

## **CHAPTER FIVE**

### **CONCLUSION AND RECOMMENDATIONS**

This chapter presents the summary of the research results and a discussion of the study as well as its implications. In addition, suggestions for additional research are also discussed.

#### **5.1 MAJOR FINDINGS**

This paper has studied a variety of processes in the management of organizational change. An integrated framework that incorporates the change processes and evaluation of change has been proposed.

An overview of the findings from this study is presented below. The general finding confirms the researcher's expectations and reinforces the literature on effective change management. It was found that organizations that were perceived by staff to have achieved successful change outcomes, were also perceived to have managed the change processes well in accordance to general principles derived from research on organizational change. More specifically, such organizations:

- Developed and articulated a clear vision of the future and explained the rationale and advantages of the change and how it would impact upon their jobs. A plan detailing the various steps to achieve that vision was also developed and communicated.
- Created energy to get the change initiated and mobilized commitment through leading by example through visible, active and public support of the change and modeling appropriate behaviors.
- Continually involved more and more people along the way in order to build momentum until 'critical mass' is achieved. These organizations realized the importance of employee support and trust, and thus invited involvement and participation.

- Provided sufficient and appropriate human, financial, training resources and time and energy in support of the change.
- Provided for positive reinforcements in terms of employee development, -enhanced self-esteem and overt rewards and recognition.
- Provided for the explicit design of change management structures that promote and enhance effective two-way communication.
- Provided for effective communications strategies to facilitate the change, particularly symbolic actions by management and recognition and reward for those who support the change.

## 5.2 DISCUSSION

Change efforts, to be successful in any organization, requires a combination of effective leadership, supportive employees and integrated and supportive structures, strategies, processes and systems. Thus, those organizations perceived to achieve successful change outcomes had undergone what Ulrich and Lake (1991) called the development of "organizational capability". This study demonstrated that in the case of organizations that achieved successful change outcomes, the dimensions of effective change management applied together rather than selectively or in isolation.

The research showed that the key factor in effective change management was the perceived, active and symbolic support and commitment by the leadership of the organization. Management must be clearly perceived to support the change by the manifestation of their belief and commitment through their behaviors, communication and recognition and rewards. Perceived weaknesses or doubts in this commitment frequently destroys the implementation of change efforts, therefore management must be prepared to "walk-the-talk" at all times.

Although other factors such as perception and quality of the change plan, clarity of vision, communications and a change strategy that emphasizes participation and avoids the use of punitive measures were also important, it was management support and commitment which was of paramount importance in achieving successful change. Leaders must be prepared to act in ways that were congruent with organizational vision and values. They must be able to lead by example and model appropriate behaviors.

The study also revealed that there needed to be procedures for directed motivation in place to ensure that employees were motivated to support the change. Therefore, when implementing change, it was important to guarantee that employee performance related to the change paid off. A critical element of employee motivation in the study was creating and maintaining individual self-confidence, self-esteem, growth and developmental needs and opportunities in the organization. In other words, the intrinsic aspects of rewards were most powerful and sustaining forces of motivation in organizations. Organizations must take cognizance of this and foster a conducive environment and inculcate a culture that reinforces positive attitudes and good performance.

Employee motivation was also determined by the expectation of extrinsic rewards, such as money, team pressure and visible recognition for actively supporting the change. Although there are scholars who believe that these rewards can undermine intrinsic motivation, are unhealthy when applied as a reinforcer and can lead to behavior modification problems (Kohn, 1993), the study shows that extrinsic rewards are important in motivating employee support of the change. The expectation of rewards and recognition is the measure of employee belief and trust that management will recognize good employee performance. In addition, the study also revealed that punitive measures did nothing to motivate employee performance and support of the change. It is therefore critical

for punitive measures not to be built into the organization's systems and structures. This is mainly due to the fact that any measure with a punitive quality has a tendency to make the recipient feel subservient and damage his or her self-esteem. Other methods such as coaching, training and support should be used to encourage desired behaviors and help adjust to new ways, as revealed in the study.

The research findings supported the use of participation in managing the change process. Participative management techniques generally aim to develop a coalition or network of committed individuals who embrace the change effort and visibly support it. This commitment to the organization's vision and initiatives is based on shared values, and thus translates to an extended commitment to change throughout the organization. Participation is crucial in order to obtain extended buy-in for the change to happen and provides management with the ability to manage conflicts inherent in change and engage in appropriate problem solving. Although studies have shown that employee participation and involvement can lead to higher commitment, higher decision quality, and employee satisfaction and empowerment, evidence suggests that this is only one approach for successful change management. According to Dunphy and Stace (1990), other approaches such as coercion can be used when "there is significant and often irreconcilable differences between the interests of key stakeholder groups" or when other strategies are ineffective (Kotler and Schlesinger, 1979). Kotter and Schlesinger (1979) also suggest that other approaches such as negotiation can be used when employees will clearly lose something of value from the change and would not otherwise support new conditions. Although participation is more often than not the approach to use in managing organizational change, factors such as the unique nature of organizations (e.g. professional, non-profit, etc), the context in which the change is to be implemented and time factor should be taken into consideration.

Statistically significant correlations were also found between the effectiveness measure and most items in the vision, resources, structuring and communications scales. In so far as visioning is concerned, the findings of the study lends support to the work of authors such as Kanter (1992), Kotter (1995) Morris and Raben (1995) and Nadler (1998) on vision. In order for change to be successful, top management must develop a clear picture of the future, explain the rationale, precursors, and advantages, develop a plan detailing the various phases of the change, explain the prerequisites for change and ways in which the change will impact on employees and all aspects of the organization.

The results also clearly support Nadler's (1981) study that mentions effective change necessitates the allocation of resources in support of the change. Often organizations embark on ambitious change programs without realizing the investment they entail in terms of finances, human resources, training, time and energy. Therefore, to achieve successful change, one must be prepared to pay and sacrifice for it.

The study revealed that while putting in place the structural arrangements were necessary, it was those structures that facilitated effective communications that were crucial for successful change. In addition, the results indicate that the change management structure associated with successful change was somewhat more "diffused" than the somewhat more hierarchical version suggested by Nadler (1981). Employees were of the view that formal committees, teams, task forces, pilot projects and designated transition managers as not as important in leading up to successful change.

Finally, successful change also required effective communications of the change effort. However, in communicating the change, it was apparent that employees were not convinced by merely receiving regular

information through the organization's communication channels or management using symbols to facilitate the change. They required more concrete evidence in terms of managers visibly supporting the change through word and action and receiving recognition and reward in support of the change.

### **5.3 RECOMMENDATIONS FOR FUTURE RESEARCH**

In terms of further research in this area, there are considerable opportunities. The following are recommendations proposed for further study:

- The nature of the organizations should be taken into account when researchers seek to identify the processes that organizations use to manage change. For example, in professional organizations such as hospitals, accounting firms or museums, exceptions to the general principles and theories on organizational change are likely to occur, say on leadership styles, level of participation and involvement and types of rewards and recognition. For non-profit organizations, the measures of change effectiveness are likely to be different and are not likely to include measures such as 'greater ability to compete in the marketplace' and 'measured improvements in revenue'. Therefore, separate studies can be conducted on different types of organizations for more accurate results.
- Separate studies should be conducted on organizations that underwent changes of different magnitudes or scales. This is in view of the fact that some of the variables identified may not be reliable or valid in different circumstances. For example, items I1 (A limited number of clear and consistent themes or directions for change) and I10 (A description of new core values and beliefs needed to make the

change successful) may not be applicable in changes that involve only "fine-tuning" such as refining policies, methods or procedures.

- Further studies on identifying factors related to the effectiveness of organizational change need to be conducted. There are many other factors that could be taken into consideration when conducting studies on successful organizational change such as the history of change in the organization. This is because successes or failures to implement change in the past will influence the organization's belief of whether or not it is able to change in the future.

Culture can also play an important role in determining the success of organizational change. At times culture can inhibit change from happening. For example, some organizations seem to relish change and excitement while others fervently protect the status quo and bureaucratize everything to maintain stability and consistency. "The way things are done here" can strongly influence how receptive the organization is to change.

Another factor that can impact the success or failure of change efforts is structural rigidity. This relates to the organization's capacity to reshuffle employees and departments, change reporting structures, communication patterns and reward systems. For some organizations, this is easily done through an executive edict or by discussion and agreement between the people involved. However, some organizations because of physical or geographic size, labor limitations or even management indecision have enormous difficulty implementing the necessary structural changes associated with organizational changes. The studies on successful change management should therefore be expanded to include other relevant factors that could have an impact on the study.

- Additional studies should also be conducted on different populations and cultures. Cross-cultural differences in organizational values can have a major impact on change processes. For example, participative management is preferred in low power distance cultures and conflicts are resolved more through personal networks and coalitions. In cultures that have low uncertainty avoidance, organizational members are more willing to tolerate the ambiguity and uncertainty that comes along with change.
- Future studies should include respondents from a variety of categories or levels in organizations. This is so that a wider range of organizational respondents can be captured. Other organizational characteristics such as whether or not the respondents are from a division of a larger company or between organizations which are locally incorporated or foreign based may have implications in the study.
- Additional studies should be conducted using different methodologies such as interviews or qualitative studies. Although surveys provide quick, inexpensive, efficient and accurate means of assessing information, interviews offer the unique advantage of obtaining immediate feedback and the opportunity to probe for clearer and more comprehensive explanation.
- Additional studies should be conducted in related contemporary topics such as resistance to change, management styles, empowerment and communication strategies. This would invariably add to the body of knowledge on organizational change management.