

**An investigation of the change process and its effect on  
employees:**

**A case study of Antalis (Pty) Ltd**

By

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Submitted in partial fulfillment of the requirements for the degree of

Masters in Business Administration

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in the Faculty of Commerce

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September 2004

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This work has not been previously accepted in substance for any degree and is not being concurrently submitted in candidature for any degree.

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## **ACKNOWLEDGEMENTS**

First and foremost, to my wife Ronel who sacrificed countless hours while I completed my degree. Secondly, to my daughters Kristen and Chloe who gave up hours of quality time, I love you all.

To my supervisor Roger Mason, thank you for the time and effort afforded in guiding me through this dissertation.

A special thanks to Indirani Naidoo for the preparation of the statistics, Janice Rimbault for the editing, and Jayne Whittaker for general assistance with the final layout of the document.

To the management and staff of Antalis (Pty) Ltd who gave me their support during the completion of my degree, I hope the information obtained will be beneficial in helping Antalis (Pty) Ltd grow from strength to strength in the merchanting industry.

## **ABSTRACT**

The research study conducted was an investigation into the change process and its effect on employees, a case study of Antalis (Pty) Ltd. The objective of the research was to achieve a better understanding of how the company had changed and whether or not the change process was the correct one to have undertaken under the circumstances, and to investigate the effects the change had on the employees and the culture of the company.

The rationale of the study was to assist the company in adjusting certain procedures of the change process that might have not been implemented correctly. To influence employees' perceptions about the change process and the results achieved by the research, will assist with ongoing changes within the company. The research was conducted via a hybrid study, which involved qualitative and quantitative techniques. This was accomplished by means of a triangulation approach, which involved personal interviews with the executive committee of Antalis (Pty) Ltd, a confidential questionnaire sent to all the employees and an analysis of the historical documentation of Antalis (Pty) Ltd. This triangulation process would increase the validity of the research.

The overall findings of the study were that the perception of the employees had changed from a positive attitude towards the change and the management who led it, to that of uncertainty for the future of the change process and where it was leading the company. The recommendations, based on these findings, are that the executive committee, through the regional managers, needs to communicate the process of regionalisation to all the employees. The process needs to be monitored via a new system and documented so that it is available for all employees. Future plans should also be mapped out to ensure a buy-in from employees and to avoid resistance to change that is present in the post-change cultures of First Paper House and Haddon's.

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# **CHAPTER ONE**

## **INTRODUCTION AND BACKGROUND TO THE RESEARCH**

This chapter covers the background to the research as well as the methods and analysis used to achieve the objectives of the dissertation.

### **1.1 Introduction - A Case Study of Antalis (Pty) Ltd**

Antalis (Pty) Ltd is part of an international company whose business concept is merchanting paper and board to printing, packaging, converting and stationery retail markets in sub-Saharan Africa and the Indian Ocean Islands using their merchanting expertise to satisfy stakeholders. The company has 400 employees and 10 warehouses through which the products are distributed. The organisation has been in South Africa since 1896 and has experienced many changes over the last 100 years. The basic concept of selling and Merchanting has remained the same, but the technology and the environment in which the company now operates has changed radically (D.P.I., 1986).

The company is both a high bulk, low profit distributor of local products; using Sappi and Mondi on the one hand and on the other hand, sales of high profit speciality imported products, which give it a balance. Antalis (Pty) Ltd has experienced a major problem in Southern Africa with the local mills approaching clients directly, alongside the increased inflow of imported products and a clash between its own two sales arms, First Paper House and Haddon's.

The above problems have caused the company to look at what needs to be changed in order to achieve future objectives set by the holding company. Due to loss of business, the company had to change as a whole and the problems

between the two sales arms had to be addressed if the company is to grow and achieve its objectives (D.P.I., 1986).

In examining the characteristics of the new market that faces Antalis (Pty) Ltd in the next few years, the need for change is apparent. One of the biggest factors affecting Antalis (Pty) Ltd is Sappi and Mondi changing their strategies to selling direct to clients. The volatility of the Rand has also allowed Sappi and Mondi to export more products, leaving a strain on the local market, as well as increasing the competitiveness of imported speciality products.

Other factors are emerging markets in Africa that are not that sophisticated: Third World developing markets are highly price sensitive and have a low literacy level. Technology, within the printing trade, as well as digital printing equipment has increased, productivity three-fold in the past five years. (D.P.I., 1986).

There has also been an inflow of imported products from the Eastern Pacific Rim countries, which has had a high impact on the market, now that South Africa is a global player. This has led to the overseas companies looking for joint ventures in South Africa. The industry has been predominantly White, Indian owned with affirmative action, and black empowerment, pressure has been put on the industry to develop and introduce previously disadvantaged players.

The strengths of Antalis (Pty) Ltd lie in their value chain, collaborating with suppliers and customers, part of an international company. Their weaknesses are that of not enough teamwork and empowering of workforce, unclear strategy and conflicting priorities. Antalis (Pty) Ltd has two sales arms that compete against each other in the marketplace selling the same local products but different imported products (D.P.I., 1986).

Threats to the company are government legislation, political instability in the Sub-Saharan African countries, joint ventures and alliances, substitute products and

the shift in foreign exchange rates. Opportunities are the technological developments, the ability to serve additional customer groups, enter new markets or segments and to diversify into related products and expand product lines. An internal opportunity is to change the structure and systems, to include better communications, power structure and role definitions with a new management style.

After experiencing a decline in performance due to the problems mentioned above, a change programme was needed to turn the organisation around and prepare it for the future changes in the environment in which it trades. Since two companies First Paper House and Haddon's sell in the same market, and both fall under the Antalis (Pty) Ltd banner, the culture within the organisation was characterised by bureaucracy and a high level of conflict among these employees, a split loyalty (D.P.I., 1986).

The top management is viewed as autocratic and attempted to provide the workforce with a sense of leadership within the split sales arms. Other than the sales targets, there were insufficient control systems between the two sales arms, and the routines of the warehouse were not performance-orientated.

The values of Antalis (Pty) Ltd were loyalty (long serving staff) and security. This resulted in strong traditions in the companies, stories and myths. The work in the distribution units is very physical, but this is changing due to the new technological development in scanners, forklifts and equipment automation. The loyalties of each sales division to their particular section, allowed for a sense of caring, pride and teamwork. However, there was the conflict internally and externally between the two sales arms with the distribution division, which serviced both of them. (D.P.I., 1986).

For Antalis (Pty) Ltd to be successful in the future, it was decided to instigate a process of change to implement a new management and operations style with



the aim of getting the three divisions to work together as one team. This was done under the leadership of the executive committee who were the champions of change for Antalis (Pty) Ltd, South Africa.

The first step for the executive committee was to get the management of the three divisions' together to address the problems that existed. The outcome of this internal brainstorming session was to determine a way that the divisions could work as a unit and not in opposition to each other. This was going to be difficult as they were opposition in the marketplace. The executive committee wanted to implement this process without retrenchments. Decision-making power was centralised with the managing directors reporting directly to the CEO. This was one of the areas that needed to be changed to ensure regional decision-making power, closer to the coalface (D.P.I., 1986).

In setting up a new policy of open communication and employee participation, the organisational culture could be changed to enhance employee commitment and make the whole organisation more performance-orientated. By setting up change, there would be barriers to change, this was the reason why the executive committee tried to raise the awareness for the change throughout the organisation and it was communicated via letters, area managers and shop stewards. This was done to gain management and workforce support for the change implementation.

New control systems to incentivise higher performance through teamwork had to be established. The biggest barrier would be to convince and gain the support of the unions for the change process. Time, scope, readiness and diversity were identified as the most critical of the contextual features for change. The whole business concept, the values, beliefs, and the way things were done had to be transformed. Extensive change was necessary and getting the three divisions to change was going to be difficult (D.P.I., 1986).

A design choice to tackle this change was necessary and the change path would be one of “revolution”: it had to be done in one big step, and would change the face of Merchanting in South Africa forever. This would be a top-down approach. Training programmes would prepare the workforce for the changes to come and reduced the anxieties of not being able to meet the new requirements. The change process is stressful for individuals, which may lead to low confidence levels, which also need to be overcome. It was planned that the Human Resources department would play a role in the implementation of the change to make sure it was in line with the new strategy and vision of the company (D.P.I., 1986).

## **1.2 Research Problem**

A change process has taken place at Antalis (Pty) Ltd resulting in uncertainty as to the effectiveness of the change process. Antalis (Pty) Ltd had experienced problems in South Africa and a new strategy was developed in 2002 to combat these problem areas and get the decision-making closer to the coalface, thereby increasing profitability and accountability. Based on this new strategy, it was decided by the executive committee, that a change was to be implemented on 01 January 2003.

The direction the company followed was to regionalise the main areas. There was no longer a Managing Director of each company, but rather a Regional Director in each area, who was responsible for monitoring both companies and the employee's culture under their leadership. The problem to be researched, therefore, was to understand the extent to which the intended change process has been successfully achieved and how this change had affected the staff.

### **1.3 Objectives of Study**

- The main objective for the research was to achieve a better understanding of how the company has changed and to ascertain if it was the correct change process under the circumstances.
- The second objective was to see what effect the change process has had on the employees and on the culture of the company.
- The third objective was to evaluate the change process against the Change Kaleidoscope model.

### **1.4 Rationale for the Study**

- The study will be to assist Antalis (Pty) Ltd to adjust certain procedures of the change process that may not have been implemented correctly.
- The study can help to change employees' perceptions of the change process if there is evidence that the change process has been damaging in any way.
- The aim of the study is to identify ongoing change that will be rewarding for all the employees of the organisation.

### **1.5 Overview of Methodology**

#### **1.5.1 Design of Research**

The hybrid research approach adopted includes both qualitative and quantitative techniques (Market Decisions Corporation, 2002). It is a formal and descriptive study to answer the research question posed, and is cross-sectional, as it will only be carried out once.

The quantitative research was conducted via a questionnaire. Questionnaires were sent to all the employees on a confidential basis. The qualitative section

includes interviews with the four members of the executive committee responsible for implementing the change and analyses of the documentation leading up to the change process, as well as after the implementation of the change process.

## 1.5.2 Interviews/ Target population

### 1.5.2.1 Interviews

For the interviews, a purposive sample was chosen: interviewees were the four directors who were ultimately responsible for the change process at Antalis (Pty) Ltd.

### 1.5.2.2 Target Population

The research was directed at Antalis (Pty) Ltd, which has 400 employees. For the questionnaire, a census will be used, as it is a count of all the elements in the population. The target population, population parameters, target population frame and the size of census constitutes the Antalis (Pty) Ltd staff members.

## 1.5.3 Data Collection

The method of data collection was two-fold. Firstly, management was questioned for their responses via personal interviews. Secondly, the staff was polled via confidential, mailed questionnaires. An investigation of the documentation from before and after the change at Antalis (Pty) Ltd was done.

## 1.5.4 Data analysis

The interviews were documented and recorded and an analysis of the responses was made. A statistical analysis was made of the questionnaire. The

questionnaire was divided into seven factors. The questions were grouped to summarise them according to the scoring matrix (Appendix 2). A Chi-Square test was conducted to test the significance of the findings since this method is useful in research involving nominal data (Cooper and Schindler, 2001).

Analyses of the documentation was made about the change process and documented by reading and making comparisons to see if the company has put in place procedures to monitor the change.

#### 1.5.5 Reliability/Validity

The triangulation approach and Hybrid method will increase the validity and reliability of the study. According to Hilton, "triangulation is used to provide confirmation and completeness. It is not the simple combination of different kinds of data, but the attempt to relate them so as to counteract the threats to validity in each". (1999, 1)

The qualitative study gives increased validity and the quantitative study gives it greater reliability. Based on the above, one can accept that there will be validity and reliability.

## **1.6 Delimitations**

- Changes that have taken place in opposition companies and the effect they have had on clients will not be investigated.
- The employees' approach and attitudes to the clients, due to dissatisfaction with the changes that have taken place, will not be investigated.
- The attitudes of Antalis (Pty) Ltd's customers will not be investigated.
- The study is delimited to one specific organisation only.

## **1.7 Justification for the study**

The justification for this study is that there is uncertainty about the change process at Antalis (Pty) Ltd and whether the process has been effective in achieving its goals. The value of the study is in assisting Antalis (Pty) Ltd to rectify any procedures that have been incorrectly implemented via the change process. To assist with changing the employees' perceptions about the process if it has negatively affected them in anyway and the research will also assist Antalis (Pty) Ltd with future ongoing changes.

## **1.8 Chapter Summary of Final Report**

A brief outline of what will be covered in the other chapters of this dissertation follows.

### **Chapter 2**

This is the literature review chapter, which looks at the selection of the change process, the change process itself, influences on the employees and the organisational culture of Antalis (Pty) Ltd. These factors are investigated under

the following headings: identifying the gap, change management, change process, culture, effects of change and the change models.

### Chapter 3

In the research methodology chapter the following is covered: the research design, target population and sampling, the data collection methods, data analysis methods and the reliability and validity of the study.

### Chapter 4

This chapter is a presentation of the results obtained from the questionnaire, interviews and documentation. An analysis from the results of the above processes will be presented and compared against the seven factors. A conclusion will be drawn from these results.

### Chapter 5

The penultimate chapter is an interpretation of statistical results of the interviews, questionnaires and documentation against the seven factors. The results of the information will also be interpreted against the literature review and the Change Kaleidoscope model.

### Chapter 6

The final chapter covers the conclusions and recommendations, which will be made, based on the information and results gathered from the other chapters of the report.

# CHAPTER TWO

## LITERATURE REVIEW

### 2.1 Introduction

The topics to be reviewed in this chapter include change, the change process, culture, change models, the effect of change and an overview of the Change Kaleidoscope model.

These areas provide the background to the main objectives of the study, which are to identify how the company has changed and whether or not the correct change process was implemented, as well as the effect this has had on the employees. An evaluation of the change process against the Change Kaleidoscope model will also be offered.

The reason for this study is that very little information concerning a change process involving the regionalisation of a business with two different organisations reporting to one central company, and the effect of this structure on the organisation and the employees is available.

### 2.2 Background

Vallas (2003: 223) provides a good understanding of the paper industry,

*“Until recently, the pulp and paper industry was a highly traditional, regionally focused branch of the economy with a strong pattern of family ownership. Firms in this heavily capital-intensive industry have generally adopted a conservative approach toward their mill operations, favoring*



*incremental changes in production to preserve the value of their existing fixed capital investments”.*

According to Altauser and Kalleberg (1981, in Vallas, 2003: 225),

*“To ensure the availability of such local knowledge, companies typically made elaborate provisions for internal labor markets, thus providing incentives for the acquisition of asset-specific skills under these conditions, workers often sustained a rich occupational community among their own ranks, especially among workers holding the most highly skilled jobs”.*

The paper industry internationally has always been a highly cyclical industry marked by wide swings in both prices and profits. In the early 1980s, it began to suffer sustained bouts of overproduction and weak economic returns. These problems intensified with the rise of international competition and tightened environmental regulations, prompting many large firms to seek ways of reducing their operating costs and achieving greater operational flexibility (Vallas, 2003).

Three fundamental changes ensued in the paper industry worldwide. According to Eaton and Kriesky (1994, in Vallas, 2003: 225):

*“First, International corporations sought dramatic changes in their labor relations, with many large firms engaging in sharp confrontations with the major unions in the industry. These conflicts, which sometimes involved the use of permanent replacement workers, cast a pall over labor relations and led to a decided shift in the balance of power between labor and management”.*

The second set of fundamental changes, according to Eaton and Kriesky (1994, in Vallas, 2003: 225), were

*“Firms began to recast the character of the production process itself. Although the industry had long relied on continuous process production methods, firms now began to introduce an entirely new generation of production machinery and process control systems that promised to achieve greater economies of scale, more consistent quality, reduced crew sizes, and greater stability and throughput”.*

The third set of fundamental changes, according to Eaton and Kriesky (1994, in Vallas, 2003: 225), were

*“Firms searched for newer and more effective work systems that might provide an optimal fit with the new production processes. Especially within more consumer-oriented firms, management energetically sought to transform the structure. Most large firms have introduced a variety of non-traditional work systems (most notably, self-directed teams, high-performance work systems, and employee involvement initiatives) in place of the traditional bureaucratic model”.*

## **2.3 Identifying a Gap**

The fate of these above-mentioned initiatives, namely their success in transcending deeply established organisational forms is of central importance for this study. Even though the above information is pertinent to the paper mills, the problems inherent there have flowed over to the merchants, as they, at times, are owned by the mills and form part of the supply chain.

When change within an organisation is looked at, certain questions need to be asked: Why change? What is wrong with the way we are? What brought us to this point? Does everybody see the need? Who does not see the need? What

sort of issues will need to be addressed? What will the organogram look like? (Tearle, 2002).

One of the most important challenges of change is to identify a “gap” which will assist the organisation in formulating its future strategies and assessing the need to change. Ambrosini (1998: 220) says “A simple, but very powerful, approach to gap analysis centers around three questions: Where are we now? Where do we want to get to? How can we get there?”.

For Antalis (Pty) Ltd management it was imperative to change sooner rather than later in order to maintain and improve the company’s competitive advantage. As in most industries, new technology, globalisation of markets, the increased pressure for shareholder value, the tempo and thrust of change and the way leaders must lead, have been forever altered (D.P.I., 1986).

The world is inundated with disruptions, unforeseen dangers, unanticipated opportunities, unrealistic requirements, and overwhelming demands. The act of recovering from these shocks is becoming almost a full-time job in itself and it is no different within the paper industry.

## **2.4 Change**

The change process as defined by Senior (2002:10) is:

*“Organisations are attempting to recreate themselves and move from the traditional structure to a dynamic new model where people can contribute their creativity, energy and foresight in return for being nurtured, developed and enthused.”*

#### 2.4.1 Change Management

Corporations have adjusted staffing, training, and motivational practices to respond to rapid change, globalisation, multicultural workforces, and other factors that play a major role in work at the beginning of the twenty-first century. The merchandising industry is no different (D.P.I.,1986). There is no universal explanation of how organisations evolve. Change management is concerned with a continuously evolving population of organisations, each of which is itself in an evolving population of groupings of people (D.P.I.,1986).

Each year there is tremendous movement in the population of interacting organisations. Many companies are being set up and many are dissolving. There are mergers, acquisitions, joint ventures, unbundling, listings and de-listing taking place every year. This is testimony to the dynamic nature of the change phenomenon (D.P.I., 1986). The merchandising industry is not exempt from movement in its population or organisation.

Eisenbach, Watson and Pillas (2002: 1) mention that:

*“As we move forward, models of outstanding leadership such as transformational, charismatic, and visionary leadership, which focus on organizational transformation, are likely to become even more important to organizations because of the breathtaking changes foreseen in the business and political environment. These include workforces with a greater degree of demographic diversity, technological change, and increased international competition, which will place new demands on the leaders of tomorrow”.*

#### 2.4.2 Change Environment

In a turbulent and ever-changing environment, the successful transformation of the people intent, people policies, practices and delivery process is directly related to the level of change readiness in the organisation (Denton, 2002). The major constituent elements of such readiness are a need and desire to change, sponsorship of the change, the availability of resources, the perceived benefits relative to costs, confidence in one's implementation capability, and the commitment of stakeholders (Denton, 2002). World-class organisations excel at putting these constituent elements in place in order to initiate and sustain ongoing change.

In the early sixteenth century, Niccolo Machiavelli clearly understood the problem of change. In *The Prince*, he points out the difficulty and risk involved in implementing change, in particular resistance to change and, at best, lack of commitment to it. Some 500 years later, this is still a familiar problem. As Mayo (2002: 307) says, "Our organisations are littered with the debris... of yesterday's (change) initiatives. The reason for this is not necessarily poor management of change, but more likely a lack of effective leadership".

Typically, the concept of organisational change is in regard to organisation-wide change, as opposed to smaller changes such as adding a new person, or modifying a programme. Examples of organisation-wide change might include a change in mission, restructuring operations, restructuring to self-managed teams, layoffs, introduction of new technologies, mergers, major collaborations and new programmes such as Total Quality Management or re-engineering. Some experts refer to change as organisational transformation. Often the term organisational transformation designates a fundamental and radical reorientation in the way the organisation operates (McNamara, 1999).

### 2.4.3 Change Leadership

While change must be well managed, through planning, organised, directed and controlled, it also requires effective leadership to introduce change successfully. Therefore, leadership makes the difference. Change should not be done for the sake of change: but should be a strategy to accomplish some overall goal. Typically, organisations undertake organisation-wide change to evolve to a different level in their life cycle, for example, going from a highly reactive, entrepreneurial organisation to more stable and planned development. Transition to a new chief executive can provoke organisation-wide change when his or her new and unique personality pervades the entire organisation (McNamara, 1999).

How change can be mismanaged is well known. The reasons for failure of change efforts include; poor planning, monitoring and control, focusing more on the objective than on the steps and process involved, a lack of milestones along the way, and failing to monitor progress and take corrective action (Whittington et al., 1999). Corporate policies and practices sometimes remain the same and become inconsistent with the aims and strategies for change. A large European study found that the most successful organisations make mutually supportive changes in terms of changes in roles, governance structures and strategies (Whittington et al., 1999).

Change is all too often regarded as a 'quick fix'. Unforeseen and unacceptable disruption is caused as the 'quick fix' fails to address the implications of the change for the organisation as a whole. Change initiatives are often the results of management fads (Gill, 2003).

#### 2.4.4 Resistance to Change

Typically, there is a strong resistance to change. People are afraid of the unknown. Gill (2003: 307) writes, "Many are inherently cynical about change, particularly from reading about the notion of 'change' as if it's a mantra". Many doubt there are effective means to accomplish major organisational change. Often there are conflicting goals in the organisation, for example, to increase resources to accomplish the change yet concurrently to cut costs to remain viable (Gill, 2003).

Change efforts that are purely 'managerial' in nature, especially those that are mismanaged, result in a lack of dedicated effort, conflict between functional areas and resistance to change. Kubr (1996) provides a good account of why people resist change. A cognitive and behavioural reason is lack of know-how. A lack of conviction that changes are needed, questioning the meaning and value of the change for individuals inevitably leads to a lack of motivation to change.

#### 2.4.5 Factors for Successful Change

Senior (2002) mentions that top management must be involved in the change process. Usually there is a champion who instigates the change by being visionary, persuasive and consistent. Change is best carried out as a team-wide effort. Communications about the change should be frequent and across the organisation. To sustain change, the structures of the organisation, including strategic plans, policies and procedures should be modified.

The human and political aspects of change are often not well thought through in change management initiatives. Sadler (1998) speaks of the 'yin' and 'yang' of change, the social and emotional considerations (leadership) and the technical aspects (management respectively). McLagan (2002) points out that taking a purely rational and technical approach to change, making sure it is technically

sound and offers economic advantage to the organisation, tends to lead to the false assumption that the organisation will naturally absorb it.

In failed transformations, plenty of plans, directives and programmes with procedures, goals, methods, and deadlines are often used. However, nowhere is there a clear and compelling statement of where all these things are leading too. Kotter (1995) mentioned that this is why most employees feel either confused or alienated. In his classic statements on management and leadership, Kotter (1990: 156) says, "Management produces orderly results which keep something working efficiently, whereas leadership creates useful change; neither is necessarily better or a replacement for the other. Both are needed if organisations and nations are to prosper".

Management's mandate is to minimise risk and to keep the system operating. Change, by definition, requires creating a new system, which, in turn, always demands leadership (Kotter, 1995). If change is a process of taking an organisation on a journey from its current state to a desired future state and dealing with all the problems that arise along the journey, then change is about leadership as well as management.

#### 2.4.6 Implementing Change

Looking at the types of organisational change mentioned by Senior (2002), Antalis (Pty) Ltd would fall into the category of Self-Initiated vs Imposed change, as the organisation has implemented the change from within, and has not fallen into the category of Evolutionary vs. Revolutionary change or Additive vs. Subtractive change. The type of change that has taken place is one of structure (organisational reporting), the regionalisation of management, and not conceptual, (new information / knowledge), behavioural (new skill) or procedure (new policy or procedural).



As Senge (2001) noted, the word 'change' means several, often contradictory, things. Sometimes it refers to the external world of technology, customers, competitors, and such like. Sometimes it refers to internal changes such as practices, styles and strategies.

Although executives often intervene because the pace of internal change is not keeping up with that of the external world, it should not be assumed that all change needs to be led from the top down. Today's fast-paced economy demands that businesses change or die. However, few companies manage corporate transformations as well as they would like. The brutal fact is that about 70 % of all change initiatives fail (Beer and Nohria, 2001).

Change is 'taking a step' that may be uncomfortable. No one likes to be forced to change whether in thinking or in action. The organisation exists for those who want to belong to it. In fact, it is their institution to build and preserve. Looking at the future of changes to come the understanding is that change is inevitable. Change comes in many ways. The face of change is generally from the younger generation. It is driven by the goals and challenges of the new professionals. Their concerns are not the concerns of the older professionals. Their issues are not interchangeable with what has been done and do not carry the old baggage of those who have worked for years. Instead, it is about a new way of thinking new ideas and possibilities driven by the newcomers (Boone, 1999).

## **2.5 Change Process**

According to Balogun & Hailey (1999: 3):

*"The change process, is the how of change, the things done to deliver change, for example, change managers, models of change, formulation and implementation and patterns through time."*

All change processes have in common the need for a diagnosis of the values in use (the existing values system) and mapping the espoused and desired values (the ideal value system). The change process is energised by the tension between the two. It is not simply the replacement of the existing with the desired. The most important factor determining the organization's progress is its ability to implement change, whether or not the plans for change are of high quality (Kent, 2004).

Kent (2004) writes further that, in fact, the quality of a plan or an initiative is only hypothetical until it is implemented. Faulty implementation can brand even the best plans, as poor.

#### 2.5.1 Processes of Change within Organisations

A key element of strategy is to build excellence within firms: excellence in processes that allows firms to become highly adaptive and responsive to change (Allred, 2003). Those individuals and firms who are best prepared to respond to change will be the most successful in overcoming challenges and capitalising on the opportunities inherent in change. Perhaps the biggest challenge with setting these goals is that the employees in the firm have to be patient to see the goal accomplished (Allred, 2003).

Change is part of organisational life, but the effectiveness of change management initiatives is often open to question. In reflecting on a case study of change management involving a Higher Education Institution, in an article by Cao, Clarke and Leharney (2004), they highlighted that for the change process to be more effective, organisational change must be managed systematically. This analysis helps build an improved understanding of change management within the organisation and provides guidelines/systems for future change management practice.

When asking whether or not Antalis (Pty) Ltd has followed a process to initiate change correctly within the organisation, an outline of what needs to be looked at, is given by, Beer, Eisenstat and Spector (2002: 2).

*“To transform your vision of a revitalized company into reality, you must harness numerous forces: political - building a coalition behind your initiative, emotional - harvesting employees’ ideas and gaining their commitment, and logistical - securing resources and managerial attention. You also need compelling visions, broad coalitions, and momentum built on existing best practices and small, early wins”.*

Some executives drive change from the top down by communicating a sense of urgency and an irresistible vision. Others direct it from the outside by articulating a general direction for the company, and then supporting the unit managers. Still others orchestrate change from the top-down and bottom-up by simultaneously building coalitions and tapping employees’ emotions and ideas. There is no single way to execute change, but a customised approach should be set up that best suit the company’s needs (Beer, Eisenstat and Spector, 2002).

#### 2.5.2 Dealing with Change Processes

*“Change management comes from the same dangerously seductive reasoning as strategic planning. They’re both based on the shaky assumption that there’s an orderly thinking and implementation process which can objectively plot a course of action”. (Clemmer 2004:2)*

Clemmer (2004) suggests that change cannot be managed. Change can be ignored, resisted, responded to, capitalised upon and created. However, it cannot be managed and made to march to some orderly step-by-step process. However, whether change is a threat or an opportunity depends on how prepared

the organisation is. Whether the employees' become change victims or victors depends on their readiness for change. The problems that the team or organisation may be having with change are not going to be improved by some change management theory.

To deal effectively with change, the focus must be on change as some kind of manageable force. Change is dealt with to improve the individual and then the organisation. Resistance to today's change comes from a failure to make yesterday's preparations and improvements. When the teams and the organisations fail to learn, grow and develop at the speed of change, then change is a very real threat. If change finds the individual and organisation unprepared, it can be deadly (Clemmer, 2004).

### 2.5.3 Leading Change Processes

To gain insight into the change processes and what needs to be investigated and implemented to lead the process successfully, the processes of change should be examined. These processes have been established as guidelines for the leaders of change within organisations to follow when implementing the changes within specific organisations.

Wright (2001: 2), to guide managers when leading a change programme, has adapted the following steps of Kotter's leading change process:

1. Establish a sense of urgency – Change will not occur where there is complacency.
2. Create a guiding coalition – Urge the group to work as a team.
3. Develop a vision and strategy – Give clearly focused goals.
4. Communicate the change vision – Use every vehicle possible to get the message out.

5. Empower a broad-based action – Change those systems that undermine the vision.
6. Generate short-term wins – Recognise and reward people who make wins possible
7. Consolidate gains and produce more change – Re-invigorate the process with new projects, themes and change agents.
8. Anchor new approaches in the corporate culture – Alter promotion and succession to reflect new vision.

Following these guidelines provides the leaders of change within the organisation a change process skeleton on which to build. This is very important for the ultimate success of the process.

Henderson (2004: 4) writes that the following twelve steps should be followed when setting up the change process. These steps have been compiled from lessons learnt and observations made of previously implemented change processes:

1. Create a clear, compelling, and concise picture of the future vision and strategic direction.
2. Communicate broadly, deeply, and consistently, and be sure to cover the “why” element as often as possible.
3. Deploy a common planning framework.
4. Utilise education, training, and skill development as a major change driver.
5. Shift cultural and individual performance orientation.
6. Link reward and recognition practices to the culture of the organisation.
7. Alignment is fundamentally the name of the game for any organisation.
8. Organisation transformation is a project and should be resourced as such.
9. Senior leadership sponsorship is critical.
10. Manage expectations every step of the way.

11. Strategic, cross-functional processes are the source of untold opportunity and value.
12. Establish a strong results-driven, not activity-centered orientation.

There are no quick, easy or simple answers when setting up a change process. However, there are recurring patterns and themes that lead to successful change and improvement efforts. A key element determining the success of organisational change is whether management has the ability to implement and lead change. Factors, which indicate this ability, are listed as follows:

1. Widely communicate the potential need for change.
2. Get as much feedback as practical from employees, including what they think are the problems and what should be done to resolve them.
3. Do not get wrapped up in doing change for the sake of change.
4. Plan the change.
5. Have every employee ultimately reporting to one person.
6. Delegate decisions to employees as much as possible.
7. The process will not be an “aha”.
8. Keep perspective.
9. Do not seek to control change.
10. Include closure in the plan.

McNamara (2004: 8-9)

Often there is a wide gap between what the executive level of the organisation requires and what actually happens throughout the rest of the organisation. If management analyses and follows McNamara's factors, the first hurdle for leading change will have been overcome.

#### 2.5.4 Dynamics of Change

Bacheldor (2003) uses an example of a company called International truck to show how an established process speeds up the change. The system has four elements: the change request, which is initiated in response to a market opportunity or customers' demands; the change proposal, which is a detailed, specification of the change; the change development, which establishes a team to handle the change; and the change implementation, where the change is put into operation.

On the other hand Harigopal (2002: 1) says,

*“There is no step-by-step approach suggested, but an overall and inclusive process of change management within which the organisation has to delineate the methods and processes appropriate to the change initiatives and the organisation’s existing context”.*

If such an approach were to work, many organisations would have changed overnight through borrowed and adapted models, but the reality is otherwise. When the process of change is not managed appropriately, people may fall back on the comfort of the status quo. Therefore, structure, function, roles, and responsibilities must be laid out by the management team as well as the detailed change management skills required by managers.

## 2.6 CULTURE

In the case of Antalis (Pty) Ltd, the problem is that there has been a clash between the two companies, First Paper House and Haddon's. Each has its own culture, and it is now the responsibility of the Regional Director, to get them to work together as one unit. The culture is an important variable to be

investigated, as this is one of the main reasons for the regionalisation of the company.

Both companies fall under the Antalis (Pty) Ltd banner and sell in the same market. However, the culture within the organisation was characterised as split, and there was a high level of conflict among employees. When investigating the effect of the change process on the employees, an examination of the cultural web before the change and after the change was undertaken. Johnson and Scholes (1999: 73) define the cultural web as a representation of a series of taken for granted assumptions, or paradigm, of an organization and the physical manifestations or organizational culture.

#### 2.6.1 People Issues and Values

A major problem area of difficulty is to assess the affect the change has had on the employees of the organisation. Any organisation revolves around a range of strategic people issues and priorities. The basic foundation of all organisations is the invisible and unwritten set of mutual expectations that evolve over time between the various parties who have an interest in the organisation. These expectations pertain to what each party should, and must, contribute to, and gain from, the relationship and change process (Senior, 2002).

To understand cultural change is to understand that culture is a series of rules and methods, which have evolved to deal with the regular problems that face the organisation.

Senior (2002) examines organisations that face dilemmas in dealing with the tension between the existing set of values and the desired ones. While cultures differ in how they approach these dilemmas, they do not differ in the need to make some kind of response. They share the destiny to face up to different challenges of existence. Once the change leaders have become aware of the



problem-solving process, they will reconcile dilemmas more effectively and will, therefore, be more successful.

According to Trompenaars and Woolliams (2003: 361)

*“All change processes have in common the need for a diagnosis of the values in use (the existing values system) and mapping the espoused and desired values (the ideal value system). The change process is energized by the tension between the two. It is not simply the replacement of the existing with the desired”.*

Organisational culture is the key to much that happens in an organisation. Culture pervades all the relationships, which underpin the organisation, and influences all its decisions. The effect change has on the employees, is the presence of large cultural gaps in task organising, which results in a loss in market-focus company-wide. Firms are plagued by significant differences between actual and desired norms. Bate (1996: 30) mentions that, “Gaining control of the corporate culture is not only possible but also critical for the organisation’s continued success.” A strategic change in corporate direction takes place, and, therefore, the change process attempts to replace the old culture with a new one in the organisation.

## 2.6.2 Managing Corporate Culture Change

An important part of managing corporate cultural change is the continuous monitoring and assessing of norms. If the cultural change is not managed explicitly, it may be just a matter of time before the organisation is once again disrupted. However, where cultural change is managed explicitly, the company can expect significant improvements in both morale and performance. Every organisation has an invisible quality, a certain style, a character, a way of doing

things that may be more powerful than the dictates of any one person or any formal system (Cornell, 1995).

The organisational culture is the deeper level of basic assumptions and beliefs that are shared by the employees of the organisation. They operate unconsciously and are defined in a basic taken-for-granted fashion in the organisation's view of itself and its environment. In managing change, most organisations develop a degree of coherence in their cultures, which enables them to function more effectively (Schein, 1988). In fact, it could be argued that culture can provide organisations with a competitive advantage, because this competence can be difficult to imitate. Organisational culture is generally resistant to change and, therefore, can have a pervasive influence on organisational strategies. By mapping and managing aspects of an organisation's culture, it may be possible to identify potential barriers to change, as well as whether or not the pervasive organisational culture would be resistant to change, an important aspect to be investigated in this dissertation (Schein, 1988).

### 2.6.3 Changing Paradigms

When considering the history and traditions of an organisation, the unique physical characteristics, the nature of the employees, the driving force and the core values, Darrington says, "the ability to speak with a unified voice and to make significant progress in a community starts with a leader or group of leaders who analyze the past as they contemplate the future". (2004: 8)

There is a connection between the visioning and goal-setting process and helping employees become fully engaged participants in the change. Exceptional organisations have a shared vision, common goals, a clear sense of purpose, a mission statement, and guiding principles or values. The process of identifying shared values builds an effective bridge to the people within the

organisation. Can an organisation that is stagnating in the safety and security of an old operating mode develop the desire to move into a brave new world? Henry Kissinger is quoted as saying "The task of the leader is to get his people from where they are to where they have not been. The public does not fully understand the world into which it is going. Leaders must invoke an alchemy of great vision". (Darrington, 2004:8)

Moving to a new way of doing business will always be a challenge. Leaders must create an atmosphere in which new paradigms can develop and mature. Every-day, people arrive at work and go through the motions without being fully engaged in the mission of the enterprise. Most people, however, respond positively to change when they perceive that it will help them perform their work better. Darrington (2004) says that people want to work in an environment where their contribution is valued. They want to be associated with an organisation that kindles their passion and is worthy of emulation.

Darrington (2004: 2) supports the above beliefs , saying:

*"Changing paradigms in any organization occurs most effectively when the workforce is thoroughly involved and committed to the ideals and mission of the enterprise. As employees are immersed in the process, they formulate a widely held vision, goals that support that vision, a clear sense of mission, and universally agreed-upon principles or values that guide the day-to-day operations of the enterprise".*

#### 2.6.4 Human Characteristics

When an organisation is planning a change that will affect the day-to-day activities of people, the relationship between emotional cost and the benefit to the individual must be considered. Human beings are stimulated, based on their association of personal benefit or cost as a result of a change in their environment. As a person is faced with change, he/she will evaluate or question whether making the change will cost in emotional stability or provide a great deal

of personal benefit. It is this relationship that determines real, lasting change in a person. These human characteristics cause organisational policies and practices to persist in the face of new realities unless skills and norms of inquiry are developed (Argyris and Schon, 1996).

Whatever the truth is, any large-scale change requires people to confront the larger issue of culture. This can be a daunting task: even identifying culture, which is an invisible, and often complex, system of beliefs and practices that determines how people act in organisations, is fraught with difficulty.

Glen (2004: 34) says that,

*“As everyone knows, changing the culture and behavior of a group is very difficult. Most attempts to improve how groups function fail miserably. The experience of the change is unpleasant, and the transformations are usually temporary. New processes are ignored. Dysfunctional behaviors return. Old habits die-hard. Nevertheless, a few principles can help improve the chances of success. Do not try to fix everything at once”.*

Just as small changes are more likely to succeed than large ones, incremental organisational changes are much more likely to stick than radical transformations. If people have seen the signs of their own reformation, the process of change will go forward, they also need to be made constantly aware of their successes. Lasting and valuable transformation in people does not happen overnight. Just like New Year's resolutions, remaining with the ongoing process can be the hardest part.

## **2.7 Effects of Change**

According to Beer and Nohria (2001: 3),

*“70% of all change initiatives fail. Why? Managers flounder in an alphabet soup of change methods, drowning in conflicting advice. Change*

*efforts exact a heavy toll, human and economic, as companies flail from one change method to another”.*

### 2.7.1 Theories of Change

Beer and Nohria (2001: 3) have two basic theories of change:

*“Theory E change, emphasizes economic value, as measured only by shareholder returns. This “hard” approach boosts returns through economic incentives, drastic layoffs, and restructuring”.*

*“Theory O change, is a “softer” approach – focuses on developing corporate culture and human capability, patiently building trust and emotional commitment to the company through teamwork and communication.*

To carefully and simultaneously balance these very different approaches is not easy. Employees distrust leaders who alternate between nurturing and cutthroat behaviour. However, with the above method, profits and productivity are boosted, and sustainable competitive advantage is achieved.

Most existing change theories tend to want to discard the current situation in favour of a new corporate culture. In doing so, they may also discard the best of what already exists. Changing an organisation’s culture is a contradiction in terms. This is because cultures act to preserve themselves and to protect their own living existence. Rather than seeing change as something opposing continuity, it is considered as a difference. Organisations seek change to preserve the company, profitability, market share and core competencies. The reason for changing certain aspects is to avoid changing in other respects (Trompenaars and Woolliams, 2003).

Trompenaars and Woolliams (2003) mention that organisations must reconcile change with continuity in order to preserve an evolving identity. The new approaches are centered on diagnosing the tension between the current and

ideal corporate cultures. These tensions manifest themselves as a series of dilemmas. The new approach for the management of change is to reconcile these dilemmas. Compromise alone is insufficient.

### 2.7.2 Organisational Effects

Seliger (2003: 52) writes

*“For many people, change is not always a welcome visitor. Change for change’s sake is the worst. Most people are creatures of habit, and change forces them out of their personal comfort zone. As the saying goes, the only thing that is constant is change. Resistance to change is futile”.*

When looking at the effects change has on the organisation, the following example gives a brief outline. The stakeholders seek to have their stakes met by the organisation. Organisations assess those requests and sometimes grant stakes to stakeholders. The results indicate that most organisations follow a quid pro quo ‘matching rule’, wherein stakeholder’s resource importance serves as the basis on which they are awarded communicative attention. However, observance of this rule has not been predictive of implementers’ assessments of successful change outcomes. Results also show that the employees’ receive the most and earliest communication, compared to the external stakeholders of the organisation, and that ‘information dissemination’ is the most prevalent communicative approach taken (Lewis, Richardson and Hamel, 2003).

Like strategic plans, organisation improvement or change management plans can reduce an organisation’s effectiveness. They can lead to rigidity, bureaucracy, and resistance to change. Although the leader may initiate the effort to improve the capacity to implement change, it is the organisation that needs to change more so than the leader. Kent (2004) comments that the leader influences the will, the desire and the direction of progress, but it has to be the organisation that

gets them there. The leader cannot do it alone. The leaders have to build the capacity to progress into the organisation. Organisational change frequently fails because the organisation simply does not have their act together. The basics for sound management are not in place.

Kent (2004: 2) also mentions that, "Many organizational leaders seem to ignore this axiom of change: You can't purposefully change the direction of what you do not control." It is impossible to change direction if you are not in control. Being in control of an organisation means being able to influence the behaviour, actions and performance of all members of the organisation, even senior management. It means not letting people do as they please for fear of upsetting someone. It also means being aware of what members of the organisation are doing, and ensuring that they all are performing their duties the way the leaders feel they have to be done.

Low trust of management, previous failures at implementing change and personal fear make employees unwilling to take the risk associated with change. Experience shows that many executives are not aware of these feelings in their staff. Unless the organisation's ability to change is measured, the management team may remain oblivious to these potential barriers to progress (Kent, 2004).

### 2.7.3 Effect on People

When a leader calls for complete change to take place, they are essentially saying to the organisation that things are going to change. This always causes a variety of responses. According to Moore's model (in Ward, 2004), responses tend to fall into one of the following categories, with responses to match:

Innovators (about 2-3%)

These are change junkies... it does not matter what the change is; they will always sign up first.

#### Early Adopters (10-15%)

Much like the innovators, the Early Adopters want to work with an early version of (complete with bugs) because they see advantages, not just in the new way of doing things, but also in being an early pioneer.

#### Early Majority (30-40%)

These people constitute a critical mass in any change effort.

#### Late Majority (30-40%)

These people will only change if they have no other option or when change becomes inevitable.

#### Laggards (1-2%)

These ones will never adopt the change. They see no sense in it at all and no personal benefits.

### 2.7.4 Future Effects

How does one guarantee that what the leaders want to have happen in the organisation does happen? How do the leaders really control what the supervisors and other executives are doing? One apathetic supervisor or an egotistical executive can cause major damage to the perception of trust and equity throughout the organisation, thereby damaging any chance of future trust.

Until the 1980's, organizational change was usually the big event, a dramatic, stressful ordeal that, thankfully, did not happen often. Organisational change was either a reaction to a sudden external event or a planned activity lasting several years. Recently, however, organizational change has become the norm, rather than the exception. Being able to install change and maintain it, to get an organisation to change direction on demand, are now mandatory skills for all leaders and executives (Hathaway, 2004).



## **2.8 Change Models**

A number of change models and theories can be used to investigate if the change at Antalis (Pty) Ltd was approached in a way suggested by these models or a combination of these models or was it done according to past experience by the company.

### **2.8.1 Chaos Theory**

Chaos theorists argue that the organisational world appears to be so turbulent and chaotic that it is not possible to predict what might happen or when. Thus, traditional approaches to strategic management are simply not appropriate. There is no point in formalising planning approaches with predetermined fixed objectives and analysis that would take weeks or months to work through.

The idea that top managers can formulate strategies implemented by others are debatable because top managers were less in touch with the complex and turbulent world than others were in the organisation. "The notion that there needed to be agreement and consensus around the issues facing the organisation was also questionable, the environment was too complex and rapidly changing for this to be likely or even desirable." (Johnson and Scholes, 1999:83).

### **2.8.2 General Models and Strategies**

According to Nickels (2000), there is no single change strategy. One can adopt a general or what is called a "grand strategy", but, for any given initiative, there is a mix of strategies that will best serve the purpose.

According to Senior (2002), organisational life is continually influenced by many factors, not only from inside, but also those emanating from outside the organisation, which are a result of emergent historical developments, by political, economic, social-cultural and technical (PEST) influences.

Beer, et al. (in Senior, 2002) suggest that there are six steps to change that management can follow, namely:

1. Mobilise commitment to change
2. Develop a shared vision
3. Foster consensus for the new vision
4. Spread revitalisation to all without pushing from top management
5. Institute revitalisation through formal policies
6. Monitor and adjust strategies in response to problems.

### 2.8.3 Hard and Soft Models of organisational change

Hard models of change to a certain extent are like projects. They have a definite objective, start time and end time. They are less complex than soft models. Soft models are systems that need to be analysed, the culture of the organisation and relationship management need to be looked at, which also falls under the old systems (Senior, 2002).

To a large extent, hard models are influenced by the soft models. The soft systems are not easy to deal with, as they are continuous.

There is also the revolutionary versus incremental change model that can be seen as a Big-bang change and a systematic change model, respectively. The one is rapid change, quick results whereas the other one is slow change, with slow results (Senior, 2002).

#### 2.8.4 Lewin's Three-stage Model

Lewin (in Schein, 1987) introduced two ideas about change that have been influential since the 1940s. The first idea states that, what is occurring at any point in time is the result of opposing forces. That is, the status quo, whatever is happening right now is the result of forces pushing in opposing directions. With a technique called the Force-field analysis, one can identify the major forces and develop action plans for moving the equilibrium point in one direction or the other. This concept is useful for thinking about the dynamics of change situations.

Lewin's second idea was a model of the change process itself. He suggested that change is a three-stage process: Unfreezing the old behaviour (or situation), moving to a new level of behaviour, and refreezing the behaviour at the new level. Change entails moving from one equilibrium point to another.

Lewin's Three-stage model is a powerful tool for understanding change situations (Schein, 1987).

#### 2.8.5 Burke-Litwin Model

The Burke-Litwin model of individual and organisational performance, shows how to create first-order and second-order change, the authors call it "transactional change" and "transformational change", which was developed by Warner Burke and George Litwin, Burke (1994:131).

Burke (1994) comments that in first-order change, some features of the organisation change but the fundamental nature of the organisation remains the same. First-order change goes by many different labels: transactional, evolutionary, adaptive, incremental or continuous change. In second-order change, the nature of the organisation is fundamentally and substantially altered: the organisation is transformed. Second-order change, too, goes by many different labels: transformational, revolutionary, radical or discontinuous change.

Organisational development programmes are directed toward both first- and second-order change, with an increasing emphasis on second-order, transformational change.

## **2.9 The Change Kaleidoscope Model**

The model, which appears to be most suited for this study, is the Change Kaleidoscope Model (Balogun and Hailey, 1999). It is a framework through which insight can be gained into whether or not the organisation has followed a process for the change. Change implementation is very complex since its success depends on the development of a context-sensitive approach. The Change Kaleidoscope is, therefore, a framework that can assist judgements about the approach to be made to a change context.

### **2.9.1 Change Context**

The Change Kaleidoscope Model uses the change context, which is the “why” of change. This is in line with the objectives of the study, because the first section is the outer-context, which refers to the social, economic, political and competitive environment in which the organisation operates (Balogun and Hailey, 1999).

One objective of this study was to achieve a better understanding of the change Antalis (Pty) Ltd has undertaken, why it was needed and whether or not it was the correct change. This model will assist to in determining whether it was an internal or external factor that lead to the change.

The second part of the model, the inner context covers the culture, structure and capabilities of the organisation. This will assist in evaluating the second objective of the study, which is to see what affect the change has had on the employees

and culture of Antalis (Pty) Ltd. Information will be drawn from the personal interviews and questionnaires to assist in the analysis of the effect the change.

The issues that will be investigated from this model include the following:

According to Balogun and Hailey (1999) they are, design choices - change path, change start point, change style, change target, change roles and change levels.

### 2.9.2 Cultural Web

In this section the cultural web will also be discussed which suggests what organisations consist of a number of interlinked and interdependent subsystems. They deal with the organisation's structures, power structures, central systems, symbols, stories and myths and routines and rituals, all interconnected with the paradigm.

When the effect on the employees is investigated, the cultural web before the change and after the change can be looked at. Johnson and Scholes (1999: 73) define the cultural web as a "representation of a series of taken for granted assumptions, or a paradigm, of an organization and the physical manifestations or organizational culture."

All organisations develop a degree of coherence in their cultures, which enables them to function more effectively. In fact, it can be argued that culture provides organisations with a competitive advantage, because this competence can be difficult to imitate.

Organisational culture is generally resistant to change and can have a pervasive influence on organisational strategies. By mapping aspects of an organisation's culture, it may be possible to identify potential barriers to change, as well as

whether or not the pervasive organisational culture is resistant to change (Balogun and Hailey, 1999).

### 2.9.3 Contextual Features

The change context features that the model covers are that of time, scope, preservation, diversity, capability, capacity, readiness for change and power. These features remain the same over time but are constantly reconfigured to produce different pictures for each organisational change situation. These features are critical in any particular organisational context, especially as to how this affects the design choices made. The change at Antalis (Pty) Ltd will, therefore, be investigated and evaluated against the criteria of the model (Balogun and Hailey, 1999).

## 2.10 Conclusion

Farazmand (2004: 3) believes that:

*‘Without human resources nothing can be accomplished, and without a well-trained, well-developed, well-appreciated, and well-managed human resources force, modern organizations cannot meet the challenges of the globalization age, which demands a new generation of future-oriented, anticipatory managers who can develop effective visions and manage organizations by riding the high waves of change in the turbulent world’.*

The above statement summarizes the information covered in the literature review of Chapter 2 and gives an outline of what is needed if any company intends to implement successful changes and prosper in the future.

By investigating the aspects associated with change, it is apparent that organisations have to change in order to survive. Change has become a part of organisational life. There seem to be no instant solutions to change within an organisation, but rather, each organisation needs to investigate their own

situation and move forward with a specific plan of action. This needs to be driven not only from the top-down but also from the bottom-up if it is to succeed.

Jackson and Harris (2003) comment that there are numerous processes to follow to deliver change and it is up to management to identify the correct process for their organisation. Companies must rethink fundamental aspects of company strategy, which may lead to a radical overhaul of existing ways of doing business, with company structure and culture becoming much more focused. Resistance at all company levels may need to be overcome, with a need to build commitment and consensus around business strategies.

An important factor is that of the culture within the organisation and also the culture of the employees. If the organisation does not have a culture conducive to radical changes but is one of a conservative nature, then the change has to be handled in an evolutionary way rather than a revolutionary way. Low trust of management, previous failures change implementation, and personal fear, make employees unwilling to take the risk associated with any change. Many executives are unaware of the feelings of their staff. Unless the organisation's willingness to change is measured, the management team may remain oblivious to this potential impediment to organisational change and improvement (Kent, 2004).

There are a number of change models, which an organisation can utilise to implement change as well as to evaluate their change processes against. The Kaleidoscope model (Balogun and Hailey, 1999) has been chosen as the most appropriate model to use for the evaluation of the changes that have occurred at Antalis (Pty) Ltd.

The next chapter will explain the methodology used to collect and evaluate the information gathered to investigate the effects of the change on the organisation and the employees.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This research study proposes to determine the change process used by Antalis (Pty) Ltd and the effect it has had on the employees. In this chapter, the following will be covered: research design, target population/sampling, data collection, data analysis and reliability and validity of the current study. An in-depth explanation will be given of the above, as well as how the research was conducted and data obtained and analysed.

#### **3.2 Research Design**

The hybrid research approach used in this study includes both qualitative and quantitative techniques (Market Decisions Corporation, 2002). It is a formal and descriptive study to answer the research question posed, and is cross-sectional, as data collection will only be carried out once.

Quantitative research was conducted via a census. A questionnaire was issued to all the employees of Antalis (Pty) Ltd on a confidential basis to gather information about how the employees viewed the change process that had taken place. This method of data collection allows for a large amount of data to be collected from a sizeable population in an economical way. (Cooper and Schindler, 2001).

The qualitative section of the study included interviews with the four members of the executive committee responsible for the change implementation. The second part of the qualitative research comprised an analysis of the documentation, which preceded the change process, as well as documentation from after the



implementation of the change process. This was done to identify changes in strategy and procedures that occurred at Antalis (Pty) Ltd.

### **3.3 Target Population and Sampling**

Being a hybrid study, the following methods were used due to the constraints of time, cost and the fact that the population total was only 400.

#### **3.3.1 Interviews**

A purposive sample was chosen for the interviews consisting of the four directors who were ultimately responsible for the change process at Antalis (Pty) Ltd. These four members have been purposefully chosen as they have the most knowledge about the problem under investigation in this study. The executive committee, who are the above-mentioned four directors, implemented the final change process.

#### **3.3.2 Target Population**

The research was conducted at Antalis (Pty) Ltd that has 400 employees. For the questionnaire, a census was used, as it provided a count of all the elements in the population (Cooper and Schindler 2001). Due to the target population being small, it was more beneficial to conduct a census.

The reason for selecting a census is described by Cooper and Schindler (2001:164):

*“A census is feasible when the population is small. When the population is small and variable, any sample drawn may not be representative of the population from which it is drawn. The resulting values calculated from the sample are incorrect as estimates of the population values.”*

A list of all the employees was obtained from the Personnel Director and the questionnaire was posted via the Antalis (Pty) Ltd internal mail system.

Target population – all Antalis (Pty) Ltd staff members

Population parameters - all Antalis (Pty) Ltd staff members

Target population frame – a list of all the Antalis (Pty) Ltd employees

Size of census – all 400 employees

### **3.4 Data Collection**

Cooper and Schindler (2001) mention that there are two methods one can use for data collection: interrogation / communications and observation. This research used both of these methods. Firstly, the management was questioned for their responses via personal interviews. Secondly, the staff was polled via questionnaires, mailed to them on a confidential basis, which is the interrogation/communication method. The observation was an investigation of the documentation done before and after the change at Antalis (Pty) Ltd.

#### **3.4.1 Data Collection Instruments**

##### **3.4.1.1 Questionnaire**

The questionnaire used for this study to gather the information via the employees was adapted from a questionnaire that was devised and used by Denton (2002). The same scorecard for the evaluation of the results was used, but some of the questions were adapted to suit the research that was being conducted for this study.

A pre-test of six respondents (Antalis (Pty) Ltd employees) was used to assess the questionnaire. This enabled the researcher to identify problems that existed in the questionnaire design. This pilot study ensured that the respondents would

be able to understand the questions and the reason for the study fully. (Cooper and Schindler, 2001).

Errors could be corrected before the survey was applied to gather real data. One error that became apparent during the testing phase was that the terminology used in certain questions may not have been understood by all the employees. To overcome the concern, certain terminology in the questionnaire was rephrased into layman's terms.

The employees were sent this confidential questionnaire via the Antalis (Pty) Ltd internal mail system (Appendix 2). After completing the questionnaire, it was returned to the researcher via the internal mail system. An envelope with the return address was also sent and the completion date was filled in on the questionnaire to set a time limit for the responses. A letter of information and informed consent accompanied the questionnaire and was to be signed by the respondents (Appendix 3).

A census was attempted but with the responses received it ended up being a self-selected sample. Of the 400 questionnaires sent to the employees, the response rate was 128 questionnaires. The response rate was 31.3%. Sekaran (2003) indicates that "The return rate of mail questionnaires are typically low. A 30 percent response rate is considered acceptable." Therefore, this sample of 31.3% was considered acceptable.

#### 3.4.1.2 Interviews

Appointments were made with the four directors who are based in Johannesburg, South Africa. A date was set for the 20<sup>th</sup> March 2004 to interview them. The interview questions had already been determined in the form of an interview guide (Appendix 1). The guide was used to assist the interviewer during the

interviews (Mansis, 2003). Transcripts of the interviews were made from the notes taken during the interviews.

#### 3.4.1.3 Documentation

The following documents were analysed (Chapter 4): D.P.I strategy notes used for the development of the new strategy; notes of meetings; policy documents, and memos and letters from the CEO during the change. The period of the documents analysed was from 1<sup>st</sup> March 2001 until 30<sup>th</sup> December 2003.

### 3.5 Data analysis

#### 3.5.1 Interviews

Interviews were documented and recorded and an analysis of the responses was made as follows. A coding system was set up to divide the information into seven different divisions, in order to make reference to commonality in responses (Cooper and Schindler, 2001). This was achieved by a deconstruction and then a reconstruction of the collected data (Cooper and Schindler, 2001). The data was then grouped into the seven sections so that conclusions could be drawn.

A breakdown was made of the interviews via a referencing/coding system, which was used in the analysis for ease of referral. The system works as follows: executive/ page/ question number (2, 3, 11).

#### 3.5.2 Questionnaire

After the questionnaire data had been collected, it was edited and the blank responses removed, as these could affect the statistical data. There were 15 spoilt questionnaires. The questionnaires were divided into the seven sections and coded. The following scales and measurement procedures were used:

descriptive statistics, correlations and a nominal scale to give the basic, categorical and gross information by using coded numbers (Yes = 2, No = 1, 0 = Unsure). These numbers were punched into an Excel tabulated spreadsheet. The results were drawn from the spreadsheet and shown as a table (Appendix 4).

The questions were grouped and summarised according to the scoring matrix in Appendix 2. The search for meaning can take many forms. The preliminary analytical steps of editing, coding and tabulating the data that are common to most studies were used (Cooper and Schindler, 2001).

Churchill (1988) states that tabulation consists of simply counting the number of cases that fall into various categories, which may take the form of simple tabulation involving counting a single variable, or cross-tabulation where two or more of the variables are treated simultaneously. The above is noticeable in the correlations table, where the seven different factors were compared with each other.

Tabulating the data aided in detecting the data distribution, what is typical in the data, how much the data varies and whether there are any significant relationships between these different sets of data. This includes the summation of information for the purpose of generating and making inference (Cooper and Schindler, 2001).

A Chi-Square test was conducted to test the significance of the findings as this method is useful in tests involving nominal data to determine the differences in the number of Yes, No and Not sure answers. Correlations were performed showing the strength of the relationship between any two of the seven factors. The descriptive statistics looked at the means of the respondents with regard to each factors as well as giving standard deviation values to show the varied

responses to the different factors (Cooper and Schindler, 2001). Graphical representations in the form of bar charts were used for the analysis.

### 3.5.3 Documentation

Analyses of the documentation was made by reading and making comparisons of the literature to determine how it fitted into the seven divisions of analyses, as per the score sheet. This was done to find commonality to see if the company had put in place procedures to monitor the change, and to implement new policies that were in line with the changes that have taken place.

A breakdown of the documentation was achieved via a referencing/coding system, which was used in the analysis for ease of referral. The system works as follows: source/ number/ paragraph number, (3, 5, 12).

## 3.6 Reliability and Validity

To ensure validity and reliability in the research, all aspects of the research were examined for ways in which to improve validity and reliability. The performance of the survey instruments was assessed so that the procedure was valid for what was being measured. The instruments were evaluated for reliability in order to yield consistent results. The triangulation approach and hybrid method used increased the validity and reliability of the study. According to Hilton (1999: 1):

*“Triangulation is used to provide confirmation and completeness. It is not the simple combination of different kinds of data but the attempt to relate them so as to counteract the threats to validity in each”.*

By using the hybrid method (Market Decision Corporation, 2002) the qualitative study gives increased validity and the quantitative study gives greater reliability. For the personal interviews, the questions were based on the Mansis Index of

Organisational Change (Mansis, 2003). This index was designed to provide companies with a means of assessment of the probable success of planned change efforts within the organisation.

For the general questionnaire, the study used a questionnaire adapted by Denton and Campbell (2002) who cite the work of Ulrich, Zenger, and Smallwood (1999). All questions were relevant to the research study at hand.

Based on the works of the authors and organisations mentioned above, one can accept that the instruments used have been validated and are reliable, and therefore, increase the validity and reliability of this study. Considering the methods used, it would be reasonable to expect subsequent studies to furnish similar results should this exercise be repeated.

### **3.7 Conclusion**

This chapter has covered the research design, which is a hybrid study of both qualitative and qualitative methods. The target population was the executive committee and the staff of Antalis (Pty) Ltd. The data was collected via interviews, questionnaire and documentation. The data was analysed by coding the information obtained from the interviews and statistical analysis was applied to the questionnaires and comparisons made from the documentation.

The research methodology used will assist in answering the objectives that have been set at the start of this research study. Quantitative research methods using the questionnaire and qualitative research methods using the interviews and documentation methods were adapted to gather the information required to analyse the results needed to evaluate this research subject (Cooper and Schindler, 2001)

In Chapter Four the analysis of the information obtained from these methods are presented.



## **CHAPTER FOUR**

### **PRESENTATION OF RESULTS**

#### **4.1 Introductions**

This chapter will present the results of the data analysis collected via the methodology discussed in the previous chapter. Due to the study being of a hybrid nature, triangulation was used to gain the information required to analyse the change process. (Market Decisions Corporation, 2002)

The qualitative results will be presented by means of the interview analysis and the documentation analysis. The quantitative results will be presented by means of the questionnaire analysis. Each research instrument (the interviews, questionnaires and documentation) will be discussed separately under the seven factor headings listed below. The headings are the seven factors that make up the scorecard (Appendix 2).

A summary of the interviews, questionnaires and documentation analyses for each of these factors will be covered under their respective headings in the conclusion at the end of each section.

#### **4.2 Leading change**

This section covers the factor of who is responsible for the change process, leading it and implementing the change process.

#### 4.2.1 Questionnaire

In examining the responses to Question One, Two and Three (Appendix 2) from the analysis done in the frequency table (Appendix 4) it was obvious that most employees answered 'Yes' to all the questions, knew who was responsible for the change and believed that the management were capable of leading the change. This can be seen for example, in Question One, where most employees selected 'yes' (55,5%). The corresponding chi-square value is 28,234 and the p value is equal to 0,000 (Appendix 4). This shows that the responses to Question One were significantly different, because  $p < 0,05$ , and that the difference is statistically significant. The results were similar for Question Two and Question Three.

#### 4.2.2 Interviews

There have been several changes to the organisation and people over the past few years, but regionalisation at Antalis (Pty) Ltd is the one major change that has occurred. A condition for the successful implementation of the regionalisation change, is that there is a perceived and active support and commitment by the leadership of Antalis (Pty) Ltd. Perceived weaknesses or doubts in this commitment would destroy the implementation.

The most important leadership positions are that of the CEO and executive committee. If a lack of support for the change, or behaviours of these leaders are perceived to be contradictory to the intent of the change, it will lead to confusion in the organisation and with the employees (2, 3, 1). The structural change of Antalis (Pty) Ltd was driven by the executive committee and many hours were spent with all levels of management to arrive at a mutually acceptable decision in order to achieve the regionalisation approach as opposed to a centrally driven organisation. This is reflected in the following extract:

*“Very committed. MDs of First Paper House and Haddon’s - Star stepped down to allow change to happen with full assurance of support.” (2, 1, 1)*

The executive team was well aware of the merchant condition, competitor activity and events pertaining to the industry. Therefore, the regionalisation process was implemented in order to move the company forward as one company instead of two competing divisions. The following quotes show an awareness of this:

*“The executive knew that change had to take place for the company to go forward” (1, 1, 5)*

Executive 3 said: *“Most certainly. There have long been rumours of a merger between the two divisions but after long debate by a dedicated change committee, it was agreed unanimously that the preferred route for the organisation to go forward was rather a regionalisation process.” (3, 1, 5)*

The employees of Antalis (Pty) Ltd are more willing to change if they perceive a real need to change. A need can be perceived because of a potential benefit to them if a change is made, or because of a potential cost or danger if change is not made. The employees can be moved to see a need to change from conditions, such as poor morale, the work environment, low productivity, stress and confusion within Antalis (Pty) Ltd.

Challenges from outside Antalis (Pty) Ltd such as reactions and opinions of clients, customers and suppliers, as well as threats from competition, the government and others can provide the motivation to change. The change process was, therefore, the responsibility of the executive committee to implement and lead the change.

#### 4.2.3 Documentation

When looking at change within Antalis (Pty) Ltd and who was responsible for driving it, it became apparent that it was driven by the CEO and senior

management. In a memorandum sent to the executive committee on 28<sup>th</sup> March 2001, the CEO made the following suggestion, “as we agreed, we will have an away day on Monday 09 April 2001 to start to plan the future direction of the company.” (4, 1, 1)

At this stage, the executive committee was dedicated to altering the direction of the company. The decision would not be made by them without input from the other senior and middle managers within the organisation.

A memorandum sent out on the 31 October 2001 read as follows, “You are invited to attend and participate in a 3 day workshop in February next year (2002) in order to determine the future strategic direction of Antalis (Pty) Ltd.”

The executive committee had, therefore, taken the responsibility and made the commitment to drive the initiative forward.

#### 4.2.4 Conclusion

Looking at the results from the interviews, documentation and questionnaires it is obvious that all three were in support of the management and the change that had to take place and the change process. This can be seen by the memo sent out to determine the future direction of the company, the comment that the leaders were ‘very committed’ to the change process and that to all questions in the questionnaire the response was high to the answer of ‘yes’ for this section.

### **4.3 Create a shared need.**

This section covers the question of why the change, is there a need to change and is it supported?

#### 4.3.1 Questionnaire

There was consensus amongst the employees that a need to change was required and that they agreed with the new change process. There was a statistical difference between Question Five and Question Six,  $p < 0,05$  (Appendix 4).

An interesting point was Question Four where the percentages showed no significant differences. The corresponding p value for Question Four is 0,621 ( $p > 0,05$ ), hence no statistical significance in how the employees answered Question Four. 29,7% said 'not sure', 33,6% said 'no' and 36,7% said 'yes'. (Appendix 4) There is, therefore, a third split between the employees: a third knew what the new strategy was, a third did not know what the new strategy was and a third were not sure what the new strategy was. This exposes an area to be discussed further in Chapter Five.

Due to the senior management being more involved in the development of the new strategy and change process, most of the employees did not get involved. Therefore, the response of 61,4% answering 'no' to Question Seven, of not being involved in the actual change process was as expected (Appendix 4).

#### 4.3.2 Interviews

An obvious need is that of the successful implementation of the change process. The quality and appropriateness of the change, which is to be implemented is important to the executive committee. A poorly developed change plan is less likely to be implemented by them than a well thought out one. The way in which the change was developed may also influence the implementation. Some changes may require the input and advice of others, if only to get them to buy in to the change, while others may be developed and implemented over time. The following extract confirms the above.

*“There have been several changes to the structure of the organisation and the people within it over the past 5 years. Regionalisation of the company is appropriate due to the previous divisional structure being one of causing internal conflict and margin erosion.” (1, 1, 2)*

The perception of the change at Antalis (Pty) Ltd and those affected by it is also a strong influence over the success of the change plan. The comment below confirms this:-

*“The quality and the appropriateness of the change plan were considered to be good and the timing agreed to be convenient however its success was largely dependent on acceptance of all individuals throughout the company. (3, 1, 2)*

When looking at a shared need to change an important factor is receptivity to change. This is a major factor influencing the success of the change process at Antalis (Pty) Ltd. Sometimes organisations, or parts of organisations, are simply not receptive or willing to making changes. The need to change should be shared by both the executive committee and employees of Antalis (Pty) Ltd. Unless this can be overcome, the task of implementing change becomes a long struggle and usually ends in failure.

There are some predictors and measures of this receptiveness to change and Antalis (Pty) Ltd has developed action plans to improve the organisation's willingness to change, for example, a new incentive schemes. This is reflected in the following statement:

*“The organisation was not highly receptive to change particularly for employees of long-standing who always were associated with one division, only the younger employees of shorter employment span were marginally considered to be more receptive to change although even they were reluctant to accept change.” (3, 1, 3)*

Most people do not like change. It was, therefore, perceived that individual personalities would always affect the organisation and its willingness, or

otherwise, to change. Some personality types are severely threatened by change, yet others cannot function in a static environment. There were many vested interests that would not be suited to the new structure but the willingness to change is directly proportional to the buy-in of the senior management. The comment below confirms this.

*“The main drives of the change were the 3 new regional directors plus the CEO and all have in some way experienced there own problems in implementing the change down the organisation. Needless to say these four individuals plus all other senior management have a major influence on the organisations willingness to change.” (3, 1, 4)*

When looking at the aspect of creating a shared need for the change process, does one see the need for change and does the employee know and agree with the new strategy of the company, cultures needs to be looked at? The culture of Antalis (Pty) Ltd is in response to what it has learned over the years. Culture is like the personality of the organisation, which distinguishes it from other organisations. At times. the culture can inhibit change. Antalis (Pty) Ltd seems to protect the stability and consistency of the company, and has not relished change or been over-excited by it in the past. The following quotes show this.

*“Yes, while change has been more difficult for some members, there appears to be a gradual acceptance that in the long run it will profit the company”. (4, 1, 6)*

Executive 1 said: *“The culture has been one of organisational stability over many years. Hence that would inhibit the change or more rather inhibit the success of the change”. (1, 1, 6)*

A number of individuals perceive the two trading divisions of Antalis (Pty) Ltd as having different cultures. However, this is true in full, as individuals associated with a division saw themselves only as part of that division and not of the whole company. Ultimately, caution and conservative management, which are equally

apparent in the culture of the organisation, did, perhaps inhibit the change from happening sooner.

The executive committee, therefore, knew that change had to take place for the company to progress. The change has been more difficult for some members and there appears to be an acceptance now to the change process.

#### 4.3.3 Documentation

At the time of initiating this strategic direction for Antalis (Pty) Ltd, the main reason was, “that the previous divisional structure was one of causing internal conflict and margin erosion.” (1, 1, 2)

There was very little, if any, documentation with regard to this section, but the feeling within the organisation, at senior level, was that changes needed to be made.

A workshop was held involving senior and middle management to brainstorm and develop a new strategy for the company. A company (D.P.I) was approached to facilitate the workshop, which included delegates from Antalis (Pty) Ltd, First Paper House and Haddon’s. It was mentioned in a memorandum to the selected members who would attend the workshop that, “This strategic workshop will be facilitated by Decision Processes International who have a good deal of experience in helping companies determine where they are, where they want to get to and how to get there.” (4, 2, 4)

There was a definite feeling for the need to change and that the company needed a new strategy to take it forward. This can be seen by the comment made in the memorandum to the selected employees on 20 November 2001, “the process we are about to go through was developed by Decision Processes International and from now on we will refer to it as the Strategic Thinking Process.” (4, 3, 5)



#### 4.3.4 Conclusion

In this section, management initiated the need for change as can be seen in the responses to the interview questions. The documentation supports this by showing that the management initiated the change by sending out a memorandum setting up a workshop to address the change issue. In the questionnaire, there was consensus that the employees also recognized a need for change and shared in the commitment to change. The area that was not clear here was that of the strategy being followed by Antalis (Pty) Ltd, as the employees' responses were split three ways. There was a high response of 'no' to being involved in the process. This was because the change process was driven by the senior management of Antalis (Pty) Ltd and not the employees in general.

#### 4.4 Sharing a vision

This section covers the aspect of everyone within the organisation sharing the need for change, did they trust the company in what it was attempting and were they all committed?

#### 4.4.1 Questionnaire

Even though they were not involved in the setting up of the change process, the employees showed a high response rate to the question, “do you trust the company in what it is doing?” (57, 8%) and, “are you excited about the change” (57, 8%). The p values are = 0,000 showing that the responses to Questions Eight and Nine were significantly different. (Appendix 4). The majority of employees, therefore, shared a vision for change.

Another interesting point to be investigated further in Chapter Five is Question Ten, where 53, 1% answered ‘no’ and 42, 2% answered ‘yes’ to the question, “Has the change affected your day-to-day activities?” (Appendix 4) Due to the change affecting mostly the sales arms of the company, the high ‘no’ responses are most probably those of the distributions units, as the change has not affected their day-to-day activities at all.

#### 4.4.2 Interviews

It was mentioned that there has to be a high degree of trust for everyone in the organisation to share in a future vision for Antalis (Pty) Ltd. It was noted that, generally, the employees have a high degree of trust in both the management as well as the organisation they work for.

Executive 4 said: *“At senior management level I believe the trust is implicit. The lower one goes down in the organisation it is more difficult to get a feel. You might be told what people think you want to hear.”* (4, 2, 7)

Trust is one of the most important factors influencing the success of the Antalis (Pty) Ltd change process. Change of any sort, especially structural change, (such as employees’ power bases, economic security and job satisfaction) involves risk and the unknown. Many aspects of organisational life are

threatened when one tries to implement change, If Antalis (Pty) Ltd employees do not have a high enough level of trust and confidence in the judgment, motives and values of the senior management, the suggestion is that they will tend to protect or defend themselves alternatively, by resisting the change.

Successes and failures of change implementation in the past have influenced the organisation's belief whether or not it is able to change again in the future. There is very little history of failed attempts to change or improve the organisation that will leave employees with a low expectation of successes. As mentioned, "This is the first major structural change in the management structure." (4, 2, 8)

Executive 3 said: *"Any company who does not learn from the past will ultimately lose ground to its competitors. The company has learnt a great deal from its successes and failures in recent times, however it is still relatively early days as to whether the company will benefit in the future from the lessons learnt."* (3, 2, 8)

The structure that has been aimed at is the setting up of a regional basis, the authority vested in the regional directors gives them the ability to monitor and implement the changes further. This is not reflected in the following comments.

*"Regional management has met with mixed success and prior divisional lines have not yet been totally eradicated".* (3, 2, 9)

Executive 4 said: *"My personal opinion is that regional directors might not fully grasp the role they are expected to play and staff might well feel that all we have done is adding another level of management."* (4, 2, 9)

The fully proposed extent of the regionalisation has not yet been achieved, but there is no identifiable reason why current regional directors cannot implement the required changes in the fullness of time and achieve the vision of regionalisation in its totality.

#### 4.4.3 Documentation

The shared vision of the senior management was that the company could work together and achieve better margin targets.

In an article by Edwards (2003: 32) interviewing the CEO of Antalis (Pty) Ltd, it was mentioned that, “the group used to be managed centrally from the head office in Johannesburg. Motivation for the new structure was to give greater accountability and customer focus to First Paper House and Haddon’s in the major regions of South Africa”. (6, 1, 8)

When asked about the future vision of the company after the strategy workshops, the CEO answered, “the regional directors in each area will now be fully responsible for its profitability, running the sale offices of First Paper House and Haddon’s, as well as warehousing and distribution operations.” (Edwards, 2003)

In a letter to the management forwarded to the general staff population, it was mentioned that, “This new structure will enable us to improve and grow the profitability of the company.” (6, 6, 14)

#### 4.4.4 Conclusion

As far as the interviews were concerned, the response to a shared vision was that there had to be trust in the top management concerning their vision for the future achievement of the company to be more profitable via regionalisation. This was supported up by a letter to the staff mentioning this new structure (vision) that would improve and grow the profitability of the company. In the questionnaire, the employees had a high response to trust in management and what they were doing.

### 4.5 Mobilising commitment

In the section, the factor regarding the need for involvement, and whether or not the management have the support of the key people in the change process was questioned.

#### 4.5.1 Questionnaire

The percentages for Question Eleven show no significant differences between Yes, No and not sure. The corresponding p value for Question Eleven is 0,257 ( $p > 0,05$ ) indicating that there was no statistically significant difference between how the employees answered this question. (Appendix 4) The question was, “have the leaders provided adequate resources to implement and control change”. There is a third split concerning the employees’ responses to this question. This needs further investigation in Chapter Five.

Question Twelve revealed a high ‘yes’ response of (46, 9%) indicating that the employees felt that the leaders had the ability to get the support of key people in the organisation.

Sixty-three comma three per cent of employees selected ‘no’ (Question Thirteen) Most employees felt that they were not encouraged to take their own initiative, submit suggestions for improvements or suggest new actions or policies. This section suggests that, besides the senior management, no one else was involved in the implementation of the change process.

#### 4.5.2 Interviews

One cannot implement change without control and commitment over what is to be changed. It is, therefore, important for Antalis (Pty) Ltd to have had the ability to get, not only management, but all the employees to do things or behave the way the company wanted them to during the change process.

To get this commitment the organisation has had a high degree of freedom. Over the past five years, there have been numerous movements of people within the company and changes to the incentive schemes. This shows commitment by the senior management to control the process through branch and regional trading profits progress linked to the new incentive scheme as mentioned above. The following quote shows this.

*“The company has the ability to implement radical changes if required, but the historical conservative nature of the company makes this not a desired route to implement change. Instead preference is given to keeping change to a minimum and not following radical routes.” (3, 2, 11)*

The control has been driven from the executives through the ranks of management on a top-down approach. However, local management have been given the authority to implement changes at a regional level, appropriate to that region without having to refer to the executive.

There has not been a feeling of a lack of commitment from the employees during the process and that they have been subject to double standards. At all times, the change process was transparent to all and the intention of the change was fully communicated and explained. For people who have been involved and committed to the change process recognition has been given. This is reflected in the following extract.

*“Those who have driven the change process forward will be given due recognition at times of promotion or future management changes, while incentive schemes will offer momentary recognition to those regions which are successful in generating the return required.” (3, 4, 19)*

#### 4.5.3 Documentation

The CEO and executive committee provided adequate resources at the time to investigate and implement the change. By involving senior and middle management in the strategy implementation analysis, they were able to get the support of the key people who would have to drive the change.

During the workshop, all-critical issues were identified, analysed and plans put in place to resolve issues. According to the D.P.I analysis, “to provide guidelines for senior management to design and activate the strategic implementation plan as per the information gathered”. (1, 33, 4)

The strategic thinking process resulted in a clear strategy for the organisation’s future growth. The following was documented in the D.P.I analysis, “The strategy has been formulated, and agreed to, by the management team and has their full support and commitment.” (1, 36, 1)

The management also added the following as a total commitment for the strategy implementation, “we now face the challenge of converting our strategy into reality through effective implementation. In practical terms, this means resolving the high priority critical issues and aligning the resources of the entire organisation behind the implementation progress.” (1, 38, 2)

#### 4.5.4 Conclusion

The executives felt, and their responses in the interview showed, that the employees were committed to the change process even through it was a conservative company when it came to making radical changes. At the strategy workshop, all the management involved showed their commitment by documenting and agreeing to the new strategy. An aspect that did not score highly but rather had a high ‘no’ response, (63,3%) (Appendix 4) was that they were not allowed to take their own initiative or suggest new actions or policies,

and were, therefore, not able to share in the commitment as the senior management.

## **4.6 Modifying systems and structures**

This section covers the aspects of how the systems and structures were institutionalised, was it communicated and was there enough information given about the change process.

### **4.6.1 Questionnaire**

For the response to Questions Fourteen and Fifteen, most of the employees answered 'yes' 41, 7% and 49, 2% to the communications of the change to employees, customers and suppliers as well as being informed about where, when, what and how the change would take place (Appendix 4).

Question Sixteen had a very high 'no' response (79, 7%). The question related to the feedback on how the change process was progressing. This is a significant difference as the Chi-square value is 124,938 and the p value is equal to 0,000, (Appendix 4). There has, therefore, been very little, if no feedback on how the change process has been progressing.

### **4.6.2 Interviews**

One of the new procedures that was put in place as part of the restructuring process was to modify the reward system, to be used on a regional basis as apposed to a national company basis as in the past. The new management structure was designed to encourage change and seek compliance from employees through striving for a joint goal. The incentive scheme was amended to encourage motivation.



*“Control and structures are now through branch and regional trading profit progress.” (1, 2, 10)*

The measures for performance include volumes, margins and profits:

*“The structure that has been set up and the authority vested in regional management gives them the ability to implement change”.  
(2, 2, 9)*

The company has a high ability and capacity to change the structure of the organisation, reshuffle employees and dependents as well as changing reporting procedures, communication patterns and reward systems.

This is the first major structural change in the senior management structure of Antalis (Pty) Ltd and the modification changes were communicated to all staff, customers and suppliers well in advance. This was done so as to screen any questions and problems that might have arisen from this new structured change.

The regional structure and management were changed when implementing the new regionalisation structure. Each region would be responsible for the future implementation of the change process. The following quote shows an awareness of this.

*“As for as clear direction was concerned, this differed from region to region and was dependent on the regional directors own interpretation of what was required in their regions.” (3, 2, 12)*

#### 4.6.3 Documentation

When responsibility and accountability was looked at, the following was noted in the D.P.I. analysis: “the future direction and growth of the organisation is the primary and most important task of the chief executive and the senior management team. Therefore, the implementation of the strategy is their responsibility and they must assume complete accountability.” (1, 39, 3)

There were only two modifications made through the change process: one of structure, and the other on the incentive scheme. The major change was the restructuring of the senior management team.

In a letter from the CEO in July 2002, the company re-structuring was explained, “with effect from 1 January 2003 the company in South Africa will be structured on a regional bases for both sales and distribution.” (5, 6, 1) The CEO went on to mention in a revised version of his letter, “There will be 5 regions (Johannesburg, Kwa-Zulu Natal, Cape, Pretoria and Bloemfontein). The Cape Region would include Port Elizabeth, the Kwa-Zulu Region would include Pietermaritzburg and the Johannesburg region would include exports and Botswana. All the regions will report to the CEO directly. The rest of the structure will remain unaltered.” (5, 7, 4) He also mentioned that, “from the 15<sup>th</sup> January 2003, the two heads will cease to be managing directors of Haddon’s and First Paper House respectively but will remain Board Directors of Antalis (Pty) Ltd. (5, 7, 8)

In a letter to the clients from the CEO of Antalis (Pty) Ltd South Africa, he mentioned that, “in order to delegate decision making as close as possible to our customers, we will be restructuring our company next year and creating three new regional businesses”. (5, 2, 1)

#### 4.6.4 Conclusion

The major change was that of the structure of the company through regionalisation. The reporting structure was changed and, as per the interviews, the only system that was changed was that of the incentive scheme. This was supported by the documentation of the new reporting structure and incentive scheme. The questionnaires also indicated that the employees were made aware of these changes and knew ‘when’ and ‘why’ they had taken place. The negative aspect was the 79, 7% response who answered ‘no’ to receiving feedback after the change process had been implemented.

## 4.7 Monitoring progress

This section covered how the change process was measured and whether or not it was clearly documented.

### 4.7.1 Questionnaires

Analysis of Questions Seventeen, Eighteen and Nineteen indicated that most of the employees were 'not sure'. (Appendix 4) These responses show that the changes have not been clearly documented, the leaders have not implemented processes to measure the success properly and that the leaders react to problems if they arise and do not plan their actions beforehand. The responses of 'not sure' indicate that employees are of the impression that no procedures that they know of have been put in place to monitor and measure the change process at Antalis (Pty) Ltd, or it has not been explained to them.

### 4.7.2 Interviews

The only accountability measure of the change process is that of successfully achieving profitability budget, volumes and margin, which will be rewarded if the region achieves its targets. These reward measures are documented in the Policy and Procedure manual of Antalis (Pty) Ltd. Besides this documentation there is very little else being put in place to monitor the progress of the change.

This is reflected in the following extract.

*"The principle was that standards would be universally enforced in implementing regionalisation but in practice this has not been achievable and is unlikely ever to be totally achievable. (3, 3, 14)*

Due to the executive committee not implementing systems to monitor the change process itself there is insufficient feedback on the progress of the change. The following quotes show an awareness of this.

*“Very little feedback received other than by word of mouth. No formal or structured feedback was sought from employees.” (4, 3, 13)*

Executive 2 said: *“The only accountability measure is the successful achievement of the profitability budget”. (2, 3, 17)*

There has been a definite lack of commitment from the executive committee with regard to the implementation of a monitoring system of progress, besides a budgetary one. When change has taken place there should be a monitoring system with regard to the employees' progress and levels of performance achieved.

#### 4.7.3 Documentation

The changes have been documented into the Policy and Procedures manual of Antalis (Pty) Ltd, (3, 10, 5) and also integrated into the overall business process.

The only monitoring process that has been put in place is that of the revised incentive scheme, “pay-for-performance” (3, 1, 2). In the letter from the CEO, July 2002, he mentions the following, “each regional director and their teams will be measured on a regional profit and loss under a completely new sale incentive structure which will be revised”. (5, 7, 11)

The only other monitoring process is that of feedback which is received via staff and clients to the regional directors and then to the CEO.

#### 4.7.4 Conclusion

Management's answer to monitoring progress via the interviews was that of successfully achieving profitability budget, volumes and margins. The documentation mentions that each regional director, and his or her teams, would be measured as a region under the new incentive scheme. As mentioned above, the monitoring process had been put in place but in the questionnaire there was

a high response of 'not sure' to all the questions in this section, this shows that the employees did not really know what the monitoring process was or if there was one.

## **4.8 Making it last**

This section covered the aspect of making the change process last, what are their future plans, were the employees' supported during the change and are there plans in place to combat unexpected problems.

### **4.8.1 Questionnaire**

There is a 71, 7% response for Question Twenty of 'not sure'. The question asked, "If the leaders had further plans to keep attention focused on the change". This shows that the responses to Question 20 were significantly different (Appendix 4). The employees were unsure of the future plans of the senior management concerning what they had planned and this could be due to no, or very little communication to them so far.

Another very interesting section to be investigated further in Chapter Five is that of Question Twenty-One relating to employees' support during the change process. 39,1 % answered 'not sure' and 39,1% answered 'yes' (Appendix 4). This could be because the distribution staff were not affected by the change and would, therefore, be unsure about the support during the change.

In line with the responses to Question Twenty-One above, there was a 52,3% response of 'not sure' to Question Twenty-Two relating to whether or not the leaders worked to reduce any unexpected problems that resulted from the change. The analysis of Question Twenty-One could also be true for this response (Appendix 4). More than half the employees were 'not sure', so there is definitely a perception, or lack thereof, as to whether or not senior management

have done anything to combat any problems that have arisen from the change process.

#### 4.8.2 Interviews

It is difficult at this stage to summarise the expectations of all the employees, as the greater majority were not directly affected by the change. If one looks at the two original divisions most directly affected by the change, it is not likely that all, or even the majority of employees believe the change to be successful, but it is considered that acceptance will improve over time.

There was support from the management during the change process, as they wanted the process to succeed and carry the company forward in a new management style and structure. While there are no real future plans for other change processes, there is also no mention of plans to keep the focus on the change, except that it is the regional director's responsibility to keep the change process alive. The executive committee has put the change process in place and it should be their responsibility to carry it out but they reneged on this. This is reflected in the following extract.

*"Whether the full potential benefits of the change will ever be fully realized is doubtful and a final assessment of how successful the change has been is not able to be undertaken at present." (3, 4, 20)*

#### 4.8.3 Documentation

The responsibility was that of the CEO and senior management to implement and take accountability for the change.

In his letter to the clients, the CEO mentions, "I am confident that this new structure will bring enhanced customer focus to our company whilst retaining business as usual from First Paper House and Haddon's". (5, 2, 5)

In the 'Best company to work for survey', Antalis (Pty) Ltd scored well in the areas of, "this company is changing for the better, I have been encouraged to become involved and committed to change and in my organisation managers are doing well in managing change". (7, 1, 3)

The company did not score well on the following, "my manager recognises and manages the impact of change on me, I am satisfied with the appointment of people to management positions and people at all levels in the organisation are made to feel part of decision-making processes". (7, 1, 4)

Concerning making change last, Edwards's writes, "previously, the different departments in each region reported to head office and did not act as a single entity. Now each region will be fully responsible for all the divisions in its area and will be autonomous profit centers, which should be beneficial for the group as a whole." (6, 1, 12)

#### 4.8.4 Conclusion

The consensus of the executive teams is that they wanted the change process to work and carry the company forward in a new management style and structure. According to the documentation, it was now the responsibility of each region to make the change process a success. A contradictory response was received by the questionnaire; there was a 71,7% response to Question Twenty (Appendix 2) of 'not sure' to whether or not the leaders had further plans to keep attention focused on the change process.

### 4.9 Conclusion

From the above information and analyses, it is evident that there is definite support for the management of Antalis (Pty) Ltd and the change process. This is reflected in the positive responses to 'yes' within the first factor. The employees

have all seen the need for change and there was commitment to the change, although they felt they were not involved enough.

There was a shared vision as well as a trust in management and in what they were doing. The employees and management were committed to making the change work, but the employees felt they were not able to take their own initiative or be given the chance to make suggestions for alternative actions or policies. Everyone was made aware of the change but the employees felt that after the change had taken place there was insufficient feedback as to how it was progressing.

Management indicated that a monitoring system had been set up in the form of an incentive scheme, but the responses to the questions on this factor reflects a high response to 'not sure', which means the employees do not see this scheme as a monitoring system.

The employees are 'not sure' of the future plans of management concerning this change process. This is reflected in the high response of 71.7% of 'not sure' in the questionnaire to the related questions.

The overall analysis of the seven factors is that there is a positive approach by the majority of the employees to the first four factors. The change in attitude comes in at factor five, where there is a high response to the modifying of systems and structures of 'no' to receiving very little if no feedback after the change had taken place.

The last two factors have a high response of 'not sure', that is for the company's monitoring system which management say they have put in place, yet the employees' response is not the same to this response. For factor seven, the employees seem to have a high response of 'not sure' as to whether or not



management has any future plans for the change process, now that it has been implemented.

The information and results from the questionnaire, interviews and documentation are investigated further in depth in Chapter Five.

## **CHAPTER FIVE**

### **INTERPRETATION AND DISCUSSION OF RESULTS**

#### **5.1 Introduction**

In Chapter Four, the results were presented pertaining to the interviews, documentation and questionnaires. Chapter Five has a two-way approach to the interpretation of the results. Firstly, the results will be interpreted from the chi-square test, descriptive statistics table and the correlations table and then interpreted against what was revealed by the literature review. The second half of the chapter will compare the changes that have taken place against the Change Kaleidoscope Model to determine if Antalis (Pty) Ltd has followed any formal change process.

#### **5.2 Interpretation of Statistics**

The information gathered will be interpreted via the statistical methods used below and in Appendix 4 to analyse the results received via the questionnaires, interviews and documentation.

##### **5.2.1 Descriptive statistics**

The table below gives an outline of the factors discussed in the study. It is divided into seven factors, which represent factors against which the analyses and interpretation were accessed.

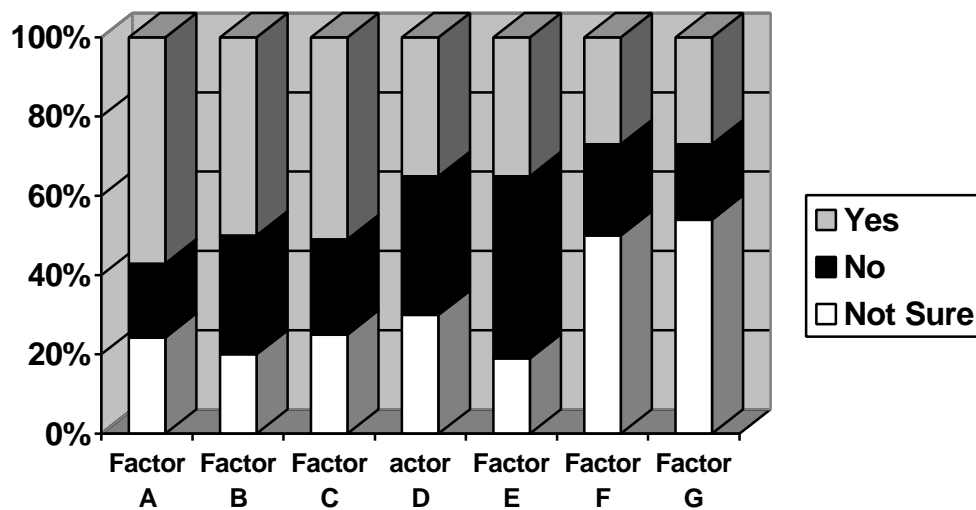
**Table 5.1 Factor Table**

	<b>Factor</b>	<b>Questions</b>
A	Leading change	1-3
B	Create a shared need	4-7
C	Sharing a vision	8-10
D	Mobilising commitment	11-13
E	Modifying systems and structures	14-16
F	Monitoring progress	17-19
G	Making it last	20-22

Source: Adapted from Denton (2002)

When analysing the questions according to the Chi-square test, there is a trend that has developed. (Appendix 4) The bar chart below shows this:

**Table 5.2 Comparisons of Factors**



The bar chart confirms the trend in the questions showing that the majority of the employees were supportive of management, the change and the process, but after the change was implemented, the process was not followed through. This can be seen by the switch to a higher percentage of 'not sure' for the last section of the questionnaire, Factors F and G.

The means in the descriptive table below shows and confirms this. By looking at the means respondents, on average, tend to be positive for factors A to E, with a mean value of around 1. However, the mean falls to below 1 for Factor F and G (Table 5.3).

**Table 5.3**  
**Descriptive Statistics**

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
FACTORA	128	.00	2.00	1.3177	.63969
FACTORB	128	.00	2.00	1.3105	.48170
FACTORC	128	.00	2.00	1.2708	.58376
FACTORD	128	.00	2.00	1.0625	.57164
FACTORE	128	.00	2.00	1.1667	.45246
FACTORF	128	.00	2.00	.7604	.59296
FACTORG	128	.00	2.00	.7370	.64621
Valid N (listwise)	128				

Table 5.3 shows that overall the employees have bought into the management being responsible for change, that change was needed and all shared in the future vision of Antalis (Pty) Ltd. On the other hand, they were not informed about the management plans, resulting in the high 'not sure' response to the factors F and G. This implies a lack of communication from management and senior staff regarding the continued progress or future of the change process.

The change was implemented, but no follow up or any feedback that might have been received by management was acted upon. This has been highlighted by the swing from a strong 'yes' as can be seen in the bar chart to a strong 'not sure' in the descriptive table (Tables 5.2 and 5.3)

The two questions that showed a p-value of  $p > 0,05$ , as per Appendix 4 were Question Four and Question Eleven. In Question Four, there was no consensus

regarding what the strategy was. There was a third split between 'yes', 'no' and 'not sure'. This could have an effect on the swing of factor F and factor G (Table 5.1). If the strategy was not communicated and explained throughout the company, this would explain the responses to the last two factors.

With Question Eleven, "have the leaders provided adequate resources to implement and control the change", there was once again no statistical difference between the responses (Appendix 4). This raises the question of whether or not top management communicated the process to the employees in a proper manner. If not, the high 'not sure' responses to factor F and factor G in the questionnaires were indicative of this.

The interviews and documentation also support this as the management did not get much feedback after the change and did not set up any monitoring processes of the change, except for an incentive scheme (3, 2, 5). This incentive scheme does not monitor change or the employees' personal feelings or attitudes.

The long-term strategy has not been clearly mapped out to the employees except to the executive committee themselves (1, 2, 6). This is the main reason for this change in responses to the last two factors.

### 5.2.2 Correlations

The table below compares the seven factors with each other. The Pearson's correlation of co-efficient value shows the strength of the relationship between any two factors (Cooper and Schindler, 2001). R-values close to one indicated strong relationship.

If one looks at the r-value for factor A and B, it is 0,463. The r-value between factor A and C is 0,546. This shows that factor C is more closely related to factor A than factor B. This table re-iterates the analysis in section 5.2.1, that there is a

strong relationship between factor C and factor B, also factor C and factor A. This shows that the employees all share the vision of the company and know who is responsible for leading it and why the change has taken place.

The r-values for factors A, B and C with a relationship to factor F are low, 0,366, 0,366 and 0,305 respectively. This shows that the monitoring of progress, how it will be measured, was seen as implemented and put in place by the management in the interviews and documentation, but the employees have seen it in a different light according to their answer in the questionnaire.

The incentive scheme is apparently not a suitable way to measure change, an employee forum would have been a better measurement of monitoring the change process according to one of the executive's response in the interviews (2, 1, 4).

**Table 5.4 Correlation Table**

		Correlations						
		FACTORA	FACTORB	FACTORC	FACTORD	FACTORE	FACTORF	FACTORG
FACTORA	Pearson r	1	.463**	.546**	.357**	.287**	.366**	.430**
	p	.	.000	.000	.000	.001	.000	.000
	N	128	128	128	128	128	128	128
FACTORB	Pearson r	.463**	1	.618**	.420**	.260**	.366**	.433**
	p	.000	.	.000	.000	.003	.000	.000
	N	128	128	128	128	128	128	128
FACTORC	Pearson r	.546**	.618**	1	.442**	.371**	.305**	.408**
	p	.000	.000	.	.000	.000	.000	.000
	N	128	128	128	128	128	128	128
FACTORD	Pearson r	.357**	.420**	.442**	1	.392**	.476**	.464**
	p	.000	.000	.000	.	.000	.000	.000
	N	128	128	128	128	128	128	128
FACTORE	Pearson r	.287**	.260**	.371**	.392**	1	.453**	.477**
	p	.001	.003	.000	.000	.	.000	.000
	N	128	128	128	128	128	128	128
FACTORF	Pearson r	.366**	.366**	.305**	.476**	.453**	1	.389**
	p	.000	.000	.000	.000	.000	.	.000
	N	128	128	128	128	128	128	128
FACTORG	Pearson r	.430**	.433**	.408**	.464**	.477**	.389**	1
	p	.000	.000	.000	.000	.000	.000	.
	N	128	128	128	128	128	128	128

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

Another example of comparing the factors with each other, can be seen by a high response to Question Five, with a 80,5% 'yes' reply to the question, "Do you see the need for change?". When answering Question Twenty, "Do the leaders of the change process have further plans to keep attention focused on the change?" the response was 71,7% in favour of 'not sure'.

The correlation table confirms the high swing from a positive of 'yes', 80,5% to a one of 'not sure', 71,7% for very little management participation within the company after the regionalisation had taken place. Therefore, the difference in the r-values of factor F against factor A, B and C.

Factor E had a much higher r-value to factor F and G, than to factors A, B, C and D. This confirms the relationship between the modifying systems and structures factor (Factor E), with that of the monitoring process factor (Factor F) and making it last factor (Factor G). Due to the lack of proper communication and feedback from and to management, the employees' perception of where the company is going after the change process is unsure.

### **5.3 Interpretation in terms of the literature review**

A summary of the findings from the questionnaires, interviews, documentation and statistics is that there was a need for change, a support for the management, a shared vision, commitment from employees, but an uncertainty of the systems and structure, monitoring of the progress and making the change last. There has been a swing from the first four factors of a positive attitude towards the change, to a negative attitude in the last three factors after the change was implemented (Table 5.2).

Senior (2002) provides a definition of change and mentions that companies are continually recreating themselves. At Antalis (Pty) Ltd, the change process of regionalisation was a change of structure and, therefore, recreating of itself.

The environment is changing at a rapid rate, and every company needs to accept this and change with the times. This is seen in the questionnaires where there is a high response to creating a need for change and sharing in the vision for change. This is also seen in the interviews and documentation when the leaders set out to devise a new strategy for Antalis (Pty) Ltd in order to move forward and make the company more profitable (4, 1, 6).

The change process was well-managed and planned, but only up to a point. Until the process was implemented and the regions set up, the new regional leaders selected and instated and the green light was given, management had



control of the change process (3, 1, 5). After that, the executive committee 'took their eye off the ball' and the process has not really progressed from there. This can be seen in the questionnaires where there has been a swing in factors F and G. The management themselves said in the interviews that there was not much feedback and one can see from the questionnaires that they have not really communicated with the employees. (Appendix 4).

According to Whittington et al. (1999), some of the reasons for the failure of change efforts are poor planning, monitoring and control, focusing on the objectives than rather on all the processes, failing to take corrective action. When looking at the analysis, the management has been focused on making the change happen, but have not put proper monitoring procedures in place. Answers to one of the questions imply that they react to a problem when it occurs and do not have action plans in place beforehand. This could be the reason for the employees not being sure of how this process will be measured and whether it will last. A change process will not last if there are no monitoring or measurement schemes for success in place (Senior, 2002).

Senior (2002) further mentions that communication about the change should be frequent and sent to all company employees. The management according to the documentation and questionnaires, has done this well up until the implementation of regionalisation but following that, the communications have ceased. This is not a good policy if management wants this change to be successful and continue into the future.

Balogun and Hailey (1999) mention that the change process is the 'how' of change, for example, the models of change and the implementation of the change. When analysing the interview questionnaires and documentation, it can be seen that Antalis (Pty) Ltd and its management have followed a process to initiate the change correctly, but the follow through has been very weak (1, 2, 5). The reason for this, is that there has not been bottom-up communication, which

would have allowed the management to gain valuable feedback. (2, 6, 1) This would have highlighted aspects like the uncertainty of the forward monitoring progress, and whether this change process would last. Management, therefore, needs to build coalitions, tap into the employees' emotions and ideas .

When looking at steps to establish the change process, management has done well as can be seen in the responses to the questionnaires, interviews and documentation (5.2.1). They have had a clear, compelling and concise idea for the future direction of Antalis (Pty) Ltd (4, 2, 1). The step that the management has not continued to focus on is that of communicating broadly, deeply and consistently as can be seen in the responses received to Factors F and G.

According to McNamara's (1999) factors, management needs to get as much feedback as possible from the employee, something that was not done by the executive committee after the change had taken place. This can be seen from the 79,7 % response of 'no' to the questions of feedback in the questionnaire.

Looking at the culture within Antalis (Pty) Ltd, one can determine from the interviews that it is a conservative one. The responses showed this via the questionnaires that the employees are behind the decision of management and share their vision for forward progression.

The change does not seem to have had a major impact on most of the employees as they have answered 'yes' to knowing about the change, the reasons for change and the structural change, but are split and unsure on the factors E, F and G. This shows that for the majority of the employees the change has not really affected their day-to-day activities.

Antalis (Pty) Ltd has a very old tradition and history within the paper industry internationally as mentioned in the introduction to the literature review. There is a shared vision, common goals, a clear sense of purpose and guiding principles

and values. This is highlighted in the positive response to factor C, sharing a vision. According to Darrington (2004), people want to work where their contributions are valued; it helps them perform their work better as they do not want to just go through the motions everyday.

For most people change is not always welcome. As seen in the interviews, people will resist to a degree, especially if they have been with the organisation for a long time (1, 2, 6). Management could, therefore, expect a certain percentage of the staff to resist change.

There seems to be a trust in what the management team was doing, but they did not continue to control what was happening via their regional management, and, therefore, they lost control of the change process. This is what has happened at Antalis (Pty) Ltd. From the interview questions, one can see that the responsibility has moved to the regional managers to monitor the change process, but is it really their responsibility? The questionnaires indicate that the employees do not see it this way.

It is, therefore, important to do an analysis of the findings of the current study against the Change Kaleidoscope Model to see where the process needs to be analysed and worked on for the future. It will also give an idea of the areas that need to be focused on and improvements made so as to change the perception of 'not sure' to that of 'yes' for Factors F and G.

## **5.4 The Change Kaleidoscope Model**

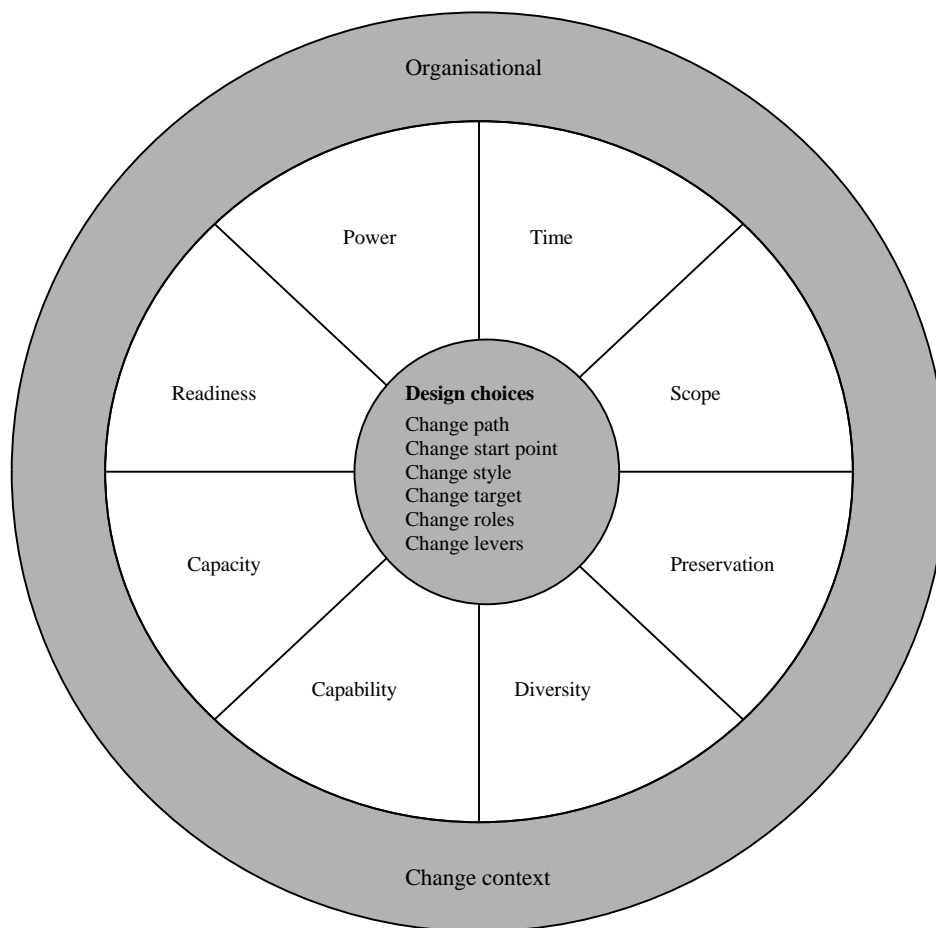
### **5.4.1 Introduction**

The Change Kaleidoscope Model provides a framework to illustrate the key change context features that are required for managing any change process.

Figure 5.1 shows the different aspects of the Change Kaleidoscope Model, which is covered in the next section of this chapter.

The model is broken up into two sections. Firstly, the design choices, which are the range of options from which the organisation needs to choose when selecting an appropriate change approach. Secondly, the change contextual features, which are the aspects of the organisation to do with its culture, competences and current situation (Balogun and Hailey, 1999).

**Figure 5.1 The Change Kaleidoscope Model**



Source: Balogun, J. and Hailey, H.V. 1999. Exploring strategic change. Harlow: Prentice Hall.

#### 5.4.2 Change Context Features

With a new strategy and the senior executive committee set to manage the change, time was an important factor, which made it a critical contextual feature (4, 2, 6). The scope of change was wide, with a paradigm shift, including new ways of doing business, and, therefore, the scope of change was transformational. The change was, therefore, Self-Initiated. Antalis (Pty) Ltd has made the change from within (Balogun and Hailey 1999).

When looking at the preservation of the workforce as a whole, due to long service, this was a positive asset worth preserving (Balogun and Hailey, 1999). The diversity of the staff was a critical factor as the atmosphere amongst the workforce, supervisors, sales arms and top management was hostile and full of conflict (1, 1, 5). The aim was, therefore, to unite the workforce achieving a common goal. This is always a long process as it is difficult to get people to adjust to change, as can be seen in the comments made by the executive committee in the interviews. "The organisation was not highly receptive to change particularly for employees of long-standing who always were associated with one division, only the younger employees of shorter employment span were marginally considered to be more receptive to change although even they were reluctant to accept change." (3, 1, 3)

Being part of an international organisation and being profitable, was an advantage in terms of the capacity to change (5, 1, 3). There was a level of stress on the workforce and the normal day-to-day business was to be maintained during the transition stage. The company was supposed to implement training programmes to prepare the workforce for the changes, and to increase their readiness and motivation for the change (4, 3, 6). This was not done as is reflected in the questionnaire where there was a high response to 'not sure' to the section on monitoring progress.

With the executive committee communicating the changes to the entire workforce, (4, 2, 2), staff were made aware of the extent of change that would take place at Antalis (Pty) Ltd. This also showed them that the executive committee had decision-making autonomy as well as power over the change process. Through their open communication they were supposed to gain the support and an enthusiastic approach of the employees to change.

#### 5.4.3 Design Choices

After the critical contextual features are identified, the design choices have to be set for the change process (Balogun and Hailey, 1999). These choices needed to be made about how the change should be implemented. The following sectors deal individually with the different design choices indicated in the Change Kaleidoscope Model and how they were implemented during the transition at Antalis (Pty) Ltd (Balogun and Hailey 1999).

##### 5.4.3.1 Change Path

As seen by the comments in the interviews and documentation, the transformation of the company was necessary. With Antalis (Pty) Ltd facing a change in its business environment for the future and with very limited time, the organisation had to improve its situation quickly through a single, big step (5, 1, 8). A change was required with an adaptation to the process in the future. The change has taken place but no further investigation by the company has been done on feedback received, if any, and this can be seen by the responses to the questionnaires. The executive committee's leadership style would have a high impact on the success of the transformation programme (Balogun and Hailey, 1999).

#### 5.4.3.2 Change Start Point

The starting point was a top-down approach initiated by the executive committee, and they had to impose this change throughout the organisation (1, 2, 3). The main objective was that change could be achieved quickly and there was clarity about the change programme. Employee participation should occur throughout the process, but this did not take place as the distribution units did not really get involved in the change process at all. They were incorporated into the regionalisation and the only function that changed was that of their reporting structure on a regional basis, as mentioned in the interviews (5, 6, 9).

#### 5.4.3.3 Change Style

The scope of change at Antalis (Pty) Ltd was a combination of different change styles. Education and communication played a big role (Balogun and Hailey 1999). Convincing the employees that there was a need for change, helped to gain their commitment and support. A participative change style was supposed to be used: getting feedback from the employees so that modifications could be made to the process, as per the interviews and the questionnaires this process did not happen.

The timeframe was short and, therefore, a change style of direction was implemented. Here the executive committee acted as a champion of change (1, 36, 6). These styles could lead to conflict, but a certain level of conflict within an organisation can stimulate creativity and encourage innovation (Balogun and Hailey 1999). The participative change style did not happen as can be seen by the questionnaire, as the responses were that the employees were not really given the opportunity to participate in the process.

#### 5.4.3.4 Change Target

Attitudes, values, behaviours and outputs are all the targets of change (Balogun and Hailey, 1999). The extent of change at Antalis (Pty) Ltd called for change intervention at certain organisational levels. The attitudes and values of all employees had to change to a more performance-orientated and customer-friendly work ethic (1, 1, 6). The new working methods would lead to a change of attitudes and values in the workforce. The change in the company's control system to regional bases would be a major step in the right direction.

This was mentioned in the interviews, that it would bring the company closer to the clients and decision-making would now be on a regional basis instead of on a national basis (1, 4, 8).

#### 5.4.3.5 Change Roles

The executive committee played the major role in the change process. They could implement it without the assistance of all the employees. Through the reconstruction of the management team, the team acquired the support needed to implement the change. The support of the workforce has been achieved through open communication of the change program. The responses from the questionnaire were positive with the employees giving their support and seeing the need for change. The process was communicated to all the staff as to why the change was necessary.

#### 5.4.3.6 Change Levels

For any change programme to be successful, interventions in all parts of the Cultural Web are required (Balogun and Hailey, 1999). The Antalis (Pty) Ltd structure was changed through a reconstruction of management and another intervention was the introduction of merit-based promotions as was mentioned in



the interviews (3, 4, 22). The main task was to change attitudes and values. To achieve this, better communication and training programmes were supposed to be introduced. According to the responses to the questionnaire, some communication took place but the training never did.

#### 5.4.3.7 Stakeholders

In order to conduct a stakeholder analysis, Antalis (Pty) Ltd needed to look at who would benefit from the change process. Johnson and Scholes (1999) mention “that stakeholders are individuals or groups that have an interest, claim or stake in the company” and go further and include “dependence and the organisation”

At Antalis (Pty) Ltd, the employees, unions, management, customers and suppliers were the major stakeholders (5, 6, 12). Looking at the power/interest matrix offered by Johnson and Scholes (1999), with the relative position of the different groups in terms of their interest in the organisation's strategy and their actual power to influence it, shows that the management, customers and employees are the ones that can influence the change the most, with the unions and senior management with less of a power/interest to change the organisation.

The current study looked at employees and management. According to the interviews, documentation and questionnaires there was a definite interest and acceptance to the change by both parties.

#### 5.4.3.8 Implementation

The transaction state of any change process is a critical one. If not done correctly the change can get out of hand. A process of unfreezing, moving and sustaining needed to take place (Balogun and Hailey, 1999). The role of leadership at Antalis (Pty) Ltd had already put in place the processes of creating awareness and readiness for change.

A transformational leadership approach was instituted as can be seen by the responses to the interview questions (1, 2, 9). There was risk-taking, building commitment and communication. The implementation of the regionalisation was a high risk taken by the executive committee but with the commitment from the management, they had managed to gain the trust to go forward with the change. There was no threat of job losses and with the changes: a better work environment would lead to motivation to change (Balogun and Hailey, 1999).

The implementation of a new strategic plan, and communicating this process throughout the organisation, had built the foundation to start the change process (1, 4, 12). With regionalisation, there was a free flow of information. Part of the implementation was that all employees, from top to bottom, would look at this process with new vision and direction. This did not materialise as can be seen by the responses to the questionnaires. Although they were positive to a shared vision, the executive committee failed to follow through after the change had taken place.

A major role of the management was to assimilate the diversity into the culture, which was not present before. This would also lead to greater conformity between the cultures of the sales arms (1, 3, 18). Alongside of the unfreeze-move-sustain stages of the organisation, the employees would also need to go through the same stages. This is normally a very stressful time for the

employees: a change in their way of doing things, a paradigm shift (Balogun and Hailey, 1999).

During the unfreezing step, temporary systems were created. Looking at the transition curve of Balogun and Hailey (1999), Antalis (Pty) Ltd employees were expected to unlearn and change, the majority of them were willing to change as per the responses to the questionnaire (Appendix 4). The open communication and supposed new information systems would have allowed people to express their anger and frustrations that arose during this change process, this did not happen (Appendix 4). If management had followed through with this, they would have also assisted and created confidence in all at the beginning of the process. The development from the awareness of change to the implementation roughly resembles the move-phase on an organisational level that took place (Balogun and Hailey, 1999).

If the above was to be in place when the change took place, the reason for change would have been embedded and would have become part of the day-to-day workings. The support for the executive committee and the changes that took place changed the beliefs and values into a new organisational culture. Once the changes had taken place, they were to be sustained to make this process of change a success (5, 4, 16).

This has not occurred and is highlighted in the responses to the questionnaires. The employee responses indicate that there has been no further feedback from the senior management after the change process was implemented.

#### 5.4.3.9 Barriers to Change

The change required effort and the leadership had to abolish certain routines that had been established over time and there was, therefore, a certain amount of resistance to change (3, 4, 20).

Armstrong (1999) points out that “an organisational change program has to focus on specific points of the culture”. The executive committee of Antalis (Pty) Ltd had to tackle a variety of aspects of the existing culture. They tried to make the climate of change favourable for all from the beginning by informing the whole organisation of the steps of the change process. This is highlighted in the interviews and documentation in Chapter Four.

The main hurdle for management was to improve the structure and quality of management and thereby increase the effectiveness of management. The reason for this was to eliminate the personal conflict between the two sales arms and introduce a climate that would be conducive to change (4, 2, 8). This was done by the reconstruction of the top management: regional directors would replace the managing directors as they moved to areas of expertise, as mentioned in the interviews (4, 2, 10).

According to Balogun and Hailey (1999) “the barriers and facilitators of change can be summarised in a force-field analysis”. This illustrates the resistance to change that can be encountered during the transition and the forces that aid this process. If one looks at the past, top management of Antalis (Pty) Ltd was one of the major barriers to change: these managers were long-serving employees and had certain ways of doing things. This new change would threaten these ways, as is confirmed by the responses in the interviews.

#### 5.4.3.10 Changes in Culture and the Cultural Web

In order to understand the magnitude of change, an analysis of the different organisational cultures before and what it would need to be after the change needs to be investigated. According to Balogun and Hailey. (1999), “An organisation’s culture can be described as the basic assumptions and beliefs

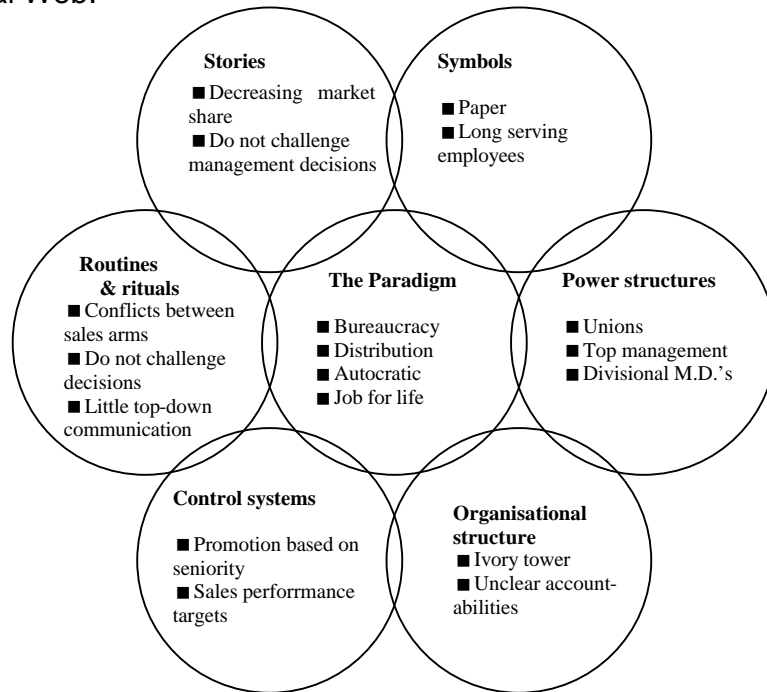
within an organisation and the organisation's view of itself. The Cultural Web provides a useful tool to assess these different cultures". The Cultural Web is depicted in Figure 5.2.

Before the change process, Antalis (Pty) Ltd was achieving results despite the changes that were taking place in the environment. The problem was how long could it continue. The organisation had to change if it was going to survive in the next 10 to 20 years. It had to adapt itself to the changing technology and business environment. The power was directed through top management. These managers were exposed to the well-known group-dynamic processes in decision-making, but the problem was the growing conflict between the two sales arms with the distribution unit in the middle. The managing directors had the final say when important decisions were to be made.

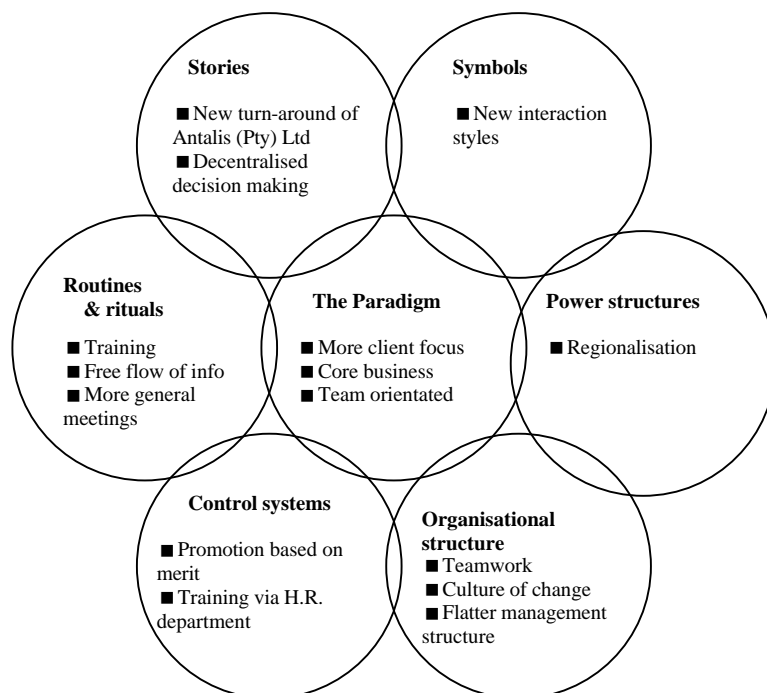
The top management of each division was fragmented and conflicts occurred on a regular basis. People in the supervisory level did not regard themselves as part of the management but as part of the workforce. The climate of the distribution units was not highly performance-orientated, and promotion within the organisation was based on seniority, with no incentive for employees to increase their work performance. The hierarchical structure meant that the flow of information was top-down and insufficient. The organisation was very bureaucratic as this was highlighted by the documentation. Motivation needed to be increased.

**Figure 5.2 Cultural Web**

The present Cultural Web.



**Figure 5.3 The aspired to Cultural Web.**



Adapted from: Balogun and Hailey. 1999. Exploring Strategic Change.

To close the gap from where Antalis (Pty) Ltd was, to where it wanted to be in the future, the executive committee needed to transform the organisation's culture radically. They wanted to streamline the operations into regions where there would no longer be managing directors of the three major divisions, but rather regional directors of the different regions, which would result in de-centralised decision making at the interface (2, 2, 10).

The two sales arms and distribution units for that region would report to the regional directors who would bring them together as a team. This would motivate the people to perform as a team because they would now be judged regionally instead of on national basis: This can be seen by the responses in the interviews and documentation. The power was now decentralised to the regions. It was believed this would lessen the conflict between the sales arms, as information would now be passed on directly from the employees to the regional director and directly back to them (4, 2, 3).

Teamwork was now a priority and the people were encouraged to communicate with each other at all levels. There was, therefore, a need for a culture of change to adapt to the new environmental changes. New training programmes and incentives had to be set up by the Human Resources department to increase performance. Meetings were held regionally with employees at all levels to aid cross-functional information exchange. Looking at the two cultural webs a paradigm shift was needed.

## **5.5 Conclusion**

A trend was discerned when examining the results obtained from the Chi-square, descriptive statistics and the correlations. The major interpretation from these statistics is that the Factors A, B, C, and D have a positive response from the

employees, whereas the response from the employees points to a negative for Factor E and uncertainty for Factors F and G.

There is support for management, the change and the process but confusion concerning the monitoring and future of the change is evident. This is confirmed by comments in the interviews as well as in the documentation. Investigating the information received from the empirical study, against that of the information gathered in the literature review, the main factor is that the executive committee has not followed through with the change process.

The Change Kaleidoscope Model supports this as the executive committee had a change path, change-starting point and a change style, but then it follows their interpretation of a process. Due to them not having an established process, the problem of not following up or requesting feedback, was overlooked. The communication problem would have been discovered if there was a process and aspects like barriers to change and the need for a paradigm change to change the culture of the organisation would have been avoided or eliminated.

In the next chapter, conclusions will be drawn about the study relative to the research problem and objectives. Recommendations will be made for the company to rectify the perception of the employees about the future of the change process.



## **CHAPTER SIX**

### **CONCLUSION AND RECOMMENDATIONS**

#### **6.1 Introduction**

The reason for the research study was two-fold. Firstly, to get a better understanding of how the company has changed and to ascertain if it was the correct change process under the circumstances. Secondly, to determine what effect the change process has had on the employees and culture of Antalis (Pty) Ltd.

Chapter Two covered the literature review, which gave insight into what change was about. It also covered the effect change had on employees and the culture of a company. The research study has made use of a hybrid approach to collecting data for analysis. As mentioned in Chapter Three, data was collected by means of qualitative and quantitative research. The quantitative technique used was a confidential questionnaire sent to the employees. The qualitative techniques used were personal interviews with the four executive committee members and an analysis of the historical documentation of Antalis (Pty) Ltd.

Being a formal and descriptive study, the results received were analysed to give an understanding of the results received from the qualitative and quantitative data. These were analyzed in Chapter Four and interpreted in Chapter Five. The Chi-square test, descriptive statistics and correlations were used to interpret the results for the seven factors being investigated. The interpretation in Chapter Five from the statistics allowed a pattern to emerge. This pattern was one of a switch from the employees being supportive of the changes to that of 'not sure' of the future of the change process. These interpretations were backed up by the

analysis of the interviews and documentation in Chapter Four and against the Change Kaleidoscope Model in Chapter 5.

These findings will be discussed further in the next sections.

## **6.2 Conclusions about research study**

The findings of the research study are to be used to rectify the weaknesses reflected in the problem statement, namely the change process used and the negativity on the part of the employees. When comparing the literature review with some of the results found in Chapter Four and interpreted in Chapter Five, there was definitely a deviation by Antalis (Pty) Ltd. It was found from the information gathered in the literature review and data analysis chapters that the process was not followed through to its completion.

A triangulation approach was used to collect data from interviews, questions and documentation gathered from Antalis (Pty) Ltd employees and senior management. When assessing the data collected and analysed from these survey methods a pattern emerged. The data was analysed against seven different factors to give a clearer picture of the change process and its effect on employees.

When looking at the responses to the questions, interviews and documentation the need for change was obvious. This is shown in the frequency table in Appendix 4, with a high response to 'yes' for the questions, related to the need for change. There was also a high support for the management and what they were doing: this was also backed up by the interviews where a comment was made in section 4.1.2, that the change of Antalis (Pty) Ltd was driven by the executive committee. This can be seen by a high response of 55,5% to Question one. There was definitely support for the management, the change and the change process.

Senior (2002) mentions that companies are recreating themselves. One can see that Antalis (Pty) Ltd has undertaken the regionalisation process to recreate itself by changing its structure. Even though the employees saw a need for change and seemed to agree with the change process, a very important point that was noted, that there was a split to the question regarding knowledge of the strategy of Antalis (Pty) Ltd. It can be seen in section 4.2.1 that there was a split and this lead to the high response of 'no' to Question Seven (Appendix 4) for not being involved in the actual change process. This indicates that the process was not communicated properly and that only the management was involved in the final decision.

One of the important aspects of formulating a future strategy is to identify a 'gap', (Ambrosini 1998). This was done by the senior management of Antalis (Pty) Ltd but it was not communicated throughout the levels of the company.

The need for change is backed up by a statement made by one of the executives that "regionalisation of the company is appropriate due to the previous divisional structure being one of causing internal conflict and margin erosion" (1,1,2). This comment was the basis for the change process that took place at Antalis (Pty) Ltd.

Denton (2002) mentions that the following elements are needed to push the process of change forward. The need and desire to change, sponsorship of the change, the availability of resources, the perceived benefits relative to cost, confidence in one's implementation capability and the commitment of stakeholders. Antalis (Pty) Ltd management had all of the above in place, as well as the most important one and it was that the majority of the employees who knew about the significance of the change were committed to it. This lead to the high response to having trust in what the company was doing and, therefore, being excited about the change as can be seen in section 4.3.1.

An interesting discovery was that of a 53,1% for 'no' and 42,2% for 'yes' split for Question Ten, see Appendix 4, as to whether the change has affected the day-to-day activities. The reason for this is that the regionalisation affects only the sales and administration employees where most of the conflict lay and not the distribution employees. Looking at the results above, was the change process at Antalis (Pty) Ltd a 'quick fix' to solve the internal conflict and margin erosion? or are the employees seeing the regionalisation process as unforeseen and a difficult to accept change, as it is causing disruptions and failing to address the future implications of the change process for the organisation as a whole.

The trust is, therefore, more in the top and middle management but not in the regional directors, because they have been put into positions as the solution to the problem. The reason for this can be seen in comments made by two of the executive's committee members that the regional managers were given the power to drive the process of regionalisation further and to impose it on all the employees. The comments are, "regional management has met with mixed success and prior divisional lines have not yet been totally eradicated" (3,2,5) and "my personal opinion is that regional directors might not fully grasp the role they are expected to play and staff might well feel that all we have done is add another level of management." (4,2,9)

These regional directors have been given greater accountability but have not implemented and explained the shared vision of the change process to the lower levels of the organisation. The feeling of the employees is, therefore, one of not being part of the whole process and that it has not really affected their day-to-day activities.

Another one third-split answer was that of Question Eleven, regarding the management provision of adequate resources to implement and control change. Once again, this shows that there was insufficient involvement from all the

employees or they would have known that the management had spent a lot of money and countless hours of debate, to set up the process.

Senior (2002) mentions that top management must be involved in the change process. Change is best carried out as a team-wide effort and it is very important that communication about the change should be frequent and with all organisation members. To sustain this change, the structures including strategic plans, policies and procedures, need to be modified. This highlights the answering of 'no' to Question Thirteen, because the change process was set up largely by the senior and middle management. The question was, if the employees were encouraged to take their own initiative, submit suggestions for improvements and suggest new action plans or policies, the result, therefore, shows that there was very little involvement by all the employees.

The change process was a big step for Antalis (Pty) Ltd to take, as it was mostly a conservative company. It was a radical change to the structure of the company and needed to be followed up to see if there were any problems with this new structure.

Kotter (1995) mentions that employees often feel either confused or alienated because, as part of transformation, there are plenty of plans, directives, programs, goals, methods and deadlines imposed. This is contradictory to what Antalis (Pty) Ltd management has done: They have not given a clear and compelling statement of where all these changes are leading. The executive committee has admitted in the interviews that there has been no, or very little, feedback and they have not really reacted to this. In section 4.5.2, the executive committee seems to 'pass the buck' to the regional directors: "the structure that has been set up and the authority vested in regional management gives them the ability to implement change". (2.2.9) The regional management does not seem to know this. This will be covered further in the recommendations section.

Beer, Eisenstat and Spector (2002) mention that there is no right way to execute change, but a customised approach can be set up that best suits the company's needs. The change process set up by Antalis (Pty) Ltd itself was not an incorrect process, but rather that it should have investigated other processes before going ahead and implementing its own. The next section is an example of this, if Antalis (Pty) Ltd had investigated other processes then the following problem would not have occurred.

The executive committee has failed to set up a monitoring programme to monitor change. The comment in the interviews was, "the only accountability measure is the successful achievement of the profitability budget", (2,3,17) and that "the principle was that standards would be universally enforced in implementing regionalisation but in practice this has not been achievable and is unlikely ever to be totally achievable." (3,3,14). The reason for this, is that there is a need to implement other processes besides accountability and monetary incentives. This is confirmed by the responses of 'not sure' to all the questions in this section. It reflects that the process has not been clearly documented and that management has not implemented proper monitoring systems. The answer of 'not sure' from the employees is that they do not see an incentive scheme as a monitoring process for the change. This will be discussed further in the recommendations section.

Asked if the process had a future and if Antalis (Pty) Ltd had further change processes planned, it was commented in the interviews that it was difficult to sum up the expectations of the employees, as the greater majority were not directly affected by the change. If one considers the two divisions that were affected by the change, the majority think it has not been successful, but there is hope that this perception will change with time. This would, therefore, explain the high responses to 'not sure' for Question Twenty (Appendix 4) of 71,4%, to the question of 'have the leaders got further plans to keep attention focused on

change'. This shows the lack of communication and that there was very little participation by the employees in the change process.

When looking at the effect the change has had on the employees, the information collected from the data shows that certain of them have been affected by it (sales and administration) while others have not been affected (distribution) at all, or even impacted on their day-to-day activities.

Looking at the Culture Web of Figure 5.2, it can be seen that there is a definite swing in the culture of Antalis (Pty) Ltd before the change and after the change. The overall paradigm has changed from being bureaucratic, job-for-life and distribution focused, to that of more client-focused, team-orientated and focusing on core businesses.

Taking all the above into consideration, including the bar chart in Table 5.2, a definite pattern is shown. The swing from a high 'yes' factor for leading change, creating a shared need, sharing a vision and mobilising commitment (Factors A, B, C, and D) to a high response of 'no' for modifying systems and structures (Factor E) and a high response of 'not sure' for monitoring progress and making it last (Factor F and G). This shows the commitment from the management and employees to the change and the need for the change at Antalis (Pty) Ltd. It has moved to that of 'not sure' for the monitoring process and future plans, because the executive committee has given the responsibility to the regional directors who have not driven the process forward.

The executive committee has also not put proper monitoring systems in place to measure whether the change has been successful, a monetary incentive does not show if the change process has worked, and does not measure employees' personal feelings and attitudes. There has been no feedback from the employees about the system. How does the process progress and improve if there has been no follow-up about feedback? The executive committee has put

the responsibility in the regional directors hands, but ultimately they are responsible for making it work, as these regional directors are not the ones who have implemented this change process.

The above is backed up in section 5.2.2, which shows the relationship between the different factors. For factors A, B, C and D the relationship value is high but for factors E, F and G the relationship value compared against the relationship value for factors A, B, C, and D is low. This confirms the swing of a positive attitude for the change and change process to uncertainty about the monitoring process and the future of the change factors.

A significant comment was written in one of the questionnaires: “the change has just cost the company a lot of money and more ‘ivory towers’ were created. I can honestly say that I cannot see any difference within the day to day operation of the group”. This comment is a reflection of the responses received in the questionnaires with regards to the employees not being communicated to properly about the change process, not being part of the change process or it could have also come from a distribution employee who has not really been affected by the change process.

Another significant comment written in one of the questionnaires was “we have had one memo saying the company was changing its structure and a second memo announcing changed managers, then not another word, ‘a big non event’.” This comment is a reflection of the high response of ‘no’ to Question Seven, (Appendix 2), for most of the employees feeling that they have not been involved in the process at all.

In summary, the long-term strategy of the company has not been clearly mapped out to anybody except the board members themselves. The employees have trusted them so far with the short-term changes. Should the employees’ trust them with the long-term strategy? By the two comments made above the actual



implementation and management of the change process has created confusion, and the employees seem to not have experienced much benefit from regionalisation. If the executive committee had set up clearly defined roles and responsibilities and documented them, the confusion would not have occurred and there would not be answers of 'not sure' to Factors F and G. Regional strategies should have been put in place for the regional directors. They would have known what was expected of them to carry the change forward, as the executive committee had mentioned in the interview questions.

Regionalisation was, therefore, introduced to bring decision-making closer to the customer and improve the working relationship between First Paper House and Haddon's that would be beneficial to Antalis (Pty) Ltd. This has not really happened and one of the main reasons is that the people themselves will not change, and will stay loyal to the company they worked for and not to the region as a whole. This resistance to change is due to the long-serving, conservative nature of the organisation.

Another reason for the employees being unsure of the future is that the regional directors have not been given the freedom to act on their own, even though the executive committee have mentioned that they have. This has led to the comment above of it being a 'big non-event'. The average employee is aware of the change but does not see how it has affected their day-to-day activities.

The biggest problem is that 18 months after the change, the regional directors are unsure of their roles, level of authority, ability to make regional decisions without consultation and often disagree with the executive committee. It can be seen from the results in the questionnaires that the future of this change process is in question. If the regional directors backed by the executive committee are not very involved in the regionalisation, this filters down to every employee, since the regional directors are the ones that should be driving this change forward.

### **6.3 Recommendations**

The following points have been highlighted as problem areas: culture change, documentation, future plans, communication, monitoring change and regional management. When considering the literature review, the Change Kaleidoscope Model and the analyses, the following recommendations are suggested to improve the change process and for Antalis (Pty) Ltd to move forward.

- 1) There has been a culture change as can be seen in the Cultural Web in Chapter Five. There has been a resistance to change due to old alliances. There needs to be a drive to change the perception of the employees as the change has affected certain employees yet others do not see that it has affected their day-to-day activities. The perceptions of the employees could be changed by the regional directors setting up information sessions to make the employees more aware of what the company has done and why. Training sessions should also be set up to guide and inform the employees about the effect that change has on people and how to adapt to it, especially when the two companies now have to work together and put aside their previous conflicts.
  
- 2) There is a lack of documentation of the new roles and responsibilities of everyone in the organisation. This was the responsibility of the executive committee and they have not followed this through. These changes should have been documented in the Procedures Policy manual at the outset of the change process so as to allow all the employees to read and familiarise themselves with these changes. More has been written in an article by Edwards (2003), in the Graphics magazine, than is documented about the change in any Antalis (Pty) Ltd manuals. The documented information would also give the

employees a better idea of what role they play and make them feel, as they are part of the process. It is not too late and this should be done immediately and a copy of the document sent to all the employees.

- 3) The future plans or strategy of the company should also be explained to the employees so that they know that regionalisation is part of the overall future strategy. A strategy was developed by the senior management with the assistance of D.P.I. in 2002. Very little of this strategy has been explained to the employees of Antalis (Pty) Ltd except those who were involved in setting it up. With the employees being more enlightened on sections of the new strategy and critical issues, the problem of the employees feeling not unsure about the future of this change process would be negated. The executive committee via the regional directors should give the employees a brief outline of the future strategy and the impact regionalisation has on it .
- 4) Communication seems to be a problem. It is one thing to communicate via memorandums and letters, but people like the personal touch. Because change is very stressful, these changes should have been communicated via the executive committee themselves. If the employees were told about the changes and future plans in a more personal way it would also have reduced the resistance to change and the high response of 'not sure' to Factors F and G. There is not much that can be done about this now, but the executive committee can make a note of this and in future when any type of change occurs again, they can communicate it in a more personal manner.

- 5) Another factor that needs to be addressed is that of monitoring the change process. It is good to set up an incentive based on money to get the regions to work together to achieve profitability, but if the company wants to monitor the clash or co-operation between the two sales arms and the progress of the regionalisation process then other systems need to be implemented. The executive committee needs to establish a regional and national monitoring system, with checkpoints that can be documented and that are measurable. Questionnaires could be sent out to employees at random to get their feedback on the process and how it has affected them. Feedback is very important to monitor the personal feelings and attitudes of the employees. Management forums could be set up to discuss issues, regional meetings could be introduced including all employees or a representative portion of the employees to discuss matters that have arisen from the change process. These matters need to be documented for further discussions and actions.
- 6) The appointment of the regional directors has this been a 'quick fix' to solve the disputes amongst First Paper House and Haddon's and to increase profitability. If this has not been a short-term solution to the problem, then should the executive committee not have set up a regional strategy? It was mentioned in the interviews that it was the responsibility of the regional directors to drive the change process forward to all the employees of Antalis (Pty) Ltd.

With the power vested in them by the executive committee, should they not have pushed this process forward? Do they know that this is their responsibility and the role they need to play? Has this task been explained to them by the executive committee as mentioned in the interviews? This would have been part of the new regional strategy. So

far, none of them has explained regionalisation to their subordinates. The executive committee should document it as part of their job description so that they can be held responsible for the implementation of the change process and get the message across to the employees of why the company has changed to get the process back on track.

#### **6.4 Limitations**

A limitation that became apparent during the research process was that of the documentation of Antalis (Pty) Ltd before and after the change process. Not much could be concluded from it in the analyses in Chapter Four especially after the change process had taken place, as there was very little documentation. This was not really that important after all as it was actually a positive for the research, as can be seen in the results of the questionnaire, which indicates that the documentation was a problem during this change process of Antalis (Pty) Ltd.

#### **6.5 Recommendations for further research**

If another student or other researchers would like to use this dissertation for future research or the design of future research on a similar topic or methodology, it would be an idea if the following two delimitations in chapter one be removed. Firstly that it was limited to only one specific organization and that changes in opposition companies and the effect they have had on the clients was not investigated. This will broaden the research topic or a follow up researcher could use it to start his or her research design stage.

An opportunity for further research lies in the area of the employees' approach and attitudes towards the clients after the change process. The negative or positive effect could be investigated, this was not covered in this research study.

Another opportunity is that similar industries in other countries could be researched and comparisons made of how they would react to this type of change due to the differences in their specific cultures.

In accordance with the literature reviewed, the research has found that there are many suggested techniques and models to follow but each organisation is unique and it is up to the organisation to adapt a change process for its specific needs. The research shows that a change process within an organisation is more complex than one can imagine and, therefore, this sets a foundation for further research within this topic.

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## **APPENDIX 1**

### **QUESTIONS FOR EXECUTIVE MEMBERS**

1. To what extent is, the executive team committed to change? Please give examples of what support and commitment was given.
2. What is the quality and appropriateness of the “plan”, which was implemented?
3. What is the organisation's receptivity to change?
4. What impact upon the organisation's willingness to change do individual personalities have?
5. Was there a perceived need to change by the executive committee?
6. If one looks at the culture of the organisation, has it inhibited the change from happening?
7. How do you rate the employee's trust in management and in Antalis (Pty) Ltd?
8. Has the company learnt from past successes or failures to implement change? Please elaborate:
9. How effective is the Regional management's ability to implement change?
10. What is the type of management control, applied at all management levels of the change process?

11. If one looks at structural rigidity, what capacity does the organisation have to reshuffle employees and departments, and to change reporting procedures, communication patterns and reward systems?
12. Did the Regional management have a clear direction and authority to implement the change and to carry it forward?
13. How accurate is, the feedback received so far with regard to the change process?
14. Have standards been universally enforced when implementing the change process?
15. Have systematic procedures been put in place to ensure that all the employees are motivated to go in the direction management wants them to go?
16. Equity – Is there a feeling of equity by the employees or a perception of double standards in this change process?
17. Did the executive management set up any measures to assess accountability for performance so that the change process would be implemented successfully?
18. Are the expectations of all the employees that the change process will be successful?
19. Will there be recognition for employees that have played an integral part in the change process?
20. Are there any further comments that you would like to add?

## **APPENDIX 2**

### **CHANGE QUESTIONNAIRE**

Note:

I kindly request your participation in this questionnaire – your response will be completely confidential. The information gathered will assist me in critically evaluating the importance and effectiveness of the change process, which Antalis (Pty) Ltd has undertaken. I appreciate your willingness to complete the questionnaire, as I understand your own operational time constraints.

Please forward the completed questionnaire back to me via internal mail. By the latest **17/03/2004**.

Address to: Craig Stevens  
First Paper House  
Pietermaritzburg

### **INSTRUCTIONS**

The objective of this questionnaire is to determine how members of the organisation feel about the change process. There are no right or wrong answer to any of these questions. What is important is that you answer them as honestly as possible.

Please respond to each of the questions by putting a cross in the space that most accurately describes your option and feelings.

Change is never easy, and requires energy, effort and commitment. Change is not easily accepted because people have to move out of their “comfort zones” into an arena where they may suddenly feel out of their depth. During any change process, people are often left in the dark as to the process and progress of the change initiative.

## Questions

1. Do you have leaders who make a public commitment to making change happen?

Yes	No	Not Sure
-----	----	----------

2. Do you have leaders who will use the resources available to make change happen?

Yes	No	Not Sure
-----	----	----------

3. Do you have leaders who are open and honest about the change?

Yes	No	Not Sure
-----	----	----------

4. Do you know what the new strategy of the company is?

Yes	No	Not Sure
-----	----	----------

5. Do you see the need for change?

Yes	No	Not Sure
-----	----	----------

6. Do you agree with the new change process?

Yes	No	Not Sure
-----	----	----------

7. Have you been involved in the change process at all?

Yes	No	Not Sure
-----	----	----------

8. Do you trust the company in what it is doing?

Yes	No	Not Sure
-----	----	----------

9. Are you excited about and committed to accomplish the change?

Yes	No	Not Sure
-----	----	----------

10. Has the change affected your day-to-day activities within the company?

Yes	No	Not Sure
-----	----	----------

11. Have the leaders provided adequate resources to implement and control the change?

Yes	No	Not Sure
-----	----	----------

12. Did the leaders of the change process have the ability to get the support of key people in the organisation?

Yes	No	Not Sure
-----	----	----------

13. Did the leaders encourage you to take initiative, submit suggestions for improvement and to suggest new actions or policies?



Yes	No	Not Sure
-----	----	----------

14. Have the changes been communicated to all relevant employees, customers and suppliers?

Yes	No	Not Sure
-----	----	----------

15. When the change process was implemented, did you get enough information from the company about where, when, what, who and how the change would take place?

Yes	No	Not Sure
-----	----	----------

16. Have you receive feedback on how the change process is progressing?

Yes	No	Not Sure
-----	----	----------

17. Are the changes clearly documented and is this documentation up to date?

Yes	No	Not Sure
-----	----	----------

18. Can the leaders of the change process measure the success of the change?

Yes	No	Not Sure
-----	----	----------

19. Do you think the leaders of the change process plan their actions or only react to problems that arise?

Yes	No	Not Sure
-----	----	----------

20. Do the leaders of the change process have further plans to keep attention focused on the change?

Yes	No	Not Sure
-----	----	----------

21. Did the leaders of the change process support the staff during the change?

Yes	No	Not Sure
-----	----	----------

22. Did the leaders of the change process work to reduce any unexpected problems that resulted from the change?

Yes	No	Not Sure
-----	----	----------

## SCORE FOR QUESTIONNAIRE

	Factor	Questions	Yes	No	N/S
A	Leading change – Who is responsible?	1-3			
B	Create a shared need – Why do it?	4-7			
C	Sharing a vision – What will it look like when it is done?	8-10			
D	Mobilising commitment – Who else needs to be involved?	11-13			
E	Modifying systems and structures – How will it be institutionalised?	14-16			
F	Monitoring progress – How will it be measured?	17-19			
G	Making it last – How was it started and will it last?	20-22			

Source: Adapted from Mario Denton – people and change management – CD.Rom, 2002.

## APPENDIX 3

First Paper  
P O Box 1425  
Pietermaritzburg  
3200

Date: 25/02/2004

### **Letter of information and informed consent**

“An investigation of the change process at Antalis (Pty) Ltd and the effect the process has had on the employees.”

Dear Participant

I am currently undertaking a research project that aims to investigate the change process at Antalis (Pty) Ltd and the effect it has had on the employees.

Would you agree to fill out the confidential questionnaire at a suitable time? The questionnaire will take approximately 20 minutes of your time. Participation is entirely voluntary and you are free to withdraw from the study at any time without giving any reason. The information you provide will be used for research purposes only and your identity and individual answers will be kept totally confidential. Should you wish to discuss this further please feel free to contact my supervisor, Mr R B Mason (031-308 5385) or me.

Please return the completed questionnaire no later than **17/03/2004**, through the internal mail system to me at First Paper House, Pietermaritzburg.

Your assistance will be much appreciated,  
Yours faithfully

C Stevens  
033 3454582  
031 7009126

.....

Please complete the following as confirmation of your willingness to participate in this research project and return it with the questionnaire:

I, ..... understand the study and understand that  
I may withdraw from it at any time without giving reasons, and voluntarily agree to  
participate by filling out the questionnaire.

Signature: ..... Date: .....

## Appendix 4

### Frequencies & one-sample Chi-Square Test

