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TITLE

The Impact of Organisational Change on Employee Motivation and Performance Levels

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DECLARATION

I …Monde Eric Matyesha (207510579) ……declare that;

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ABSTRACT

The Impact of Organisational Change on Employee Motivation and Performance levels

As organisations grapple with change in an ever changing business environment at the centre of all are employees. More often than not the process is viewed in one dimension and that is, how best will the organisation implement the change process. Very little focus is given on the impact that changes have on the ability of employees to cope with the change and continue to deliver excellent quality of work and stay focused. Today's business leaders are expected to go beyond managing the change process but to ensure that employees understand the need for the change.

The case study evaluates how BPSA employees' motivation and performance was impacted by changes in their organisation. The study also examines the impact of a clearly defined need for change, well defined change objectives and excellently communicated vision in motivating employees and leading to superior performance. Primary data was gathered by means of a structure quantitative questionnaire.

A sample of 64 employees participated and responded to the questionnaire, the respondents were from diverse departments within BP Southern Africa. The study only focused on all the employees that were affected by the change process. Statistical analysis involved both descriptive and inferential statistics (correlation). Findings indicated that there was a negligible positive and insignificant relationship between motivation and organisational change. And there's no correlation between performance and organisational change.

Acknowledgement

First and above everything all, I wish to give thanks and praise to Almighty God, my creator for granting me the good health, strengthen and mental ability to complete my studies.

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Finally, to all the BPSA employees that took interest in my studies and those that participated in the study, thank you very much. A further word of gratitude goes to the BPSA management, especially Steven Dewaard who motivated me to register for an MBA. Thank you once again for both the financial and moral support by the company.

Ukwanda kwaliwa ngumthakathi.

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CHAPTER 1

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INTRODUCTION

1.1   Introduction

BP formerly known as British Petroleum was founded in the Sub Saharan Africa more than 80 years ago (BPSA website). BP then grew from a small British company to one that has presence in about six continents. According to the Group COE (GCEO) Tony Hayward, BP employs more than 100 thousand people from Upstream (Exploration & Drilling of crude) to Downstream (Refining & Marketing). In the mid 1990s and early 2000, BP under the former GCEO, Lord John Browne's leadership, acquired a number of companies including Amoco and Arco in the United States of America and Castrol. According to Fortune Magazine (July 21, 2008), BP was the forth largest among the top 500 companies globally. However, BP's profitability percentage was the lowest amongst all petroleum global companies at 7% whilst her competitors were as high as 17%.

When Tony Hayward took reigns in July 2007, he inherited a huge and complex organisation. This necessitated a business simplification process throughout the group. In October 2007, the GCOE announced what he called the Forward Agenda, which identified areas of focus for BP, these being, Revenue Restoration, Reduction of organisational complexity and Change behaviours. Tony Hayward (Horizon, April 2007, p.7) pointed out the reduction of complexities and the clarification of accountability as his foremost priorities.

In January 2008, BP Southern Africa (BPSA) was included to the businesses that were to be simplified. A process of organisation change was then communicated to employees and an implementation team was appointed by the BPSA Business Unit Leader (BUL). The implementation team was to oversee that the change initiative is implemented in full compliance with laws of various countries that were affected. Also, that there is a smooth

transition from the old company to the new one. This included communication with employees on the process and changes.

The re-organisation of BPSA was viewed as a fusion of disjointed businesses to create greater synergies, greater impact and greater value. Thus, the process was called a Fusion.

The major challenge of BPSA was a complex structure that had 19 executives reporting directly to the BUL and some also reporting to individuals that are outside the Business Unit (BU). This resulted in situations where there was lack of clarity on accountabilities e.g. HR Director in the BU reported to the HR GVP sitting in London. Due to this complexity, the implementation of a simple decision was a nightmare, as that would require approval from a long list of individuals. The reorganization therefore, meant that some of the Strategic Performance Units (SPU) was to be amalgamated to reduce both the number of senior executives and SPUs, as shown in the Figure 1.1 below.

Figure 1.1:

<u>**The Fusion of SPUs**</u>

<u>**Old Organisation**</u>   <u>**New Organisation**</u>
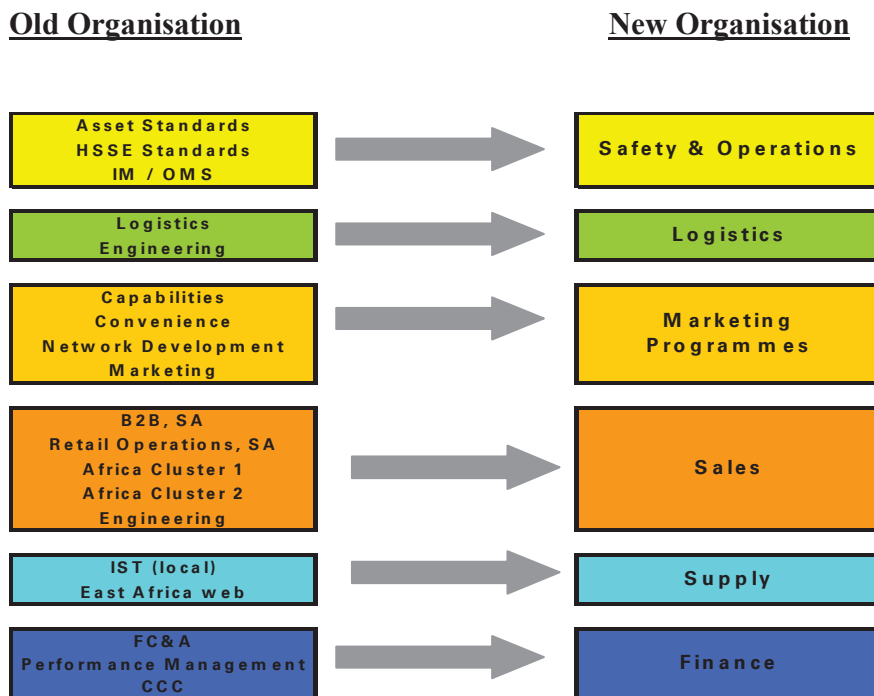
Source: FVC http://peopleafrica.bpweb.bp.com/fusion/documents/FVC-Townhall-14-15-Feb.ppt#358,9,Fusion – Scope (Fusion – creating a high –performance value chain presentation.); visited on the15th June 2009

1.2   Motivation for the study

Due to the economic challenges and the need for organisations globally to stay profitable and continuously create value for shareholders, firms are always seeking to have competitive advantage over their competitors and therefore change is inevitable. Blake and Bush (2009, p.3) suggest that people play a crucial role in the success of any change process and that central to any change management process is the question of people and how they will be affected. More often, change initiatives do little to understand the strain and the stress that organisational change has on the lives of individual employees at work, home and the society at large. It is true though that the change around a person be it at home or work has a spillover effect in other aspect of the individual's life. It is, therefore, important that change managers should take these into account when planning and implementing change programme in organisations.

According to Blake and Bush (2009, p.5), "people are at the heart of change, their personalities, values and behaviours all work for and against change in organisations. People issues have proven to be the mitigating factors in most change programmes and often it is employees that ultimately determine success or failure."

Despite all the knowledge and studies that reveal that two in every three change processes fail, employees are still viewed as outsiders to the process. Therefore, the challenge that faces change leaders or champions is how to make every person in an organisation feel as part of the process and owns it, stay focused, motivated and performing well. For this happen, change leaders or champions should ensure that there is a clear need for change, excellent communication and a clear vision. It is for this reason that the researcher thought of the current study to investigate how organizational change impacts employee motivation and performance.

1.3   Problem Statement

The study was conducted at BPSA and focused on employees that recently went through an organisational change or reorganisation. During this process approximately 300 employees

were either retrenched or elected to leave the organisation and this was a very stressful period to the majority of employees. The change process meant that at some stage employees were not certain about their future with the company.

The greatest challenge was the ability of the change implementation team or change champion to keep employees energized throughout the process and to explore programmes and strategies that would ensure that the level of productivity or performance was not negatively impacted by the change initiative.

The role of communication to find alignment between the implementation team, management and employees became an important tool to keep employees motivated and productive. With a clear communication strategy in place all stakeholders had a common understanding of the organisation's future and vision.

1.4   Objectives

The objective of this study was to determine;
- The impact of organisational change to the employee motivation.
- The impact of organisational change to the employee performance.

1.5   Research Questions

The research was aimed at trying to find how of organisational change has neither positive nor negative impact on the employee motivation and performance. The study attempted to answer the following questions:

- Does organisational change negatively impacts employee motivation?
- Does organisational change lead to a drop in employee performance?

1.6   Hypothesis

Hypothesis 1: There is a relationship between organizational change and motivation

Hypothesis 2: There is a relationship between organizational change and performance

1.7   Limitations of the study

- The survey was limited to BPSA employees that were impacted by the organisational change. It excluded employees whose jobs did not change as well as those employees that joined after the process was completed.
- There was lack of interest in the survey which resulted in a low response rate, even though the researcher had personally asked employees to participate. This made the results not to be generalized.
- The majority of the employees might not be holding the view that came out of the study.
- The lag period between when the organisational change happened and this survey might have had an effect on the results. .

1.8   Chapter Layout

Chapter 1- Introduction - This chapter details a high level background and history of BP and its subsidiary BPSA. The chapter explains the research process followed which includes research design, research objectives and the constraints.

Chapter 2 – Organisational Change – Literature Review – This chapter provides an overview of the theoretical understanding of organisational change and change management. Furthermore, outlines the change models and implementation strategies.

Chapter 3 – Research Methodology

Change 4 – Data Analysis

Chapter 5 – Results interpretation and integration

Chapter 6 – Recommendations & Conclusion

1.9   Summary

In this chapter the researcher contextualized the change process that took place in BPSA in 2008. It further provided insight on the change process and challenges that the researcher encountered.

The aim of the study was to unearth how employee motivation and performance was impacted by change initiatives. The case study was based on the organisational change that took place at BPSA in 2008. The literature review on organizational change is presented in the next chapter.

LITERATURE REVIEW

2.1   Introduction

As the global economy goes through a rough patch, organisations are under pressure to stay afloat. Yesterday's successes are a thing of the past as every organisation is fighting for survival, and the rate of change is so fast that organisation that slow to change will soon be in the history books. According to Jamal et al (2006) as cited in Branson (2008, p.376) suggest that, modern organisations or firms have not choice but to adapt to the high paced and ever changing business environment or resign themselves to perish.

Branson (2008, p.376) states that, there are various environmental forces that today's business face and these are following fast changing technology, globalisation, uncertainty, unpredictability, economic and market volatility etc. Branson (2008, p. 376) further suggests that organisations tend to respond to environmental forces in different ways through, downsizing, re-engineering, merging and restructuring. As a result of this, what used to be called "life time job" does not exist anymore as organisations are always adapting to the ever changing environment. The new way of doing business is focused on how the organisations can reinvent themselves to remain relevant in this brutal and competitive landscape.

Branson (2008, p.378), believes that organisational change has a profound negative impact on the physical, emotional ad social well being of individuals involved in a change initiative and the overall organisational effectiveness.

According to van Dam, Oreg and Schyns (2008, p.314) it is important for many organisations to understand how employees will react to planned change. Rapid changes in the environment and technology emphasize the need for organisations to constantly ensure that evaluate its change processes and ability to reinvent itself.

2.2   The Context and meaning of change

Beer and Nohria (2001, p.2) believe that, the new way of doing business has brought in huge opportunities and also uncertainty. So organisations to be ahead of changes both externally and internally it requires organisations to be agile and respond quickly to the both the threats and opportunities or face extinction.

According Jarrett (2009, p.24), change is about finding the balance external and internal environmental challenges. This, therefore implies, that the existence of an imbalance in the organisation's equilibrium necessitates a change process. Jarrett (2009, p.24) further states that during this process organisations seek to align themselves with an ever changing business environment and trying to keep up with these changes, organisations must either anticipate the shift in the environment or react to the change. However, the latter is risky as those organisations that are able to position themselves ahead of the market will have a competitive advantage, and those that are followers will always play a catch up game or be erased altogether by competition.

By (2005, p.169) suggests that a successful management of change process is essential for an organisation to survive and succeed in this highly competitive and ever changing business environment. Moran and Brightman (2001) as cited in By (2005, p.369) defines change management, as a "process of continually renewing an organization's direction, structure, and capabilities to serve the ever-changing needs of external and internal customers."

Burnes (2004) as cited in By (2005, p.369) argues that "change is an ever-present feature of organisational life, both at an operational and strategic level. Therefore, there should be no doubt regarding the importance to any organisation of its ability to identify where it needs to be in the future, and how to manage the changes required getting there. Consequently, organisational change cannot be separated from organisational strategy, or vice versa." Senior (2002) as cited in By (2005, p.369) concurs that given the high level of stake in the organisational change process, management has become a highly required skill.

2.2.1 Organisations and their changing environment

"One of the most difficult aspects of the organisational change experience for employees, is the uncertainty associated with the process and outcomes of the change" (Bordia, Hunt, Paulsen, Tourish and DiFinzo 2004, p.345).

Rieley and Clarkson (2001) as cited in By (2005, p.371) wrote that, organisations could not be effective or improve performance if they were constantly changing. To emphasize this point Luecke (2003) as cited in By (2005, p.371) suggests that people need routines to be effective and able to improve performance.

However, By (2005, p.371) further contrasts the latter statement, and argues that in today's rapidly evolving business environment it is of critical importance to organisations that people are able to undergo continuous change. Bordia et al (2004, p.345) further states that, employees that are not aware of the nature and consequences of change process will feel ill equipped for the change. Thus, the lack of self control over the process and this can as well lead to anxiety.

According to Bordia et al (2004, p.345), it is important for the employees' well being to always feel that they are in control. Otherwise, a feeling of not in control can lead to a state of helplessness, ineffective performance, and poor psychological and physiological well being.

2.2.2 Overview of organisations

Schein (1980) as cited in Nel, van Dyk, Haasbroek, Schoultz, Sono and Werner (2004, p.8) suggest that "an organisation is the planned coordination of the activities of a number of people for the achievement of some common explicit purpose or goal, through division of labour and function, and through a hierarchy of authority and responsibility"

South African organisations are not immune to change as they are increasingly confronted with issues such as cultural diversity, international competition, mergers and takeovers, a new work ethic etc (Smit and Cronje, 2002, p.216). However, the authors also suggest that the

manner in which an organisation handles its change process becomes the difference between success and failure in the rapid changing business environment.

Smit and Cronje (2002, p.216) further argue that, for an organisational change to succeed, the pace of change in the environment should not be faster than internal change in the organisation. Failure to keep up with the environmental change can be detrimental to the organisation's chances of success. Organisations which take long to adjust risk being surpassed by those that can either adapt quickly or anticipate the need to change. Failure by organisations to draw parallel between their vision and the change in the environment or adjust their goal, mission, strategies and organisational culture can result to a bleak future (Smit and Cronje, 2002, p.216). This, therefore, implies that an organisation cannot just change for the sake of changing. The change process should be informed by what the organisation has either identified as its future activity or search for loose bricks in the current business environment. Therefore, according to Drucker (1999, p.73) organisations to be regarded as leader in change must see change as an opportunity rather than a challenge. Drucker (1999, p.73) further argues that, such organisations make a success of change both internally and externally.

2.3   The need for change

Organisations have various reasons on why they want to change. A number of organisations embark on change process due to changes in their business environment e.g. new entrants, change legislations, changes in technology etc.

There should be alignment between the employees and the business leadership on why the organisation has to go through change and what role will the employees play in the process. For the above to take place an open and unambiguous communication is critical especially if the change is complex and its implication is unclear (Coulson-Thomas, 2009, p.34). For people to buy-in to the need to change, it is incumbent unto to leaders or change agents to clearly state why it is important to change. Open communication therefore become the ultimate weapon for any change to succeed.

Coulson-Thomas (2009, p.34) further argues that those charged with responsibility to oversee that change process must take into account the consequences of the process both to the employees and the organisation's business partners as well. Change of the sake changing can have dire consequences on organisation's suppliers and customers. A reduction in the number of employees can result in poor customer service and lack of motivation to the employees that are left behind. Coulson-Thomas (2009, p.34) further suggest that it is important that organisational leaders to apply themselves about the nature of the proposed change and how it will affect or impact the employees before it can have nay dire consequences that can will erase all the desired goals. Therefore change should be an informed one not one for the sake of changing.

"Smart organisations build upon an existing reputation and safeguard core values. Steps may need to be taken to protect what is important and prevent the compromise of cherished beliefs. What are the anchor points of the business? What is the cement that holds its people together?" (Coulson-Thomas, 2009, p.35). Thus, organisations have an obligation to see to it that they do not erode what makes them different from their competitors at the same time do away with those practices that might be bringing them down.

According to Coulson-Thomas (2009, p.35), for any change process to be successful there should be a compelling reason for change. With a clear and compelling case, employees are then expected to buy-in into change process. And the organisation should focus on selling the benefits that the change will bring the employees and the organisation, and avoid unclear and ambiguous reasons.

"People need to motivated, prepared and equipped to achieve the change they are expected to bring about" (Coulson-Thomas, 2009, p.35). For any change process to achieve its desired goals people should be the first to be brought on board. Any points that might be unclear would bring about resistance and ultimately failure of the whole process.

2.4   An uncertain future

According to Bordia et al. (2004, p348), uncertainty is defined as a state of "not knowing something about ourselves or the environment around us is maladaptive as we cannot prepare for or deal with the unknown." The dangers of uncertainty during an organisational change

process can lead to the failure of the process. However, the more informed the employees or individuals that are impacted by the change initiative, the greater will be the support of the process.

"Uncertainty of this magnitude will leave some leaders lost in the fog. To avoid impulsive, uncoordinated, and ultimately ineffective responses, companies must evaluate an unusually broad set of macroeconomic outcomes and strategic responses and then act to make themselves more flexible, aware, and resilient."(Bryan and Farrell, 2008, p.1). The change process is a very complex, thus change leaders and business leaders need to have a clear understanding of the future and set objectives on what the future organisation has to achieve. It is of paramount importance that leaders and employees have uniform understanding of that shared future.

Drucker (1999, p.90) points to some of the issues that should occupy the mind of people who are leading change and these are as follows:

- People need to know where they stand,
- They need to know people working with whom they work,
- They need to know what they can expect,
- They need to know the values and the company rules.

Drucker (1999, p.91) argues for an environment where there is predictability and routine way of doing things. It is important that organisational change should not be seen as a process that disrupts and destroys everything that existed before, however it should take a form of a biological process where change takes place over time and preserves the essential features of an organisation.

2.5   Organisations today – environmental drivers of change

The rapid change in the business environment is often unpredictable and unseen change that take place outside the organisation. Organisational change can be attributed to the following forces/drivers i.e. climate change, globalisation, demographic shift, technological change and

regulation or deregulation. Jarrett (2009, p.44) states that "these dependencies make a powerful cocktail in which organisational change is necessity for survival and sustainable growth."

2.5.1   Drivers of change

According to Oakland and Tanner (2007, p.581), more often than not, organisational changes are as a result of change in the business external environment. Even internal change could be directly attributed to external change in the competition landscape. Jarrett (2009, p.44) further states that forces of change are not always visible but their impact can be felt through a number of driver such as, climate change, globalisation, technological change, demographic shift, and regulation or deregulation. "If you don't change, one or another, the following forces will change you" (Jarrett 2009, p.44).

Nature of the workforce (demographic shift)

- More cultural diversity
- More professional workforce
- Young people joining the workforce

Technological change

- Faster and cheaper computers
- TQM process
- Business reengineering programmes

Global economic shocks

- Subprime crisis
- Global economic downturn
- High oil prices

Competition

- Global competitors
- Mergers, acquisitions and consolidation
- Growth economies of the Asia (China and India)

Social trend

Healthy lifestyle

Global political trends

- USA and Iran stand-off
- Continued wars in Iraq and Afghanistan
- Rise of Russian aggression
- Pro- democracy uprisings in the Arabic states

McLean (2006, p.32) contends that micro and macro environmental forces of change require organisations to streamline operations and become 'lean and mean', so as to develop and maintain a competitive advantage.

2.6   The nature of organisational change

2.6.1   The changing faces of change

According to Cafolla (2007, p.2), change is understood to be a continuous adaptation of one situation after another in a continuous circle. Change has become an every day process in the business environment – companies in the bid to stay ahead of the competition or to survive.

"How we change is intimately related to how we stay the same. Biologically and psychologically, we are relatively conservative creatures. We tend to change as little as possible to get by. When given a choice, we prefer to change smaller and more superficial dimensions (e.g., clothes, hair, vehicles). But we are sometimes forced toward larger and

more fundamental changes. Some of these change-requiring circumstances may happen suddenly—for example, with the loss of a loved one, an accident or injury, or a change in where we work or live. In these instances, there is an identifiable event that has challenged us to change. But not all catalysts for change arrive suddenly or from the outside. Sometimes an equally demanding need for change emerges from within. It may take the form of a crystallization of discontent, a tipping point, or an intense internal itching. The point is that there come times when a personal transformation is required" (Mahoney, 2004, p.253).

Nelson (2003) as cited by Mahoney (2004, p.251) suggests the change is never a smooth process and should be expected to be turbulent at times. And might also not be according to the manner it's been planned and might take longer than anticipated.

However, Misselhorn (2005, p.378) argues that if no change is demanded then there is no need for it to be managed, and all that is needed are systems that will keep the organisation's performance stable and towards the same direction. It is important that need for change must be clearly defined and understood before any change process to be initiated.

2.6.2 Different types of change

The authors Beer and Nohria (2001, p.3) state that change is based on two types which are Theory E and O. According to Beer and Nohria (2001, pp.3-4), "Theory E change strategies are the ones that make all the headlines. In this "hard" approach to change, shareholder value is the only legitimate measure of corporate success." The two authors further states that "change involves heavy use of economic incentives, dramatic layoffs, downsizing, and restructuring. Shareholders value is the only legitimate measure of corporate success."

However, Beer and Nohria (2001, p.4) further states that "Theory O change strategies are geared toward building up the corporate culture: employee behaviour, attitudes, capabilities, and commitment. The organisation's ability to learn from its experiences is a legitimate yardstick of corporate success."

Beer and Nohria (2001, p.5) state that, the use of the two theories simultaneously to resolve the inherent difference that exist in them. However, the authors also state that this is not an

easy exercise though achievable. Beer and Nohria (2001, p.5) further write that organisations that have been able to harmonise the two theories have had excellent results and have achieved sustainable competitive advantage.

According to Dyer (1984, p.22) there is planned and unplanned change. A unplanned change is due to sudden change events, such as a new discovery or invention, a crisis or catastrophe or the movement or shifting of people. However planned change according to Dyer (1984, p.22) is a deliberate action that is not sudden but has been influenced by events that occurred over a period of time. And a decision is taken after a study or an observation of change in situation that warrants it to be improved.

The planning of a change process according to Dyer (1984, p.22) has factors that significantly influence behaviour that should be considered in the planning process. And they therefore "motivate people to spend time, energy and resources to bring about change" (Dyer, 1984, p.22).

2.6.2.1 *Predictable or planned change*

"Change Management provides a structured approach for making changes in a planned and systematic fashion to effectively implement new methods and processes in an ongoing organization. The goal is to prepare stakeholders for the transformation, ensure that they are knowledgeable to face change in a dynamic work environment, and ultimately ready to embrace the change."(Dyer, 1984, p.24). The advantage of planned change is that it allows the leaders of an organisation to take full charge of the process and as well dictate the pace at which the change takes place.

2.6.2.2 *Forced change*

According to Jarrett (2009, p.43) one thing for certain is that "change is inevitable", and that companies have either to do it themselves or be forced be the circumstances to so. Jarrett (2009, p.43) further suggests that the pace of change is very intense and thus when a restructuring process is taking place there's simultaneously a loss of jobs or lay offs. It is important to note that the scope of organisational change is far wider than a mere

retrenchment process. Rather it has a view on the total organisational structure and functioning. Hence, there is a clear departure from the old way of doing things and the adoption of a new one.

Organisations that are reluctant to change are usually those that lagging far behind their competitors. Abrahamson (2000, p.75) warns against reluctance to change when he states that organisation must either "change or parish". The author further states that change is a disruptive process that can tear an organisation apart if not correctly managed.

2.7 Cultures of change

2.7.1 The meaning of culture (what is culture?)

Kroeber and Kluckhohn (1952) as cited in Senior (2002, p.124) suggested that "Culture consists in patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups including the embodiment in artifacts; the essential core of culture consists of traditional ideas and especially their attached values"

Another definition which is more precise is that of Hofstede (1981) also cited in Senior (2002, p.124) that states, "Culture is the collective programming of human mind that distinguishes the members of one human group from those of another. Culture in this sense is a system of collectively held value."

From the above definitions it therefore implies that in a culture there are shared values that set one community or group apart from others and this is true for organisations as well.

2.7.2 Organisational culture

According Buono et al (1985) as cited in Branson (2008, p.380), "Organisational culture tends to be unique to a particular organisation, composed of an objective and subjective dimension, and concerned with tradition the nature of shared beliefs and expectations about organisational life. It is a powerful determinate of individual and group behaviour.

Organisational culture affects practically all aspects of organisational life from the way in which people interact with each other, perform their work and dress, to the types of decision made in a firm, its organisational policies and procedures, and strategy consideration"

Trice and Beyer (1993) as cited in Branson (2008, p.380) further argue, that organisational culture has a great influence on how an individual employee behaves in an organisation. Cartwright and Cooper (1993) also cited in Branson (2008, p.380) concur with Trice and Beyer (1993) that organisational culture also serves as a glue and a binding force amongst employees and thus create a sense of cohesion and unity.

Branson (2008, p.380) states that "central to the concept of an employee having an effective organisational commitment is the growing awareness of the need to nurture an accommodating consciousness within each employee by cultivating alignment between his or her values and those that underpin the success of the organisation."

2.7.3 Organisational culture and change

Schwartz and Davis (1981) as cited in Senior (2002, p.155) state that culture can blunt or significant change the impact of a well thought organisational change process. Therefore, there should be an alignment between the culture and the change process.

Smit and Cronje (2002, p.227) also concurs that organisational culture is an important source of success both in organisational performance and change. However, the authors also cautions that if an organisational culture is not aligned with its organisational strategy and structure, it can serve as a potent source of resistance to change.

Senior (2002, p.155) listed some of the elements of organisational culture that are imperative to support change,

- Attitude to information sharing and criticism
- Attitudes to experimentation in processes and products
- Attitudes to conflict
- Degree of willingness to give people autonomy and support them in their actions

- Degree to which the organisation's structure facilitates change
- Degree of willingness to discuss sensitive issues openly
- Degree of management's openness to new ideas – especially from below

2.8　The leadership of change

"When most corporate leaders hear about using capabilities as a strategic advantage, they tend to think internally. They assume that building capabilities is a job for their human resource, training or R&D departments." (Mainardi, Leinwand and Lauster, 2008, p.3)

Mainardi et al (2008, p.23) argue that building capability should not focus on products that are commoditised such as innovative products, patents etc. However, should pay more focus on a combination of skills, business processes, tools that are used by the business daily and will continuously improve over time, thus giving the business a competitive advantage over its competitors.

Mainardi et al (2008, p.23) further argue that "A true capabilities-driven strategy is the most reliable way for a company to thrive when rules of the game for its industry are in flux. Instead of looking inward at the capabilities you already have and trying to discern your strengths, start by looking outward at the capabilities you need."

2.8.1　Management and Leadership

According to Beckhard and Harris (1977) cited in Woodward and Hendry (2004, p.157), argue that the modern change are greatly influenced by Kurt Lewin (1957). Where he states that change process is the movement from the current states to the desired one, and this brings about a state of organisational instability.

Organisational change by its very nature has to result to instability and uncertainty. This is so because of the unknown future, therefore what becomes of paramount importance it the manner in which management and the leadership of organisation steer the organisation through the turbulence period.　Change initiatives that are said to fail have shown evidence of lack leadership.

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Mirza (2009, p.32) states that managers and team leaders should be honest with employees when selling the need to change and its benefits. "Managers should then meet with their teams. Explain the change and why it is needed, be truthful about the benefits and challenges, listen and respond to employees' reactions and implications, and then ask and work for individuals' commitment".

The role of organisation's leaders in championing the change management process is imperative. Resistance to change is attributed amongst other things, to the inability of leaders including line manager to sell and advocate for the need and benefits for the change. Accordingly, leaders are custodians of any change process otherwise the change initiative will not succeed. Kotter (1996) as cited by Van Dam et al (2008, p.317) further agrees with the latter statement that trust between those leading change and the employees is considered to be to be the corner stone of a change process, and a necessity for employees' buy-in into change.

2.8.2   *Leadership in times of change*

According to Gavin and Roberto (2005, p.106), for any change process to succeed the organisation's leaders must lead from the front and sell the change to the employees. Gavin and Roberto (2005, p.106) further highlight the important role that must be played by managers in preparing the employees to accept the changes. These interventions are critical in the first few month of the change process due to its fragility.

Mirza (2009, p.34) concurs that managers have an imperative role to play in coaching their individual team member in coping and make sense of the change. As coaches, managers also help team member to find a way to deal with change and how to respond to it. Mirza (2009, p.31) further supported the above argument when she said "Make sure managers are equipped to coach their direct reports towards commitment. One-on-one conversations with each team member help each one analyze how the change will affect him, or her, determines level of commitment and helps determine how he or she will act". More often organisations are more focused on the mass communication either through email or website and more recently blogs. Whilst these technological advances are useful but there will always be a need for the human which allows the affected person to have a face to face interaction with another person. This

allows the impacted individual to shoe emotion and open up on how he or she feels about the change.

Gavin and Roberto (2005, p.110), argue that the leader must pay attention to the employee mood and feelings toward the change process. There's a great need to find a balance in how the leaders communicate both good and bad news. It is important that during change that employee's moral is not further eroded to an extent that they feel worthless and their contribution is not recognised.

Organisations in their attempt to communicate with employees tend to use mostly emails or websites which can be very impersonal. However, the use of change agents has been found to be the most successful method of communicating and ensure greater understanding.

According to Herzig and Jimmieson (2006, p.629) numerous studies have revealed the positive contribution by middle managers in influencing higher levels of performance when included in strategy formulation and also involved in the emotional support of employees. Middle managers' are therefore expected to play a role of being a communication bridge between senior management/executive and the employees in general. Robbins (2002, p.4) states "middle managers are key in communicating change because they are the people employees look to first to see if there is real acceptance of the idea".

2.8.3 Change Agents

Blake and Bush (2009, p.138) define the change agents as "the equivalent of employee representatives whose specific function is to champion change in the business, and to act as the projects' eyes and ears by reporting back concerns and issues raised by employees. Change agents are essential to stakeholder management and are also responsible for implementing the change in various departments or business units." Change agents may also suffer from the delusion that others see the urgent need for action just as they do, and may be frustrated to discover how little key shareholders care about the initiatives and outcomes that they hold dear" (Sherman and Faccio 2008, p.41).

Dyer (1984, p.91) further states that, "motivation and commitment are weaker if someone else establishes the change goal and the worker is not involved in the change process." Similarly,

Robbins (2002, p.4) argues that communication should not be one way process; however, should be inclusive from the beginning of a change initiative. Further, highlighting the importance of the role that change agents should play in the dissemination of information.

2.8.4 The Role of a Change Agent

"Moving organisations from current to future changed states is not easy and requires knowledge and skills which some managers do not possess" (Senior 2002, p.318).

Senior (2002, p.318) further argue that many managers are so involved in the daily business activities such that it becomes difficult for them to stand back and observe the business as an outsider. It is for this reason and many more that Senior is convinced that managers are not good change agents. Senior (2002, p.318) suggests that change agents do not necessarily have to people from outside the organisation. However, it can be someone from another part of the organisation that is not part of the change.

Sherman and Faccio (2008, p.39) raised a disturbing figures that state about 70% of the executives that were involved in organisational change initiatives went unrecognised or were sidelined, fired or spurred to leave after the process is complete. This can have a negative impact in people taking up such a role.

Sherman and Faccio (2008, p.39) further categorised companies that they studied into four, namely, Paragons, Masters, Warriors, and Laggards.

- Paragons are defined as organisations were most likely to view the change process as an important learning opportunity for the executives. Sherman and Faccio state that paragons would appoint senior executives as change agents for major initiatives and would provide them with all the challenges that will further develop them. "Paragons are also careful to free their change leader from other tasks, so that they can devote enough time to succeed in the assignment. And typically select a top executive to sponsor the change initiative" (Sherman and Faccio 2008, p.41).
- "Masters tend to be enmeshed in a problem that has bedeviled leaders, consultants, and academics since time out of mind: Deep down, a great many people and organisations fear change." (Sherman and Faccio 2008, p.41).

- Warriors understand how to drive change and are often successful in implementing the change process. "Warriors, recognising that they must change to remain competitive, usually devote significant resources to ensuring the success of their initiatives" (Sherman and Faccio 2008, p.41).

- "Laggards companies, which have mastered neither change nor leadership development, put themselves doubly at risk for poor execution of change initiative. Like masters, they often fail to provide the organisational support required to overcome resistance to change. Like warriors, they don't see change events as opportunities for leadership development" (Sherman and Faccio 2008, p.42).

2.9   The experience and impact of change

2.9.1   Impact of change

One of the greatest challenges facing people according to Garvin and Roberto (2005, pp. 104-106) is the difficulty of accepting the need to change. Human are said to be comfortable with repetition, thus employees with always resist the introduction to new ways of doing things if there has been one they are have been comfortable with. Employees will only accept change if the current process is under serious questioning or dire threat. Resistance in these scenarios become even stronger when there's a new leadership which is viewed as the ones that are bringing in the change or seen as their thing. It is this attitude that condemns all efforts by the new personnel to failure.

2.9.2   The response to change

According to Van Tonder (2004, p.177) there is a widely accepted circumstances that results to change being viewed and perceived negatively and stressful. Due to these reasons the change is viewed in the negative light, and are listed below,

- Potentially harmful or dangerous
- An injustice (perceived or experienced as unfairness/ when a person feels disadvantaged over others.)
- A blockage of personal goals or conflicting goals

- A source of uncertainty (e.g. unpredictable and ambiguous circumstances such as the unknown outcome of the board meeting's deliberation on restructuring or downsizing)

Van Tonder (2004, p.177) further states that, each one of the above situation can trigger an affective response/ reaction, with different intensity dependent on the individual personal position and meaning of the structures.

2.9.3   Reaction to change

According to Antonacopoulou and Gabriel (2001) as cited in Van Tonder (2004, p.181), "change generally elicits strong emotional responses from most people, which range from shock, anger and depression to excitement and elation. Contrary to common perception, the individual reaction to change in not simply a matter of resistance or acceptance, but instead comprise a complex blend of psychological, social, emotional and cognitive factors"

Luecke (2009, p.79) argues that whilst employees have performance contracts with employers but are further bound together by a psychological contract. However, when the terms of the contract change it causes anxiety, and it is so regardless of the change being positive or not.

Van Tonder (2004, p.181) further defines reaction to change as a "response to stimulus", and suggests that the reaction to change may be more of an immediate response than resistance. However, Luecke (2009, p.80) states that, "most people eventually adapt and are reconciled to change". Individuals to reach the reconciliation stage have to go through psychological stages, are as follows, Shock, Defensive retreat, Acknowledgement and, Acceptance and adaptation.

2.9.4   Resistance to change

According to Waddell and Sohal (1998, p.543), employee resistance has been identified in numerous studies as critical cause for many organisational change failures.

Ansoff (1988) as cited in Waddell and Sohal (1998, p.544) defines resistance as a "multifaceted phenomenon that introduces unanticipated delays, cost and instabilities into the process of a strategic change." Block (1989) cited in Waddell and Sohal (1998, p.544) states

that "resistance in an organisational setting, is an expression of reservation which normally arises as a response or reaction to change". Waddell and Sohal (1998, p.544) further state that, resistance is commonly linked to negative behaviour displayed by employees towards the process.

"Resistance to change—even desired change—is common, especially when the change is experienced as 'too much' or 'too quickly'. Such resistance reflects basic self-protective processes that serve to maintain the coherence of the living system" (Mahoney, 2003, p.257).

Over time it has become much clearer that resistance to change is not necessarily a response to the change process rather to the uncertainty and the resultant outcomes of change to individual people (Waddell and Sohal, 1998, p.546). Cohen (2002) as cited in Robbins (2002, p.3) suggests that it is important to communicate the need to change and create the urgency so as to get the buy-in for the change initiative. Equipped with the necessary knowledge employees find it easy to support the change initiative and make a success of it.

Abrahamson (2000, p.77) argues that organisations that have consistently avoided change may need to undergo rapid but destructive change. However, those that have been changing rapidly need to learn to slow down from the highly destabilizing and disruptive change and adopt the dynamic stability process.

2.9.5   Coping with change

Woodward and Hendry (2004, p.158) state that for people to maintain a meaningful balance in their well-being and satisfactory performance they need to be coping with the change process. People should be able to deal with the change process with out feeling stressed by the process.

For companies to succeed in their change processes, Abrahamson (2000, p.75) suggest that such companies should stop changing all the time. Abrahamson further suggests that companies should spread their major change project over periods of smaller, organic change.

Abrahamson (2000, p.76) suggest the use of what he calls dynamic stability, which defines as a "process of continual but relatively small change efforts that involve the reconfiguration of

existing practices and business models rather than the creation of new ones". Abrahamson (2000, p.76), further states that, this process requires pacing where big and small changes are implemented at the right intervals.

2.10   Implementation of Change

The success of the change process should not be subject to whether it was planned or not, but it is important that the process is managed such that it does not fail (Van Tonder, 2004, p.215).

According to Sirkin et al. (2005, p.110), research studies reveal that two-thirds of organisation change initiatives fail/ are unsuccessful. Sirkin et al. (2005, p.118) further suggest organisations to focus on four key variables to assist companies to reach higher levels. Sirkin et al. (2005, p.118 suggested what is called the DICE framework, that enable organisation make use of internal knowledge and experience.

The DICE framework stands for the following;

D.   The duration of time it takes until the change program is finished
I.   The project team's performance integrity; its ability to complete the initiative on time.
C.   The commitment to change that top management and employees affected by change display.
E.   The effort over and above the usual work that the change initiative demands of employees

2.10.1 Models of Change

According to John Kotter (1996, p.21) there are stages in the change that leaders must take into consideration when addressing the question of change.

Kotter (1996) in his book "Leading Change" suggested eight simple steps for a successful change to take place and these are summarised as follows,

1. Increase urgency – motivate people to change, make objectives real and relevant.
2. Build the guiding team – get the right people in place with the right emotional commitment, and the right mix of skills and levels.
3. Get the vision right – get the team to establish a simple vision and strategy focus on emotional and creative aspects necessary to drive service and efficiency.
4. Communicate for buy-in – Involve as many people as possible, communicate the essentials, simply, and to appeal and respond to people's needs. De-clutter communications – make technology work for you rather than against.
5. Empower action – Remove all obstacles, enable constructive feedback and lots of support from leaders – reward and recognise progress and achievement.
6. Create short term wins – Set targets that are easy to achieve – in-bite-size chunks. Manageable number of initiatives. Finish current stages before starting new ones.
7. Don't let up – Foster and encourage determination and persistence – ongoing change – encourage ongoing progress reporting – highlight achieve and future milestones
8. Make change stick – reinforce the value of successful change via recruitment, promotion, and new change leaders. Weave change into the culture.

Change strategy has to have in it – creation of uncertainty or instability so that people are able to see the need to change. Kotter and Rathgeber (2006, p.130) concur with Dyer (2005) that the first step in any change initiative should be to "create a sense of urgency, so that it can help others to see the need to change and the importance to act immediately."

Kotter and Rathgeber (2006, p.130) state that a high number of organisational change initiatives fail because of the senior management's to failure to commit to the above steps. It is therefore important that implementation team should put emphasis on the creating the correct environment for change so as to have the critical mass that will ensure the success of the change process.

According to Kurt Lewin (1951) as cited in Misselhorn (2005, p.380) states that the change process in an organisation is categorised in three levels, Unfreeze – Change – Refreeze. Similarly, Branch (2002, p.4) states that, there are three categories that organisational change can be established and are as list below,

- Changing the individuals who work in the organization (their skills, values, attitudes and eventually behavior) – with an eye to instrumental organizational change
- Changing various organizational structures and systems – reward systems, reporting relationships, work designs
- Directly changing the organizational climate or interpersonal style – how often people are with each other, how conflict is managed, how decisions are made

However, Fred Nickols (2000, p.5) also rises an important point that Lewin's framework fall short and that, "it does not allow for change efforts that begin with organisation in extremes (already "unfrozen") nor does it allow organisation faced with the prospect of having to "hang loose" for extended period of time (staying "unfrozen")". Nickols (2000, p.5) further suggests that the start and the end points of the Lewin model is stability, and that is something that is a luxury in today's business world where companies are expected to agile and be able respond to environment change with ease. Pascale, Millumann and Gioja (2000, p.170), state that organisations are living systems that are always changing which cannot be predicted or controlled.

Figure 2.1
The Change Process follow

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                                                                          ┌──────────┐
┌─────────────────────────────────────────────────────┐                   │          │
│               The trigger of change                  │                   │  U       │
└─────────────────────────────────────────────────────┘                   │  N       │
                          │                                                │  F       │
                          ▼                                                │  R       │
┌─────────────────────────────────────────────────────┐                   │  E       │
│  Determine the desired outcome of the change         │                   │  E       │
│  intervention                                        │                   │  Z       │
└─────────────────────────────────────────────────────┘                   │  E       │
                          │                                                └──────────┘
                          ▼
┌─────────────────────────────────────────────────────┐
│               Diagnose the cause                     │
└─────────────────────────────────────────────────────┘
                          │
                          ▼                                                ┌──────────┐
┌─────────────────────────────────────────────────────┐                   │  C       │
│      Select an appropriate change technique          │                   │  H       │
└─────────────────────────────────────────────────────┘                   │  A       │
                          │                                                │  N       │
                          ▼                                                │  G       │
┌─────────────────────────────────────────────────────┐                   │  E       │
│             Plan for implementation                  │                   └──────────┘
└─────────────────────────────────────────────────────┘
                          │
                          ▼                                                ┌──────────┐
┌─────────────────────────────────────────────────────┐                   │  F       │
│                  Implement                           │                   │  R       │
└─────────────────────────────────────────────────────┘                   │  E       │
                          │                                                │  E       │
                          ▼                                                │  Z       │
┌─────────────────────────────────────────────────────┐                   │  E       │
│            Evaluate and follow-up                    │                   └──────────┘
└─────────────────────────────────────────────────────┘
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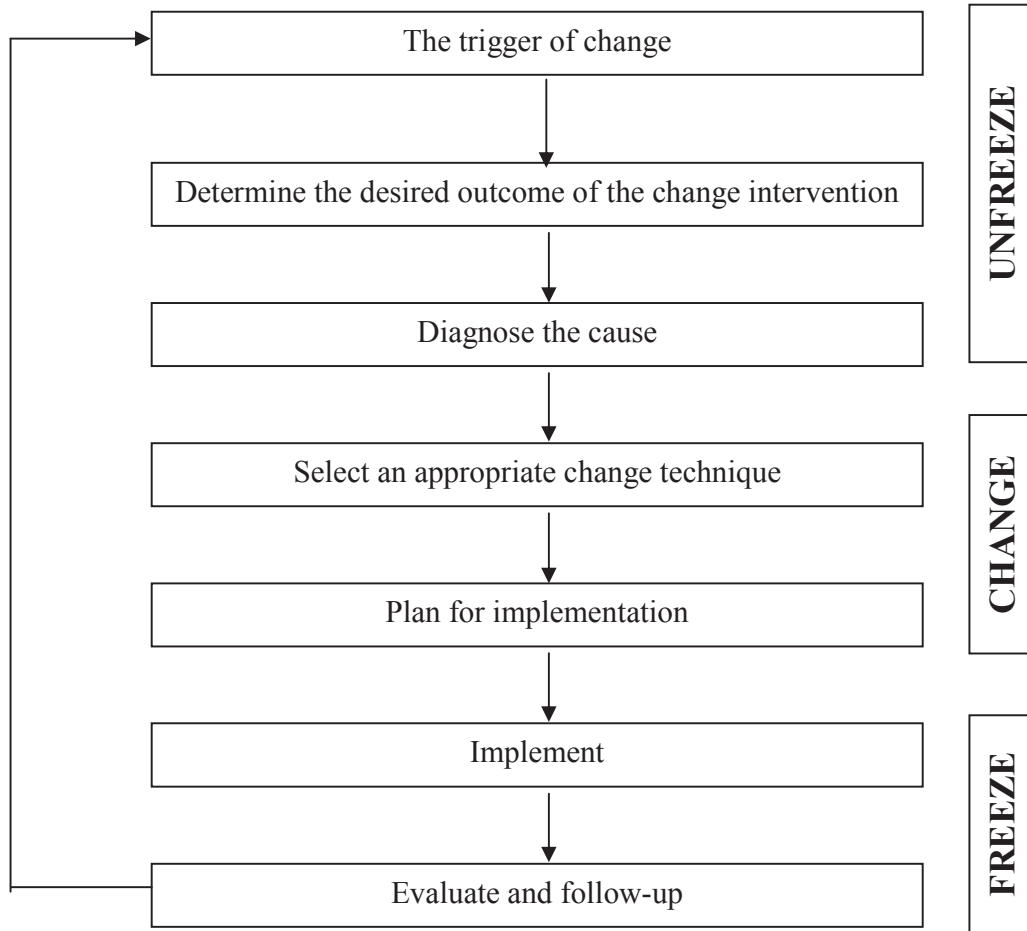
Source: Smit and Cronje' (2002, p220) Steps in the change process. Lewin (1951)

2.10.2 The Change Process

According to Gill (2001, p.307), though it is important that change should be well managed, it also requires a leadership that makes the difference. Gill (2001, p.307) further states that "the leadership of successful change requires vision, strategy, the development of a culture of sustainable shared values that support the vision and strategy for change, and empowering, motivating and inspiring those who are involved or affected".

Salerno and Brock (2008, p.6) argue that change can either put a person in a fight or flight mode. And it is during the state of fear and confusion that the two authors suggest a pause

period/ time be called, to assess the change process rationally so as to regain the sense of control. Salerno and Brock (2008, p.6) suggest that employees need to ask themselves the following question when going through an organisational change,

- How am I going to be affected?
- What's the worst that can happen?, and
- Can I handle that?

2.10.3 Why do Change Management Processes fail?

According to Kotter (1996, p.16) it is imperative that when an organisation is going through change that it ensures that the case for change is clearly defined for everyone to understand. Kotter (1996, p.16) argues that the biggest mistake committed by many organisations is not creating enough urgency to change among all stakeholders (Executives, Managers and employees). The lack enthusiasm and complacency is pointed out as one the reason for change failures. Kotter (1996, p.16) further list eight common errors to organisational change as follows,

- Allowing too much complacency
- Failing to create a sufficiently powerful guiding coalition
- Underestimating the power of vision
- Under communicating the vision by the factor of 10 or more.
- Permitting obstacles to block the new vision
- Failing to create short term wins
- Declaring victory too soon
- Neglecting the anchor changes firmly in the corporate

Kotter (1996, p.16) further suggest that the following are the results that failed change can bring about,

- New strategies aren't implemented well
- Acquisitions don't achieves expected synergies
- Reengineering takes too long and cost to much

- Downsizing doesn't get costs under control
- Quality programmes don't deliver hoped for results.

Whilst the above is possible, however they can be avoided. Kotter (1996, p.16) states that it is important to understand what makes the organisations reluctant to change when they are require to do so. And what steps need to be taken to overcome or eliminate this negative draw back or force.

2.10.4 Future for Change Management

As the today business environment is becoming more fluid and time for organisation align and adopt their business processes and culture is minimised by the day, the question that needs to be answered is whether organisations can still afford to treat change management as an afterthought.

In attempting to shed light on the future of organisational change, Rawlinson et al. (2008, p.6) suggests that organisations will have permanent change management capability closely attached to business functions. Rawlinson et al. (2008, p.6) further state that this will ensure that change management is not a function that is only activated when there is a new organisational change initiative to be launched. However, this will be part of the day to day running of the business. This will also enable the organisation to seamlessly and quickly adapt to changes in the business environment both internally and externally.

According Kotter (1996) as cited in Gill (2001, p.313) states that for organisational change to work it should be based on the organisation's long term vision. The long term vision must take the following points into cognizance, = Woodward and Hendry (2004, p.158) state that for people to maintain a meaningful balance in their well-being and satisfactory performance they need to be coping with the change process

- Clarifies the direction of change and ensures that everything that is done is inline with the shared vision.
- Motivates people to take action in the right direction, even though the initial steps in the change process may be painful to some individuals.

- Helps to align individuals and coordinate their actions efficiently

Yeager (2006, p.1) concurs that "the ability to select change initiatives that are aligned with the organisation's strategic direction is fundamental for success". Organisational change can not take place in a vacuum without taking into account the where the organisation wants to be in future. Thus, the alignment of the change process with company's future objective is of primary importance.

Salerno and Brock (2008, p.16) argue that, a change process is never a fair process even if people wish that it be so. Effectively, there are people in an organisation that will find favour in the change process and also those that will negatively affected. The authors suggest that the sense of discomfort during the change process leads to negativity, which results to a sluggish behaviour and absent mindedness.

2.11   How is motivation impacted by change?

Bordia et al. (2004, p.359) states that, uncertainty during organisational change leads to psychological strain, thus resulting to low job satisfaction and high turnover intentions. The fear and a sense of helplessness according to Bordia et al (2004, p.359) is a result of uncertainty and loss of control. The sense of uncertainty brought by the change can have a direct impact to employee motivation.

Change brings about a lot of uncertainty within an organisation as employees are not certain about their future and for how the change process will take to finish (Ussahawanitchakit and Sumritsakun, 2008, p.2).

According to Smit and Cronje (2002, p.344) the level of employee motivation is directly linked to their performance. Therefore, if an employee is de-motivated it will be reflected in his or her level of performance/productivity.

"Motivation is an inner desire to satisfy an unsatisfied need" Smit and Cronje (2002, p.344). This desire is only when employees perceived interest can be closely tied to the organisational interest the employee is working for. Mullins (2005, p.471) agrees that motivation the inner driving force that drives an individual in attempting to achieve and certain goal or set objectives. The lack of a shared interest or goals between the organisation and employee will

result to a de-motivated workforce. Smit and Cronje (2002, p.344) suggest that it is not possible for another person to motivate the next as motivation comes from within as individual. According to Mol (1990) as cited in Nel et al (2004, p.310) a person can only be motivated if that particular individual is doing what she/he enjoys doing or is totally involved in it. Thus, further argues that motivation is both intentional and directional. Smith and Cronje (2002, p.345) share the same view that motivation has itself making what is known as motive as one of its elements.

Nel et al (2004, p.310) states that motivation is influenced by both internal and external forces in an organisation. Thus, is it worth to note that whilst motivation is this inward driving force but it is impacted by different forces. However, Dyer (1984, p.96) urges that "motivation occurs when an individual experience a states of dissatisfaction or hurt for something he or she does not have, and acts in order to remedy the situation."

Mullins (2005, p.473) says that there are two types of motivation – Intrinsic and extrinsic.

- Intrinsic motivation is related to psychological reward such as opportunity to use one's ability, a sense of challenge and achievement, receiving appreciation, positive recognition and being treated in a caring and considerate manner
- Extrinsic motivation is about tangible rewards such job promotion, financial incentives, security, contracts extensions, environment and conditions of employment.

To achieve the desired goals or results during change people affected must be motivated, inspired and ready for the task at hand (Coulson-Thomas 2008, p.35).

Nel et al (2004, p.326) suggest that motivation should not be viewed in isolation to other factors that influence human functionality such as interaction of various needs, beliefs, personality preferences, skills and abilities. Motivation is always viewed as a driver for good performance. Nel et al (2004, p.326) further argue that organisations should not associate performance problems with lack of motivation.

2.12   How is performance impacted by change?

Ussahawanitchakit and Sumritsakun (2008, p. 6) state that organisational change has a direct positive impact in job performance. Therefore, for organisations to survive the ever change changing business landscape it is important that organisation always find ways to re-invent themselves so as to remain competitive. It is also important the employee remain focus and deliver high quality results that will ensure the organisation survival into the future

Smit and Cronje (2002, p.345) states that performance is determined by motivation, ability as well as the opportunity to perform the work. The authors suggest that motivation is based on the goal or desire and ability is the training, knowledge and skill. However, meeting the two criterions also requires that an employee must also be given an opportunity to exercise the skills that she/he has.

Performance = Motivation x Ability x Opportunity

  Smit and Cronje (2002, p.345)

Performance is also often linked to job satisfaction, however Mullin (2005, p.475) argues that evidence to this widely held belief has not been convincing.

Employees must know what they need to do to perform their jobs successfully. Expectations for employee performance are established in employee performance plans. Employee performance plans are all of the written or otherwise recorded, performance elements that set forth expected performance. A plan must include all critical and non-critical elements and their performance standards.

Porter and Lawler (1968) cited in Chen and Silverthorne (2008, p.574) state that there are three types of performance. One is the measure of output rates, amount of sales over a given period of time, the production of a group of employees reporting to manager, and so on. The second type of measure of performance involves ratings of individuals by someone other than the person whose performance is being considered. The third type of performance measures is self-appraisal and self-ratings. As a result, the adoption of self-appraisal and self-rating

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techniques are useful in encouraging employees to take an active role in setting his or her own goals.

In the sales environment measuring an employee's performance is easy as it can be measured through the number of sales one achieved in a specific period. This is not so obvious in other areas of employment, such business analyst, accountants etc.

2.13 Summary

The employee perceptions of the change process are more important than the implementation of the change itself. Without the active participation of employees in the change process, the whole process will be a failure, thus employees make or break the change process. (Dibella 2007, p.236)

According to Beer and Nohria (2000, p.1) states that, 70% of all major change initiatives fail. Change is a lot more demanding and complex than most executives believe. Organizational change requires change management knowledge, hard and soft skills, creativity and personal reflection

However, Garvin and Roberto (2005, p.112) suggest that employees that have bought to the need for an organisational change are those that identify with the organisation and its values, and are supportive of its future vision. These employee will always view the organisation's existence beyond its profitability, market share, and therefore deserve to continue being in business. In this case employees trust their leaders to be sharing the same values as they and would take up a fight for them.

Robbin (2002, p.3) highlights the fact that communication and change are intertwined, thus for any change initiative to be a success there should open communication. Van Dam et al. (2008, p.317) further argue that the paramount reason for information being made available to employees about the change initiative is keep them abreast of the specific changes that will occur i.e. change in roles, consequences of change and the future organisational structure.

Sherman and Faccio (2008, p.41) suggest that it is human for people to dislike moving from their comfort position and that powerful institutional force that always help to maintain the current state. In such organisations change has no constituency or support.

CHAPTER 3

RESEARCH METHODOLOGY

3.1   Introduction

In this chapter the researcher focuses on the presentation of the research method. The chapter further discusses the scope of the research which includes population target, research design and limitation. According to Bryman and Bell (2007, p.40), a research method is a simple technique of collecting data, and this can be done through a structured interview, a self completion questionnaire or observation.

This chapter will further explain the research design including data analysis techniques used.

Data analysis will be done using both descriptive and inferential statistics

Descriptive statistics – Frequency using bar charts

Inferential statistics – Bivariate correlation (Pearson's and Spearman's rank correlations)

Also discussed are the limitations or delimitations of the study.

3.2   Aim and Objectives of the study

The objective of the study is to ascertain the impact of the organisational change on the BPSA's employees' motivation and performance. Organisational change can lead to anxiety and a sense of helplessness as employees feel unsecured. Thus, people will respond to change differently; this can lead to either the success or failure of an organisation change process. The outcomes of organisational change can either improve or demoralise employee (positively or negatively impacting employee performance). When employees have bought into an idea their efforts will ensure that it is a success. Previous studies have shown that there is a direct relationship between the change process and psychological stress and an indirect one with Job performance.

3.3   Research Design and Methods

"A research design provides a framework for the collection and analysis of data. A choice of research design reflects decisions about the priority being given to a range of dimensions of the research process" Bryman and Bell (2007, p.40). The authors further list the following dimension that research should include,

- Expressing causal relations between variables
- Generalising the results to populations that are represented by the sample surveyed
- Understanding the behaviours and their particular meaning to the population studied.
- Having a temporal appreciation of the population phenomena and their relationships.

3.3.1 *Recruitment of Study Participants*

All respondents are current BPSA employees who went through the recent change initiative. No interviews took place with the implementation team as originally planned. Questionnaires were emailed to BPSA employees in South Africa who have access to an email and some were distributed in person by the researcher. From a population of 400 employees that were impacted the organisational change, 105 questionnaires were either distributed in person or emailed to employees, only 64 respondents filled that questionnaire in full and none were either damaged or were not properly filled. The researcher had obtained a list of employees from HR and through consultation and referrals by other employees got to know all employees whose jobs had not change (ring fenced) and new joiners. This enabled the researcher to exclude these groups as they were not directly affected by the change process.

3.3.2 *The choice of sampling methods*

More often a population is too big to interview every individual and thus makes the task cumbersome. To overcome this problem the researcher selects a subset of the population to study.

According to Cooper and Schindler (2006, p.434), sampling is the selection of some of the elements within a population so as to draw conclusion about the population. Lind, Marchaland Wathen (2008, p.7) also concur with previous definition and said a sample is but a portion or part of the population of interest. This therefore means a sample is a subset of population, and is representative of the population. It is important to make sure that a sample is representative of the population. That is should be large enough to reflect the population e.g. employees that participated in the organisational change were 400 individuals, this number excludes employees whose roles were ring fenced.

Cooper and Schindler (2006, p.435) further list four reasons why sampling is important,

- Lower cost

- Greater accuracy of results

- Greater speed of data collection

- Availability of population elements

A sampling frame however is defined as the list of all elements that are present in a population from which the sample will be selected (Bryman and Bell 2007, p.182). This implies that in company the number of employees is a finite number that represents the employee population. And because of this fact the sample can only be drawn from a particular group of people e.g. the sample used in this study being BPSA employees that took part in the organisational change and who are still employed by the organisation.

3.3.3 Data Collection Strategies

The researcher used a self completion questionnaire as a data collection instrument. The questionnaire was quantitative in nature with the first section focusing demographic questions i.e. Age, Gender, Level of Education, Number of years employed by BPSA etc. The second section of the questionnaire scale followed the 5 point Likert-scale method (5 = Strongly Agree and 1 = Strongly Disagree) which measures the respondent's observations or reactions of the BPSA change initiative.

The questionnaire used in this study sought to measure the perceptions of, and subjective responses/ views of the employees who had gone through an organisational change at BPSA. The questionnaire is divided into six categories i.e. organisational change, Motivation, Performance, Communication, Fear and Other.

- Organisational change process   - represent all the phases of organisational change starting from selling of the idea, consultation process
- Motivation – this represents the degree as which employee cope with stressful and challenging circumstance and remain positive.
- Performance – the represents the ability of employee to stay focused and deliver on the job at hand

- Communication – represents the continuous follow of information from the senior management to employees vice versa. This also includes sideway follow of information, among team members.
- Fear – represents the enxiety, emotional roller coaster and loss of control that employees go through
- Other – represent the general questions that do not fit anywhere.

The table 3.1 below illustrates the each of the categories and questions,

Table 3.1

Categorisation of questions

CATEGORY	QUESTIONS
Organisational change process	1, 11, 12, 16, 22, 26
Motivation	7, 8, 23
Performance	10, 20
Communication	2, 4, 6, 13, 21, 26
Fear	9, 14, 17, 18, 19, 24, 25
Other	3, 5, 15

The questionnaire was sent to employees that went through the organisational change initiative.

3.3.4 Judgment Sampling

Judgment sampling is defined as a sampling technique where the researcher selects the best population that can respond to the questions or studied matter. This implies that the population studied is thought to have better knowledge on the studied matter that than other. This is true for the BPSA employees that went through the organisational change and given the first hand experience each employee has about the process. Therefore, it is only meaningful that the population is made up only by employees that were affected by the organisational change as the study is concerned about their experience during that period.

3.3.5 Pre-testing and Validation

Validity according to Coolican (1992) as cited in Welman, Kruger and Mitchell (2005, p.142) is the degree to which the results of a study are accurately representing the real happenings in a specific situation. Coolican (1992) as cited in Welman et al. (2005, p.142) further argues that the test is only valid if it measures what the researcher claims it does. It therefore follows that any inaccuracy in the research procedure, poor sample and inaccurate measure will result to a compromised validity. For this study the sample is from a specific population and only those that went through the organisational change, and therefore can assume to relevant to the study at hand.

3.3.6 Reliability

"The reliability of a scale indicates how free it is from random error. Two frequently used indicators of a scale's reliability are test-retest reliability and internal consistency." (Pallant, 2007, p.6). Furthermore, reliability according to Welman et al. (2005, p.145) is concerned with the consistency and credibility of the research findings as these have a direct impact in the generalization of the results.

The researcher did an internal consistency assessment which measures the extent items hang together. The Cronbach coefficient alpha was used as a measure of intercorrelation between various indicators used to capture the underlying attribute. Cronbach coefficient alpha values according to Pallant (2007, p.6) ranges between 0 and 1, with the highest value indicating greater reliability
Nunnally (1978) as cited in Pallant (2007, p.6) states that the recommended Cronbach coefficient alpha should be at least 0.7, however, the values are also dependent on the number of items in the scale. A small number of items in a scale (less than 10) can result to a small Cronbach coefficient alpha value. For this study the Cronbach coefficient alpha is as follows;

Table 3.2

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.709	.700	10

Given the score above it can be seen that score does meet the reliability hurdle benchmark coefficient of 0.7.

3.3.7   Administration of the Questionnaire

Questionnaires were emailed to BPSA employees that went through the organisational change initiative and some hard copies were distributed by the researcher in person. 105 questionnaires were also sent to people that were involved in the change implementation process. This was done through the list of employees obtained from HR and through referrals that the researcher got from employees. All completed questionnaires were directly return to the researcher either by email or the hard copy. All completed questionnaires were captured electronically into an Excel spreadsheet which was exported into SPPS version 15 for analysis.

3.4   Analysis of the Data

This area explains the research design including data analysis techniques used. Data analysis will be done using both descriptive and inferential statistics

Descriptive statistics – Frequency using bar charts

Inferential statistics – Bivariate correlation (Pearson's and Spearman's rank correlations)

3.4.1   Correlation Analysis

The correlation analysis is a statistic technique used to measure the relationship between two variables. According to Wegner (2005, p.311), it is a measure of linear association strength between two variables. Wegner (2005, p.312) further states, that there are two correlation measures, i.e. Pearson's correlation coefficient and Spearman's rank correlation. The

Pearson's correlation coefficient – computes the correlation between two ratio scaled random variables. However, Spearman's rank correlation finds the correlation between two ordinal scaled random variables (r.v), where the value of r lies between -1 and +1 (-1<r<+1).

Table 3.3

Correlation Coefficient

, r = +1	Perfect positive correlation
, r = -1	Perfect negative correlation
0 < r < +1	Positive linear correlation
-1 < r < 0	Negative linear correlation
, r = 0	No correlation

Source: Wegner (2005, pp. 312-314)

3.5   Limitation

The limitations to the study were some times the lack of face to face contact with the respondents; this could have afforded the researcher an opportunity to probe some of the responses given by respondents. Furthermore might have led to valuable information not being captured in the survey outcomes.

The fact that the population is finite number might make it difficult when the responses are low. Low response might also impact the generalisation about the population. The fact that some people left the organisation during the reorganisation will further reduce the number of respondents.

3.6   Summary

The study was focused on BPSA employees that went through an organisational change. Used the Judgement sampling method, the population was best suited for the study as the company had just gone through a major reorganisation. The low response levels make it impossible for the results to be generalized to similar firms or industry.
The use of both the descriptive and inferential statistics gives the researcher more insight on the frequency and correlation between variables especial Organisational Change, Motivation and Performance.

CHAPTER 4

ANALYSIS OF DATA

4.1   Introduction

The researcher, in this chapter, will present the results of the data collected from the questionnaires that were returned and captured. The data was first collated into Microsoft Excel and further uploaded and analysed through SPSS. The presentation of data is divided into Descriptive and Inferential statistics.

The descriptive statistics is mainly through the frequency tables and bar graph and a small analysis of the two.

The inferential statistics is making use of the correlation tables of different variables with the aim of showing the intercorrelation in them.

4.2   Descriptive Statistics

SECTION A

Table 4.1: **Distribution by Gender**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	29	45.3	45.3	45.3
	Female	35	54.7	54.7	100.0
	Total	64	100.0	100.0	

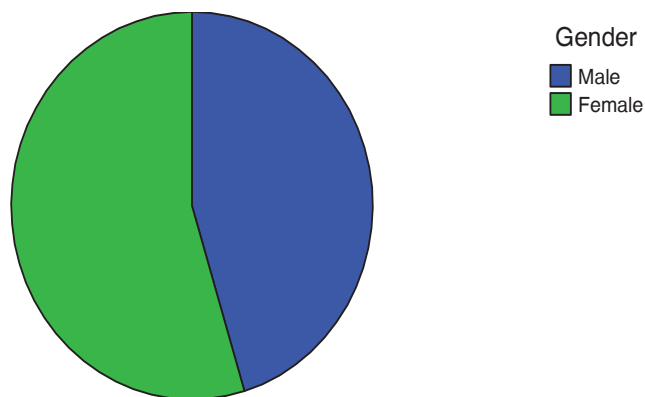**Figure 4.1**: **Graphical Representation of Gender Groups**

Table 1 and Figure 1 represent the distribution of the sample by gender. Of the 64 respondents, 29 were males and 35 were females. The study did not include employees in the depots which are mostly males, as depots were not affected by the organisational change.

Table 4.2: Distribution by Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25 - 34	23	35.9	35.9	35.9
	35 - 44	24	37.5	37.5	73.4
	45 - 54	15	23.4	23.4	96.9
	55 and above	2	3.1	3.1	100.0
	Total	64	100.0	100.0	

**Figure 4.2**: **Graphical Representation of Age Groups**
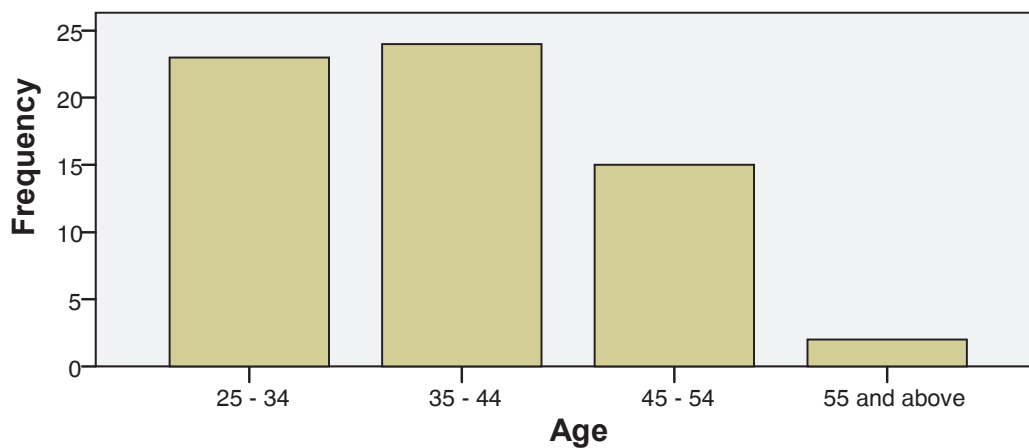
37.5% (n =24) were of the age group between 35 and 44 years old interval. The second highest percentage of respondents 35.9% (n =23) were in the 25 to 34 years interval. Also 23.4% of the respondents (n =16) fell in the 45 to 54 years interval. Finally, only 3.1% (n = 2) of the respondents were 55 years or older.

Table 4.3: Distribution by job grade/levels

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	J	4	6.3	6.3	6.3
	I	12	18.8	18.8	25.0
	H	28	43.8	43.8	68.8
	G	12	18.8	18.8	87.5
	F	8	12.5	12.5	100.0
	Total	64	100.0	100.0	

Figure 4.3: **Graphical Representation of Job grades/levels**
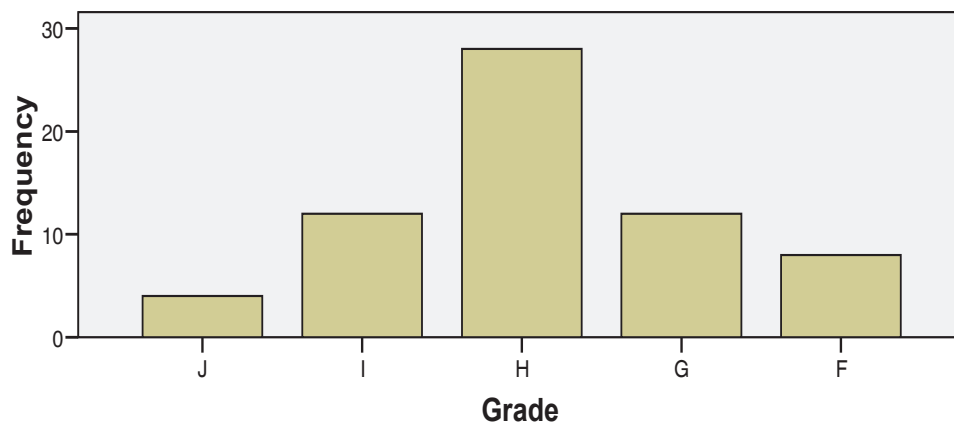

43.8% (n =28) of the respondents were in the job grade H of the BP job grading levels. A mere 6.3% (n = 4) respondents were in level J. Approximately one fifth of the respondents 18.8% (n = 12) were in level I. Furthermore, 18.8% (n = 12) of the respondents were in level G. Finally, 12.5% (n = 8) of the respondents were in level F and no response was received from the levels E and D. According to Nel et al (2004 p.273) job grading is used to have all jobs in an organisation in a particular hierarchy. In the case of BP the lower the alphabet the higher is the grade in the company hierarchy.

Table 4.4: Distribution by Performance Unit

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Fuels Sales	16	25.0	25.0	25.0
	Logistics	10	15.6	15.6	40.6
	Marketing Programmes	6	9.4	9.4	50.0
	Lubrucants	4	6.3	6.3	56.3
	Supply	10	15.6	15.6	71.9
	Finance	9	14.1	14.1	85.9
	HR	8	12.5	12.5	98.4
	IT&S	1	1.6	1.6	100.0
	Total	64	100.0	100.0	

**Figure 4.4**: **Graphical Representation of Performance units**
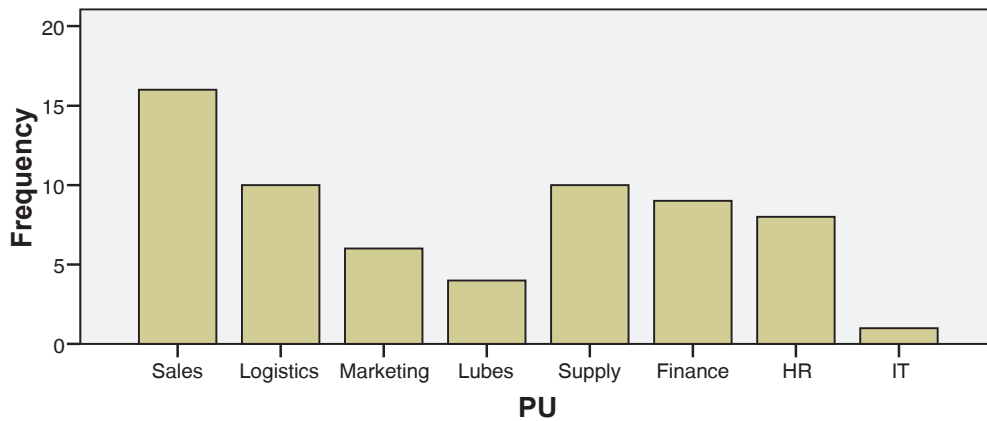
The Southern Africa Fuels Value Chain (FVC) has about 11 Performance Units (PU) that report directly to the FVC leaders. The main three performance units are Fuel Sales, Supply and logistics. Table 4 and figure 4 report the sample by performance units. From the table and figure, most of the respondents came from Sales, Supply and logistics. The latter PUs are mainly responsible with sourcing of product, its transportation and selling it to the customer. Thus, it is not surprising that the majority of the employees are from them.

Table 4.5: Distribution by Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Grade 12/Matric	5	7.8	7.8	7.8
	Certificate	2	3.1	3.1	10.9
	Diploma	16	25.0	25.0	35.9
	Degree	39	60.9	60.9	96.9
	Other	2	3.1	3.1	100.0
	Total	64	100.0	100.0	

**Figure 4.5**: **Graphical Representation of Education levels**
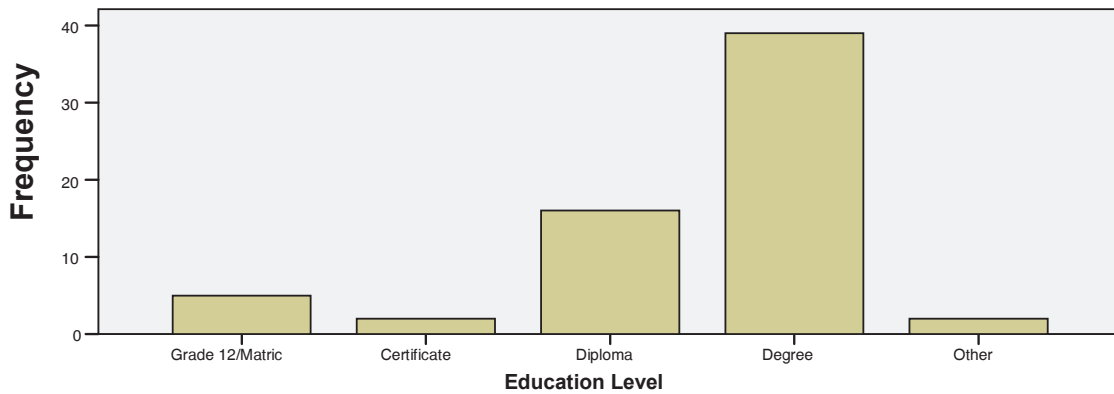
60.9% (n =40) of the respondents hold a university degree. And 25% (n =16) of the respondents have a diploma. A further 7.8% (n =5) only have matric or grade 12 as their highest qualification and 3.1% (n =2) of respondents have a post matric certificate. Only 3.1% (n =2) of the respondents had qualification not listed in the questionnaire

Table 4.6: Distribution by length of service

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 2 years	9	14.1	14.1	14.1
	2 - 5 years	14	21.9	21.9	35.9
	5 - 10 years	18	28.1	28.1	64.1
	10 years and more	23	35.9	35.9	100.0
	Total	64	100.0	100.0	

Figure 4.6: **Graphical Representation of Years of Service**
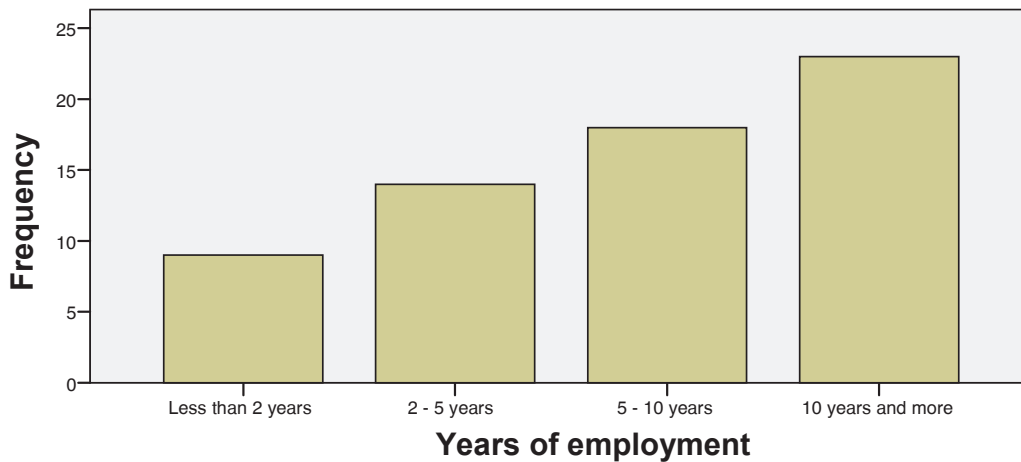
The majority of the respondents 35.9% (n = 23) had been employees of BPSA for more than ten year. Also 28.1% (n =18) of the respondents had an employment service of between 5 and 10 years. A further 21.9% (n =14) respondents had between 2 to 5 years employment service. Finally, only 14.1% (n =9) had an employment service of less than two years. There is no clarity as to why the majority employees surveyed has been long with the company. A different study will have to be conducted to establish that.

Table 4.7: Distribution by location

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Cape Town	8	12.5	12.5	12.5
	Durban	15	23.4	23.4	35.9
	Johannesburg	39	60.9	60.9	96.9
	Other	2	3.1	3.1	100.0
	Total	64	100.0	100.0	

Figure 4.7: Graphical Representation of Locations

The vast majority 60.9% (n =39) of the respondents worked at the Johannesburg office. Just more the 2 in every 10 respondents 23.4% (n =15) were from the Durban office. Only 12.5% (n =8) of the respondents were from the Cape Town office and the remaining 3.1% (n =3) were from other smaller offices. The bias in the sample can be attributed to the convenience sampling method, and the high number of Johannesburg respondents might be as a result of Johannesburg being the place where the researcher is located and Durban being where he worked before relocating to Johannesburg.

SECTION B

Table 4.8: Response to Question One (The need for change clearly defined)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.6	1.6	1.6
	Disagree	4	6.3	6.3	7.8
	Neutral	13	20.3	20.3	28.1
	Agree	38	59.4	59.4	87.5
	Strongly Agree	8	12.5	12.5	100.0
	Total	64	100.0	100.0	

Figure 4.8: Graphical Representation of the need for change
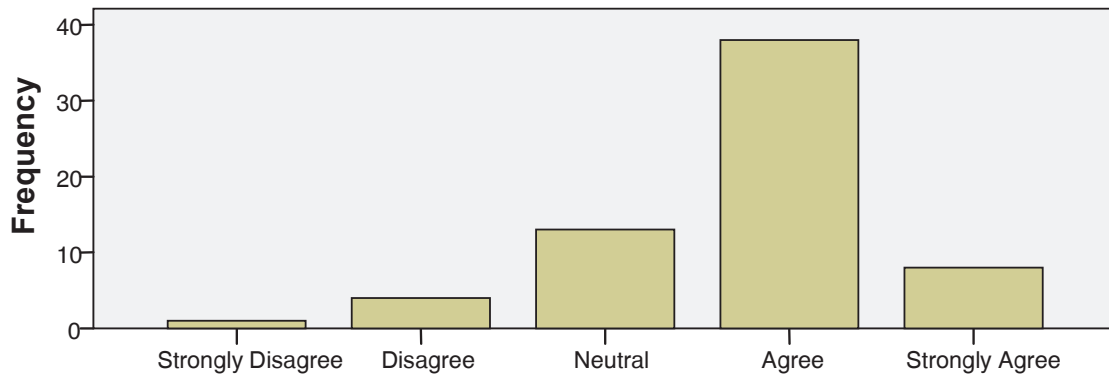
59.4% of the respondents felt that the need for change was clearly defined. A further 20 % chose a neutral response. Less than 10% disagreed with the question.

50

Table 4.9: Responses to Question Two (The objective of change was clearly communicated to all)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.6	1.6	1.6
	Disagree	7	10.9	11.1	12.7
	Neutral	16	25.0	25.4	38.1
	Agree	35	54.7	55.6	93.7
	Strongly Agree	4	6.3	6.3	100.0
	Total	63	98.4	100.0	
Missing	System	1	1.6		
Total		64	100.0		

**Figure 4.9: Graphical Representation of the clearly defined objectives**
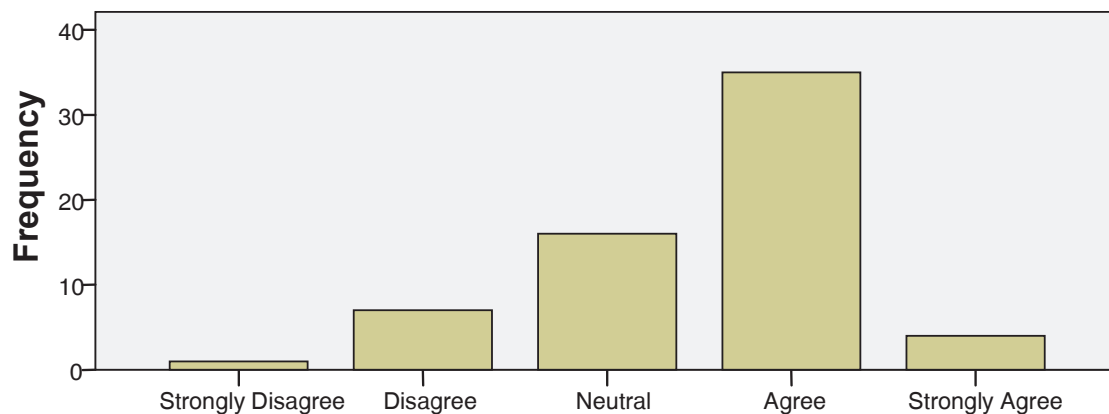
More than 55% of the respondents agree with the fact that the objective of the organisational change was communicated without any ambiguity. Whilst 25% of the employees remained neutral/not sure and only 13% felt the objectives not were well communicated to all.

Table 4.10: Responses to Question Three (The organizational change was the only way that could ensure BPSA's sustainability)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.6	1.6	1.6
	Disagree	12	18.8	19.0	20.6
	Neutral	18	28.1	28.6	49.2
	Agree	30	46.9	47.6	96.8
	Strongly Agree	2	3.1	3.2	100.0
	Total	63	98.4	100.0	
Missing	System	1	1.6		
Total		64	100.0		

**Figure 4.10**: **Graphical Representation of Sustainability**
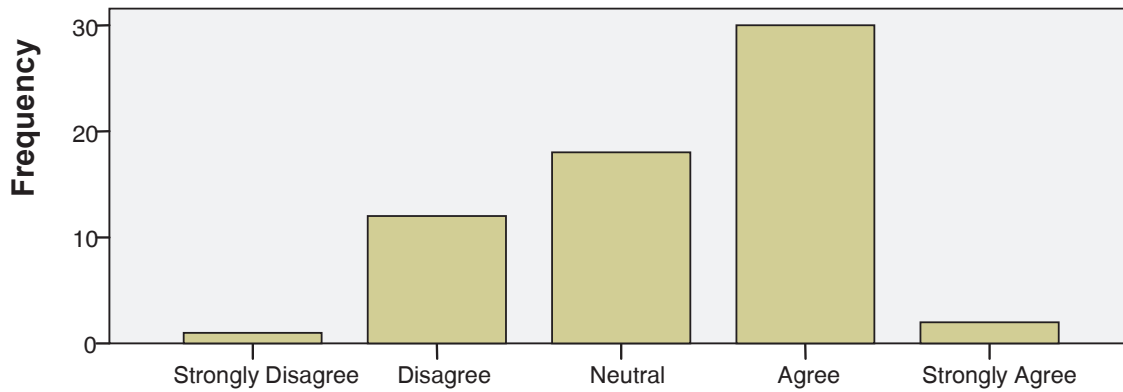
Just more than 46% of the respondents agreed with the statement. However, less than 20% of the respondents disagree with statement and the remaining are unsure.

Table 4.11: Responses to Question Four (The implementation team clearly communicated the vision to the employees)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.6	1.6	1.6
	Disagree	15	23.4	23.4	25.0
	Neutral	16	25.0	25.0	50.0
	Agree	30	46.9	46.9	96.9
	Strongly Agree	2	3.1	3.1	100.0
	Total	64	100.0	100.0	

**Figure 4.11: Graphical Representation on the communication of the vision**
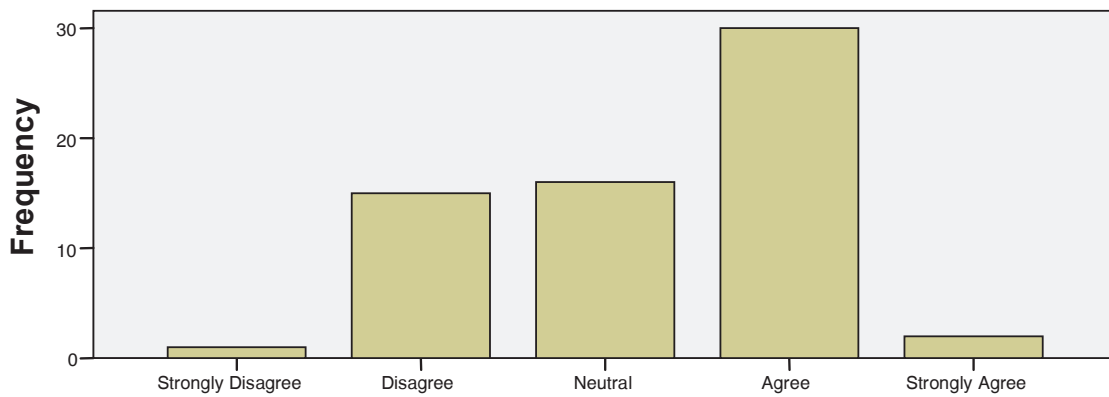
Approximately 47% of the respondents believed that the vision of the implementation team was clearly communicated to all stakeholders. 25% were neutral and a further 25% felt there was no clear communication of the vision.

Table 4.12: Responses to Question Five (I had full confidence in the implementation team)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	4.7	4.8	4.8
	Disagree	23	35.9	37.1	41.9
	Neutral	23	35.9	37.1	79.0
	Agree	12	18.8	19.4	98.4
	Strongly Agree	1	1.6	1.6	100.0
	Total	62	96.9	100.0	
Missing	System	2	3.1		
Total		64	100.0		

**Figure 4.12**: **Graphical Representation on the employee confidence on the implementation team**
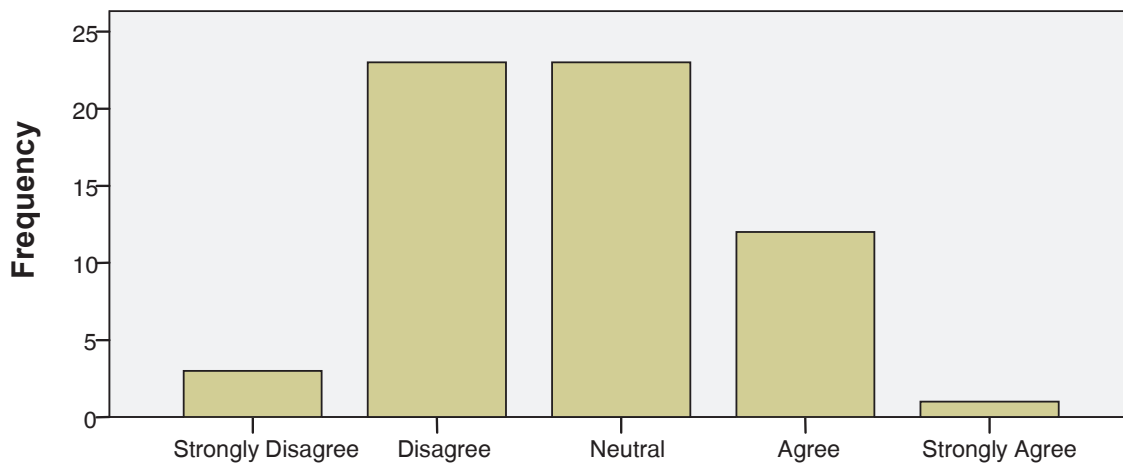
35.9% of the respondents could neither agree nor disagree with the statement; other 34.9% disagreed with statement and further remaining 18.8% agreed with the statement.

54

Table 4.13: Responses to Question Six (We were kept informed of every step taken during the change process)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	2	3.1	3.2	3.2
	Strongly Disagree	2	3.1	3.2	6.3
	Disagree	9	14.1	14.3	20.6
	Neutral	16	25.0	25.4	46.0
	Agree	29	45.3	46.0	92.1
	Strongly Agree	5	7.8	7.9	100.0
	Total	63	98.4	100.0	
Missing	System	1	1.6		
Total		64	100.0		

**Figure 4.13: Graphical Representation on employees kept informed about the change process**
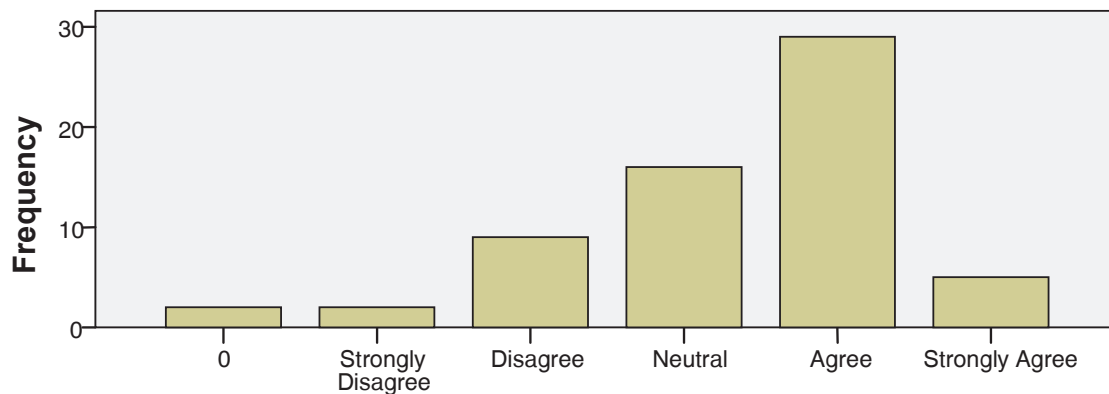
45.3% of the respondents agreed that employees were kept informed throughout the change process. A quarter (25%) could neither agree nor disagree, and a further 14% disagreed with the statement.

Table 4.14: Responses to Question Seven (I was highly motivated and focused during the implementation process)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	2	3.1	3.1	3.1
	Strongly Disagree	13	20.3	20.3	23.4
	Disagree	25	39.1	39.1	62.5
	Neutral	14	21.9	21.9	84.4
	Agree	10	15.6	15.6	100.0
	Total	64	100.0	100.0	

**Figure 4.14**: **Graphical Representation on employees feeling highly motivated & focused**
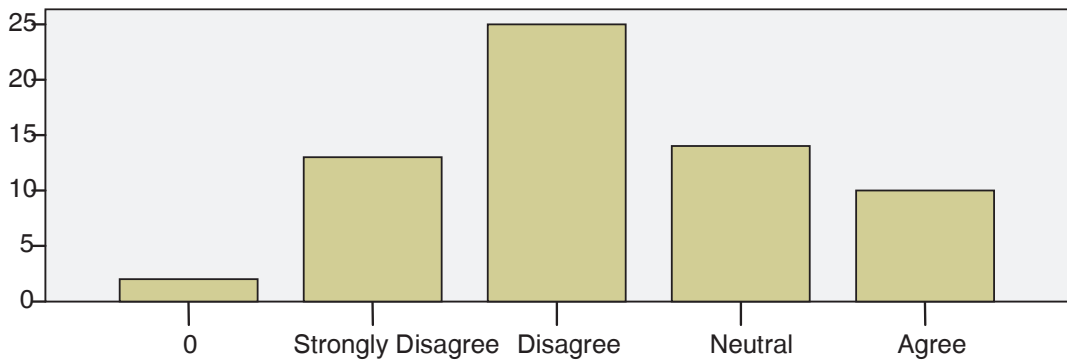
59.4% of the respondents either strongly disagreed or disagreed with the statement, with 21.9% unsure how they were impacted by the change process and only 15.6% of the respondents believing that they were highly motivated during the change process.

Table 4.15: Responses to Question Eight (The organisational change was the best way to motivate employees)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	22	34.4	34.4	34.4
	Disagree	23	35.9	35.9	70.3
	Neutral	16	25.0	25.0	95.3
	Agree	2	3.1	3.1	98.4
	Strongly Agree	1	1.6	1.6	100.0
	Total	64	100.0	100.0	

Figure 4.15: Graphical Representation on OC being a motivation method
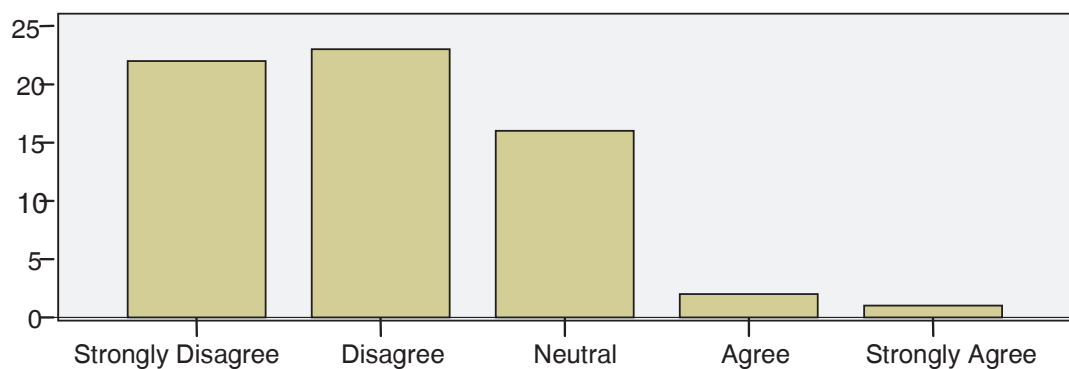

70.3% of the respondents disagreed or strongly disagreed that organisational change was best way to motivate employees, another 25% was unsure and less than 5% agreed with the statement.

Table 4.16: Responses to Question Nine (I was concerned that I may lose my job during the fusion process)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	1	1.6	1.6	1.6
	Strongly Disagree	8	12.5	12.5	14.1
	Disagree	16	25.0	25.0	39.1
	Neutral	6	9.4	9.4	48.4
	Agree	23	35.9	35.9	84.4
	Strongly Agree	10	15.6	15.6	100.0
	Total	64	100.0	100.0	

**Figure 4.16: Graphical Representation on employee concern on Job security**
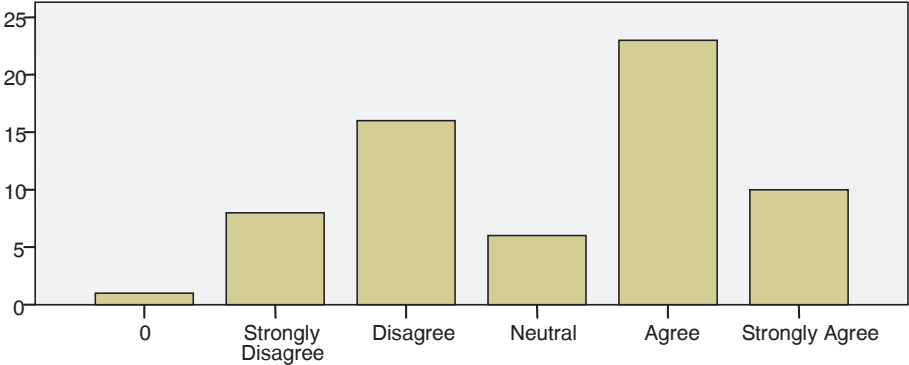
51.5% of the respondents were concerned about their jobs security. Just 37.5% of the respondents state that they were not concerned about their job security and less than 10% were neutral.

Table 4.17: Responses to Question Ten (I met my entire performance objective during the organisational change process)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	1	1.6	1.6	1.6
	Strongly Disagree	1	1.6	1.6	3.1
	Disagree	18	28.1	28.1	31.3
	Neutral	17	26.6	26.6	57.8
	Agree	22	34.4	34.4	92.2
	Strongly Agree	5	7.8	7.8	100.0
	Total	64	100.0	100.0	

Figure 4.17: Graphical Representation on employees meeting their performance objectives
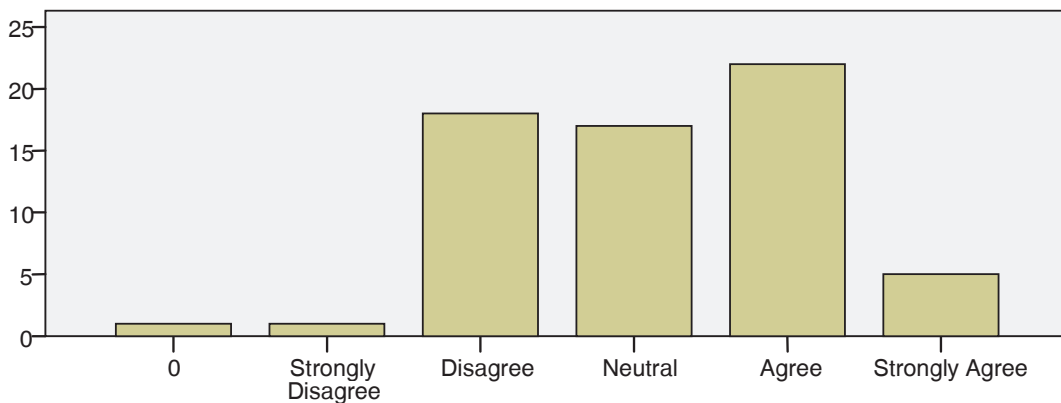

42.2% of the respondents believed they met their performance objectives. Another 29.7% disagreed with the statement and further 26.6% was not sure whether they did meet all their objectives or not.

Table 4.18: Responses to Question Eleven (The organisation fulfilled the vision it had set itself during the change process)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	10.9	10.9	10.9
	Disagree	14	21.9	21.9	32.8
	Neutral	31	48.4	48.4	81.3
	Agree	12	18.8	18.8	100.0
	Total	64	100.0	100.0	

Figure 4.18: **Graphical Representation that employees feel OC fulfilled its vision**
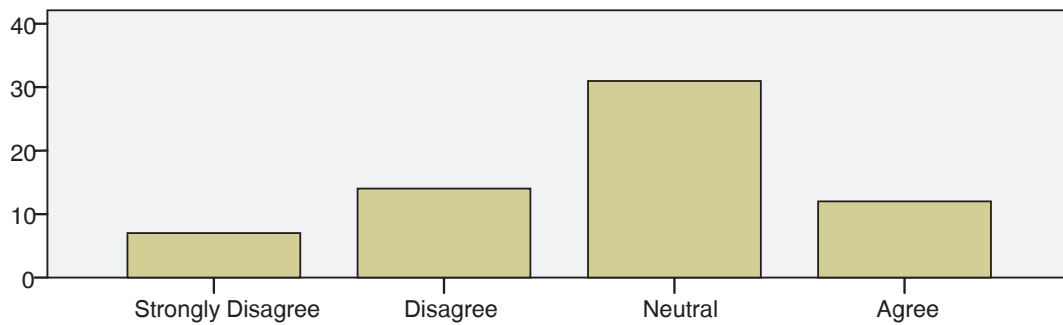

48.4% of the respondents are neither agreeing nor disagreeing that the company vision was achieved. Another 32.6% believed that it was not achieved and a further 18.8 believed that set vision was fulfilled.

Table 4.19: Responses to Question Twelve (Employees were treated with respect through out the change process.)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	1	1.6	1.6	1.6
	Strongly Disagree	9	14.1	14.1	15.6
	Disagree	19	29.7	29.7	45.3
	Neutral	20	31.3	31.3	76.6
	Agree	14	21.9	21.9	98.4
	Strongly Agree	1	1.6	1.6	100.0
	Total	64	100.0	100.0	

Figure 4.19: Graphical Representation that employees felt they were treated with respect
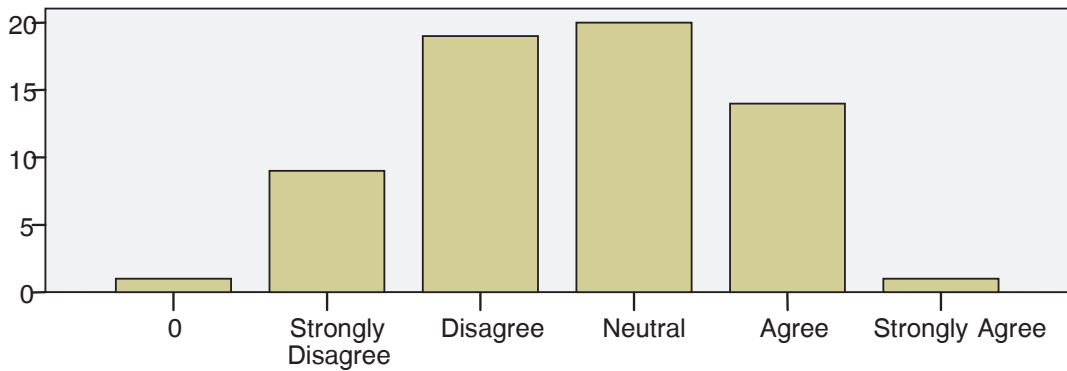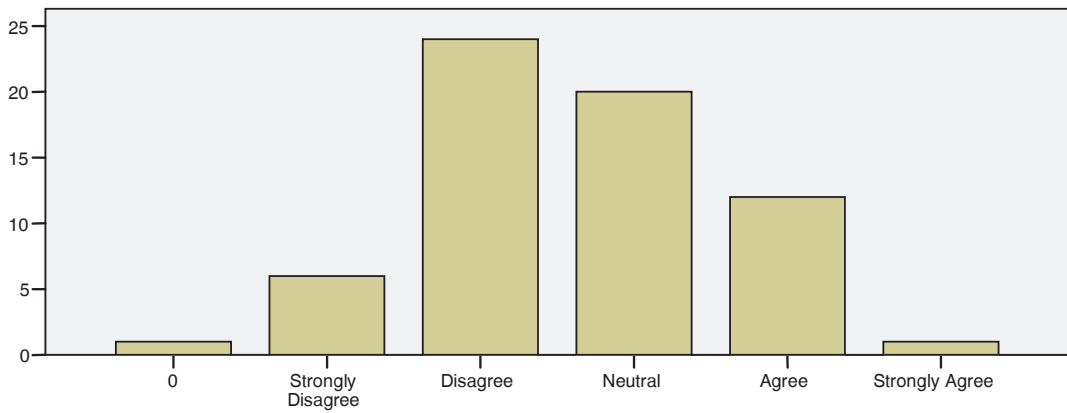

43.8% of the respondents believed that employees were not treated with respect during the change process. A further 31.3% of the respondents felt that employees were unsure and 21.9% believed employees were treated with respect.

Table 4.20: Responses to Question Thirteen (The implementation team listened and implemented employee suggestions)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	1	1.6	1.6	1.6
	Strongly Disagree	6	9.4	9.4	10.9
	Disagree	24	37.5	37.5	48.4
	Neutral	20	31.3	31.3	79.7
	Agree	12	18.8	18.8	98.4
	Strongly Agree	1	1.6	1.6	100.0
	Total	64	100.0	100.0	

Figure 4.20: **Graphical Representation that employees suggestions were listened to & implemented**

46.9% of the respondents believe that the implementation team did not take their suggestions. 31.3% were not unsure and a further 20.4% of the respondents believed that employee suggestions were listened to and implemented.

Table 4.21: Responses to Question Fourteen (I was afraid of the change process)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	4.7	4.7	4.7
	Disagree	16	25.0	25.0	29.7
	Neutral	22	34.4	34.4	64.1
	Agree	18	28.1	28.1	92.2
	Strongly Agree	5	7.8	7.8	100.0
	Total	64	100.0	100.0	

Figure 4.21: **Graphical Representation that employees feared the change process**
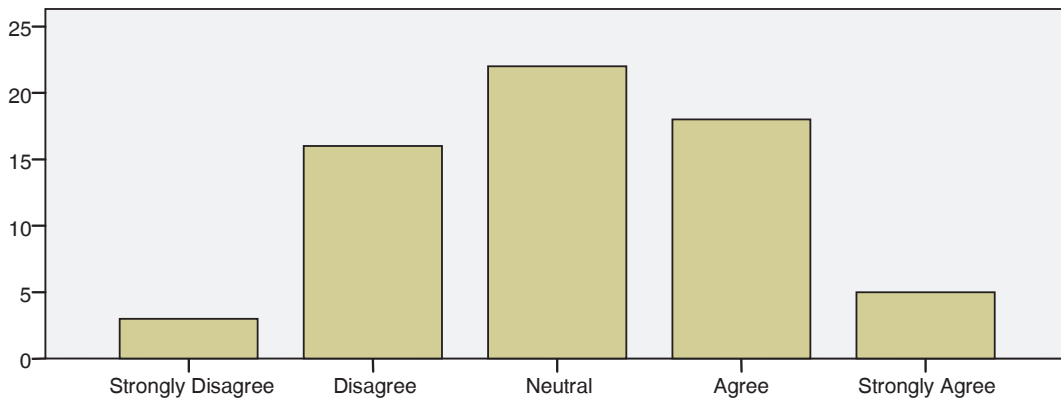
35.9% of the respondents either strongly agreed or agreed that they fearful of the change process, with another 25% disagreeing with statement and a further 34.48% were neutral.

Table 4.22: responses to Question Fifteen (I did not support the reasons for the change process)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	9.4	9.4	9.4
	Disagree	22	34.4	34.4	43.8
	Neutral	25	39.1	39.1	82.8
	Agree	9	14.1	14.1	96.9
	Strongly Agree	2	3.1	3.1	100.0
	Total	64	100.0	100.0	

Figure 4.22: **Graphical Representation that employees did not support the reasons for change**
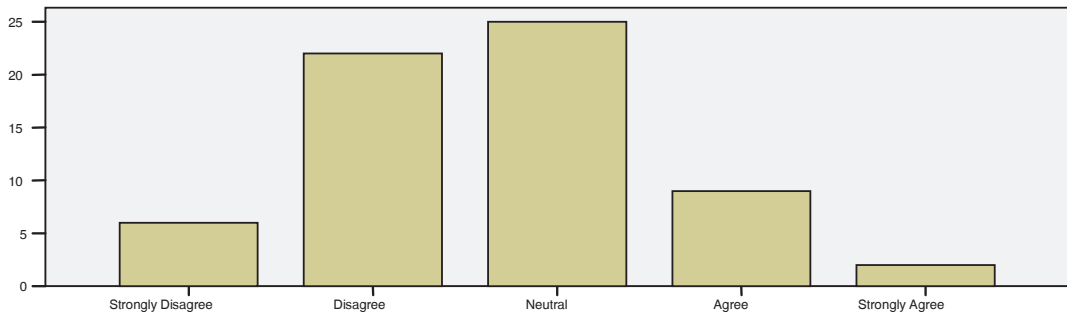
43.8% of the respondents either strongly disagreed or disagreed with the statement, another 39.1% neither agreed nor disagreed with the statement, and only 17.2% agreed of not supporting the change process.

Table 4.23: Responses to Question Sixteen (I felt the organisational change brought new career opportunities)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	11	17.2	17.2	17.2
	Disagree	15	23.4	23.4	40.6
	Neutral	12	18.8	18.8	59.4
	Agree	23	35.9	35.9	95.3
	Strongly Agree	3	4.7	4.7	100.0
	Total	64	100.0	100.0	

Figure 4.23: **Graphical Representation that employees saw the change process career change opportunitie**s
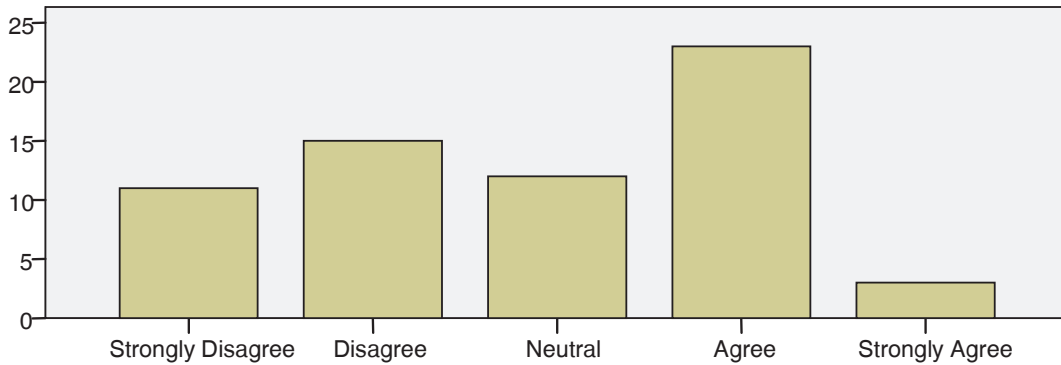

40.6% of respondents believed that the change process did not bring them any career advancement opportunities. Also 40.6% agreed with statement and a further 18.8% was neutral.

Table 4.24: Responses to Question Seventeen (I frequently thought of quitting during the organisational change process)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	10.9	10.9	10.9
	Disagree	31	48.4	48.4	59.4
	Neutral	9	14.1	14.1	73.4
	Agree	8	12.5	12.5	85.9
	Strongly Agree	9	14.1	14.1	100.0
	Total	64	100.0	100.0	

Figure 4.24: Graphical Representation that employees thought of quitting during the change process
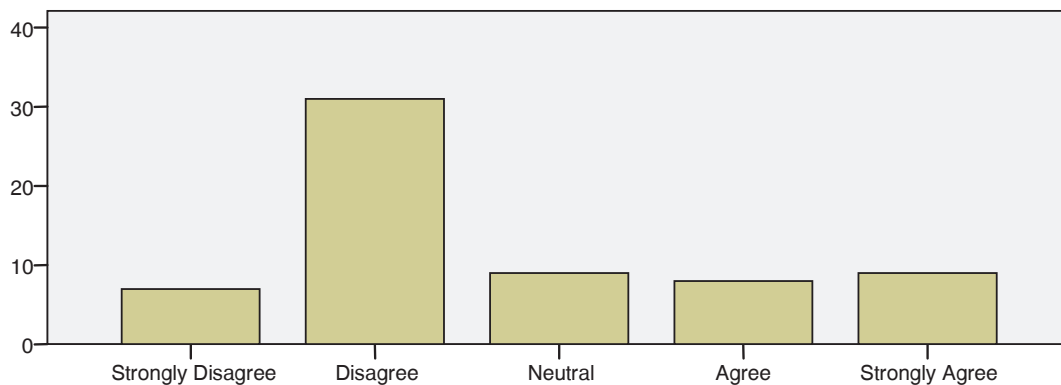

More than half (59.4%) of respondents did not think about leaving BPSA , another 26.6% did think of quitting and the final 14.1% could neither agreed nor disagreed.

Table 4.25: Responses to Question Eighteen (I was unsure of my future at BPSA during the organisational change process)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.6	1.6	1.6
	Disagree	11	17.2	17.2	18.8
	Neutral	12	18.8	18.8	37.5
	Agree	28	43.8	43.8	81.3
	Strongly Agree	12	18.8	18.8	100.0
	Total	64	100.0	100.0	

Figure 4.25: Graphical Representation where employees felt unsure of the future
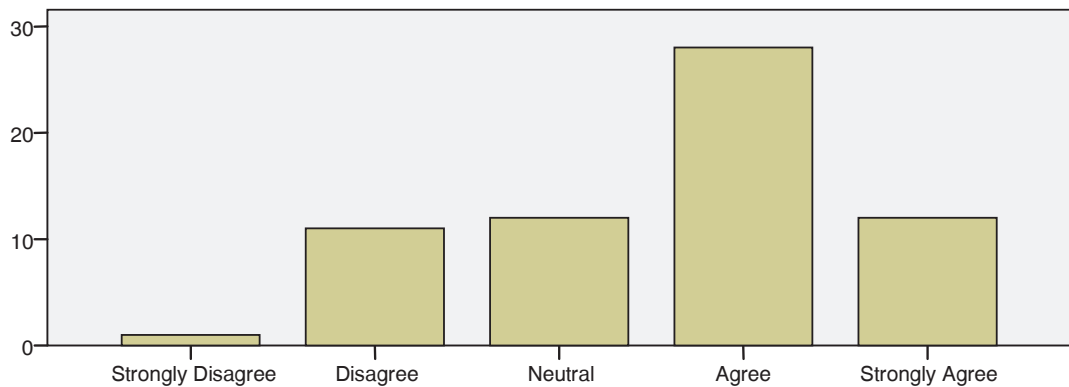

62.6% of respondents felt unsure of their future at BPSA, only 18.8% thought that their future was certain, a further 18.8% was neither agreed nor disagreed with the settlement.

Table 4.26: Response to Question Nineteen (I felt helpless, anxious and confused during the organisational change process)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	6.3	6.3	6.3
	Disagree	17	26.6	26.6	32.8
	Neutral	9	14.1	14.1	46.9
	Agree	27	42.2	42.2	89.1
	Strongly Agree	7	10.9	10.9	100.0
	Total	64	100.0	100.0	

Figure 4.26: Graphical Representation when employees felt helpless, anxious and confused during the change process
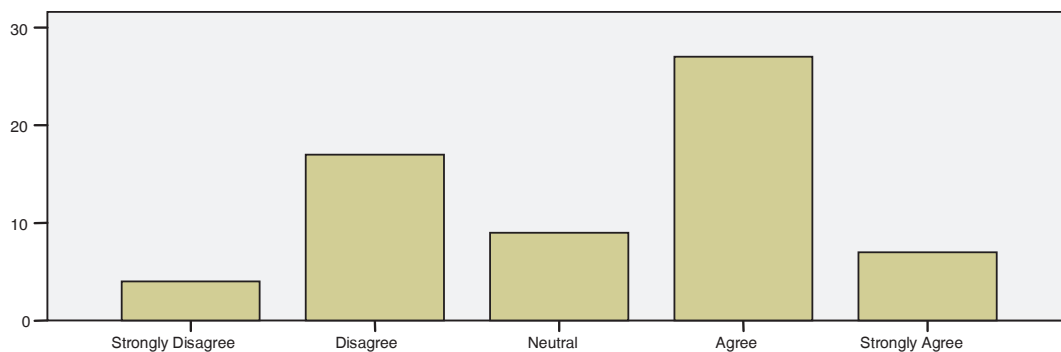

53.1% of the respondents either strongly agreed or agreed to the above statement and that they felt helpless, anxious and confuse. Only 32.9% either agreed or disagreed with the statement and 14.1% were neutral.

Table 4.27: Responses to Question Twenty (I met all my deadlines during the fusion process)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	3.1	3.2	3.2
	Disagree	10	15.6	15.9	19.0
	Neutral	16	25.0	25.4	44.4
	Agree	30	46.9	47.6	92.1
	Strongly Agree	5	7.8	7.9	100.0
	Total	63	98.4	100.0	
Missing	System	1	1.6		
Total		64	100.0		

Figure 4.27: **Graphical Representation of employees who said they met all deadlines during the change process**
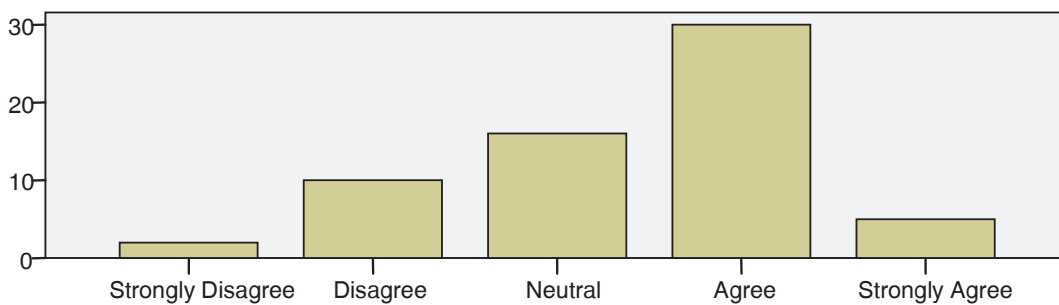

More than half (55.5%) of respondents indicated that they did meet all deadlines, a quarter (25.4%) was unsure whether they did or not. Only 18.7% respondents indicated that they did not.

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Table 4.28: Responses to Question Twenty One (Everything was clearly communicated and the reason for change)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	3.1	3.2	3.2
	Disagree	19	29.7	30.6	33.9
	Neutral	20	31.3	32.3	66.1
	Agree	18	28.1	29.0	95.2
	Strongly Agree	3	4.7	4.8	100.0
	Total	62	96.9	100.0	
Missing	System	2	3.1		
Total		64	100.0		

Figure 4.28: **Graphical Representation – employees felt everything about the change process was communicated (openness/transparency)**
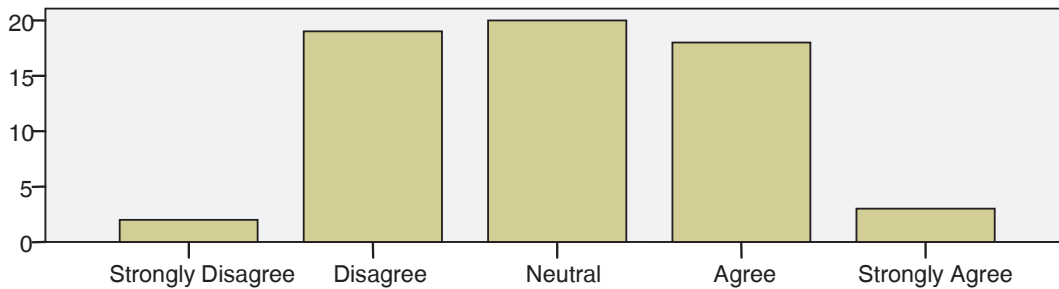

33.9% of respondents believed not everything was communicated to the employees, a further 31.8% believed everything was communicated clearly and 28.1 % was unsure/ neutral

Table 4.29: Responses to Question Twenty Two (Fusion afforded me an opportunity to change my career)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	2	3.1	3.2	3.2
	Strongly Disagree	9	14.1	14.5	17.7
	Disagree	18	28.1	29.0	46.8
	Neutral	12	18.8	19.4	66.1
	Agree	15	23.4	24.2	90.3
	Strongly Agree	6	9.4	9.7	100.0
	Total	62	96.9	100.0	
Missing	System	2	3.1		
Total		64	100.0		

Figure 4.29: **Graphical Representation of employees who the processes as a career change opportunity**
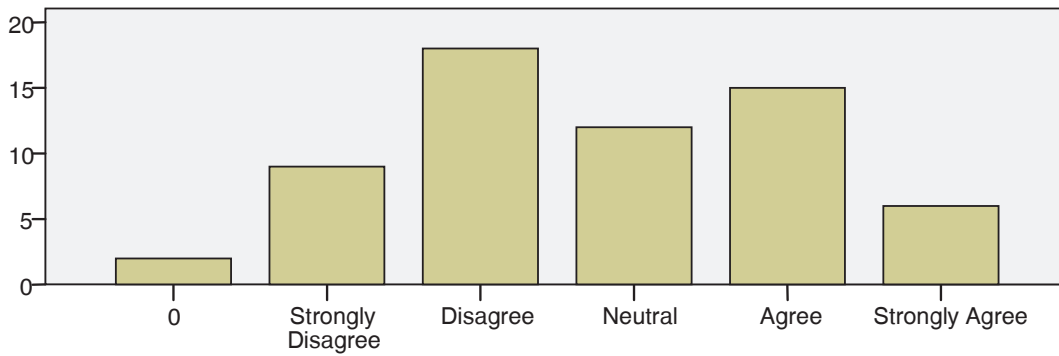

42.2% of respondents believed that the organisational change process did not offer an opportunity for them to change their careers. A further 32.8% thought it did offer them and 18.8% were neutral.

Table 4.30: Responses to Question Twenty Three (I was excited about the whole change process)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	12	18.8	19.4	19.4
	Disagree	27	42.2	43.5	62.9
	Neutral	17	26.6	27.4	90.3
	Agree	5	7.8	8.1	98.4
	Strongly Agree	1	1.6	1.6	100.0
	Total	62	96.9	100.0	
Missing	System	2	3.1		
Total		64	100.0		

Figure 4.30: **Graphical Representation of employees who excited about the change process**
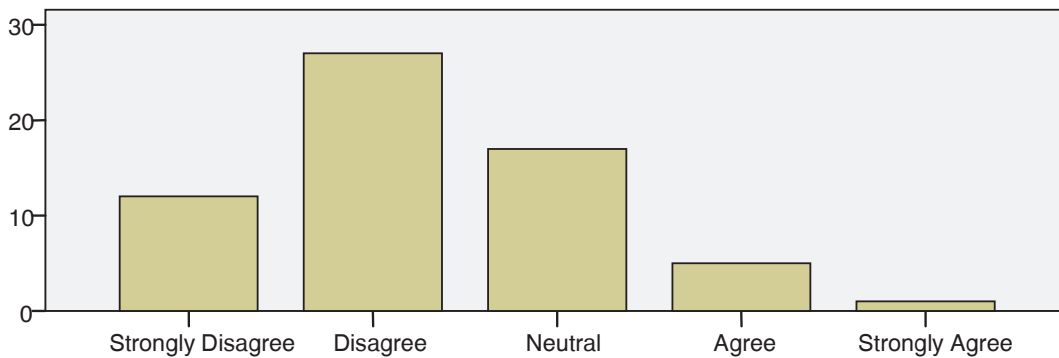

61% of respondents either strongly disagreed or disagreed that the change process excited them, a further 26.6% neither agreed nor disagreed that the change process excited them or not and finally, less than 10% agreed with the statement.

Table 4.31: Responses to Question Twenty Four (I coped very well with the pace of change process)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	4.7	4.8	4.8
	Disagree	19	29.7	30.6	35.5
	Neutral	20	31.3	32.3	67.7
	Agree	20	31.3	32.3	100.0
	Total	62	96.9	100.0	
Missing	System	2	3.1		
Total		64	100.0		

Figure 4.31: Graphical Representation of employees coped well with change pace
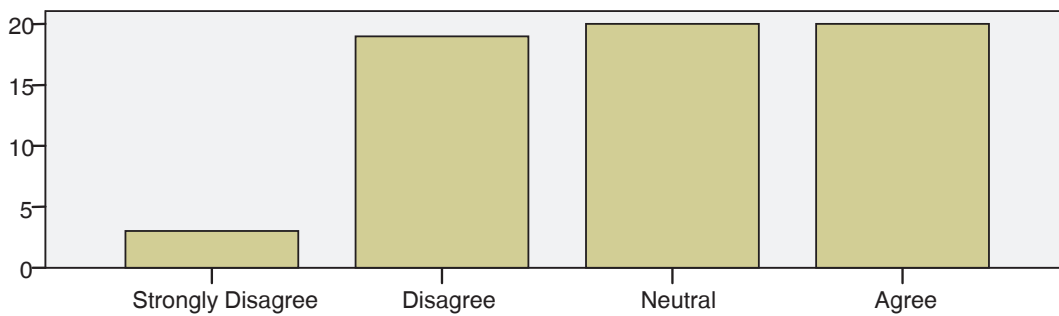

34.4% of the respondents believed that the pace of change was fast. And another 33.3% were comfortable with the pace of change and thus coped well with it, a further 33.3% were neutral.

Table 4.32: Responses to Question Twenty Five (I was calm throughout the change)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	10.9	11.3	11.3
	Disagree	23	35.9	37.1	48.4
	Neutral	19	29.7	30.6	79.0
	Agree	10	15.6	16.1	95.2
	Strongly Agree	3	4.7	4.8	100.0
	Total	62	96.9	100.0	
Missing	System	2	3.1		
Total		64	100.0		

Figure 4.32: Graphical Representation of employees who said they were calm during change
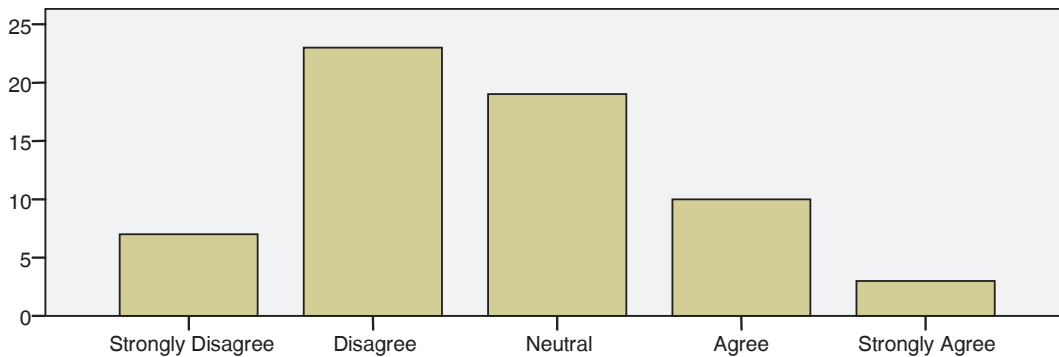

48.4% of respondents either strongly disagreed or disagreed that they were calm through out the change process, 29.7% neither agreed nor disagreed and only 20.3% agreed with the statement. A further 3.1% did not answer the question.

Table 4.33: Responses to Question Twenty Six (I believe BPSA is in the right direction)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	10.9	11.3	11.3
	Disagree	6	9.4	9.7	21.0
	Neutral	26	40.6	41.9	62.9
	Agree	19	29.7	30.6	93.5
	Strongly Agree	4	6.3	6.5	100.0
	Total	62	96.9	100.0	
Missing	System	2	3.1		
Total		64	100.0		

Figure 4.33: Graphical Representation of employees that thought BPSA was heading in the right direction
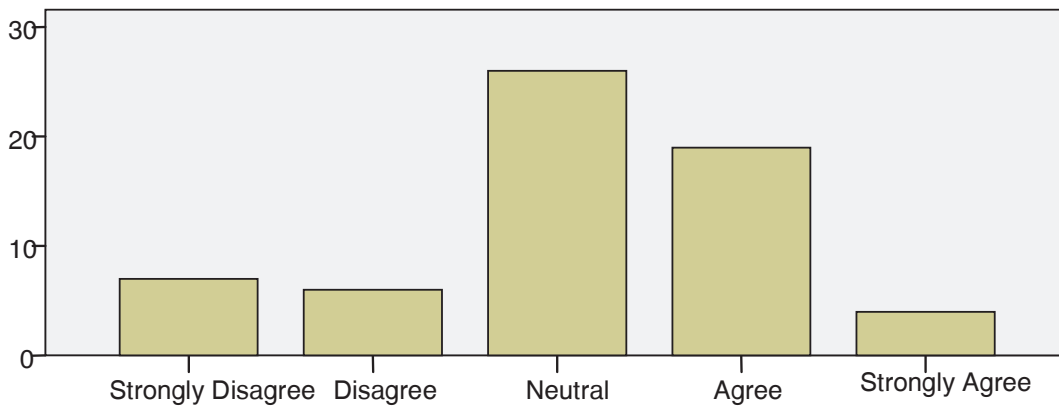

40.6% of respondents neither agreed nor disagreed that BPSA was in the right direction after the change process, 29.7% agreed that BPSA was in the right direction, only 20.3% disagreed with statement and a further 3.1% did not answer the question.

4.3   Correlation Analysis

The researcher focused on two levels of correlation analysis – the first level being the inter-correlation between the aggregated total variable of organizational change (OC), motivation and performance.

The second level deals with the correlation within the aggregated total variables. Before evaluating the findings of the analysis, it is worth to give a brief description of on the nature of the correlation coefficient.
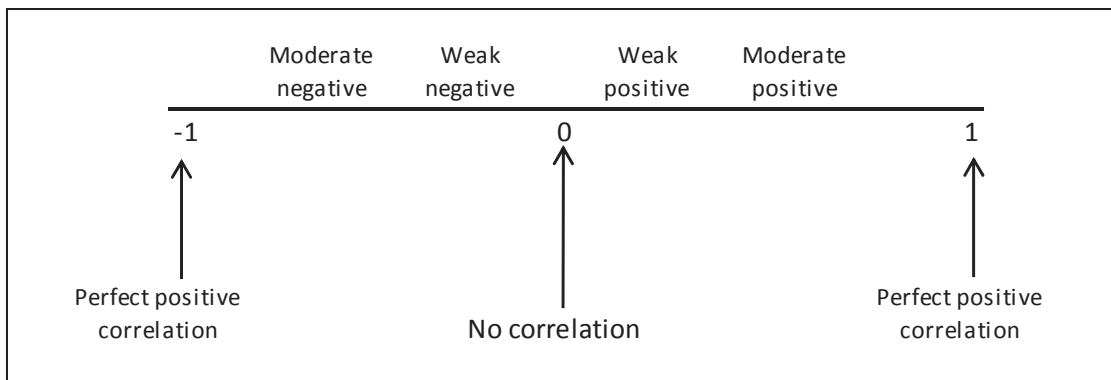
Source: Wegner (2005, p.314)

The author warns for two things to take into account when doing a correlation analysis between two variables.

A low correlation between variables does not imply that the variables are not related, but simply put; the relationship is poorly described by a straight line (a non-linear relationship may exist).
Correlation does not mean a cause and effect, however a mere observed association.

Table 4.34
Pearson Correlation Coefficient (r)

Correlations between dimension Organisational Change, Motivation & Performance

		Need for change	Vision fulfilled	Took suggestions	Right direction	Highly motivated	Excited	Met objectives	Met deadlines
Need for change	Pearson Correlation	1	-.141	.023	.223	-.204	-.287*	.035	.136
	Sig. (2-tailed)		.265	.854	.080	.106	.022	.784	.284
	N	64	64	64	63	64	63	64	64
Vision fulfilled	Pearson Correlation	-.141	1	.334**	.434**	.359**	.437**	.045	.116
	Sig. (2-tailed)	.265		.007	.000	.004	.000	.723	.359
	N	64	64	64	63	64	63	64	64
Took suggestions	Pearson Correlation	.023	.334**	1	.238	.303*	.381**	.078	.013
	Sig. (2-tailed)	.854	.007		.061	.015	.002	.539	.916
	N	64	64	64	63	64	63	64	64
Right direction	Pearson Correlation	.223	.434**	.238	1	.232	.235	.183	.343**
	Sig. (2-tailed)	.080	.000	.061		.067	.064	.150	.006
	N	63	63	63	63	63	63	63	63
Highly motivated	Pearson Correlation	-.204	.359**	.303*	.232	1	.653**	-.048	-.038
	Sig. (2-tailed)	.106	.004	.015	.067		.000	.705	.768
	N	64	64	64	63	64	63	64	64
Excited	Pearson Correlation	-.287*	.437**	.381**	.235	.653**	1	-.076	-.020
	Sig. (2-tailed)	.022	.000	.002	.064	.000		.553	.878
	N	63	63	63	63	63	63	63	63
Met objectives	Pearson Correlation	.035	.045	.078	.183	-.048	-.076	1	.531**
	Sig. (2-tailed)	.784	.723	.539	.150	.705	.553		.000
	N	64	64	64	63	64	63	64	64
Met deadlines	Pearson Correlation	.136	.116	.013	.343**	-.038	-.020	.531**	1
	Sig. (2-tailed)	.284	.359	.916	.006	.768	.878	.000	
	N	64	64	64	63	64	63	64	64

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Table 4.34 shows correlations between different variables. The table focuses on the questions that are related to only three elements of the from table 3.1 i.e organisational change process, motivation and performance. There are two correlation to note from this table

The rational supporting the need for change must really be persuasive, and should be the difference between the failure or success of the change process. From the table above the correlation between the need for change and met deadlines is positive, though the strength of the relationship (r = 0.035) between the two variables is negligible and not significant. In the case of the need for change and highly motivated, although is corellation is weak and negative (r = -0.204), it is not significant.

The variable Met Objectives and Met deadlines relationship (r = 0.531, p<0.01) is moderate and positive, it is significant. Further, the need for change and excite relationship is weak negative and significant. However, vision fulfilled and excited has a positive relationship and

that is significant. Highly motivated and excited also has a positive and strong correlation, it is significant.

Table 4.35

Inter-Item Correlation

Inter-Item Correlation Matrix

	Need for change	Vision fulfilled	Right direction	Career Opportunities	Took suggestions	Highly motivated	Motivation method	Met objectives	Excited	Met deadlines
Need for change	1.000	-.141	.223	.012	.025	-.205	-.385	.032	-.287	.110
Vision fulfilled	-.141	1.000	.434	.392	.334	.359	.443	.045	.437	.120
Right direction	.223	.434	1.000	.541	.238	.232	.143	.183	.235	.343
Career Opportunities	.012	.392	.541	1.000	.226	.269	.253	.114	.160	.152
Took suggestions	.025	.334	.238	.226	1.000	.303	.406	.078	.381	.015
Highly motivated	-.205	.359	.232	.269	.303	1.000	.785	-.048	.653	-.037
Motivation method	-.385	.443	.143	.253	.406	.785	1.000	-.054	.670	-.115
Met objectives	.032	.045	.183	.114	.078	-.048	-.054	1.000	-.076	.536
Excited	-.287	.437	.235	.160	.381	.653	.670	-.076	1.000	-.020
Met deadlines	.110	.120	.343	.152	.015	-.037	-.115	.536	-.020	1.000

The table focuses on the questions that are related to only three elements of the from table 3.1 i.e organisational change process, motivation and performance. However, very few of the variables are strongly correlated e.g. highly motivated and motivation method (r = 0.785). This implies that employees that are said to be highly motivated view the change process in the positive light and thus are able to be stay motivated during change.

However, Ussahawanitchakit and Sumritsakun (2008, p. 9) study concluded in their study that organisation change brings about psychological stress that leads to poor job performance. This concurs with the negative correlation between the need of change and both the high motivated and motivation method variables (r = -0.205 and -0.385 respectively).

4.4   Summary

The chapter consists of data analysis of the descriptive statistics – frequency tables and bars graphs of each question from sections. Section A is the demographics of the respondents, thus give the researcher a better understanding of them. Section B data delved more on organisational change and its elements. Finally, the researcher looked at how the different variables were correlated.

CHAPTER 5

DATA INTERPRETATION

5.1   Introduction

This research sought to examine the employee perception on the impact of organisational change on job performance and motivation.

Performance is described as the ability to meet all deadlines set to achieve the goals or targets. These are the goals that every employee at BPSA agree with their line managers annually and agree on a set of objectives to achieve that particular year. These objectives are further broken down into daily activities which during a change process can be impacted if employees take their eyes off the ball. This happens easily when employees are expected to reapply for their roles/positions or others that have become available, as their focus become more about securing their future than what needs to be delivered. The lapse in concentration is due to uncertainty of the future.

According to Van Dam et al (2008, p.314) the understanding of employee response to planned organisational change is of paramount importance to many organizations going through change as this can define whether the change process is a success or failure.

The foremost objective of the study was to investigate and ascertain what the impact of organisational change or reorganisation on the employee motivation and performance. The study was focuses on BPSA employees, who had just gone through an organisational change.

For the purpose of this study the population was BPSA employees that went through the latest reorganisation. A total of 105 questionnaires were issued, and the researcher expected a response rate of 80 percent. However, only 64 respondents returned filled questionnaires, giving a response rate of 61 percent.

5.2 Descriptive Statistic

Descriptive statistics is understood to be a method used to present the basic feature of data in a study. It is further provides an easy to understand summaries about the sample. According to Lind et al (2008, p.6), descriptive statistics is a technique to easily organise, summarise and present data.

Figure 5.1

Graphical Representation of Aggregated Mean and Standard Deviation of Employees Responses
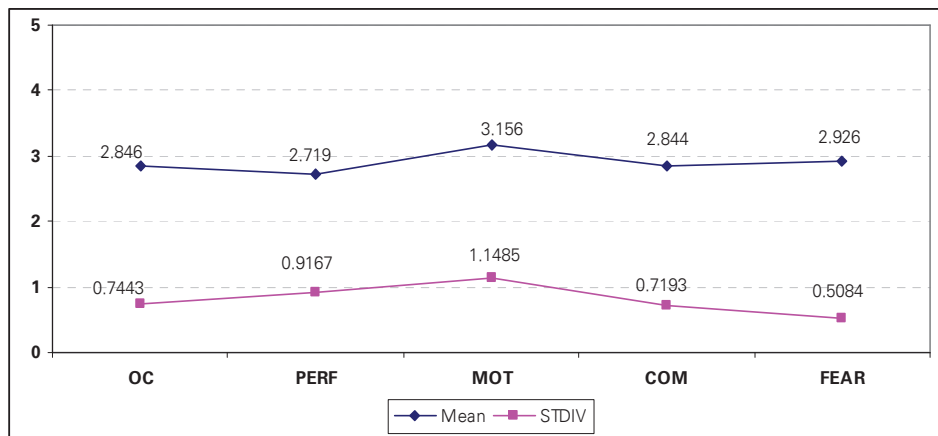
The above chart is a linear Comparism of aggregated means and standard deviations of each of the elements of organisational change. The first element deals with change process with mean value of 2.846, Performance aggregate mean = 2.719, Motivation aggregative mean = 3.156, Communication aggregate mean = 2.844 and Fear aggregate mean = 2.926.

All the aggregated means are close to 3 which are Neutral. Therefore, it is clear that in this study respondents were took the middle ground in all the variables. Thus, it is difficult to exactly state how the respondent perceived each of the element.

While the standard deviations might seem close but it is interesting to note that for motivation there seem to be a high variations between the responses. This implies that there is no uniformity in how respondents perceived the impact of the change process. However, the variance in the scores of the fear category seem to be relatively small than all the categories. Therefore, can be deduced that respondents did in one or the other feel anxious during the change process. There is some agreement with previous studies (Bordia et al, 2004) that uncertainty during organisational does lead to psychological strain, thus resulting to low job

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satisfaction and high turnover intentions. The fear and a sense of helplessness according to Bordia et al (2004, p. 359) is a result of uncertainty and loss of control.

Bordia et al (2004, p. 358), also argues that this sense of fear and lack of control can be overcome by an infective and well structured communication strategy. Bordia (2004, p.358) further states, that the quality of communication is inversely related to uncertainty or fear.

5.3   Inferential Statistics

The inferential statistics seeks to estimate the properties or characteristics of the population under study based on the sample selected.

5.3.1   Correlation Analysis - Motivation

Table 5.2

CORRELATION COEFFICIENT (rho) OF ORGANISATIONAL CHANGE (OC) AND MOTIVATION (MOT)

Correlations			AGGR OC	AGGR MOT
Spearman's rho	AGGR OC	Correlation Coefficient	1	0.380**
		Sig. (2-tailed)	.	0.002
		N	64	64
	AGGR PERF	Correlation Coefficient	0.078	-0.096
		Sig. (2-tailed)	0.542	0.451
		N	64	64
	AGGR MOT	Correlation Coefficient	.380*	1
		Sig. (2-tailed)	0.002	
		N	64	64
	AGGR COMM	Correlation Coefficient	.500*	-0.008
		Sig. (2-tailed)	0	0.949
		N	64	64

**. Correlation is significant at the 0.01 level (2-tailed).

Aggregated scores are as per table 3.1 excluding Fear aggregates.

The correlation coefficient the aggregated scores are weak correlated to each other with exception of OC and MOT, and OC and COMM.

The OC stands of all the questions that dealt with organisational change process, PERF is all performance related questions, MOT is motivation related questions and finally the COMM is all communication questions.

Hypothesis 1: There is a relationship between organizational change and motivation

From the above table 37 shows that there is a significant weak positive correlation (r = 0.38, p<0.01) between organisational change process and motivation. The relationship between OC and MOT is a positive and weak, also not significant. Therefore, this implies that the more positive the participants were of the organisational change process, the more motivated they become. However, this relationship was not very strong. This differs from previous studies such as the one by Bordia et al (2004, p. 359) which found that there's a negative relationship between the organisational change and motivation and this might be as a result of how variables were operationalised. The findings from this study possibly were as a result of a moderator such as open and frank communication which has been proven to soften the change impact. The study also reveals that there's a moderate positive correlation between the OC and COMM (r = 0.5, p<0.01), the relationship between OC and COMM is a positive and neutral, it is not significant. This implies that the more information is communicated to the participants, the more they become positive of the organisational change process.

However a negligible negative correlation between COMM and MOT (r = -0.008). This implies that there is a negative and almost non-existent correlation between communication and motivation. According to Bordia et al (2004, p. 361), it is important that organisations should invest in communication during change as employee would feel to be more in control.

Mullins (2005, p.471) agrees that motivation the inner driving force that drives an individual in attempting to achieve and certain goal or set objectives. The lack of a shared interest or goals between the organisation and employee will result to a de-motivated workforce. Smit and Cronje (2002, p.344) suggest that it is not possible for another person to motivate the next as motivation comes from within as individual. According to Mol (1990) as cited in Nel et al (2004, p.310) a person can only be motivated if that particular individual is doing what she/he enjoys doing or is totally involved in it.

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"People need to be motivated, prepared and equipped to achieve the change they are expected to bring about" (Coulson-Thomas 2009, p.35). This therefore further reiterates the point made by previous studies that organisational change has a negative on motivation.

5.3.2 Correlation Analysis - Performance

Table 5.3

CORRELATION COEFFICIENT (rho) OF ORGANISATIONAL CHANGE (OC) AND PERFORMANCE (PERF)

			AGGR OC	AGGR PERF
Spearman's rho	AGGR OC	Correlation Coefficient	1	0.078
		Sig. (2-tailed)	.	0.542
		N	64	64
	AGGR PERF	Correlation Coefficient	0.078	1
		Sig. (2-tailed)	0.542	.
		N	64	64
	AGGR MOT	Correlation Coefficient	.380**	-0.096
		Sig. (2-tailed)	0.002	0.451
		N	64	64
	AGGR COMM	Correlation Coefficient	.500**	0.149
		Sig. (2-tailed)	0	0.239
		N	64	64

**. Correlation is significant at the 0.01 level (2-tailed).

Hypothesis 2: There is a relationship between organizational change and performance

Organisational change is insignificantly weak positive correlated to performance (r = 0.078, p > 0.01). The performance referred to in this study is task related performance. Thus, there was not much mentioned in the study about the different elements that performance is made up of. the correlation is negligible positive meaning that the perception of organisational change process has no influence on performance. This is inconsistent with the findings from a study by Ussahawanitchakit and Sumritsakun (2008, p. 6) that states organisational change has a direct positive impact in job performance. Therefore, for organisations to survive the ever change changing business landscape it is important that organisation always find ways to

re-invent themselves so as to remain competitive. It is also important the employee remain focus and deliver high quality results that will ensure the organisation survival into the future. However, the performance has an insignificant weak negative correlation with motivation ($r = -0.096$, $p > 0.01$). In contrary, Barrick, Stewart and Piotroski (2002, p.7) state that motivation has long been viewed as central to performance. This concurs with the belief that a highly motivated team always delivers the best results

5.4 Summary

When organisations business environment change it inevitably force them to fine tune themselves to the new conditions. Thus, it is important to understand how the employees are impacted by the change. The results in the correlation coefficient tables show that although the correlation between Organisational Change and Motivation was positive and significant, the strength of the relationship was not strong. In the case of Performance there was no relationship. As stated previously, the contradictory results may be due to how these variables were operationalised in this study and the other studies cited.

Chapter six will focus on recommendations and conclusion.

CHAPTER 6

CONCLUSIONS and RECOMMENDATIONS

6.1   Introduction

In this chapter the researcher focuses on conclusions and recommendation of the study. This will be based on the results and discussion from the previous chapters. The author will also point out on whether the study did answer the research question.

6.2   Implications of this research

The study sought to understand the impact of organisational change or reorganisation on employee motivation and performance. With all the changes that are happening in businesses as a result of changes in technology, business landscape, economy etc. Employees are caught in the middle and their future is becoming more uncertain. Brenner (2008, p.137) states that "Whenever an organization aspires to achieve great things, the operative equation is this: Profitability is about performance and performance is about people – one person at a time and collectively. The most important word in the equation, when it's all said and done, is 'collectively'. Change masters must know how to harness this collective energy of the enterprise and deliver these complex and demanding change solutions."
-
Furthermore, Brenner (2008, p.135) states that the bottom line of any change process in an organisation is people. Therefore, it is important for implementers of organisational change initiative to take into cognisant the impact of the change on employees. This also highlights the importance of people to be treated with respect, dignity and be listened to. This is so as an organisation cannot exist on its own, therefore for its success people/employees play a crucial role. The employee perception about the change process as a whole is of great importance to the success of any change.

In today's ever changing business terrain, only those organisations that can quickly adapt to the change will not cease to exist. However, those take long might find themselves in the history book sooner than they know.

For any change initiative to succeed or fail it is dependent on the people/employees. According Aiken and Keller (2009, p. 101) citing Kotter (1996), state that only 30% of the organisation that embarks on a change process succeed, which is quite astonishing. This is more so, given the amount of literature available. Also, important are the dangers of too many changes happening at the same time. Many organisations including BPSA are guilty of going through change initiative too often and thus do not allow the organisation to stabilize and they end up creating a sense of insecurity amongst the employees. This then becomes more of an unintended consequence of constantly going through change.

What this study intended to achieve is to assist those that are involve in change initiative such change manager, change agent and employees alike of the pit falls that are inherent in a change process. The ability of the change champions to keep employees motivated and energised , to ensure that all performance imperatives are delivered despite change pressures that employee are going through.

6.3   Conclusion

Changes are not necessarily a bad thing that can happen to an organisation e.g. cost reduction, expansion to new markets and consolidation. The BPSA organisational change focused on the simplification of business (organisational structure and streamline the reporting lines). This process meant that some of the roles that used to exist in the old structure were done away with, and therefore employees would be retrenched. It was therefore important to understand how the employees viewed the process.

Finding from the previous chapter cannot as conclusive results that can be expected to a similar study done to a different population due to the population, sample size and influence of the external environment. Also the way the variables are operationalised.

The relationship between the organisational change and employee motivation was found to be a positive one but not very strong. This therefore meant the more employees were positive about the change process, the more motivated they were about the outlook of the future. A

number of variables might have influenced these findings. Also important to note is that the findings were contrary to the previous studies which state that there an indirect relationship between organisational change and motivation.

However, the relationship between organisational change and performance was not consistent with the previous studies. No correlation between organisational change and performance was found in this study. This implies that employees tend to focus on delivering their set targets and are not influenced by what is happening around them.

According to Bordia et al (2004, p. 358) communication serves a moderating variable during organisational change process. The more information the better, so organisation must constantly communicate with employees and keep them informed through out the process.

"People need to understand why the change is needed and how they can contribute to bringing it about. Effective communication is critical, especially when changes are complex and implications are unclear. Where there is an agreement as to the destination, tools that support learning and sharing approaches that give the best results can help people to cope with the demands of the journey" Coulson-Thomas (2009, p.34) . A significant number of respondents did not understand the need for change initiative and thus did not share the vision that BPSA's leadership had. A few comments by respondents are as follows;

- There was a great hurry to change by management
- Company interest were put first before that of individuals
- Good people left the organisation
- De-motivated individuals still with the company
- I felt not everything was divulged. Company was destabilised in the name of cost cutting.
- Organisational change has not brought any change in the business instead we are worst off.
- Things could have been handled better. Staff was not given much of a choice.
- The company could have done other cost cutting measures like on traveling by the senior team
- I felt not everything was divulged (information censured). Some post already had earmarked individuals.
- Too frequent restructurings work against company stability.

- There was loss of production during restructuring in view of people being unsure about their future and reasons for the restructuring.

The above comments are a clear indication of a lack a shared vision between the management, the implementation team and the employees. What is also evident is that not every respondent agree with above statement. One respondent argue that organisational change should not come as a surprise to employees and suggested that employees should always stay ahead of events. He asserts that employees should always look at opportunities to advance themselves to remain relevant and equip themselves with the skill that will answer the future organisation's needs.

6.4   Recommendations for Future Studies

In the process of doing this study a lot of areas were opened and that the researcher could not delve into. However, future studies can be the following;

- How employees at different organisational hierarchy (levels) perceived or viewed the rational behind an organisational change?
- Comparing employee motivation and performance pre and post the organisational change.
- The role of communication is reducing the negative impact of organisational change.
- How to keep employees motivated during an organisational change process?

6.5   Summary

In this chapter the researcher focused on the implication of the study and recommendation for the future studies.   The survey was more focused on the perception of the employees on the organisation change process. The fact the employees felt motivated during an organisational change process was an interesting finding and that employees had not problems in delivering the set objective even though there was uncertain.

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UNIVERSTIY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS

MBA Dissertation

Researcher: Monde Matyesha   083 401 7155
Supervisor: Mr. Taahir Vajath 031 260 7575

Survey on: Impact of organisational change on employee motivation and performance at BP Southern Africa.

at the Graduate School of Business, University of KwaZulu-Natal. The purpose of this survey is to solicit information regarding how BPSA employees perceived the organisational change process (Fusion) that took place last year. I am conducting a survey to evaluate the impact that organisational change process had on the employee motivation and performance.

I would be grateful if you could assist me by completing the questionnaire. Please note that participation is voluntary and you may refuse to participate at the outset or stop at any time during the course of the questioning.

Your confidentiality will be maintained at all times and will not be disclosed. The questionnaire should take 10 – 15 minutes to complete. Please endeavour to respond to all questions. Thank you once again for your participation.

Sincerely
Mr. Monde Matyesha

Resercher's signature   Date

########

CONSENT OF PARTICPANT

I _____ the undersigned have read and understood the above information. I hereby consent to participate in the study outlined in this document. I understand that participation is voluntary and that I may withdraw at any stage of the process.

Participant's signature   Date

_____   _____

Go to Section A

Go to Section B

Section A : Demographic Information

1. Gender

○ Male   ○ Female

2. Age

○ 18-24   ○ 25-34   ○ 35-44   ○ 45-54   ○ 55 and above

3. Indicate your Job Grade

○ D ○ E ○ F ○ G ○ H ○ I ○ J ○ K

4. Indicate your Peformance Unit

○ Fuels Sales

○ Logistics

○ Marketing Programmes

○ Lubricants

○ Supply

○ Finance

○ Human Resources

○ LPG

○ Aviation

○ IT&S

○ Legal

○ Tax

5. Qualifications

- ○ Below Grade 12
- ○ Grade 12/Matric
- ○ Certificate
- ○ Diploma
- ○ Degree
- ○ Other (please specify)

Other: _____

6. How long have you been working for BPSA?

- ○ Less than 2 years
- ○ Between 2 and 5 years
- ○ Between 5 and 10 years
- ○ More than 10 years

7. Where are you located?

- ○ Cape Town
- ○ Durban
- ○ Johannesburg
- ○ Other (please specify)

Other: _____

Section B : Organisational Change (FUSION) Related Questions

The following questions ask about your own experience and feelings regarding to last year's organisational change (Fusion) process.

Please rate your own experience of the organisational change (Fusion) process in each of the following areas by circling the number that best represent your opinion.

5 = Strongly Agree;   4 = Agree;   3 = Neutral,   2 = Disagree;   1 = Strongly Disagree

1	The need for change was clearly defined	○5 ○4 ○3 ○2 ○1
2	The objectives of change was clearly communicated to all	○5 ○4 ○3 ○2 ○1
3	The organisational change was the only way that could ensure BPSA's sustainability.	○5 ○4 ○3 ○2 ○1
4	The implementation team clearly communicated their vision to the employees.	○5 ○4 ○3 ○2 ○1
5	I had full confidence in the implementation team.	○5 ○4 ○3 ○2 ○1
6	We were kept informed of every step taken during the change process.	○5 ○4 ○3 ○2 ○1
7	I was highly motivated and focused during the implementation process.	○5 ○4 ○3 ○2 ○1
8	The organisational change was the best way to motivate employees.	○5 ○4 ○3 ○2 ○1
9	I was concerned that I may lose my job during the fusion process.	○5 ○4 ○3 ○2 ○1
10	I met my entire performance objective during the organisational change process.	○5 ○4 ○3 ○2 ○1
11	The organisation fulfilled the vision it had set itself during the change process.	○5 ○4 ○3 ○2 ○1
12	Employees were treated with respect through out the change process.	○5 ○4 ○3 ○2 ○1
13	The implementation team listened and implemented employee suggestions.	○5 ○4 ○3 ○2 ○1
14	I was afraid of the change process	○5 ○4 ○3 ○2 ○1
15	I did not support the reasons for the change process	○5 ○4 ○3 ○2 ○1
16	I felt the organisational change brought new career opportunities	○5 ○4 ○3 ○2 ○1
17	I frequently thought of quitting during the organisational change process	○5 ○4 ○3 ○2 ○1

18	I was unsure of my future at BPSA during the organisational change process.	○5 ○4 ○3 ○2 ○1

19	I felt helpless, anxious and confused during the organisational change process.	○5 ○4 ○3 ○2 ○1

20	I met all my deadlines and during the fusion process.	○5 ○4 ○3 ○2 ○1

21	Everything was clearly communicated and the reasons for change.	○5 ○4 ○3 ○2 ○1

22	Fusion afforded me an opportunity to change my career.	○5 ○4 ○3 ○2 ○1

23	I was excited about the whole change process	○5 ○4 ○3 ○2 ○1

24	I coped very well with the pace of the change process.	○5 ○4 ○3 ○2 ○1

25	I was calm throughout the change process.	○5 ○4 ○3 ○2 ○1

26	I believe BPSA is in the right direction.	○5 ○4 ○3 ○2 ○1

27. Given your ratings above, what would you give as reasons for your ratings?

1 _____

2 _____

3 _____

4 _____

5 _____

I participated in the survey voluntarily   ○ Yes   ○ No

Thank you for taking the time to take part in this survey

Submit by e-mail

RESEARCH OFFICE (GOVAN MBEKI CENTRE)
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17 APRIL 2009

MR. ME MATYESHA (207510579)
GRADUATE SCHOOL OF BUSINESS

Dear Mr. Matyesha

ETHICAL CLEARANCE APPROVAL NUMBER: HSS/0169/09M

I wish to confirm that ethical clearance has been granted for the following project:

"The impact of organizational change on employee motivation and performance levels"

PLEASE NOTE: Research data should be securely stored in the school/department for a period of 5 years

Yours faithfully

MS. PHUMELELE XIMBA

cc. Supervisor (Taahir Vajeth)
cc. Mrs. C Haddon

Founding Campuses: ▬ Edgewood   Howard College   Medical School   ▬ Pietermaritzburg   ▬ Westville