them of the confidentiality of their responses and the purpose of the questionnaire being for study purposes only.

#### **4.9. Data Analysis Techniques**

The purpose of data analysis was to produce meaning from the raw data collected in the form of interview and questionnaire responses collected during the study (Coldwell & Herbst, 2004: 92).

With respect to the data elicited in the semi-structured interviews, a coding technique was used, which according to Coldwell and Herbst (2004: 97), is a technical procedure by which data are categorised or grouped into a number of categories. A content or thematic analysis was undertaken. All the relevant data from the interviews were broken down, collated and then grouped into specific themes. Organising the data into manageable themes assisted with the process of accessing information considered appropriate to the objectives; the themes elicited were used to draw appropriate conclusions. Because the primary focus of the interviews was to collect qualitative data to understand the perceptions of the participants, it was not necessary to apply statistical analysis to the findings. The qualitative findings are presented in the form of a narrative to identify trends in the data.

Data from the structured questionnaires were transformed using tables to show responses in a percentage format. Bar graphs were used to present and explain the results. The results from the questionnaire were cross-referenced with the categories emerging from the semi-structured interviews to ensure consistency in the findings.

#### **4.10. Limitations and delimitations**

- This study was conducted within a single team in a particular logistics company. The perceptions and experiences reported by the participants could be a result of a 'group think' that has developed within the team and may not necessarily reflect the reality within the entire logistics company. The findings therefore cannot be generalised to the entire organisation and would only be applicable to the specific area researched.
- The initial plan was to collect the data via the structured questionnaire first. This was to ensure grey areas identified with the questionnaire could be probed for further clarity in the semi-structured interviews. However, due to time and access constraints, this was not possible. The questionnaire and interviews were conducted simultaneously.
- A third limitation was the narrowness of the sample, which was restricted to 25 participants. A larger sample would have resulted in more accounts of experiences from the service provider employees and a broader basis for comparison.
- Due to the sensitivity of the study, the customer's employees were excluded from the study. Including the customer and service provider employees dual experiences/perceptions may have provided richer data and more depth to the study.

#### **4.11. Ethical Issues and Confidentiality**

'Ethics is made up of norms or standards of behaviour that guide moral choices about our behaviour and our relationships with others. The goal of ethics in research is to ensure that no one is harmed or suffers adverse consequences from research activities' (Cooper & Schindler, 2001: 112). Unethical activities are pervasive and include violating nondisclosure agreements, breaking respondent confidentiality and misrepresenting results (Cooper & Schindler, 2001: 112).

In order to ensure confidentiality, all questionnaire and interview sheets assured participants their participation was voluntary, confidential and anonymous. In order to ensure anonymity, the information requested from the questionnaire and interview

did not identify any individual by name. The cover letter also explained that completion of the questionnaire served as an employee's consent to be involved in the study.

Because participation was voluntary, respondents chose whether they would like to contribute to the study. No negative consequences would have arisen if an employee chose not to participate in the study. Participants had the right to withdraw from the study at any time. Data was disaggregated and no individual results were published in order to further ensure confidentiality.

#### **4.12. Validity and Reliability/Triangulation**

##### 4.12.1. Internal Validity

Internal validity of a research is the extent to which the study's design and the data obtained through that design assist with drawing accurate conclusions about relationships within the data (Coldwell & Herbst, 2004: 40). To ensure the internal validity of the research findings, precautions were taken to eliminate other possible explanations for the results obtained. A possible threat to the validity of this study could involve the researcher's own perceptions or values on the topic. In order to eliminate this threat, participants' feelings and experiences were allowed to guide interpretation of the results.

##### 4.12.2. External Validity

External validity is the extent to which conclusions drawn from the research can be generalised to other contexts (Coldwell & Herbst, 2004: 41). Because the sample was chosen from a single logistics service provider, the external validity of this study is limited. To improve external validity, the research could have possibly been extended to other logistics alliances companies. If more extensive surveys were possible, the research could be conducted in other similar industries.

##### 4.12.3. Reliability

The reliability of a measurement instrument is the extent to which it produces consistent results when the characteristic being measured has not changed (Leedy

& Ormrod, 2005: 93). A pilot study on the structured questionnaire and semi-structured interview were conducted to determine the level of understanding and interpretation of the questions. Improvements were made on the questionnaire and interviews based on feedback from the pilot study, which was a strategy used to improve the reliability of the instruments. Care was taken to enhance the reliability of the instruments by ensuring the design of the questions was appropriate to the issues under investigation, which were organisational culture, employee motivation and job satisfaction.

#### 4.12.4. Triangulation

Due to the importance of reliability with respect to the data collected, specifically in this instance where the researcher is an employee of the organisation under study, triangulation of the data was critical. Data triangulation was used to assist with internal validity: multiple sources of data were collected and integrated to support interpretation (Leedy & Ormrod, 2005: 99). Triangulation eliminated possible biases from participants. At least two sources were used to corroborate evidence, namely, a semi-structured interview and a structured questionnaire. Data triangulation was achieved by cross-examining the results from the quantitative and qualitative analysis which contributed to enhancing the levels of validity and reliability of the research.

#### **4.13. Summary**

In this chapter, the research design and methodology employed to obtain data in support of the research topic was outlined. The methods employed in the collection and analysis of data and the reasons for choosing them were discussed. Findings from the data collected during the interviews and the survey are presented and discussed in Chapter 5.

## CHAPTER 5: RESULTS AND DISCUSSION

### 5.1. Introduction

As discussed in Chapter 1, the aim of this study is to establish how individuals perceive constant changes in their work environments and find out of how constant change in an organisation affects individuals' motivation and job satisfaction. The previous chapter presented the structure for the data collection and analysis. In this chapter, the findings of the data analysis are presented graphically; the research conclusions and recommendations are presented in Chapter 6.

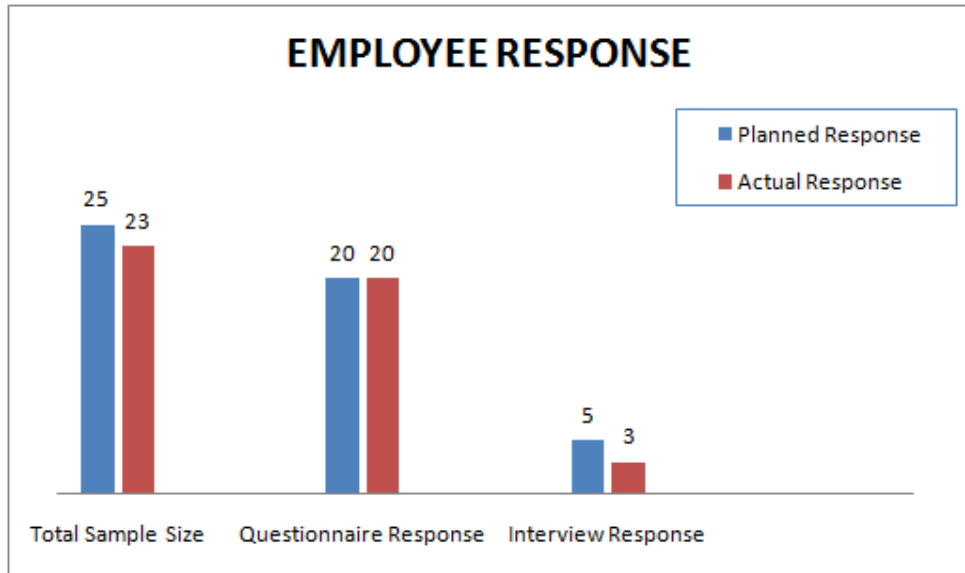
The chapter is initiated with descriptive statistics pertaining to the responses received from the interviews and questionnaires. Following this, the results are reported by objectives, specifically, respondents' perceptions of the management of change, motivation and job satisfaction factors that have an impact on employees, and the role played by culture in change management. Finally, employee support mechanisms are identified.

### 5.2. Descriptive Results

The data were collected using semi-structured interviews and a questionnaire. Twenty-five individuals participated in the research. Only three interviews were conducted because two of the managers were away on international business and unavailable for interviewing. All 20 employees approached returned their questionnaires. A response rate of 92% was achieved as follows (see Table 3 & Figure 8).

**Table 3. Response Rate**

	<b>Planned Response</b>	<b>Actual Response</b>
<b>Total Sample Size</b>	25	23
<b>Questionnaire Response</b>	20	20
<b>Interview Response</b>	5	3



**Figure 8: Composition of response rate.**

### 5.3. Presentation of the Structured Questionnaire Results

The demographic questions asked were used to gain insight into the nature of the population in terms of their ages, genders, ethnicities, experience and positions in the company. Analysis of the data collected revealed 60% of the respondents were male and 40% female. The ethnicity of the respondents was 80% Indian, 10% Coloured, 5% Black and 5% White. Respondents were aged between 20 and 55 years, and 80% had between 1 and 5 years experience in the company. In terms of job levels, 65% of the respondents were operational staff, 25% were junior management and 10% worked in other positions in the company.

Appendix 3 presents the analysis of the responses from the 20 respondents in percentage form to facilitate the interpretation of the data. The results of the questionnaire are presented graphically using bar charts. The "Strongly Agree" option has been combined with the "Agree" option and is reflected in the presentation of the data as "Agree". The "Strongly Disagree" option has been combined with the "Disagree" option and is reflected in the presentation of the data as "Disagree". The "Neither Agree nor Disagree" option is reflected in the presentation of the data as "Unsure".



The research objectives are restated below:

- To determine service provider employees' perceptions of the continuous changes taking place in the alliance.
- To investigate service provider employees' perceptions of the role of culture during the change.
- To determine the factors that affected the motivation and job satisfaction of the service provider employees.
- To determine the support service provider employees require for coping with change.

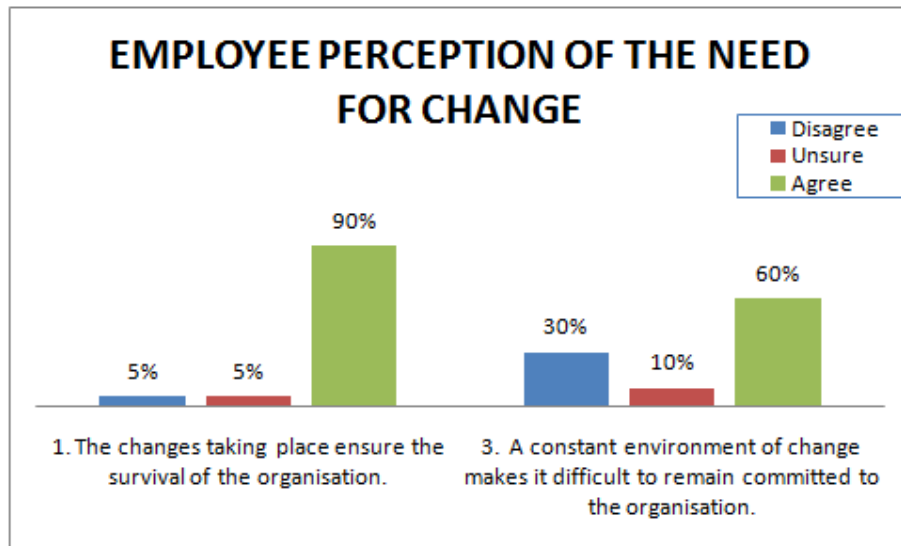
5.3.1. Objective 1: To determine service provider employees' perceptions of the continuous changes taking place in the alliance

Analysis of the responses to the above objective is represented in percentage form in Table 4.

**Table 4. Employee Perception of Change**

Questions	Disagree	Unsure	Agree
1. The changes taking place ensure the survival of the organisation.	5%	5%	90%
2. A clear, structured plan for changes is communicated and implemented.	40%	20%	40%
3. A constant environment of change makes it difficult to remain committed to the organisation.	30%	10%	60%
4. I have an opportunity to discuss my concerns and anxieties regarding changes.	10%	35%	55%
5. I am consulted on the specific changes which impact directly on me - this assists me to adapt to the changes more readily.	35%	10%	55%
6. When a change is proposed, I feel that it presents a threat to my environment.	65%	15%	20%
7. I do not know what is expected of me during the changes.	65%	15%	20%
8. Management is committed to consistent and ongoing communication regarding changes.	25%	30%	45%
9. Management's message on change inspires me to change.	20%	20%	60%
10. Positive outcomes of the changes outweigh the negative outcomes of the changes experienced.	5%	20%	75%
11. I have acquired new skills from the changes.	15%	35%	50%
12. The changes improve the way things are done in the organisation.	10%	15%	75%

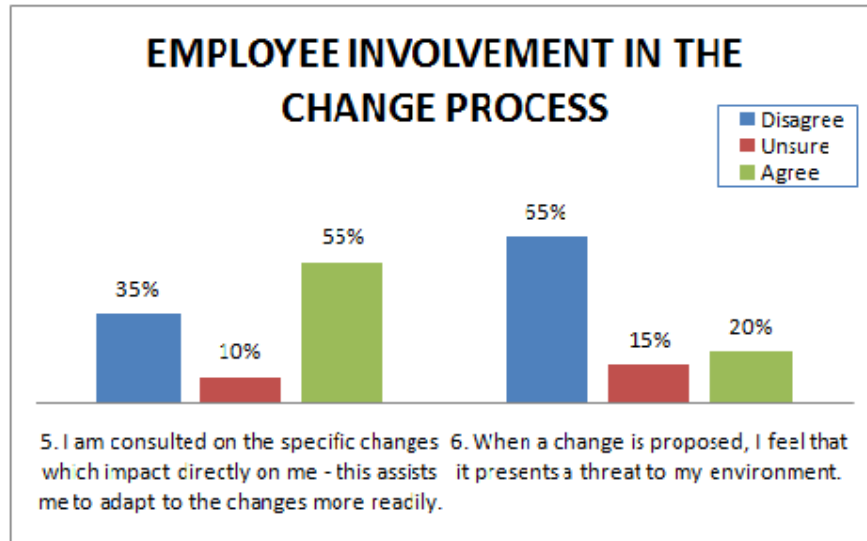
5.3.1.1. Employee perceptions of the need for change



**Figure 9: Employee perceptions of the need for change.**

Two questions were posed to respondents about how they might perceive the need for change in their work environments. Some 90% of respondents agree the changes were essential to ensure the survival of the organisation (see Figure 9). A significant 60% of respondents report they find it difficult to stay committed in a continuously changing environment. The findings suggest even though employees feel ambushed by the change and experience difficulty adapting, they fully understand the organisation implemented necessary changes in order to succeed. Jones, *et al.* (2008) also reports employees experience change as difficult even where they show a positive attitude towards change.

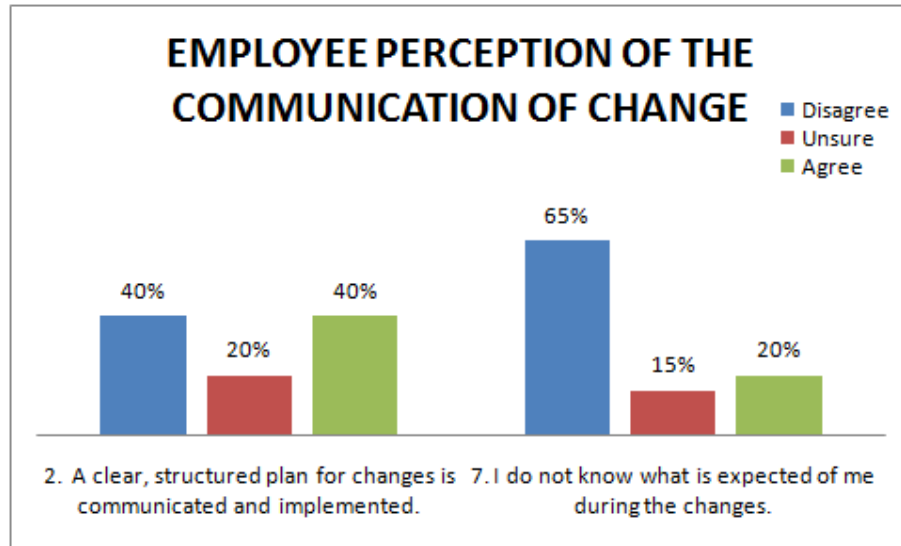
### 5.3.1.2. Employee involvement in the change process



**Figure 10: Employee involvement in the change process.**

Figure 10 presents the results of the three questions posed to respondents to discover how involved they were in the change process. Some 55% of respondents agree they had the opportunity to air their concerns related to the changes. In being directly consulted on specific changes, 55% are of the opinion management was not doing enough to involve employees. As expected, a significant 30% feel threatened by change initiatives. The findings confirm the organisation as a whole did not actively engage employees in the change process. This could account for why employees felt insecure and showed resistance to change. The findings reveal the majority of participants believe management was unwilling to hear different suggestions and opinions. Management's unwillingness to hear employees' suggestions and the unresolved differences of opinion about the change may have resulted in resistance to the change. Randal and Procter (2008) confirm unresolved differences support resistance and hinder the progress of change.

### 5.3.1.3. Employee perceptions of the communication of change

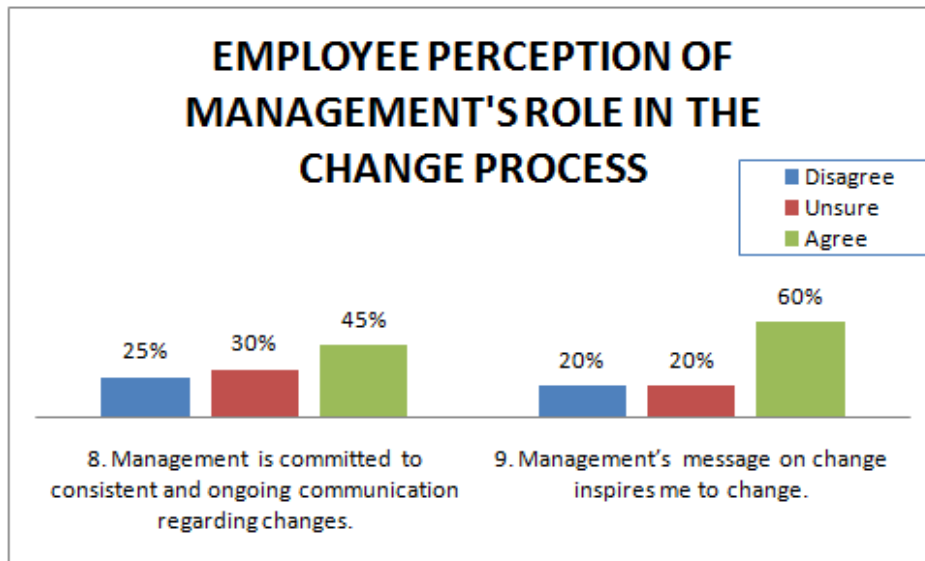


**Figure 11: Employee perceptions of the communication of change**

Given the lack of personalised communication, 40% of respondents also disagree that a clear, structured plan for the change was communicated and implemented. The result shows leaders did not manage the communication well during the change. It implies respondents feel the change was imposed on them with little explanation about the requirements of the change and the implications of the change for their roles in the organisation. The negative response to Statement 2, which stated, “A clear, structured plan for changes in communicated and implemented”, may be the root cause of the underlying uncertainty employees feel with respect to their jobs. Frahm and Brown (2007), Jones, *et al.* (2008) and Kovoov-Misra (2009) all indicate in their studies that a lack of formal communication leads to stress, frustration and unhappiness in the workplace.

Despite lack of formal communication about the change, 65% of respondents agree they knew what was expected of them even though no structured communication was evident. Frahm and Brown (2007) indicated that a lack of formal information and communication about change leads to rumours and grapevine discussions. This suggests that employees in this company under study might have gathered information about the change through informal networks or rumours.

5.3.1.4. Employee perceptions of management's role in the change process



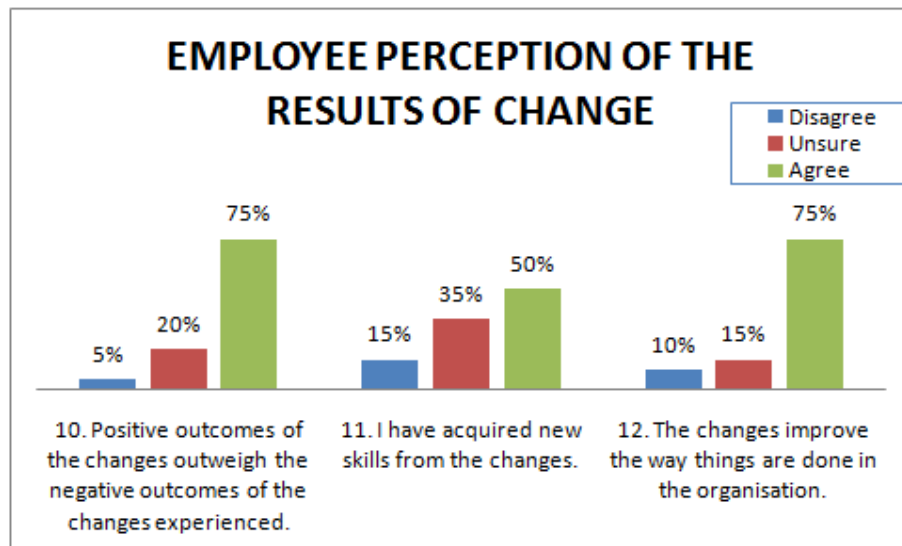
**Figure 12: Employee perceptions of management's role in the change process**

Paulsen, *et al.* (2009) argue it is crucial management has a compelling vision and strategy for change, one to which it is fully committed and of which it is in direct control. Figure 12 shows 25% of respondents are critical of management's commitment to consistent and ongoing communication. The finding reveals employees are not confident of the way management implemented and coordinated the change. A further 30% of respondents are unsure if management is committed to change.

Given employees' negative perceptions of management's commitment to change, a surprising result was that 60% of respondents revealed they are inspired by management's message on change. Paulsen, *et al.* (2009) provide evidence to suggest charismatic leadership during a change effort has a positive influence on employees. The finding implies management's role in implementing change has an impact on individuals' experience of change. Employees can be seen to look mainly to management for direction, understanding and support during the change process. Management providing direction, understanding, and support to employees in the

midst of change is a significant issue facing the organisation and requires management intervention.

### 5.3.1.5. Employee perceptions of the results of change



**Figure 13: Employee perceptions of the results of change.**

Despite the negative experiences associated with the change process, 75% of respondents confirm the positive outcomes met or surpassed their expectations. However, only 50% of respondents acknowledge they acquired new skills owing to the change. That employees did not acquire new skills through the change is a key concern. Del Val and Fuentes (2003) state the lack of capabilities required to implement change is a main source of resistance. The finding implies the 15% of respondents that disagree with Statement 11 about the acquisition of new skills may have contributed to the increase in resistance to the change, suggesting a possible link between skills development and job satisfaction.

A significant 75% of the respondents agree change had brought about improvements in the way things are done in the organisation. The finding implies the change prescribed by the organisation engendered a better performing organisation, which will positively contribute to the overall financial performance of the organisation; the

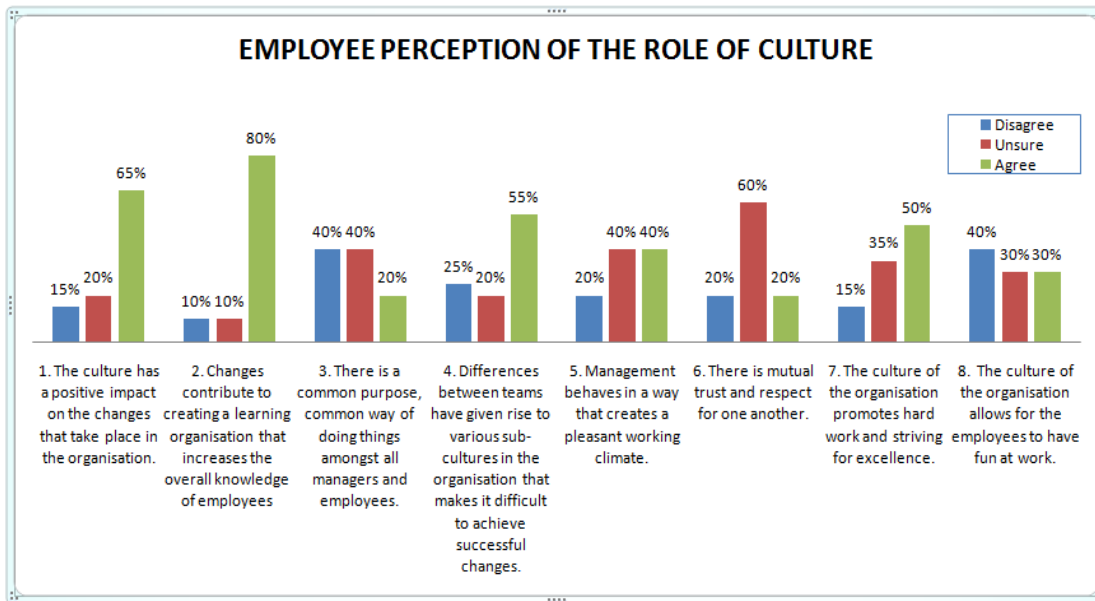
result also reveals the change implemented as the right course of action for the organisation.

5.3.2. Objective 2: To investigate service provider employees' perceptions of the role of culture during the change

Analysis of responses to the above objective is presented in the percentage form in Table 5, and a graphical analysis of the responses shown in Figure 14.

**Table 5. Employee Perception of the Role of Culture**

	Disagree	Unsure	Agree
1. The culture has a positive impact on the changes that take place in the organisation.	15%	20%	65%
2. Changes contribute to creating a learning organisation that increases the overall knowledge of employees	10%	10%	80%
3. There is a common purpose, common way of doing things amongst all managers and employees.	40%	40%	20%
4. Differences between teams have given rise to various sub-cultures in the organisation that makes it difficult to achieve successful changes.	25%	20%	55%
5. Management behaves in a way that creates a pleasant working climate.	20%	40%	40%
6. There is mutual trust and respect for one another.	20%	60%	20%
7. The culture of the organisation promotes hard work and striving for excellence.	15%	35%	50%
8. The culture of the organisation allows for the employees to have fun at work.	40%	30%	30%



**Figure 14: Employee perceptions of the role of culture.**

In the literature review, La Grange and Geldenhuys (2008) indicate organisational culture plays a significant role in organisational change. As seen in Figure 14, the organisation is experiencing difficulties aligning the changes and the culture. The majority of respondents display negative perceptions of the “way things are done around here” (Deal & Kennedy, 2007: 62). Some 40% disagree that a shared value and meaning exists among employees, while 55% agree differences between teams exist, which infers internal politics and tension are prevalent in the organisation. The findings suggest the culture was not conducive to the changes, which resulted in employees experiencing difficulties adapting to the change strategy. Responses to Statement 8, which states, “The culture of the organization allows employees to have fun at work”, indicate the work environment is not considered vibrant and energetic in a way that employees can have fun yet work hard. The significance of the findings suggests it is critical for the organisation to make corresponding changes to the culture in order to adapt to changing circumstances.



5.3.3. Objective 3: To determine the factors that affected the motivation and job satisfaction of the service provider employees

Analysis of the responses to the above objective is presented in percentage form in Table 6.

**Table 6. Factors Affecting the Motivation and Job Satisfaction of Employees**

	Disagree	Unsure	Agree
1. My job provides challenging and stimulating work.	5%	10%	85%
2. I feel a sense of accomplishment in doing my job.		5%	95%
3. I am able to use my skills and abilities in my job.			100%
4. I am free to use my own judgement in my job.		20%	80%
5. There is room for career advancement in my job.	25%	30%	45%
6. I am willing to go beyond my normal duties in order to make the changes			100%
7. I am recognised for my efforts in the change process.	30%	35%	35%
8. I am encouraged to express my opinions, contribute my ideas and ask questions.	5%	15%	80%
9. Working in this company inspires me to excel in my work performance.	5%	35%	60%
10. I intend staying in the company in the next 12 months.		40%	60%

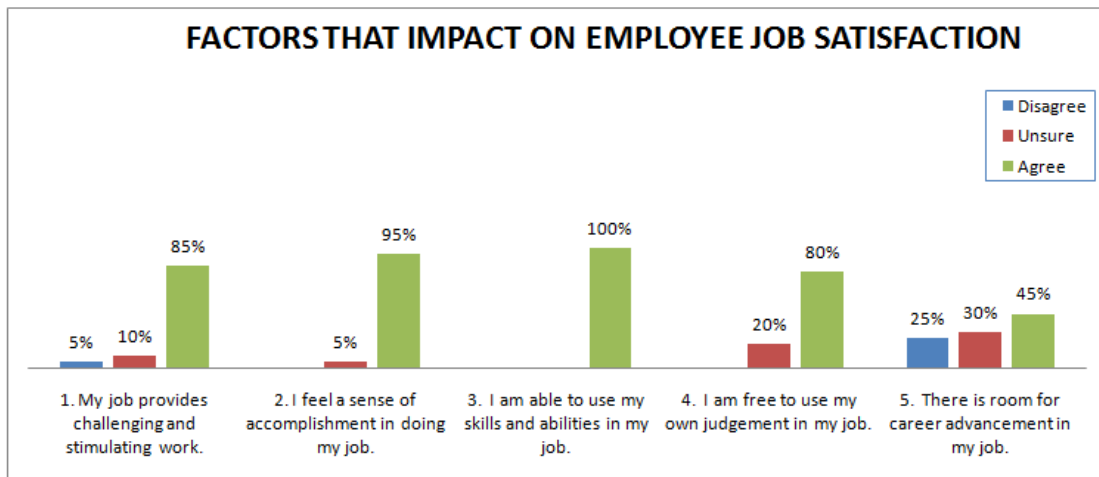
5.3.3.1 Job satisfaction

In the theoretical analysis presented in Chapter 2, it was noted that Hackman and Oldham's (2007:145) job characteristics model states employees' happiness with their job designs will have a positive impact on their attitudes, behaviour and motivational levels.

Figure 15 illustrates the results of the questions posed to respondents to determine how employees feel about their jobs. Statements 1 to 4 received extremely high positive responses, ranging from 80% to 100%. The data analysis indicates, overall, employees find their jobs challenging and rewarding, which indicates employees are highly satisfied working for the organisation. This is an unexpected pattern; the expectation was respondents would be extremely negative in their responses; instead, clear, positive answers were forthcoming.

Statement 5, however, scored very poorly; some 55% of respondents stated no room for career advancement exists in their jobs. According to Castro and Martins (2010) personal growth and development has a direct, personal influence on an individual.

That more than half of the respondents do not perceive room for advancement in their jobs is a major concern for the organisation. The implication of the finding is that although employees are highly satisfied with working for the organisation, they see no opportunities for career growth within the organisation. If perceptions of advancement opportunities are not addressed, employees may consider alternative employment. The findings and implications indicate the importance of the organisation embarking on talent retention strategies to ensure it does not lose skilled and experienced employees.

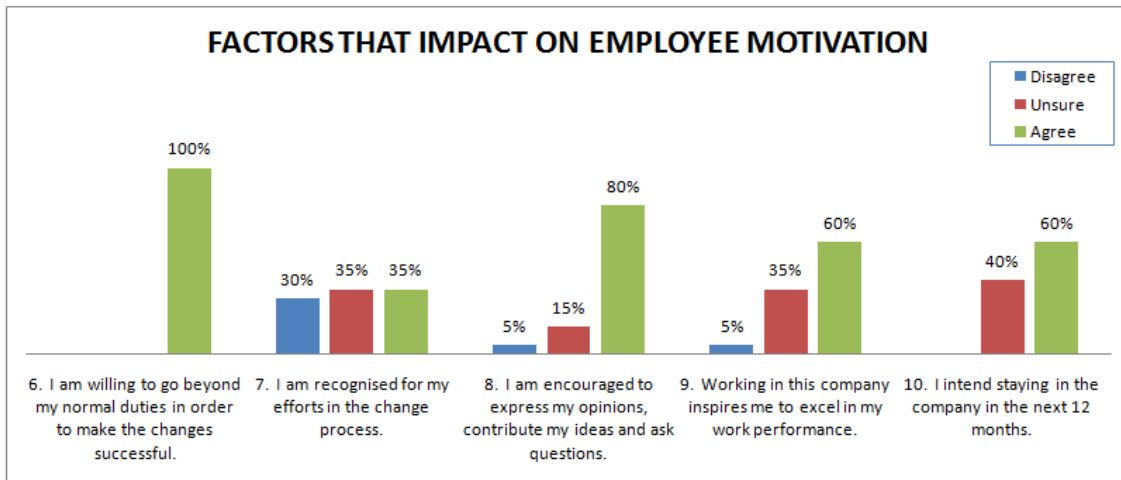


**Figure 15: Factors affecting employee job satisfaction.**

#### 5.3.3.2. Employee motivation

The motivation dimensions comprised five questions of which two had high ratings, as illustrated in Figure 16. Freedom to express ideas and opinions (80% agree) and willingness to go the extra mile (100% agree) are indications employees are positive and committed to the organisation despite the change. All of the respondents said they are committed to make the changes successful.

The other three statements show relatively low responses, namely, recognition for personal efforts (35% agree), inspiration to excel in performance (60% agree) and intention to stay in the organisation (60% agree). The latter results call for management scrutiny.



**Figure 16: Factors affecting employee motivation.**

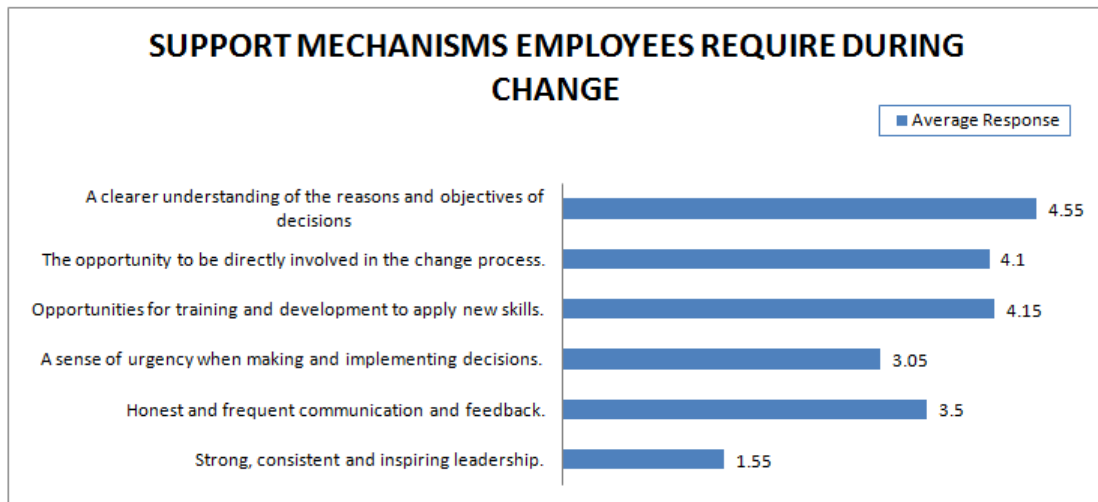
The findings indicate management needs to recognise employees in an effort to ensure employees feel valued and more engaged with the organisation. It is of concern that 100% agree they are more than willing to go the extra mile for the organisation, yet 40% are unsure if they will remain with the company. In order to retain these highly committed employees, Nel and Haycock (2005) and Govender and Parumasur (2010) strongly recommend organisations give more focus to recognition and acknowledgement, personal growth, development and wellness among employees.

5.3.4. Objective 4: To determine the support employees require for coping with change

The final question on the survey presented the respondents with six possible support mechanisms and asked respondents to rank the mechanisms in order of importance when considering a change programme, with 1 being the most important and 6 the least important.

As shown in Figure 17, the results indicate respondents predominantly require strong, consistent and inspiring leadership; urgency around decision making; and honest and frequent communication and feedback that would assist them with coping during the change process. As expected, strong, consistent and inspiring

leadership rated as the most important support mechanism. The result is congruent with employees' rating of management's role in the change process as low. The opportunities for training and development to apply new skills rated lower than expected. Overall, the results suggest the organisation needs to have more inspiring leadership and a clear communication strategy to ensure employee commitment to the success of change.



**Figure 17: Support mechanism employees require during change.**

#### **5.4. Results from the Semi-Structured Interviews**

The findings of the semi-structured interviews are presented in the form of a narrative using the emergent themes as a framework to organise the data. The narrative includes excerpts from the interviews.

##### **5.4.1. Perception of the Change Environment**

In response to Objective 1, interviewees provided clear evidence that the change had not been well managed in the organisation. All participants indicated the changes came as a surprise to them. They stated they felt insecure and were anxious their jobs were at risk. All three interviewees indicated communication about the changes was not ongoing and informative. The communication was reported to

be ambiguous and not useful in addressing employees' queries and allaying their fears.

One of the key findings from the data was the extent to which employees were not consulted about the change. Respondent 1, a manager, for example, exclaimed, "Look at me, I, to date, don't know officially who I report to now. I feel that senior management have fear to communicate staff changes", while Respondent 3, a senior manager, claimed, "Change is not normally well received since employees are not engaged from the outset in discussions around the proposed changes. Hence, most of the time, there is negativity when news of changes come through".

#### 5.4.2. Perception of the Culture

A major problem identified by all three interviewees was the considerable difficulties posed with respect to attempting to bring about change in work practices and relationships in an organisation in which different cultures exist. In response to the question, "How supportive do you feel the culture is in promoting change?", interviewees indicated the current culture is not conducive to change and hinders the progress of change. Excerpts from the interviews illustrate perceptions of the existing culture. For example, Respondent 1, a manager, claimed, "The culture is very poor in supporting change. Managers force changes onto employees, which is frustrating and stressful. Also, people work in boxes, for example, admin and planning"; Respondent 2, a supervisor, suggested, "The misunderstanding between teams and disparate management styles poses a huge problem when adapting to change." Respondent 3, a senior manager, replied as follows:

Culture is vital in promoting change. The organisation does not have a work environment that is dynamic and focused on continuous improvement. There is no common culture, and each team feels that it can operate exclusive of the other, which creates a negative culture of silo mentality. There is a lot of in-fighting and hidden agendas, which makes it extremely difficult to implement changes.

It is evident the organisation needs a culture change. When questioned on what they thought the culture should be, the interviewees responded the culture must

become be more open and trusting, more focused on continuous improvement and inculcate passion for work and respect for each other.

#### 5.4.3. Employee Motivation and Satisfaction Levels

The interviewees expressed their dissatisfaction with their role changes and felt they had been treated unfairly because disparity exists between the salaries of individuals on the same grade level. The interviewees indicated employees generally feel they are worse off, which has prompted employees to look for opportunities outside of the organisation. The interviewees also stated employees responded negatively to the changes and viewed them simply as “cost-cutting” or “flavour of the month” exercises. One interviewee stated employees were “not happy and committed to the change environment”, while another interviewee indicated employees “lack the enthusiasm and energy to change” based on their resentment of the change. All three interviewees agreed that to boost the morale and commitment of employees, team building and staff recognition programmes need to be implemented. One interviewee reported the organisation lacks a mentorship and coaching programme to retain the high performers.

#### 5.4.4. Employee Support Mechanisms

From the interviews, it was clear the lack of employee support during the change process was a major concern. The participants indicated management does not provide support to employees to help them with the uncertainty and ambiguity of change. The result is congruent with the findings of the survey: survey respondents chose leadership as the most important support mechanism they require. The importance of involving employees in decisions also arose as an important support mechanism for employees. A senior manager stated the organisation needs “to do things differently” and as a start, should have clear, structured change plans that detail dates, targets and the assessment of its success.

### 5.5. Summary

It is evident from the findings the leaders of the organisation have not managed the change well in the organisation. Management did not adequately address some of

the basic requirements of change management, such as communication and employee involvement. The diverse practices and styles in the organisation have led to cultural issues during the change process. However, despite the challenges experienced during change, employees remained motivated and experienced a high level of job satisfaction.

The results of the study conducted suggest the complexities experienced in a constant change environment do not necessarily have a negative impact on the motivation and job satisfaction of employees. In the next chapter, the focus will be on conclusions drawn from the research; in addition, some practical recommendations for the company and further research are provided.

## **CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS**

### **6.1. Introduction**

In this chapter, practical recommendations and conclusions are drawn based on the research conducted. In the theoretical analysis in Chapter 2 and the literature review in Chapter 3, a number of issues or themes that form the core for managing change were highlighted. One of the themes highlighted was that the gap between theories of change management and how change is managed in reality could have a major impact on the success of the change as well as on how the change is perceived. In this study, the specific focus was the changing environment of an organisation and the impact of change on employees in terms of whether the way change was managed had an effect on employee motivation and job satisfaction.

### **6.2. Conclusions**

In setting out to determine whether constant changes in the environment of a strategic alliance affected the motivation and job satisfaction of employees, four objectives were addressed. The four objectives related to key themes identified in the research statement, namely, perceptions of change management, the role of culture in change, employee motivation and satisfaction during change, and the level of support employees require to cope with change. The findings for each of the objectives were presented in Chapter 5 to provide a sound foundation with which to address the research problem.

In considering the organisation's approach to change management, the results showed employees' experiences of change to be negative because leaders of the organisation failed to implement a clear, structured plan for change and provide ongoing and open communication. The findings indicate when employees perceive change management to be absent, the leadership is perceived in a negative light.

The results indicate that without a common organisational culture in an organisation, employees perceive change management negatively. Diverse practices and styles within the organisation lead to people-related issues and make it difficult to achieve successful change. Furthermore, if employees do not find the organisation a fun and



energetic place within which to work, they are more prone to perceive change negatively.

The levels of motivation and job satisfaction were high during the change process. It would therefore appear constant organisational change does not necessarily have a negative impact on the psychological contract between an organisation and its employees. Despite the challenges experienced due to poor change management and the failure of the culture to change, employees' levels of motivation and job satisfaction remained high. However, to ensure the organisation maintains the commitment of its workforce in the long term, leaders of the organisation need to resolve the 'burning' issues associated with implementing organisational change.

One burning issue is support mechanisms, particularly leadership, communication and urgent decision making, which provide a means for strengthening the relationship between an organisation and its employees during organisational change. It is critical management demonstrate a charismatic leadership style to manage change effectively. An effective communication strategy that openly and transparently keeps employees informed is more likely to gain the trust, engagement and active participation of employees. Such a strategy would provide management with the opportunity to address employee issues of anxiety, resistance and uncertainty. Support mechanisms assist employees to experience change in a pleasant manner and set the tone for employee commitment.

Finally, the findings indicate the changing environment of a strategic alliance does not necessarily have a negative impact on employee motivation and job satisfaction.

### **6.3. Recommendations**

In the research conducted, critical issues requiring management attention and action to improve the change management process were highlighted. Based on the findings, the following recommendations for improving the way change is managed in the organisation are offered.

- It is recommended leaders in the organisation change the culture to one conducive to change in the strategic direction of the organisation. It is also

recommended workshops and road shows be conducted to ensure each individual subscribes to a common set of values.

- Continuous change is inevitable. It is recommended future changes in the organisation be explicitly communicated to each individual and interactive communication and feedback encouraged. Sound communication strategies will improve employee buy-in to the changes, reduce resistance and promote co-operative relationships.
- Vast opportunities exist to personalise and connect with employees to win their support for envisaged changes. It is important employees be allowed to be more actively involved in the change process to share their ideas and offer their suggestions.
- Leaders have a critical role to play in ensuring the momentum of change is maintained. It is essential leaders do more to inspire change and lead by example: Leaders also need to change to promote change and support employees through every step of the change process.

Several factors may affect the extent to which the results of this research can be generalized. One, it *is* surprising that the change did not affect employees' motivation and job satisfaction. Specific factors associated with the company investigated or factors associated with the personalities of employees working for such companies may have intervened in the relationship between change and job satisfaction and motivation. For example, the kind of person that would choose to work in a call centre may have a higher degree of tolerance for change. Second, the sample is a small proportion of all the employees in the company, and the sample may not have been representative. Third, employees of only one company in the alliance were included in the sample.

In light of these reservations about the extent to which the findings can be generalized, recommendations for further research include the following:

- A study to assess the extent to which different personality types in a company are affected by change in terms of the relationship between the change and job satisfaction and motivation.

- A study that includes the selection of employees from both companies in the alliance for the purposes of comparing relationships between change and job satisfaction and motivation between employees in the two companies.
- A study focused on the specific role of culture, leadership and communication for enhancing job satisfaction and motivation.
- A similar study that includes a larger sample, which would allow for a greater degree of generalisation of the results.

#### **6.4. Summary**

A mixed-method study was conducted in an organization to assess the impact of a change process on employees' job satisfaction and motivation. A total of 23 employees' views were collected via semi-structured interviews and structured questionnaires (3 managers and 20 employees respectively) after an alliance between a logistics company and an FMCG manufacturer. The results showed while employee job satisfaction and motivation remained high, the culture, communication strategies and leadership of the change process required attention. The recommended actions, if implemented, are likely to ensure change is conducted in a mutually beneficial manner to all members of the organisation.

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## **APPENDICES**

Appendix 1: Structured Questionnaire

Appendix 2: Semi-Structured Interview

Appendix 3: Analysis of Responses to Structured Questionnaires

Appendix 4: Transcript of Recorded Interviews

## Appendix 1: Structured Questionnaire

### Survey Questionnaire

#### Introduction:

This survey is being conducted for a current research study for the fulfilment of requirements for a Masters Degree in Business Administration with UNISA's School of Business Leadership. The researcher, Pam Chetty, is investigating the change environment within a strategic alliance and the impact thereof on individuals within the organisation.

#### Privacy:

Responses to this survey will be kept strictly confidential and will be analysed by the researcher for the purpose defined above. The survey results will not be distributed to the company or any individual.

#### Instructions:

1. In order to protect your anonymity, please do not write your name on the questionnaire.
2. Please complete all sections of this questionnaire.
3. Place an "X" in the block that best represents **your** viewpoint.
4. The survey should take 10 -15 minutes to complete
5. Once completed, please leave the survey on my desk.
6. Please complete by 18 March 2010.

The research project may be confirmed with my research supervisor, Jacqui Baumgardt at [jaybee@telkomsa.net](mailto:jaybee@telkomsa.net).

I sincerely appreciate your valuable time and effort in completing this survey.

Should you have any questions or comments, please contact the researcher below:

#### **Pam Chetty**

Tel: 031- 570 2267

Cell: 079 510 7629

Email: [pam.chetty@unilever.com](mailto:pam.chetty@unilever.com)

**SECTION A**

This section requires information on your demographic profile:

**How many years have you been employed in the company?**

	Less than 1 year
	1 - 5 years
	6 - 10 years
	10 years or more

**What category does your role fill?**

	Senior Management
	Middle Management
	Junior Management
	Operational Staff
	Other (Please specify):

**Please indicate your ethnic group**

	Indian
	African
	Coloured
	White
	Prefer not to answer

**Gender**

	Male
	Female

**Age Group**

	20 - 25 years
	25 - 30 years
	30 - 35 years
	35 - 45 years
	50 - 55 years
	55 - 60 years

## SECTION B

The following questions are aimed to view your perception of how change is managed in the organisation. Please place an **X** that represents your opinion ranging from strongly disagree to strongly agree.

Questions	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1. The changes taking place ensure the survival of the organisation.					
2. A clear, structured plan for changes is communicated and implemented.					
3. A constant environment of change makes it difficult to remain committed to the organisation.					
4. I have an opportunity to discuss my concerns and anxieties regarding changes.					
5. I am consulted on the specific changes which impact directly on me - this assists me to adapt to the changes more readily.					
6. When a change is proposed, I feel that it presents a threat to my environment.					
7. I do not know what is expected of me during the changes.					
8. Management is committed to consistent and ongoing communication regarding changes.					
9. Management's message on change inspires me to change.					
10. Positive outcomes of the changes outweigh the negative outcomes of the changes experienced.					
11. I have acquired new skills from the changes.					
12. The changes improve the way things are done in the organisation.					

### SECTION C

The following questions are aimed to view your perception of how the culture impacts on the constant changes in the organisation.

Questions	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1. The culture has a positive impact on the changes that take place in the organisation.					
2. Changes contribute to creating a learning organisation that increases the overall knowledge of employees					
3. There is a common purpose, common way of doing things amongst all managers and employees.					
4. Differences between teams have given rise to various sub-cultures in the organisation that makes it difficult to achieve successful changes.					
5. Management behaves in a way that creates a pleasant working climate.					
6. There is mutual trust and respect for one another.					
7. The culture of the organisation promotes hard work and striving for excellence.					
8. The culture of the organisation allows for the employees to have fun at work.					



## SECTION D

The following questions are aimed to identify what factors of motivation and job satisfaction are affected by the changes:

Questions	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1. My job provides challenging and stimulating work.					
2. I feel a sense of accomplishment in doing my job.					
3. I am able to use my skills and abilities in my job.					
4. I am free to use my own judgement in my job.					
5. There is room for career advancement in my job.					
6. I am willing to go beyond my normal duties in order to make the changes successful.					
7. I am recognised for my efforts in the change process.					
8. I am encouraged to express my opinions, contribute my ideas and ask questions.					
9. Working in this company inspires me to excel in my work performance.					
10. I intend staying in the company in the next 12 months.					

**SECTION E**

Rank each statement in order of importance from 1 to 6, 1 being most important and 6 the least important in providing support to employees.

<b>Rank</b>	<b>Mechanism</b>
	Strong, consistent and inspiring leadership.
	Honest and frequent communication and feedback.
	A sense of urgency when making and implementing decisions.
	Opportunities for training and development to apply new skills.
	The opportunity to be directly involved in the change process.
	A clearer understanding of the reasons and objectives of decisions

**Thank you for your valued participation!!**

## **Appendix 2: Semi - Structured Interview Questions**

This interview is designed to obtain information from you regarding the constant changes in the alliance and the impact of it on employee motivation and job satisfaction. With your permission, the interview will be recorded to ensure an accurate analysis of the responses obtained. Extracts of the interview will only be reported in the results section of the research report. The tapes will be destroyed once the dissertation has been approved. Responses received will be kept strictly confidential and the results thereof will be used solely for fulfilling the requirements for a research study for a Masters Degree in Business Administration.

### **Perception of Constant Changes:**

1. How is change communicated / introduced in the organisation?
2. What would you describe are the general attitudes /reactions to change news?
3. What are biggest obstacles faced in implementing changes?
4. How ready are employees for change?

### **Perception of Culture:**

1. How supportive do you feel the culture is in promoting changes?
2. Do they different functions and team work together?
3. What do you think the culture needs to be like in order for these changes to be successful?

### **Motivation and Job Satisfaction:**

1. How do you think these constant changes affect how employees view their jobs and the company? Are they better off? Have their roles changed?
2. Do you think that employees are committed and are excited to have a long-term career in the organisation?

### **Support to Employees to improve Commitment to the Organisation:**

1. What mechanisms do management put in place to assist employees to cope with the changes?
2. How is employee participation in implementing change encouraged by management?

### **Closing Questions:**

1. Do you think that the constant changes have assisted the strategic alliance to achieve its objectives?
2. What would you do differently when planning for and implementing future changes?

**Thank you for your participation!!**

### Appendix 3: Analysis of Responses to Structured Questionnaires

SECTION A - DEMOGRAPHICS					
<b>1</b>	<b>Tenure in Company</b>				
	Less than 1 year	1 - 5 years	6 - 10 years	10 years or more	
	5%	80%	2%	5%	
<b>2</b>	<b>Position in Company</b>				
	Senior Management	Middle Management	Junior Management	Operational Sta	Other (Please Specify):
			25%	65%	10%
<b>3</b>	<b>Ethnic Group</b>				
	Indian	African	Coloured	White	
	80%	5%	10%	5%	
<b>4</b>	<b>Gender</b>				
	Male	Female			
	60%	40%			
<b>5</b>	<b>Age</b>				
	20 - 25 years	25 - 30 years	30 - 35 years	35 - 45 years	50 - 55 years
	5%	25%	25%	30%	15%

<b>SECTION B - PERCEPTION OF CHANGE</b>					
Questions	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1. The changes taking place ensure the survival of the organisation.		1	1	15	3
2. A clear, structured plan for changes is communicated and implemented.	2	6	4	7	1
3. A constant environment of change makes it difficult to remain committed to the		6	2	8	4
4. I have an opportunity to discuss my concerns and anxieties regarding changes.		2	7	11	
5. I am consulted on the specific changes which impact directly on me - this assists me	1	6	2	9	2
6. When a change is proposed, I feel that it presents a threat to my environment.	1	12	3	4	
7. I do not know what is expected of me during the changes.	2	11	3	2	2
8. Management is committed to consistent and ongoing communication regarding	1	4	6	8	1
9. Management's message on change inspires me to change.		4	4	12	
10. Positive outcomes of the changes outweigh the negative outcomes of the changes		1	4	15	
11. I have acquired new skills from the changes.		3	7	7	3
12. The changes improve the way things are done in the organisation.		2	3	10	5

**SECTION C - PERCEPTION OF CULTURE ON CHANGES**

Questions	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1. The culture has a positive impact on the changes that take place in the organisation.		3	4	12	1
2. Changes contribute to creating a learning organisation that increases the overall knowledge of employees		2	2	11	5
3. There is a common purpose, common way of doing things amongst all managers and employees.	2	6	8	3	1
4. Differences between teams have given rise to various sub-cultures in the organisation that makes it difficult to achieve successful changes.	1	4	4	9	2
5. Management behaves in a way that creates a pleasant working climate.		4	8	8	
6. There is mutual trust and respect for one another.		4	12	3	1
7. The culture of the organisation promotes hard work and striving for excellence.		3	7	8	2
8. The culture of the organisation allows for the employees to have fun at work.	2	6	6	6	

**SECTION D - FACTORS OF MOTIVATION AND JOB SATISFACTION AFFECTED BY CHANGES**

Questions	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1. My job provides challenging and stimulating work.		1	2	10	7
2. I feel a sense of accomplishment in doing my job.			1	14	5
3. I am able to use my skills and abilities in my job.				13	7
4. I am free to use my own judgement in my job.			4	14	2
5. There is room for career advancement in my job.		5	6	6	3
6. I am willing to go beyond my normal duties in order to make the changes successful.				11	9
7. I am recognised for my efforts in the change process.		6	7	6	1
8. I am encouraged to express my opinions, contribute my ideas and ask questions.	1		3	14	2
9. Working in this company inspires me to excel in my work performance.		1	7	9	3
10. I intend staying in the company in the next 12 months.			8	6	6

SECTION E - SUPPORT EMPLOYEES REQUIRE						
	Leadership	Communication	Sense of Urgency	Training & Develop	Direct Involvement	Understanding
1	1	6	5	4	2	3
2	3	1	2	6	4	5
3	1	2	3	4	5	6
4	1	3	4	6	5	2
5	3	6	2	1	4	5
6	5	6	2	3	1	4
7	2	5	1	6	3	4
8	2	1	4	3	6	5
9	1	4	5	2	6	3
10	2	4	1	3	5	6
11	1	2	4	3	5	6
12	1	4	2	5	3	6
13	0	5	1	6	3	4
14	1	2	4	3	5	6
15	1	3	2	5	6	4
16	1	5	3	6	4	2
17	1	2	4	6	3	5
18	1	3	4	2	5	6
19	2	4	3	5	1	6
20	1	2	5	4	6	3
<b>Mode</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>6</b>	<b>5</b>	<b>6</b>
<b>Average</b>	<b>1.55</b>	<b>3.5</b>	<b>3.05</b>	<b>4.15</b>	<b>4.1</b>	<b>4.55</b>

#### Appendix 4 – Responses to Interviews

	<b>INTERVIEWEE 1</b>	<b>INTERVIEWEE 2</b>	<b>INTERVIEWEE 3</b>
<b>Perception of Constant Changes</b>	<p>Non value adding to the strategy. Must be introduced incrementally not at once. Too quick to adapt. Not openly communicated. Employees rely on 'grapevine' theory/corridor chats. Senior management are afraid to communicate staff changes. Employees are surprised with changes. Employees highly resistant. High levels of insecurity.</p>	<p>Inadequate communication. Not ongoing &amp; informative. Employees uncertain of roles and insecure of their job. Difficult to accept change. Negative staff attitude. Staff not committed to change. Feel unprepared on how to change. No clear objectives communicated. Positive results of change not seen as yet.</p>	<p>Employees negative when change introduced. No employee engagement in changes. Lack of streamlined, efficient and effective communication strategy. No specialist change agent/manager to effect the changes. Employees not ready for change. No clear targets, difficult to ascertain if changes are successful.</p>
<b>Perception of the Culture</b>	<p>Culture is poor in promoting change. Change is forced</p>	<p>Does not provide clear direction to change. Disparate</p>	<p>Culture is not dynamic and focused on continuous</p>



	<p>without employee consultation. People work in boxes – example. “Admin”+ “Planning”. Culture must become more trusting and open. Approach is too reactive. Focus on past instead of future.</p>	<p>management styles. No team work – too many cultural tensions. Lack of understanding and tolerance of each other. Culture needs to enhance collaboration, passion for work &amp; respect for each other. Focus on team playing and open mindedness.</p>	<p>improvement. No common culture/shared values amongst teams. Negative culture of “silo mentality”. Teams feels they can exclusively operate of the other. Regular team clashes. Difficult to achieve change objectives. Need to break down barriers between teams. More staff engagement on performance. Hold employees more accountable for non-performance or poor performance. Needs a high performance culture that rewards high performers. Become more employee orientated.</p>
<b>Motivation and Satisfaction</b>	Roles change but there are	Employees uneasy of	Employees are too complacent

	<p>disparities between salaries. To encourage commitment + retention issues must be addressed. Unfair role allocation. Fail to impress customer. No mentorship or coach programmes. Need to multi-skill employees to keep them motivated.</p>	<p>changes. No fair recognition. Employees want to score “brownie points” with management – frustration levels are high. Will understand change better if there is more role clarity. Employees feel challenged. Some forced to move out of comfort zones. Not happy &amp; committed with change environment. Will be committed when results improve &amp; when management recognise their strengths.</p>	<p>for change. Lack the enthusiasm and energy to change. Very negative feel their jobs are at risk. Feel they are worst off. Changes viewed as “flavour of the month” exercise. Feel changes will fail. People who suggest change are not the people doing the job. Need team building &amp; staff recognition programmes to keep staff motivated. Employees not excited &amp; committed to a long-term career. Intention to leave is evident.</p>
<p><b>Support Employees Require</b></p>	<p>No management support to employees. Employees not helped to manage increased</p>	<p>No mechanisms to help employees with the uncertainty and ambiguity. No employee</p>	<p>Needs a lot of attention. Improve communication. Involve employees at the</p>

	<p>workload. Management must encourage people to take risks &amp; support them no matter what. This will keep workforce enthusiastic to make changes work.</p>	<p>participation allowed by management- needs to improve to get buy-in to change.</p>	<p>outset. Ensure proper understanding of the need &amp; benefit of the changes. Management must motivate employees to embrace change. Have clear structured plans, dates &amp; targets</p>
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