The impact of organisational change on employee attitudes in a South African multinational company

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ABSTRACT

Mergers and acquisitions remain an important strategy that many organisations both globally and locally follow to achieve diversity and growth. Smaller businesses as well as business segments always face the possibility that they may be the target of such initiatives which was the case for a local manufacturer in the medical diagnostic field. This change as well as the current economic climate have forced local management to take a hard look at how they conduct business in order to remain competitive not only as business but also now as part of a Italian multinational group.

This change also put pressure on the business from a staffing point of view as change brings uncertainty and uncertainty may relate in the loss of staff. Being the only manufacturer of diagnostic kits in the country staff retention is very important as the needed skill in this segment is very scarce. Because of this this study was undertaken to try and determine the impact the change associated with the acquisition has had on the employees of the organisation. It also intended to determine if a structured model was followed to manage the change process at the organisation and lastly to determine what could be done by management to change the situation.

For this study a qualitative approach was followed as the aim was to gather an in-depth understanding of the behaviour of the employees of the company during changes at the company, as well as the reasons that governed such behaviour. Data was collected from employees using a questionnaire that contained both open and closed-ended questions. The close-ended questions were measured using a five-point Likert-type scale. Already documented company information relevant to the study was also used.

The research indicated that one of the biggest changes brought on by the acquisition was a change in organisational culture as well as a change in attitude of senior management which has not been perceived as being positive. There were however indications that if the purpose of change is clearly defined the negative impact thereof on the perception employees can be limited. Although there were indications that management clearly defined the purpose for change and were very involved they lacked involving all stakeholders and get their commitment to the process. It is clear that stakeholder involvement and management communication throughout the change process is key its success.
A number of recommendations are made to assist management in any future change and change initiatives to improve the effectiveness of such initiatives. The intention is to try and ensure that any future change or change initiatives have a positive impact on the employees and in that way a positive impact on the organisation.

**Key terms:** Organisational change; management, mergers, acquisition; employee attitude.
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CHAPTER ONE: NATURE AND SCOPE OF THE STUDY

1.1 INTRODUCTION

“Change is inevitable. In a progressive country, change is constant.” (Benjamin Disraeli).

This study was undertaken to attempt to establish what the impact of change was on the employees of a South African company after an acquisition. Mergers, acquisitions and change have been an existent element of the operational strategy of many organisations over the years, and have been proved to be an important and favoured way of achieving corporate diversity, growth and rationalization (Cartwright & Cooper, 1992).

The company chosen for this study has been in operation since 1997 as a manufacturer and exporter of microplate diagnostic kits. These kits are mainly used in large blood banks and clinical laboratories around the world for blood screening. The company distributes products directly to Affiliates and Direct Export Customers (Distributors) around the world, except for North America and Japan. Around 99% of products manufactured are exported. The manufacturing site is situated in Gauteng and is a self-sufficient facility, with all operational requirements being met internally.

During 2010 the company was acquired by an Italian group that specialized in in-vitro diagnostics. This has had an impact on the culture within the business due to the organisation now playing a much bigger role within the group than what was the case before the acquisition. The literature regarding organisational culture reminds us that an extensive range of circumstances affect organisational change as produced during a merger, and that leaders expecting to start off organisational change and initiate acceptance from followers are confronted with an intimidating task (Michela & Burke, 2000).

This change, in conjunction with the global economic pressure, forced the management of the company to change the way things had always been done at the company and to really evaluate the status quo. From a review of the literature it seems as though the assertion can be made that organisational change initiatives have a 70 per cent failure rate. This based on the following five instances (Hammer & Champy, 1993; Beer & Nohria, 2000; Kotter, 2008; Senturia, Flees & Maceda, 2008 and Keller & Aiken, 2009) which appeared to identify a 70 per cent organisational change failure rate.

Additional challenges that were also brought on by the change of ownership were that of staff loss and retention as well as the time it would take to train new staff to the required level. This was also made more of a problem, as in the second year of being part of the Italian group, a
moratorium was placed on the replacement of staff at any level, should there be a vacancy what so ever the reason. This really meant that staff needed to be retained. In addition to this there was also a number of senior management that left the employment of the company as they did not see themselves fit in with the new culture.

Further review of the literature around change and the management thereof has also indicated that there are many theories and models about change. These serve as testament to the fact that change is a real occurrence that can be distinguished and analysed through various steps or phases.

1.2 PROBLEM STATEMENT

The study aims to establish how the changes that have taken place at the company over the last several years have impacted on its employees, if a structured model was followed to manage the change and what could/can management have done/do differently to change the situation.

1.3 RESEARCH OBJECTIVES

The objective of the study is divided into three objectives:

- To determine what the impact of the change was on the productivity, commitment, health and intentions to leave the company of the employees.
- To determine whether a structured model was followed to manage the change process that took place at the company.
- To determine what management could/can have done/do differently to change the situation.

1.4 SCOPE OF THE STUDY

The scope of this study falls in the field of change management.

The company chosen for the study is a wholly-owned subsidiary of an Italian group of companies that manufacture and distribute various products in the diagnostics market. The company is mainly perceived as a manufacturing site for the second largest product within the group by volume and currently has 51 employees. The aim of the study is to try and establish the impact of the changes that have taken place has been on employee attitudes within the company.
1.5 RESEARCH METHODOLOGY

In this study the following methodology was used in the execution of the research:

1.5.1 Literature study

A literature study was performed to identify the following:

- The management of change through various models and principles of change management.
- Sources of resistance to change.
- Consequences of resistance to change.

The study was performed by obtaining literature from books, the internet (Google scholar, e-Books and various other databases from the University’s library) and published articles.

The main aim of this study was to create a theoretical base that could be used to evaluate the outcome of the empirical research performed.

1.5.2 Empirical research

An empirical study was done through a questionnaire containing open as well as close-ended questions. These questions were compiled by the researcher to be in line with the objectives of the research. Special attention was given to the content of the questions as to ensure that they were not ambiguous, were valid and relevant and that there was minimal chance of them being mis-interpreted. These questionnaires were distributed to the full staff complement of the company and were completed anonymously.

1.5.2.1 Research design

There are three main approaches to research. These are qualitative, quantitative and a mixed method approach that is a combination of the first two. These approaches refer to the way in which data is collected, analysed and the type of generalisation that can be derived from it. The qualitative approach measures perceptions and attempts to develop context bound generalisation, whilst the quantitative approach is used to test hypotheses (McMillan & Schumacher, 1993). For this research a qualitative approach was followed as the aim was to gather an in-depth understanding of the behaviour of the employees of the company during changes at the company, as well as the reasons that governed such behaviour.
Data can be separated into two types of data namely primary and secondary data. As defined by Cooper and Schindler (2003), primary data is original raw data collected for the first time without filtering or interpretation by a second party and secondary data is data which already exists. For this study mostly primary data was used that was collected from employees of the company.

1.5.2.2 Participants

The population for the study consisted of all 51 employees of the company. McDaniel and Gates (2001) describe the population of interest as the total group of people from whom information is needed. In this case it includes all the staff of the company, because of its size as well as the impact that change had on all levels of employees and how it was perceived.

Because of the size of the population a convenience sampling approach was used. A convenience sample is simply one where the respondents selected for inclusion in the sample are the easiest to access. In this case it was merely the 35 out of the 51 employees that responded to the questionnaires.

1.5.2.3 Measuring Battery

Data was collected with the use of a questionnaire which, according to McDaniel and Gates (2001), is defined as a set of questions, designed to generate the necessary data to accomplish the objectives set out for a research project. Wilkinson and McNeil (1996) are of the opinion the advantages of a questionnaire are the objectiveness of data recording, its adaptability to most research situations and the ease with which anonymity can be accomplished. The limitation of the questionnaire is however that it does not allow for communication beyond the listed alternatives. The questionnaire was made up of both open as well as closed-ended questions. The closed-ended questions were easy to complete and assisted in the avoidance of different interpretations (Bailey, 1987). Participants were requested to choose one of the responses listed. These responses were then measured on a five-point Likert-type scale. The questions required of the participants to strongly disagree, disagree, remain neutral, agree and strongly agree. Possible limitations however remained, in that participants could choose to respond by guessing an appropriate answer or could be encouraged not to commit, due to the neutrality option as argued by Coldwell and Herbst (2004).

The close-ended questions assessed whether a change management model had been followed before, during or after the major changes has taken place at the company whilst the open ended questions was aimed at establishing what changes have taken place, how they have affected the employees and what could have been done differently by management.
1.5.2.4 Statistical Analysis

Statistical analysis was carried out using the Statistical Programme for Social Sciences (SPSS) Version 22 (SPSS, 2015). Descriptive statistics (means and standard deviations) were used to analyse the data.

Spearman’s rank correlation coefficient was used to assess whether there were any significant relationships between the demographic information and the statements contained in the questionnaire. For this test the guideline values were set at 0.10 which represented a small effect or no practical significant association; 0.30 representing a medium effect or a practical significant association; 0.50 representing a large effect or practical significance association.

For all of the above no interpretation can be performed on the p-values, as a random sample was not used.

The data that was obtained from the open-ended questions was analysed and interpreted by using content analysis. Content analysis has been defined as a systematic, replicable technique for compressing many words of text into fewer content categories based on explicit rules of coding (Berelson, 1952).

Through the use of content analysis researchers are able to sift through large volumes of data with relative ease and in a systematic way. It can be a useful technique for allowing us to discover and describe the focus of individual, group, institutional or social attention (Weber, 1990). It also allows inferences to be made, which can then be corroborated using other methods of data collection.

1.5.2.5 Avoidance of Bias

Bias is explained by Cooper and Schindler (2003) as the distortion of responses in a certain direction, with the absence of a balanced presentation of information.

The researcher was a senior member of management which might have influenced the responses of the respondents in a way where they did not feel safe to answer honestly and rather in a way in which they think would please management.

To try and minimise this, the intent and use of the research was clearly defined and explained to participants.
1.5.2.6 Ethics

The goal of ethics in research, as argued by Cooper and Schindler (2003), is to ensure that no one suffers any adverse consequences and that it comprises norms that guide moral choices about behaviour and relationships with others. Ethical research requires that the researcher displays personal integrity and avoids the violation of non-disclosure agreements, misrepresentation of results, breaking confidentiality and deceiving people. During this project privacy, confidentiality and anonymity were ensured by providing guarantees through the format of the questionnaire, consisting of close-ended questions with tick boxes. Approval for the study was obtained from the company. The purpose of the study was also disclosed to all staff members of the company. The researcher also conducted himself ethically and all staff members were treated accordingly.

1.6 LIMITATIONS OF THE STUDY

The study was carried out on the employees of the local company only. During the time in which the questionnaires were distributed there was a number of events that took place, which created a feeling of uncertainty with the employees as well as a negative perception regarding the study. It was therefore a very involved and difficult task to get the employees to complete the questionnaires.

1.7 LAYOUT OF THE STUDY

Chapter 1 – Nature and Scope of the Study

This chapter is an introduction to the study and the background regarding the organisation under review. It is also devoted to issues such as the problem statement, objectives of the study, the demarcation of the field in which the study was done, the research methodology and also the limitations concerned with the study.

Chapter 2 – Literature Study

This chapter contains a literature study on the different management models as well as the various forces that drive change in an organisation. It also looks at the challenges that might be faced by the organisation.

Chapter 3 – Empirical Study
This chapter will explain the research design approach that was followed during the study and also indicated the statistical methods used. The validity and reliability of these methods will also be explained.

Chapter 4 – Results

This chapter will present the results from the questionnaires by analysing the data and discussing the outcome of this analysis.

Chapter 5 - Conclusions and Recommendations

This is the final chapter where conclusions are reached and recommendations are made.

1.8 SUMMARY

In chapter one, the problem from which the study originated, was stated. In addition, the primary and secondary objectives, which the study aimed to achieve, were defined. Furthermore, the method of research, the scope of the study and its limitations were described.
CHAPTER TWO: LITERATURE STUDY

2.1 INTRODUCTION

In this chapter different theories as well as various management models are discussed. The various forces that drive change in organisations is investigated as well as challenges that might be faced by the organisation.

2.2 DEFINITION OF ORGANISATIONAL CHANGE AND CHANGE MANAGEMENT

Change is inevitable in any organisation. Numerous organisations are every so often faced with challenges that compel them to adjust or change (Burnes, 2004), be it because of global, economic as well as technological developments. All these factors force organisations to constantly relook, rethink and redesign the way in which they operate to ensure that they remain competitive in an ever changing global environment. The consequences of change processes are regularly underestimated by senior management and not managed adequately. Burnes further commented that change is an ever-present feature of organisational life, both at an operational and strategic level. Ansoff (1987) asserts that it is known that leadership can make a great difference, and that its importance for organisational success is intensifying.

Organisational change can be seen as both the process in which an organisation changes its structure, strategies, operational methods, technologies, or organisational culture to affect change within the organisation and the effects of these changes on the organisation. Organisational change can be continuous or occur for distinct periods of time. Organisational change can therefore not be separated from organisational strategy, or vice versa (Burnes, 2004).

Swanepoel, Erasmus, Van Wyk and Schenk (2008) define organisational change as a phenomenon that can be examined from four different perspectives, these being corporate transformation, modular transformation, incremental adjustment and fine tuning.

Change management has been defined as “the process of continually renewing an organisation’s direction, structure, and capabilities to serve the ever-changing needs of external and internal customers” (Moran & Brightman, 2001:111). The term change management is also used to encompass theory and intervention strategies associated with organisational development, human resource management, project management and strategic change. Change management is based upon two concepts: that human performance is at the core of business performance and that it is possible to optimize an organisation’s revenue and profit delivery. Change management is clearly broader than organisational change as it includes a
wide range of intervention strategies that may enhance human performance, such as process consultation, work restructuring, strategic Human Resource Management planning and Information Technology based solutions (Worren, Ruddle and Moore, 1999).

Cummings and Worley (2005) define change management as the tools, techniques and processes that determine the scope and resources and direct activities to implement a change. Armstrong and Stephens (2005) see change management as the process of ensuring that an organisation is ready for change as well as for the process of managing its implementation.

**2.3 WHAT DRIVES CHANGE**

Change has become a constant phenomenon which needs to be attended to and managed properly if organisations want to survive. Beynon (1992) identified the characteristics of change and the response mechanisms of the individual to change.

- Change is a fact of life. Although it may seem obvious, resistance to change is far more common than acceptance of change.
- Change is a matter of individual perception. This is crucial to effective change management as it implies that different individuals will react differently to change and a range of possible reactions must be anticipated.
- Change is necessary for growth. In a business world in which growth is essential for survival, change is a prerequisite for growth.
- Change is not necessarily good. There is a continuum between no change and constant, total change. One needs to adopt a position between these two extremes.
- Change is always connected to the past. Even the most radical innovation has roots, no matter how deep or well hidden.

According to Mullins (2005) organisational change can arise internally through initiation by managers, it can evolve slowly within a department, it can be imposed by specific changes in policy or procedures or it can arise through external pressures. Change can affect all aspects of the operation and functioning of the organisation.

Change is always both an internal and external condition. Interaction and reaction between the world and an individual are constantly occurring.

**2.3.1 External forces**

Changes in technology, the marketplace, information systems, the global economy, social values, workforce demographics, and the political environment all have a significant effect on
the processes, products and services produced. The culmination of these forces has resulted in an external environment that is dynamic, unpredictable, demanding and often devastating to those organisations which are unprepared or unable to respond (Burnes, 2004). Fahey and Narayanan (1986), regard factors external to the organisation as key drivers of change. The four main factors, being sociological, political, economic and technological factors which are illustrated in the model below:

**SOCIOLOGICAL FACTORS**
- demographic characteristics
- values
- habits
- norms
- attitudes

**POLITICAL FACTORS**
- legislation
- strikes
- government stability
- taxation

**ECONOMIC FACTORS**
- competitors
- suppliers
- inflation
- interest rates
- unemployment

**TECHNOLOGICAL FACTORS**
- use of knowledge, methods and techniques to transform the inputs into the outputs
- rate of change

**FIGURE 2.1: FOUR MAIN EXTERNAL FACTORS THAT DRIVE CHANGE**

Tichy (1983) identified four main triggers for change:

- Environment. This is caused by competitive pressures, legislative changes and shifts in the economy.
- Business relationships. Acquisitions, mergers, and partnerships may require substantial changes in the structure of organisations to enable it to take advantage of new synergies and core competencies.
- Technology. Major changes in the technological environment of the company must lead to changes in the company's work processes and may threaten the survival of the company.
- People. New entrants to the organisation will inevitably lead to new ideas and subsequent change being brought to the organisation.

Kotter (1996) believes that external macroeconomic forces are the drivers of change pushing organisations to continue their efforts to reduce costs, improve quality of products and services,
locate new opportunities for growth and increase productivity. Kotter (1996) also agrees with the opinion of Kreitner and Kinicki (1995) that globalization is one of the factors pushing organisations to keep on needing to make improvements and drive change.

Sturges (2006) argues that the external forces for change impact the organisation either directly or indirectly, reinforce one another or might be in conflict with each other. According to Ansoff and McDonnell (1990) changes is a result of the necessity for organisations to utilize existing or emerging opportunities and deal with risks in the market.

The opinion of Smit and Cronje (2002) is similar to those highlighted by Kreitner and Kinicki (1995), Kotter (1996) and Swanepoel et al. (2008) in the belief that forces for change are made up of external variables that represent six uncontrollable environmental factors, namely, technological, economic, social, political, ecological and international variables.

Swanepoel et al. (2008) concur that internal forces for change being derived from the external forces such as political, economic, social, technological factors and they agree with Kotter (1996) that the issues of globalization is another factor driving change.

2.3.2 Internal forces

Kreitner and Kinicki (1995) are of the opinion that forces for change originates from within the organisations from human resource problems and decisions made by management. The problems associated with human resource stem from the difference between what the individual wants and what the organisation wants whilst decisions made by management stimulate the need for change as a result of inadequate organisational direction.

Taking this into consideration it is possible that Kreitner and Kinicki (1995) might be referring to situations where employees put their interest first and not those of the organisation as well as to the organisational mission that is misaligned to the operating environment.

This opinion is similar to Aldrich (1999) who lists a number of internal forces of an organisation as signals that indicate a need for change is required. These internal forces include human resources and behaviour of management as well as growth, internal power struggles, goal succession, organisation life-cycle, economical restrictions, merger and acquisitions and crisis. It is therefore important that these forces are clearly defined to be able to monitor them to achieve change in the most appropriate form and time. Ndlovu and Paramasur (2005) also list the change in cultural dynamics within an organisation as an important internal force that drives change.
Coetsee (2002:192) as well as Palmer, Dunford and Akin (2009:65-69) list the following as examples of internal forces of change in organisations:

- **The changing nature of the workforce** – for example, changing values and lifestyles of employees, dissatisfaction with the status quo, more cultural diversity, as well as many new entrants with inadequate skills.

- **New visions and goals** – for example, the appointment of a new CEO.

- **Internal pressures to stay viable** – be more effective, to survive and increase performance.

- **Growth pressures** – as company’s age, change in the form of growth is brought about.

- **Integration and collaboration pressures** – to integrate companies or create economies of scale across different business units.

- **Identity pressures** – especially where different business units compete with each other or where there is a lack of a cultural identity.

- **New broom pressures** – when a new CEO or manager arrives.

- **Power and political pressures** – to alter traditional internal power relationships in order to speed up decision-making and to allow others to engage in it.

Smit and Cronje (2002) like Kreitner and Kinicki (1995) also believe that forces for change internal in the organisation originate from external factors and create the need for change likely to result in the revision of the organisation's mission or its strategies.

The consensus among the experts seems to be that forces external to the organisation are the key drivers for change and that pressure for change might also result from internal forces. Swanepoel et al. (2008) argue that despite the pressure for change from both external and internal factors, the best and most well intended change might be resisted.

### 2.4 HOW PEOPLE REACT TO CHANGE

People do not like change. Benedict (2007) states that employee resistance is the obstacle most frequently experienced during major organisational changes. According to Brooks and Bate (1994) there might be a strong preference for stability and continuity in human nature. People only want to change when it appears to them as there is really no other solution anymore other than change. According to Kirkpatrick and Ackroyd (2000) managerialism
produces resistance to change as well as other negative outcomes. It is often the cause of the problem and not the cure. Resistance in an organisational setting is therefore an expression of reservation which normally arises as a response or reaction to change (Block, 1989). This is then witnessed by management as any actions by employees that are perceived to stop, delay or alter change (Bemmels & Reshef, 1991). Maurer (1996) asserts that “resistance kills change”.

Resistance to change is defined by Schermerhorn et al. (2005) as any attitude or behaviour that indicates unwillingness to make or support a desired change. Brewster, Carey, Grobler, Holland & Warnich (2008) are of the opinion that individuals and organisations are not inherently resistant to change. Barriers are put in place if change is perceived to be threatening. They therefore react to the threat and not to change. This is supported by Palmer et al. (2009) who are of the opinion attention should be placed in the context of recognition that people are not always resistant of change but will often work enthusiastically to support change. Kirkpatrick (2001) identifies the following possible outcomes which are likely to cause positive reaction to change in people:

- Security – change may increase demand for an individual's skills.
- Money – change may involve increased salary.
- Authority – change may involve promotion or additional decision-making discretion.
- Status – change may include title changes, work assignments, office allocations, and more.
- Responsibility – changes in jobs may occur.
- Improved working conditions – the working environment may change.
- Self-satisfaction – a greater sense of achievement and challenge may be felt by individuals.
- Better personal contacts – change may provide enhanced contact with influential people.
- Less time and effort – change may improve operational efficiencies.

Sources of resistance to change are categorized into two classes by Robbins et al. (2009). These are organisational sources and individual sources. Organisational resistance emanates from organisational cultures that desire to continue doing the same as they have been doing for years. Individual sources of resistance are explained being found in the basic human characteristics such as perceptions, personalities and needs. It can be argued that the organisational sources of resistance highlighted by Robbins et al. (2009) are in some ways similar to the organisational systems of resistance described by Brewster et al. (2008).
Nel, Werner, Haasbroek, Poisat, Sono and Schultz (2008) believe that people generally have a fear and thereby resist change because they have a perception that change is a threat to their self-interest. The reasons for resistance to change is summarized by Nel et al. (2008) as fear of the unknown as a result of not understanding what is happening or why, disrupted habits which might make individuals feel upset when old ways of doing things cannot be followed, loss of confidence that might result in people feeling incapable of performing well under the new way of doing things, loss of control and lack of purpose with affected members not seeing the reason for the change.

Kotter (1996) agree with the opinions regarding organisational culture being among the reasons for resistance to change. Resistance to change normally exists when self-approval levels are high which is aggravated by the accompanying difficulty to get people out of their comfort zones. The biggest issue surrounding self-approval is too much past success, lack of visible crisis, low performance standards and insufficient feedback from external constituencies. This is similar to the point made by Greenwood and Hinings (1996) that people unwittingly accept the current as the appropriate, correct and the proper way in which things should be done. Palmer et al. (2009) comment that the readiness for change can be significantly affected by the degree of this attachment to the existing organisational culture.

Kotter and Cohen (2002) expand on the insufficient feedback from external constituencies stating that the greatest source of resistance to organisational change result from the disturbance of the settled balance of power. Stakeholders whose interests are threatened by change are likely to resist change.

There are various ways in which resistance to change may be overcome. Six of the most popular and frequently used approaches or strategies for the management of resistance to change include the following: education and communication, participation and involvement, facilitation and support, negotiation and agreement, manipulation and co-optation, and explicit and implicit coercion (Anderson, 2011; Duke, 2011; Harvey, 2010).

**Education and Communication**

Resistance can be reduced when there is communication with stakeholders to help them see the need for change as well as the logic behind it. This approach is successful only if the source of resistance is inadequate communication and mutual trust exists. If there is no trust the change is unlikely to succeed.

**Participation and Involvement**
Stakeholders who participate in planning and implementing changes are less likely to resist it. Involvement of stakeholders prior to making a change by allowing them to express their view on the change, indicate potential problems, and suggest modifications can reduce resistance, improve commitment and increase the quality of the change decision.

**Facilitation and Support**
It is important that supportive and facilitative behaviours are present when change is being implemented. This includes listening to stakeholders' ideas, being approachable, and using ideas that have merit.

**Negotiation and Agreement**
Potential or actual resistance to change can be neutralized by the provision of incentives for cooperation. Standard rewards such as recognition, increased responsibility, praise, and status symbols can be used in this regard.

**Manipulation and Cooptation**
Manipulation occurs when information regarding change is selectively distributed to stakeholders by deciding when and how much information, how accurate the information is, and when to disseminate the information to increase the chance that change will be successful. Cooptation involves giving the leaders of a resistance group a key role in the change decision. Their advice is sought, not to arrive at a better decision, but to get their endorsement. Both of these are inexpensive ways to influence potential resisters to accept change, but these techniques can backfire if the targets become aware they are being tricked.

**Explicit and Implicit Coercion**
Coercion can be seen as a last resort. Some changes require immediate implementation. And change initiators may have considerable power. Such instances lend themselves more readily to the use of coercion to gain compliance to proposed changes. Organisation members can be threatened with job loss, decreased promotional opportunities, salary freeze, or a job transfer. There are, however, negative effects of using coercion including frustration, fear, revenge, and alienation, which in turn may lead to poor performance, dissatisfaction, and turnover.

Brewster et al. (2008) are also of the opinion that barriers to change can be found in three main areas, namely, organisational systems, leadership and management and human dimensions. Organisational systems refers to situations where there are differing organisational values, dysfunctional culture and internal conflict over resources. Leadership and management barriers is explained as referring to lack of management commitment to change, lack of trust between
management and employees as well as inability of the leadership to deal with resistance to change. The human dimension involves faulty assumptions regarding change, lack of skill and ability to implement change.

2.5 EMPLOYEE ATTITUDES AS A REACTION TO CHANGE

- **MOTIVATION**

Motivation makes reference to “the reasons underlying behaviour” (Guay, Chanal, Ratelle, Marsh, Larose and Boivin, 2010:712). Broussard and Garrison (2004:106) explain motivation as the characteristic that motivates us to do or not to do something. Luthans (2011) states that motivation should not be accounted for as the only explanation of behaviour since it interacts with and acts in conjunction with other mediating processes and with the environment. Like all other cognitive process, motivation cannot be seen. All that can be seen is behaviour, and this should not be equated with causes of behaviour.

One feature of most definitions of motivation is that the following words are included, "desire", "want", "wishes","aim","goals", "needs", and "incentives". Luthans (2011) defines motivation as, "a process that starts with a physiological deficiency or need that activates a behaviour or a drive that is aimed at a goal incentive". In this the key to understanding the process of motivation lies in the meaning of, and relationship among, needs, drives, and incentives.

For very long it has been believed that organisational goals can be achieved without the commitment of the stakeholders of these organisations. Worrall and Cooper (2006) found that 51% of employees felt negatively affected by change within their organisation. It is therefore important that during change initiatives the motivation of workers be kept up. Brockner, Grover, Reed and De Witt (1992) suggest that the reactions of individuals can be predicted based on prior levels of organisational commitment, prior attitudes from an encounter with the organisation or the value that the individual places on relationships established within the organisation.

- **JOB SATISFACTION**

Locke and Latham (1990) define job satisfaction as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience. Therefore it can be seen that job satisfaction is as a result of the employee’s perception of how well their job provides for the things that are viewed as important. Mckenna (2000) described job satisfaction as an individual
attitude to how well personal expectations at work correspond to the outcomes of these expectations.

Glisson and Durick (1988) and Kalleberg (1977) are of the opinion that job satisfaction is mainly influenced by a number of job characteristics such as role ambiguity and skill variety, individual characteristics such as age and work values and organisational characteristics such as leadership and organisational age.

Because organisational change can have an influence on job and organisational characteristics it can therefore as a result have an influence on job satisfaction. Mack, Nelson and Quick (1998) are of the opinion that organisational change can cause employees to change the ways in which they work. Mack et al. (1998) concluded that, based on the research they performed that in general, organisational changes can result in increasing levels of job dissatisfaction. This is mainly as a result of the increased uncertainty experienced during the change process. There are however many scholars that present different relationships between organisational change and job satisfaction. The main reason for this is the wide variety of change in organisations that are being studied. Organisational change can take different forms: reorganizing the work practices, job redesign, organisational growth, organisational downsizing. Moreover, while some changes affect the entire organisation, other changes affect only specific divisions, teams or jobs.

Job satisfaction will also depend on the economic, social and cultural conditions in a given country (Ebru, 1995). According to Moser (1997) the absence of job satisfaction can lead to lethargy and reduced organisational commitment. The lack of job satisfaction can be an indicator or predictor of the intention of quitting a job (Alexander, Lichtenstein, Oh and Ullman, 1998).

**ORGANISATIONAL COMMITMENT**

There are a large number of definitions and measures of organisational commitment. Becker, Randal and Riegel (1995) defined organisational commitment in three dimensions:

- a strong desire to remain a member of a particular organisation;
- a willingness to exert high levels of efforts on behalf of the organisation;
- a definite belief in and acceptability of the values and goals of the organisation.

Northcraft and Neale (1996) is of the opinion that commitment is an attitude that represents an employee's loyalty to the organisation as well as an ongoing process through which members of
an organisation express their apprehension for the organisation and its continued success and wellbeing. Organisational commitment is determined by a number of factors which include personal factors, organisational factors and non-organisational factors which affect subsequent commitment (Northcraft and Neale, 1996).

Salancik (1977) perceive commitment as a state of being in which an individual becomes bound by his actions and it is these actions that sustain his activities and involvement. From this definition, it can be inferred that three features of behaviour are important in binding individuals to act: visibility of acts, the extent to which the outcomes are irrevocable; and the degree to which the person undertakes the action voluntarily. It is therefore possible that commitment can be increased and harnessed to obtain support for the organisational ends and interests through such things as participation in decision-making.

Evidence can be found in the literature that identifies the role of organisational commitment in a change context. There have been many authors that have indicated that organisational commitment plays an important role in an employee’s acceptance of change (Darwish, 2000; Cordery, Sevastos, Mueller and Parker 1993). Lau and Woodman (1995) are of the opinion that a highly committed employee is more willing to accept organisational change if the perception is that it will be beneficial.

The uncertainty that arises during acquisitions due to changes within the organisation creates stress for employees that are not easily avoided as many of these changes are evolutionary and final outcomes are not known (Schweiger and Weber, 1989). This uncertainty and the rise in stress seem to have negative effects on the commitment of employees within an organisation (Schweiger and Denisi, 1991).

2.6 APPROACHES TO CHANGE MANAGEMENT AND THE DIFFERENT MODELS

According to Pearce and Robinson (1991) there are a number of external factors that influence an organisation’s choice of direction, action and ultimately its organisational structures and internal processes. These factors, which make up the external environment, can be divided into three interrelated strategy categories that are factors in the remote, industry and operating environment.

Most approaches to change management and change management models are very similar in their underlying thinking and assumptions although they might be different in approach and action plans. Even though there is not one widely accepted, clear and practical approach to organisational change management that explains what changes organisations need to make
and how to implement them (Burnes, 2004) the planned approach to organisational change attempts to explain the process that bring about change (Burnes, 1996; Elrod & Tippett, 2002). A selection of these planned approaches or models are depicted in table 2.1 to provide an indication of both the underlying commonality as well as variability:
<table>
<thead>
<tr>
<th>STEPS</th>
<th>Change Model</th>
<th>Management</th>
<th>Analysis</th>
<th>Mobilise</th>
<th>Conceive the future</th>
<th>Confer on the need for change</th>
<th>Diagram of the current situation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Unfreeze</td>
<td>Diagnose the problem</td>
<td>Establish a sense of urgency relating to external environmental realities to real and potential crises and</td>
<td>Determine the need or desire for change</td>
<td>Analyse the organisation and its need for change</td>
<td>Define the vision</td>
<td>Awaken</td>
<td>Establish a need for change</td>
</tr>
<tr>
<td>2 Change</td>
<td>Assess the motivation and capacity for change</td>
<td>Focus on a powerful coalition of individuals who embrace the need for change</td>
<td>Prepare tentative plans</td>
<td>Create a shared vision and a common direction</td>
<td>Mobilise</td>
<td>Conceive the future</td>
<td>Desire to support and participate in the change</td>
</tr>
<tr>
<td>3 Freeze</td>
<td>Asses the resources and motivation of the change agent</td>
<td>Create a vision to accomplish the desired end state</td>
<td>Analyse probable reactions</td>
<td>Separate from the past</td>
<td>Catalyse</td>
<td>Build the agenda of change</td>
<td>Assess the situation to determine design requirements</td>
</tr>
<tr>
<td>4 Choose progressive change objects</td>
<td>Communicate the vision to stakeholders</td>
<td>Make a final decision</td>
<td>Create a sense of urgency</td>
<td>Steer</td>
<td>Deliver big change</td>
<td>Design the desired state</td>
<td>Ability to implement required skills and behaviours</td>
</tr>
<tr>
<td>5 Ensure expectations are clear</td>
<td>Empower employees to act on the vision</td>
<td>Establish a timetable</td>
<td>Support a strong leader role</td>
<td>Deliver</td>
<td>Master the change</td>
<td>Analyse the impact</td>
<td>Reinforcement to sustain the change</td>
</tr>
<tr>
<td>6 Maintain the change</td>
<td>Plan for and create short term wins</td>
<td>Communicate the change</td>
<td>Line up political sponsorship</td>
<td>Obtain participation</td>
<td>Plan and organize for implementation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 Gradually reduce the level of support</td>
<td>Consolidate, improve and change other structure and systems</td>
<td>Implement the change</td>
<td>Craft an implementation plan</td>
<td>Handle emotions</td>
<td>Implement the change</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Institutionalise the new approach by publicizing the connection between the change effort and organisational success</td>
<td>Develop enabling structures</td>
<td>Handle power</td>
<td>Celebrate and integrate the new state</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Communicate, involve people and be honest</td>
<td>Train and coach</td>
<td>Learn and course correct</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Reinforce and institutionalise change</td>
<td>Actively communicate</td>
<td></td>
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</tbody>
</table>
Furthermore, the planned approach emphasises the importance of understanding the different states which an organisation will have to go through in order to move from an unsatisfactory state to an identified desired state (Elrod & Tippett, 2002). Change models provide assistance in explaining changes implemented in organisations in a simple manner. They illustrate the various factors or variables or variables that have a strong influence on changes within organisations. Most organisations are very complex and therefore change models need to be holistic, so that factors such as structures, cultures, leadership, processes, knowledge, individuals and capabilities within organisations can be taken into account. Selecting the correct change model to explain changes within an organisation is very important, as it needs to properly represent the changes in the organisation.

Table 2.1 gives examples of 10 models that have between 3 and 10 steps on how change should happen. These and other models differ not only in terms of number of steps but also whether all of the steps need to be followed, whether they need to be followed in sequence and whether they need to be adapted to specific settings (Palmer & Hardy, 2000).

Kurt Lewin’s (1958) three step change model suggests that driving forces facilitate change because they push employees in the desired direction. Driving forces promote change while restraining forces oppose change. Hence, change will occur when the combined strength of one force is greater than the combined strength of the other.

The first stage he calls "unfreezing". It involves overcoming inertia and dismantling the existing "mind set". It must be part of surviving. Defence mechanisms have to be bypassed. In the second stage the change occurs. This is typically a period of confusion and transition. We are aware that the old ways are being challenged but we do not have a clear picture as to what we are replacing them with yet. The third and final stage he calls "freezing". The new mind set is crystallizing and one’s comfort level is returning to previous levels.

Lippit, Watson and Westley (1958:58) extend Lewin’s (1958) theory by creating a “Seven-Step Theory”, which increases focus on the role and responsibility of a change manager.

This theory is beneficial from a project perspective because it gives you a larger and more effective voice within the organisation as you have key players within the organisation driving and supporting the change, as opposed to those ‘project people’ trying to get us to do things differently when we are happy with the way we do things now. This is also an empowering process for the change agents.
To be successful you must be confident that the organisation has the motivation and capacity for change and you must have the ‘right’ change agents.

People often make assumptions regarding the motivation and capacity for change. This assumption is often made by senior management when a lot of the times it is they who can be most change resistant.

It is often easy to identify the ‘right’ change agents. However, securing them for a project can be a completely new challenge. At a minimum, you must obtain buy-in from the change agent, formal approval from their manager, and a plan to manage project versus operational time including integration back into the organisation at the completion of the project.

Change remains stable if supported by other organisational systems. The more widespread behaviour becomes, the more accepted it becomes.

Kotter (1996) developed an “Eight-Step Change Management Process”. This process was developed to guide leaders in implementing effective change within their organisations.

Kirkpatrick (2001) portrays his seven step by step change model as a systematic approach which should be followed to ensure that the best decisions are made and that the change will be accepted by those involved. Mento, Jones and Dirndorfer (2002), however, base their model on both theory and practice. They suggest that their 12 steps are not to be regarded only sequentially, but also as an integrated process to enable change. Pendlebury, Grouard and Meston (1998) are of the view that although their ten keys model may be adapted to suit particular change circumstances, omissions of the various keys will likely lead to transformational failure. Most keys need to be implemented simultaneously and continuously during a change process, although some play a greater role in differing change phases than others.

Taffinder (1998) points out that in relation to his five transformation trajectories, there are no concrete rules or steps, but only general guidelines which either should inspire on further actions or are designed to be implemented in any organisation, regardless the type of changes implemented. This point of view is shared by Anderson and Anderson (2001) who point out that their change process model can be tailored for all types of change as well as any magnitude of change effort. They highlight the fact that their model should be seen as a way of thinking for change managers, who may be simultaneously operating with up to four change phases at once.
Kanter et al. (1992) suggest that Lewin's model of change, which consists of three successive phases called unfreezing, moving, and freezing, is too simplistic as it is based on the view that organisations are essentially stable and static, which in today's environments they are not.

They also disagree with the idea that change results only from concentrated effort, and that it occurs in one direction at a time. Kanter, Stein and Jick (1992) argue that change is "multi-directional and ubiquitous" and that change happens in all directions at once and is a continuous process. This complexity can help to explain why Lewin's model may not seem to have much relationship with real life where change seems a more confused process.

Unlike the models presented above, Coetsee (2002) presented a model that consists of ten principles to be considered when change is being contemplated, which is not a step-by-step sequential process. It is an integrative holistic plan and technique to manage change and to convert plans into action.

These ten principles are set out in table 2.2.

<table>
<thead>
<tr>
<th>Principle 1:</th>
<th>The Purpose Principle: The reasons and the purpose for the planned change</th>
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<tbody>
<tr>
<td></td>
<td>The need for change should be identified to ensure that a real need exists.</td>
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<td></td>
<td>Understanding results and outcomes change should achieve will shed new light on the reason for change, which then enables the need for change to be determined.</td>
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<table>
<thead>
<tr>
<th>Principle 2:</th>
<th>The Necessity Principle: the need for change</th>
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<tr>
<td></td>
<td>This illustrates the need for change and states that during any change initiative all people affected should be involved, be informed why change is being introduced and know the roles they are to perform.</td>
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<tr>
<th>Principle 3:</th>
<th>Ensure or Create Leadership and Stakeholder Involvement</th>
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<tr>
<td></td>
<td>Change needs to be led and managed. All stakeholders need to be involved and their commitment towards results is essential for the change process to succeed. Once the purpose and the need for change have been identified the focus needs to shift to the creation of leadership and stakeholder involvement. Leaders are crucial, not only in their support and involvement in the change process, but also through their commitment to achieving the end result.</td>
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<tr>
<th>Principle 4:</th>
<th>Diagnostic Principle</th>
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<tr>
<td></td>
<td>Involvement = Knowledge X Information X Rewards and Recognition X Empowerment</td>
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Mostly when organisational diagnoses are made, energy is spent on correcting problems. However utilising existing strengths as positive forces for change is mostly neglected. In change strategies special attention should be given to how existing strengths are used to convert plan into action and solve problems. It is therefore important to identify the present strengths that can be utilised as well as what the current weaknesses are which should be eliminated or managed in order to achieve the purpose. The diagnosis also provides criteria with which to monitor and evaluate the eventual success of the change programme.

<table>
<thead>
<tr>
<th>Principle 5:</th>
<th>The Problem Polarity Principle</th>
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<tr>
<td>It is crucial to distinguish between problems that can be solved and dilemmas or polarities that cannot but will have to be managed to achieve success.</td>
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<tr>
<th>Principle 6:</th>
<th>The Results Orientated/Integrated Principle</th>
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<tr>
<td>All processes and interventions must be results directed to achieve the change principle. The results orientated change strategy is directed at bridging the gap between what one wished to achieve, where one wants to be and where one is now.</td>
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<tr>
<th>Principle 7:</th>
<th>Align Commitment Principle</th>
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<tr>
<td>This involves switching leader and stakeholder involvement to leader and stakeholder commitment and to align all structures, vision, goals, shared values, skills, efforts, training, communication, rewards, recognition and empowerment. It applies to the aligned commitment equation.</td>
<td></td>
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<tr>
<td>Aligned Commitment = Involvement X Shared vision and value system</td>
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<tr>
<td><em>thus:</em> Involvement = Knowledge X Information X Rewards and Recognition X Empowerment X Shared Vision</td>
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<tr>
<th>Principle 8:</th>
<th>Diagnose Apathy and Resistance to Change Proactively</th>
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<tr>
<td>This includes identifying possible sources of resistance, the reasons for the resistance of these sources, the kinds of resistance and managing these proactively and effectively. The aligned commitment equation is a valuable tool to convert resistance into support then into involvement and eventually into commitment. Proactively managing resistance to change is a prerequisite for successful change.</td>
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<tr>
<th>Principle 9:</th>
<th>The Learning or New Culture Creation Principle</th>
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<tr>
<td>Adeptness to change is important for future survival and growth. Long term change can only be effective if there is a change in the culture of the organisation. It is also important to create a change conducive to a learning culture. This is important not only to convert the existing plan into action but also to support future planning to action conversions. Entrenching a value system which is supportive and conducive to the creation and maintenance of a change supporting learning culture is essential.</td>
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<tr>
<th>Principle 10:</th>
<th>The Managerial Leadership Monitoring Evaluation and Transformational Leadership Principle</th>
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Managerial leadership is seen to make the team members successful. Monitoring and evaluating progress are valuable input in the application of all other principles, especially the integration, commitment, resistance to change and in particular the creation of a learning culture.

2.6 CHANGE WITHIN THE ORGANISATION UNDER REVIEW

The organisation under review was owned by one of the world’s largest pharmaceutical companies with its headquarters based in the US and was a part of its medical diagnostic business. Due to a change in focus, a decision was made to sell the business to an Italian Multinational Group that specialises in medical diagnostics. This brought about a very significant change in corporate culture as well as a very different management style, specifically related to human resource management.

As the only medical diagnostic manufacturer in the country, finding and then retaining staff with the necessary skills set are very important. The change in ownership and the new culture therefore brought about numerous new challenges for management as there was an immediate effect on staff attitudes.

Finding innovative ways to remain competitive, retain staff through motivation and job satisfaction, and manage change was therefore the main focus for management.

2.7 SUMMARY

In Chapter 2 change management was defined as well as its place within an organisation. The need for change as well the forces that drive change were also addressed. The chapter also looked at resistance to change as well as approaches to change management and different change management models. Motivation, job satisfaction and organisational commitment was also addressed. The chapter concluded with information regarding the change that has taken place in the organisation under review.
CHAPTER THREE: EMPIRICAL STUDY

3.1 INTRODUCTION

This chapter discusses the research methods and techniques used in this study. The main aim of this study was to determine how the change that has taken place over the last several years has been experienced by the employees of the company and to determine whether the organisation followed a change management model such as the 10 principles of change (Coetsee, 2002) to manage the changes that have been identified over the last several years.

3.2 RESEARCH METHODOLOGY

Two techniques were used in the research for this study. A literature study as well as an empirical study was performed.

3.2.1 Literature study

A literature study was done using the Internet, journals, articles and other material that could be found on the subject. Specific focus was placed on a definition for change management, forces of change, employee reactions to change as well as the different change management models.

3.2.2 Empirical Study

This section discusses the research design, the participants, the measuring battery as well as statistical analysis.

3.2.2.1 Research design

The empirical study consisted of a Questionnaire (Annexure A) that was distributed to all the employees of a company chosen to perform the study on.

3.2.2.2 Research procedure

Permission to conduct the study was obtained from the head of HR of the company in question after the possible benefits to the company were explained and discussed. After this the study was explained to management within the company before questionnaires were distributed to all employees.

The distribution of the questionnaires was done during the first week of September 2013 and expected to be returned by the end of the same month. Completion and collection however
became a very big challenge. Due to this the questionnaire was redistributed in April 2014 and questionnaires were received back by the end of July 2014.

Questionnaires were submitted to the NWU statistical services for capturing and analysis in August 2014.

3.2.2.3 Participants

The study population consisted of all 51 employees employed by the company at the time the questionnaires were distributed.

Some employees completed these in writing whilst others preferred to complete them electronically. Of the 51 questionnaires that were distributed only 35 were received back from the employees. It must also be noted that in that time there were five resignations from the company during the period in which questionnaires were distributed and collected. None of these positions were however filled during the time of the study. The response rate achieved was therefore calculated at 76.09% (35 out of a possible 46 questionnaires).

TABLE 3.1: Characteristics of the Participants

<table>
<thead>
<tr>
<th>ITEM</th>
<th>CATEGORY</th>
<th>FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>GENDER</td>
<td>MALE</td>
<td>10</td>
<td>35.7</td>
</tr>
<tr>
<td></td>
<td>FEMALE</td>
<td>18</td>
<td>64.3</td>
</tr>
<tr>
<td></td>
<td>18-25</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>26-35</td>
<td>16</td>
<td>45.7</td>
</tr>
<tr>
<td>AGE</td>
<td>36-45</td>
<td>16</td>
<td>45.7</td>
</tr>
<tr>
<td></td>
<td>46-55</td>
<td>3</td>
<td>8.6</td>
</tr>
<tr>
<td></td>
<td>56-65</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>WHITE</td>
<td>13</td>
<td>37.1</td>
</tr>
<tr>
<td></td>
<td>BLACK</td>
<td>14</td>
<td>40.0</td>
</tr>
<tr>
<td>RACE</td>
<td>COLOURED</td>
<td>3</td>
<td>8.6</td>
</tr>
<tr>
<td></td>
<td>INDIAN</td>
<td>5</td>
<td>14.3</td>
</tr>
<tr>
<td></td>
<td>OTHER</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>GRADE 12</td>
<td>13</td>
<td>37.1</td>
</tr>
<tr>
<td></td>
<td>DIPLOMA/CERTIFICATE</td>
<td>10</td>
<td>28.6</td>
</tr>
<tr>
<td>QUALIFICATIONS</td>
<td>B DEGREE</td>
<td>3</td>
<td>8.6</td>
</tr>
<tr>
<td></td>
<td>HONS DEGREE</td>
<td>5</td>
<td>14.3</td>
</tr>
<tr>
<td></td>
<td>MASTER/PhD</td>
<td>4</td>
<td>11.4</td>
</tr>
</tbody>
</table>
Most of the respondents were female and black and although not all respondents supplied their gender, this is in line with the overall makeup of the full study population. The average age of the respondents was between 36 and 45 with 37.1% having achieved grade 12 and 25.8% having post graduate qualifications.

3.2.2.4 Measuring battery

The questionnaire was designed for the purpose of the study to be structured, unambiguous and self-administered. The questionnaire consisted of multiple choice questions as well as open ended questions. Oppenheim (1992) described open-ended questions as free responses in which respondents can express their views openly. These were designed to determine the research objectives. A 5 point Likert-type scale was used for the close-ended questions. Close-ended questions are simple to complete and play a role in avoiding differences in interpretation (Bailey, 1987:118-119). In this section respondents were requested to select one of the alternative responses listed.

The questionnaire can be broken down into the following sections:

PART 1: Demographic Information

This type of information was obtained in order to draw correlations between it and the results obtained from the questions in part 2 relating to productivity, job satisfaction and the intention to quit.

PART 2: Productivity, Job Satisfaction and the intention to quit

This section of the questionnaire was intended to assess the opinion of the participants on whether they have been productive over the last three months, whether they have been satisfied with their job and if they have considered quitting.

PART 3: Principles of change management

This section of the questionnaire intended to assess whether a change management model, in this case the 10 principles of change management, had been followed during any of the change initiatives that have taken place at the organisation. The section contained 11 questions as questions 3 and 4 both addressed the same issue.
PART 4: Open-ended questions

The purpose of this section was to identify the following:

- The changes that have taken place in the organisation over the last several years.
- How these changes affected the employees.
- What influence this had on the productivity, commitment, health and intention to leave the organisation.
- What could management have done differently to change their opinion on change.
- What can management do differently in future when change needs to take place.

3.2.2.5 Statistical Analysis of the data

The data that was collected during the survey was captured and analysed by the Statistical Consultation Services of the North-West University. The statistical software used was the Statistical Package for Social Sciences, Version 22 (SPSS, 2015). Descriptive statistics (means and standard deviations) were used to analyse the data. Spearman’s rank order correlation coefficients were used to specify the relationship between the variables. Effect sizes (Steyn, 1999) were used to decide on the practical significance of the findings. Spearman’s correlation coefficients were used to specify relationships between the variables. Guideline values of 0.10 (small effect of no practical significant difference), 0.30 (medium effect or a practical visible difference) and 0.50 (large effect or a practical significant difference) were set for the interpretation of practical significance of the correlation coefficient.

The research data was analysed and interpreted by using content analysis. Content analysis has been defined as a systematic, replicable technique for compressing many words of text into fewer content categories, based on explicit rules of coding (Berelson, 1952).

Through the use of content analysis researchers are able to sift through large volumes of data with relative ease and in a systematic way. It can be a useful technique for allowing us to discover and describe the focus of individual, group, institutional, or social attention (Weber, 1990). It also allows inferences to be made which can then be corroborated using other methods of data collection.

3.2 SUMMARY

This chapter explained the research design approach that was followed during the study and also indicated the statistical methods used. The validity and reliability of these methods were also explained.
CHAPTER FOUR: RESULTS

4.1 INTRODUCTION

This chapter will cover a presentation of the analysis of the data. This includes the descriptive statistics which includes frequencies and factor analysis, the correlation between the measured constructs, regression analysis, multiple analysis of variance and finally the content analysis of the open ended questions relating to the impact of change in the organisation.

4.2 DESCRIPTIVE STATISTICS

One of the main objectives of the study was to determine whether the organisation followed a change management model such as the 10 principles of change (Coetsee, 2002) to manage the changes that have been identified over the last several years. Questions were asked to determine if management followed these principles.

Frequencies of the responses received from employees have been summarized in Table 4.1.

TABLE 4.1: SUMMARY OF QUESTIONS REGARDING 10 PRINCIPLES OF CHANGE

<table>
<thead>
<tr>
<th>QUESTIONS</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>N</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Purpose of change explained</td>
<td>2</td>
<td>3</td>
<td>11</td>
<td>15</td>
<td>4</td>
<td>35</td>
<td>3.46</td>
<td>1.01</td>
</tr>
<tr>
<td>2. Need for change clarified before implementation</td>
<td>2</td>
<td>8</td>
<td>9</td>
<td>13</td>
<td>3</td>
<td>35</td>
<td>3.20</td>
<td>1.07</td>
</tr>
<tr>
<td>3. Top management strongly involved in change process</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>17</td>
<td>4</td>
<td>35</td>
<td>3.31</td>
<td>1.26</td>
</tr>
<tr>
<td>4. All stakeholders involved in integration process</td>
<td>3</td>
<td>5</td>
<td>15</td>
<td>8</td>
<td>2</td>
<td>33</td>
<td>3.03</td>
<td>1.02</td>
</tr>
<tr>
<td>5. Diagnoses of organisation performed prior to implementation</td>
<td>2</td>
<td>8</td>
<td>14</td>
<td>9</td>
<td>1</td>
<td>34</td>
<td>2.97</td>
<td>0.94</td>
</tr>
<tr>
<td>6. Problems identified attended to before implementation</td>
<td>3</td>
<td>7</td>
<td>14</td>
<td>10</td>
<td>1</td>
<td>35</td>
<td>2.97</td>
<td>0.99</td>
</tr>
<tr>
<td>7. Results orientated change strategy developed prior to implementation</td>
<td>2</td>
<td>8</td>
<td>10</td>
<td>13</td>
<td>1</td>
<td>34</td>
<td>3.09</td>
<td>1.00</td>
</tr>
<tr>
<td>8. Commitment from all stakeholders secured prior to and during process</td>
<td>5</td>
<td>6</td>
<td>17</td>
<td>6</td>
<td>1</td>
<td>35</td>
<td>2.77</td>
<td>1.00</td>
</tr>
<tr>
<td>9. Resistance to change proactively managed</td>
<td>6</td>
<td>8</td>
<td>9</td>
<td>11</td>
<td>1</td>
<td>35</td>
<td>2.80</td>
<td>1.16</td>
</tr>
<tr>
<td>10. Learning culture was promoted during implementation of change</td>
<td>4</td>
<td>5</td>
<td>12</td>
<td>12</td>
<td>2</td>
<td>35</td>
<td>3.09</td>
<td>1.10</td>
</tr>
<tr>
<td>11. Progress and results were monitored and evaluated after implementation</td>
<td>4</td>
<td>4</td>
<td>12</td>
<td>13</td>
<td>2</td>
<td>35</td>
<td>3.14</td>
<td>1.09</td>
</tr>
</tbody>
</table>

Total Score: 386, 66, 114, 127, 22, 346, 3.08, 0.88
The above frequencies of responses can be reported as follows:

**Question 1: The purpose for the change initiatives were identified and explained:** The majority, 54.3%, of the respondents felt that the purpose for the change initiatives were identified and explained whilst 14.3% felt it was not identified and 31.4% remained neutral.

**Question 2: The need for the change initiatives were clarified before implementation:** Again the majority, 45.7%, of the respondents felt that the need for the change initiatives were clarified before implementation whilst 28.6% felt that it was not clarified before implementation and 25.7% remained neutral.

**Question 3: Top management was strongly involved in the change process:** Here again the majority, 60.0%, of the respondents felt that top management was strongly involved in the process whilst 25.7% felt that top management were not strongly involved. 14.3% of respondents decided to remain neutral.

**Question 4: All the stakeholders were involved in the change process:** Regarding the involvement of all stakeholders to the change process the number of respondents that agreed dropped significantly to 30.3% whilst 24.3% disagreed. It is however noticeable that 45.5% of the respondents decided to remain neutral.

**Question 5: Prior to the implementation of the change initiatives, the strengths and weaknesses of the organisation were diagnosed:** 41.2% of the respondents decided to remain neutral or did not answer this question. It is very noticeable that the number of respondents that agreed with this statement is exactly the same as those that did not agree (29.4%).

**Question 6: Problems identified during diagnoses were attended to before implementation of change:** Again the majority of respondents decided to remain neutral whilst those that agreed, 31.5%, was very much in line with those that disagreed agreed (28.6%).

**Question 7: Results orientated change strategy was developed prior to implementation of change:** The largest number of respondents, 41.1%, agreed that the change strategy developed prior to implementation was results orientated whilst 29.4% disagreed and the same number decided to remain neutral.

**Question 8: Commitment from all stakeholders was secured prior and during the process:** Although the majority of respondents, 48.6%, decided to remain neutral on this
statement it is interesting to note that 31.4% disagreed with this statement while only 20% agreed.

**Question 9: Resistance to change was proactively managed:** 40.0% of respondents disagreed with the statement that resistance to change was proactively managed while 34.3% agreed and 25.7% decided to remain neutral.

**Question 10: A learning culture was promoted during implementation of the change initiatives:** 40.0% of respondents agreed with the statement that a culture of learning was promoted during the implementation of the change initiatives whilst 25.7% disagreed and 34.3% decided to remain neutral.

**Question 11: Progress and results were monitored and evaluated after the implementation:** The majority of respondents, 42.8% agreed that progress and results of the change initiatives were monitored and evaluated after the implementation. Of the remaining respondents 34.3% remained neutral and 22.8% disagreed with the statement.

Frequencies of the responses to questions asked that related specifically to the workplace have been summarized in Table 4.2.

**TABLE 4.2: SUMMARY OF QUESTIONS SPECIFIC TO THE WORKPLACE**

<table>
<thead>
<tr>
<th>QUESTIONS</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>N</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>V How productive were you over the last three months?</td>
<td>3</td>
<td>2</td>
<td>8</td>
<td>18</td>
<td>4</td>
<td>35</td>
<td>3.51</td>
<td>1.07</td>
</tr>
<tr>
<td>VI How satisfied are you with your job?</td>
<td>2</td>
<td>8</td>
<td>10</td>
<td>12</td>
<td>3</td>
<td>35</td>
<td>3.17</td>
<td>1.07</td>
</tr>
<tr>
<td>VII I consider quitting my job?</td>
<td>3</td>
<td>5</td>
<td>13</td>
<td>10</td>
<td>4</td>
<td>35</td>
<td>3.20</td>
<td>1.11</td>
</tr>
</tbody>
</table>

The above frequencies can be reported as follows:

**Question V: How productive were you during the last three months?**

When asked about their productivity during the last three months the responses were overwhelmingly positive with 62.8% of respondents indicating that they were productive over this period with 22.9% remaining neutral and only 14.3% indicating that they were unproductive.

**Question VI: How satisfied are you with your job?**

The majority of respondents, 42.9% indicated that they were satisfied with their jobs while 28.6% indicated that they were dissatisfied. The remaining 28.6% chose to remain neutral.
Question VII: I consider quitting my job.

When asked whether they consider quitting their jobs the majority, 39.8%, indicated that they do not consider this. 37.1% remained neutral and 22.9% indicated that they do consider quitting. This might be a reason for concern as the total number of respondents considering quitting and those who remained neutral constitute almost 47% of the total workforce of the organisation under review.

4.3 ANALYSIS OF RELATIONSHIPS BETWEEN DEMOGRAPHICS AND STATEMENTS CONTAINED IN QUESTIONNAIRE

Spearman’s rank Correlation coefficient was used to assess whether there was any significant relationships between the demographic information and the statements contained in the questionnaire. For this test the guideline values were set at 0.10 which represented a small effect or no practical significant association; 0.30 representing a medium effect or a practical visible association; 0.50 representing a large effect or practical significant association. All significant relationships are indicated in table 4.3 below.

<table>
<thead>
<tr>
<th>N1</th>
<th>N2</th>
<th>N3</th>
<th>N4</th>
<th>N5</th>
<th>N6</th>
<th>N7</th>
<th>N8</th>
<th>N9</th>
<th>N10</th>
<th>N11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>0.36*</td>
<td>0.45**</td>
<td>0.37*</td>
<td>0.28</td>
<td>0.35*</td>
<td>0.51**</td>
<td>0.61**</td>
<td>0.36*</td>
<td>0.37*</td>
<td>0.30</td>
</tr>
<tr>
<td>Productivity</td>
<td>0.66**</td>
<td>0.40*</td>
<td>0.32</td>
<td>0.13</td>
<td>0.09</td>
<td>0.24</td>
<td>0.17</td>
<td>0.33</td>
<td>0.30</td>
<td>0.29</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>0.59**</td>
<td>0.52**</td>
<td>0.28</td>
<td>0.39*</td>
<td>0.34*</td>
<td>0.46**</td>
<td>0.28</td>
<td>0.37*</td>
<td>0.39*</td>
<td>0.40*</td>
</tr>
<tr>
<td>Intention to quit</td>
<td>-0.50**</td>
<td>-0.52**</td>
<td>-0.43</td>
<td>-0.46**</td>
<td>-0.47**</td>
<td>-0.32</td>
<td>-0.29</td>
<td>-0.41*</td>
<td>-0.33</td>
<td>-0.40*</td>
</tr>
</tbody>
</table>

Key: N1 = The purpose for the change initiatives were identified and explained
N2 = The need for the change initiatives were clarified before implementation
N3 = Top management was strongly involved in the change processes
N4 = All the stakeholders were involved in the integration process
N5 = Prior to the implementation of the change initiatives, the strengths and weaknesses of the organization were diagnosed
N6 = Problems identified during diagnoses were attended to before implementation the change initiatives
N7 = Results Orientated Change Strategy were developed prior to implementation of integration
N8 = Commitment from all stakeholders were secured prior and during the process
N9 = Resistance to change was proactively managed
N10 = A learning culture was promoted during implementation of the change initiatives
N11 = Progress and results were monitored and evaluated after the implementation

Note:
1. Correlations of Demographic variables with each other and statements contained in the questionnaire with each other, was omitted from this table, because in this table we just wanted to see the relationship between the demographic variables and the statements contained in the questionnaire.

As indicated above the only demographic information that showed any practical visible or practical significant relationships was age, productivity, job satisfaction and intention to quit.
For age there were practical visible relationships between the purpose for the change initiatives were identified and explained (0.36), the need for the change initiatives were clarified before implementation (0.45), top management was strongly involved in the change processes (0.37), prior to the implementation of the change initiatives the strengths and weaknesses of the organisation were diagnosed (0.35), commitment from all stakeholders were secured prior and during the process (0.36), resistance to change was proactively managed (0.37), a learning culture was promoted during implementation of the change initiatives (0.30) and the progress and results were monitored and evaluated after the implementation (0.38). The only variables that showed practical significant relationships were problems identified during diagnoses were attended to before implementation of the change initiatives (0.51) and results orientated change strategy were developed prior to implementation of integration (0.61).

For productivity there were practical visible relationships between the need for the change initiatives were clarified before implementation (0.4), top management was strongly involved in the change processes (0.32), commitment from all stakeholders was secured prior and during the process (0.33) and resistance to change was proactively managed (0.30). The only variable that showed a practical significant relationship was the purpose for the change initiatives were identified and explained (0.66).

For job satisfaction there were practical visible relationships between all the stakeholders that were involved in the integration process (0.38), prior to the implementation of the change initiatives the strengths and weaknesses of the organisation were diagnosed (0.34), problems identified during diagnoses were attended to before implementation the change initiatives (0.46), commitment from all stakeholders were secured prior and during the process (0.37), resistance to change was proactively managed (0.39), a learning culture was promoted during implementation of the change initiatives (0.40) and progress and results were monitored and evaluated after the implementation (0.45). As with age the same two variables showed a practical significant relationship being the purpose for the change initiatives were identified and explained (0.59) and the need for the change initiatives were clarified before implementation (0.52).

For intention to quit there were practical visible relationships between top management was strongly involved in the change processes (-0.43), all the stakeholders were involved in the integration process (0.46), prior to the implementation of the change initiatives the strengths and weaknesses of the organisation were diagnosed (-0.47), problems identified during diagnoses were attended to before implementation the change initiatives (-0.32), commitment from all stakeholders were secured prior and during the process (-0.41), resistance to change was proactively managed (-0.33), a learning culture was promoted during implementation of the
change initiatives (0.40), progress and results were monitored and evaluated after the implementation (-0.47). Again as with age and job satisfaction the variables that showed a practical significant relationship was the purpose for the change initiatives were identified and explained (0.50) and the need for the change initiatives were clarified before implementation (0.52).

4.4 CONTENT ANALYSIS OF OPEN ENDED QUESTIONS

This section contained questions specifically related to identifying the major changes that had taken place in the organisation over the last several years, how these changes impacted respondents and what management can do to change this situation.

4.4.1 Major Changes

The biggest change that had taken place in the organisation, as identified by the majority of the respondents (86%) had been the change in ownership of the company (from being part of an American multinational company to now being part of an Italian group). This had seen a change in the culture of the organisation as well as a change in the attitude of senior management.

4.4.2 Impact of change on Respondents

The overall impact of the changes that have taken place within the organisation on the respondents were broken down into the following categories:

- Emotions
- Productivity
- Commitment
- Health
- Intentions to leave the company
4.4.2.1 Emotions

TABLE 4.4: EMOTIONAL IMPACT

<table>
<thead>
<tr>
<th>THEME</th>
<th>TOTAL</th>
<th>RANK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive</td>
<td>18</td>
<td>1</td>
</tr>
<tr>
<td>Negative</td>
<td>12</td>
<td>2</td>
</tr>
<tr>
<td>Neutral</td>
<td>5</td>
<td>3</td>
</tr>
</tbody>
</table>

Theme 1: Positive emotional impact

When asked how the respondents were affected emotionally by the changes, 18 of them (51.43%) felt that these changes had a positive impact on them and that it was for the better. The following comments were made: happier (6), more challenging (4), more responsibilities (3), ownership (2), positive (1), bright future (1).

Theme 2: Negative emotional impact

A total of 12 respondents (34.29%) indicated that the changes were emotionally stressful and that it had a negative effect on them. The following comments were made: uncertain future (3), closed door conversations (2), stressed (2), changes have been negative (5).

Theme 3: Neutral

The remaining 5 (14.29%) respondents were neutral on whether the changes had affected them. The following comments were made: wait and see (2), did not really care (1), not sure (2).
4.4.2.2 Productivity

TABLE 4.5: PRODUCTIVITY

<table>
<thead>
<tr>
<th>THEME</th>
<th>TOTAL</th>
<th>RANK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neutral</td>
<td>23</td>
<td>1</td>
</tr>
<tr>
<td>Negative</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>Positive</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

Theme 1: Neutral

The majority of respondents 23 (65.71%) were neutral in their responses. They indicated the following: *it had no impact* (4), *nothing* (1), *no influence* (1), *none* (1), *things went on as usual* (4), *no change* (10), *still the same* (2).

Theme 2: Negative

Eight (22.86%) respondents indicated that their productivity was negatively influenced. The following was indicated: *low morale* (2), *negative impact* (3), *felt less like a team* (3).

Theme 3: Positive

Only four of (11.43%) the respondents were of the opinion that there was a positive impact on their productivity. The following was noted: *I add more value* (2), *more driven* (1), *better results* (1).

4.4.2.3 Commitment

TABLE 4.6: COMMITMENT

<table>
<thead>
<tr>
<th>THEME</th>
<th>TOTAL</th>
<th>RANK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neutral</td>
<td>24</td>
<td>1</td>
</tr>
<tr>
<td>Negative</td>
<td>9</td>
<td>2</td>
</tr>
<tr>
<td>Positive</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

Theme 1: Neutral
The majority of respondents 24 (68.57%) were again neutral in their responses. The following responses were noted: no change (5), same as before (8), still committed (3), dedicated to my department (4), it has remained the same (4).

**Theme 2: Negative**

Of the 35 respondents 9 (25.71%) felt that their commitment was negatively affected. The following responses were noted: I am not as committed as before (3), negative towards the company (4), manager let me down (1), do not care (1).

**Theme 3: Positive**

The remaining 3 (8.57%) respondents felt they were more committed than before. They all had the same response: I am more committed than before (3).

4.4.2.4 Health

**TABLE 4.7: HEALTH**

<table>
<thead>
<tr>
<th>THEME</th>
<th>TOTAL</th>
<th>RANK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neutral</td>
<td>33</td>
<td>1</td>
</tr>
<tr>
<td>Negative</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Positive</td>
<td>0</td>
<td>3</td>
</tr>
</tbody>
</table>

The overwhelming majority of the respondents were neutral when asked about the impact on their health with 33 (94.23%) indicating there was no impact. Only 2 (5.71%) indicated that the increased stress affected their health. The following responses were noted: no comment (6), not sure (3), nothing (5), not affected (7), N/A (7), still the same (1), no change (4), worse off (1), stressed (1).
4.4.2.5 Intentions to leave the company

TABLE 4.8 INTENTIONS TO LEAVE THE COMPANY

<table>
<thead>
<tr>
<th>OUTCOME</th>
<th>TOTAL</th>
<th>RANK</th>
</tr>
</thead>
<tbody>
<tr>
<td>No intention to leave</td>
<td>18</td>
<td>1</td>
</tr>
<tr>
<td>Actively looking</td>
<td>9</td>
<td>2</td>
</tr>
<tr>
<td>Maybe</td>
<td>8</td>
<td>3</td>
</tr>
</tbody>
</table>

The question related to intentions to leave the company was very much in line with the frequencies in table 4.2 with 18 (51.43%) indicating that they had no intention to leave the company. Nine (25.71%) respondents were already actively looking and eight (22.86%) indicated that they might consider it should an opportunity present itself.

4.4.3 What could management have done and can management do in future to change the situation?

Although it might appear that there had not been a major impact on the respondents from the way they answered the questions regarding their productivity, commitment, health and intentions to leave the company, it was clear that management could have done things differently to manage the process of change that had taken place at the organisation. The majority of respondents (85.7%) felt that there were definite areas in which management could improve.

Comments used to describe their views in this regard was bad communication (2), no communication (3), better communication needed (2), communicate to little (1), not knowing what is going on (2), information sharing (1), not transparent (2), communicate more (1), better communication (1), regular communication (2), be more pro-active (2), communicate up front (2), pro-active communication (2), honest communication (2) open and honest (5). From the latter it is clear that the ongoing theme in this regard is communication with 60% of the comments mentioned including the word “communication”.

4.5 DISCUSSION

This section provides a discussion of the results that have been obtained from the study.
4.5.1 Literature study

From the literature study it is clear that change is going to take place in every organisation. It is inevitable that organisations will need to evolve and continuously improve to meet the demands of today’s global economic environment. For multinational companies that are competing on a global stage this is even more the case. It is also extremely important for organisations to identify the need for change, to implement change effectively and to monitor the effects of the change.

For multinational companies change can afford them opportunities for growth and development which are critical to their survival. Change is however not something that most people like. Humans like stability and prefer things to remain the same. They like familiarity.

It is indicated by numerous authors that organisational change has a definite influence on employees, be it their emotions, productivity, commitment and health. It has also highlighted the importance of these softer skills in managing the future success and wellbeing of today’s global businesses.

4.5.2 The ten principles of change management

The results obtained from the statistical analysis of the data specifically related to the 10 principles of change management indicated three areas related to change management within the organisation. These areas can be labelled as follows:

- The purpose and need for change as identified by top management
- Involvement of all stakeholders within the organisation
- Development, monitoring and measurement of the change initiatives and strategy

The majority of respondents felt that the purpose and need for change initiatives were clearly identified and clarified and that top management was very involved in this process.

The respondents were however of the opinion that although top management was very involved in the change process, they did not include all stakeholders in the change initiatives and although they seemed very committed to the process, this did not include all stakeholders. Questions 4 and 8 specifically asked about the involvement and commitment of stakeholders. The mean score for these questions was 3.03 and 2.77 respectively.

When it came to the development, monitoring and measurement of change, the majority of respondents felt that this was again an area where a clear process was followed. When
specifically asked about the proactive management of resistance to change, 40% of respondents however indicated that they disagreed with this. The mean score for this question was 2.80.

When questioned specifically regarding the workplace, the overall responses were positive. 62.8% of respondents indicated that they were productive in the last three months. The mean score for this question was 3.51. The majority of respondents (42.9%) indicated that they were satisfied with their jobs with only 28.6% indicating that they were dissatisfied. The mean score for this question was 3.17. The majority of respondents (39.8%) indicated that they did not intend quitting their jobs. Only 22.9% indicated that they intended quitting their job with the mean score for this question at 3.20. Although this might seem like a small percentage there is cause for concern as 37.1% remained neutral. Because of the small number of employees, these become big numbers if reviewed as such.

In reviewing whether or not there were any significant relationships between the demographic information and the statements contained in the questionnaire it was only age, productivity, job satisfaction and intention to quit that showed any significant relationships.

Age had a large effect on how respondents felt with regards to problems being resolved before the implementation of the change strategy and that a result orientated change strategy was developed prior to implementation of integration which represented a large effect.

Productivity was largely affected by the purpose of the change initiatives being identified and explained as well as the need therefore being clarified before implementation. The same can also be said for job satisfaction and intention to quit.

4.5.4 Changes, the impact on respondents and the role of management

- Changes

The biggest change as indicated by respondents had been the change in ownership of the company from American to Italian which with it brought a change in culture and attitude of senior management.

- Emotions

The majority (51.43%) indicated that these changes had a positive impact on them emotionally. Most of them indicated that they were happier (6) and enjoying the new challenges (9). 34.29%
of respondents indicated that they were negatively impacted, with most indicating the changes were negative (5). The remaining 14.29% remained neutral.

- **Productivity**

  The majority (65.71%) of respondents remained neutral on how the changes affected their productivity with most saying that there was no change (12). Of the remaining respondents 22.86% indicated a negative effect on their productivity and only 11.43% indicated a positive effect.

- **Commitment**

  The majority (68.57%) of respondents remained neutral when questioned about their commitment. Most of them indicated that nothing changed (13). 25.71% of the respondents felt that the changes impacted their commitment negatively and 8.57% were positive.

- **Health**

  A total of 94.23% of the respondents indicated that the changes had no impact on their health as they remained neutral. Only 5.71% felt that the changes caused increased stress that impacted their health.

- **Intentions to leave the company**

  The intention to leave the company was very much in line with the results obtained from the statistics reported in table 4.2. The majority (51.43%) of respondents indicated that they had no intention to leave the company with 25.71% of respondents already actively looking for new employment. The remaining 22.86% indicated that they might consider it if an opportunity presented itself. This might be a cause for concern as this indicates that close to 50% of respondents were already looking or might consider leaving the company.

- **Role of management**

  It is clear that communication was the main area where respondents felt that management lacked and could improve. 85.71% of respondents indicated that this was what they felt was lacking and that could be improved on.
4.6 SUMMARY

This chapter provided results of the study. The analysis of the results supports the view that the data is sufficient and can be used to address the aim of the study as contained in the problem statement.

In Chapter 5 a conclusion is given and a recommendation made based on the study. Limitations of the study are also being discussed.
CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

The aim of this chapter is to come to a meaningful conclusion, based on the information gathered during the study as well as personal observations of the changes that took place within the organisation. Considering these conclusions certain recommendations are made in respect of certain improvements that can be considered by the organisation for any future change initiatives.

5.2 CONCLUSION

The aim of the study was to determine how the major changes that took place at the organisation were perceived by its employees, to identify if a change management model such as the 10 principles of change management was followed and lastly to determine what management could have done differently to better manage these changes.

Changes in an organisation are going to happen. Schermerhorn, Hunt & Osborn (2005) are of the opinion that change is a continuous process in which solutions are not prescribed and the circumstances that make change successful are unique. Any organisation that wants to stay ahead needs to constantly look for ways to improve everything it does in order to remain competitive. Successful organisations are ones that continuously grow and expand into new territories, which is the case with most multinational organisations.

The research conducted shows that one of the biggest changes that took place at the organisation was the change of ownership when it was taken over by an Italian multinational company. Employees indicated that they felt that this changed the culture within the company as well as the attitude of senior management. Both have not been experienced as positive. Sturges (2006) is of that opinion that culture change initiatives are driven by senior management. In this case it might be fair to say that the attitudes of senior management have not been supportive of this change in culture. Kotter (1996) is of the opinion that the change in strategic direction requires change to a supportive structure, systems and culture. All of which seems to be lacking. During this research study there were indications that if the purpose of change is clearly defined the negative impact thereof on the perception employees can be limited. This is in line with the findings of Ruiters (2011) which found this to have a positive impact.

The analysis of the closed ended questions indicated that the majority of employees felt that management clearly identified the purpose and need for change and that they were very
involved in this process. What management however neglected to do was ensure that they include all stakeholders in this process and they also did not get the commitment from all stakeholders. Kotter and Cohen (2002) state that the greatest source of resistance to change result from the disturbance of the settled balance of power. This means that stakeholders who perceive that their interests are threatened by change are very likely to resist. By excluding all stakeholders they might perceive that their interests are threatened. The research also indicated that there was a perception amongst employees that there was no proactive management of resistance to the changes that had taken place. Overall the employees seemed content with their jobs as the changes did not have a negative effect on productivity and job satisfaction. It was however noticeable that a number of employees indicated that they intended quitting.

The content analysis performed on the open ended questions confirmed the above statements regarding the employees being content with their jobs. When asked about emotional state, productivity, commitment and health the majority remained neutral which indicated that the changes had no impact on these factors. It was again indicated that a number of employees intended leaving the company. This is worrying because from the makeup of the workforce of the organisation it is clear that the employees are highly skilled and retention of staff is an important factor in the success of the organisation.

It is very clear from the analysis of the open ended questions relating to the role of management that stakeholder involvement, as well as management communication are the two areas where there is definite room for better management of change. It is therefore very important for management to ensure that any change that takes place at the organisation is clearly defined and properly communicated to all stakeholders. Follow up with stakeholders is then the key to ensure successful implementation of change, as this can have a significant impact on the intention of employees to quit.

Success is driven by continuous improvement which is driven by the ability to change.

5.3 RECOMMENDATIONS

The Management of the organisation must ensure that for any future change and change initiatives, a proper change management model is documented, implemented and followed. It is also important to ensure that the reasons behind any future change and change initiatives are clearly defined and communicated to all stakeholders in the organisation. Monitoring and evaluation of the process should take place after implementation. It is important that a clear change strategy is adopted which is in line with the strategic objectives of the organisation and that all stakeholders buy in. Resistance to change needs to be identified and proactively
managed to ensure it has no negative impact. Kotter (1996) is of the opinion that employees generally tend not to show a willingness to assist if they feel disempowered. It is also argued that empowering people remove barriers which can lead to resistance.

To assist in the above it is advisable that an Organisational Change Management Policy document be developed. This will empower all stakeholders in the organisation. This document should cover the following:

- Forming of a team to lead change.
- Defining roles and responsibilities of all stakeholders, including leadership roles throughout the planning, implementation, evaluation and monitoring stages of change.
- Creation of a vision for change by developing employees understanding of the need for change.
- Communicating this vision.
- Removal of obstacles/resistance to change by creating a structure for change to take place in.
- Recognition and reward for short term successes.
- Ensuring the changes become part of the culture of the organisation.

Change should be something which the employees see as benefiting them as much as the organisation and should not just be something forced upon them.

Because job satisfaction is critical to high productivity, motivation and low staff turnover it is important for organisations to ensure that they find ways in which to increase job satisfaction and ensure they stay competitive.

The following can be considered to improve motivation and job satisfaction:

- Provide a positive working environment.
- Continuous training and skills improvement.
- Delegating responsibility to employees and thus empowering them and giving them freedom to manage themselves and their work.
- Reward and recognition programs that highlight and rewards a job well done.
- Provide employees with an opportunity to use their skills and abilities.
- Continuous evaluation and measurement of how employees are progressing.
- Evaluate and measure job satisfaction.
5.4 RECOMMENDATIONS FOR FUTURE RESEARCH

This research was conducted very early after the acquisition and the resulting changes. A further study could be carried out to see if the perceptions of employees have changed and to determine the longer term impact of the changes that have taken place.

The research also only considered a single organisation that has undergone change due to an acquisition by a foreign company. Other researchers might want to include multiple organisations as this is a common challenge a number of local companies face.

5.5 LIMITATIONS

During the time in which the study was performed the organisation went through a period of exceptionally high staff turnover. As questionnaires were only received back after these employees had left, their opinions could not be considered.

5.6 SUMMARY

This chapter concluded the findings of the study and provided recommendations for the management of the organisation as well as for future research. Limitations of the study were also noted in this chapter.
REFERENCE LIST


Brooks, I., & Bate, P. (1994). The problems of effecting change within the British civil service: a cultural perspective, *British Journal of Management, 5*, 177-190


APPENDIX 1

QUESTIONNAIRE

CHANGE MANAGEMENT QUESTIONNAIRE

The purpose of this questionnaire is to obtain an accurate picture of how you personally evaluate specific change management aspects of your work and the environment in which you perform your work. Please read each statement carefully and decide how you feel. Please do not leave out any of the questions.

Demographic Information

<table>
<thead>
<tr>
<th>Demographic Information</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>i Gender</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>ii Age</td>
<td>18 - 25</td>
<td>26 - 35</td>
</tr>
<tr>
<td>iii Race</td>
<td>White</td>
<td>Black</td>
</tr>
<tr>
<td>iv Qualifications</td>
<td>Grade 12</td>
<td>Diploma / Cert</td>
</tr>
<tr>
<td>v How productive were you during the last 3 months?</td>
<td>1 Very Unproductive</td>
<td>2 Unproductive</td>
</tr>
<tr>
<td>vi How satisfied are you with your job?</td>
<td>1 Very dissatisfied</td>
<td>2 Dissatisfied</td>
</tr>
<tr>
<td>vii I consider quitting my job.</td>
<td>1 Strongly Disagree</td>
<td>2 Disagree</td>
</tr>
</tbody>
</table>

Instruction: Please rate the extent to which you agree/disagree with the following statements by making an “X” over the appropriate number on the 1 to 5 point scale next to the statement.

<table>
<thead>
<tr>
<th>STATEMENT</th>
<th>SCALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 The purpose for the change initiatives were identified and explained</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>2 The need for the change initiatives were clarified before implementation</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>3 Top management was strongly involved in the change processes</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>4 All the Stakeholders were involved in the integration process</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>5 Prior to the implementation of the change initiatives, the strengths and weaknesses of the organization were diagnosed</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>6 Problems identified during diagnoses were attended to before implementation the change initiatives</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>7 Results Oriented Change Strategy were developed prior to implementation of integration</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>8 Commitment from all stakeholders were secured prior and during the process</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>9 Resistance to change was proactively managed</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>10 A Learning culture was promoted during implementation of the change initiatives</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>11 Progress and results were monitored and evaluated after the implementation</td>
<td>1 2 3 4 5</td>
</tr>
</tbody>
</table>
What has changed for you specifically in the organisation last several years?
How did these changes affect you emotionally? How are you experiencing this change as per question 1? Why?
What influence has the recent changes had on:

a. Your productivity
b. Commitment
c. Health
d. Intentions to leave the company
What could/can management have done/do to change the situation?
What do you believe can management do differently in future when they change things?
APPENDIX 2

LETTER FROM LANGUAGE EDITOR

27 November 2015

TO WHOM IT MAY CONCERN

Re: Letter of confirmation of language editing

The dissertation The impact of organisational change on employee attitudes in a South African multinational company by JJ Coertzen (11831235) was language, technically and typographically edited. The citations, sources and referencing technique applied were also checked to comply with university APA guidelines. Final corrections as suggested remain the responsibility of the student.

Antoinette Bisschoff

Officially approved language editor of the NWU since 1998
Member of SA Translators Institute (no. 100181)