

HAIGAZIAN UNIVERSITY

**THE IMPACT OF
EMPLOYEE CENTRIC APPROACHES OF MANAGEMENT ON
ORGANIZATIONAL PERFORMANCE DURING CHANGE
MANAGEMENT PROCESS AS PERCEIVED BY EMPLOYEES
IN A SAMPLE OF BUSINESS ORGANIZATIONS IN LEBANON**

By

ALI HUSSEIN DIAB

A Thesis

Submitted in Partial Fulfillment of the Requirements for the Degree of

Masters in Business Administration with a Major in Management

To the Faculty of Business Administration and Economics

At Haigazian University

Beirut, Lebanon

June 2014

HAIGAZIAN UNIVERSITY

**THE IMPACT OF
EMPLOYEE CENTRIC APPROACHES OF MANAGEMENT ON
ORGANIZATIONAL PERFORMANCE DURING CHANGE
MANAGEMENT PROCESS AS PERCEIVED BY EMPLOYEES
IN A SAMPLE OF BUSINESS ORGANIZATIONS IN LEBANON**

By

ALI HUSSEIN DIAB

Approved by:

Dr. Sona Jerejian

First Reader

Assistant Professor in Business Administration

Faculty of Business Administration and Economics

Dr. Akram Tannir

Second Reader

Lecturer in Business Administration

Faculty of Business Administration and Economics

Date of thesis presentation: June 9, 2014

HAIGAZIAN UNIVERSITY

THESIS RELEASE FORM

I, ALI HUSSEIN DIAB

- ☐ Authorize Haigazian University to supply copies of my thesis to libraries or individuals upon request
- ☐ Do not authorize Haigazian University to supply copies of my thesis to libraries or individuals for a period of two years starting with the date of the thesis defense.

Signature

Date

ACKNOWLEDGEMENTS

First, I thank GOD for providing me with perseverance and patience throughout this research study.

I would like to express my deepest gratitude to my advisor, Dr. Sona Jerejian, for her continuous support, guidance, and enthusiasm all through this study. Through her high standards and expectations, she has been an outstanding model for me. Thank you Dr. Sona for giving all you can from your heart.

I want to thank Dr. Akram Tannir for his statistical guidance and insightful recommendations.

I want to specially acknowledge with great appreciation the support of my father and his continuous support and encouragement and insightful thoughts and assistance.

AN ABSTRACT OF THE THESIS OF

Ali Hussein Diab for Masters of Business administration/Major: Management

Title: The Impact of Employee Centric Approaches of Management on Organizational Performance during Change Management Process as Perceived by Employees in a Sample of Business Organizations in Lebanon.

The purpose of this study was to examine the impact of employee centric approaches by management on organizational performance during change. Moreover, this study aimed to show whether the employee centric approaches during management of change and organizational performance differ among the three categories of change (transactional, transitional and transformational), and whether the employee centric approaches during management of change and organizational performance differ among the different industries.

An empirical study was performed using a survey questionnaire, which was distributed to 60 organizations from five industries; 152 employees from different organizations filled and returned the questionnaire.

Descriptive statistics were conducted followed by Reliability Test, Factor analysis, One-Way ANOVA and Regression with Stepwise method.

Empirical evidence from this study showed that a number of employee centric approaches such as management recognizing the stages that employees go through, have a statistically significant positive relationship with different aspects of organizational performance like innovation, employee morale and motivation and internal communication. Moreover the

study revealed that employee centric approaches and organizational performance differed among types of industries and types of change.

The study recommended to managers of the banking sector in Lebanon to get employees more involved in decision making. Also managers overall should not be afraid of transformational change but support it and manage it properly and empower employees by taking their thoughts and ideas into consideration and through communication and transparency and trust.

TABLE OF CONTENTS

DEDICATION.....	IV
ABSTRACT.....	V
TABLE OF CONTENTS.....	VII
LIST OF FIGURES/TABLES.....	IX
CHAPTER ONE: INTRODUCTION & PURPOSE OF THE STUDY	1
CHAPTER TWO: LITERATURE REVIEW.....	9
A. DEFINITION OF CHANGE MANAGEMENT.....	9
B. CONTRIBUTION FROM THEORY OF CHANGE.....	14
1. The role of change management.....	18
2. Change management approaches.....	19
C. SIGNIFICANT ISSUES IN CHANGE MANAGEMENT	21
1- Change Cycle: fear, doubt, discomfort, discovery.....	21
2- Employee perceptions.....	29
3- Employee resistance: conceptualization, emotions, attitudes...30	
4- Employee motivation, commitment, and identity.....	45
5- Acceptance of change.....	56
6- Leadership.....	60
7- A culture conducive to change management.....	65

CHAPTER THREE: RESEARCH FRAMEWORK AND METHODOLOGY	78
A. RESEARCH QUESTIONS.....	78
B. HYPOTHESES.....	78
C. METHODOLOGY.....	80
CHAPTER FOUR: STATISTICAL ANALYSES.....	84
A. DESCRIPTIVE STATISTICS.....	84
B. RELIABILITY TESTS.....	86
C. FACTOR ANALYSES.....	87
D. ONE-WAY ANOVA.....	96
E. MULTIPLE REGRESSION ANALYSES (Stepwise method)	107
CHAPTER FIVE: SUMMARY OF FINDINGS AND RECOMMENDATIONS.....	140
A. FINDINGS.....	140
B. CONTRIBUTION AND LIMITATIONS.....	144
C. RECOMMENDATIONS.....	145
REFERENCES.....	147

LIST OF FIGURES/TABLES

Figure 1:	Success characteristics of implementation of change.	
	Schaeffer-Poeschel, 1997	17
Figure 2:	Mood of the organization during change (McKinsey, 2006).....	47

CHAPTER ONE

INTRODUCTION

In our world, nothing is more stable than the change itself: it is a reality that must not be ignored. It is important predicting the change, acting for the change, driving the change process so that it will be reflected in positive results. The change management in the organization has these positive results in consideration.

One of the most frequently researched concepts, discussed and written about in recent years has been change in organizations and ways of its management. It is not a surprise, because change is necessary for companies that wish to stay competitive and be profitable.

Change in the workplace is a crucial topic in a dynamic world today, because change is seen primarily as an adaptive response by the system, acting as a whole or through subsystems with specific functions, to maintain itself in balance with a shifting environment (Ian Beeson and Chris Davis, 2000, p. 178).

What is increasingly of interest to practitioners and academics alike is resistance to change and the experience of individuals during change. At first, much of the organizational change literature and research have focused on the team or organizational level, and therefore study managers who have tended to develop quite broad change strategies. While these high-level strategies are critical, what has not been as widely explored is the experience of individuals during times of change, individuals who need support during change in order to allow the organization to meet its change objectives.

This thesis examines the experience of change at the level of the individual within a corporation, and seeks to capture possible reasons for differing perspectives on change both before and after implementation. Particularly, the impact of an individual's personal style is considered. In this research personal style is defined as the outlook individuals have on change in general and the level of resistance they may exhibit.

Change is what pressures us out of our comfort zone. It is inevitable. It is always uncomfortable to change from one state to the other. Types of different motivation: intrinsic and extrinsic, shift as change emerges. Observing and studying how and in which direction it moves, gives organizations an ability to embrace change and get better results from it. The enthusiasm of employees demands to give them what they really want from work, which, on the other hand gives the company what it truly wants: productivity, quality, and service. (Twyla Dell, 1988, p. 35) Only trying to change how other employees function without recognizing, accepting and trying to adjust the fundamental reason why they functioned that way in the first place will not create results. Creative energy will fade within workers and so will their ability to move into a different future. Changing behavior requires changing attachment to that particular behavior. (Baca, 2005, p.18) leaders and managers in an organization need to help workers detach from past behavior and move forward to new and different ways of operating. In order to do so managers first need to understand clearly how change is impacting workers.

Much has been said about change management and how to establish it in organizations, and its necessity for the survival and continuation of the organization. As we say, it's always easier said than done. The value of company change and advancement has become quite apparent to most supervisors. Still, many companies confirm very frustrating

outcomes given high costs and uncertainty caused by changes; achieving implementation of the needed changes is far from inspiring confidence.

Going through a change process is a truly innovative step that needs significant amounts of preparing before the execution of it. The ability to make predictions about the industry is more essential these days than a few years ago. Organizations that can't deal with change and go through complications with change management will have difficulties remaining in the industry.

Many companies have identified factors for why they are willing to spend a huge deal of hard work and resources (money, time, etc.). Then a scenario of struggle many organizations obviously have found themselves in has captured interest; consequently, a wish to obtain knowledge of the factors that lie behind their struggling scenario has appeared.

Jordan Einstein once said —“Without changing our design of thought, we will not be able to fix the problems we designed with our present styles of thought”; I think this represents the change process objective.

We need to see deeper into the issue of change. We need to understand what comes after change and its impact on employees, organization culture, and work processes. As we develop a good idea about change and the right procedures to accommodate it to reach our goal, it becomes pretty easy and feasible and we feel relieved; we thought this was a hard job after all and it doesn't seem this way now. We need to explore the heart of change. It's the most difficult part of it where it needs “true north” and authentic leaders to handle the pressure. It's great to think and plan for a change and prepare others in the organization to

it, but when the time comes after the change is implemented and the resistance impact starts to become intense and the feeling of employee dissatisfaction develops and the pressure and burden of a company that may be falling apart , what is needed then is the heart and mind and skills of a leader who truly believes in the change , an authentic true leader that teams up the employees and makes them believe with trust and passion that they are doing the right steps.

Even though there is high cost and risk involved, there are several reasons for the release of significant organization changes such as when step-by-step procedure improvements have not met objectives, when there is significant loss of business due to customer discontentment with products/services, when there are large gaps between current and target levels of organization productivity/performance. Supervisors with experience know that change is unavoidable.

Our economic environment, rapidly changing, characterized by such phenomena as the globalization and deregulation of markets, changing customer and investor demands, and ever-increasing product-market competition, has become the norm for most organizations. Organizations must continually improve their performance by reducing costs, innovating products and processes, and improving quality, productivity, and speed to market in order to compete.

Setting our goals is easy but adapting to changing goals and demands has been a timeless challenge for organizations. The task seems to have become even more crucial in the past decade. Global population growth and political shifts have opened new markets for products and services at a dizzying pace in the for-profit sector. As a respond to the change, organizations are adopting flatter, more agile structures and more empowering, team-

oriented cultures. Status differences are eroding and employees are coming to expect involvement in decisions about organizational change and on the other hand companies want their employees' involvement because successful organizational adaptation is increasingly reliant on generating employee support and enthusiasm for proposed changes, rather than merely overcoming resistance.

Significant change, however, is a disruption in our expectations of the future and is viewed as a loss of control (Marshall & Conner, 1996). Therefore resistance to change is often the reaction. It is not likely for people to change the way they have been (successfully) working, especially when they are used to their work and it is not clear what the goal of the whole new operation is and who will benefit from the changes (Doppler and Lauterburg, 2000). Fear and worries of the unknown and uncertainty are often the source of resistance. People need predictability and clear knowledge, which has something to do with our basic need for security. Uncertainty however can and will reduce productivity to a great extent (Stark, 1999).

That's why, as proved by many studies, changing a culture, structures and processes is risky and can even produce negative results (Kotter ,1995). Therefore change has to be carefully planned and the change process has to be managed and overviewed. Change Management has been proved as a useful tool to facilitate successful cultural transformations by helping people deal with 'unknown territory' or as Bridges and Mitchell (2000) put it, the 'neutral zone' to ensure that the outcome of the change initiative is positive.

In so-called soft science of psychology where the roots of Change Management can be found and where Change Management is applied to help people deal with traumatic

emotional issues like death in the family or knowledge of one's own impending death (anon., 1996). The increased popularity of Change Management in businesses started in the mid 1990s when Business Process Reengineering (BPR) summarized restructuring efforts of companies and often did not deliver the promised results (Al-Ani and Gattermeyer, 2000). The resistance of people to change was identified as key problem of the poor implementation results of many BPR projects.

To deal with the change process, different models, methods and tools have been developed. The tools and methods that are used usually depend on the change that is required. Most researchers differentiate between two main core strategies: incremental and transformational change (depending on the researcher also termed as 'radical change', 'discontinuous change', 'major change' or 'profound change'). According to Stark (1999) "incremental change does not challenge assumptions and existing culture. It uses existing structures, tactics and processes and is therefore low risk but also slow. On the other hand transformational change intends to change existing structures, the existing organization and the existing culture. Also, a difference is made if the change comes from inside the organization (proactive) or if the change is forced from outside the organization (reactive).

Most changes arise of needs, the need to increase efficiency, or to reduce costs in some way. If not handled effectively, however, the reverse is likely to occur. If managers responsible for driving change were not appropriately equipped with good communication or change management skills to manage the process effectively, this would lead in turn to negative perceptions by individuals about the manner in which the process was managed and about the leaders themselves. This has negative effects on the ability of individuals to embrace the changes required by the change and view the new organization and its culture

in a positive manner. At the start of any change process therefore, appointment of a skilled change-management facilitator or champion to lead the change should occur.

Also, personal style has been shown to have significant impact. In particular, the level of emotional reaction and short term focus of an individual present challenges for anyone implementing change. While there is little that can be done to change an individual's personal style, it is critical that those responsible for the implementation of the change process recognize the increased likelihood of resistance from those with a higher level of emotional reaction, and those who lack a longer term focus, and identify possible strategies to manage this situation.

PURPOSE OF THE STUDY

The purpose of this work is to develop an understanding of the change process, its impact on organizational performance and the factors that contribute to its success.

The specific objectives of the thesis are as follows:

1. Capturing the aspects of organizational transformation during the process of change that influences the employees in performance and resistance to change.
2. Identifying the barriers which prevent the change implementation and the methods to overcome those obstacles.
3. Improving employee perceptions and attitudes towards change.
4. Setting of the elements that lead to a culture conducive to change.

It is important to study change from employees' perspective. Productivity, quality, and service in an organization can be improved when creating positive motivation philosophy and practice. Thus proper motivation helps people to achieve goals, gain positive attitudes, build self-esteem and create the power to change effectively.

This study will explain that the manner in which the change process is managed by leaders will have a significant effect on the outcome. As a result, change will be perceived differently by groups of individuals (accepting or resisting to) with consequent implications for the way leadership is viewed.

This study will also try to find out how change in an organization impacts its workers attitudes and motivation on a daily basis at work, and thus help managers benefit from findings and possibly overcome problems in implementing change. Understanding the theory will help improve the practice.

In the next section we will provide a literature review where we will define change management, discuss contributions from theory of change, describe significant issues in change management and elements of culture conducive to change and clarify what makes change management a successful process.

CHAPTER TWO

LITERATURE REVIEW

A. DEFINITION OF CHANGE MANAGEMENT

The word *change* comes from the old French word “*changer*” which means to “bend” or “turn”, like a sunflower plant turning and searching for the sun. Today organizations change the same, in search for long term competitive advantage in business and a better future.

The following are glossary definitions of change management:

Change Management: activities involved in (1) acknowledging and adapting new values, attitudes, norms, and behaviors within an organization that support new ways and processes of doing work and overcome resistance to change; (2) changes built and designed to better meet the needs of customers and stakeholders; and (3) planning, testing, and implementing all aspects of the change through the organizational structure. (www.change-management-coach.com/definition-of-change-management).

English Collins Dictionary defines change management as managing processes in a style that aims to encourage organizations and individuals to deal effectively with the changes taking place in their work.

According to Green Al. (2007), decision makers of change can be the CEO, project manager, change team or team leader. The way they present the intended change impacts the probability of successful outcomes. How much they truly believe in change and how

much they attend to task and people, how much they plan and let emerge; whether they are autocratic or democratic, authoritative or affiliative - all these affect success or failure, level of communication with stakeholders and emotional well-being of those affected in an organization.

For achievement of required outcomes one needs specific tools and techniques to manage the people side of change processes and to realize change effectively within individuals and teams. On the other hand not all change scenarios are alike therefore same tools and techniques cannot be used in all changes occurring in companies, even in the same company with different changes, every business has its own ways that matches the company type, company culture and individuals within organization where success or failure of change outcome depends on.

According to McLagan (2002), there are three main types of changes: Transactional, transitional and transformational. Transactional changes require only minor interventions, e.g. training or changing the incentive system. Transitional change has more complexity and requires change in roles/responsibilities and systems. Example of this kind of change could be a merger, where more detailed planning and expertise is needed. Transformational change requires restructuring the entire business into a completely new concept, especially the fundamental beliefs and norms, in order to adapt to global business demand.

Other change management definitions include:

- Change management is a process businesses use to implement significant changes to the organization to reach a desired goal.(negative effects of change management by Luanne kelchner, "ehow" contributor)

- Change management is a set of processes that is employed by and through managers and employees to ensure that significant changes are implemented in an orderly controlled and systematic fashion to effect organizational change. (A Review of: Beyond Change Management by Dean Anderson and Linda Ackerman Anderson. Published by: Jossey-Bass/ Pfeiffer (2001))

- Business change means the transformation or innovation of company procedures , the improvement of business products and/or services, and the company changes to company structure and/or culture considered indispensable for better performance.(Far East Journal of Psychology and Business

- Change management is a process businesses use when implementing policy changes to the management of the organization, production methods or employee policies. To transition employees through the disruption a change can cause, a systematic approach is to be used. Employees and management can have trouble with the change while the system attempts to minimize the negative effects. (A Review of: Beyond Change Management by Dean Anderson and Linda Ackerman Anderson. Published by: Jossey-Bass/ Pfeiffer(2001))

The change process is the series of planned procedures or activities that a change team would follow to apply change to a venture.

Based on Prosci's research (1886), most change processes contains the following three phases:

Stage 1 - **Preparing for change** (Preparation, evaluation and strategy development)

Stage 2 - **Handling change** (Detailed planning and change management implementation)

Stage 3 - **Strengthening change** (Data collecting, remedial action and recognition)

According to researchers, what change process is and what it is not are as follows:

Change process is not a stand-alone procedure, it is the procedures, tools and techniques for handling the people-side of change. It is not a process enhancement technique; it is means for reducing resistance to change when applied. It is a necessary component for a company performance enhancement procedure to succeed. It is about managing change to realize company results.

The drivers to change may vary depending on the consequence of organizational change (growth, shrinkage, and re-organization). It may be due to new opportunities, or trying to cope with objectives such as cost reduction, enlarging efficiency, improving labor productivity, increasing employee satisfaction or contributing to a more sustainable environment (Van der Voordt, 2003).

Also it is interesting to know that some previous studies, have made a few advances in comparing change management practices and quality results between the industries.

The change management process reflected in quality initiatives of companies in different types of industries are described as follows: for some industries, product development and

quality do not seem to be major issues, as their products are made to specifications set by their customers. Conformance to change, is deemed adequate for survival of many organizations, but they consider that change in terms of improvement exceeding this threshold level or the customer-defined manufacturing specifications may not guarantee further profitability. Their profitability-driven change initiative is reflected in their lack of investment in change management.

For other industries however, change and quality/profitability for each project represent the most valued objectives of many companies, and yet others invest in quality improvement generally up to the minimal acceptable level.

Companies generally take change management process as the path to ensuring the successful and profitable completion of a project.

As in some industries it can be difficult to convey the message of change to customers, change management tends to be more important and prevalent in some industries than other industries.

Change management processes differ among industries, depending on what is most Important to each industry and to what each industry is focusing on. Many of them have embarked on quality improvement efforts with a focus on value-for-money, continuously improving their operations through elimination of waste and delivery of better customer service. Many of them seek to achieve the highest possible level of quality, in the hope that they can consolidate their competitive advantages before the gradual loss of their monopolistic status.

The initiatives of change management implementation for companies differ with their industrial contexts, and that the differences cause variations in their implementation

efforts and hence their change outcomes. The differences are especially apparent in change management factors such as in people and customer management, in external interface management, in quality improvement measurement systems, and in corporate quality culture.

The priorities of different industries in change management implementation are different. this is the reason why i wanted to compose change management practices in different industries.

B. CONTRIBUTIONS FROM THEORIES OF CHANGE

Much less is known about how organizational changes are perceived by individuals, and how those perceptions are affected by the change itself as well as by other changes occurring in the environment, and about the factors that determine the responses to those changes.

The purpose of the change process refers mainly to a certain gap in the present condition and the possibilities, or the capacity to achieve change to fill this gap. To identify the inconsistencies and remove those gaps and move to a high-quality state, an in-depth vision of the socio-causal complex is required. This gives rise to the diversity of attitudes, opinions and behaviors, in both employees at the management level and the operational and execution level, both within the institution and within the relationship with the stakeholders, and with the society as a whole (Sharma R, 2007, p.138).

According to Armenakis and Bedeian (1999), in their review of organizational change theory and research developments, divided change developments into four categories or themes: focusing on the substance of the change with the *content* issues (e.g., reorganizations), focusing on forces internal and external to the organization with the *context* issues, focusing on how the change was implemented with the *process* issues, and focusing on outcomes commonly assessed with the *criterion* issues.

If implementing change depends ultimately on the attitudes and behaviors of employees and organizational members, then studying change need to be broadened. It seems reasonable at a general level to hypothesize that the nature of the change ("What"), the totality of other changes ("What else"), the process by which change is managed ("How"), and the individual experiencing the change ("Who") will all play roles in determining individual responses.

Of the four categories ("What," "What else," "How," and "Who"), probably the organizational development and organizational behavior literatures by Beer, (1980); Brockner et al., (1994); Lind & Tyler, (1988) have provided the greatest insight into the "How" variables through research on change practices and the importance of such factors as procedural justice. Concerning the "What" level, we don't have much to go on, since studies have focused on particular changes, e.g., layoffs (Brockner et al., 1994), organizational transformation (Mossholder, Settoon, Armenakis, & Harris, 2000), reorganizations (Ashford, 1988), or simply essential policy changes (Lau & Woodman, 1995), they all have typically used one particular change as a vehicle for studying some process or outcome variable of interest (procedural justice, coping, attitudes about the

change). This as a result, has limited our understanding of the broad range of organizational changes.

At the “Who” level, we have not been able to determine the impact of individual differences within the more realistic context of what has changed and how that change has been managed. This is due to the fact that the state of research in organizational studies (Caldwell, Fedor, & Herold, 2002) is reflective of the general neglect of individual differences or personality characteristics research. Only recently, researchers such as Judge ET al. (1999) have begun to study personal variables (personality, self-esteem, locus of control, etc.) and use them as determinants of how people cope with change.

Similarly, we have little to go on at the “What else” level, because change research has almost always focused on a particular “change event,” rather than on the broader change environment. So, to date, there is an entire context to change that has been completely ignored by researchers in this area.

Figure 1.1 shows the movement through several phases in a typical change process that are accompanied by typical reactions of people involved and must be met by different change management methods and tools.

The state of confusion increases after announcing the change initiative. Not being able to cope with the new patterns, fear of the unknown, and old rules overlaying new rules are all reasons for confusion. Communication plays an important role to address the initial fears and concerns and to build trust as an ongoing process during the change process as well as early participation of the people affected by change. Coaching people is essential during the change process also facilitating learning of the skills that are required to deal

successfully with the new environment. In the phase of diffusion, marketing of the change initiative is important for example through publishing of first successes. According to Stark, (1999); and Doppler and Lauterburg, (2000), rewarding adequate behavior and accordingly punishing inadequate behavior is viewed as an essential element in order to institutionalize the changed behavior consistently. According to Reiss (1997), holding the gains of the change initiative and avoiding erosion effects of the installation of a continuous improvement process have proved as successful.

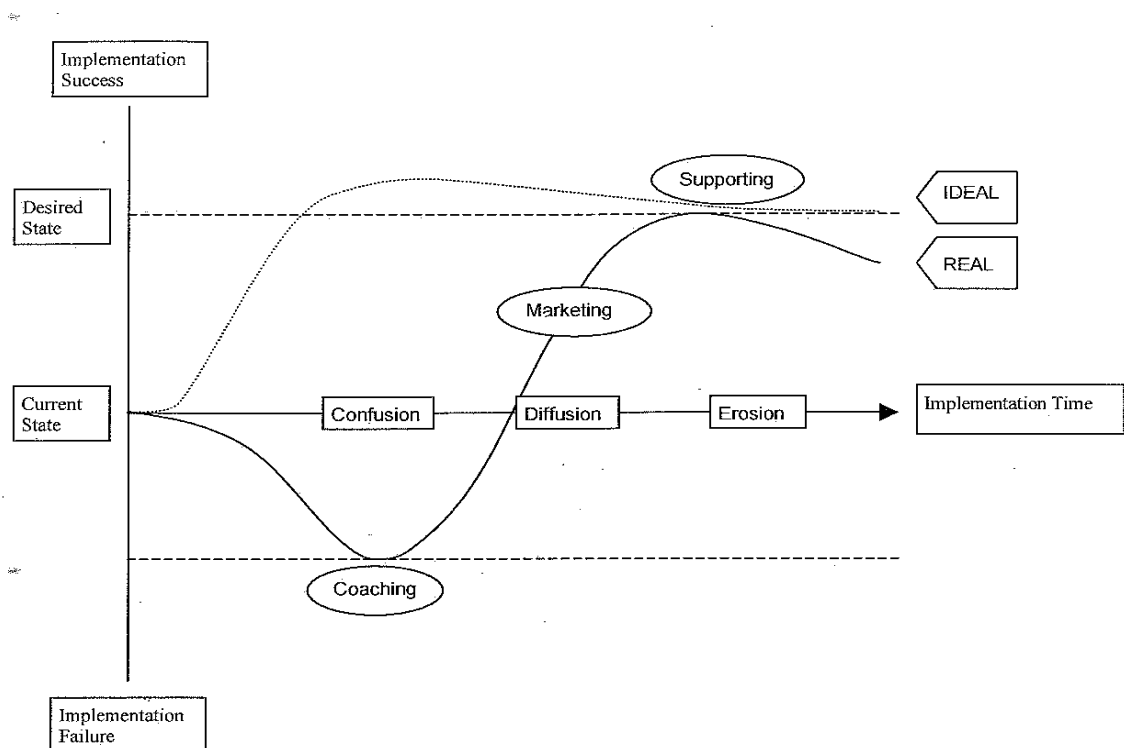


Figure 1: Success characteristics of implementation of change. From Reiss, Managing Change, Figure 14, p. 28, Schaeffer-Poeschel, 1997 (translated from German).

1- The role of Change Management

The implementation of a new organizational system will always mean change to a certain extent, no matter if and to what degree it challenges existing culture, structure and processes. Therefore Change Management can play an important role to help managing and implementing the transition. Variation of change management tools and methods will depend on the implementation strategy. The success or failure of an organization is to a great extent determined by implementation issues and specifically by those that are dealing with the so called soft factors like human behavior and attitude. The main problems belong to resistance of users and middle management as well as putting too much focus on technological aspects and not enough on people related issues, on the other hand the early involvement and acceptance of affected people are included in the main success factors. Senior management's engagement and support throughout the whole implementation process is viewed as an important prerequisite for the success of the implementation. And communication through different channels has an important role to gain acceptance from, involve and integrate employees.

The aim of management is to gain acceptance for changes by the affected people (managers, employees, etc...). The Change Management concepts, methods and tools vary. Basic elements however are:

- An aligning vision of the organization
- Communication of why the changes are necessary
- Participation and involvement of affected people actively and continuously in the change process

- Providing people with the needed skills to support the change process
- Marketing of new approaches and motivating
- Institutionalizing new approaches to avoid the effect of erosion

According to Thies and Nadler (2001), organizational change boils down to directing efforts towards four identifiable aspects of organizational life: (1) Institutional leader's behaviors; (2) Appropriate management strategy selection and execution (particularly change management strategies); (3) Understanding of the organization's basic structure, systems, and formal processes (culture); and (4) actions taken by leaders affecting acceptance of change by individuals who play key roles in the organizations systems.

2- Change management approaches

Thies and Nadler (2001) clarify that, for change (particularly cultural change) to occur effectively, the active engagement of the CEO and executive team is a must. To succeed, top leaders must play the role of a chief architect of the change process. Cartwright and Cooper (1993) take it a step further by suggesting that for an efficient change, it is important that employees at all levels become involved in the integration or change. They also imply that 'cultural differences' is one of the most common difficulties that occur. They further suggest that concentrating efforts at senior management level can only lead to emergence of several cultures throughout the organization, cultural collisions and slow cultural adaptation within the organization.

Ashkanasy and Holmes (1995) supported this view, concentrating on the need for management to take account of human and cultural factors in change implementation and for management to adopt a proactive approach to reintegration following the changes.

Moreover, as Argyris (1993) has warned, when management imposes the desired values, but behaviors demonstrate the values are not rewarding, problems will arise. Jung (2001) also views managers as playing key roles in developing, transforming and institutionalizing organizational culture, while Schein (1992) takes this deeper and argues that when leaders communicate what they believe to be right and wrong, these personals become part of the organization's culture.

Pondy and Huff (1988) suggest that the implementation of any change process most of the time fails because it is improperly framed by top management. Weber and his colleagues (Weber 1989, 1996; Weber, Schweiger and Lubatkin, 1992) studied top management teams within changing organizations and looked at the interrelationships between cultural differences within employees, levels of integration and coordination, inter-group tension, employee attitude, commitment and cooperation.

According to Pondy and Huff (1988) and Albert (1992), consideration of the human factors involved should be a main guide to the implementation of any change process. They also argue that cognitive acceptance of organizational change is affected by framing strategies. Reger et al. (1994) suggest that the cognitive structures of members constrain their understanding and support of the new initiatives, therefore, programs presented as radical departures from an organization's past fail.

C. SIGNIFICANT ISSUES IN CHANGE AND SUCCESSFUL CHANGE MANAGEMENT

The consistency of behaviors of supervisors, managers and employees is the most important link for ongoing communication. Above average attention and commitment to communication and above average leadership and management skills is required for successful implementation of strategic initiatives. (Salerno & Brock, 2008, 55) It is essential to master the process of change and its impact on the business and find positive opportunities that lead to positive outcomes.

1- Change Cycle

Everything in this world has its own life cycle so does reaction to change. Employees' reactions to change have been put into stages. According to Michael et al (1989), stages of change are denial, resistance, conflict, and adaptation.

According to Salerno & Brock (2008), from employees' perspective there are four stages in the change cycle; fear, doubt, discomfort, and discovery. Revealing at what stage of the cycle workers are helps management determine clear communication plan and strategic outreach to aid and motivate employees.

Fear

Fear occurs usually during the introduction of change when something new and unapparent is suddenly in the company. Employees will find themselves in an emotional

place which may or may not be outwardly apparent. *Stage 1* is accompanied with *Fear*, because employees feel outside their comfort zone.

According to Abraham Maslow, after basic survival needs (water, food and shelter) people's greatest need is safety, not only physical but also emotional and mental.

When people experience change, unintentionally they become cautious, which is good, but if it lasts long it turns into suspicion, which has a negative impact. That's when communication, information and answers are needed in the organization. When needed information is not given, our behavior reacts to be more or less frozen. It is a kind of stillness called "pause". And that's when employees get a feeling as if they lost total control over their actions. When that happens, productivity diminishes and stress increases.

According to S.J Harris (2002), to overcome stage 1, employees need to understand the purpose behind the change and feel some degree of control over the situation and have the sense that their safety is not threatened. The only way to do it is through informing workers and communicating with them. It is crucial to keep in mind that information and communications are not synonyms; Information is giving out, while communication is getting through.

Doubt

At this stage people are on their platforms, filling on their own complaints, comments and views. They do not fear change anymore, since the shock of change is over and because they know the organization is going through change, but they still have to deal with doubt. The workplace becomes a rumor mill during change, where workers may feel resentment taking one step forward and one backwards and they become skeptical about whether

change will be in their favor or not and resist changing. Doubt affects the human brain in hard-wired way and slows it down with unfamiliar situation. In such cases usually we take time to gather information before taking any action. In the doubt stage workers are pushed to dig for the facts behind the evolving change scenario.

The best way to deal with doubt is to treat it as a natural human state and to provide enough information that can help employees overcome it. Doubt is very close to the emotions of the people. Communicating roles and responsibilities of employees in change and showing how these roles would affect the organizational change will minimize workers doubt and resistance. Overcoming this phase is especially challenging for lower management who have a crucial role at this stage because they have to deal with employee emotions and significant transitions. In addition according to Carnall (2003), managers can handle this stage by minimizing the immediate impact of change and giving workers time to adjust to the new reality.

Discomfort

During the third stage, the challenge of managers and leaders is less about communicating change, but helping employees understand and avoid feelings hidden under new tasks and roles. Absenteeism will increase at this stage along with confusion. Anxiety and frustration are created as workers get confused and they lose confidence and energy, which in its turn increases unproductive work. According to Salerno and Brock (2008), common comments during this stage are: "I don't care", "I think I am working hard for nothing", and "I don't know where to start" etc.

It is important at this stage of change to find out what motivates workers. There are factors that employees need to avoid and others they need to act upon. Most importantly they should not ask too much of themselves and realize that being confused and anxious is normal. Salerno and Brock add that being realistic to task achievements, setting realistic goals and having five Ps (patience, perspective, persistence, play, and purpose) will help.

Discovery

At this stage, the employee enters energetic readiness and hopeful stage of change. Workers start participating, offering ideas, feel energized, motivated and they explore options and choices. According to Carnall (2003), employees during discovery stage have made sense of what has happened and what is going to happen and where they are going. Their new behavior becomes part of their normal behavior.

An important note though is that employees do not necessarily go through stages in the same order, neither do they go through them in the same level of intensity. Time spent by individuals on each stage also varies. Employee mentality and personality types determine how long one can stay in *fear* and *discomfort* and how fast one can reach the *discovery* stage. To turn change into a successful outcome, studying what type of personality workers have and at what stage they are in can help determine how management should approach employees during change and then be led to reach acceptance of the change.

According to McLagan (2002), acceptance of change does not necessarily mean agreeing with it, but understanding it and being ready to follow it. Usually workers do not agree with the forces and actions taken behind the change and do not understand the need

for change as from their perspective everything is just fine the way it is. Employees would only become confident in their actions and believe in a bright future with change when they understand the reasons behind the change and benefits that it brings.

As McLagan (2002) points out: *"If people believe the change is right and procedural justice was followed they can accept changes that affect them adversely. Employees will support changes that make work easier, that make sense and daily work more effective, that make customers happier, and that improve product quality."*

Approaches that managers use to overcome stages of fear, doubt, and discomfort.

According to Salerno & Brock (2008) there are a number of methods and techniques that can help managers overcome stages of fear, doubt and discomfort.

According to Salerno and Brock (2008), to overcome fear managers should help employees to address what they are feeling through awareness. From that point employees can distinguish between fear that is unfounded and unrealistic and fear that is towards certain things that require focus and attention. When change is announced, most of the times there is a difference between what is "said" by managers and what is "heard" by employees. Executives consider management is leaving employees at the end of information on change, but still requiring high performance from them. Regardless of fearful employees and deadlines that are expected to be met, the implementation plans of change are expected to move forward. It is important to include *why, what, how* and *when* of change in communication especially if fear of employees is based on certain factors that

require attention. On the other hand, employees themselves should take one step more in realizing that the workplace is continually going to update systems and policies to stay competitive.

The first priority of management is to create a sense of safety and comfort in order to move the employees from the fear stage. Employees who are in this stage usually express their fear of losing their job and being outsourced. Others at this same stage may have not decided why and what they fear. At this stage the only way out is through trust and interaction with supervisors and managers and understanding that change will have a positive outcome on everyone, both company and employees.

After answering *why, what, when* and *how* of change and making the whole picture clearer to employees, it is important that management acknowledges difficulties that were faced with previous changes in the organization to inform workers of what to expect; giving them as much as possible an overall picture of change, along with both short term and long term milestones. It is important to show interest in employee questions and concerns. Employees do not stay in this stage for long, especially in a company where most employees are thoughtful innovators.

In order for managers to help employees in the doubt stage, they need to understand that informal “my door is always open if you have any questions” may not always work. Because in most cases employees do not know what they do not know and when they are doubtful they do not tend to take initiative to find answers to their questions. At this stage, being a proactive manager is important. It would be most helpful for managers to ask the employees what they want to know and guide them through the way. Employees may not always ask, but they appreciate the effort and feel more motivated and secured. At this

stage it is beneficial to accept that employees are skeptical and create both formal and informal communication channels and follow up procedures. This builds trust between worker and supervisor and workers closely observe how their concerns are handled (Salerno & Brock, 2008).

At the discomfort stage workers are confused. Here, only one step is left to discovery, for some it may seem a long way. As Salerno & Brock (2008) mention there are some important tips during this stage and they are to avoid the following: asking workers to do extra hours, assuming that employee productivity will remain the same, and staying away from the work unit. Human behavior at stage of discomfort is unproductive, so avoiding extra hours is important because making them work extra will create a sense of overwhelming and a feeling of low morale. To allow them to spend time on the necessary tasks, employees focus should be directed to specific direction. Discomfort is only one step away from motivation; in order to avoid frustration at this stage it is important to be present at work unit and support workers.

Management's main goal at the discomfort stage is finding motivation. Goals set at this stage should help workers gain morale and strive more so they should be realistic, preferably under promised and over delivered. And as we stated before, it is also important to make sure that workers do not ask too much of themselves and managers of their employees. Another step to the final stage, here some little rightful needed effort from managers can help employees become and stay motivated for a longer period of time. (Salerno & Brock, 2008)

Final stage is when workers know exactly their job responsibilities, and where they find themselves is discovery. The organization should benefit from this stage in uniting

workers towards a common goal. This is a stage where workers, again as described before feel energized and fully motivated. They are ready for all the new tasks and challenges and for new projects. Utilizing that energy is important. Salerno & Brock (2008) suggest that there are certain factors that should be avoided during this stage. They are a) perfectionism; use the energy wisely but do not believe that work should be always flawless, b) becoming an island; although at this stage workers believe in themselves, collaboration ensures better results, c) losing focus, employees may start feeling a spike in energy.

On the other hand, according to Salerno & Brock (2008, 123), who pointed out that creative workers should be able to make decisions together, implied that innovation, transparent decision making, and unit cohesiveness should be welcomed by both managers and employees.

Once employees pass all these stages, they move to understanding the benefits, when they feel confident, think pragmatically and become productive. This stage comes as workers start experiencing change in their daily work.

Change impact workers either positively or negatively no matter how big or small it is. The main difference between impacts of change on employees depends on whether and how well they were informed about change. *“Greater understanding helps reduce uncertainty which inevitably accompanies change”*. (Edwards and Walton, 2000)

It is important to choose target groups and try to identify means of communication, since change initiative doesn't concern everyone in the same level, and that's natural whether they are trying to get workers to know change, understand it, agree upon it or get

involved. Also as said earlier, identifying where employees stand in relation to change helps managers to cope with them and use specified messages.

Once everyone is involved in change, communication should not stop, but rather should be adapted in each step. So communication is a must at all levels, during early stages of change it is crucial to explain why change is important and how it is going to be enacted, during the implementation phase making sure that people know their efforts have not been in vain, after the implementation phase praising and rewarding employees' contribution to change.

2- Employee Perceptions

During a change, different change management strategies will affect the individual's perceptions in organizational culture.

As said by Callan and Terry and Schweitzer (1995 and 2001) it is well known that organizational change may create job insecurity and threats to individual self-esteem and wellbeing. Buono, Bowditch and Lewis (1985) suggest that what should be the primary focus in studies of organizational culture and of the changes that occur are the subjective impressions or perceptions of the individuals involved. Schuler and Jackson (2001) indicate that a substantial number of organizational failures can be traced to neglected human resources issues, and emphasize the importance of people in the process of synergy realization following an organizational change,. Ivancevich, Schweiger and Power (1987) suggest that an individual's appraisal of the effect of a change and how it is managed will be in terms of its effect on the individuals themselves, such that (1) irrelevant change

appraisal will lead to the individual being neutral and unaffected; (2) positive appraisal will create challenging opportunities for the individual; and (3) negative appraisal will cause the individual to feel insecure, threatened and often to suffer harm or damage. Research such as Nahavandi and Malekzadeh 1988; Schweiger and DeNisi 1991; Sinetar 1981 has indicated that changing firms, and the individuals within them, experience a process of stressful destabilization, and the effects of this must be dealt with if the change is to be successful. The results of researches carried out by Panchal and Cartwright (2001) support the assertion of elevated stress levels following organizational changes and a series of dysfunctional individual outcomes.

Cartwright and Cooper (1996) got to the core problem of failing organizational change and said that during times of organizational change, such as rapid growth or a merger, most organizations will move to tighten control by imposing a greater level of constraint on individuals and reducing the freedom individuals have to make decisions about aspects of their life. This here is the main deadly mistake that changing organizations need to avoid.

3- Employee Resistance to Change: Conceptualization, Emotions, and Attitudes.

Resistance to change

Resistance, as suggested by change management literature is a natural reaction to change that always contains a coded message and happens on an emotional and not an intellectual level. Accordingly it is important not to fight or overcome resistance with logical arguments, but treat resistance as an emotional process where feelings are involved.

It is also viewed as important to immediately pause and deal with resistance when it occurs, which can cost a delay in the project plan (Doppler and Lauterburg, 2000; Block, 1981). Ignoring the resistance and not dealing with it, means to risk severe obstacles and barriers which cause significant delays later in the change process. Therefore employees should be encouraged from the beginning to express their concerns, fears and perceptions. Employee surveys or face to face meetings could be a good strategy here.

Resistance can have very different forms that all give clear evidence to managers that it is taking place. Typical forms of resistance, beside the most obvious form of attacking, are: silence, debating unimportant things, staying away, coming late to meetings, flooding with detail, intrigues, rumors etc...(Block, 1981)

Different factors that contribute to employee resistance can be present in the consciousness or attitudes of each individual employee. Being familiar with these factors can help organizational leaders manage and overcome the resistance.

Many different reasons lay behind the employee-resistance. The main reason in a nutshell is that employees resist because they lack the skills to effectively use the system. Some employees also would have problems in understanding the changes initiated by the new systems and the changes in business processes and workflow and the worst part about this is that they perceive that this change might cost them much more than they will gain from.

Another important reason for abiding by the resistance is that the concerned management feels that the new system redefines the organizational structures and the

allocation of resources, responsibilities and roles and their position may be at risk in this new structure.

During the implementation of the new system to deal with resistance to change, a range of change management activities should be performed.

Strategies that help employees see the need for and the logic of a change should be communicated. Presentations can be used beforehand by change management teams to groups as a method to educate people about it. Another strategy could be considering direct support and providing training in new skills to support managers in dealing with potential resistance to change; also increasing diffusion within the organization by giving incentives to early adopters of the system should be done.

High degree of uncertainty and perceived risk involved in the acceptance of the new system by individuals in the relevant departments are key problems here. Hence, some old employees for example who have built considerable experience in learning and using the old system feel threatened by the new system. For them they feel and perceive the new system as a threat to terminate their job. This perception leads to the resistance behavior of employees. Here employees search for unrealistic implications in the confronted change, such as looking for problems and inadequacies in the new system, and exhibiting intolerance towards the systems' bugs and errors, consistently comparing the old with the new system, and perceiving small mistakes in the system as serious issues that have a considerable impact on the way they work. According to Roger (2003,p.35), the change management team may deal with this case by offering extending and personalized training to those employees, aimed at increasing their awareness about the new system and how it works, thus building an individual's knowledge and information about innovative systems

can effectively reduce uncertainty and the degrees of perceived risk in adopting an innovation. Moreover, the change management team also could consider influencing these employees' attitudes by convincing them that their experience will add value to the system and their job will not be terminated and this will give them more trust. Furthermore, a very effective way to deal with resistance is that the change management team could develop a trusted relationship with these employees by listening carefully to them and seriously taking into consideration their views, needs and suggestions related to the new system and by responding effectively to their comments and recommendations. In rare cases of resistance, if some employees, after doing all that can be done to overcome resistance, could not indulge in the change process, and although layoffs could have a dreadful effect on other workers, the change management team could resort to the option of requesting that the employees be replaced if it was perceived that their resistance is impacting the chances of successful diffusion of the new system within the organization.

Successful change implementation projects are less about technology and more about people and processes. As said earlier, resistance to change can take many forms and have many causes. Top management, therefore, instead of reactively confronting it should proactively deal with this problem. Prior research has recommended that a proactive strategy must be adopted for the preparation of the implementation of the change. Most of the time getting ready for change and being ahead of it a step forward would contribute to success. So preparation must start much ahead of time to educate and train the employees and to minimize the causes of resistance.

Resistance to change has been widely studied, but it has limitations. Both Merron (1993) and Dent and Goldberg (1999) have argued for retiring the phrase "resistance to

change." for instance, critical theorists and labor policy scholars argue in philosophical terms the limitations of the concept and state that the interests of managers should not be privileged over the interests of workers when studying organizational change (Jermier, Knights, & Nord, 1994). On the other hand, the limitations of the concept can be framed in practical terms; for instance, practical scholars and scholarly practitioners (Dent & Goldberg, 1999; Krantz, 1999) argue that the concept of resistance to change might have outlived its usefulness. My purpose here is to advocate a view that captures more of the complexity of individuals' responses to proposed organizational changes. In studies of resistance, researchers such as Krantz and Dent have deeply overlooked the potentially positive intentions that may motivate negative responses to change. Above that, varied emphases in the conceptualization of resistance have slipped greatly into the literature, blurring our sense of the complexities of the phenomenon. A multidimensional view of responses to proposed organizational changes is suggested, that advocates capturing employee responses along three dimensions, emotional, cognitive, and intentional. Within this view, resistance to change is represented by the set of negative responses to change along all three dimensions, and support for change is represented by the set of positive responses along all three dimensions. Responses to a change initiative that are neutral (neither consistently negative nor consistently positive), which are potentially the most prevalent type of initial responses but were previously ignored, can be analyzed as cross-dimension ambivalence in employees' responses to change.

A Synthesis of Past Conceptualizations of Resistance to Change

Unfavorable responses to change might be motivated by the best of intentions.

Most researchers when studying resistance to change have used a view from physics to metaphorically define resistance as a restraining force moving in the direction of maintaining the original status quo (cf. Lewin, 1952). They have also focused on the various purposes and forces that lead employees away from supporting changes proposed by managers. As Watson (1982) points out, managers often see employees who resist as disobedient, thus they perceive resistance negatively. And as Jermier et al. (1994: 9) put it, the most suitable way of viewing resistance is to see it and analyze it as a reactive process where agents embedded in power relations actively oppose initiatives by other agents not in power. Managers are tempted to treat their subordinates as obstacles and usually they only see employees who oppose change as short sighted. Thus, the concept of understanding resistance can be used to dismiss or overcome potentially valid employee concerns about proposed changes. Researchers, for example Mary Parker Follett in the 1920s have been advising practitioners for a long time in the practical literature about managing change processes to guard against this possibility where instead of reducing resistance managers would make it a lot harder for employees to accept the change. Likewise, Lawrence (1954) warns managers to avoid creating resistance in subordinates by assuming that they will always be opposed to change. Dent & Goldberg, 1999 and Merron, 1993 have reissued similar warnings. Krants, a prominent consultant in 1999, noted that the concept of resistance to change has been transformed over the years into a not-so-disguised way of blaming the less powerful for unsatisfactory results of change efforts. This could be described as the weak management tendency to dismiss employees'

objections to change, and simply may be another manifestation of the fundamental attribution error (Jones & Harris, 1967); that is, although they only have themselves to blame, managers in charge of rolling out a change initiative blame others for the failure of the initiative, rather than accepting their role in its failure. On the other hand, employees are likely to do the same thing, assigning blame for failed change attempts to their managers, rather than themselves. However, as Klein (1976) and Thomas (1989) argue, in most research on resistance to change, scholars have written less about the perspectives of those with less power and more about the perspective of those in charge of implementing change. Fortunately, in other types of literature on resistance to change, scholars also remind us of a wider range of reasons why employees may oppose a proposed organizational change. For instance, Milgram, 1965 and Modigliani & Rochat, 1995 talk about obedience to authority which indicates that resistance might be motivated by individuals' desires to act in accordance with their ethical principles. Similarly, Graham, (1984-1986), in his organizational dissent literature shows that some employee resistance to organizational actions is motivated by more than mere selfishness. Also, recent studies like Ashford, Rothbard, Piderit, & Dutton, 1998; Dutton, Ashford, Wierba, O'Neill, & Hayes, 1997, point that employees might have the tendency to attract top management's attention to issues that employees believe must be addressed in order for the organization to acquire high performance. Rarely do individuals express their resistant attitudes in acts of dissent or protest, since they would be first considering the potential negative consequences for themselves if this is to happen. This point is documented by several researchers. For instance, in the field of ethics, Clinard (1983) documents the pressures such as threats to opportunities for advancement or to job security on middle management, and added that

this can discourage managers from speaking up about ethical concerns. Rodrigues and Collinson (1995: p.140), analyze the different ways in which employees use humor to camouflage and express their dissent because they cannot express their true emotions towards resistance publically in the organization being afraid that this would turn back on him or her. Thus, frivolous expressions of resistance are avoided by employees, since individuals who engage in it could face severe penalties and are aware that they should tread lightly. Hence, what some may perceive as disrespectful, might on the other hand be perceived by other individuals' as motivated ethical principles due to the desire to protect the organization's best interests.

During the change process, one of the things we need to avoid is put to workers finished plans in order merely to get their consent. If we did so, as said by Graham, (1995: p.220) two things are likely to happen, both bad: either we shall get a rubber stamped consent and thus lose what they might contribute to the problem in question, or else we shall find ourselves with a fight on our hands (an open fight or discontent seething underneath).

Varying Emphases in the Conceptualization of Resistance.

Studies of resistance also benefited from careful attention to the concept's meaning. As Davidson, (1994: 94) argues, resistance includes anything and everything that workers do which managers do not want them to do, and that workers do not do what managers wish them to do.

Three different emphases in conceptualizations of resistance are revealed in several reviews of past empirical research and are described as a cognitive state, an emotional state, and a behavioral state. As shown by researchers, these conceptualizations overlap and diverge in important ways. To deepen our understanding of how employees respond to proposed organizational changes, we should find a way to bring together these varying emphases.

Portraying resistance in terms of behavior has been common since the earliest work on the topic. Coch and French (1948) in their classic study focused on the behaviors of workers, mainly the undesirable ones in response to imposed management changes in jobs and work methods. They examined with their quasi experiment whether resistance would be reduced when encouraging employee participation in planning a change. A large body of work on the effects of participative decision making was generated by this study (see McCaffrey, Faerman, & Hart, 1995, for a recent review). More recent studies of resistance also have focused on employee behavior. For instance, resistance as defined by Brower and Abolafia (1995) is a particular kind of action or inaction, and Ashforth and Mael (1998) support this by defining resistance as intentional acts of commission or omission. Similarly, Shapiro, Lewicki, and Devine (1995) suggest that resistance to change constitutes willingness to deceive authorities, and Sagie, Elizur, and Greenbaum (1985) use compliant behavior as evidence of reduced resistance.

Other scholars like Coch and French (1948) have described resistance in emotional terms. Their preliminary theory of resistance described the forces that they believed produced frustration in employees and caused the undesirable behaviors. They also acknowledged a more emotional component of resistance (aggression). Similarly, Vince

and Broussine (1996) surfaced the responses of managers in organizations to a period of change and found that managers' responses were often paradoxically emotional. And, finally, the ideas of frustration and anxiety underpin Argyris and Schdn's (1974, 1978) perspective of the defensive routines that arise to fight resistance. They also emphasize the role of an external consultant in advocating the defensiveness inherent in those routines, specifying that the consultant should find ways to minimize the anxiety that reinforces those routines (Argyris, 1993). As Diamond (1986) points out, that the underlying nature of resistance is portrayed as highly emotional, and proves that the idea of resistance may include a component of negative thoughts about the change, because it can be overcome cognitively. Watson (1982) suggests that what is often labeled as resistance is, in fact, nothing other than reluctance.

Armenakis, Harris, and Mossholder (1993) suggest that a cognitive state they call "(un)readiness" precedes resistance. Bartlem & Locke (1981) with a reinterpretation of the Coch and French quasi-experiment suggests that employee participation might have motivational and cognitive effects on resistance to change, and could increase confidence and morale.

Each of these three emphases in conceptualizations of resistance as a behavior, an emotion, or a belief, represents an important part in understanding employee responses to change. Thus, any definition focusing on one view at the expense of the others seems incomplete. Therefore, i seek to integrate the three alternative views of resistance to change, rather than privilege one conceptualization over the others.

As mentioned earlier it's in human nature that people are not likely to change the way with which they have been successfully working. Therefore, resistance to change is the

natural reaction. The roll of Organizational Change Management here is to deal with the emotional reaction to change and aims to provide a friendly implementation environment. Also, to address initial fears and to build trust, communication of the required changes and participation of people affected by change are common means of Organizational Change Management.

Resistance, Emotions and Change

Macri, Tagliaventi and Bertolotti (2002) suggest that at an individual level, motivation and willingness to change can be impacted by perceptions. Resistance may be lessened if the change is perceived as desirable and necessary. According to Mento, Jones, & Dirndorfer, (2002:p.53) a level of resistance to change is assumed within many models of change. They also have claimed that resistance is a natural emotion that must be dealt with and not avoided. They continued by saying that one can open further possibilities for realizing change if one can look at the positive aspects of resistance to change, by locating its source and motives. They articulated the potential causes of resistance more clearly in their extensive research into resistance to change, and have even challenged the often implied assumption, that resistance to change is a negative issue and merely an obstacle to be overcome. It is now being suggested that if resistance to change is better understood, it may in fact have specific utility in a change process (Waddell & Sohal, 1998).

Waddell and Sohal (1998) study resistance at the organizational level and suggest that resistance is a function of four factors; rational, non-rational, political and management. They also emphasize the importance to consider the contribution made by

the individuals within the organization when considering organizational inertia or resistance to change.

George and Jones (2001) recognize an individual's resistance to change as having cognitive and affective elements. As emphasized by Goodstone and Diamante (1998), the belief that by only giving individuals information that indicates the need for change will make them change is not sufficient. The issues of the emotional impact of change cannot be ignored, since organizations require behavioral change at an individual level in order to change at an organizational level. Likewise, Diamond (1996) also identified that there is an emotional component to change and that it cannot be viewed as an entirely rational process; "successful innovation and adoption of new processes rely on an individual's willingness and openness to learning and change" (Diamond, 1996:p. 223). What would assist managers to plan appropriate change strategies is to take such factors into account and their ability to understand and in some cases predict the extent of resistance that may be encountered at the level of the individual. Some of the literature of change management fails to consider the impact of change on individuals. Balogun and Jenkins (2003:255) argue that those affected by change (recipients of change) need to be enabled to develop their own ways of working their daily routines and practices. Thus while change can be imposed by senior managers, the detail of what individuals need to do differently to meet the same aims cannot be imposed. Balogun and Jenkins continue by arguing that using the label 'recipients of change' implies a lack of involvement, and individuals need to be actively involved in knowledge creation in order to effect change and for effective change to occur. As Barrett et al. (1995:p.367) also emphasize that considering the individuals when

implementing change is critical and say that change is not something that comes from the outside and alters the inside of a community.

It has been shown by many companies that even with a wide range of models and processes for organizational change, there is still a high failure rate in relation to change, and also failure is so disappointing that at the very least organizational change is failing to deliver optimum performance outcomes (Balogun & Jenkins, 2003). Due to this high rate of failure, it is suggested that existing models do not adequately capture the complexity of the change process from the perspective of the change recipients (Balogun & Jenkins, 2003:p.247). Again, this reinforces the fact that for successful change we need to have change strategies that take into account individuals' issues and allow for differing levels of resistance to change.

There is a growing recognition of the role individuals play in change processes, shown by the review of more recent literature, and particularly how their level of resistance may affect the change process on a larger scale. However, only few researches can be found that specifically identifies whether there is a relation between individuals personal style, and their outlook on and experience of change, which in turn may influence their level of resistance.

A new policy at work can always result in employee resistance. Resistance to change usually appears when there is no clear understanding by employees of the reason for the change or a lack of knowledge on how it will affect their work. Change would be a difficult adjustment for workers with personalities that require reliability in their work life.

Employee's lack of support for change management can cause new policies and processes to fail. Employees and management must be on board working in synergy for the change process to succeed. If this was not a main part in the process, the system would fail. It is vital that management and staff support the decision and make a commitment to the new policy or process before a company begins the change process.

A detrimental effect on the morale of workers will occur if the company does not handle change effectively. Low employee morale can fully ruin productivity, which can cause a financial loss for the organization. It may go further than that and result in increased absenteeism and high employee turnover. To reduce morale problems we should include employees in the change process and communicate with them throughout the change process.

Attitudes

Do employees attitudes change in line with changes in the organization, or do they remain stable over time?

Are major changes in individuals' situations powerful enough to produce significant changes in these individuals' attitudes and sense of wellbeing?

Studies show that people tend, in the long run, to adapt to extraordinary and even traumatic life circumstances like the death of a close relative or the tragedy of a severe disability and return to their normal psychological state or their former levels of life satisfaction (Easterlin, 2003; Kahneman& Krueger, 2006). As we say 'time heals it all.' Kahneman and Krueger (2006) suggest that adaptation to highly difficult circumstances

occurs as time causes a shift of attention away from the difficult situation or event, where we become used to the ongoing situation and lose recognition of its difficulty. Thus the current situation loses its novelty in terms of difficulty and painful experience.

By borrowing the concept of attitude from social psychology, the emphasis in the conceptualization of resistance to change can be reframed in a more integrative way.

We learn from the social physiological research (Effects of change and change management on employee responses: an overview of results from multiple studies, by Donald B. Fedor and David M. Herold) that an employee's response to an organizational change along the cognitive dimension might range from strong positive beliefs (i.e., "this change is essential for the organization to succeed") to strong negative beliefs (i.e., "this change could ruin the company"). Also, an employee's response along the emotional dimension might range from strong positive emotions (such as excitement or happiness) to strong negative emotions (such as anger or fear). An employee's response along the intentional dimension might range from positive intentions to support the change to negative intentions to oppose it. However, researchers recognize also the possibility of neutrality or ambivalence in the dimensions of the response to a particular change proposal.

A richer view of the ways in which employees may respond to change is obtained when employees' responses to proposed organizational changes are conceptualized as multidimensional attitudes. That's why Goldberg (1999) and Merron (1993) argue that we should retire the phrase "resistance to change," and recognize in employee responses to change multidimensional personal attitudes.

4- Employee Motivation, Commitment and Identity.

Employee Motivation

The subject of motivation is still not clearly understood and more often not properly practiced in spite of much research conducted over the years. We need to understand human nature itself in order to understand motivation. It can be very simple, yet very complex too. According to Accel Team (2001), understanding and appreciating is a prerequisite to effective employee motivation and therefore effective management and leadership.

The following are a few theories of motivation suggested by scholars:

From his book *'The Human Side of Enterprise'*, Douglas McGregor's *Theory X* and *Theory Y* discover two different assumptions managers have towards human nature and motivation. *Theory X* suggests that workers do not have any ambition, all they want is security from work and they avoid responsibility. To make such workers get the job done they need to be rewarded or punished. This theory according to Adair John (2006, p.61) is not valid, because no successful outcome or creative work will be achieved in such a frustrated working atmosphere. *Theory Y* suggests people's natural activity is to work and that they want to learn. In this theory reward is not so much in cash payments but in freedom to do challenging work. (Adair John, 2006, p.61) In this theory manager's job is only to *dovetail* workers (pass by workers to tell them well done and show that he is with them in the process and wish for their self development). This is completely opposite to

theory *X*, but unfortunately it is also not valid in all cases, as personality types in organization may vary.

McGregor based his theories on Abraham Maslow's theory of motivation which includes basic human needs to stay motivated: physiological need, safety need, love need, esteem need, and self actualization need. (Adair John, 2006, 63)

Frederick Herzberg and his colleagues' believe that people work mostly for their own self enlightened interest. They divide the factors effecting motivation into two categories: *motivators and hygiene factors*. Motivators are the factors like challenging targets that can truly increase motivation. They are responsibility, recognition, work itself and advancement. Hygiene factors like salary, working conditions, job security and interpersonal relations and simple bonuses of cash payments can be demotivators if they are unsatisfactory, but also if they were satisfactory, their motivational effect is limited (Adair John, 2006, 70). This theory tries to prove that money, nice office and job security help workers from getting less motivated, but they do not necessarily help workers to become more motivated.

It is obvious that some theories of motivation for example Theory Y of McGregor are more appropriate to change management than others like his Theory X, because during change social psychological management approach is crucial. A major problem pointed out by Lyndon Pugh (2007, p.186) is that most managers pay little to no attention to motivation of workers during change, mostly focusing on general communication, consultation and information sharing issues.

Change and Employee Motivation

While considered a very positive change, organizational growth can have a negative effect on the environment and employee attitude when the organization in its new form and its business systems may no longer suit company's culture and current leadership styles. As Stevens (1992, p.5) said, the more human side of change is understood, the more effective change will be and positive work environment created.

McKinsey 2006 in his survey shows that only 6 percent of change management projects were successful (with 32% mostly successful). During that change, the mood of the organization was characterized by the following:

Table 1. Mood of the organization during change (McKinsey, 2006).

	(%)Successful projects	Unsuccessful projects (%)
Anxiety	44	51
Confusion	22	43
Frustration	23	44
Fatigue/ Resistance	24	34

It is obvious that sense of focus, enthusiasm, and feeling of momentum, hope and confidence in organization are needed in order for change to be successful. Negative effect on motivation, morale, sense of job security etc. would appear when mood of organization is not taken care of during change (Worrall and Cooper, 2006).

Several researchers while studying change management change have shown that well motivated employees are more productive and creative. On the other hand demotivated employees do not feel the willingness to contribute into work. Motivation in work place unfortunately has never been defined in a scientifically acceptable, reasonable and legitimate manner, not even defined in a practical, commonsense or useful manner. One of the intangible reasons it has not been defined is because of the fact that it is too close to emotion. We always tend to avoid emotions in the workplace. When emotions are not communicated fluently and ignored it becomes a struggle to hold the feelings in all day long, without expressing them and pretending they do not exist. Productivity and output suffer when emotions become intolerable. Maddock et al. (1998) said that as attitudes of workers deteriorate, along does their commitment, loyalty and most importantly their performance. As Obeng (1996, p.45) states, *confronted with change, peoples' first reaction is emotional and if you are lucky they move into logical phase*. He also mentions that fear is the most likely emotion that comes with change, because of the unknown factor.

According to Katcher et al (2007, p.7), almost 43 percent of all employees feel insecure about their job while going through change. Those anxious employees typically feel insecure and are not best performers and team players and lose self-confidence. They become reluctant to develop innovative approaches to their everyday work or to express their useful opinions and ideas.

Workers' willingness for change from one side and knowing and acknowledging the reasons and benefits of the change from another are highly dependent on one another. Only after understanding these factors of why do we need this change and where would this lead us, an employee will accept to consider the new responsibilities that change brings

(Markkanen, 1999, p.104). Indeed, a well managed crisis can have a lasting beneficial outcome and effect on a company through uniting the well informed workers, and this may give credibility to a company faced with serious adverse publicity (Hill & O'Sullivan, 2004, p.52).

When employees are not listened to and only told what to do, they become unhappy and anxious, it is due to what psychologists call a loss of "perception of control". As Herzberg, Mausner and Snyderman (1959) suggest, that the individual, in order to realize a sense of achievement and of personal growth, should have some measure of control over the way in which the job is done (Miner, 2006, p.52).

Positive feeling and improved performance are of crucial importance for job satisfaction and motivation and they are viewed as achievements and advancement. Personal growth and self actualization are basic needs for workers to remain satisfied and motivated. On the other hand different factors such as company policy, supervision, interpersonal relations, working conditions, job security and salary may result in job dissatisfaction. According to Miner (2006, p.57) these dissatisfactions can be removed by changing those factors. But it should be considered here that positive job feeling is not always guaranteed, because they are hygiene factors, therefore management must shift to motivating factors.

Motivation and Mobilization.

Mobilization is one of the best ways for true motivation; it is a process of involving and engaging those affected by change. Understanding what motivates and mobilizes

workers towards change is of great value for a successful result. Lyndon Pugh (2007) from psychology of change suggests the following on how to manage change:

Encouraging differences.

In managing change, encouragement of freedom of expression is a vital psychological support and an important source of energy. Only 48% of working employees feel free to voice their opinions, others feel safer to keep their mouth shut (according to Discovery Surveys Normative Database). It is unfortunate that more than half of all employees are too scared to openly express their opinion. A lack of openness and emotional sharing, negatively affects not only employees but employers too. Good ideas do not surface when workers do not express themselves while important problems go undetected. Also groups make wrong decisions, because workers are afraid to disagree while valuable time is wasted for unproductive meetings (Lyndon Pugh, 2007). Here, workers no longer believe that their effort is worth full commitment which leads to decline in motivation. Engaging workers in information sharing in a culture of broad ownership and management responsiveness and caring, foster the spirit of openness.

Creating trust.

In creating trust, involvement, openness, and comprehensive communications are important. Trust also depends on whether changes in the past have been successful or not which constitutes the track record of the organization. But managers also need to take to task to create a positive attitude towards change in workplace by changing employee perceptions and by acknowledging weaknesses and past errors and helping workers to articulate their thoughts and doubts and then bring on benefits for embracing change.

Being honest and communicating clearly what is like to happen in the future set employees' uncertainty and worry at ease. (Lyndon Pugh, 2007).

Self efficacy.

Self efficacy, as explained by Bandura (1995) in Lyndon Pugh (2007) is "the belief in one's capabilities to organize and execute the courses of action required to manage prospective situations". Bandura proves that motivation and ability to achieve is the opposite of self doubt which creates underperformance in workers, and it depends on people's willingness to believe in themselves. Managers need to spend time in finding techniques that best boost self confidence in their organizations.

If managers create pressure in organizations, consequences would be undesirable psychological effects that appear on workers (Perlow, 2003 in Lyndon Pugh 2007, p.178). This in turn leads to weakening of the creative impulse of workers and drop in productivity and it can also create resentment, anger, and reduced self worth.

Understanding psychology of resistance.

Lyndon Pugh, (2007), had one of the most interesting ideas of the link between change and people affected by it. He pointed that people do not resist change automatically. They resist the way change is handled, because in most cases it sounds as destabilizing at an organizational level and threatening at a personal level. And continued, most reasons for resisting changing are not tangible, because they can be based on fear, uncertainty, suspicion etc. Avoiding resistance during the change process is not efficient, but rather identifying it and dealing with its causes. Most common causes of resistance are fear of failure in new tasks, loss of control, fear of the unknown and personal impact, and leaving

old habits and predictable manners. Using resistance positively can improve processes and when it is eliminated by helping workers get motivated they start to embrace change. Ways of embracing change are in finding new opportunities, learning new tasks and overcoming new challenges (Lyndon Pugh, 2007).

In summary, happiness, fear, excitement, anger, sadness, disgust, interest, surprise, embarrassment, embracement, regret and jealousy are a group of emotions that one goes through while facing change. Izard and Ackerman (2000) suggest that employee interest in the change motivates exploring and learning, and guarantees the persons' engagement in the environment. In order for workers to be involved and committed, it is important to draw workers interest to change. The level of interest during an activity predicts the duration of engagement, volunteering to repeat the activity and the development of skill (Deci & Ryan, 1985; Fisher & Noble, 2004). Therefore managers need to implement interest enhancing strategies in order to boost ones motivation to complete tasks that are repetitive and in a way boring. In order to do so one needs to understand the dynamics of emotional experience in that particular work place (Sylvia P, 2006).

Employee Commitment

Piderits (2000) argues that when in change, individuals are more likely to accept and embrace the change being implemented while, at the same time, becoming less committed to the organization, meaning, respondents intended to act in support of the change while in contrast, change has a negative effect on commitment of employees to the organization. These findings that employee commitment is not what it seems to be during change are

consistent with Piderit's (2000) argument that dimensions of individuals' responses to change are often not consistent, such that less observable reactions (e.g., affect toward the organization) are typically more negative than more observable reactions (e.g., intentions to support the change).

Moreover, the highest level of commitment to the change occurs when the change is judged to be beneficial for the work unit, here there would be a lot of change occurring, but a low amount of change occurring in the individual's job. That is, individuals tend to commit to a change when there's favorable change going on around them, but on them personally, the change is not particularly demanding.

Also with commitment to the change, there would be according to Piderit's (2000) a significant three-way interaction between the outcome of the change, the extent of work unit change, and the extent of job level change influencing organizational commitment responses. However, the form of that relationship is different from change commitment. First of all, when the change is favorable for the work unit, individuals' commitment to the organization would improve and there would be a high level of change at the work unit level. However, the most interesting thing is the conditions under which the greatest deterioration in commitment is reported. This involves a change seen as favorable for the unit but not for the individual, low amounts of work unit change, and high amounts of individual job level change. This may represent a sentiment from employees reflecting a distributive justice judgment on the part of individuals that they got a "raw deal" from the organizational change (a disproportionate amount of the impact from the change fell on them).

This is how in almost all cases change affects employee commitment towards their jobs and organization.

Overall, this provides evidence that different levels of change need to be considered. In addition, whether the change has positive or negative impact on members of the work group plays a major role. Thus, Kotter's (1996) findings provide evidence that the "win-win" objective of change initiatives does have merit. That is, when the change did not improve the work life of those affected by the change, the extent of change would have little influence at both the work unit and job level. In contrast, the two levels of change would come into play when the change is seen as favorable. Individuals would be supportive when they are surrounded by lots of change, but would be relatively unaffected themselves. As for organizational commitment, if the level of change they were experiencing was consistent with what was happening to their work unit individuals would be fine.

When we talk about employee commitment, differences in individual personalities have to be taken into consideration. Thus not all employees accept change in similar ways. Some would support it, some won't, and others would be more or less neutral towards it.

Personality Types

In his book *Change Management Masterclass* Mike Green (2007) has described the Myers-Briggs Type Indicator which identifies four different personality dimensions, that are seen in all organizations. Studying what categories workers belong in will enable managers to manage change more effectively. These are important to find out because they explain behavior of each individual. The following are the types of personalities:

1. *Thoughtful realist*: wants to know why there is a need for change and require evidence based arguments. Their motto is: *'If it's not broken, don't fix it'*

2. *Thoughtful innovator*: wants to know why there is a need for change and where it is heading. Their motto is: *'let's think ahead'*

3. *Action oriented realist*: is happy to start change and improve but need detailed information and action plan. Their motto is: *'let's do it'*

4. *Action oriented innovator*: is enthusiastic about embracing change only by being part of it and inspired to follow it. Their motto is: *'let's change it'*

People, depending on their personality, go through stages of reacting to change differently as well. Some scholars believe that attitude of workers towards change and perceptions of new technology are influenced differently depending on age and gender as well. (David Bill, 2003).

Employee Identity

Our workplace helps confirm who we are and how others see us and shapes our identity. We can have many identities at any one time, some may see us as a friend or a helper or a leader or maybe all three together, we may be seen as an "IT professional," "perfectionist," "Singaporean," "member of the Marketing team," or "sales person."

Many organizations tend to focus only on change initiatives at a macro level i.e., one approach for all with little or no focus at the individual level. By changing the work culture we are in effect, trying to change the individual's behavior by manipulating the environment, ideas, and symbols that help shape behavior in the organization. Workplace

transformation can destroy personal identity if not managed well, with individuals developing their own strategies for coping and these result in negative behaviors and reactions and lower productivity.

Managers are more likely to be successful in driving positive behaviors and actions such as job satisfaction, engagement, motivation, and self-esteem by including interventions that reinforce or restore identities.

Someone's sense of self at work can be more strongly linked to a team than to the organization itself. Changing the environment and how the team works together can have a profound impact on an individual's sense of identity, yet during and after implementing change we often don't plan how people stay connected with each other.

5- Acceptance of Change

Individuals will be more negative about the change process when the consequence of organizational culture moves is greater constraint for individuals.

Corporate leader's efforts to redirect an organization often encounter resistance. Davy et al. (1988, p.58) suggest that 'the only thing certain about organizational acquisitions and change is that nothing is certain'. Therefore, if improved change outcomes are to result, the underlying causes of employee resistance need to be studied carefully and understood fully.

Employees become aware that the measuring tools for performance and loyalty have changed suddenly as cultural change occurs. This threat to old corporate values and organizational lifestyles leaves organizational members in a state of defensiveness, low

levels of trust within the institution and cultural shock. Mirvis (1985) further suggests that in change, employee reactions pass through four stages: (1) disbelief and denial, (2) anger, then rage and resentment, (3) emotional bargaining beginning in anger and ending in depression, and finally (4) acceptance. Employees will resent change, and will have difficulty reaching the acceptance stage, and the risk of change failure will be increased significantly unless these different stages are recognized and dealt with profoundly.

According to Thies and Nadler (2002), too many leaders make the mistake of thinking they can change individual behavior in an organization by changing its culture. Valikangas and Okumura (1997) argue that the leader's failure to grasp what motivates followers to change their behavior would result in individuals resisting change. As a result change is often associated with high turnover and reductions in innovation (Hitt et al., 1991). Valikangas and Okumura advocate that internalization is one of the strongest motivations and sources of power for leadership, i.e. the acceptance of leadership influence that is congruent with the behavioral motives of followers. Change is not likely to be sustained when it is executed by coercive power or for calculated expected gain in certain roles.

According to Lazarus and Folkman (1984), an individual's reaction to change will be influenced by situational appraisals that will reflect the individual's cognitive evaluation regarding how a situation or event will affect his or her level of wellbeing. Lets take a merger of two companies as an example: Because it is rare for two companies that merge together to be of equal status (van Oudenhoven and de Boer, 1995) an accentuation of inter-group status differences may arise. This may result in employees of a low status pre-merger organization being most threatened by the merger situation, resulting in more negative responses to the merger than members of the high-status organization (Terry and

O'Brien, 2001). Covin, Sighler, Kolenko and Tudor (1997) suggest that individuals of an acquired firm will feel the impact of a merger more strongly with associated specific behavioral and attitudinal outcomes. For example, individuals from an 'acquired firm' in a merger may suffer from feelings of worthlessness and may feel inferior because of loss of autonomy and status (Schweiger, Ivancevich and Power, 1987). An individual's emotional or affective experience during a change process impacts their commitment to facilitating a successful organizational change and their behavioral contributions to the change effort (Huy, 2002). Specifically, individuals' positive affective reactions to change positively influence commitment to change and cooperative behavioral support for change (Herscovitch and Meyer, 2002). On the other hand individuals' negative affective reactions to change positively influence behavioral resistance to change.

In summary, it is important that the leaders of the organization during times of change create an atmosphere of psychological safety for all individuals so that they engage in the new behaviors. in order to verify for themselves the validity of the new beliefs and values, individuals need to be involved to examine consequences for themselves as individuals and, to explore how they personally can contribute to the change effort (Zammuto, Gifford and Goodman, 2000).

The core issue here is that people must change; they need to acquire new knowledge, to improve the level of competence, to tackle new tasks, to change their work habits, values and attitudes toward the work mode of the organization.

Basically, without a change of attitude of each individual who operates in the community of the organization there can't be a real change in it.

Studying organizational scales would aid the change process to succeed.

"Personnel" scale identifies: first, the human values - improving employee motivation, improving communication, optimization of the relations between bosses and subordinates and relationships between employees, increasing personal involvement; also achieving social change through intervention on the social system, on the working conditions and the degree of staff satisfaction. (Colesca S., Alpopi C., 2011, p.45).

"Efficiency" scale: identifies the values of efficiency/ productivity: collective performance improvement, improving service quality, better strategies to address and fulfill the tasks.

"Conservationism" scale: identifies conservative opinions in favor of keeping the existing situation, the current state which is considered satisfactory and without major changes.

The responsiveness to change cannot be created overnight and it is useful to consider the intervening elements that make up the organizational culture.

Before people learn to be afraid, positive experiences involving numerous changes are needed to take place, to break with the past and to be confident that the transformation will bring something better.

If the workers or even the managers had previously negative experiences related to change within the organization, unfortunately, a quick solution the next day won't be found immediately.

6-Leadership and Change

As Pascale implies;

“Managing is helping to make happen what is supposed to happen anyway; leadership is making happen what isn’t going to happen anyway”.

70% of change initiatives still fail to achieve their goals as proven by Kotter (1995). This raises a question about change and its leadership, how change impacts workers day to day performance and whether leaders can develop needed skills to successfully implement change. (Rowland and Higgs, 2008)

Managers as leaders, play a crucial role in innovation and success of their organization and in energizing change. Effective leadership is in high demand for change management (Rowland and Higgs, 2008). This thesis focuses on change leadership approach based on collaboration and the building of capability.

Workers may not welcome change in the organization, but fateful consequences in the longer term for the company may happen due to choices and decisions that managers make. To implement change in a way that produces a sustainable improvement in performance it is very important to study how change can impact workers’ motivation and develop skills that benefit the team as a whole. Leadership of change is a vast subject and it cannot be solved by one case, but research can help improve organizational leadership for better implementation of change.

Much has been written about leadership qualities and types of leadership (e.g. Bass and Avolio, 1994; House, 1996; Conger and Kanungo, 1998). Bass (1985) suggests that leaders by creating vision promote change. Bass and Avolio (1994), Hatch (1993), Porras

and Robertson (1992) talk about theories of transformational leadership and organizational change and emphasize that change is accomplished through the leader's implementation of a unique vision of the organization through powerful persuasive personal characteristics and actions designed to change internal organizational cultural forms and substance. Kouzes and Posner (1987, p. 30) suggest that, when facing organizational change, 'Leadership is the art of mobilizing others to want to struggle for shared aspirations'. Leaders, therefore, if they are to act successfully as agents of change and motivate others to follow, must be skilled in change management processes (Van Knippenberg and Hogg, 2003). Weber (1978) emphasized leadership and its power bases and interests and attributed cultural change to 'charismatic interventions of a unique and idiosyncratic sort'. Fishman and Kavanaugh (1989) suggest that by the behaviors of the leader the culture of an organization and how people respond to change and innovation is shaped substantially. More broadly, organizational leaders are a key source of influence on organizational culture (Schein, 1992). According to Mumford et al. (2002), organizational climate and culture represent collective social construction over which leaders have substantial control and influence. Because leadership is preeminently a group process (Chemers, 2001), social identity theorists (Haslam and Platow, 2001; Hogg and Terry, 2001; Hogg and van Knippenberg, 2003) would argue that particularly after a change, a shift from the personal towards the relational (group) level of identity is appropriate in an analysis of leadership in organizational contexts (van Knippenberg and van Leeuwen, 2001). Social identity theory focuses on the notion of the self concept, referred to as social identity, which derives from memberships in social groups and contrasts with personal

identity, which reflects a person's characteristics as a unique individual (Hogg, 1996; Hogg and Abrams, 1988; Tajfel and Turner, 1979).

Van Knippenberg and Hogg (2003) and van Dick (2004) argue that leadership effectiveness is significantly influenced by how prototypical of the group the leader is perceived to be by the members especially in high salience groups. Also that the social identity perspective may be an important one when examining leadership and power. Thus, the influence of leaders rests on how others regard them. According to Weber (1978, 1996), leaders in this sense are lent a certain prestige when employees believe in them and what they are doing, and are willing to accept their decisions. Conger and Kanungo (1988) and Kotter (1988) stress in particular that while leadership is the process of motivating people to change, leaders need to understand that management refers to processes of planning, organizing and controlling; Amabile (1998) has suggested that, leaders can affect organizational members' attitudes to work related change and motivation by influencing the nature of the work environment and organizational culture. The challenge then is to select a set of actions that are feasible within the capability of the organization to absorb change and manage resources.

Individual perceptions of leadership during change

One of the greatest challenges facing any manager is the attempt to move an organization's culture, even a department's culture, to a new value or belief, and the temporal dimensions (those indoctrinated over time) of culture (Bluedorn, 2000) may be

the hardest of all to change because they represent the culture's most fundamental values and beliefs.

In most change processes, change is often imposed on the leaders themselves. Despite this, leaders must prompt others to follow by acting as agents of change (Van Knippenberg and Hogg, 2003, p.29), Champy (1995) note that successful reengineering requires that managers undertake the hard work of creating a culture of willingness and individual accountability and discard the fantasy of a corporate culture of reflexive obedience. This process takes time, and it is often the pace of change that inhibits the successful reengineering of the culture.

Schein (1985) also highlighted the role of the leader in creating and managing organizational culture and suggested that, it is the leader who must act to assist the group to unlearn some of its cultural assumptions and to learn alternative assumptions when a culture becomes dysfunctional as a result of change. Schein (1985) did, however, recognize that if external realities should change, the formation of a strong leader dominated culture may not be effective. In such cases, he suggests that what may prove more effective and flexible is a loosely applied culture, based on some diversity of assumptions, and possibly involving the existence of a number of subcultures.

Trice and Beyer (1993) suggest that at integrating cultures, consensus and transactional leaders are most effective. Participants must feel that they are consulted and involved as part of the decision-making process for this to occur. Indeed, it is well accepted that failure to communicate generally results in individuals feeling uncertain and anxious about their future and that communication is the key tool within any change process (Kanter, Stein and Jick, 1992).

Amabile (1998, p.149) recommends a constant, constructive, less formal exchange of information about a project's progress on the part of all team members and management. Peterson and Smith (2000, p.144) suggest that the powerful social actors who seek to influence which meanings prevail, cannot be ignored in any analysis of change in organizational culture. Weber (1978) emphasized leadership and its power bases and interests, and attributed cultural change to unique and idiosyncratic charismatic interventions. According to Weber's (1978) theory of domination, those in power have more opportunity to realize their values and assumptions when changes occur than those not in power. To gain the benefits of any innovation or change, organizational changes that enhance the horizontal flow of information and empower employees to make decisions are critical (Zammuto, Gifford and Goodman, 2000).

Fishman and Kavanaugh (1989) suggest that determining how individuals respond to the process requires the behaviors of the supervisor, requires being positive about employee's attempts at contributions during the change process such as listening fully and giving recognition. Bass and Avolio (1994) and Conger and Kanungo (1987) claim, that the key to describing how organizational cultures are created and maintained is transformational leadership. Indeed, Avolio and Bass (2002) demonstrate that employees affective reactions to change are significantly related to transformational leadership behavior such as inspiring others and creating and communicating a vision and direction.

Fry (2003) examined leadership in terms of motivation to change and concluded that, leaders must get in touch with their core values and communicate them to followers through vision and personal actions to motivate followers. Studies have found that leaders who display transformational leadership behavioral components (inspirational motivation,

intellectual stimulation, idealized influence and individualized consideration) are able to realign their followers values and norms, promote both personal and organizational changes, and help followers to exceed their initial performance expectations (House and Shamir, 1993; Jung and Avolio, 2000). Several reasons support the expectation that transformational leadership would enhance employee ability to accept change. First, by actively engaging followers' personal value systems, transformational leaders go beyond exchanging contractual agreements for desired performance (Gardner and Avolio, 1998). Second, transformational leaders serve as role models to stimulate followers to think about existing methods in new ways and encourage them to challenge their own values, traditions and beliefs (Hater and Bass, 1988).

In summary, leadership is essentially a process of social influence, especially during change, in which individuals want to feel included, supported and reinforced. Relations between individuals and their leader will affect perceived leader effectiveness.

7- A Culture Conducive to Change Management

Our literature review helped us understand the different elements of a culture conducive to change management. Here we will summarize the major components of this culture and elaborate on their significance.

Senior management: Senior management seems to be one of the most critical success factors during a change implementation. Commitment and support (vocally and visibly) during the whole implementation phase seems to be critical. This can be done, for example, by senior management writing about the importance of the change implementation in the

internal newspaper or frequently visiting the implementation team and most importantly 'walking the talk' and serving as an example. In practice this can mean that senior management has to show a collaborative behavior. Therefore it is important to create awareness during the implementation by senior management (Weber, 1978).

Monitoring the environment and taking the pulse of the organization are required during change to create an environment where people will become active. Great ideas can come from employees if they get involved and if managers engage the energy of workers by discussing the possibilities for improvement (Green, 2004).

More importantly organizations should be shaped to encourage everyone to speak their mind, organize upward and downward communication channels, reward when goals reached, call for attention to what others can get for what they accomplish and admit mistakes when they are made. During change providing with reasonable explanations for changing from one state to another, outgoing and honest communication, organizing quality trainings and development programs, clear communication of organizational mission which should include the necessity for adopting change as an important value and how employees can contribute to achieving that mission are key factors to earn employee trust and their commitment.

Who will participate in the process of change is important. All people should be involved in this process. They should be taught to perceive the organization in relation to its environment and should be instructed to understand their own feelings. This is done by the agent of change that is usually the manager.

To be a real motivating factor for change, the vision must be shared by everyone. A main problem is that the vision is not shared by everyone, and this does not facilitate the change process. Unfortunately, the positive attitude regarding the change process cannot be created overnight. If we want to increase receptivity to change, the definition of "a new work" requires a considerable amount of time and effort. Creating a change of the culture involves promoting positive change in domestic and foreign problems and train employees in environmental realities. Companies need to involve managers in both internal and external environment (Constantinescu D., Borcoși C., Bumbeneci I, 2010, p. 7).

The best way to sensitize employees to change is to involve them in the process and achieve the maximum levels of training and education, highlighting the different attitudes and behaviors that will be required in the future. Given that the change involves a new situation characterized by high uncertainty, it is likely that employees feel vulnerable in terms of risk taking, and committing errors. The more the employees' confidence in themselves is stimulated, the more their availability to assume the risks involved in change will be bigger. The effort is to create a positive culture that will change the attitude of the type "change causes suffering" to the type "business is change".

To help mitigate the issues associated with change, executive management support is crucial to help the organization move into the next phase of the business. The project and associated changes in processes and policies need to be driven from the top down. Employees will still grumble, but the project champion needs to support the change and help the culture assimilate the new vision. Finally, show progress of each project phase of change and what the project team has accomplished. If the stakeholders see that change is not that bad and progress is being made toward the new business goal, they will feel more

comfortable and confident in the decisions being made (The impact of change management in ERP system: a case study of Madar, Abeer n. al-Nafjan. Abdullah s. al-Mudimigh).

Communication: Communication throughout the whole change process has mainly two goals. The first goal, in order to address initial fears and resistance, is to explain why the changes are necessary and what the aims are. The second, for gaining acceptance, is to involve the people that are affected by the changes as early as possible. An effective two way communication vehicle would be workshops or employee surveys where feedback from employees can be gathered. The error that often management decisions involve, is that decisions are being taken by people who are only in the top positions; people lower down are not involved and are not informed about the reasons why decisions are being taken. These communication problems can lead to ill feelings and to polarization, such as, "leaders are not consultative", "it's a management by dictation", which may result in some staff resorting to factional activity and the formation of counter cultures with negative consequences for organizational outcomes (Weber, 1978). Communication is a key to disseminating the answer to the question: "Why do we need to do this?" If you cannot answer this question, change will be difficult and the project will stall.

According to Higgs (2003), by communicating behavioral change, behavior itself can be shaped.

Leadership styles (*Coaching, Transparency and trust, Respect*): Leaders of organizational change should be competent and trained in the process of transforming organizations if changes are to succeed; leaders should be the ones who are driving rationalization. Leaders must ensure that participants feel that they are consulted as part of the decision making, and involved in the process otherwise members of the organization

become cynical and unresponsive. Moreover, the charisma of a leader must be validated by the recognition of his or her followers. If there was no consultation, the management style is perceived as reactive rather than proactive; it would result in no loyalty shown to staff by management. Framing it simply, to get dedication and loyalty of staff, management has to express dedication and loyalty to staff (Weber, 1978).

Leaders need to involve their workforce in change, not just impose it. They can be more effective in implementing changes by understanding behaviors that create obstacles. Agile organizations can be trained to embrace change, not only as a one-time event, but on an ongoing basis.

Coaching: Coaching people during the change process and facilitating learning of the skills that are needed to deal successfully with the new environment is essential.

Moreover training about the basic ideas of change management as well as in team working should be beneficial. In the event of workflow changes where also responsibilities are changed, it can make sense to train how to handle responsibility.

Our literature review also made us understand that leaders need: (1) to select carefully the method or approach to be used to manage the change and develop a new culture following the change; (2) to establish effective channels of communication which involve individuals at all levels of the organization, to inform individuals of the stages to be followed and to outline clearly outcomes for them; (3) to select willing partners first and move to more difficult partners after allowing more time for consultation and justification; and (4) to lead in a positive manner, recognizing that change is an emotive process and

people need to be 'changed' with dignity by acknowledging contributions and justifying the reasons for them personally to move on (Weber, 1978).

Transparency and trust: Trust suffers, particularly when individuals' perceived hypocrisy in various forms becomes an important topic; this happens for instance, when executives call for openness, but hid impending changes from employees. If I am in employees' shoes with such a Leader who is not accountable, I'd say I just can't trust that man (leader) anymore. Sometimes the most powerful of the leaders can influence the goals and policies of their organizations in directions that are consistent with their own values and needs, rather than those of the institution as a whole.

Respect for authority of leaders: Weber (1978) has also acknowledged that the authority of leaders rests on how others regard them. Leaders are lent prestige when employees believe in them and what they are doing, and are willing to accept their decisions. And as a result of problems with management style, morale would be very, very low. As such, the beliefs of organizational members will determine not only how a leader will be regarded, but also who will be regarded as a leader. Leaders will be perceived in a positive manner when consequences for individuals involved in the change process are positive and the change management process is managed appropriately.

Marketing: Innovative practices have to be diffused to the rest of the organization. Therefore a marketing concept is necessary to introduce new concepts and publish successes. Informal but very efficient ways of diffusing are Communities of Practice (CoP). CoP are "groups that form to share what they know, and to learn from one another regarding some aspect of their work "(The Distance Consulting Company, Marian Nastase, Marius Giuclea, and Oliviana Bold, 2000).

As the change must be legitimate and promoted outside, it must equally be promoted internally, to be accepted and implemented by people in the firm. It is useful to imagine a company's internal marketing initiatives for change, where opinions must be tested, and perceptions sensed and major resistance factors identified.

Institutionalizing of new approaches: In order to hold the gains of an improved state and to avoid erosion effects, this is viewed by theoreticians as an important element of a change initiative. Therefore, this should also be beneficial for change implementation, especially for the aspect of collaboration.

Collaboration where new ideas or current problems are freely exchanged can, for example, be encouraged by regular meetings between different departments. These meetings would serve to anchor collaborative behavior in the company culture.

According to the case study, “Impact of Management Style on Change Management and Staff Development” (case study information sheet, No. 7, *Human Synergistics International and Human Synergistics NZ Ltd*), factors driving and supporting personal and behavioral change take place by constantly reinforcing constructive behavior at all times and creating a learning environment. This would be done easier by chunking changes down into small pieces and constantly using circumflex language to identify and describe behaviors in the work place.

The study continued by emphasizing the importance of employee and manager self awareness - being able to step outside oneself and think about one's own behavior and creating a positive and supportive environment and keeping the pressure on for improvement and asking questions that encourage people to think, enquire and learn.

It is imperative that organizations introduce systems to help their entire workforce to participate in and adapt to change, given the constant need to navigate rapid change, such as organization restructurings, revamped product lines or the appointment of a new leader.

It needs to become part of the behavior of the organization to change. Our study suggests that when employees have a compelling case for change, and understand the specific behaviors that will result in success, they are likely to self-initiate and navigate change effectively.

Complexity of culture: Every organization has a complex culture and set way of doing things. Some companies have processes and policies that have been in place for decades and usually it is unknown as to why they still exist. The idea that "this is just the way we do it" is a common justification for following the same business practices and never thinking that there is a better way. People resist change; some actually refuse doing something different because they do not see it as a potentially wasteful or broken process, only that it is the way things get done (*Images of Organization, 1986; Morgan*).

People are the human assets that are impacted by change management and every project manager should be sympathetic to the human issues that bubble up during the project. Effective communication and support from the executive leadership will help drive the vision and strategies to support the effort.

Cameron & Green (2004) describe four metaphors of organizational dynamics: Organization as Machine, Organization as Political System, Organization as Organism and Organization as Flux and transformation.

As suggested by Cameron and Green, organizations should be treated as an “*organism*”, where there is no “one best way” to design or manage a company, because only this way there will be no burden to allow ideas flow. The flow of information between different parts of the system and its environment is the key to organization’s success. In this kind of organizations changes are usually made in response to external environment. Individuals and groups in such organizations need to be psychologically aware of the need for change in order to adapt to it well. Participation and psychological support are necessary strategies for success.

The picture that begins to unfold from this study is quite interesting. This study points to the fact that even relatively minor changes need to be properly managed and that the transition curve of change can come in many forms; it can also affect workers differently. Employees do not necessarily go through all stages of reacting to change; neither do they follow same sequence. But understanding that going through it is a normal and natural process, is important. The way we react and respond to change determines our emotional health and maturity; communicating about it put worries at ease.

Organizations create change related strain for their employees in two ways. First, the level of strain depends on the impact the change has on the individual’s own job. In other words, high personal demands tend to translate into high strain. Second, if a change has a significant impact on the work unit and that change is not managed well, in terms of fairness, this also tends to lead to experiences of personal strain.

Researchers found further evidence of the need to consider the change occurring at both the work unit and individual job level in relation to two forms of commitment (i.e., to the change and to the organization), and the importance of including the impact that the

change had on the work unit. Somewhat ironically, while employees report reasonable acceptance of the change being implemented, they also seem to become less committed to the organization. Moreover, the highest commitment would occur when the change is seen as good for the work unit, but little direct job impact. In contrast, the greatest decrease in organizational commitment would occur when a somewhat minor change is seen as good for the work unit, but the personal job impact was high.

Taken all together, this study points to the need to include multiple phases of change, how the change is managed, the impact of the change, and individual differences into organizational models of how individual employees (i.e., the change implementers) respond to change. Although these findings are very revealing, they appear to only begin to unravel the complex nature of organizational change.

This study has several practical implications for organizations facing change. First, it points to a need to improve our understanding of the effects that multiple levels of change have on individuals. Second, it points to the more complex role played by change management practices, and alerts us to when such processes may or may not ameliorate the negative consequences of change. Third, it advocates the need to consider individual differences and how they affect responses to change. Although many organizations “tip their hat” to the notion that the consideration of employees is essential to effective change management, most do not seriously follow through to make sure such considerations guide their change practices. Management should be vigilant about finding ways to ameliorate any negative consequences for individual employees, even in those instances where the change tends to have negative outcomes (e.g., downsizing).

Also, this study identifies that the success or failure of a change process hinges on the manner in which the process is led and managed. Individuals and their perception of the manner in which change is being managed will often determine not only how a leader will be regarded, but who will be regarded as a leader as stated before. When considering how to lead organizational change, leaders need to be competent and trained in the process of transforming organizations and reflect on follower motives.

The essence of sustainable change is to understand through the organization culture that tries to be transformed. Change implementation will be very difficult if the change which we intend to make is in contradiction with the history and traditions of the firm. The culture is created through the messages of the managers by conveying to employees about what they think is really important inadvertently or deliberately. One may say that the organizational culture is the meeting point between philosophy and an organization. Moreover, culture also refers to ethics, the standards and judgments of value present in an organization (Verboncu I., Năstase I., Nicolescu O, Popa I., 2010, p. 74).

Change responsiveness cannot be created overnight. Before people learn to have a strong attitude toward change, positive experiences involving numerous changes are needed, to separate from the past habits, to give up the old mentalities and to be confident that the transformation will bring something better. A solution in the next day won't be found quickly if organizational culture had previous negative change experiences. Creating a culture of change does not only mean doing certain collateral activities, it means working daily to change. It is necessary to create awareness and responsiveness in the organization toward change before developing a plan for change as stated before.

The link between organizational culture and change is becoming more evident in our times. Thus, the biggest problem is because culture is often an excuse for not acting in the direction of change. Culture takes what is common and understandable and rises in the air and makes it untouchable (Năstase M., Hotăran I., 2011, p.662).

We live in a world where change has become more a rule than an exception, and the dynamics and importance of communication are inseparable from the process of change.

Theoretical and practical research done on the basis of the assumptions made, allowed to formulate the following conclusions and proposals (Review of International Comparative Management Volume 13, Green M., Issue 1, March 2012):

1. Organizational changes involve responses to the external challenges and/ or internal ones (innovation, crises, conflicts) and aim to accommodate the organization to the development requirements of the society in general. The starting point in addressing organizational transformation is that change requires a proactive and positive attitude. The changes if they are approached properly and efficiently managed, may condition the progress.

2. Depending on the type of the change, the success or failure factors which influence a program of change may be different. Among them are: ideas for change, willingness to make it, the availability of resources (time, money, information), action plans, incentives. All these factors can be generally summarized as technical and social factors.

3. Starting from the fact that organizations are, first of all, open social systems, and undoubtedly changes are made only by people, the human dimension of change is critical, also is the attitude and action leading to success or failure of a program change.

4. The organization, on the other hand, must realize that the company will not reach the expected results without a proper understanding of the phenomenon by those involved. There will always be employees who will oppose the change. In this way, the organization is located between two forces, external forces, which require the change, and internal forces, which oppose the change.

5. A particular state of organization is determined by the balance between these forces, characterized by a certain level of performance. Change production requires breaking this balance and defining problems, goals, and formulating recommendations and implementing solutions.

Change is inevitable and necessary. With each new day, businesses, suppliers and customers, and the environment are no longer the same. Managing change initiatives are sometimes very overwhelming, not only for managers but also for employees too. They require creating and sustaining a competitive company, and being cost effective with globally aligned processes.

Frederick Herzberg states that change cannot be successfully managed without taking care of workers' emotions. Motivation is a major force that enables workers to be fully involved in projects and be committed to an even unexpected future. Employees become more or less motivated because of change in the organization. Depending on employees' personality, motivation shifts determine to which direction they go. But there are other factors that affect too as we have described throughout this literature review, such as type of change, company culture and structure, management methods of mobilizing workers.

CHAPTER THREE

RESEARCH FRAMEWORK AND METHODOLOGY

Research Questions

- 1- Whether in organizations that go through change process, employee centric approaches during management of change will produce positive organizational performance in terms of employee morale and motivation, enhanced productivity, improved quality of products and services, diminished absenteeism and turnover and enhanced innovation.
- 2- Whether the employee centric approaches during management of change and organizational performance differ among the three categories of change (transactional, transitional and transformational).
- 3- Whether the employee centric approaches during management of change and organizational performance differ among the different industries.

The hypotheses are as follows:

1st set of Hypothesis

- 1.1- The employee centric approaches during management of change are positively related to employee morale and motivation.
- 1.2- The employee centric approaches during management of change are positively related to productivity.

- 1.3- The employee centric approaches during management of change are positively related to quality and service.
- 1.4- The employee centric approaches during management of change are positively related to low absenteeism of employees.
- 1.5- The employee centric approaches during management of change are positively related to low turnover of employees.
- 1.6- The employee centric approaches during management of change are positively related to innovation.

2nd set of Hypothesis

- 2.1- The relationship between employee centric approaches and employee morale and motivation is different among the three categories of change.
- 2.2- The relationship between employee centric approaches and productivity is different among the three categories of change.
- 2.3- The relationship between employee centric approaches and quality and service is different among the three categories of change.
- 2.4- The relationship between employee centric approaches and low employee absenteeism is different among the three categories of change.
- 2.5- The relationship between employee centric approaches and low employee turnover is different among the three categories of change.
- 2.6- The relationship between employee centric approaches and innovation is different among the three categories of change.

3rd set of Hypothesis

- 3.1- The relationship between employee centric approaches and employee morale and motivation is different among the different industries.
- 3.2- The relationship between employee centric approaches and productivity is different among the different industries.
- 3.3- The relationship between employee centric approaches and quality and service is different among the different industries.
- 3.4- The relationship between employee centric approaches and low employee absenteeism is different among the different industries.
- 3.5- The relationship between employee centric approaches and low employee turnover is different among the different industries.
- 3.6- The relationship between employee centric approaches and innovation is different among the different industries.

Approach/Methods

The research that I have conducted is a survey. I have prepared a questionnaire according to the findings of my literature review, and collected data from employees (non-managerial). However, before administering my questionnaire, I also conducted a pilot study and asked ten employees to fill out my questionnaire and give me feedback about the clarity and validity of the questions. I included the feedback received in my revised questionnaire.

The questionnaire was prepared using the five-point Likert-Scale: “Strongly Disagree-Disagree-Neutral-Agree and Strongly Agree,” and the respondents had to choose the answer that best described their response to the questions.

The organizations were selected from 5 different types of industries; I used stratified sampling. Organizations included wholesale/retail trading, information technology, banking, production, and manufacturing.

The sample size is 152 employees from about 60 different business organizations. Two to three non-managerial employees were selected at random from each organization. The hypotheses were tested by using Multiple Regression Analyses with Stepwise method, One-Way ANOVA, and Factor Analysis. Descriptive statistics were also included.

The survey administration period was three weeks during which the questionnaires were sent through emails and distributed personally; reminder emails and frequent phone calls were also made.

During the administration of the survey, certain ethical issues were taken into consideration. Among these were the respondents’ right to anonymity and the right to confidentiality of shared information. As addressed in the face sheet of the survey questionnaire, the respondents were not required to disclose any personal information, to identify themselves or their organizations. Moreover, the data collected from the surveys was promised to remain strictly confidential and to be reported in the thesis anonymously. Finally, the right to informed and voluntary consent was addressed by clarifying the purpose of the survey questionnaire which was explained to the organizations surveyed.

Survey Questionnaire: Included two questions and eighteen statements.

. What type of change the organization went through?

. What type of industry is the organization?

1. Management recognizes the stages that employees go through (fear, doubt, discomfort and discovery) and use different approaches for employees to overcome fear, doubt and discomfort.

2. Employees are encouraged sincerely by management to articulate the thoughts, doubts, fears and worries that cause them to resist to change, and understand that being confused and anxious is normal.

3. Management explains the reasons for the change and the benefits that it brings by providing evidence-based arguments; benefits for daily work, for the work unit, for happier customers, for product quality.

4. Employees have a sense of control over the change process and feel that their safety/job security is not threatened.

5. Management creates a positive work environment where there is a sense of focus, enthusiasm, hope and confidence.

6. Management/leaders promote change by inspiring employees with the creation and communication of a vision and direction.

7. Communication takes place throughout the organization between management and employees, both upward and downward.

8. Communication takes place during early stages, where the reason change is important and how it is going to be enacted is explained.
9. Communication takes place during the implementation phase where employee efforts are addressed.
10. Communication takes place after the implementation, when employees are praised and rewarded for their contribution.
11. Facilitation/coaching in learning new skills, tasks and responsibilities takes place, as needed, throughout the change process.
12. Employees at all levels are involved and engaged in the process of change by participating, offering ideas and exploring options and choices, and discussing possibilities for improvement.
13. Employee morale and motivation is high.
14. Productivity is enhanced.
15. Quality and service have improved.
16. There is low absenteeism of employees.
17. There is low turnover of employees.
18. Innovation is enhanced.

CHAPTER FOUR

STATISTICAL ANALYSIS

DESCRIPTIVE STATISTICS:

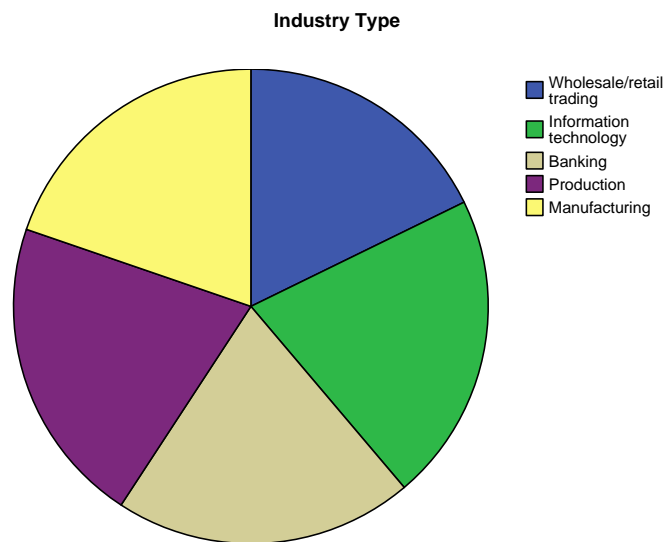
Employees, specifically 152 workers working in organizations from five different industries participated in this survey. 17.8% of the respondents were from the first industry 'Whole sale/retail trading', 21.1% were from the second industry 'Information technology', 20.4% were from the third industry 'Banking', 21.4% were from the forth industry 'production', and 19.7% were from the fifth industry 'Manufacturing'.

The table below shows the distribution of the respondents according to the five industries.

Industry Type

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Wholesale/retail trading	27	17.8	17.8	17.8
Information technology	32	21.1	21.1	38.8
Banking	31	20.4	20.4	59.2
Production	32	21.1	21.1	80.3
Manufacturing	30	19.7	19.7	100.0
Total	152	100.0	100.0	

Pie Chart:

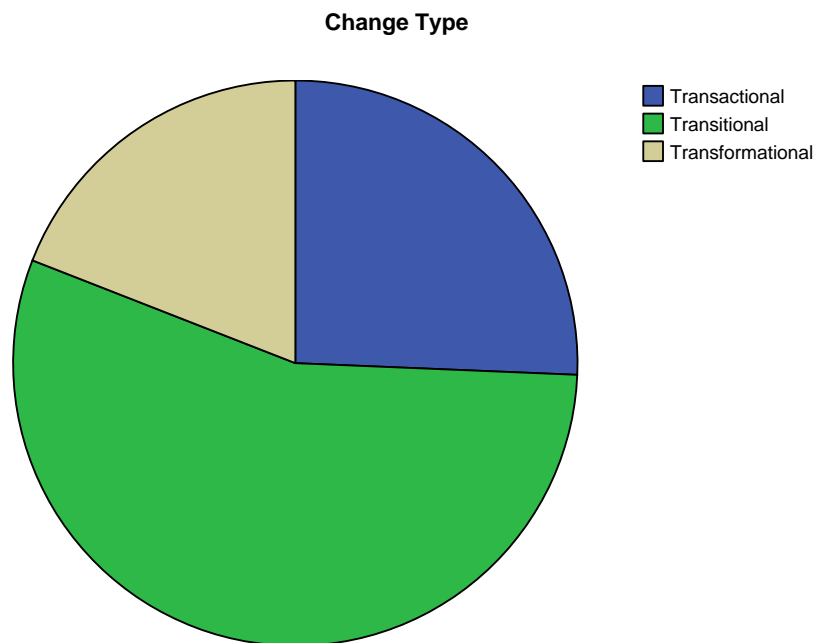


The survey included a question about the type of change the organization went through (Transactional, transitional, and transformational). The distribution of data is as follows:

Change Type

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Transactional	39	25.7	25.7	25.7
	Transitional	84	55.3	55.3	80.9
	Transformational	29	19.1	19.1	100.0
	Total	152	100.0	100.0	

Pie Chart:



RELIABILITY TESTS

Cronbach's alpha (α) also known as the coefficient of reliability, was used to estimate the internal consistency of the scale since it is most commonly used when we have multiple Likert questions in a questionnaire that form a scale and we wish to determine if the scale is reliable. Cronbach's alpha measures the extent to which a set of items are related to each other. Hence, Cronbach's alpha increases as the inter-correlations among the items increases. The generally agreed upon lower limit for Cronbach's alpha is 0.70.

The Cronbach's alphas for all the variables of this study were computed using SPSS. The Case Processing Summary and Reliability statistics of the 20 variables are shown respectively in the table below:

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.928	.929	20

The Cronbach's alpha is 0.928, which indicates a high level of internal consistency for our scale.

FACTORIAL ANALYSIS:

Hair et al (2006) define factor analysis as "an independence technique whose primary purpose is to define the underlying structure among the variables in the analysis". Factor analysis, specifically explanatory factor analysis is concerned with whether the correlations or covariances between a set of observed variables can be explained in terms of a smaller number of unobservable constructs which are known either as latent variables or common factors. Factors analysis has three main uses according to Field (2009):

1. To understand the structure of a set of variables
2. To construct a questionnaire to measure an underlying variable

3. To reduce a data set to a more manageable size while retaining as much of original information as possible.

To determine the aptness of factor analysis the entire correlation matrix was examined using the Bartlett test of Sphericity and Kaiser-Mayer-Olkin Measure of Sampling Adequacy (KMO MSA).

According to Field (2009), KMO represents the ratio of the squared correlation between variables to the squared partial correlation between variables that is the degree of inter-correlations among the variables. The KMO statistics varies between 0 and 1, and a value close to 1 means that each variable is perfectly predicted without error by the other variables. Kaiser (1974) recommends accepting values greater than 0.5 as barely acceptable. While closer the value gets to 1, it would be better, as values between 0.8 and 0.9 are considered great and values above 0.9 are superb.

In addition, the Bartlett Test of Sphericity checks the overall significance of all correlations within a correlation matrix. As Field (2009) explains Bartlett's test shows whether our correlation matrix is significantly different from an identity matrix, meaning that "the correlation between variables are (overall) significantly different from zero". Thus, if the Bartlett's Test of Sphericity is significant, that is if it is less than alpha (0.05), then the null hypothesis that the correlation matrix is an identity matrix will be rejected and factor analysis can be continued.

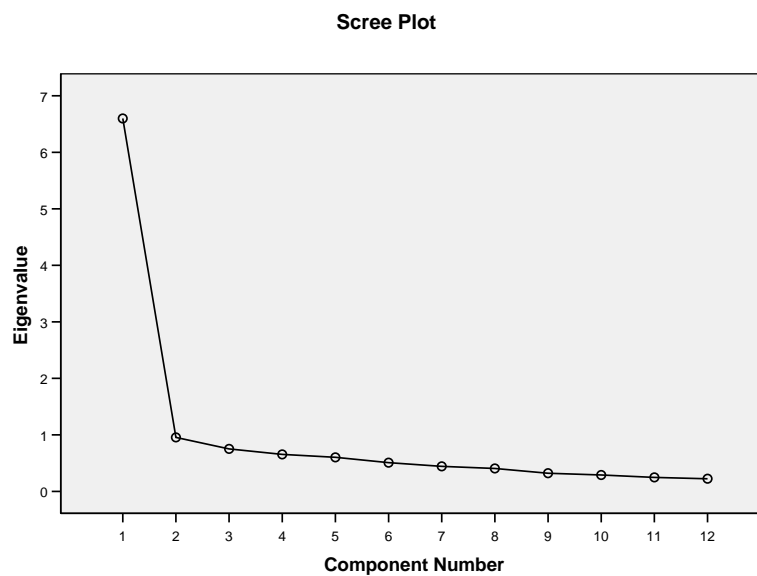
Factor Analysis on the independent variables was performed. As shown in the table below, the KMO Measure of Sampling Adequacy is 0.929 which is higher than 0.05 and the

Bartlett's Test of Sphericity is 0.000 which is less than 0.05 and significant. Based on this, we can proceed with the Factorial Analysis tests.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.929
Bartlett's Test of Sphericity	Approx. Chi-Square	1029.162
	df	66
	Sig.	.000

The Scree Plot of the analysis is as follows:



Next, principal component analysis was performed on the variables to summarize the total variance in a minimum number of factors.

The latent root criterion was used to define the number of factors extracted.

Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.599	54.993	54.993	6.599	54.993	54.993
2	.955	7.957	62.950			
3	.751	6.262	69.213			
4	.655	5.455	74.668			
5	.602	5.018	79.686			
6	.508	4.233	83.918			
7	.443	3.688	87.607			
8	.406	3.380	90.986			
9	.321	2.674	93.661			
10	.290	2.415	96.076			
11	.247	2.061	98.137			
12	.224	1.863	100.000			

Extraction Method: Principal Component Analysis.

As the table of “Total Variance Explained” shows and according to the latent root criterion, only one factor is extracted for the employee centric practices accounting for 54.993% of the total variances. This is clearly due to the high consistency obtained in the data.

Because the KMO was very high, only one factor was extracted. Therefore, based on the criterion that the latent root value bigger than 1 (Eigen value) we only obtained a single factor extracted which only explained 54.993% of the total variance which is a low percentage , so we elected to force 2 factors to be extracted.

Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.599	54.993	54.993	6.599	54.993	54.993	3.860	32.163	32.163
2	.955	7.957	62.950	.955	7.957	62.950	3.694	30.787	62.950
3	.751	6.262	69.213						
4	.655	5.455	74.668						
5	.602	5.018	79.686						
6	.508	4.233	83.918						
7	.443	3.688	87.607						
8	.406	3.380	90.986						
9	.321	2.674	93.661						
10	.290	2.415	96.076						
11	.247	2.061	98.137						
12	.224	1.863	100.000						

Extraction Method: Principal Component Analysis.

Note that as shown in the Scree Plot, 2 factors Eigen value is close to 1 (0.955) as the results shows in the table above. The new model was capable to explain 62.950% of the total variance.

Next table shows the two factor structure of the independent variables according to the "Rotated Component Matrix".

The Rotation Matrix makes us understand factor analysis by showing the factor loadings of the variables on the extracted components. Factor loadings deduce the role each variable plays in explaining each factor.

Rotated Component Matrix (a)

	Component	
	1	2
Management recognized the stages that employees went through	.221	.836
Employees were encouraged sincerely to articulate	.183	.860
Management explained the reasons and benefits	.353	.668
Employees had a sense of control over the change process	.807	.070
Management created a positive work environment	.586	.543
Management/Leaders inspired employees with vision	.522	.633
Communication took place both upward and downward	.697	.470
Communication took place during early stages	.752	.264
Communication took place during implementation	.629	.489
Communication took place after implementation	.564	.315
Facilitation/Coaching took place	.503	.569
Employees at all Levels were involved	.605	.397

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a Rotation converged in 3 iterations.

Looking at the Rotated Component Matrix, we can group the following variables to explain the first factor as follows: Employees had a sense of control over the change process, Management created a positive work environment, Management/Leaders inspired employees with vision, Communication took place both upward and downward, Communication took place during early stages, Communication took place during implementation, Communication took place after implementation, Facilitation/Coaching

took place, and Employees at all Levels were involved. This factor can be explained as the characteristics of the work environment and communication between employees and managers and themselves.

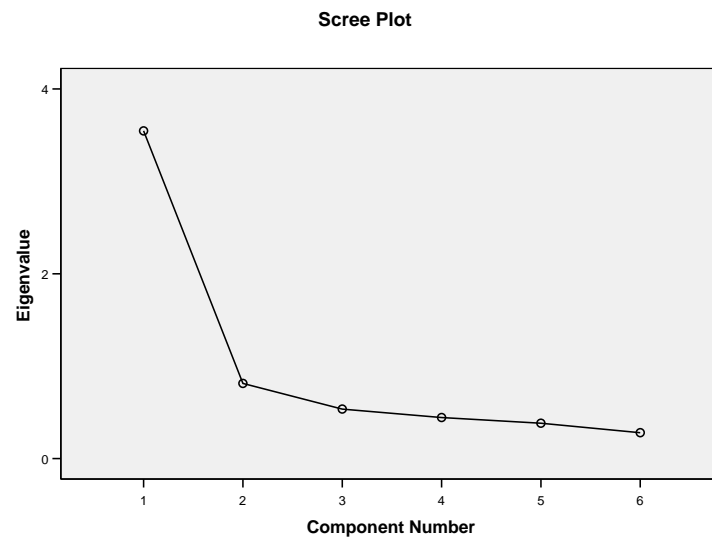
While the remaining variables. Management recognized the stages that employees went through, Employees were encouraged sincerely to articulate, and Management explained the reasons and benefits can be grouped into the second component with a common theme which is characteristics of leadership.

Next, Factor Analysis on the dependant variables was performed. As shown in the table below, the KMO Measure of Sampling Adequacy is 0.834 which is higher than 0.05 and the Bartlett's Test of Sphericity is 0.000 which is less than 0.05 and significant. Based on this we can proceed with the factorial Analysis tests.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.834
Bartlett's Test of Sphericity	Approx. Chi-Square	387.514
	df	15
	Sig.	.000

The Scree Plot of the analysis is as follows:



In the next step of Factor Analysis, “Total Variance Explained” table shows that there is only one factor that is extracted for the employee centric practices accounting for 59.106% of the total variances. This is clearly due to the high consistency obtained in the data.

Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.546	59.106	59.106	3.546	59.106	59.106
2	.813	13.551	72.657			
3	.535	8.920	81.577			
4	.444	7.396	88.973			
5	.382	6.369	95.342			
6	.280	4.658	100.000			

Extraction Method: Principal Component Analysis.

Because the KMO was very high, only one factor was extracted. Therefore, based on the criterion that the latent root value bigger than 1 (Eigen value) we only obtained a single factor extracted which only explained 59.106% of the total variance which is a low percentage , so we elected to force 2 factors to be extracted.

Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.546	59.106	59.106	3.546	59.106	59.106	2.575	42.919	42.919
2	.813	13.551	72.657	.813	13.551	72.657	1.784	29.738	72.657
3	.535	8.920	81.577						
4	.444	7.396	88.973						
5	.382	6.369	95.342						
6	.280	4.658	100.000						

Extraction Method: Principal Component Analysis.

Note that as shown in the Scree Plot above, 2 factors Eigen value is close to 1 (0.813) as the results shows in the table above. The new model was capable to explain 72.657% of the total variance.

Next table shows the two factor structure of the independent variables according to the “Rotated Component Matrix”.

Rotated Component Matrix (a)

	Component	
	1	2
Employee morale and motivation were high	.771	.326
Productivity was enhanced	.867	.140
Quality and service have improved	.804	.267
There was low absenteeism of employees	.247	.844
There was low turnover of employees	.256	.822
Innovation was enhanced	.676	.447

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

Looking at the Rotated Component Matrix, we can group the following variables to explain the first factor as follows: Employee morale and motivation were high, Productivity was enhanced, Quality and service have improved, and Innovation was enhanced. This factor can be explained as productivity and quality.

While the remaining variables. There was low absenteeism of employees, and There was low turnover of employees can be grouped into the second component with a common theme which is loyalty.

ONE-WAY ANOVA

The One-Way Analysis of Variance (ANOVA) is used to determine whether there are any significant differences between the means of at least three independent groups.

In this study, One-Way ANOVA was performed to test whether there are statistically significant differences in the average organizational performance among first, the five industries and second, among the three different types of change.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Employee moral and motivation were high	Between Groups	7.253	4	1.813	1.755	.141
	Within Groups	151.846	147	1.033		
	Total	159.099	151			
Productivity was enhanced	Between Groups	4.776	4	1.194	1.226	.302
	Within Groups	143.217	147	.974		
	Total	147.993	151			
Quality and service have improved	Between Groups	3.839	4	.960	.871	.483
	Within Groups	162.055	147	1.102		
	Total	165.895	151			
There was low absenteeism of employees	Between Groups	3.360	4	.840	.900	.466
	Within Groups	137.160	147	.933		
	Total	140.520	151			
There was low turnover of employees	Between Groups	12.195	4	3.049	2.419	.051
	Within Groups	185.272	147	1.260		
	Total	197.467	151			
Innovation was enhanced	Between Groups	8.597	4	2.149	1.938	.107
	Within Groups	163.028	147	1.109		
	Total	171.625	151			

According to the ANOVA table above there is insufficient evidence that there are statistically significant differences among the five industries.

Next, we went more in depth with the Post Hoc Test Multiple Comparisons table.

Dependent Variable	(I) Industry Type	(J) Industry Type	Mean Difference (I-J)	Std. Error	Sig.
Employee morale and motivation were high	Wholesale/retail trading	Information technology	.112	.266	.673
		Banking	.551(*)	.268	.041
		Production	.175	.266	.512
		Manufacturing	-.081	.270	.763
	Information technology	Wholesale/retail trading	-.112	.266	.673
		Banking	.439	.256	.089
		Production	.063	.254	.806
		Manufacturing	-.194	.258	.454
	Banking	Wholesale/retail trading	-.551(*)	.268	.041
		Information technology	-.439	.256	.089
		Production	-.376	.256	.144
		Manufacturing	-.632(*)	.260	.016
	Production	Wholesale/retail trading	-.175	.266	.512
		Information technology	-.063	.254	.806
		Banking	.376	.256	.144
		Manufacturing	-.256	.258	.323
	Manufacturing	Wholesale/retail trading	.081	.270	.763
		Information technology	.194	.258	.454
		Banking	.632(*)	.260	.016
		Production	.256	.258	.323
Productivity was enhanced	Wholesale/retail trading	Information technology	.013	.258	.961
		Banking	.288	.260	.270
		Production	-.237	.258	.359
		Manufacturing	-.119	.262	.651
	Information technology	Wholesale/retail trading	-.013	.258	.961
		Banking	.275	.249	.270
		Production	-.250	.247	.313
		Manufacturing	-.131	.251	.602
	Banking	Wholesale/retail trading	-.288	.260	.270
		Information technology	-.275	.249	.270
		Production	-.525(*)	.249	.036
		Manufacturing	-.406	.253	.110
	Production	Wholesale/retail trading	.237	.258	.359
		Information technology	.250	.247	.313

		Banking	.525(*)	.249	.036
		Manufacturing	.119	.251	.637
	Manufacturing	Wholesale/retail trading	.119	.262	.651
		Information technology	.131	.251	.602
		Banking	.406	.253	.110
		Production	-.119	.251	.637
Quality and service have improved	Wholesale/retail trading	Information technology	.104	.274	.705
		Banking	.473	.276	.089
		Production	.229	.274	.405
		Manufacturing	.133	.279	.633
	Information technology	Wholesale/retail trading	-.104	.274	.705
		Banking	.369	.265	.165
		Production	.125	.262	.635
		Manufacturing	.029	.267	.913
	Banking	Wholesale/retail trading	-.473	.276	.089
		Information technology	-.369	.265	.165
		Production	-.244	.265	.358
		Manufacturing	-.340	.269	.208
	Production	Wholesale/retail trading	-.229	.274	.405
		Information technology	-.125	.262	.635
		Banking	.244	.265	.358
		Manufacturing	-.096	.267	.720
	Manufacturing	Wholesale/retail trading	-.133	.279	.633
		Information technology	-.029	.267	.913
		Banking	.340	.269	.208
		Production	.096	.267	.720
There was low absenteeism of employees	Wholesale/retail trading	Information technology	-.013	.252	.960
		Banking	.389	.254	.128
		Production	.144	.252	.571
		Manufacturing	.052	.256	.840
	Information technology	Wholesale/retail trading	.013	.252	.960
		Banking	.402	.243	.101
		Production	.156	.241	.519
		Manufacturing	.065	.245	.793
	Banking	Wholesale/retail trading	-.389	.254	.128

			Information technology	-.402	.243	.101
			Production	-.246	.243	.314
There was low turnover of employees	Production	Manufacturing	Manufacturing	-.338	.247	.174
			Wholesale/retail trading	-.144	.252	.571
			Information technology	-.156	.241	.519
	Manufacturing	Wholesale/retail trading	Banking	.246	.243	.314
			Manufacturing	-.092	.245	.709
			Wholesale/retail trading	-.052	.256	.840
	Information technology	Banking	Information technology	-.065	.245	.793
			Banking	.338	.247	.174
			Production	.092	.245	.709
	Wholesale/retail trading	Information technology	Information technology	.079	.293	.789
			Banking	.671(*)	.296	.025
			Production	.516	.293	.081
	Information technology	Manufacturing	Manufacturing	.004	.298	.990
			Wholesale/retail trading	-.079	.293	.789
			Banking	.593(*)	.283	.038
	Banking	Production	Production	.438	.281	.121
			Manufacturing	-.075	.285	.793
			Wholesale/retail trading	-.671(*)	.296	.025
	Production	Information technology	Information technology	-.593(*)	.283	.038
			Production	-.155	.283	.584
			Manufacturing	-.668(*)	.288	.022
	Manufacturing	Wholesale/retail trading	Wholesale/retail trading	-.516	.293	.081
			Information technology	-.438	.281	.121
			Banking	.155	.283	.584
	Information technology	Manufacturing	Manufacturing	-.513	.285	.074
			Wholesale/retail trading	-.004	.298	.990
			Information technology	.075	.285	.793
Innovation was enhanced	Wholesale/retail trading	Banking	Banking	.668(*)	.288	.022
			Production	.513	.285	.074
			Information technology	.007	.275	.980
	Information technology	Banking	Banking	.477	.277	.088
			Production	.101	.275	.715
			Manufacturing	-.256	.279	.362
	Information technology	Wholesale/retail trading	Wholesale/retail trading	-.007	.275	.980

	Banking	.470	.265	.079
	Production	.094	.263	.722
	Manufacturing	-.263	.268	.328
Banking	Wholesale/retail trading	-.477	.277	.088
	Information technology	-.470	.265	.079
	Production	-.376	.265	.159
	Manufacturing	-.732(*)	.270	.007
Production	Wholesale/retail trading	-.101	.275	.715
	Information technology	-.094	.263	.722
	Banking	.376	.265	.159
	Manufacturing	-.356	.268	.185
Manufacturing	Wholesale/retail trading	.256	.279	.362
	Information technology	.263	.268	.328
	Banking	.732(*)	.270	.007
	Production	.356	.268	.185

* The mean difference is significant at the .05 level.

As the Multiple Comparison table shows, we discovered statistically significant difference concerning high employee morale and motivation between wholesale/retail trading and banking industries as well as between banking and manufacturing industries, as well as between banking and production industries.

We also discovered statistically significant difference concerning productivity was enhanced between banking and production industries.

We also discovered statistically significant difference concerning there was low turnover of employees between wholesale/retail trading and banking industries, as well as between information technology and banking industries, as well as between banking and manufacturing industries.

We also discovered statistically significant difference concerning innovation was enhanced between banking and manufacturing industries.

The mean difference between wholesale/retail trading and banking concerning “Employee morale and motivation were high” in the Post Hoc table above is positive (0.551). Therefore we can conclude that in Lebanon, “Employee morale and motivation” proved to be higher in the wholesale/retail sector than in the banking sector. The reasons for that is left for future research, though, this could be due to less flexibility and more information security in the Lebanese banking sector where information is not shared between managers and employees thoroughly maybe due to security reasons which may enquire a routine job that affect employees morale and motivation negatively.

Also as we can see in the Post Hoc table above, there is a positive mean difference concerning “employee morale and motivation” between manufacturing and banking sectors (0.632), and a positive mean difference concerning “Enhanced productivity” between production and banking sectors (0.525), and a positive mean difference concerning “enhanced innovation” between manufacturing and banking sectors (0.732).

Thus employee morale and motivation in Lebanon is higher in the manufacturing sector than in the banking sector, and there is more enhanced productivity in the production sector than in the banking sector and there is more enhanced innovation in the manufacturing sector than the banking sector.

Next, One-Way ANOVA is performed to test whether there is statistically significant difference in the average organizational performance among the three types of change.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Employee morale and motivation were high	Between Groups	4.754	2	2.377	2.294	.104
	Within Groups	154.345	149	1.036		
	Total	159.099	151			
Productivity was enhanced	Between Groups	3.682	2	1.841	1.901	.153
	Within Groups	144.312	149	.969		
	Total	147.993	151			
Quality and service have improved	Between Groups	9.085	2	4.543	4.316	.015
	Within Groups	156.809	149	1.052		
	Total	165.895	151			
There was low absenteeism of employees	Between Groups	1.213	2	.607	.649	.524
	Within Groups	139.306	149	.935		
	Total	140.520	151			
There was low turnover of employees	Between Groups	2.728	2	1.364	1.044	.355
	Within Groups	194.739	149	1.307		
	Total	197.467	151			
Innovation was enhanced	Between Groups	3.355	2	1.678	1.485	.230
	Within Groups	168.270	149	1.129		
	Total	171.625	151			

According to the ANOVA table above there is sufficient evidence that there are statistically significant differences among the three types of change. Thus, the variable “quality and service have improved” with a ratio of F statistics (4.316) is lower than 0.05 (0.015) that shows significant difference in the improvement of quality and services according to the type of change in an organization. Next, we went more in depth with the **Post Hoc Test Multiple Comparisons table**.

Dependent Variable	(I) Change Type	(J) Change Type	Mean Difference (I-J)	Std. Error	Sig.
Employee morale and motivation were high	Transactional	Transitional	.184	.197	.352
		Transformational	-.279	.250	.265
	Transitional	Transactional	-.184	.197	.352
		Transformational	-.463(*)	.219	.036
	Transformational	Transactional	.279	.250	.265
		Transitional	.463(*)	.219	.036
Productivity was enhanced	Transactional	Transitional	.132	.191	.490
		Transformational	-.280	.241	.247
	Transitional	Transactional	-.132	.191	.490
		Transformational	-.412	.212	.054
	Transformational	Transactional	.280	.241	.247
		Transitional	.412	.212	.054
Quality and service have improved	Transactional	Transitional	.559(*)	.199	.006
		Transformational	.200	.252	.428
	Transitional	Transactional	-.559(*)	.199	.006
		Transformational	-.359	.221	.107
	Transformational	Transactional	-.200	.252	.428
		Transitional	.359	.221	.107
There was low absenteeism of employees	Transactional	Transitional	.166	.187	.378
		Transformational	-.030	.237	.899
	Transitional	Transactional	-.166	.187	.378
		Transformational	-.196	.208	.349
	Transformational	Transactional	.030	.237	.899
		Transitional	.196	.208	.349
There was low turnover of employees	Transactional	Transitional	.243	.222	.275
		Transformational	-.057	.280	.840
	Transitional	Transactional	-.243	.222	.275
		Transformational	-.299	.246	.226
	Transformational	Transactional	.057	.280	.840
		Transitional	.299	.246	.226
Innovation was enhanced	Transactional	Transitional	.212	.206	.306
		Transformational	-.159	.261	.542
	Transitional	Transactional	-.212	.206	.306
		Transformational	-.371	.229	.107
	Transformational	Transactional	.159	.261	.542
		Transitional	.371	.229	.107

As the Multiple Comparison table shows, we discovered statistically significant difference concerning high employee morale and motivation between Transitional change and Transformational change.

We also discovered statistically significant difference concerning quality and service have improved between Transactional change and Transitional change.

The mean difference between Transitional and transformational change concerning “Employee morale and motivation were high” in the Post Hoc table above is negative (-0.463). Therefore we can conclude that in Lebanon, “Employee morale and motivation” proved to be lower after a transitional change than after a transformational change. This shows that employees in Lebanon are happier and motivated more with major transformational change. The reasons for that is left for future research,

The Post Hoc table above also shows a positive mean difference between transactional and transitional change concerning “improved quality and service” which implies that the quality of services in Lebanon improves more after a transactional change than after a transitional change which I see logical and will leave it for further future research.

STEPWISE MULTIPLE REGRESSION ANALYSIS

Stepwise is the method of selecting variables for inclusion in the regression model that starts by selecting the best predictor of the dependant variable. The independent variable with the greatest contribution to the regression model is added first. Additional independent variables are selected in terms of the incremental explanatory power they can add to the regression model.

Variables are added to the regression equation one at a time, using the statistical criterion of maximizing the R-squared of the included variables. When non of the possible addition can make a statistically significant improvement in R-squared, the analysis stops.

Before performing the regression analyses, we test the assumption of Normality of Error Term Distribution. The Histogram of standardized residuals allows visual check for a distribution approximating normal distribution and the Normal P-P Plot of Regression Standardized Residual compares the observed standardized residuals against expected standardized residuals from a normal distribution. For a normal distribution, the residual line closely follows the straight diagonal line of normal distribution.

The ANOVA table shows the goodness of fit of the model, that is, how significantly the regression model predicts the output variable.

The coefficients for the independent variable show how much the dependant variable changes when the independent variable changes by one unit.

All the independent variables regressed against C13: Employee morale and motivation was high.

Variables Entered/Removed (a)

Model	Variables Entered	Variables Removed
1	Facilitation/Coaching took place	.
2	Communication took place during implementation	.
3	Employees had a sense of control over the change process	.
4	Employees were encouraged sincerely to articulate	.

Dependent Variable: Employee morale and motivation were high

Method: Stepwise (Criteria: Probability-of-F-to-enter \leq .050, Probability-of-F-to-remove \geq .100).

Model Summary (g)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.630(a)	.397	.393	.800	.397	98.611	1	150	.000
2	.692(b)	.478	.471	.746	.082	23.312	1	149	.000
3	.712(c)	.506	.496	.728	.028	8.421	1	148	.004
4	.727(f)	.529	.516	.714	-.005	1.577	1	146	.211

a Predictors: (Constant), Facilitation/Coaching took place

b Predictors: (Constant), Facilitation/Coaching took place, Communication took place during implementation

c Predictors: (Constant), Facilitation/Coaching took place, Communication took place during implementation, Management/Leaders inspired employees with vision

d Predictors: (Constant), Facilitation/Coaching took place, Communication took place during implementation, Management/Leaders inspired employees with vision, Employees had a sense of control over the change process

e Predictors: (Constant), Facilitation/Coaching took place, Communication took place during implementation, Management/Leaders inspired employees with vision, Employees had a sense of control over the change process, Employees were encouraged sincerely to articulate

f Predictors: (Constant), Facilitation/Coaching took place, Communication took place during implementation, Employees had a sense of control over the change process, Employees were encouraged sincerely to articulate

g Dependent Variable: Employee morale and motivation were high

The final model obtained by Stepwise Regression model 4: 52.9% of the total variance in high employee morale and motivation (C13) is explained by Management/Leaders inspired employees with vision(C06).

The last regression model 4 includes the best subset of independent variables explaining 52.9 % of the total variance in high employee morale and motivation.

ANOVA (g)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	63.106	1	63.106	98.611	.000(a)
	Residual	95.992	150	.640		
	Total	159.099	151			
2	Regression	76.093	2	38.047	68.296	.000(b)
	Residual	83.006	149	.557		
	Total	159.099	151			
3	Regression	80.562	3	26.854	50.605	.000(c)
	Residual	78.537	148	.531		
	Total	159.099	151			
4	Regression	82.801	4	20.700	39.882	.000(d)
	Residual	76.298	147	.519		
	Total	159.099	151			
5	Regression	84.930	5	16.986	33.436	.000(e)
	Residual	74.169	146	.508		
	Total	159.099	151			
6	Regression	84.129	4	21.032	41.239	.000(f)
	Residual	74.970	147	.510		
	Total	159.099	151			

a Predictors: (Constant), Facilitation/Coaching took place

b Predictors: (Constant), Facilitation/Coaching took place, Communication took place during implementation

c Predictors: (Constant), Facilitation/Coaching took place, Communication took place during implementation, Management/Leaders inspired employees with vision

d Predictors: (Constant), Facilitation/Coaching took place, Communication took place during implementation, Management/Leaders inspired employees with vision, Employees had a sense of control over the change process

e Predictors: (Constant), Facilitation/Coaching took place, Communication took place during implementation, Management/Leaders inspired employees with vision, Employees had a sense of control over the change process, Employees were encouraged sincerely to articulate

f Predictors: (Constant), Facilitation/Coaching took place, Communication took place during implementation, Employees had a sense of control over the change process, Employees were encouraged sincerely to articulate

g Dependent Variable: Employee morale and motivation were high

This shows that Employee morale and motivation depends on Facilitation/Coaching took place, Communication took place during implementation, Employees had a sense of control over the change process, Employees were encouraged sincerely to articulate.

The probability of the F statistics (41.239) for regression model 6 is 0.000 which is less than 0.05 hence we accept the alternative hypothesis that there is a statistically significant relationship between the best subset of independent variables and the dependant variable, that is, the regression model 6 is statistically significant in predicting the dependant variable.

Coefficients (a)

Model		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
6	(Constant)	.407	.240	1.695	.092
	Facilitation/Coaching took place	.319	.067	4.734	.000
	Communication took place during implementation	.181	.077	2.361	.020
	Employees had a sense of control over the change process	.174	.060	2.892	.004
	Employees were encouraged sincerely to articulate	.181	.065	2.791	.006

a Dependent Variable: Employee morale and motivation were high

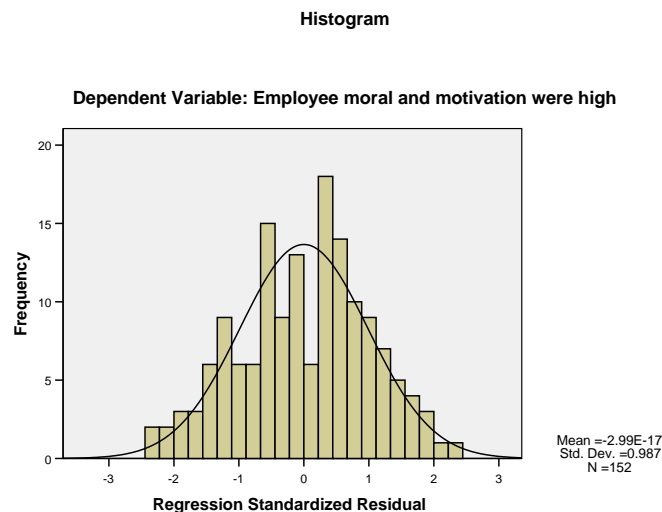
We can represent the regression equation as:

$$C13 = 0.407 + 0.319(C11) + 0.181(C09) + 0.174(C04) + 0.181(C02)$$

Where C13 represents high employee morale and motivation, C11 represents Facilitation/Coaching took place, C09 represents Communication took place during implementation, C04 represents Employees had a sense of control over the change process, and C02 represents Employees were encouraged sincerely to articulate.

Since the significance of the t-values for all the variables in regression model 6 is lower than 0.05, and since all coefficients have a positive value, we conclude that there is a statistically significant positive linear relationship between C11 and C13, C09 and C13, C04 and C13, and C02 and C13 respectively.

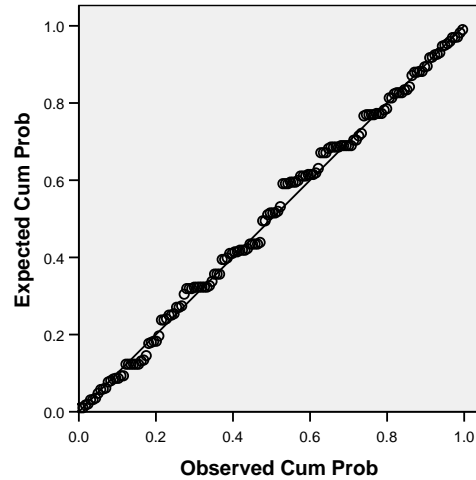
The more employees were encouraged sincerely to articulate and had a sense of control over the change process and the more Facilitation/Coaching and communication takes place during implementation, the higher the employee morale and motivation would be.



The histogram shows a bell-shaped curve and the normal plot of the residuals shows the points close to the diagonal line.

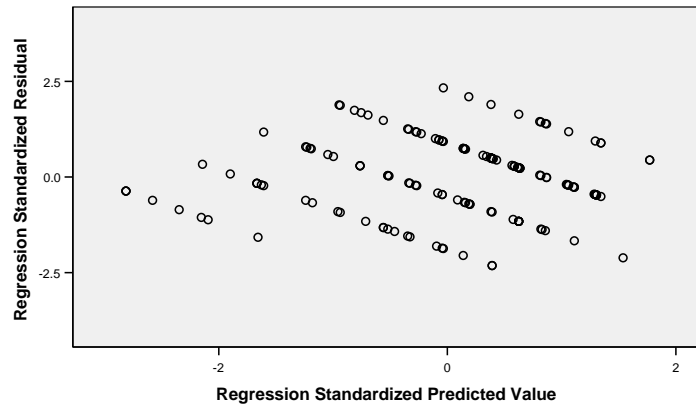
Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Employee moral and motivation were high



Scatterplot

Dependent Variable: Employee moral and motivation were high



This Scatter plot above shows there is no heteroscedasticity.

All the independent variables regressed against C14: Productivity was enhanced.

Variables Entered/Removed (a)

Model	Variables Entered	Variables Removed	Method
1	Facilitation/Coaching took place	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).
2	Management/Leaders inspired employees with vision	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).
3	Employees had a sense of control over the change process	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a Dependent Variable: Productivity was enhanced

Model Summary (d)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.563(a)	.317	.313	.821	.317	69.739	1	150	.000
2	.636(b)	.404	.396	.769	.087	21.676	1	149	.000
3	.667(c)	.445	.433	.745	.040	10.789	1	148	.001

a Predictors: (Constant), Facilitation/Coaching took place

b Predictors: (Constant), Facilitation/Coaching took place, Management/Leaders inspired employees with vision

c Predictors: (Constant), Facilitation/Coaching took place, Management/Leaders inspired employees with vision, Employees had a sense of control over the change process

d Dependent Variable: Productivity was enhanced

Model 3: 44.5 % of the total variance in enhanced productivity (C14) is explained by Employees had a sense of control over the change process (C04).

Therefore, the final regression model 3 includes the best subset of independent variables explaining 44.5 % of the total variance in enhanced productivity.

ANOVA (d)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	46.969	1	46.969	69.739	.000(a)
	Residual	101.025	150	.673		
	Total	147.993	151			
2	Regression	59.799	2	29.899	50.514	.000(b)
	Residual	88.194	149	.592		
	Total	147.993	151			
3	Regression	65.791	3	21.930	39.485	.000(c)
	Residual	82.202	148	.555		
	Total	147.993	151			

a Predictors: (Constant), Facilitation/Coaching took place

b Predictors: (Constant), Facilitation/Coaching took place, Management/Leaders inspired employees with vision

c Predictors: (Constant), Facilitation/Coaching took place, Management/Leaders inspired employees with vision, Employees had a sense of control over the change process

d Dependent Variable: Productivity was enhanced

This shows that enhanced productivity depends on Facilitation/Coaching taking place, Management/Leaders inspired employees with vision, Employees having a sense of control over the change process.

The probability of the F statistics (39.485) for regression model 3 is 0.000 which is less than 0.05 hence we accept the alternative hypothesis that there is a statistically significant

relationship between the best subset of independent variables and the dependant variable, that is, the regression model 3 is statistically significant in predicting the dependant variable.

Coefficients (a)

Model		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
3	(Constant)	.932	.243	3.832	.000
	Facilitation/Coaching took place	.304	.065	4.693	.000
	Management/Leaders inspired employees with vision	.233	.070	3.306	.001
	Employees had a sense of control over the change process	.204	.062	3.285	.001

a Dependent Variable: Productivity was enhanced

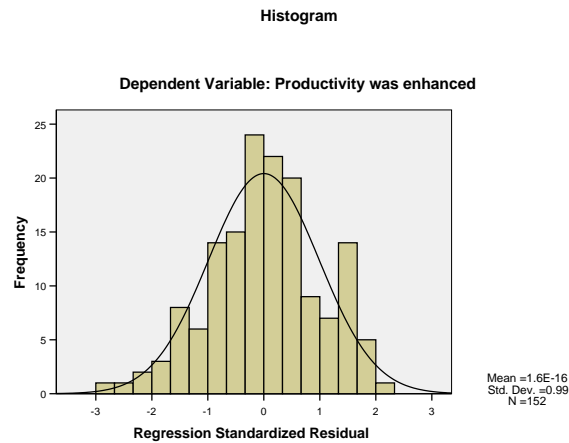
We can represent the regression equation as:

$$C14 = 0.932 + 0.304(C11) + 0.233(C06) + 0.204(C04)$$

Where C14 represents Productivity was enhanced, C11 represents Facilitation/Coaching took place, C06 represents Management/Leaders inspired employees with vision, C04 represents Employees had a sense of control over the change process.

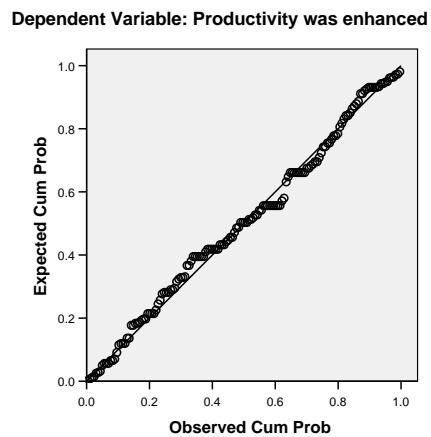
Since the significance of the t-values for all the variables in regression model 3 is lower than 0.05, and all coefficients have a positive value, we conclude that there is a statistically significant positive linear relationship between C11 and C14, C06 and C14, C04 and C14 respectively.

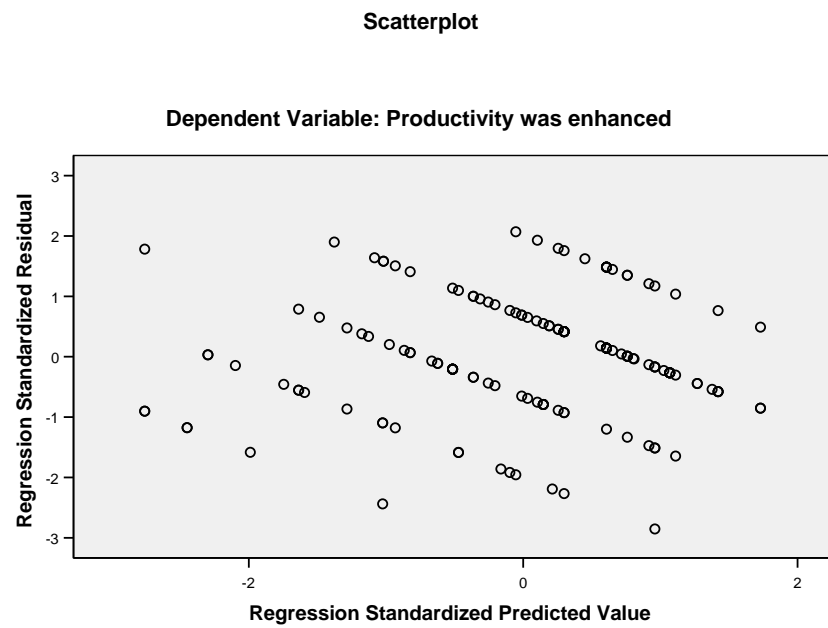
The more Facilitation/Coaching takes place, Management/Leaders inspires employees with vision, Employees have a sense of control over the change process, the more productivity would be enhanced.



The histogram shows a bell-shaped curve and the normal plot of the residuals shows the points close to the diagonal line.

Normal P-P Plot of Regression Standardized Residual





This Scatter plot above shows there is no heteroscedasticity.

All the independent variables regressed against C15: Quality and service have improved.

Variables Entered/Removed (a)

Model	Variables Entered	Variables Removed	Method
1	Communication took place during implementation	.	Stepwise (Criteria: Probability-of-F-to-enter \leq .050, Probability-of-F-to-remove \geq .100).
2	Facilitation/Coaching took place	.	Stepwise (Criteria: Probability-of-F-to-enter \leq .050, Probability-of-F-to-remove \geq .100).
3	Management/Leaders inspired employees with vision	.	Stepwise (Criteria: Probability-of-F-to-enter \leq .050, Probability-of-F-to-remove \geq .100).

a Dependent Variable: Quality and service have improved

Model Summary (d)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.613(a)	.376	.372	.831	.376	90.301	1	150	.000
2	.676(b)	.456	.449	.778	.081	22.101	1	149	.000
3	.694(c)	.481	.470	.763	.025	7.013	1	148	.009

a Predictors: (Constant), Communication took place during implementation

b Predictors: (Constant), Communication took place during implementation, Facilitation/Coaching took place

c Predictors: (Constant), Communication took place during implementation, Facilitation/Coaching took place, Management/Leaders inspired employees with vision

d Dependent Variable: Quality and service have improved

Model 3: 48.1 % of the total variance in improved quality and service (C15) is explained by Management/Leaders inspired employees with vision (C06).

The last regression model 3 includes the best subset of independent variables explaining 48.1 % of the total variance in improved quality and service (C15).

ANOVA (d)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	62.341	1	62.341	90.301	.000(a)
	Residual	103.554	150	.690		
	Total	165.895	151			
2	Regression	75.717	2	37.858	62.553	.000(b)
	Residual	90.178	149	.605		
	Total	165.895	151			
3	Regression	79.796	3	26.599	45.722	.000(c)
	Residual	86.099	148	.582		
	Total	165.895	151			

a Predictors: (Constant), Communication took place during implementation

b Predictors: (Constant), Communication took place during implementation, Facilitation/Coaching took place

c Predictors: (Constant), Communication took place during implementation, Facilitation/Coaching took place, Management/Leaders inspired employees with vision

d Dependent Variable: Quality and service have improved

This shows that improved quality and service depends on communication taking place during implementation, Facilitation/Coaching taking place, Management/Leaders inspires employees with vision.

The probability of the F statistics (45.722) for regression model 3 is 0.000 which is less than 0.05 hence we accept the alternative hypothesis that there is a statistically significant

relationship between the best subset of independent variables and the dependant variable, that is, the regression model 3 is statistically significant in predicting the dependant variable.

Coefficients (a)

Model		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
3	(Constant)	.722	.246	2.937	.004
	Communication took place during implementation	.325	.075	4.347	.000
	Facilitation/Coaching took place	.270	.073	3.710	.000
	Management/Leaders inspired employees with vision	.187	.071	2.648	.009

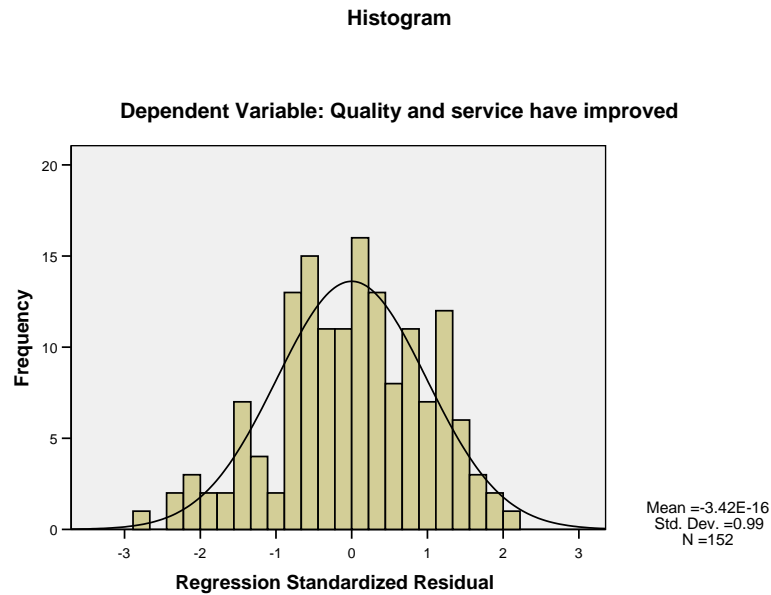
a Dependent Variable: Quality and service have improved

We can represent the regression equation as:

$$C15 = 0.722 + 0.325(C09) + 0.270(C11) + 0.187(C06)$$

Where C15 represents Quality and service have improved, C09 represents Communication took place during implementation, C11 represents Facilitation/Coaching took place, C06 represents Management/Leaders inspired employees with vision. Since the significance of the t-values for all the variables in regression model 3 is lower than 0.05, and all coefficients have a positive value, we conclude that there is a statistically significant positive linear relationship between C09 and C15, C11 and C15, C06 and C15 respectively.

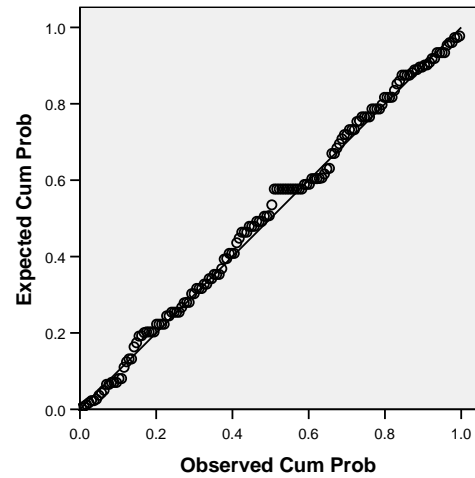
The more communication taking place during implementation, Facilitation/Coaching taking place, Management/Leaders inspires employees with vision, the more Quality and service will improve.



The histogram shows a bell-shaped curve and the normal plot of the residuals shows the points close to the diagonal line.

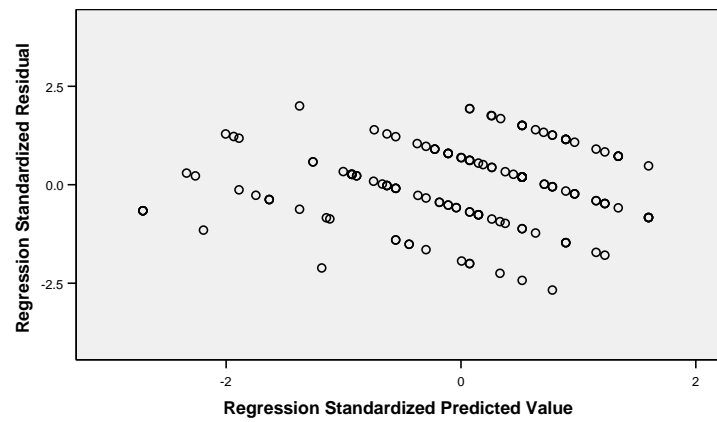
Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Quality and service have improved



Scatterplot

Dependent Variable: Quality and service have improved



This Scatter plot above shows there is no heteroscedasticity.

All the independent variables regressed against C16: There was low absenteeism of employees.

Variables Entered/Removed (a)

Model	Variables Entered	Variables Removed	Method
1	Facilitation/Coaching took place	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).
2	Communication took place after implementation	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).
3	Communication took place during implementation	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a Dependent Variable: There was low absenteeism of employees

Model Summary (d)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.501(a)	.251	.246	.838	.251	50.165	1	150	.000
2	.568(b)	.323	.313	.799	.072	15.830	1	149	.000
3	.590(c)	.349	.335	.786	.026	5.929	1	148	.016

a Predictors: (Constant), Facilitation/Coaching took place

b Predictors: (Constant), Facilitation/Coaching took place, Communication took place after implementation

c Predictors: (Constant), Facilitation/Coaching took place, Communication took place after implementation, Communication took place during implementation

d Dependent Variable: There was low absenteeism of employees

Model 3: 34.9 % of the total variance in There was low absenteeism of employees (C16) is explained by Communication took place during implementation (C09).

The last regression model 3 includes the best subset of independent variables explaining 34.9 % of the total variance in There was low absenteeism of employees (C16).

ANOVA (d)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.217	1	35.217	50.165	.000(a)
	Residual	105.303	150	.702		
	Total	140.520	151			
2	Regression	45.330	2	22.665	35.477	.000(b)
	Residual	95.190	149	.639		
	Total	140.520	151			
3	Regression	48.996	3	16.332	26.410	.000(c)
	Residual	91.523	148	.618		
	Total	140.520	151			

a Predictors: (Constant), Facilitation/Coaching took place

b Predictors: (Constant), Facilitation/Coaching took place, Communication took place after implementation

c Predictors: (Constant), Facilitation/Coaching took place, Communication took place after implementation, Communication took place during implementation

d Dependent Variable: There was low absenteeism of employees

This shows that low absenteeism of employees depends on Facilitation/Coaching taking place, Communication taking place after implementation, Communication taking place during implementation.

The probability of the F statistics (26.410) for regression model 3 is 0.000 which is less than 0.05 hence we accept the alternative hypothesis that there is a statistically significant relationship between the best subset of independent variables and the dependant variable, that is, the regression model 3 is statistically significant in predicting the dependant variable.

Coefficients (a)

Model		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
3	(Constant)	1.211	.254	4.764	.000
	Facilitation/Coaching took place	.210	.075	2.801	.006
	Communication took place after implementation	.244	.076	3.222	.002
	Communication took place during implementation	.185	.076	2.435	.016

a Dependent Variable: There was low absenteeism of employees

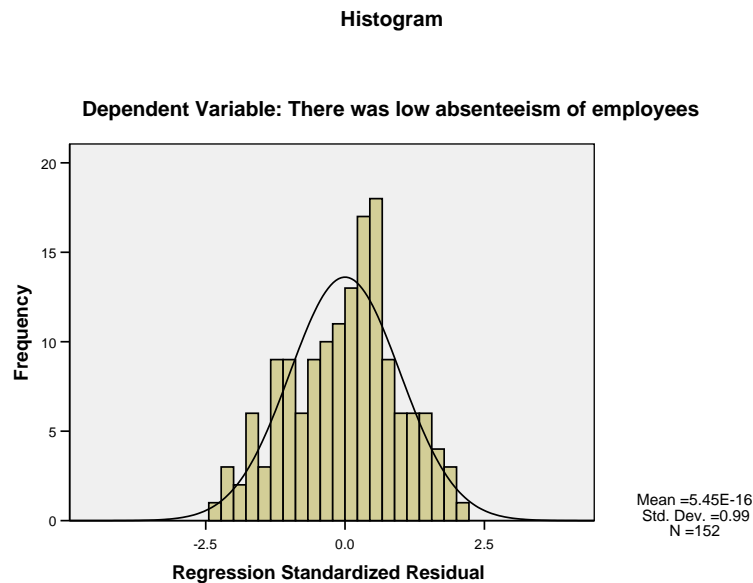
We can represent the regression equation as:

$$C16 = 1.211 + 0.210(C11) + 0.244(C10) + 0.185(C09)$$

Where C16 represents there was low absenteeism of employees, C11 represents Facilitation/Coaching took place, C10 represents Communication took place after implementation, C09 represents Communication took place during implementation.

Since the significance of the t-values for all the variables in regression model 3 is lower than 0.05, and all coefficients have a positive value, we conclude that there is a statistically significant positive linear relationship between C11 and C16, C10 and C16, C09 and C16 respectively.

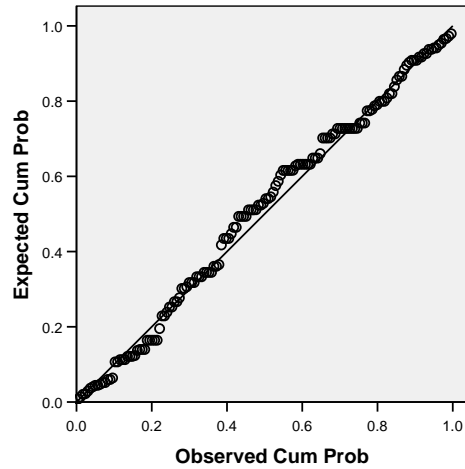
The more Facilitation/Coaching takes place, Communication takes place after implementation, and Communication takes place during implementation the lower absenteeism of employees would be.



The histogram shows a bell-shaped curve and the normal plot of the residuals shows the points close to the diagonal line.

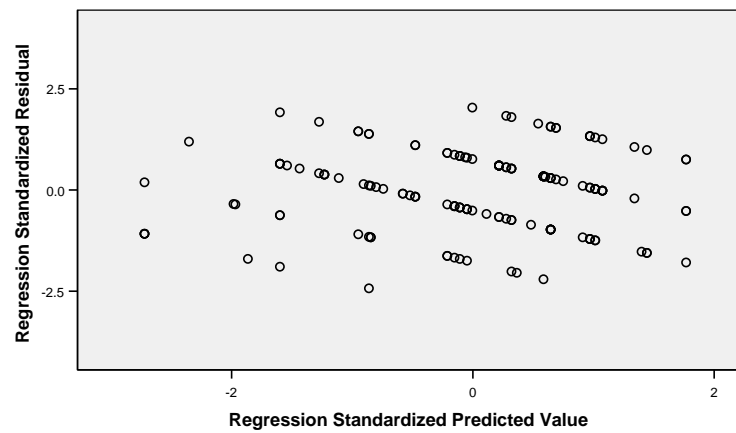
Normal P-P Plot of Regression Standardized Residual

Dependent Variable: There was low absenteeism of employees



Scatterplot

Dependent Variable: There was low absenteeism of employees



This Scatter plot above shows there is no heteroscedasticity.

All the independent variables regressed against C17: There was low turnover of employees.

Variables Entered/Removed (a)

Model	Variables Entered	Variables Removed	Method
1	Facilitation/Coaching took place	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).
2	Communication took place after implementation	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).
3	Employees were encouraged sincerely to articulate	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a Dependent Variable: There was low turnover of employees

Model Summary (d)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.502(a)	.252	.247	.992	.252	50.580	1	150	.000
2	.560(b)	.313	.304	.954	.061	13.246	1	149	.000
3	.592(c)	.350	.337	.931	.037	8.450	1	148	.004

a Predictors: (Constant), Facilitation/Coaching took place

b Predictors: (Constant), Facilitation/Coaching took place, Communication took place after implementation

c Predictors: (Constant), Facilitation/Coaching took place, Communication took place after implementation, Employees were encouraged sincerely to articulate

d Dependent Variable: There was low turnover of employees

Model 3: 35.0 % of the total variance in There was low turnover of employees (C17) is explained by Employees were encouraged sincerely to articulate (C02).

The last regression model 3 includes the best subset of independent variables explaining 35.0 % of the total variance in There was low turnover of employees (C17).

ANOVA (d)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	49.795	1	49.795	50.580	.000(a)
	Residual	147.672	150	.984		
	Total	197.467	151			
2	Regression	61.851	2	30.926	33.978	.000(b)
	Residual	135.616	149	.910		
	Total	197.467	151			
3	Regression	69.176	3	23.059	26.601	.000(c)
	Residual	128.292	148	.867		
	Total	197.467	151			

a Predictors: (Constant), Facilitation/Coaching took place

b Predictors: (Constant), Facilitation/Coaching took place, Communication took place after implementation

c Predictors: (Constant), Facilitation/Coaching took place, Communication took place after implementation, Employees were encouraged sincerely to articulate

d Dependent Variable: There was low turnover of employees

The probability of the F statistics (26.601) for regression model 3 is 0.000 which is less than 0.05 hence we accept the alternative hypothesis that there is a statistically significant relationship between the best subset of independent variables and the dependant variable, that is, the regression model 3 is statistically significant in predicting the dependant variable.

This shows that low turnover of employees depends on Facilitation/Coaching taking place, Communication taking place after implementation, Employees encouraged sincerely to articulate.

Coefficients (a)

Model		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
3	(Constant)	.755	.311	2.430	.016
	Facilitation/Coaching took place	.266	.086	3.098	.002
	Communication took place after implementation	.281	.087	3.209	.002
	Employees were encouraged sincerely to articulate	.232	.080	2.907	.004

a Dependent Variable: There was low turnover of employees

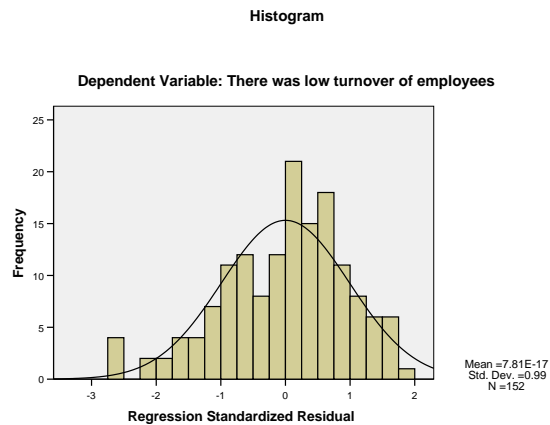
We can represent the regression equation as:

$$C17 = 0.755 + 0.266(C11) + 0.281(C10) + 0.232(C02)$$

Where C17 represents there was low turnover of employees, C11 represents Facilitation/Coaching took place, C10 represents Communication took place after implementation, C02 represents Employees were encouraged sincerely to articulate.

Since the significance of the t-values for all the variables in regression model 3 is lower than 0.05, and all coefficients have a positive value, we conclude that there is a statistically significant positive linear relationship between C11 and C17, C10 and C17, C02 and C17 respectively.

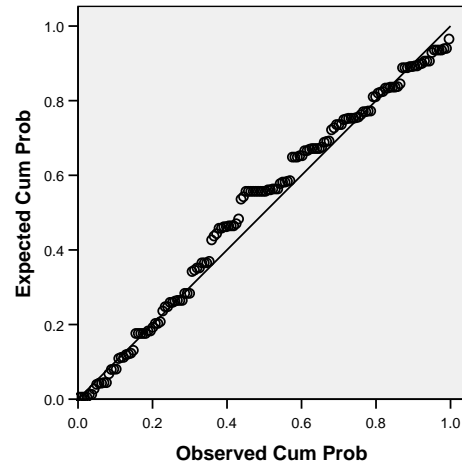
The more Facilitation/Coaching taking place, Communication taking place after implementation, Employees encouraged sincerely to articulate, the lower turnover of employees would be.



The histogram shows a bell-shaped curve and the normal plot of the residuals shows the points close to the diagonal line.

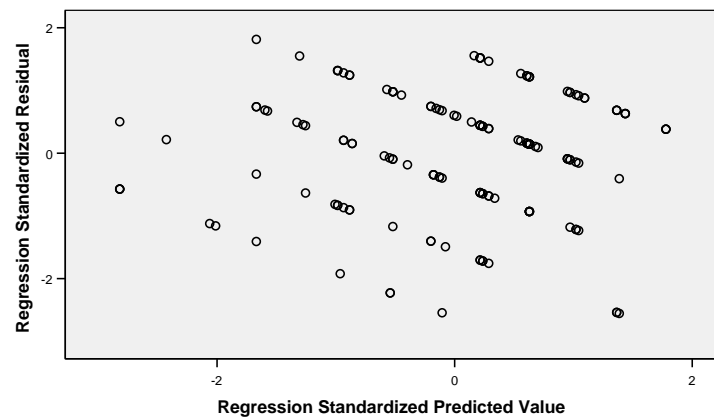
Normal P-P Plot of Regression Standardized Residual

Dependent Variable: There was low turnover of employees



Scatterplot

Dependent Variable: There was low turnover of employees



This Scatter plot above shows there is no heteroscedasticity.

All the independent variables regressed against C18: Innovation was enhanced.

Variables Entered/Removed (a)

Model	Variables Entered	Variables Removed	Method
1	Management/Leaders inspired employees with vision	.	Stepwise (Criteria: Probability-of-F-to-enter \leq .050, Probability-of-F-to-remove \geq .100).
2	Communication took place after implementation	.	Stepwise (Criteria: Probability-of-F-to-enter \leq .050, Probability-of-F-to-remove \geq .100).
3	Employees at all Levels were involved	.	Stepwise (Criteria: Probability-of-F-to-enter \leq .050, Probability-of-F-to-remove \geq .100).
4	Communication took place during implementation	.	Stepwise (Criteria: Probability-of-F-to-enter \leq .050, Probability-of-F-to-remove \geq .100).

a Dependent Variable: Innovation was enhanced

Model Summary (e)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.537(a)	.288	.283	.903	.288	60.652	1	150	.000
2	.618(b)	.383	.374	.843	.095	22.829	1	149	.000
3	.646(c)	.417	.405	.822	.034	8.694	1	148	.004
4	.659(d)	.434	.418	.813	.017	4.436	1	147	.037

a Predictors: (Constant), Management/Leaders inspired employees with vision

b Predictors: (Constant), Management/Leaders inspired employees with vision, Communication took place after implementation

c Predictors: (Constant), Management/Leaders inspired employees with vision, Communication took place after implementation, Employees at all Levels were involved

d Predictors: (Constant), Management/Leaders inspired employees with vision, Communication took place after implementation, Employees at all Levels were involved, Communication took place during implementation

e Dependent Variable: Innovation was enhanced

Model 4: 43.4 % of the total variance in Innovation was enhanced (C18) is explained by Communication took place during implementation (C09).

The last regression model 4 includes the best subset of independent variables explaining 43.4 % of the total variance in Innovation was enhanced (C18).

ANOVA (e)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	49.415	1	49.415	60.652	.000(a)
	Residual	122.210	150	.815		
	Total	171.625	151			
2	Regression	65.652	2	32.826	46.154	.000(b)
	Residual	105.973	149	.711		
	Total	171.625	151			
3	Regression	71.532	3	23.844	35.256	.000(c)
	Residual	100.093	148	.676		
	Total	171.625	151			
4	Regression	74.464	4	18.616	28.165	.000(d)
	Residual	97.161	147	.661		
	Total	171.625	151			

a Predictors: (Constant), Management/Leaders inspired employees with vision

b Predictors: (Constant), Management/Leaders inspired employees with vision, Communication took place after implementation

c Predictors: (Constant), Management/Leaders inspired employees with vision, Communication took place after implementation, Employees at all Levels were involved

d Predictors: (Constant), Management/Leaders inspired employees with vision, Communication took place after implementation, Employees at all Levels were involved, Communication took place during implementation

e Dependent Variable: Innovation was enhanced

The probability of the F statistics (28.165) for regression model 4 is 0.000 which is less than 0.05 hence we accept the alternative hypothesis that there is a statistically significant relationship between the best subset of independent variables and the dependant variable, that is, the regression model 3 is statistically significant in predicting the dependant variable.

This shows that enhanced innovation depends on Management/Leaders inspired employees with vision, Communication took place after implementation, Employees at all Levels were involved, Communication took place during implementation.

Coefficients (a)

Model		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
4	(Constant)	.580	.272	2.131	.035
	Management/Leaders inspired employees with vision	.230	.079	2.921	.004
	Communication took place after implementation	.261	.077	3.366	.001
	Employees at all Levels were involved	.168	.073	2.288	.024
	Communication took place during implementation	.167	.079	2.106	.037

a Dependent Variable: Innovation was enhanced

We can represent the regression equation as:

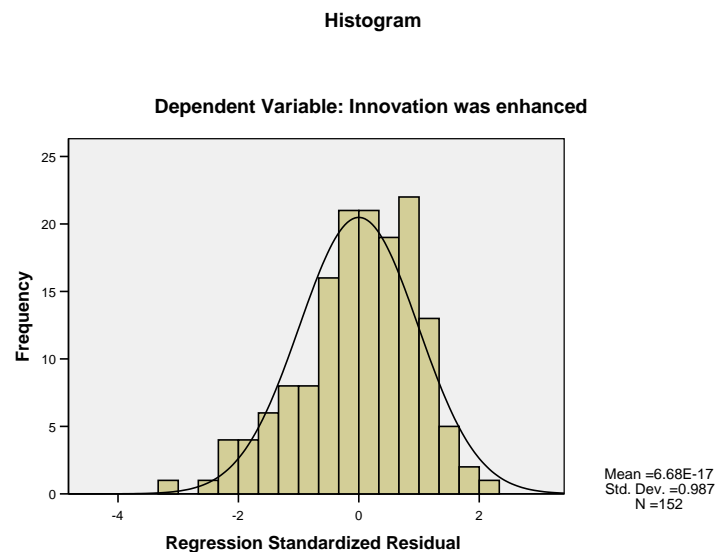
$$C18 = 0.580 + 0.230(C06) + 0.261(C10) + 0.168(C12) + 0.167(C09)$$

Where C18 represents Innovation was enhanced, C06 represents Management/Leaders inspired employees with vision, C10 represents Communication took place after implementation, C12 represents Employees at all Levels were involved, C09 represents Communication took place during implementation.

Since the significance of the t-values for all the variables in regression model 4 is lower than 0.05, and all coefficients have a positive value, we conclude that there is a statistically

significant positive linear relationship between C06 and C18, C10 and C18, C12 and C18, C09 and C18 respectively.

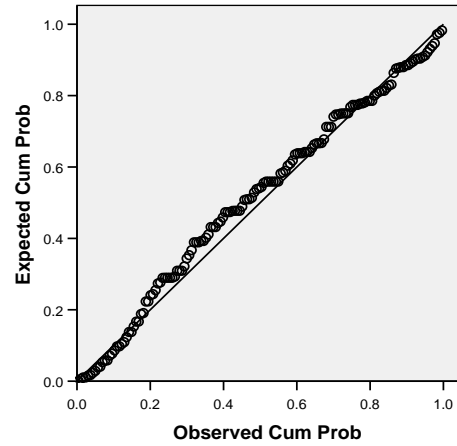
The more, Management/Leaders inspired employees with vision, Communication took place after implementation, Employees at all Levels were involved, Communication took place during implementation, the more innovation is enhanced.



The histogram shows a bell-shaped curve and the normal plot of the residuals shows the points close to the diagonal line.

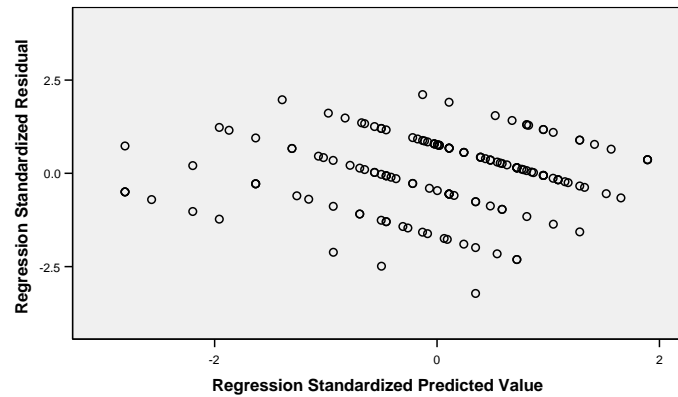
Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Innovation was enhanced



Scatterplot

Dependent Variable: Innovation was enhanced



This Scatter plot above shows there is no heteroscedasticity.

CHAPTER FIVE

SUMMARY OF FINDINGS AND RECOMMENDATIONS

FINDINGS

As stated through the research questions, this study aimed mainly to test first whether, in organizations that go through change process, employee centric approaches during management of change will produce positive organizational performance in terms of employee morale and motivation, enhanced productivity, improved quality of products and services, diminished absenteeism and turnover and enhanced innovation. Second, whether the employee centric approaches during management of change and organizational performance differ among the three categories of change (transactional, transitional and transformational). Third, whether the employee centric approach during management of change and organizational performance differ among the five different industries.

Findings from One-Way ANOVA

The One- Way ANOVA showed no sufficient evidence that there are statistically significant differences in the average organizational performance among the five selected industries. Moreover, there is insufficient evidence that there are statistically significant differences in the average organizational performance among the three different types of change.

Findings from Post Hoc Test

In the Post Hoc Multiple Comparisons Test, we discovered statistically significant differences concerning some of our dependant variables between our five selected industries.

The Post Hoc table showed a positive mean difference concerning “employee morale and motivation” between manufacturing and banking sectors (0.632), and a positive mean difference concerning “Enhanced productivity” between production and banking sectors (0.525), and a positive mean difference concerning “enhanced innovation” between manufacturing and banking sectors (0.732).

This shows that employee morale and motivation in Lebanon is higher in the manufacturing sector than in the banking sector, and there is more enhanced productivity in the production sector than in the banking sector and there is more enhanced innovation in the manufacturing sector than the banking sector.

The Post Hoc also showed that the employee turnover in the banking sector was the least among the five industries. The banking sector in Lebanon, that has the lowest employee turnover and the lowest innovation and motivation and moral of employees, has some advantages that can't be found in other sectors, so maybe due to that, the employee in the banking sector feels that this job is secure enough for themselves and their family although their morale and motivation are not high, but would prefer to have such a job in Lebanon maybe due to the country's economic situation. So we can say that employees in Lebanon prefer a job with more security and insurance than a job with more enhanced innovation and motivation, an issue that we will leave for future research.

We also discovered statistically significant difference concerning quality and service have improved between Transactional change and Transitional change.

We can conclude that in Lebanon, “Employee morale and motivation” proved to be lower after a transitional change than after a transformational change. This shows that employees in Lebanon are happier and motivated more with major transformational changes than minor changes.

Findings from Regression Analyses

The first hypothesis tested to know whether employee centric approaches of management are positively related to each of the dependent variables.

Finding 1:

The more employees were encouraged sincerely to articulate and had a sense of control over the change process and the more Facilitation/Coaching and communication takes place during implementation, the higher the employee morale and motivation would be.

Finding 2:

The more Facilitation/Coaching takes place, and the more Management/Leaders inspires employees with vision, and the more Employees have a sense of control over the change process, the more productivity would be enhanced.

Finding 3:

The more communication takes place during implementation, Facilitation/Coaching takes place, Management/Leaders inspires employees with vision, the more Quality and service will improve.

Finding 4:

The more Facilitation/Coaching takes place, Communication takes place after implementation, and Communication takes place during implementation the lower absenteeism of employees would be.

Finding 5:

The more Facilitation/Coaching takes place, Communication takes place after implementation, Employees encouraged sincerely to articulate, the lower the turnover of employees would be.

Finding 6:

The more, Management/Leaders inspired employees with vision, Communication took place after implementation, Employees at all Levels were involved, Communication took place during implementation, the more innovation would be enhanced.

CONTRIBUTION AND LIMITATIONS

Previous theses from other universities in Lebanon have examined the topic of The Impact of Change Management. However, the topic of the impact of employee centric approaches of management on organizational performance during change management process has not been addressed previously. Therefore this study is a contribution to the understanding of this topic.

However, we have to be aware of some of the limitations of our research. As this study was based on the employees' responses and their perceptions obtained from survey questionnaire, we should note that employees might bias results or might not have the full information to answer. Moreover, a more in depth study could have been conducted by administrating interviews with top management to examine further the relationships between employee centric approaches by management and organizational performance since the interviews could include open-ended questions and address different perspectives beyond the ones specified in the questionnaire. However, in reality, here too the managers could have biased their responses.

RECOMMENDATIONS

Although managers of Lebanese organizations seem to understand the strategic importance of employee centric approaches during change, they do not show their understanding in implementing change. There are low levels of employee empowerment prevailing, and leaders share only moderate level of information with employees. Hence, it is important for managers to empower employees and provide them with the information and communication they need for decision making to enhance their morale, increase responsibility, so that they feel challenged and motivated, and achieve a stronger management-employee relationships.

Employees in the banking sector in Lebanon have the lowest morale and motivation and innovation among the five industries, but have the lowest number of employee turnover. I recommend that managers in the banking sector be aware of this situation since people in the long run will get dissatisfied and may search for better and more challenging opportunities in other sectors in Lebanon.

Managers should not be afraid to make transformational change but should encourage it because employee morale and motivation will be higher after a transformational change.

Managers in Lebanon should encourage employees to articulate their thoughts and ideas so that they feel a sense of control over the change process; and continuous facilitation/coaching and communication should take place to keep employee morale and motivation high. Managers should know that coaching and communication after and during implementation lower the absenteeism of employees and their fear of change.

Managers should inspire employees with their vision and involve them at all levels which will enhance innovation and productivity and improve the quality and service.

I believe that it would be beneficial for a future research to study the effect of employing an industrial organizational psychologist in organizations especially during times of change, who listens to employees and takes their feedback and caters to their thoughts which will have an overall positive impact on organizational performance

REFERENCES

- Albert, S. (1992). 'The algebra of change'. In L. L. Cummings and B. Staw (eds), *Research in Organizational Behavior*, 14, pp. 179–229. JAI Press, Greenwich, CT.
- Ashkanasy, N. M., L. E. Broadfoot and S. Falkus (2000). 'Questionnaire measures of organizational culture'. In: N. M. Ashkanasy, C. P. E. Wilderom and M. F. Peterson (eds), *Handbook of Organizational Culture and Climate*, pp. 131–145. Sage Publications, London.
- Ashkanasy, N. M. and S. Holmes (1995). 'Perceptions of organizational ideology following merger: a longitudinal study of merging accounting firms', *Accounting, Organizations and Society*, 20 (1), pp. 19–34. [Links](#)
- Bass, B. M. (1985). *Leadership and performance beyond expectations*. Free Press, New York.
- Bass, B. M. and B. J. Avolio (1994). *Improving Organizational Effectiveness through Transformational Leadership*. Sage, Thousand Oaks CA.
- Cartwright, S. and C. L. Cooper (1992). *Mergers and Acquisitions: The Human Factor*. Butterworth-Heinemann, Oxford.
- Cartwright, S. and C. L. Cooper (1993). 'The role of cultural compatibility in successful organizational marriage', *Academy of Management Executive*, 7 (2), pp. 57–70. [Links](#)
- Cartwright, S. and C. L. Cooper (1996). *Managing Mergers, Acquisitions and Strategic alliances: Integrating People and Cultures*. Butterworth-Heinemann, Oxford.
- Fishman, N. and L. Kavanaugh (1989). 'Searching for your missing quality link', *Journal for Quality and Participation*, 12, pp. 28–32. [Links](#)
- Gardner, W. L. and B. A. Avolio (1998). 'The charismatic relationship: A dramaturgical perspective', *Academy of Management Review*, 23, pp. 32–58. [Links](#)
- Goffee, R. and G. Jones (2001). 'Organizational culture: a sociological perspective'. In C. L. Cooper, S. Cartwright and P. C. Earley, *The International Handbook of Organizational Culture and Climate*. John Wiley & Sons Ltd, Chichester.
- Gregory, K. L. (1983). 'Native view paradigms: multiple cultures and culture conflicts in organizations', *Administrative Science Quarterly*, 28, pp. 359–376. [Links](#)
- Harrison, R. (1972). 'How to describe your organization's culture', *Harvard Business Review*, 5 (1), pp. 119–128. [Links](#)

- Harrison, R. (1975). 'Diagnosing organization ideology'. In: J. Jones and J. Pfeiffer (eds), *The 1975 Annual Handbook for Group Facilitators*, pp. 101–107. University Associates, La Jolla.
- Hatch, M. J. (1993). 'The dynamics of organizational culture', *Academy of Management Review*, 18 (4), pp. 657–693. [Links](#)
- Hatch, M. J. (2000). 'The cultural dynamics of organizing and change'. In: N. M. Ashkanasy, C. P. E. Wilderom and M. F. Peterson (eds), *Handbook of Organizational Culture and Climate*, pp. 245–261. Sage Publications Inc., London.
- Herscovitch, L. and J. P. Meyer (2002). 'Commitment to organizational change: Extension of a three-component model', *Journal of Applied Psychology*, 87, pp. 474–487. [Links](#)
- Jung, D. (2001). 'Transformational and transactional leadership and their effects on creativity in groups', *Creativity Research Journal*, 13, pp. 185–195. [Links](#)
- Jung, D. and B. Avolio (2000). 'Opening the black box: An experimental investigation of the mediating effects of trust and value congruence on transformational and transactional leadership', *Journal of Organizational Behavior*, 21, pp. 949–964. [Links](#)
- King, D. R., D. R. Dalton, C. M. Daily and J. G. Covin (2004). 'Meta-analyses of post acquisition performance: Indications of unidentified moderators', *Strategic Management Journal*, 25 (2), pp. 187–200. [Links](#)
- Kotter, J. P. (1988). *The leadership factor*. Free Press, New York.
- Kouzes, J. M. and B. Z. Posner (1987). *The leadership challenge*. Jossey-Bass, San Francisco, CA.
- Nadler, D. A., P. K. Thies and M. B. Nadler (2001). 'Culture Change in the Strategic enterprise: Lessons from the Field'. In: C. L. Cooper, S. Carwright and P. C. Earley, *The International Handbook of Organizational Culture and Climate*. John Wiley & Sons Ltd, Chichester.
- Pondy, L. R. and A. S. Huff (1988). 'Budget cutting in Riverside: emergent policy reframing as a process of conflict minimisation'. In: L. R. Pondy, R. J. Boland and H. Thomas (eds), *Managing Ambiguity and Change*, pp. 177–200. Wiley, New York.
- Sathe, V. and E. J. Davidson (2000). 'Toward a new conceptualization of culture change'. In: N. M. Ashkanasy, C. P. E. Wilderom and M. F. Peterson (eds), *Handbook of Organizational Culture and Climate*, pp. 117–129. Sage Publications Inc., London.
- Schein, E. H. (1985). *Organizational Culture and Leadership: A Dynamic View*. Jossey-Bass, San Francisco.
- Van Dick, R. (2004). 'My job is my castle: Identification in organizational contexts'. In: C. L. Cooper and I. T. Robertson (eds), *International Review of Industrial and Organization Psychology*, 19, pp. 171–203. Wiley, Chichester.

Van Knippenberg, D. and M. A. Hogg (2003). 'A social identity model of leadership effectiveness in organizations'. In: B. Staw and R. M. Kramer (eds), *Research in Organizational Behavior*, 25, pp. 245–297. JAI Press, Greenwich, CN.

Weber, Y. (1989). 'The effects of top management culture clash on the implementation of mergers and acquisitions'. Unpublished doctoral dissertation, University of South Carolina.

Terziovski, M., Samson, D. and Dow, D. The business value of quality management system certification: evidence from Australia and New Zealand. *Journal of Operations Management* 1997; 15 (1): 1-18.

Hendricks, K.B. and Singhal, V.R. Firm characteristics, total quality management and financial performance. *Journal of Operations Management* 2001; 19(3); 269-285.

Devaraj, S., Matta, K.F. and Conlon, E. Product and service quality: the antecedents of customer loyalty in the automotive industry. *Production and Operations Management* 2001; 10(4): 424-439.

Lai, K.H. Market Orientation in quality-oriented organizations and its impact on their performance. *International Journal of Production Economics* 2002 (forthcoming).

Douglas, T. and Judge, W.Q. Jr. Total quality management implementation and competitive advantage: the role of structural control and exploration, *Academy of Management Journal* 2001; 44(1): 158-169.

Fynes, B. and Voss, C. A path analytic model of quality practices, quality performance and business