

**The readiness of eThekweni Electricity
employees for change to a Regional Electricity
Distributor**

By

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the degree of
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DECLARATION

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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ABSTRACT

The research assesses employee readiness at eThekweni Electricity to form part of the Regional Electricity Distributor, which had been legislated by Government. The premise of the study is to investigate, identify and understand key factors likely to promote or inhibit effective readiness to change. If these factors can be measured by the organisation, an evaluation of the difficulty of the change effort can then be used to plan accordingly. By assessing readiness for change in the organisation, Top Management will be in a position to identify gaps that may exist between their own expectations about the change effort and those of other organisational members.

The research aimed to achieve the following objectives:

- *Identifying perceptions* that employees have of the new restructuring process and their role in terms of career advancement, job security and threats that could be presented by the restructuring and the merger of Eskom Distribution with other municipal utilities that will form part of the Regional Electricity Distribution.
- *Unpacking expectations* held by employees to better prepare senior management to plan and institute methodologies to achieve a smooth transition in the implementation phase.
- *Opening a platform for dialogue* between labour and management in addressing pertinent issues of common interest arising from the findings of the research.

Two hundred and twenty-four employees responded to the survey questionnaire. Scoring that was developed to measure the eight factors identified to be critical in assessing readiness to change, showed relatively high levels of readiness for change. Comfortably high levels of readiness were revealed across racial profiles and

categories of staff. The results of the study must be viewed in the context of eThekwini Electricity employees being ready to embrace the transformation process. Other stakeholders also need to be assessed to ascertain their own levels of readiness.

The EDI Holding Company must consider employing a similar assessment to measure the readiness of other stakeholders using eThekwini Electricity as a benchmark. They can then use the gaps identified by the study as key a reason which to focus their energy to circumvent failure in the transition process.

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CHAPTER 1: INTRODUCTION

1.1 INTRODUCTION

The research assesses the readiness of eThekweni Electricity employees to form part of the Regional Electricity Distributor (RED), which has been promulgated by Government. Historically, many mergers fail to achieve the desired expectation because of a lack of involvement with the people who have to carry out the plan. This is likely to have an adverse impact not only on organisational performance but also on the longer physical, psychological and mental health of employees. In turn, this is likely to have negative long-term organisational implications.

A survey of 224 employees will be conducted to assess the general feelings of employees about the integration and of what they hope to achieve out of it in the near future. Researchers in the area of organisational change have begun to direct their attention to a range of variables that may foster change readiness among employees, whilst at the same time examining the extent to which readiness for change leads to change implementation success (Jones et al., 2005). ‘A preliminary, key question, however is how should organisational members’ readiness for change be assessed?’ (Holt et al., 2006:3). To what extent do the group norms influence the readiness to change and at what level? Hence, the aim of this study is to ascertain the level of readiness of employees at eThekweni Electricity to embrace the industry restructuring. A developmental framework is formulated with literature review that seeks to better define readiness to change as a concept that can be measured with a certain degree of certainty.

It is proposed that the individual’s ability to cope with the intended change in the organisational environment informs the attitude that is going to be experienced in the implementation phase of the change programme. Whether the attitude becomes positive or negative (which further complicates the change process) depends largely on how change is communicated and received by employees. It is further proposed that prior to an organisational change, management may want to determine both the level of trust that exists in the workplace as well as the level of employee cynicism. Examining both of these issues may lead to separate efforts to prepare for and successfully accomplish the larger change effort.

Change readiness literature is explored with the view of understanding the concept of 'readiness for change'. The research further attempts to assess the organisation's readiness by identifying relevant factors to be considered. It is proposed in this research that content, context, as well as process factors of change have significant influence independent of each other and that it is virtually impossible to neglect any one of these dimensions in order to maximise people's readiness to organisational transformation.

The research is organised as follows. The first chapter covers the background of the changes in the electricity distribution industry to give impetus to the current developments. The chapter further lays down the foundations in terms the objectives of the government in its bid to meet the desired changes. The next chapter reviews the historical context of readiness to change and discusses the developmental framework which is used as the basis of linking readiness to change to commitment to change. Thereafter, the research methodology underlying the empirical study is explained. A report on the findings from the data analyses is compiled and finally the theoretical and managerial implications are indicated with limitations for further research highlighted as bases for future research.

1.2 BACKGROUND TO STUDY

The Electricity Distribution Industry is undergoing transformation with respect to the manner in which it does business. eThekweni Electricity, being part of the municipal infrastructure, is inherently going to be affected by the impending changes.

Eskom together with about 415 municipalities across the country undertake the distribution of electricity. The municipalities collectively service about 60% of total customers by number, and about 40% of total customers by sales volume. Municipal electrical departments generally supply to consumers in their local government areas. The municipal distributors differ greatly in customer density, size and type of customer base, geographic spread, financial base and effectiveness (DME, 2001).

The challenges that are currently facing the EDI were within the Electricity Industry for a number of years. As a result, numerous studies into the Electricity Supply Industry (ESI) have taken place over the past couple of years, undertaken by groups such as National Electricity Forum (NELF), Electricity Working Group (EWG) and Electricity Restructuring Inter-departmental Committee (ERIC)(NER, 2001).

The issue in the Electricity Distribution Industry is how to transform the industry so that it meets Government's stated objective of providing low-cost electricity and a high-quality service to our growing economy and to our growing population. It is important to note that the biggest need for change in the South African electricity industry is within the EDI. Therefore, the restructuring of the electricity industry in the near future will be focussed on the EDI and not on the whole industry (MEU, 2002).

As a result of on-going consultation with relevant stakeholders, an Electricity Restructuring Inter-departmental Committee (ERIC) was formed to formulate Government's position on the future structure and financial model for the EDI. The ERIC report describes the challenges facing the industry and Government's recommendations on the steps that need to be taken to put a more effective and efficient industry in place that is better able to serve the needs of electricity customers. It was intended to be used as the basis for the consultation process with stakeholders on the restructuring of the distribution industry (NER, 2001).

1.3 GOVERNMENT'S POSITION ON EDI

Cabinet decided that the EDI should be rationalised to place it on a sound financial footing and to enable it to meet its key objectives. Cabinet's decision was based on the findings of the ERIC.

The recommendations approved by Cabinet and which represent Government's position on the EDI, are the following (DME, 2001):

- The consolidation of the electricity distribution industry into the maximum number of financially viable and independent regional electricity distributors.

This means that the distribution sections of Eskom and the 420 licensed local authorities will be combined into a small number of Regional Electricity Distributor (RED's). The number of regional distributors has been resolved to be six RED's independent of each other:

- The introduction of cost-reflective tariffs, an electrification fund and a capped tax for part-funding of municipal services. The tariffs, any subsidies and tax will be fully transparent. The electrification fund will be administered nationally;
- Consultation by the Ministers of Minerals and Energy Affairs, of Finance, of Public Enterprises, Labour, Trade and Industry and of Provincial Affairs and Constitutional Development, with major stakeholders;
- The appointment of a full-time restructuring team to investigate detailed issues and involving major stakeholders in the planning of the transformation process.

1.4 EDI RESTRUCTURING PROCESS

The EDI restructuring process was officially launched with a Ministerial Workshop on 22 August 1997 in Pretoria. All major stakeholders participated in this workshop. Although detailed differences on matters of principle were expressed, a general message of proceeding with the proposal phase at speed came to the fore.

In order to activate the EDI restructuring process, the first structure to be put in place was the Stakeholder Advisory Committee (SAC). The Minister of Minerals and Energy Affairs appointed 22 stakeholders to this committee, representing all the major role-players in the EDI, consisting of suppliers, customer, and labour groupings (NER, 2001).

1.5 STATUS OF EDI RESTRUCTURING

The EDI restructuring process differs from most of the other State restructuring activities, as it addresses a number of diverse stakeholders, of which the most important are:

- Eskom (60 % of sales, 40% customers);
- Electricity departments of municipalities (40 % of sales, 60% customers);
- Provinces (related to their governance of municipalities);
- Consumers, ranging from very large and electricity-intensive to small; and
- Labour; and a number of government departments.

The result is that the normal state restructuring process needs to be modified at the entry level for the EDI restructuring, in such a manner that the Eskom and the EDI restructuring process are inter-linked in this process. The first phase is the proposal phase, and is nearly completed. The next phase will be the transformation phase to transform from the current fragmented EDI structure, to the implementation of Regional Electricity Distributors. From the Blueprint of EDI Restructuring, EDI Holdings Company was established to plan, manage and oversee the transition process (DME, 2001). A major step towards the national restructuring of electricity distribution into a Regional Electricity Distributor (RED) for the Western Cape was taken on the 8 December 2004 during a City of Cape Town council meeting.

At the meeting, the Council approved a decision for a dedicated City task team known as the Technical Corporate RED Team to fully investigate the various options of providing a regional electricity service through an external service delivery mechanism.

The creation of the task team followed a Cabinet decision to restructure the entire national electricity distribution industry into six REDs.

Cape Town was selected as the site for the initial RED (the 6th RED) in the country, given the progress the City has made in 'ring fencing' the electricity functions and improving business efficiencies. Should the outcome of the investigation be favourable, it would be intended to have the first RED established by June 2005.

The objective of EDI restructuring is to consolidate and rationalise electricity distribution:

- Efficient distribution of electricity that meets the needs of consumers.
- Accelerated electrification of underdeveloped areas.
- Sustainable provision of service with focussed attention to asset management and infrastructure maintenance.
- Equitable approaches to conditions of supply and tariffs to all consumers.

In June 2004, the City of Cape Town resolved to fully support the EDI restructuring process depending on the results of an investigation in terms of Section 78 of the Municipal Systems Act to determine the best method of this service provision for the City. A viability study of internal options in consultation with organised labour has now been completed (CCT, 2004).

Key aspects of investigation are to ensure local government's financial position is not compromised.

On 21 September 2004 and 20 October 2004, the Mayoral Committees of Durban and Cape Town (respectively) approved the immediate commencement of a 'ringfencing' process for Durban and Cape Town's electricity services from a financial, operational and staffing perspective. This included all the support services needed to deliver the service such as finance, human resources, vehicles and plant fleet, warehousing and procurement.

The exercise is on-going and involves the identification, documentation and evaluation of all business processes and related systems, assets, people and other resources and interfaces used by the City in providing electricity (EE, 2005).

1.6 CONFUSION IN PARLIAMENT WITH REDS

The following is an excerpt from a recent news article regarding the REDs saga:

By Lynda Loxton

Cape Town - Tempers ran high in parliament yesterday as MPs accused the department of minerals and energy of allegedly sneaking in its controversial new regional electricity distributor (Reds) scheme without consulting ordinary residents or even their MPs.

Due to be piloted in Cape Town in July, the Reds scheme will see a major reorganisation of the distribution of electricity throughout the country, but has left many questions unanswered about how this major cash cow for municipalities will be structured to ensure that the local authorities do not lose vital revenue.

The move will see the distribution of electricity being hived off to EDI Holdings, a state-owned company, and away from Eskom and municipalities that have generating capacity, to six Reds around the country.

MPs were particularly concerned that the move was not backed by any new law, but appeared to be a voluntary arrangement that offered little or no guarantees that the interests of consumers or employees would be adequately covered.

The showdown took place in a meeting of the portfolio committee on provincial and local government affairs, which had not been privy to previous briefings by the department to the portfolio committee on minerals and energy about how the Reds would work.

Officials tried to persuade the committee that the Reds would be viable businesses, would be better at collecting bills and generally would provide a more efficient service. They claimed that they had consulted all stakeholders extensively about the new system, but MPs said that although they were members of their local ward

committees, they had not been notified of any meeting to spell out the pros and cons of the new system.

They were worried about the effect on consumers in the form of higher tariffs and on workers in the form of lost jobs.

Committee chairperson Ruth Bhengu said the situation reflected growing unrest around the country about the lack of delivery of key services, which mirrored more a "lack of communication" about what was being done than any real lack of delivery.

It was through communication with grass roots structures that officials could make people understand what was being planned, which would prevent them from taking to the streets to protest out of frustration as they had done in several townships around the country in recent months.

Source: Business Report, Wednesday, June 1 2005

The above extract reflects that even within the corridors of the South African Parliament all is not well as there are conflicting views with respect to the subject of transformation of the Electricity Distribution Industry.

The South African government's vision to democratise institutions has been embraced by policy makers, strategic thinkers, project planners and a variety of other participants involved in other functions and activities in South African Institutions, (Msweli-Mbanga and Potwana, 2006). The Blueprint for restructuring was drawn up by the Department of Minerals and Energy (DME) and accepted by parliament in 2001 but has not yet been adopted in practice, (DME, 2001).

In the South African context employees' behaviour at the organisational level are influenced by continuous changes brought about by the Employment Equity Act and similar legislation, the downsizing of organisations, mergers, globalisation, re-engineering and outsourcing, all of which suddenly affect employee motivation and commitment (Martins and von der Ohe, 2003).

Kotze and Steyn (2004) proposed that South African business is divided into by the Eurocentric business culture which is based on the principles of Anglo-Saxon individualism and the Afrocentric business culture which is based on the principles of African collectivism or ubuntu. They further argue that Black employees tend to show a strong tendency to collectivist, ubuntu values and suggest that the cultural difference must be considered in organisational dynamics.

Hodson (2002) posted that team-based organisations of work are seen by many as the leading component of the post-bureaucratic organisation of work as being essential for efficiency and competitiveness in the global economy. Team organisations of work demand increased inter-action among co-workers and thus generate opportunities for both increased cohesion and increased tension. As a result, the investigation of co-worker relations will in all likelihood become an increasingly important component of workplace studies in future decades.

Eby et al. (2000) posted that employees' perception of organisational readiness for change can serve to either facilitate or undermine an organisational change effort. It is against this background that the study focuses on ascertaining the readiness of employees at eThekweni Electricity in embracing the new electricity restructuring to form a RED in 2007.

The research aims to achieve the following objectives:

- *Identifying perceptions* that employees have of the new restructuring process and their role in terms of career advancement, job security and threats that could result from the restructuring and the merger of Eskom Distribution with other municipal utilities that will form part of the RED.
- *Unpacking expectations* held by employees to better prepare senior management to plan and institute methodologies to achieve a smooth transition in the implementation phase.
- *Opening a platform for dialogue* between labour and management in addressing pertinent issues of common interest arising from the findings of the research.

Social identity theories and the Three-Components Model of Commitment will be used as bases for understanding the process of attitude formation during times of organisational change. The theories are going to be integrated with other critical success factors as identified by research literature and developed into a framework that will be able to be used to assess the level and the extent of readiness of eThekweni Electricity employees

The following propositions are made:

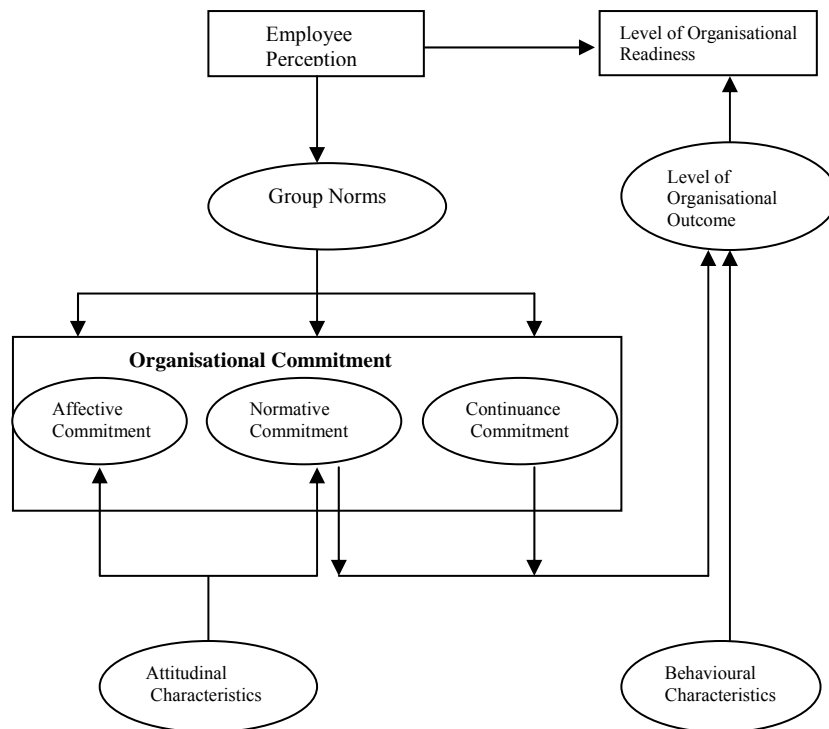
As the basis of the research and to structure a developmental framework it is postulated that readiness to change and commitment to change of individuals are interrelated. Devos, Vanderheyden and Van Den Broeck (2002) argued that both constructs indicate the degree to which organisational members are prepared to support organisational change.

Therefore it is proposed that: -

- The level of employee perceptions will accentuate the level of organisational readiness.
- The level of organisational outcome will be indicative of readiness and that will have a direct influence on the transition process for eThekweni Electricity.
- Social identities are proposed to influence behaviour through the mediating role of group norms in that individuals will be more likely to engage in a particular behaviour if it is in accordance with the norms of a behaviourally relevant group with whom they strongly identify. It is, therefore, argued that the perception of the group norm for strong identifiers should predict intentions. That is, categories of staff and racial composition/demography will have a significant influence on readiness to change.

The research is described by the relationship framework as illustrated in Figure 1.1 that is aimed at assessing the readiness for change. Some aspects of the relationship framework have been adapted from previous research literature on the subject:

Figure1.1 Relationship Framework



1.7 CONCLUSION

The chapter has explained the broad view of the government in trying to address the transformation of the electricity distribution industry in order to keep abreast with international trends whilst making electricity an affordable commodity.

The chapter has also explained the progress made so far whilst highlighting some of the challenges facing the industry and the country as whole. The arguments and propositions have been made to explain the process that the study will follow. A developmental relationship framework used to explain the research format has been developed.

CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

The chapter reviews recent literature and research on the subject of change management. The objective of the chapter is to unpack the underlying reasons why organisations embark on change initiatives. It critically evaluates the success rates of some of the implemented change strategies and methodologies employed.

The study reviews the relationship between change intervention with human dynamics and the unintended human consequences. It further investigates a number of ways to promote change, from ideas developed with further reading and research.

A foundation is laid to better describe the ‘readiness for change’ concept as promoted by various authors and the chapter investigates how to bring the deeply held beliefs that hinder real progress to change to the surface. It uses developed models to illustrate how the concept of readiness for change can be better explained by auditing current practice or proposed changes, within the continuum of possibilities.

2.2 CHANGE EFFECT ON ORGANISATIONS

Critical agendas for change are both idealistic and revolutionary (Tushman and O’Reilly, 1996). The results for organisation members might include a growing respect for people as thinking and feeling individuals, the broader sharing of power, control and responsibility and greater responsiveness of all stakeholders including managers, employees, customers, stakeholders and community.

The management literature reports many examples of managerial failure in both the formulation and implementation of strategy, particularly strategies involving significant organisational change and development. Evidence suggests that the majority of ‘downsizing’ and ‘delaying’ exercises are unsuccessful. Few ever achieve the aimed-for goals of increased competitiveness and profitability, and many end up with lower profit margins, poorer returns on assets and equity than are achieved by equivalent firms that have not downsized. The findings are well

documented in articles by Abrahamson (2000); Lines (2004); Christensen and Overdorf (2000); Beer and Nohria (2000).

It is true that many organisational change initiatives fail badly, with unintended and damaging consequences. Although it is recognised that organisations have to change and restructure in order to maintain or enhance competitiveness in the face of fierce competition, changing markets or technological breakthroughs. Paterson, Green and Cary (2002) argue that the rapid pace and massive scope of organisational change in recent years have increasingly taken a psychological toll, not least on those employees who emerge as survivors of the turmoil of change, irrespective of whether it is caused by mergers, acquisitions, corporate rationalisations, delayering, Total Quality Management, Business Process Reengineering or downsizing. In particular, they refer to the unintended human consequences, which the authors identify as:

- The ‘wrenching experiences’, which are often poorly or even badly handled by top management, who tend not to get involved. Instead top management leave the processes to middle managers and supervisors, who are invariably ill-equipped to cope with the situation.
- The ‘psychological reactions to the transitions’, which lead to the survivors of change programmes feeling guilty for still being in a job. They lose confidence in management, become fearful, suspicious, cynical and demoralised. They also feel less loyal to the organisation because the company has broken the old psychological contract, which embraced ‘job security’ as one of its components.
- The ‘behavioural reactions’ of the remaining workforce in the post-transition organisation, where the workloads are generally bigger and working hours extended; where people suffer a lack of direction, tend to work at a ‘frantic’ pace and struggle to ‘keep their heads above water’; and where risk-taking plummets, political games increase, role ambiguity abounds and high stress levels become endemic.

All of these unintended consequences can lead to employee alienation and possible psychological withdrawal from the organisation.

Paterson, Green and Cary (2002) also discuss the unintended business consequences resulting from organisational restructuring failures. These include the increased costs in retraining the remaining workforce, the increased use of temporary consultants and overtime, the loss of the wrong people and the (enforced) contracting out of entire functions.

During organisational change efforts, it is typical for management to explain the proposed changes to employees and provide assurances regarding possible negative consequences of the change. If explanations and promises made by management are found to be untrue over time, some employees may become cynical about the organisation, the leaders of change, and the organisational change effort. Likewise, people who have experienced organisational changes that have not met their expectations or have led to frustration may become cynical the process (Thompson, Joseph et al., 2000).

2.3 RATIONALE FOR ORGANISATIONAL CHANGE ASSESSMENT

Studies have shown that between 50% and 85% of organisational change efforts fail (Beer and Nohria, 2000). It is evident from these figures that there is a great deal to learn on this topic. Change in an individual's life cycle is relatively easy to pinpoint and track (e.g., ceremonies) while organisational change is not as easily defined or recognisable. Perhaps this is what makes its success rate so low. There appears to not only be uncertainty about what it is, but there is also disparity about how certain factions approach organisational change. The popular business press focus on business' current trends along with issues of interest and intrigue.

Change management proponents have also been criticised for failing to conduct the evaluations necessary to document and clarify the results of change management initiatives, examine their cost effectiveness, and acknowledge the difficulty, costs, and complexity of managing organisation-wide change (Abrahamson, 2000; Lines, 2004). Indeed, the value of planned change has been challenged, with some studies

indicating that most change management initiatives fail while exerting heavy economic and human tolls on the organisation (Beer and Nohria, 2000).

Although the change management literature generally recognises the need for change initiatives, the potential for failure is great. The Harvard Business School tracked the impact of change efforts among the Fortune 100 and found that all companies had implemented at least one change programme between 1980 and 1995, but only 30 percent had produced an improvement in bottom-line results that exceeded the company's cost of capital (Pascale, Millemann, and Gioja, 1997). Beer and Nohria (2000) found that about 70 percent of change initiatives fail.

Practitioners are primarily focus on how to successfully implement change and create more effective organisations. The third perspective is that of the scholars. They tend to focus their efforts on discovering the predictive nature of organisational change and on building a theory that better describes the phenomenon (Cady and Hardalupas, 1999). There may be differences in perspectives, the fact remains but, that organisations are living in a global economy that is always changing with the advancement of technology. This necessitates the need for organisations to acquire and maintain the ability to adapt to the ever-changing environment.

The theory of evolution that has been applied to organisations in which slow change is punctuated with radical change explains why companies today are in serious turmoil (Tushman and O'Reilly, 1996). Instead, what is needed is for organisations to change with the environment, not as a reaction to it. The rapidly expanding and changing economic climate also makes it necessary for the concept of organisational change to have some semblance of structure. This structure should include such things as measurements of an organisation's readiness to change, models of implementation, and evaluative standards of the change (Sudharatna and Li, 2004).

While there are numerous models of implementation available, many of these models are mere suggestions among the popular business press without much empirical support. More empirical support has been given to the preconditions that lead to a successful change effort and the necessary standards upon which to evaluate the change. Although many factors contribute to the speed and effectiveness with which

organisations move through these stages (Maurer, 2001), creating readiness for change has been regarded as particularly critical (Jansen, 2000). By assessing readiness for change, leaders can identify gaps that may exist between their own expectations about the change effort and those of other organisational members. If significant gaps are observed and no action is taken to close those gaps, resistance is to be expected and change implementation could be threatened. In essence then, assessment of an organisation's readiness for change can serve as a guide to leaders as they develop a strategy for implementing those organisational changes.

Researchers in the area of organisational change have begun to direct their attention to a range of variables that may foster change readiness among employees, as well as examining the extent to which readiness for change leads to change implementation success (Jones, Jimmieson and Griffiths, 2005). "A preliminary, key question, however is how should organisational members' readiness for change be assessed?" (Holt et al., 2006:3)

Cady and Hardalupas (1999) best illustrate the confusion within organisational change research. In their review of 15 journals that spanned 15 years and 2168 issues, they uncovered 14 different terms used to describe organisational change. Interesting within these findings is that the term 'transformation', a non-technical term, was used heavily by scholars, practitioners, and business analysts in about the same proportion. Also, the term 'reengineering', a relatively new term, has predominantly been used in the popular business press and among a few practitioners. This points to the idea that concepts and terms can "catch" on with little research.

To quell the apparent confusion about organisational change Cady and Hardalupas (1999:90) provide a definition of what they term 'organisational transformation'. They define it as "...a change that alters an entire organisation, including strategy, structure, core processes, power distribution, control systems, culture, and people's work." The authors argue that this is the most comprehensive term under which many different kinds of organisational change will fall. Much more research is needed, however, to provide a solid foundation on which to base organisational change.

One way of identifying the factors that influence readiness for change is to select an existing theoretical framework and then develop scales to assess the conceptual components based on that theory (Holt et al., 2006).

2.4 DEVELOPMENT OF THE CHANGE READINESS CONCEPT

Promoting readiness for change is quite a recent phenomenon. It had its origin in the work of Coch and French (1948), Lewin (1948; 1951), and Kotter and Schlesinger (1979). More recent research undertaken by Armenakis et al. (1999:15), defines readiness as “a state of mind reflecting a willingness or receptiveness to changing the way one thinks. Readiness is a cognitive state comprising the beliefs, attitudes, and intentions toward a change effort”. Readiness is analogous to Lewin’s (1951) classical state of ‘freezing’ and is reflected in attitudes of organisational members. At its core, readiness suggests the altering of cognitions of individuals’ mindsets as well as the collective cognitions across all employees (Armenakis, Harris, and Mossholder, 1993).

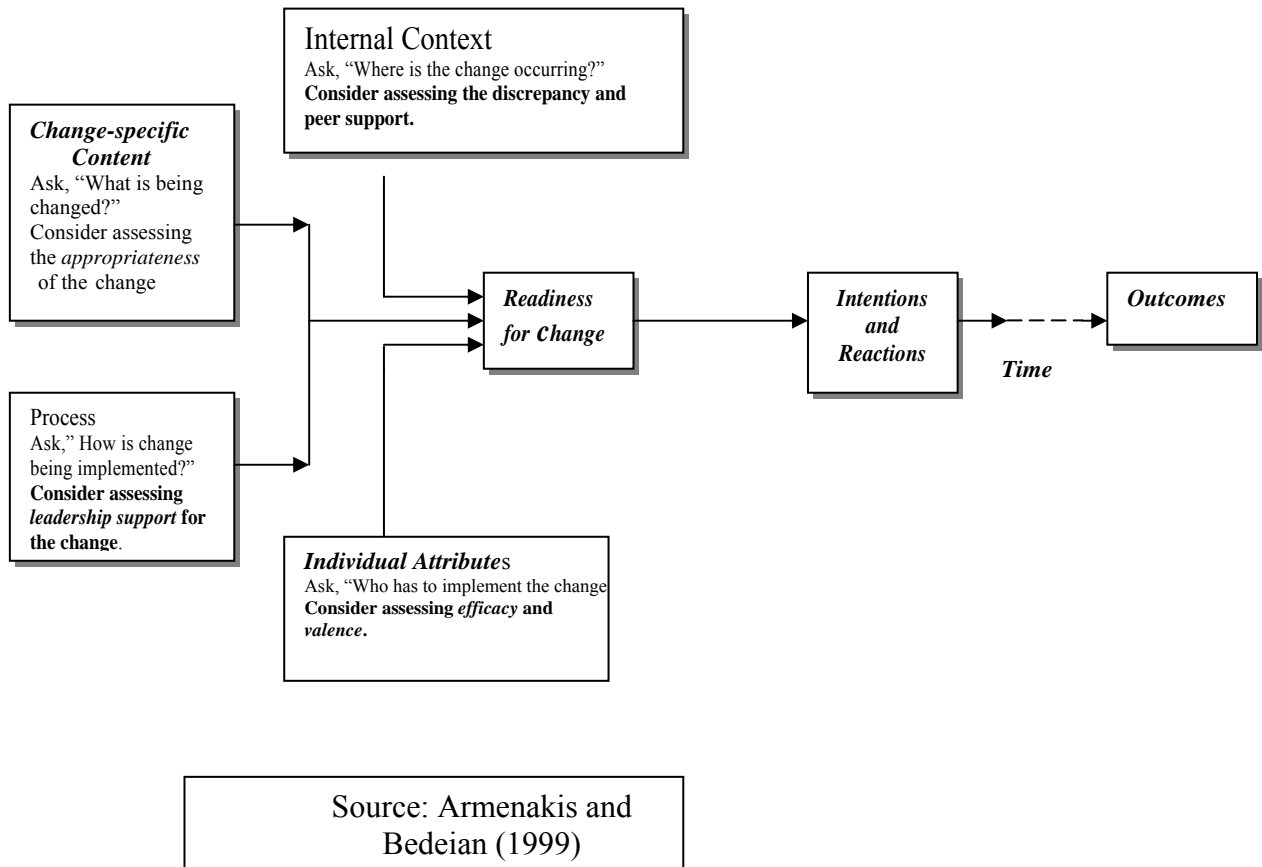
Armenakis et al. (1999) suggest that readiness is a cognitive state that acts as a precursor to behaviours like resistance and institutionalisation. Change agents can achieve readiness and prepare organisational members for upcoming changes through a proactive effort. Resistance is typically viewed as a negative reaction to a change effort. Resistance to change is the same as commitment to the current state (Armenakis et al., 1999).

Readiness to change has been defined and conceptualised in a number of different ways (Holt et al., 2002). Despite the volume of literature available, few conceptualisations of readiness take into account the multiple and interrelated aspects of true change readiness. According to Holt et al. (2002), readiness is more than understanding the change, readiness is a collection of thoughts and intentions towards the specific change effort.

A synthesised definition of readiness for change in their latest research, Holt et al (2006:30) define it as “ a comprehensive attitude that is influenced simultaneously by the content (i.e., what is being changed), the process (i.e., how the change is being

implemented), the context (i.e., circumstances under which the change is occurring), and the individuals (i.e., characteristics of those being asked to change) involved and collectively reflects the extent to which an individual or a collection of individuals is cognitively and emotionally inclined to accept, embrace, and adopt a particular plan to purposefully alter the status quo” (see Figure 2.1).

Figure 2.1 Readiness To Change Description Model

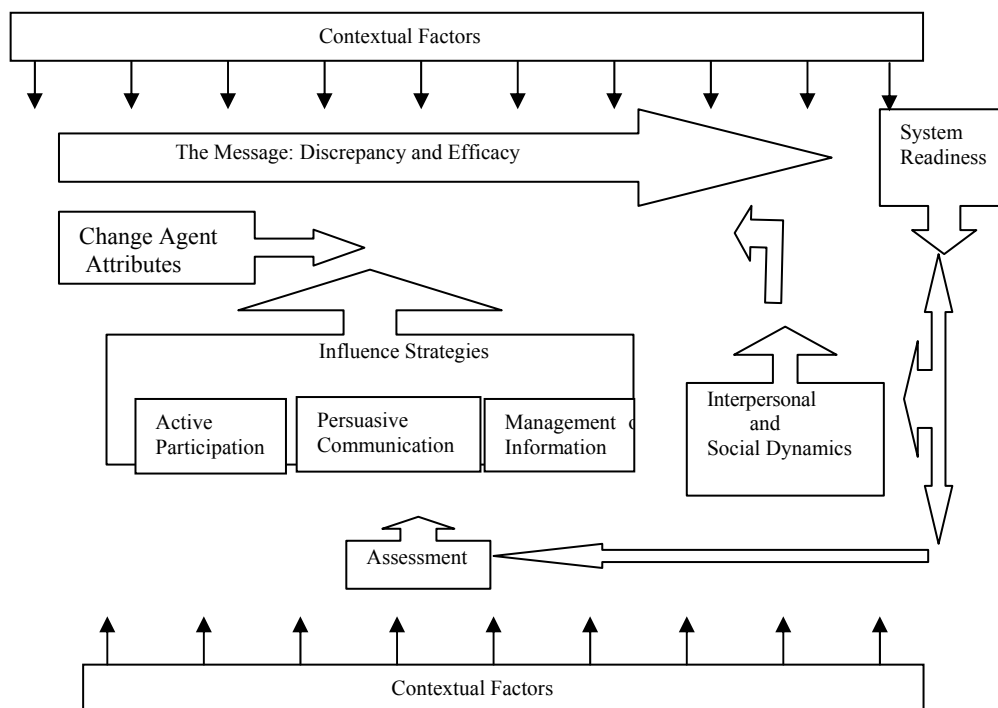


The model of readiness proposed by Armenakis and Bedeian (1999) suggests five key organisational message components, including self-efficacy, principal support, discrepancy, appropriateness, and personal valence. Armenakis, Harris, and Mossholder (1993) clarify the concept of readiness for change and examine how change agents can influence employee readiness for organisational change. As the authors explain, although some other authors discuss the importance of readiness (Beckhard and Harris, 1987; Beer and Walton, 1987; Turner, 1982), it has seldom been recognised as being distinct from resistance (Kotter and Shchlesinger 1979) meaning that it is most often explained in conjunction with prescriptions for reducing resistance.

Armenakis, Harris and Mossholder (1993), define readiness as the cognitive precursor to the behaviours of either resistance to, or support for, a change effort. They make an explicit distinction between readiness similar to Lewin's (1951) concept of unfreezing and resistance to change, to help refine the implementation of change effort. In essence, the article suggests that developing readiness for change may act to pre-empt the likelihood of resistance to change, thereby increasing the potential for change efforts to be more effective.

The authors then develop a model, drawing on the individual-level cognitive change, collective behaviour, social-information processing, mass communications, and organisational change literatures (see Figure 2.2) that describes the strategies that can be brought to bear; illustrating them with examples of 'readiness interventions' in a large multinational corporation's change programme.

Figure 2.2 The 'Readiness For Change Model'



Source: Armenakis, Harris and Mossholder (1993)

The factors defined are:-

- *Message: Discrepancy and Efficacy*
As Armenakis et al. (1999) state, “the primary mechanism for creating change among members of an organisation is the message. In general the readiness message should incorporate two issues: (a) the need for change, that is, the discrepancy between the desired end-state (which must be appropriate for the organisation) and the present state; and, (b) the individual and collective efficacy (i.e. the perceived ability to change) of parties affected by the change effort”. Discrepancy is about clarifying and gaining commitment to the end-state and justifying the need for change. Efficacy is about building confidence that the organisation can correct the discrepancy.
- *Interpersonal and Social Dynamics*
Understanding (and working with) the distinction between individual and collective readiness.
- *Active Participation*
Directly involving individuals in activities that are rich in information pertaining to potential discrepancy and efficacy messages so that individuals learn for themselves (in which they place the greater trust).
- *Persuasive Communication*
Effectively utilising the primary source/s of explicit communication to the organisation ranging from live speeches to email.
- *Management of External Information*
The effective use of information from outside the organisation, for example, informative or diagnostic purposes.
- *Change Agent Attributes*
Use change agents that are credible, trustworthy, sincere, and have appropriate expertise, for maximising their influence on the change process.
- *Readiness Assessment*
Using appropriate techniques to gauge and monitor the state of readiness and from the assessment, direct efforts to increase the readiness, where needed.

Armenakis, Harris, Mossholder (1993), have become aware that change agents may direct their efforts to areas where organisations are already ready (Beer and Walton, 1987; Pond et al., 1984). Armenakis et al. (1993) make a case for identifying where change is needed, followed by designing a readiness programme to influence the appropriate beliefs, attitudes, and intentions so that change can be successfully implemented. Though they do not explicitly say so, it seems reasonable to surmise that efforts should be directed to areas or factors where the organisation is not ready.

2.5 THEORETICAL FRAMEWORK FOR ASSESSING READINESS TO CHANGE

Holt et al. (2006), conducted a comprehensive search of available literature and could identify over 45 unique instruments designed to measure readiness. However, they discovered that many of the approach used tended not to assess readiness comprehensively. They argue that instruments lacked the psychometric properties and overlooked the importance of change content, the process followed to create readiness and the characteristics of individuals asked to make the change.

Holt et al. (2006) suggest that the development of a three-tier strategy needs to be employed as follows: 1) utilising an existing readiness theoretical framework and developing scales to assess the conceptual components based on that theory. 2) Scanning existing literature for constructs and scales that have some established evidence of reliability, validity and utility. 3) Consulting organisational members who have experienced change in the organisation then building a questionnaire that reflects the information that emerges from the consultation and blending the three methodologies.

A Theory of Planned Behaviour (TPB) provides for understanding the process of attitude formation during times of organisational change. This model not only specifies the role of several social influence variables in predicting intentions to engage in specific behaviours, but also can assist in understanding why common change management strategies (such as communication and participation) may lead to positive employee reactions to change, (Jimmieson, Terry and Callan, 2004).

The Affective Events Theory (AET) proposes that events that occur in the work setting impact on work attitudes and behaviours via their effects on employees' affective reactions, (Weiss and Cropanzo, 1996). This theory differs from many other approaches by focussing on specific work events (e.g. a promotion), rather than ongoing features of the work environment (e.g. job characteristics) as proximal causes of effective reactions, and indirect causes of job attitude (Paterson, Green and Cary, 2002).

The coherent relationship between the two theories, (TPB) and (AET), is underpinned by the concept of a psychological contract. The psychological contract represents the employee's beliefs or perceptions regarding the terms of the employment relationship (Haste, Robbins and Pattison, 2003). Researchers have found that social accounts are important in managing organisational conflicts, so how employees perceive the explanations they are given for organisational changes may moderate the relationship between their psychological contract violations (PCV) and their subsequent negative reactions.

According to the TPB as alluded to by Jimmieson, Terry and Callan (2004), that intention is the most proximal determinant of behaviour. They concede that intention is proposed to be a function of three independent determinants. The first is the person's attitude, conceptualised as the overall evaluation of performing the behaviour interest. The second is the subjective norm, which reflects perceived social pressure to perform or not perform the behaviour. The third is the perceived behavioural control (PBC), which reflects the extent to which the behaviour is under volitional control.

According to social identity researchers, an important component of the self-concept is derived from people's memberships in social groups and categories. When individuals define themselves in terms of a self-inclusive social category, two processes come into play: (1) categorisation, which perceptually accentuates differences between the in-group and out-group, and similarities between self and in-group members on a stereotypic dimension, and (2) self-enhancement which seeks to favour the in-group over the out-group on relevant dimensions. Social identities are proposed to influence behaviour through the mediating role of group norms in that

individuals will be more likely to engage in a particular behaviour if it is in accordance with the norms of a behaviourally relevant group with whom they strongly identify. It is, therefore, argued that the perception of the group norm for strong identifiers, should predict intentions (Terry and Hogg, 1996). Hodson (2002) posits that team organisation of work demands increased interaction among co-workers and thus generates opportunities both for increased cohesion and increased tension. The author further argues that work groups that are diverse are often less integrated and less cohesive than more homogeneous work groups and members of diverse work groups often report greater dissatisfaction and a reluctance to identify with the group.

The social identity theories cannot be viewed in isolation without taking into cognisance the prevailing global trends. South Africa is part of the 'global village', Steyn and Kotze (2004) noted that there is a shift away from more traditional, secular rational values that stress material prosperity, physical and economic security towards values that are more expressive of individual freedom and growth. They characterise the global trend as the 'new economy' and they sight the advent reforms of societal policies and workplaces practices in South Africa as the underpinning contributor for the employees of the 'new economy' to place emphasis on personal development and growth, change and stimulation. They contend that 'new economy' employees place loyalty to themselves and the profession above loyalty to the organisation. These findings are consistent with the study conducted by Busch, Fallan and Pettersen (1998).

Because the 'new economy' has the propensity to threaten the loyalty of employees to the organisation of employment, a level of commitment to the organisation needs to be evaluated. Loyalty is argued to be an important intervening variable between the structural conditions of work, the values, expectations of employees and their decision to stay or leave (Muthuveloo and Rose, 2005). Camilleri (2005) argues that human resources strategies related to employee recruitment, retention, reward and incentive policies need to be defined in a holistic manner, having the primary objective of encouraging employees to possess the appropriate type and level of organisational commitment.

Measuring commitment to the organisation has been a widely used construct in evaluating the relationship between an employer and an employee (Busch, Fallan and Pettersen, 1998; Camilleri, 2005; Steers, 1977; Muthuveloo and Rose, 2005; Meyer and Allen, 1990). Commitment has been described in literature as an employee's level of attachment to some aspect of work (Muthuveloo and Rose, 2005). The conceptualisation of commitment has been linked to turnover; employees who are strongly committed are those who are least likely to leave the organisation, (Meyer and Allen, 1990).

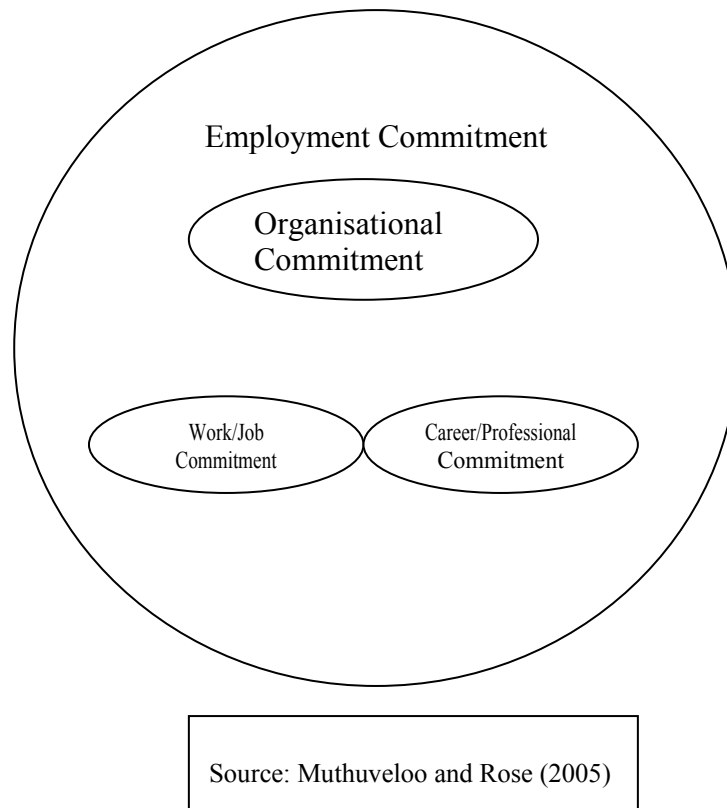
Muthuveloo and Rose (2005) have broadly conceptualised employee commitment under three foci namely: *Organisational Commitment*, *Work/Job Commitment*, and *Career/Professional Commitment*, (see Figure 2.3)

- They have described *Organisational Commitment* as “the degree to which an employee identifies with the goals and values of the organisation and is willing to exert effort to help the organisation succeed”. They interrelate this type of commitment to loyalty and argue that it defines the expected likelihood of an employee to remain employed in the same organisation.
- *Work/Job Commitment* has been related to job involvement, work motivation, work as a central life interest.
- *Career/Professional Commitment* has been defined as one's identity with, and involvement in one's occupation. They highlight a notable difference in defining occupation or career commitment to commitment to an organisation that employs one.

According to Meyer and Allen's (1991) Three-Component Model of Commitment, prior research indicated that there are three ‘mind sets’ which can characterise an employee's commitment to the organisation:

- *Affective Commitment*: AC is defined as the degree of an employee's emotional attachment to, and involvement in the organisation. As a result, he or she strongly identifies with the goals of the organisation and desires to remain a part of the organisation. This employee commits to the organisation because he/she ‘wants to’. In developing this concept, Meyer and Allen drew largely on Mowday, Porter, and Steers's (1982) concept of commitment.

Figure 2.3 Typology of Employee Commitment



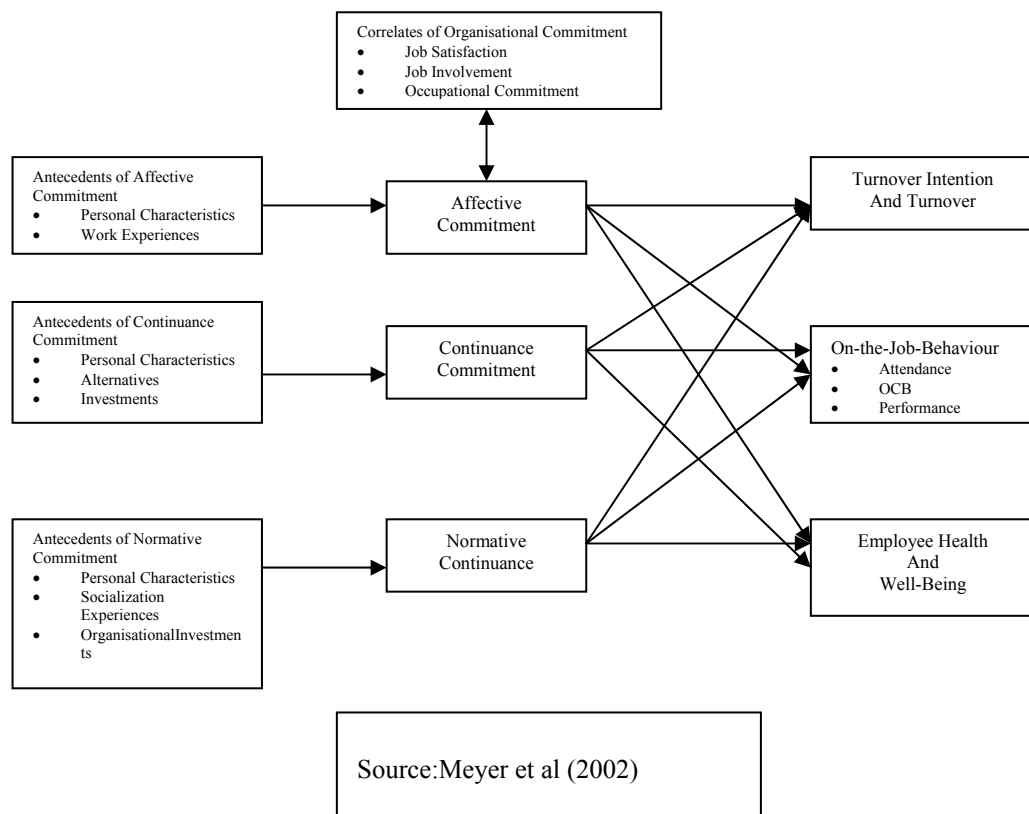
- *Continuance Commitment*: CC, the individual commits to the organisation because he/she perceives high costs of losing organisational membership (cf. Becker's 1960 "side bet theory"), including economic losses (such as pension accruals) and social costs (friendship ties with co-workers) that would have to be given up. The employee remains a member of the organisation because he/she feels they 'have to'.
- *Normative Commitment*: The individual commits to and remains with an organisation because of feelings of obligation. For instance, the organisation may have invested resources in training an employee who then feels an obligation to put on effort into the job and stay with the organisation to 'repay the debt'. It focuses on the 'moral or the right thing to do'. It may also reflect an internalised norm, that had developed before the person joined the organisation through family or other socialisation processes, that one should

be loyal to one's organisation. The employee stays with the organisation because he/she 'ought to'.

Meyer and Allen (1991) argued that the components of commitment are not mutually exclusive: an employee can simultaneously be committed to the organisation in an affective, normative, (and) continuance sense, at varying levels of intensity. This idea led Meyer and Herscovitch (2001) to argue that at any point in time, an employee has a 'commitment profile' that reflects high or low levels of all three of these mind-sets, and that different profiles have different effects on workplace behaviour such as job performance, absenteeism, and the chance that they will quit.

Meyer et al. (2002) noted that in recent commitment theory that there has been a change of focus from an employee-relevant outcome to the aspect of change to examining the links between commitment and employee-relevant outcomes including stress and work-family conflict. In their model they also included an employee health and well being as an outcome category in the model, see Figure 2.4.

Figure 2.4 Three-Component Model of Organisational Commitment



2.6 FACTORS FOR ASSESSING ORGANISATIONAL READINESS FOR CHANGE

There are some factors an organisation can assess within itself to determine its readiness for change. If these factors can be measured, the organisation will have a feel for the difficulty of the change effort and thus be able to plan accordingly.

Armenakis and Bedeian (1999) indicate that three factors, context, content and process, shape the reactions to change efforts by employees.

- *Content Factors*

Content of the change effort refers to the type of change implemented. Organisational changes can differ in scope. The change literature includes several reviews of content models applied to organisational changes (Armenakis and Bedeian, 1999; Beer and Nohria, 2000). Beer and Nohria (2000) differentiate two dimensions of change: namely, economic-driven transformation and changes to support organisational capabilities. Changes directed at creating economic value focus on structure and systems. The objective of these changes is to reduce costs. Reorganisation and downsizing are typical economic-driven transformations. They often result in layoffs. Changes directed at the development of the organisations' capabilities focus on culture, behaviour and attitudes. They do not bring about job losses and are less threatening to employees (Armenakis and Harris, 2002).

Self, Armenakis, and Schaninger (2001) used a dichotomy similar to that used by Beer and Noria, (2000). They make a distinction between changes with severe impact on the lives of employees, such as job loss, from changes where the impact on employees is much less serious. They indicate that the content of an organisational change is related to employee reactions. Self, Armenakis, and Schaninger (2001) argue that, as the impact of a change becomes more severe (i.e, from no threat of job loss to a definite threat of job loss) employees perceive the change as less acceptable.

- *Context Factors*

Independent of what is being changed, substantive contextual factors can explain why a change initiative was not successful (Johns, 2001). People in organisations driven by politics, territoriality, or inconsistent leadership, will have a different attitude towards change than workers who can rely on an open and strong leadership that clarifies organisational goals. Schneider, Brief, and Guzzo (1996) indicate that the culture and climate of organisations are decisive in sustaining organisational change. The fundamental psychology or 'feel' of the organisation, as they call it, directs and motivates employee's openness to change (Armenakis, Harris, and Mossholder, 1993; Eby et al., 2000).

- *Process Factors*

Apart from the overall context of the organisation, the way in which a specific change is implemented can certainly affect reaction of employees. Implementation of change goes through different phases. Several models describe the different phases (Armenakis, Field, and Harris, 1999; Galpin, 1996). These phases are referred to as the change process, (Armenakis and Harris, 2002).

Socio-technical factors have been included as a determinant by Hodson (2002), they define an organisational characteristic by factoring the organisational size and a term the author calls 'unionisation'. The author associates organisational size to negative effects on meaning and satisfaction at work due to increased bureaucracy. The author argues that unionisation has a mixed set of effects, depending on the work life being evaluated. Unionised workers are often found to be pleased with their benefits but displeased with relations with management. The author contributes this relationship to the success that unions have had in securing workplace benefits simultaneous with heightened awareness of problems resulting from union information and mobilisation campaigns.

Maurer (2001) posted that an organisation with a high degree of change readiness should have seven attributes. (1) It should recognise the business environment. The

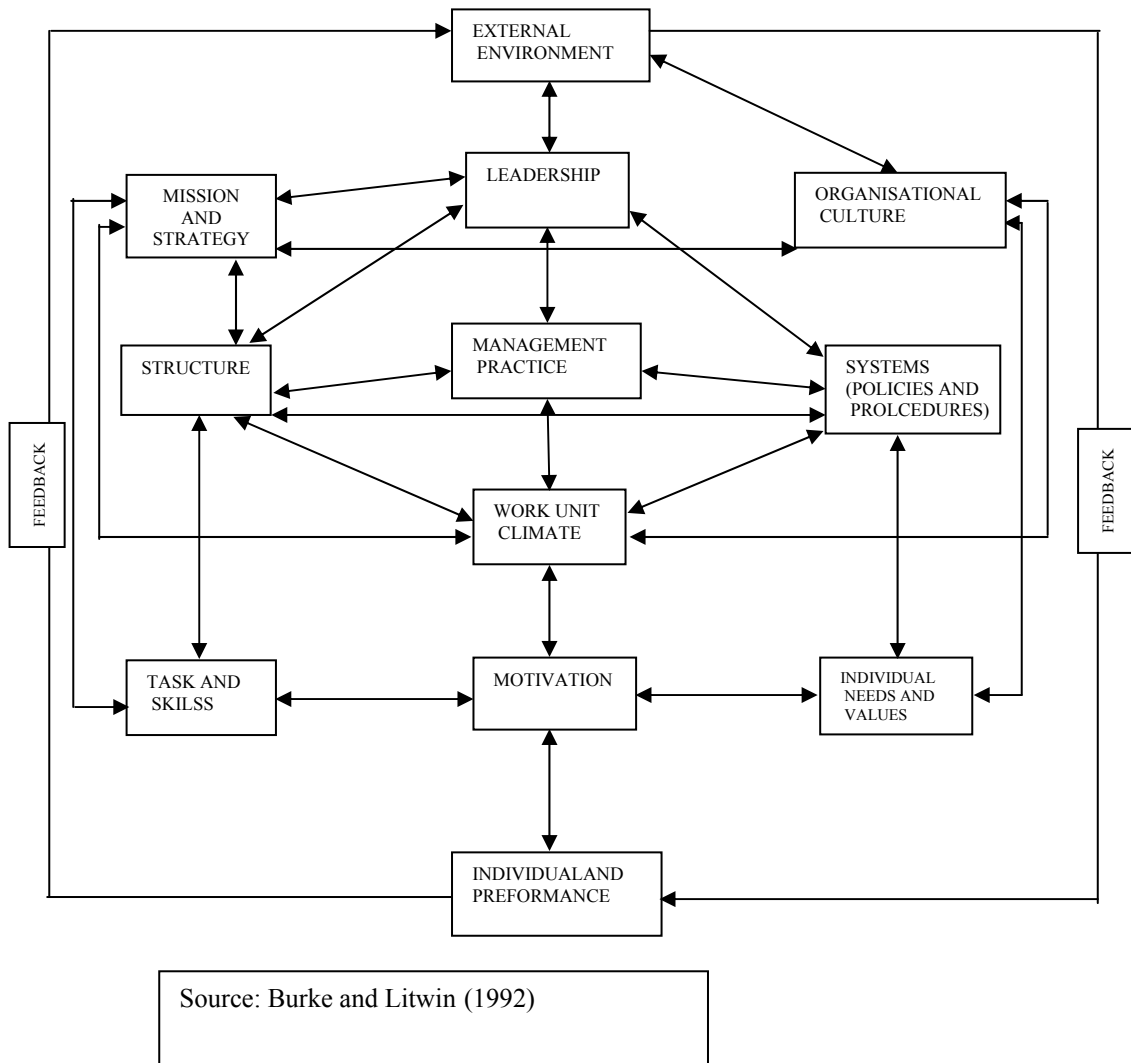
organisation needs to look into the future in order to understand and predict possible changes in technology, the economy, demographics, lifestyle and public policies. (2) Leadership is regarded as an important influence on readiness-to-change. Leaders should lead and motivate strategic initiatives for their organisation. (3) It should have an organisational culture that views change as normal, as an on going practice of extending organisational capabilities. (4) Management practices are observed as an aspect of readiness-to change since they will have an influence on organisational change. (5) Skill and job matching is vital as a checklist for employees' skill competencies, so that it can be ensured that the employee will have the ability to adjust to the changing situations. (6) Reward and recognition are recognised as key success factors for change implementation. Maurer advocated that people are willing to change if that change is directly beneficial to them. (7) There is an organisational structure that supports the members to perform their work, so that they can adjust to new situations.

2.7 TRANSFORMATIONAL AND TRANSACTIONAL DYNAMICS

Burke and Litwin (1992) developed a content model of organisational performance and change to predict individual and organisational performance. This model deals with organisational conditions and the results that come about from these conditions. The model is able to identify transformational and transactional dynamics inherent in successful change efforts, see Figure 2.5.

Transactional factors deal with psychological and organisational variables that predict and control the motivational and performance outcomes of a work group. Transformational factors are concerned with aspects that require employees to adapt new behaviours as a consequence of internal and external pressures. These pressures include leadership, culture, mission, and strategy. The identification of these factors is aided by a 150-item questionnaire. Once the factors have been identified, a change effort can be developed that focuses on the factors that need attention. For instance, if a transactional factor is lacking, the manager can explicitly focus on that factor, thereby bringing about greater motivation and performance.

Figure 2.5 A Model of Organisational Performance and Change



Vollman (1996) also developed a model that helps an organisation realise the magnitude of the change process it is confronted with. Vollman's model uses an eight-by-six matrix. This matrix enables an organisation to detail with the many considerations at play in a change effort. The rows of the matrix include eight issues: (a) strategic intent (i.e., addressing the appropriate issue); (b) competencies (i.e., linking current skills to future transformations); (c) processes (i.e., developing measures for assessment of efficiency and effectiveness); (d) resources (i.e., the human resources of an organisation); (e) outputs (i.e., products and services the customer desires); (f) strategic response (i.e., planning); (g) challenges (i.e., anticipating obstacles such as new regulations); and (h) learning capacity (i.e., identifying new required skills and abilities). The six columns include organisational dimensions and resources. They are: (a) culture (i.e., shared beliefs, value systems);

(b) configuration (i.e., organisation design); (c) coordination (i.e., processes to monitor progress); (d) people (i.e., behaviours); (e) information (i.e., data requirements); and (f) technology (i.e., equipment requirements).

An analysis of each column and each row will enable an organisation to uncover the magnitude of the proposed transformation, thereby preventing underestimation of the time and resources needed for a successful change. For example, an organisation that wishes to change its strategic intent must analyse this change against the six columns to determine the proposed intent's fit with the current organisational dimensions and resources. If the new strategic intent does not fit well with the configuration of the organisation, the time and resources needed for the change will be greater than originally thought, because the configuration will have to be altered also.

While the two models presented above are adequate in identifying the requirements and challenges an organisation faces in a transformation, they do not explore the more individual factors that can affect change. Nor do the models explore specifically organisational factors such as size, product diversity, or history. These are all relevant factors as to whether an organisation is willing to change and whether that transformation will be successful.

Judge et al. (1999) identify seven dispositional traits that predict management's ability to cope with change. These seven traits are (a) locus of control; (b) self-efficacy; (c) self-esteem; (d) positive affectivity (underlying personality disposition manifested in characteristics such as well-being, energy, and affiliation); (e) openness to experience; (f) tolerance for ambiguity; and (g) risk aversion (propensity of individuals to avoid risk). The seven traits were related to each other, thus allowing the authors to group them into two independent factors. These factors were labelled positive self-concept and risk tolerance.

The positive self-concept factor was composed of internal locus of control, positive affectivity, self-esteem, and self-efficacy. The risk tolerance factor was composed of openness to experience, low risk aversion, and tolerance for ambiguity. Six of the seven traits (all but risk aversion) were positively related to a positive coping with

organisational change. Risk aversion was negatively related. These findings were consistent with both self-reports and independent assessments.

When looking at the relationship between coping and the two factors, it is then clear that having a positive self-concept and a high tolerance for risk helps a manager cope with the transformation that he or she may be experiencing within an organisation. The authors also explored the relationships between coping with organisational change and the following career outcomes: (a) job satisfaction; (b) organisational commitment; (c) extrinsic career outcomes (salary, ascendancy-past and prospective movement); and (d) job performance. Coping successfully with transformation was also related positively to these career outcomes, thereby implying that individuals who are more successful, will adapt better. Perhaps, this adaptability allowed them to be successful.

These findings point to the idea that there is a link between an individual's dispositional traits and his or her career outcomes. The findings here clearly suggest to organisations that the selection of managers who display positive self-concept and risk tolerance is a wise thing, particularly, if these organisations wish to adopt a culture of transformation.

Looking at observable organisational factors is also an adequate indicator of an organisational change's likelihood of success. A study by Stoeberl, Parker, and Joo (1998) examined organisational factors within the wine industry. The factors they included in their study were (a) size of the organisation; (b) age of the organisation; (c) frequency of past changes; (d) number of brands; and (e) variability in wine consumption (market fluctuations). This study developed these factors from the organisational ecological perspective. This perspective attempts to explain organisational development and failure at population levels (Hannan and Freeman, 1989).

Hannan and Freeman (1989) detail three particularly important aspects of the organisational ecological perspective: structural inertia, the liability-of-newness clock, and the niche theory. Inertia is the resistant nature of an organisation that can be broken down into two parts: absolute and relative. Strong absolute inertia means that

the rate of organisational change is at or near zero. Strong relative inertia means that the organisation is trying to change, but it is trying at the wrong time in response to environmental shifts.

Another important aspect Hannan and Freeman (1989) detail is the liability-of-newness clock. This is the idea that newer organisations have a high rate of failure when compared to older organisations. The four reasons for this high rate of failure are (a) learning costs for the new roles and tasks; (b) capital or creativity constraints on new roles; (c) lack of information about normative procedures; and (d) unstable links to clients, supporters, and customers. The niche theory is used to describe the relationship between the environment and the growth rate of an organisation. Essentially this deals with the relationship between organisational performance and demand changes in the population.

If two organisations are competing in the same niche, the growth of one will almost invariably lead to the decline of the other because demand for the organisation that is not growing will decline. These three concepts of the organisational ecological perspective are similar to the concepts of organisation size, organisation age, and variability in wine consumption that Stoeberl, Parker, and Joo (1998) included in their study.

The study found that larger wineries were less frequently involved in brand and product line changes. This finding signifies the importance of structural inertia. The authors revealed that inertia increases as the size of the winery increases. Also noteworthy is the finding that a larger winery with a smaller number of brands is less likely to fail than a smaller winery with a larger number of brands. Because this large winery has fewer brands it is believed to be more stable in the sales of its limited brands, thereby giving it more inertia and stability within its environment. Age of the winery was not found to be a factor in the likelihood of a company undergoing a transformation.

This finding was in opposition to Hannan and Freeman's (1989) hypothesis that older organisations are more reliable in their performance and that they exhibit more structural inertia. Although age was not a factor in predicting change, frequency of

organisational changes in the past was found to be a good determinant of whether or not future changes would take place, as was the number of brands a winery has (i.e., the more brands the more likely it is that there will be an organisational change).

The final factor examined which was, variability in wine consumption, was found to be a significant predictor in whether a change would take place in the organisation. When the environment fluctuates (i.e., people begin drinking more or less wine), organisations try to respond to the fluctuation to sustain their niches by undergoing changes within themselves. Importantly, the number of changes was not found to be related to the failure of the wineries.

This finding shows that change is not always accompanied by organisational failure. Finally, population variability and density was significant in predicting winery failure. This is obvious because if the winery becomes too large to support a small population or if wine consumption decreases, the winery will not be able to generate enough capital to stay afloat.

These are important findings for scholars and practitioners in that they help to identify factors that will help predict whether or not an organisation will go through a transformation. It can be inferred that these factors will be useful in predicting an organisation's resistance to change (i.e. a larger organisation will have more structural inertia and thus be more resistant to change). Another important finding was that transformation was not related to failure. This finding serves to prove that change in itself does not lead to downfall.

Another precondition for whether or not organisational transformation will be successful is how organisations present the change to employees. This presentation greatly affects employees' reactions to any attempted transformation (Fairhurst and Sarr, 1996). A study by Rousseau and Tijoriwala (1999) revealed that the belief in quality reasons, which is a social account offered for the change, is positively related to the perceived legitimacy of quality as the actual reason for the change.

A social account is something beyond the immediate supervisor's control. In this case the initiative of increased quality was handed down from the top and the employees

perceived their immediate supervisor's explanation as legitimate and accepted the reason for the transformation. The authors found that level of trust was a moderator between these two variables. Also noteworthy in this study was the finding that work-group beliefs regarding reasons for transformation were positively related to individual beliefs. Obviously, the group has an effect on the individuals.

It is important to recognise the importance of communication from these findings. If the communication is not effective, employees will develop their own reasons for the change, therefore, the organisation must be open and forthright. It is also necessary to create a trusting environment in which reasons given will be perceived as legitimate.

Evaluating a change effort is the final step. The evaluation should not be overlooked because information from this evaluation can help an organisation to determine if further effort is needed, and it can help it evaluate what was done correctly and what was done incorrectly. Simply evaluating a transformation using the 'bottom line' criterion of profitability is not enough (Armenakis and Bedeian, 1999). Individual employee responses must be taken into account if an organisation wishes to effectively monitor and evaluate changes.

Change efforts may evoke undesirable responses such as denial and resistance, which will lead to increased stress and decreased organisational commitment. Research suggests that these responses can serve as criteria for tracking the likelihood of employees enacting behaviours necessary in a transformational situation (Armenakis and Bedeian, 1999).

Becker et al. (1996) have researched the rationale for using commitment as a criterion in assessing the impact of organisational transformation on employee-organisation relations. They examined three types of commitment: (a) compliance commitment (i.e., a person's willingness to comply with rules, policies, and reward structures); (b) identification commitment (i.e., attachment a person feels to being affiliated with an organisation and its members); and (c) internalisation commitment (internally accepting values of the transformation). These three types of commitment influence the psychological attachment employees feel to an organisation. This feeling of attachment then leads to the degree of performance, stress, cynicism, and forms of

workplace withdrawal (e.g., turnover, and lateness). Becker et al. (1996) showed that these three types of commitment could be very useful in evaluating the effectiveness of a transformation, with the internalisation commitment being most strongly related to other success factors, e.g., profitability.

Other affective criteria beyond the traditional criteria (e.g., stress, commitment, and satisfaction) should not be overlooked. Some of the less-used criteria that must be evaluated include depression, anxiety, and exhaustion for they offer additional insights into change efforts (Armenakis and Bedeian, 1999). McHugh (1997) has shown that a climate of constant change is a major source of negative effects for employees. Beer and Eisenstat (1996) demonstrated that, despite its initial success, a transformation might eventually fail because top management remove themselves from the negative effect experienced by the organisational employees. Therefore, it is imperative for all members at all levels of an organisation to give support, thereby increasing commitment to the organisation and to one another.

The research of Schweiger and DeNisi (1991) is encouraging. They assessed the effects of communication on affective reactions following an organisational change. Although they found that uncertainty increased following the announcement of a merger, whereas a group that practised realistic communications that contained structure, formality, and feedback helped employees cope with the merger.

2.8 CONCLUSION

The chapter has explored in detail the concept of Readiness to Change as defined by various authors. The critical success factors to promote readiness to change have been clearly outlined to allow one to appreciate the change dynamics that influence organisational change environments. A foundation that better describes the intricacies that evolve within the readiness for change was covered.

Different models and approaches to address change readiness have been discussed with many focussing on human psychology as being the most critical component. The literature went further to discuss commitment at large as the underpinning variable that is crucial for any change programme. The chapter discussed different measures of

commitment, it has highlighted the importance of being able to evaluate the level of commitment on employees before change intervention methods are employed.

CHAPTER 3: THE SURVEY

3.1 INTRODUCTION

The following chapter outlines the process that was followed to conduct the research. It explains the research setting in order to define the organisational climate. The description of the organisation and its environment was thought to be important for the reader to better understand the dynamics at play when the research was conducted.

The chapter also includes a brief description of the statistical analysis tools that were employed in conducting the research.

3.2 RESEARCH SETTING

The organisational setting is eThekweni Electricity. It supplies more than 597 253 customers in an area covering nearly 2000 square kilometres. This encompasses most of the area of the Durban Metropolitan Region and some adjacent areas. The organisation has a long history, having been established in 1897. It has won a number of awards in “Service Excellence” over the years and has also seen a number of changes being part of eThekweni Municipality. eThekweni Municipality has evolved from being a small local entity into becoming one of the biggest metropolitan regions in South Africa and is characterised by bureaucratic organisational structures and a highly unionised workforce dominated by two unions namely; IMATU (Independent Municipal and Allied Union) and SAMWU (South African Municipal Workers Union), affiliated to COSATU (Congress of South African Unions).

3.3 METHODOLOGY

Before the questionnaire was developed, an email was sent to all departmental managers explaining the research project and the importance thereof. Their participation was encouraged and a request for them to distribute and collect the questionnaires to their various sub-units was solicited. The Human Resources Department was requested to provide the Employee Status Report, the report is presented as Table 3.1.

Table 3.1: eThekweni Electricity Staff Complement

Employee Status Report	CURRENT STRENGTH			ASIAN			BLACK			COLOURED			WHITES			TOTAL		
	M	F	TOTAL	M	F	TOTAL	M	F	TOTAL	M	F	TOTAL	M	F	TOTAL	M	F	TOTAL
Top management	7	0	7	1	0	1	1	0	1	0	0	0	5	0	5	7	0	7
Senior management	20	0	20	10	0	10	0	0	0	0	0	0	10	0	10	20	0	20
Middle management	40	4	44	10	2	12	7	1	8	3	0	3	20	1	21	40	4	44
Technical/Specialist	584	32	616	185	6	191	168	19	187	41	2	43	190	5	195	584	32	616
General staff	628	134	762	135	40	175	476	63	539	3	9	12	14	22	36	628	134	762
Basic skilled staff	347	38	385	16	2	18	327	35	362	4	1	5	0	0	0	347	38	385
TOTAL	1626	208	1834	357	50	407	979	118	1097	51	12	63	239	239	267	1626	208	1834

Employee Status Report (as at June 2004)

To compute the appropriate sample size using the ‘finite universe’ formula from Cooper and Schindler (2001), for a 95% confidence level with a margin of error of 0.05, yielded a sample size of 318 employees was selected.

Fifteen pre-test questionnaires had initially been distributed to one of the subsections of the organisation two weeks before the actual survey process. The intention was to review errors in the design and to refine the questionnaire. At the pre-test, stage some respondents complained that some questions were vague and sought further clarity. The questions were then modified to address the concern. A quota sampling procedure was used in order to reach respondents from staff units as well as line units, from different functional areas and all eight divisions in the company. A total of 500 questionnaires were distributed through departmental managers, the increase in amount of questionnaire distributed was to compensate for questionnaires that might not be returned and to increase the response rate.

A covering letter explaining the purpose of the of the survey was included with the questionnaire and a consent agreement from respondents to participate was solicited. Participation was voluntary and respondents were advised to return questionnaires direct to the author using the internal mailing system should they be uncomfortable about submitting them to line management. All respondents were assured that the collected data were going to be kept confidential. A typical Letter of Consent and the Questionnaire Form is presented as Appendix A and Appendix B, respectively.

3.4 ADAPTING THE MEASURING INSTRUMENT

The instrument is adapted from Meyer et al. (2002), Meyer and Allen (1990), Muthuveloo and Rose (2005), and Devos et al. (2002). Meyer and Allen's (1991) Three-Component Model of Commitment has been used as a conceptual model, the linkage from commitment phenomenon to the term readiness is derived from Devos, Vanderheyden and Van Den Broeck (2002) study as per the proposition of the research. Eight factors were identified from Devos' study to be suitable to assess the commitment framework because they contained psychometric properties involving the individual component of change as well as content, context and process variables. This is consistent with the recommendations by Holt et al. (2006). The factors identified were as follows: Support of Management, Job Satisfaction, Line Leadership, Emotional Involvement, Participation, Locus of Control, History of Change, and Time. The terms were not exhaustive but were chosen because of their traits, relativity and adaptability to the study. The variables that had been included in the questionnaires were developed around Meyer and Allen's (1990) items but were modified to be in sync with the content, context, and process factors that are relevant to the research topic.

The following is a summarised description of factors as defined by Devos, Vanderheyden and Van Den Broeck (2002) in explaining their significance for consideration in the research topic:

- *Support of Management*: refers to the role that Top Management plays in support of the change process.
- *Job Satisfaction*: refers to the feeling of accomplishment in one's job/duties.
- *Line Leadership*: refers to the personal leadership style and social relations with subordinates during the change process.
- *Emotional Involvement*: refers to emotional receptivity towards the change process.
- *Participation*: refers to availability of information and involvement in decision-making towards the change process.
- *Locus of Control*: refers to the perception by an individual of his or her ability to exercise control over the environment.

- *History of Change*: refers to the track record of successful implementation of major organisational change within an organisation.
- *Time*: refers to phases involved in implementing the change programme.

Utilizing Meyer and Allen's (1991) Three-Component Model of Commitment, *Support of Management*; *Job Satisfaction*; *Line Leadership* were grouped under Affective Commitment, the items on the questionnaires were four, five and five, respectively. *Emotional Involvement*; *Participation*; *Locus of Control* were grouped under Normative Commitment, the items on the questionnaires were five, seven and four, respectively. *History of Change* and *Time* were grouped under Continuance Commitment, the items on the questionnaires were two and six, respectively.

The grouping of the eight factors under the Three-Component Model is defined by their properties that demonstrates propensity that is consistent with the antecedents of Organisational Commitment as defined by Meyer and Allen (1990); Steers (1977); Iverson and Buttigieg (1998); and Muthevelo and Rose (2005). The Three-Component Model of Commitment is also featured by Holt et al. (2006) as amongst the recommended methods that the authors deemed appropriate to be used to evaluate readiness for change.

3.5 DATA ANALYSIS

A Multiple Rating List Scale was selected for this study. The scales are assigned as: Strongly, Disagree, Agree, Strongly Agree, and Don't Know. The purpose was to record attitude, behaviour, and behaviour intention (Cooper and Schindler, 2001) under the headings of Emotional Involvement, Line Leadership, Time, Support of Management, History of Change, Job Satisfaction, Participation and Locus of Control.

- *Frequency tables* have been utilised to show the distribution of data e.g. percentage of each race group.
- *Descriptive statistics* such as mean, minimum, etc has been employed to show measures of central tendency and measures of dispersion. The mean shows

the average value and the standard deviation shows the spread of values around the mean.

- *Analysis of variance* have been used to compare differences in mean values between race groups, Grades and a combination of Grade and race (denoted by race*Grade). Analysis of variance is used to test the hypothesis that several means are equal.

Hierarchical Linear Modelling (HLM)

An additional analytical method has been employed namely, Hierarchical Linear Modelling (HLM) to explicate the variables amongst different groupings. The reason for having an additional method was to enable cross-referencing of the results as a second measure of completeness. The model has been historically used in educational research where hierarchies occur naturally: students are nested within classrooms, classrooms are nested within schools and schools are nested within districts. Recent advances in statistical computing capabilities have made these models more available to researchers across a variety of disciplines (Sullivan, Dukes and Losina 1999). HLM explicitly models both individual and group-level residuals, therefore, recognising the partial interdependence of individuals within the same group (in contrast to ordinary least squares (OLS) approaches where individual- and group-level residuals are not separately estimated), (Osborne, 2000; Lee, 2003).

According to Lee (2003), the total variation in a dependent variable is decomposed into *within-group variance* and *between-group variance*, and the two sources of variation are studied *simultaneously*. Unlike traditional analysis of variance (ANOVA) approaches for the decomposition of within-group and between-group variation, hierarchical linear model estimation does not require balanced data and utilises all available information in an unbalanced data set.

A hierarchical linear model consists of two equations: a within- and between-group model. For example, the levels of outcome measure (Y_{ij}) for individual i within group j can be examined as a function of k explanatory variables, X_{ijk} , and a residual within-group variance, r_{ij} :

$$(1): Y_{ij} = \beta_{0j} + \beta_{1j}X_{ij1} + \beta_{2j}X_{ij2} + \dots + \beta_{kj}X_{ijk} + r_{ij}$$

The individual-level or level-1 regression coefficients relate the outcome measure to the k independent variables. In hierarchical linear models, these coefficients are allowed to vary across groups (Bryk and Raudenbush, 1992). Therefore, a between-group model that represents the variability in each of the coefficients, β_{kj} , as a function of group-level variables, W_p and level-2 residual, U_{kj} : is formulated.

$$(2): \beta_{kj} = \gamma_{k0} + \gamma_{k1} W_1 + \gamma_{k2} W_2 + \dots + \gamma_{kp} W_p + U_{kj}$$

β_{kj}
 \downarrow
 beta coefficient =
 for group j

$\gamma_{k0} + \gamma_{k1} W_1 + \gamma_{k2} W_2 + \dots + \gamma_{kp} W_p$
 \downarrow
 effects of group-level
 characteristics on
 within-group relationships

U_{kj}
 \downarrow
 + unique random
 effect associated
 with group j

The γ_{kp} coefficients represent the effects of group-level or level-2 variables, W_p , which differs across groups, on the individual-level coefficients. The γ 's relate group variable(s) to the individual-level coefficients, thus explaining the variation of the β_{kj} coefficients across groups.

In estimating the level-1 and level-2 models discussed above, a distinction is made between fixed and random coefficients, and variance components. Fixed Effects are parameter estimates that do not vary across groups (e.g. the γ 's from equation 2). Alternately, random coefficients are parameter estimates that are allowed to vary across groups such as the level-1 regression coefficients (e.g. β_{kj}). In addition, these level-1 and level-2 regression coefficients, hierarchical linear models also include estimates of the variance component which include: (1) the variance in the level-1 residual (r_{ij}), referred to as σ^2 , (2) the variance in the level-2 residuals (U_{kj}), and (3) the covariance of the level-2 residuals.

3.6 RESULTS

All the data were entered into SPSS 11.5 for Windows and analysed. Out of 500 questionnaires that were distributed, 224 (44.8%) respondents returned the questionnaires across the different categories of workers for the study. The questionnaire consisted of demographic items and 38 items covering various aspects of the EDI restructuring process, 30% of respondents are female and 70% are male

respondents 38% of the respondents are African, 31% are Indian, 23% are White and 8% are Coloured.

The average age of the employees is 38 years and the minimum and maximum ages are 19 years and 62 years. The mean number of years of service of the respondents is 13 years. Among the respondents, 44% are semi-skilled, 45% are skilled. Professionally qualified make up 9% and the rest, 3%, are senior management.

On the SPSS data the respondents for the Multiple Rating List Scale results is coded: -2 is Strongly Disagree, -1 is Disagree, 0 is Don't know, 1 is Agree, 2 is Strongly Agree

Professionally Qualified and Senior Management is grouped together since there were only 6 in Senior Management. The codes for Grade is 1 = Unskilled, 2=Semi-skilled, 3=Skilled, 4=Professional/Senior Management.

A negative mean score is interpreted as a negative attitude and a positive score as a positive attitude

The means for the overall sample have been provided on the following tables following which have been categorised by race, Grade and Grade within race.

On the computed Analysis of Variance, only Time was significantly different between race groups. Support from Management was significantly different across Grades.

Comparing results from both ANOVA and HLM. The results for race and Grade are similar.

Table 3.2: Sample Demography Distribution

		Count	%
sex	female	68	30.4%
	male	156	69.6%
race	african	86	38.4%
	colored	17	7.6%
	indian	70	31.3%
	white	51	22.8%
grading	Unskilled	0	.0%
	Semi-skilled	98	43.8%
	Skilled	100	44.6%
	Professionally Qualified	20	8.9%
	Senior management	6	2.7%
	Top Management	0	.0%

Table 3.2 shows the distribution of sample according to sex, race and gender

Table 3.3: Descriptive Statistics of Dimensions

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Emotional involvement	218	-2	2	.66	.614
Line leadership	219	-1	2	.38	.767
Time	182	-2	2	.35	.736
Support of top management	220	-2	2	.19	.830
History of change	223	-2	2	-.12	.946
Job satisfaction	221	-2	2	.34	.626
Participation	216	-2	2	-.12	.597
Locus of control	224	-2	2	.76	.832
Valid N (listwise)	167				

Table 3.3 provides the descriptive statistics for the scale of readiness variables.

The mean for Emotional Involvement, Line Leadership, Time, Job Satisfaction and Locus of Control is between 0 (Don't know) and 1 (Agree). The values above 0 have been interpreted as a positive attitude.

The mean for History of Change and Participation is between -1 (Disagree) and 0 (Don't know). The values below 0 have been interpreted as a negative attitude.

The standard deviation shows that the deviation from the mean is not large. Mean values closer to 1 indicate that there was a higher tendency to agree (for example with Emotional Involvement and Locus of Control).

The frequency distribution for each individual question is captured as Appendices C to J.

Table 3.4: Means for each Race

Descriptives				
	Mean			
	african	colored	indian	white
Emotional involvement	.79	.58	.63	.53
Line leadership	.65	.01	.27	.24
Time	.64	.16	.18	.09
Support of top management	.26	.00	.12	.24
History of change	-.02	.00	-.13	-.30
Job satisfaction	.39	.16	.27	.41
Participation	-.07	-.22	-.17	-.12
Locus of control	.98	.34	.65	.67

Table 3.5: Means for each Grade

Descriptives			
	Mean		
	Semi-skilled	Skilled	Professionally Qualified/Senior Management
Emotional involvement	.75	.60	.54
Line leadership	.55	.32	.02
Time	.50	.24	.05
Support of top management	.36	.09	-.09
History of change	.05	-.26	-.19
Job satisfaction	.43	.27	.25
Participation	-.11	-.15	-.06
Locus of control	.88	.68	.59

Table 3.6: Analysis of Variance (Emotional Involvement)

Tests of Between-Subjects Effects

Dependent Variable: Emotional involvement

Source	Type III Sum of Squares	df	Mean Square	F	p
Corrected Model	3.454 ^a	10	.345	.914	.521
Intercept	34.454	1	34.454	91.154	.000
race	1.309	3	.436	1.154	.328
grade	.133	2	.067	.176	.839
race * grade	.604	5	.121	.320	.901
Error	78.242	207	.378		
Total	177.080	218			
Corrected Total	81.696	217			

a. R Squared = .042 (Adjusted R Squared = -.004)

Emotional Involvement is not significantly different across race, Grades or Grade within race ($p > 0.05$). See Tables 3.4 and 3.5 for the means between groups.

Table 3.7: Analysis of Variance (Line Leadership)

Tests of Between-Subjects Effects

Dependent Variable: Line leadership

Source	Type III Sum of Squares	df	Mean Square	F	p
Corrected Model	18.911 ^a	10	1.891	3.600	.000
Intercept	2.853	1	2.853	5.431	.021
race	2.851	3	.950	1.809	.147
grade	2.178	2	1.089	2.073	.128
race * grade	5.630	5	1.126	2.144	.062
Error	109.270	208	.525		
Total	160.400	219			
Corrected Total	128.181	218			

a. R Squared = .148 (Adjusted R Squared = .107)

Line Leadership is not significantly different across race and Grades and Grade within race ($p > 0.05$). See tables 3.4 and 3.5 for the means between groups.

Table 3.8: Analysis of Variance (Time)

Tests of Between-Subjects Effects

Dependent Variable: Time

Source	Type III Sum of Squares	df	Mean Square	F	p
Corrected Model	12.961 ^a	10	1.296	2.607	.006
Intercept	4.355	1	4.355	8.757	.004
race	4.782	3	1.594	3.206	.025
grade	.452	2	.226	.454	.636
race * grade	.925	5	.185	.372	.867
Error	85.032	171	.497		
Total	119.917	182			
Corrected Total	97.993	181			

a. R Squared = .132 (Adjusted R Squared = .082)

Time is not significantly different across Grades and Grade within race ($p > 0.05$). Time is significant between race groups. See Tables 3.4 and 3.5 for the means between groups. Africans have the highest mean, which means they are more positive about time than the other races.

Table 3.9: Analysis of Variance (Support of Top Management)

Tests of Between-Subjects Effects

Dependent Variable: Support of top management

Source	Type III Sum of Squares	df	Mean Square	F	p
Corrected Model	9.989 ^a	10	.999	1.483	.147
Intercept	1.759	1	1.759	2.611	.108
race	.907	3	.302	.449	.718
grade	5.299	2	2.649	3.934	.021
race * grade	2.575	5	.515	.765	.576
Error	140.743	209	.673		
Total	158.750	220			
Corrected Total	150.732	219			

a. R Squared = .066 (Adjusted R Squared = .022)

Support of Top management is not significantly different between race and Grade within race ($p > 0.05$). There is a significant difference between Grades. See Tables 3.4 and 3.5 for the means between groups. Semi-skilled have the highest mean. This shows that the semi-skilled workers are more positive about support from top management than the other Grades.

Table 3.10: Analysis of Variance (History of Change)

Tests of Between-Subjects Effects

Dependent Variable: History of change

Source	Type III Sum of Squares	df	Mean Square	F	p
Corrected Model	11.757 ^a	10	1.176	1.335	.213
Intercept	1.131	1	1.131	1.284	.258
race	1.994	3	.665	.755	.521
grade	1.287	2	.643	.731	.483
race * grade	4.802	5	.960	1.091	.367
Error	186.712	212	.881		
Total	201.500	223			
Corrected Total	198.469	222			

a. R Squared = .059 (Adjusted R Squared = .015)

History of Change is not significantly different across race and Grades and Grade within race ($p > 0.05$). See Tables 3.4 and 3.5 for the means between groups.

Table 3.11: Analysis of Variance (Job Satisfaction)

Tests of Between-Subjects Effects

Dependent Variable: Job satisfaction

Source	Type III Sum of Squares	df	Mean Square	F	p
Corrected Model	6.633 ^a	10	.663	1.752	.071
Intercept	7.396	1	7.396	19.539	.000
race	.389	3	.130	.342	.795
grade	.234	2	.117	.309	.734
race * grade	3.864	5	.773	2.041	.074
Error	79.490	210	.379		
Total	111.440	221			
Corrected Total	86.123	220			

a. R Squared = .077 (Adjusted R Squared = .033)

Job satisfaction is not significantly different between race and Grades and Grade within race ($p > 0.05$). See Tables 3.4 and 3.5 for the means between groups.

Table 3.12: Analysis of Variance (Participation)

Tests of Between-Subjects Effects

Dependent Variable: Participation

Source	Type III Sum of Squares	df	Mean Square	F	p
Corrected Model	2.963 ^a	10	.296	.826	.604
Intercept	.764	1	.764	2.130	.146
race	.432	3	.144	.401	.752
grade	.234	2	.117	.326	.722
race * grade	2.335	5	.467	1.301	.265
Error	73.564	205	.359		
Total	79.796	216			
Corrected Total	76.527	215			

a. R Squared = .039 (Adjusted R Squared = -.008)

Participation is not significantly different across race and Grades and Grade within race ($p > 0.05$). See Tables 3.4 and 3.5 for the means between groups.

Table 3.13: Analysis of Variance (Locus of Control)

Tests of Between-Subjects Effects

Dependent Variable: Locus of control

Source	Type III Sum of Squares	df	Mean Square	F	p
Corrected Model	12.333 ^a	10	1.233	1.850	.054
Intercept	32.323	1	32.323	48.494	.000
race	4.397	3	1.466	2.199	.089
grade	.529	2	.265	.397	.673
race * grade	3.052	5	.610	.916	.472
Error	141.972	213	.667		
Total	282.188	224			
Corrected Total	154.306	223			

a. R Squared = .080 (Adjusted R Squared = .037)

Locus of Control is not significantly different across race and Grades and Grade within race ($p > 0.05$). See Tables 3.4 and 3.5 for the means between groups.

Table 3.14: Mixed Model Analysis (Emotional Involvement)

Descriptive Statistics

Emotional involvement						
Race	Grade					
	Semi-skilled		Skilled		Professionally	
	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation
african	.81	.474	.73	.499	.72	.415
colored	.53	.306	.59	.630		
indian	.75	.572	.54	.839	.66	.360
white	.54	.619	.59	.735	.41	.605
Total	.75	.521	.60	.708	.54	.518

Table 3.15: Test of Fixed Effects (Emotional Involvement)

Type III Tests of Fixed Effects^a

Source	Numerator df	Denominator df	F	p
Intercept	1	218	116.727	.000
race	3	218.000	1.247	.294
grade	2	218.000	.715	.490

a. Dependent Variable: Emotional involvement.

From Table 3.15: labelled “Type iii Tests of Fixed Effects”, Race and Grade do not contribute significantly to the model ($p > 0.05$).

Table 3.16: Estimates of Fixed Effects (Emotional Involvement)

Estimates of Fixed Effects^b

Parameter	Estimate	Std. Error	df	t	p	95% Confidence Interval	
						Lower Bound	Upper Bound
Intercept	.474754	.127173	218.000	3.733	.000	.224109	.725400
[race=1]	.211199	.115026	218.000	1.836	.068	-.015507	.437905
[race=2]	.045086	.173880	218	.259	.796	-.297614	.387787
[race=3]	.085770	.114165	218.000	.751	.453	-.139238	.310778
[race=4]	0 ^a	0	.	.	.	.	.
[grade=2]	.133891	.140395	218	.954	.341	-.142814	.410596
[grade=3]	.040074	.137591	218.000	.291	.771	-.231105	.311252
[grade=4]	0 ^a	0	.	.	.	.	.

a. This parameter is set to zero because it is redundant.

b. Dependent Variable: Emotional involvement.

The results in “Estimates of Fixed Effects” show that the individual effect of race 1, 2 and 3 does not differ significantly from Race 4. The estimates for Race 1 (African) show that African has a higher score (ie more positive in terms of Emotional Involvement) than the other races. Also Grade 2 (Semi-skilled) has a higher score (ie

more positive in terms of Emotional Involvement) than the other Grades. See Figure 3.1.

Figure 3.1: Estimates of Fixed Effects (Emotional Involvement)

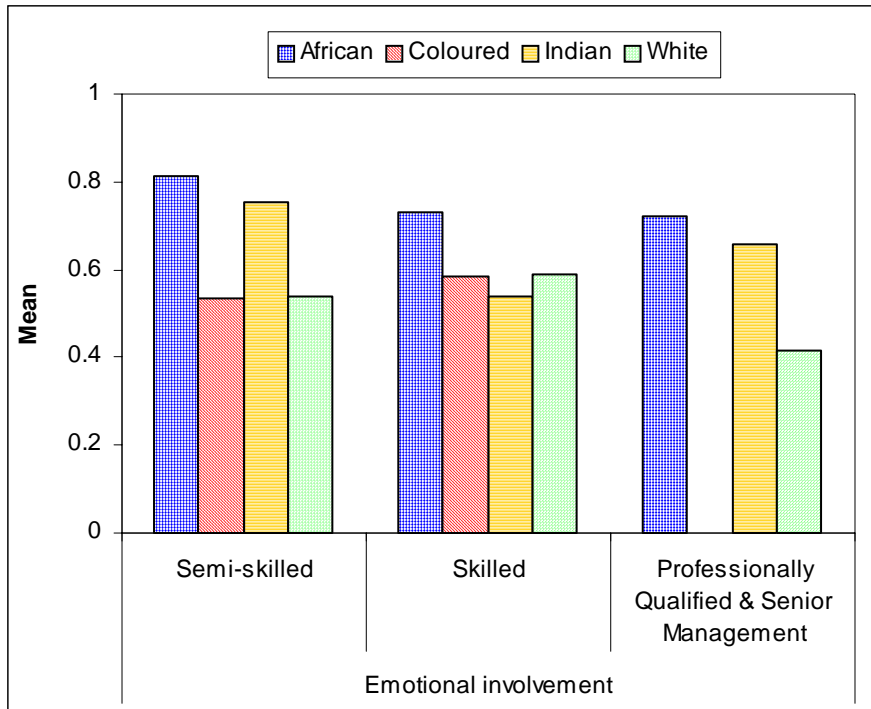


Table 3.17: Mixed Model Analysis (Line Leadership)

Descriptive Statistics

Line leadership

Race	Grade					
	Semi-skilled		Skilled		Professionally	
	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation
african	.83	.652	.38	.830	-.08	.502
colored	-.20	.346	.06	.639		
indian	.27	.713	.26	.793	.27	.561
white	.12	.794	.48	.842	-.04	.550
Total	.55	.751	.32	.794	.02	.540

Table 3.18: Test of Fixed Effects (Line Leadership)

Source	Numerator df	Denominator df	F	p
Intercept	1	219	9.426	.002
race	3	219.000	4.428	.005
grade	2	219.000	3.164	.044

a. Dependent Variable: Line leadership.

From Table 18 labelled “Type iii Tests of Fixed Effects”, Race and Grade contribute significantly to the model ($p < 0.05$).

Table 3.19: Estimates of Fixed Effects (Line Leadership)

Parameter	Estimate	Std. Error	df	t	p	95% Confidence Interval	
						Lower Bound	Upper Bound
Intercept	-.022331	.154685	219.000	-.144	.885	-.327193	.282532
[race=1]	.292658	.137593	219.000	2.127	.035	.021482	.563833
[race=2]	-.313906	.208772	219.000	-1.504	.134	-.725365	.097552
[race=3]	-.050837	.137175	219	-.371	.711	-.321188	.219514
[race=4]	0 ^a	0	.	.	.	.	.
[grade=2]	.432358	.171901	219.000	2.515	.013	.093566	.771151
[grade=3]	.329925	.168009	219.000	1.964	.051	-.001196	.661046
[grade=4]	0 ^a	0	.	.	.	.	.

a. This parameter is set to zero because it is redundant.

b. Dependent Variable: Line leadership.

From Table 3.19 labelled “Estimates of Fixed Effects”, the individual effect of Race 1 (African) is significantly different from Race 4. Race 2 (Coloured) and 3 (Indian) are not significantly different from Race 4. The estimates show that Race 1 (African) has a higher score for Line leadership than Coloured or Indian. Race 2 (Coloured) and Race 3 (Indian) are negative. The individual effects of Grade 2 and 3 differ significantly from Grade 4. Grade 2 (Semi-skilled) has a higher score than Grade 3 (Skilled). See Figure 8.

Figure 3.2: Estimate of Fixed Effects (Line Leadership)

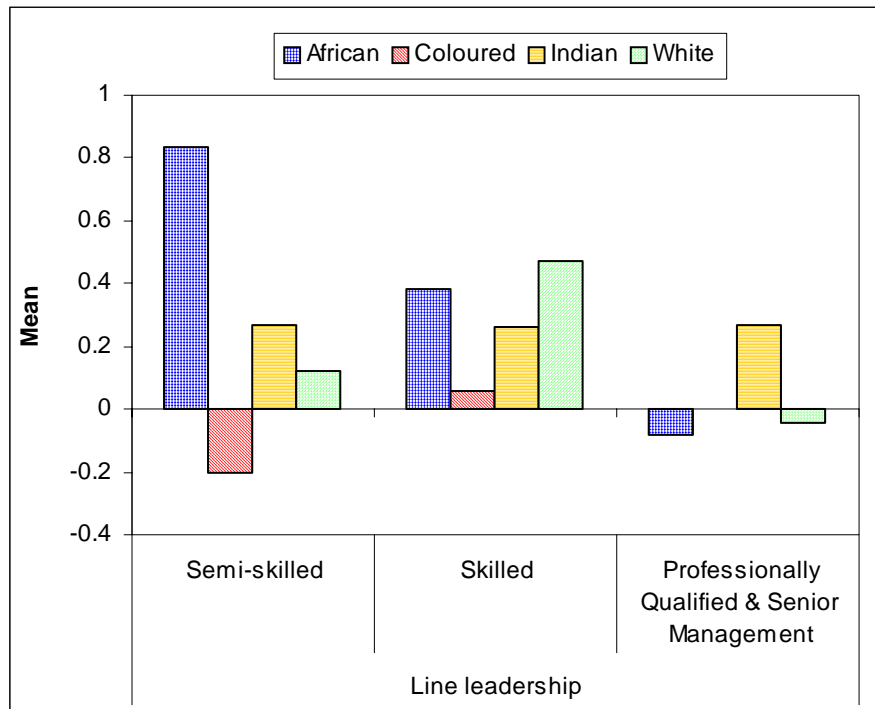


Table 3.20: Mixed Model Analysis (Time)

Descriptive Statistics

Time

Race	Grade					
	Semi-skilled		Skilled		Professionally	
	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation
african	.70	.732	.47	.494	.72	.855
colored	.39	.918	.10	.534		
indian	.19	.594	.19	.985	.08	.354
white	.17	.449	.17	.791	-.13	.427
Total	.50	.710	.24	.762	.05	.577

Table 3.21: Test Fixed Effects (Time)

Type III Tests of Fixed Effects^a

Source	Numerator df	Denominator df	F	p
Intercept	1	182.000	9.140	.003
race	3	182.000	5.304	.002
grade	2	182.000	.945	.391

a. Dependent Variable: Time.

From Table 3.21 labelled “Type iii Tests of Fixed Effects”, Race contributes significantly to the model ($p < 0.05$) but Grade does not.

Table 3.22: Estimates of Fixed Effects (Time)

Estimates of Fixed Effects ^b							
Parameter	Estimate	Std. Error	df	t	p	95% Confidence Interval	
						Lower Bound	Upper Bound
Intercept	-.039198	.170976	182.000	-.229	.819	-.376547	.298152
[race=1]	.469830	.141343	182	3.324	.001	.190948	.748712
[race=2]	.034584	.207387	182.000	.167	.868	-.374608	.443777
[race=3]	.045100	.150072	182.000	.301	.764	-.251004	.341204
[race=4]	0 ^a	0	.	.	.	.	.
[grade=2]	.247820	.196902	182.000	1.259	.210	-.140685	.636325
[grade=3]	.140796	.193449	182.000	.728	.468	-.240895	.522488
[grade=4]	0 ^a	0	.	.	.	.	.

a. This parameter is set to zero because it is redundant.

b. Dependent Variable: Time.

From Table 3.22 labelled “Estimates of Fixed Effects”, the individual effect of Race 1 (African) is significantly different from Race 4. Races 2 and 3 are not significantly different from race 4. The estimates show that Race 1 (African) has a higher score for Time than Coloured or Indian. The individual effects of Grades 2 and 3 do not differ significantly from Grade 4. Grade 2 (Semi-skilled) has a higher score than the Skilled Grade. See Figure 3.3.

Figure 3.3: Estimates of Fixed Effects (Time)

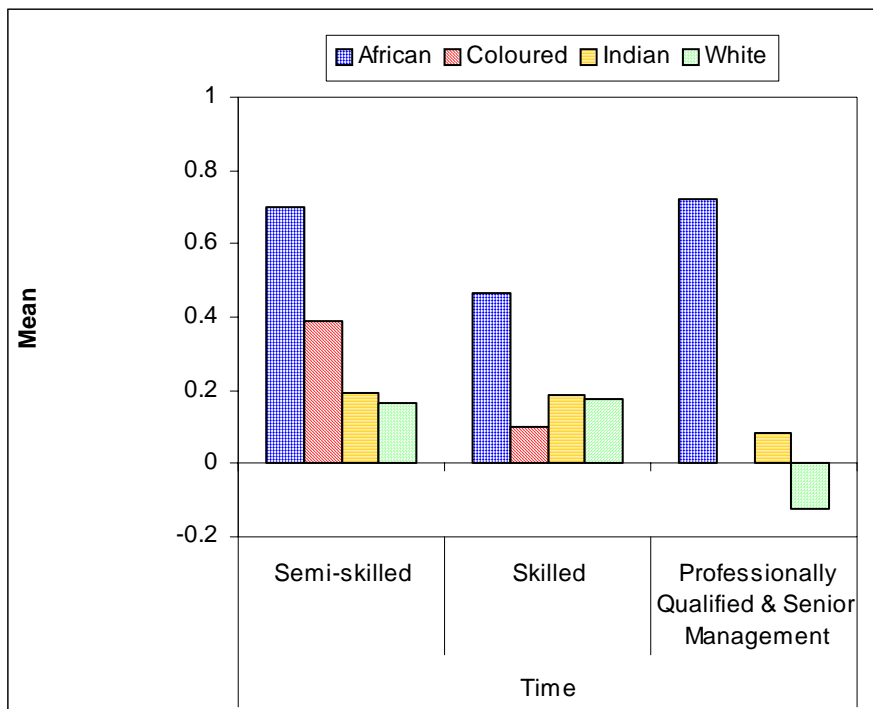


Table 3.23: Mixed Model Analysis (Support of Top Management)

Descriptive Statistics

Support of top management

Race	Grade					
	Semi-skilled		Skilled		Professionally	
	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation
african	.30	.843	.19	.836	.05	.542
colored	.58	.520	-.13	.663		
indian	.46	.856	-.06	.807	-.33	1.045
white	.38	.635	.33	.946	-.04	.706
Total	.36	.810	.09	.839	-.09	.753

Table 3.24: Test of Fixed Effects (Support of Top Management)

Type III Tests of Fixed Effects^a

Source	Numerator df	Denominator df	F	p
Intercept	1	220.000	1.271	.261
race	3	220.000	.815	.487
grade	2	220.000	4.581	.011

a. Dependent Variable: Support of top management.

From Table 3.24 labelled “Type iii Tests of Fixed Effects”, Grade contributes significantly to the model ($p < 0.05$) but Race does not.

Table 3.25: Estimates of Fixed Effects (Support of Top Management)

Parameter	Estimate	Std. Error	df	t	p	95% Confidence Interval	
						Lower Bound	Upper Bound
Intercept	-.009430	.172616	220.000	-.055	.956	-.349622	.330763
[race=1]	-.151684	.153851	220	-.986	.325	-.454894	.151527
[race=2]	-.294837	.233240	220.000	-1.264	.208	-.754508	.164833
[race=3]	-.209307	.154856	220.000	-1.352	.178	-.514499	.095884
[race=4]	0 ^a	0	.	.	.	.	.
[grade=2]	.525623	.192043	220.000	2.737	.007	.147143	.904103
[grade=3]	.256833	.187393	220.000	1.371	.172	-.112481	.626148
[grade=4]	0 ^a	0	.	.	.	.	.

a. This parameter is set to zero because it is redundant.

b. Dependent Variable: Support of top management.

From Table 3.25 labelled “Estimates of Fixed Effects”, the individual effect of Race 1, Race 2 and 3 are not significantly different from Race 4. The estimates show that Race 2 (Coloured) is more negative than the other races. Race 1 (African) is least negative. The individual effects of Grade 2 and 3 do not differ significantly from Grade 4. Grade 2 (Semi-skilled) has a higher score (are more positive) than the Skilled Grade. See Figure 3.4.

Figure 3.4: Estimates of Fixed Effects (Support of Top Management)

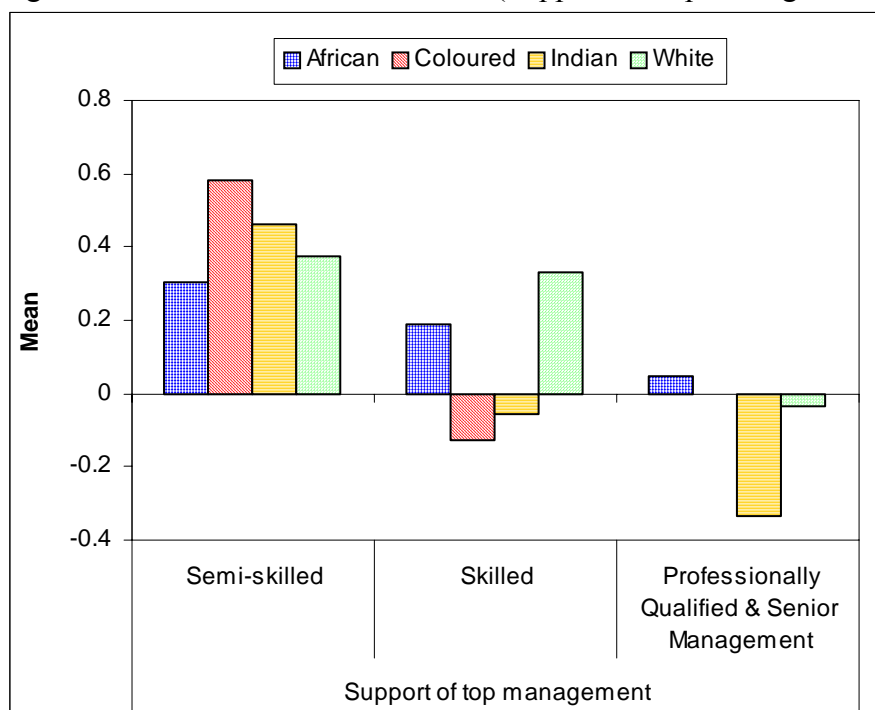


Table 3.26: Mixed Model Analysis (History of Change)

Descriptive Statistics

History of change

Race	Grade					
	Semi-skilled		Skilled		Professionally	
	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation
african	.06	.913	-.12	.982	-.40	.894
colored	-.17	.289	.04	.990		
indian	.02	.974	-.34	.928	.43	.886
white	.12	.982	-.46	1.093	-.43	.550
Total	.05	.917	-.26	.991	-.19	.788

Table 3.27: Tests of Fixed Effects (History of Change)

Type III Tests of Fixed Effects^a

Source	Numerator df	Denominator df	F	p
Intercept	1	223	1.004	.317
race	3	223.000	.779	.507
grade	2	223.000	2.382	.095

a. Dependent Variable: History of change.

From Table 3.27 labelled “Type iii Tests of Fixed Effects”, Race and Grade do not contribute significantly to the model ($p > 0.05$).

Table 3.28: Estimates of Fixed Effects (History of Change)

Estimates of Fixed Effects^a

Parameter	Estimate	Std. Error	df	t	p	95% Confidence Interval	
						Lower Bound	Upper Bound
Intercept	-.274953	.195673	223.000	-1.405	.161	-.660558	.110652
[race=1]	.198146	.174800	223.000	1.134	.258	-.146325	.542618
[race=2]	.368357	.266841	223	1.380	.169	-.157496	.894210
[race=3]	.165436	.174280	223.000	.949	.344	-.178012	.508883
[race=4]	0 ^a	0	.	.	.	.	.
[grade=2]	.158412	.215972	223.000	.733	.464	-.267194	.584019
[grade=3]	-.147365	.210852	223.000	-.699	.485	-.562882	.268153
[grade=4]	0 ^a	0	.	.	.	.	.

a. This parameter is set to zero because it is redundant.

b. Dependent Variable: History of change.

The individual effects of Races 1, 2, 3 are not significantly different from Race 4. From the estimates, Race 2 (Indians) is more positive than the Races 1 and 3. The

individual effects of Grades 2 and 3 do not differ significantly from Grade 4. Grade 2 (semi-skilled) is positive while Grade 3 (skilled) is negative. See Figure 3.5.

Figure 3.5: Estimates of Fixed Effects (History of Change)

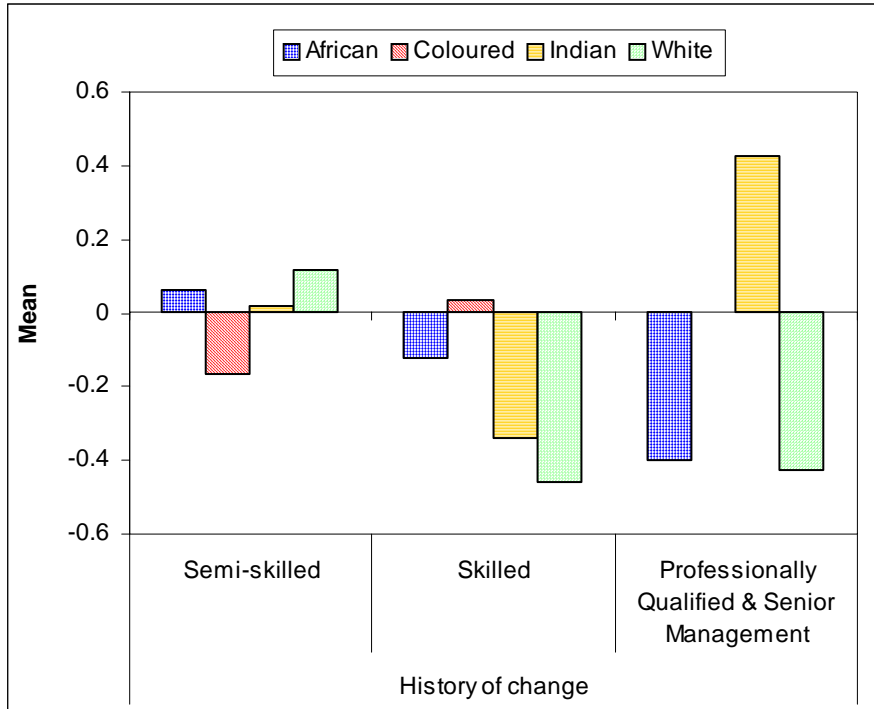


Table 3.29: Mixed Model Analysis (Job Satisfaction)

Descriptive Statistics

Job satisfaction

Race	Grade					
	Semi-skilled		Skilled		Professionally	
	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation
african	.52	.633	.11	.713	.20	.374
colored	.20	.400	.16	.465		
indian	.32	.679	.19	.577	.46	.486
white	.32	.451	.60	.720	.17	.531
Total	.43	.621	.27	.654	.25	.492

Table 3.30: Tests Fixed Effects (Job Satisfaction)

Type III Tests of Fixed Effects^a

Source	Numerator df	Denominator df	F	p
Intercept	1	221.000	24.109	.000
race	3	221.000	1.079	.359
grade	2	221.000	1.840	.161

a. Dependent Variable: Job satisfaction.

From Table 30 labelled “Type iii Tests of Fixed Effects”, Race and Grade do not contribute significantly to the model ($p > 0.05$).

Table 3.31: Estimates of Fixed Effects (Job Satisfaction)

Estimates of Fixed Effects^b

Parameter	Estimate	Std. Error	df	t	p	95% Confidence Interval	
						Lower Bound	Upper Bound
Intercept	.320263	.129702	221.000	2.469	.014	.064652	.575873
[race=1]	-.098451	.116680	221	-.844	.400	-.328400	.131497
[race=2]	-.255368	.176870	221.000	-1.444	.150	-.603935	.093199
[race=3]	-.176368	.115496	221.000	-1.527	.128	-.403983	.051247
[race=4]	0 ^a	0	.	.	.	.	.
[grade=2]	.223722	.143217	221.000	1.562	.120	-.058525	.505968
[grade=3]	.073259	.139994	221.000	.523	.601	-.202634	.349153
[grade=4]	0 ^a	0	.	.	.	.	.

a. This parameter is set to zero because it is redundant.

b. Dependent Variable: Job satisfaction.

The individual effects of Races 1, 2, 3 are not significantly different from Race 4. From the estimates, Race 2 (Indians) is more negative than Races 1 and 3. The individual effects of Grades 2 and 3 do not differ significantly from Grade 4. From the estimates, Grade 2 (semi-skilled) is more positive than Grade 3 (skilled). See Figure 3.6.

Figure 3.6: Estimates of Fixed Effects (Job Satisfaction)

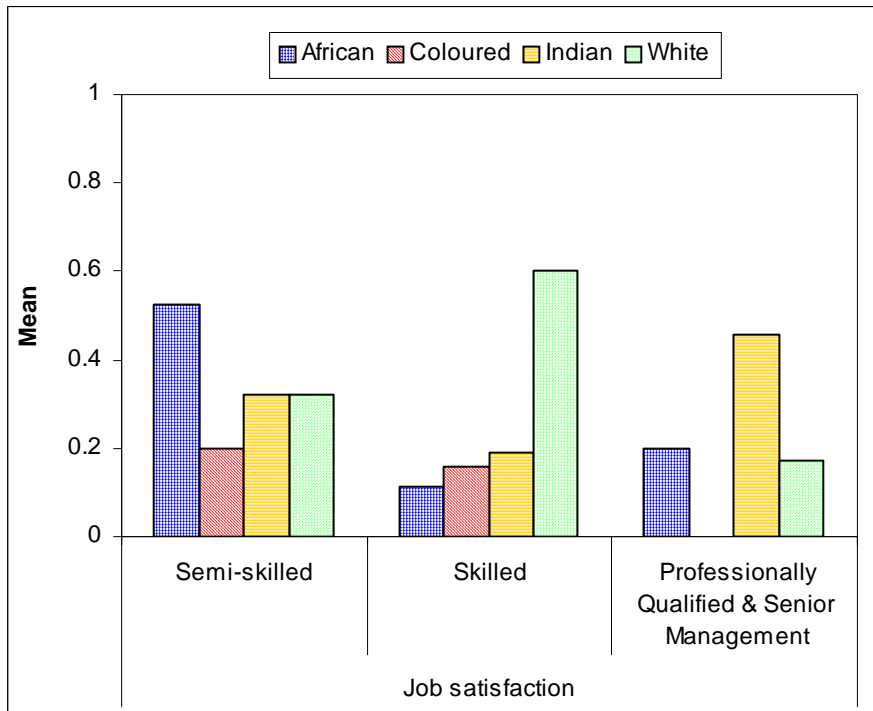


Table 3.32: Mixed Model Analysis (Participation)

Descriptive Statistics

Participation

Race	Grade					
	Semi-skilled		Skilled		Professionally	
	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation
african	-.14	.595	.04	.729	.09	.447
colored	-.24	.577	-.21	.478		
indian	-.09	.518	-.28	.556	.18	.442
white	-.02	.644	-.10	.729	-.23	.533
Total	-.11	.573	-.15	.640	-.06	.515

Table 3.33: Fixed Effects (Participation)

Type III Tests of Fixed Effects^a

Source	Numerator df	Denominator df	F	p
Intercept	1	216.000	4.953	.027
race	3	216.000	.429	.732
grade	2	216.000	.169	.845

a. Dependent Variable: Participation.

From Table 3.33 labelled “Type iii Tests of Fixed Effects”, Race and Grade do not contribute significantly to the model ($p > 0.05$).

Table 3.34: Estimates of Fixed Effects (Participation)

Parameter	Estimate	Std. Error	df	t	p	95% Confidence Interval	
						Lower Bound	Upper Bound
Intercept	-.063001	.125379	216	-.502	.616	-.310123	.184122
[race=1]	.062713	.113926	216.000	.550	.583	-.161835	.287261
[race=2]	-.079738	.171141	216.000	-.466	.642	-.417057	.257581
[race=3]	-.035283	.112558	216.000	-.313	.754	-.257135	.186570
[race=4]	0 ^a	0	.	.	.	.	.
[grade=2]	-.072854	.139232	216.000	-.523	.601	-.347281	.201573
[grade=3]	-.076369	.135056	216.000	-.565	.572	-.342565	.189827
[grade=4]	0 ^a	0	.	.	.	.	.

a. This parameter is set to zero because it is redundant.

b. Dependent Variable: Participation.

The individual effects of Races 1, 2, 3 are not significantly different from Race 4. From the estimates, Race 2 (Indians) is more negative than Races 1 and 3. The individual effects of Grades 2 and 3 do not differ significantly from Grade 4. From the estimates, Grade 2 (semi-skilled) and Grade 3 (skilled) are negative about Participation. See Figure 3.7.

Figure 3.7: Estimates of Fixed Effects (Participation)

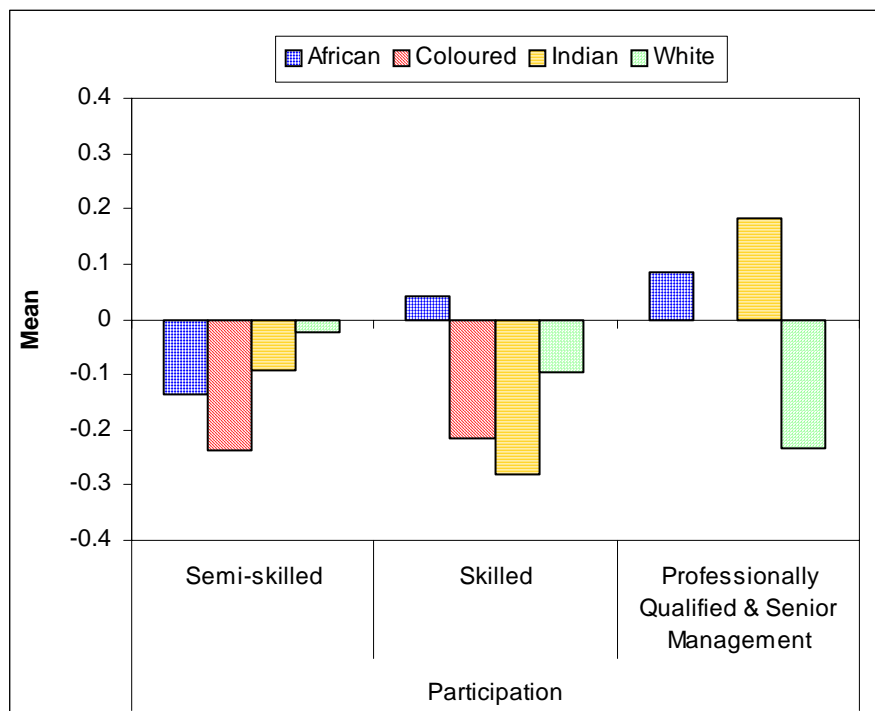


Table 3.35: Mixed Model Analysis (Locus of Control)

Descriptive Statistics

Locus of control

Race	Grade					
	Semi-skilled		Skilled		Professionally	
	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation
african	1.07	.774	.84	.763	.70	.908
colored	.00	.901	.41	.640		
indian	.74	.893	.57	.859	.71	.567
white	.52	.904	.85	.906	.48	.769
Total	.88	.854	.68	.826	.59	.728

Table 3.36: Tests of Fixed Effects (Locus of Control)

Type III Tests of Fixed Effects^a

Source	Numerator df	Denominator df	F	p
Intercept	1	224.000	66.819	.000
race	3	224.000	3.401	.019
grade	2	224.000	.591	.555

a. Dependent Variable: Locus of control.

From Table 3.36 labelled “Type iii Tests of Fixed Effects”, Race and Grade do not contribute significantly to the model ($p > 0.05$).

Table 3.37: Estimates of Fixed Effects (Locus of Control)

Estimates of Fixed Effects^a

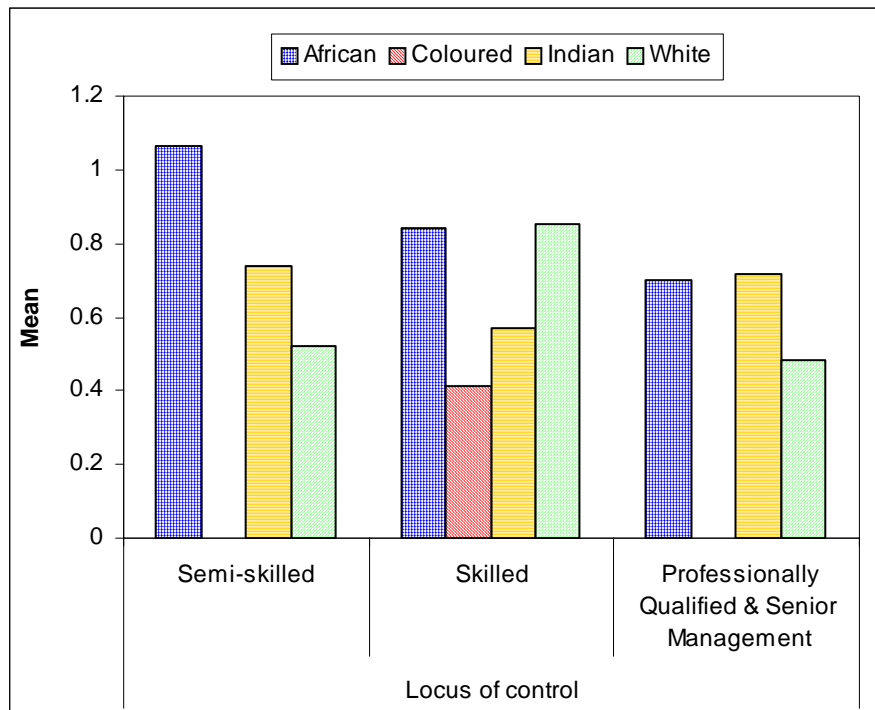
Parameter	Estimate	Std. Error	df	t	p	95% Confidence Interval	
						Lower Bound	Upper Bound
Intercept	.550888	.169891	224	3.243	.001	.216100	.885677
[race=1]	.257711	.151603	224	1.700	.091	-.041040	.556461
[race=2]	-.360911	.231686	224.000	-1.558	.121	-.817475	.095652
[race=3]	-.051664	.151319	224	-.341	.733	-.349855	.246527
[race=4]	0 ^a	0	.	.	.	.	.
[grade=2]	.201604	.187438	224.000	1.076	.283	-.167763	.570970
[grade=3]	.136827	.183074	224.000	.747	.456	-.223940	.497594
[grade=4]	0 ^a	0	.	.	.	.	.

a. This parameter is set to zero because it is redundant.

b. Dependent Variable: Locus of control.

The individual effects of Races 1, 2, 3 are not significantly different from Race 4. From the estimates, Race 2 (Indians) is more negative than Race 3 in terms of Locus of Control. Race 1 is positive see Figure 3.8.

Figure 3.8: Estimates of Fixed Effects (Locus of Control).



ANALYSIS OF DATA CAPTURED WHEN APPLIED IN A THREE-COMPONENT MODEL

Table 3.38: Distribution Means by Dimension

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Affective Commitment	212	-.90	1.80	.3072	.50053
Normative Commitment	210	-1.61	1.47	.4088	.44036
Continuance Commitment	181	-1.75	1.92	.1188	.65741

Table 3.39: Demographic Analysis on Dimension

Report

		Affective Commitment			Normative Commitment			Continuance Commitment		
		Mean	N	Std. Deviation	Mean	N	Std. Deviation	Mean	N	Std. Deviation
Race	Grade									
african	Semi-skilled	.5519	52	.43485	.5828	49	.37350	.3856	51	.66227
	Skilled	.2780	22	.56859	.4742	22	.33158	.2833	20	.57060
	Professionally Qualified/Senior Management	.0567	5	.43853	.5019	5	.34570	.3611	3	.12729
	Total	.4443	79	.49567	.5461	76	.35911	.3570	74	.62262
colored	Semi-skilled	.1944	3	.36375	.0984	3	.41673	.1111	3	.41944
	Skilled	.0298	14	.40156	.2607	14	.34779	.0705	13	.62993
	Total	.0588	17	.38954	.2321	17	.35222	.0781	16	.58410
indian	Semi-skilled	.3513	26	.51674	.4395	25	.37562	.0439	19	.62074
	Skilled	.1581	35	.40743	.2815	36	.56049	-.1067	25	.72549
	Professionally Qualified/Senior Management	.0200	5	.47308	.5184	7	.23150	.6667	2	.35355
	Total	.2237	66	.46403	.3640	68	.47720	-.0109	46	.68146
white	Semi-skilled	.2139	12	.24586	.2740	12	.51894	.1875	12	.48737
	Skilled	.4694	24	.63226	.4031	23	.51124	-.2103	21	.70298
	Professionally Qualified/Senior Management	.0310	14	.44873	.2206	14	.40078	-.2917	12	.38517
	Total	.2853	50	.53942	.3193	49	.48139	-.1259	45	.59898

From Table 38, the overall scores for Affective Commitment (AC), Normative Commitment (NC) and Continuance Commitment (CC) are low positive. Table 3.39 provides the mean analysis by Race and Grade.

Table 3.40: Analysis of Variance (Continuance Commitment)

Tests of Between-Subjects Effects

Dependent Variable: Continuance Commitment

Source	Type III Sum of Squares	df	Mean Square	F	p
Corrected Model	10.710 ^a	10	1.071	2.714	.004
Intercept	1.196	1	1.196	3.031	.084
grade	.887	2	.443	1.124	.328
race	3.216	3	1.072	2.716	.046
grade * race	1.947	5	.389	.987	.427
Error	67.083	170	.395		
Total	80.347	181			
Corrected Total	77.793	180			

a. R Squared = .138 (Adjusted R Squared = .087)

Table 3.41: Post Hoc Tests - Race

Multiple Comparisons

Dependent Variable: Continuance Commitment
Scheffe

(I) Race	(J) Race	Mean Difference (I-J)	p
african	indian	.3679*	.023
	white	.4829*	.001

Based on observed means.

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

There is a significant difference between race groups ($p < 0.05$) for CC. The post hoc tests show that the score for Indian and White were higher than African. See Table 3.41.

Table 3.42: Analysis of Variance (Normative Commitment)

Tests of Between-Subjects Effects

Dependent Variable: Normative Commitment

Source	Type III Sum of Squares	df	Mean Square	F	p
Corrected Model	3.623 ^a	10	.362	1.954	.040
Intercept	11.554	1	11.554	62.302	.000
grade	.001	2	.001	.003	.997
race	1.509	3	.503	2.712	.046
grade * race	.963	5	.193	1.039	.396
Error	36.906	199	.185		
Total	75.620	210			
Corrected Total	40.529	209			

a. R Squared = .089 (Adjusted R Squared = .044)

Table 3.43: Post Hoc Tests - Race

Multiple Comparisons

Dependent Variable: Normative Commitment
Scheffe

(I) Race	(J) Race	Mean Difference (I-J)	p
african	white	.2267*	.044

Based on observed means.

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

There is a significant difference between race groups ($p < 0.05$) for NC. The post hoc tests show that the score for White was higher than African. See Table 3.43.

Table 3.44: Analysis of Variance (Affective Continuance)

Tests of Between-Subjects Effects

Dependent Variable: Affective Commitment

Source	Type III Sum of Squares	df	Mean Square	F	p
Corrected Model	7.608 ^a	10	.761	3.379	.000
Intercept	3.130	1	3.130	13.902	.000
grade	1.715	2	.858	3.809	.024
race	.709	3	.236	1.050	.372
grade * race	1.649	5	.330	1.465	.203
Error	45.255	201	.225		
Total	72.874	212			
Corrected Total	52.863	211			

a. R Squared = .144 (Adjusted R Squared = .101)

Table 3.45. Post Hoc Tests - Grade

Multiple Comparisons

Dependent Variable: Affective Commitment
Scheffe

(I) Grade	(J) Grade	Mean Difference (I-J)	p
Semi-skilled	Skilled	.1951*	.020
	Professionally Qualified/Senior Management	.4067*	.001
Skilled	Semi-skilled	-.1951*	.020
Professionally	Semi-skilled	-.4067*	.001

Based on observed means.

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

There is a significant difference between Grades ($p < 0.05$) for AC. The post hoc tests show that the scores for Skilled and Professional/Senior Management were higher than Semi-skilled. See Table 3.45.

Table 3.46: Mixed Model Analysis (Affective Commitment)

Descriptive Statistics

Affective Commitment

Race	Grade	Count	Mean	Standard Deviation
african	Semi-skilled	52	.5519	.43485
	Skilled	22	.2780	.56859
	Professionally Qualified/Senior Management	5	.0567	.43853
	Total	79	.4443	.49567
colored	Semi-skilled	3	.1944	.36375
	Skilled	14	.0298	.40156
	Total	17	.0588	.38954
indian	Semi-skilled	26	.3513	.51674
	Skilled	35	.1581	.40743
	Professionally Qualified/Senior Management	5	.0200	.47308
	Total	66	.2237	.46403
white	Semi-skilled	12	.2139	.24586
	Skilled	24	.4694	.63226
	Professionally Qualified/Senior Management	14	.0310	.44873
	Total	50	.2853	.53942
Total	Semi-skilled	93	.4407	.45324
	Skilled	95	.2456	.52460
	Professionally Qualified/Senior Management	24	.0340	.43167
	Total	212	.3072	.50053

Table 3.47: Tests of Fixed Effects (Affective Commitment)

Type III Tests of Fixed Effects^a

Source	Numerator df	Denominator df	F	Sig.
Intercept	1	212.000	16.391	.000
race	3	212.000	3.240	.023
grade	2	212.000	6.647	.002

a. Dependent Variable: Affective Commitment.

From Table 3.47 labelled “Type iii Tests of Fixed Effects”, both race and Grade contribute significantly to the model ($p > 0.05$) for AC.

Table 3.48: Estimates of Fixed Effects (Affective Commitment)

Parameter	Estimate	Std. Error	df	t	p	95% Confidence Interval	
						Lower Bound	Upper Bound
Intercept	.054037	.101863	212.000	.530	.596	-.146757	.254831
[race=1]	.042733	.091195	212.000	.469	.640	-.137032	.222499
[race=2]	-.295322	.136102	212.000	-2.170	.031	-.563608	-.027036
[race=3]	-.138777	.090965	212.000	-1.526	.129	-.318088	.040534
[race=4]	0 ^a	0	.	.	.	.	.
[grade=2]	.411075	.114305	212.000	3.596	.000	.185754	.636395
[grade=3]	.276331	.111684	212.000	2.474	.014	.056178	.496483
[grade=4]	0 ^a	0	.	.	.	.	.

a. This parameter is set to zero because it is redundant.

b. Dependent Variable: Affective Commitment.

The results in “Estimates of Fixed Effects” show that the individual effect of Races 1 and 3 do not differ significantly from Race 4. Race 2 differs significantly from 0. The estimates for Race show that Coloured (Race 2) is most negative. Also Grade 2 (Semi-skilled) and Grade 3 (Skilled) differ significantly from Grade 4 and are not zero. Grade 2 (semi-skilled) is more positive than Grade 3. See Figure 3.9.

Figure 3.9: Estimates of Fixed Effects (Affective Commitment)

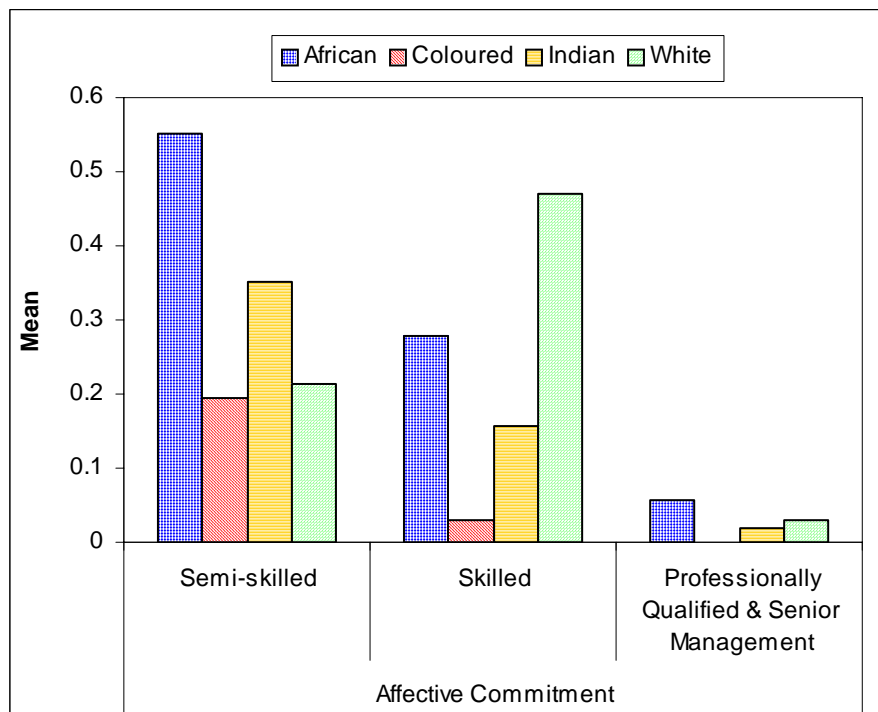


Table 3.49: Mixed Model Analysis (Normative Commitment)

Descriptive Statistics

Normative Commitment					
Race	Grade	Count	Mean	Standard Deviation	Coefficient of Variation
african	Semi-skilled	49	.5828	.37350	64.1%
	Skilled	22	.4742	.33158	69.9%
	Professionally Qualified/Senior Management	5	.5019	.34570	68.9%
	Total	76	.5461	.35911	65.8%
colored	Semi-skilled	3	.0984	.41673	423.5%
	Skilled	14	.2607	.34779	133.4%
	Total	17	.2321	.35222	151.8%
indian	Semi-skilled	25	.4395	.37562	85.5%
	Skilled	36	.2815	.56049	199.1%
	Professionally Qualified/Senior Management	7	.5184	.23150	44.7%
	Total	68	.3640	.47720	131.1%
white	Semi-skilled	12	.2740	.51894	189.4%
	Skilled	23	.4031	.51124	126.8%
	Professionally Qualified/Senior Management	14	.2206	.40078	181.7%
	Total	49	.3193	.48139	150.7%
Total	Semi-skilled	89	.4846	.41141	84.9%
	Skilled	95	.3525	.47615	135.1%
	Professionally Qualified/Senior Management	26	.3549	.37070	104.5%
	Total	210	.4088	.44036	107.7%

Table 3.50: Tests of Fixed Effects (Normative Commitment)

Type III Tests of Fixed Effects^a

Source	Numerator df	Denominator df	F	p
Intercept	1	210.000	80.663	.000
race	3	210.000	3.275	.022
grade	2	210.000	.467	.628

a. Dependent Variable: Normative Commitment.

From Table 3.50 labelled “Type iii Tests of Fixed Effects”, Grade does not contribute significantly to the model ($p > 0.05$) for NC. Race does.

Table 3.51: Estimates of Fixed Effects (Normative Commitment)

Parameter	Estimate	Std. Error	df	t	p	95% Confidence Interval	
						Lower Bound	Upper Bound
Intercept	.305825	.089963	210.000	3.399	.001	.128480	.483171
[race=1]	.202503	.082923	210.000	2.442	.015	.039035	.365971
[race=2]	-.082390	.123117	210.000	-.669	.504	-.325093	.160314
[race=3]	.037460	.081410	210.000	.460	.646	-.123025	.197946
[race=4]	0 ^a	0	.	.	.	.	.
[grade=2]	.059530	.099978	210.000	.595	.552	-.137560	.256619
[grade=3]	-.002268	.097298	210.000	-.023	.981	-.194075	.189538
[grade=4]	0 ^a	0	.	.	.	.	.

a. This parameter is set to zero because it is redundant.

b. Dependent Variable: Normative Commitment.

The results in “Estimates of Fixed Effects” show that the individual effect of Race 1 differs significantly from 0 and Grade 4. The individual effects of Grades 2 and 3 do not differ significantly from Grade 4. The estimates for Race show that African (Race 1) is more positive. Grade 2 (Semi-skilled) and Grade 3 (Skilled) differ significantly from Grade 4 and is not zero. See Figure 3.10.

Figure 3.10: Estimates of Fixed Effects (Normative Commitment)

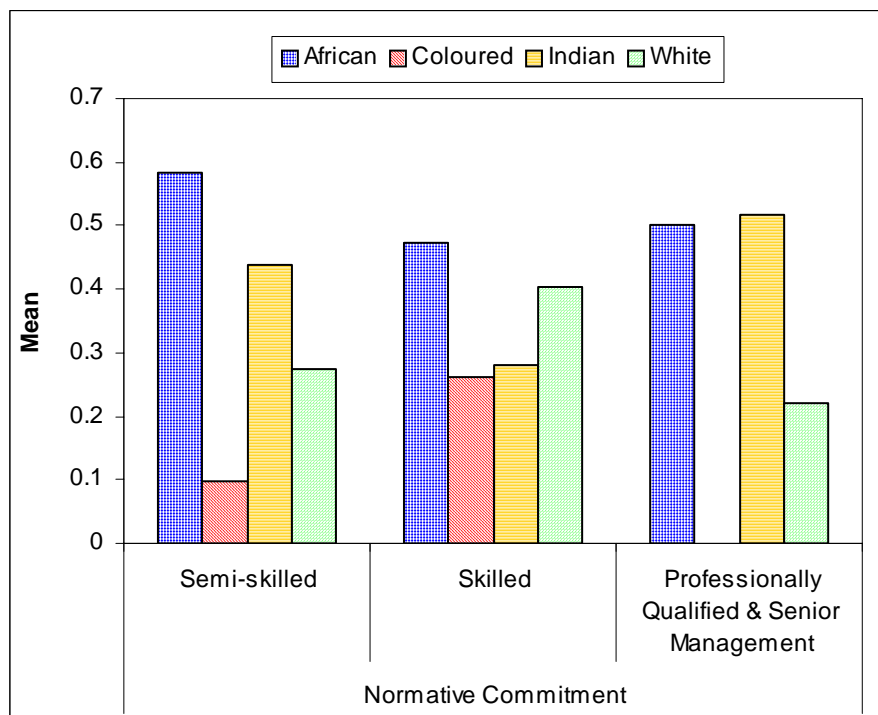


Table 3.52: Mixed Model Analysis (Continuance Commitment)

Descriptive Statistics

Continuance Commitment					
Race	Grade	Count	Mean	Standard Deviation	Coefficient of Variation
african	Semi-skilled	51	.3856	.66227	171.7%
	Skilled	20	.2833	.57060	201.4%
	Professionally Qualified/Senior Management	3	.3611	.12729	35.3%
	Total	74	.3570	.62262	174.4%
colored	Semi-skilled	3	.1111	.41944	377.5%
	Skilled	13	.0705	.62993	893.4%
	Total	16	.0781	.58410	747.7%
indian	Semi-skilled	19	.0439	.62074	1415.3%
	Skilled	25	-.1067	.72549	-680.2%
	Professionally Qualified/Senior Management	2	.6667	.35355	53.0%
	Total	46	-.0109	.68146	-6269.4%
white	Semi-skilled	12	.1875	.48737	259.9%
	Skilled	21	-.2103	.70298	-334.2%
	Professionally Qualified/Senior Management	12	-.2917	.38517	-132.1%
	Total	45	-.1259	.59898	-475.7%
Total	Semi-skilled	85	.2716	.63284	233.0%
	Skilled	79	-.0063	.68260	-10785.2%
	Professionally Qualified/Senior Management	17	-.0637	.50133	-786.7%
	Total	181	.1188	.65741	553.4%

Table 3.53: Tests of Fixed Effects (Continuance Commitment)

Type III Tests of Fixed Effects^a

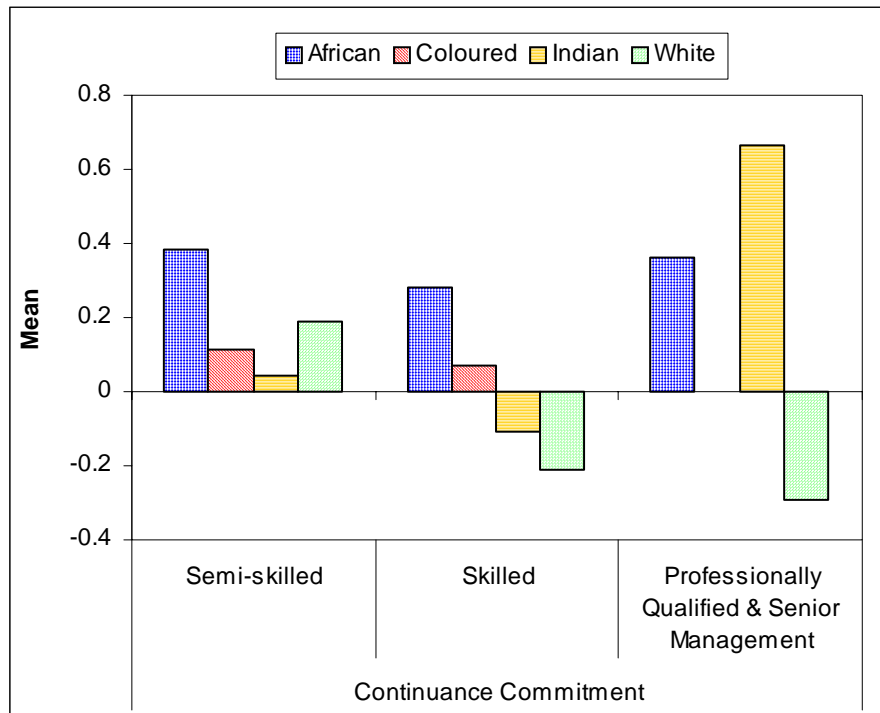
Source	Numerator df	Denominator df	F	p
Intercept	1	181.000	1.151	.285
race	3	181.000	4.349	.006
grade	2	181.000	1.403	.249

a. Dependent Variable: Continuance Commitment.

From Table 53 labelled “Type iii Tests of Fixed Effects”, Grade does not contribute significantly to the model ($p > 0.05$) for CC. Race does.

The results in “Estimates of Fixed Effects” show that the individual effect of Race 1 differs significantly from 0 and Grade 4. The individual effects of Grades 2 and 3 do not differ significantly from Grade 4. The estimates for Race show that African (Race 1) is more positive. Grade 2 (Semi-skilled) and Grade 3 (Skilled) differ significantly from Grade 4 and is not zero. See Figure 3.11.

Figure 3.11: Estimates of Fixed Effects (Continuance Commitment)



3.6 CONCLUSION

The chapter computed the data that was captured using SPSS 11.5 for Windows. A brief description on the use of HLM was highlighted with the emphasis for the justification of the statistical analysis method. Two statistical analysis methodologies have been used so that data can be compared on two models. The analysed data have been presented on histograms for graphical presentation. A brief description of the interpretation has been given to explain the content on categorical items as well as on the nested items.

CHAPTER 4: FINDINGS

4.1 INTRODUCTION

The chapter gives a detailed account of the interpretation of the statistical analysis. It starts by explaining a brief overview of factors that were considered and how they fit in the study. The findings are presented according to the items that were used for assessing readiness. The findings on the first set of dimensions are made followed by secondary set using dimensions for the Three Component Model.

The chapter provides a discussion from the findings and makes the case for implication based on research by other authors. The limitation of the research and areas for future research are made. The chapter finishes by presenting conclusions and recommendations.

4.2 FINDINGS

The study investigated the readiness of eThekweni Employees for Regional Electricity Distribution. Three factors were used as the framework for the assessment, namely: the content of the organisational change, the context in which the change occurs and the process of the organisational change. In their review on organisational change research, Armenakis and Bediean (1999) stressed the relevance of content, context, and process factors in organisational change. In this study, the three factors were conceptualised and integrated amongst eight variables with a range of questions about the readiness for change. Concurrent impact of these factors on readiness to change was investigated.

The variables were further grouped according to three dimensions, namely: Affective Commitment (“want to”); Normative Commitment (“ought to”) and Continuance Commitment (“have to”). The three dimensions were said to measure the likelihood of the employee remaining employed and being loyal to the organisation. The underlying premise to the measurement of commitment being that if employees are loyal and committed to the organisation, there is a high probability for the employees to embrace the new changes and, in turn, be ready for change. In this study, the readiness for change is to form part of the RED with a smooth transition.

The study also wanted to ascertain the levels of readiness amongst the categories of staff and racial groups. The premise for this was based on the postulation that if the study was able to identify the gaps from the dimensions that were used in the study, it would make it easier for the change agent and other stakeholders to focus their attention on those areas that showed shortfalls that would inhibit the change process as identified by the study.

The findings have been categorised according to the eight factors and the three components that were used for assessment:

4.2.1 Emotional Involvement

The findings of the study on this dimension reflect that all categories of employees and their racial profiles are positive (see Figure 7). On this measure, it can be interpreted that employees see the change process as beneficial to their personal well-being. To some degree, this reflects that employees within their own cognitive processes see the need for change.

According to theory (Bartunek, 1993; Gersick, 1991; Lazarus, 1991; Frijda, 1996; Huy, 1999; Seo, 1999), organisational behaviour and change are strongly influenced by emotions because emotional receptivity influences the concrete actions taken by a person in the direction of change. These actions depend on the necessary readiness to cooperate during the change process.

4.2.2 Line Leadership

On this dimension in the study, there is a significantly high proportion of Africans than the rest of the racial profiles on the other skills level groups (see Figure 8). This finding reflects the confidence level of staff in the line management of the organisations. However, this needs to be treated with caution as the other groups (skills and race) do not share the same sentiments. It is somewhat comforting that the Semi-Skilled group formed the most positive. This finding indicates their propensity to be accepting and being agreeable to be led. The Skilled group also indicate a positive trend that bodes well for the change process and the readiness level.

It is worrying that the Senior Management and Professionally Qualified grades measured low on this dimension as they are the people that are looked up to for guidance and support in times of change. If this group does not play a reassuring role, a negative perception and hopelessness can be assumed by lower Grade employees. Kotter (1995) has stressed that successful major changes need a powerful guiding coalition. Moreover, line managers have to translate the general goals of organisational change efforts into specific departmental objectives (Kanter et al., 1992). Organisational transformation often implies a change in the tasks of line managers, their personal leadership style and their social relations with subordinates. The leadership style of line managers during the change process remains an important element that needs to be monitored during the change process. The active support, the ability to confront the new challenges and the ability to support subordinates adequately are all crucial elements of this line leadership.

4.2.3 Time

According to this dimension of the study, it reflects that there is a significantly positive trend amongst African employees in all skills group (see Figure 9). This indicates hope and expectation for implementation of a new strategy. It is an indication of anticipation and embracement. Amongst the other skills group and racial profiles there is somewhat positiveness that can be read as scepticism. The low reading indicated by the study creates a concern in that Senior Management/ Professionally Qualified employees are sceptical of this measure, yet they need to be at the forefront of changes. If the low level is not investigated to establish the root-cause and is not addressed by the change champions, it can hamper the progress of any changes.

According to change literature, time plays a central role in the change process. First, implementation of change goes through different phases and these phases take time. Common to all the implementation models is the message that efforts to bypass these phases seldom yield a satisfactory result (Armenakis and Bedeian, 1999). Secondly, major change efforts demand hard work, permanent attention and perseverance. When organisational members

are faced with too many changes at the same time, they cannot allocate their time properly to all of the changes and continue their daily tasks at the same time. There is not enough time to test the recommendations (Galpin, 1996) and to explore new behaviours (Jaffe et al., 1994). In the end, the change project fails and employees become cynical towards the announcement of new change projects (Wanous, Reichers and Austin, 2000).

4.2.4 Support of Top Management

The study reflects that there is generally positive outlook from all employees in the Semi Skilled category across all races (refer to Figure 10). This makes an interesting read if one was to compare Africans in the Semi-Skilled group to those in the Line Leadership group. The two would reflect that correlation tendencies somewhat exist. It also reflects that there is a good rapport between subordinate staff and management. However, there exists a serious deficit of Top Management Support amongst Senior Management of all racial profiles. Again this is worrying, considering that Senior Management should be charting the way forward.

Top management behaviour is an important component in the change process. In major changes, the head of the organisations is key in this communication process (Kotter, 1995). Organisational members will not take change efforts seriously if top management does not actively support the change process. The development of a sense of urgency and vision that is relatively easy to communicate and appeals to employees is an important element in this process. Devos, Vanderheyden and Van Den Broeck (2002) stated that organisational change is also less successful when top management fails to keep employees informed about the process of change (Kreitner and Kinicki, 2000). If employees get the feeling that those in power have lost interest in the going on process, their belief in the transformation efforts will also fade out.

4.2.5 History of Change

The dimension reflects a significant negative across all categories measured with the exception of Indians in Senior Management (refer to Figure 11). This measure poses a serious concern as the attitudes it measured will have an

adverse effect when it comes to the implementation stage of the restructuring process.

According to research literature, the readiness for change is influenced by the track record of successfully implementing major organisational changes (Schneider, Brief and Guzzo, 1996). If organisational changes have failed in the past, employees will be reluctant to try new change initiatives. In their research on cynicism about organisational change Wanous, Reichers and Austin (2000) found that there is a correlation between the history of change and motivation to keep on trying to make changes. This relationship suggests that cynicism may be somewhat self-fulfilling. The researchers indicate the higher the pre-existing level of cynicism about organisational change, the more executives need to confront and discuss previous failures before moving ahead.

4.2.6 Job Satisfaction

The study reflects a positive trend amongst all employees in the sample size, a noticeable significant positive level is observed amongst White and Indian employees (refer to Figure12). According to research literature, employees with a high job satisfaction level are more motivated to support organisational changes, independent of the way in which these changes are introduced and implemented. Employees who find their jobs challenging and satisfying will have a positive attitude towards new changes.

4.2.7 Participation

The study has revealed that participation has not yielded positive results across all racial groups and skills levels (refer to Figure13). The dimension needs to be carefully interpreted by all stakeholders as it poses a challenge for the impending changes. However, it offers an opportunity to change agents and stakeholders to reflect on what needs to be done to address the situation.

According to research literature it is expected that employees who perceive their work environment as highly participative are more likely to anticipate being involved in decisions relevant to a pending change effort. Research

literature also points out that apart from the participation of employees in major change efforts, participation at work at a general level may impact on their motivation to large-scale change (Schneider, Brief, A.P. and Guzzo, 1996).

4.2.8 Locus of Control.

The study reflects a significantly positive level amongst all categories of staff and racial profiles except for Coloureds (see Figure14). The graphical presentation is indicative of the overall sentiment by employees in a sense that they acknowledge the role that they play in the organisation and that their existence is relevant to the organisation's success.

Therefore, the challenge rests with change agents and other stakeholders to involve employees in the change process.

4.3 FINDINGS UTILISING THE THREE-COMPONENT MODEL:

4.3.1 Affective Commitment

The results reflect a significantly positive response amongst employees in the Semi Skilled level under all categories of racial profiles and in the Skilled level category a relatively high level is indicated by White employees (see Figure 15). The findings reflect a similar trend that can be interpreted as the willingness of employees in general to embrace the impending changes. It reflects the notion that employees identify themselves with the organisation and they 'want to' see it succeed.

However, there seems to exist a very low positive response from Professionally Qualified and Senior Management as this can be interpreted as being sceptical and showing lack of confidence in the impending transformation programme.

Change agents and stakeholders would need to evaluate the low confidence level as Senior Management in the organisation are the ones who are looked upon to drive the process of transformation.

4.3.2 Normative Commitment

The results reflect that generally all employees are interested in the organisation and their hearts are in the challenges faced by the organisation (see Figure 16). This is indicative of the confidence that employees have with the organisation but again change agents and stakeholders need to acknowledge and build from the trust displayed by employees.

4.3.3 Continuance Commitment

The results reflect that African employees across all categories “have to” be part of the changes, so do the Indian employees in Senior Management category. In the Skilled category, both Indians and White indicated negativity (see Figure 17).

This measure can be interpreted in two ways, it can be an indication that Skilled level employees do not see themselves obligated to be part of the change process or it can be a reflection that they are not obligated but they support the changes.

The findings provide useful information that can be used to design strategies to encourage change-supportive behaviours within the organisational context. They can be used to target employees’ personal attitudes, their perceptions of ‘the state of the organisation’ and to identify ways that may be useful to encourage the uptake of change-supportive behaviours.

Change management interventions designed to both foster favourable group norms and strengthen in-group identification (i.e. feelings of belongingness with respect to a behaviourally-relevant reference group) are likely to assist in developing stronger intentions to support a specific event. When activities reinforce and induce commitment to a behaviourally-relevant reference group, then it is likely that the performance of desired behaviours will become normative in the social work environment and be maintained over time. From this study, support also was provided for the conceptualisation of social influence. It is evident that the social influence, as represented by Grading and by Employees’ Racial Profiles as has been demonstrated

by the statistical analysis and figures thereof, has a direct impact on the eight factors that have been used to measure the readiness to change. In this study, only two factors namely: History of Change, and Participation, yielded negative perceptions of the change event. Concerns can also be drawn on the Continuance Commitment graph where a significant White group indicated negative on this measure.

4.4 DISCUSSION

The two negative factors come as no surprise considering the socio-cultural and political landscape that exists in South Africa at present. They are intertwined in defining the negative perception as identified by the study.

Bendix (2001) states that while South African employers have realised the need to change, they have not taken concrete steps to effect it. Though Meyer (1996) reveals that there is hardly a South African organisation that is not undergoing second order change, the changes have merely manifested themselves in uncoordinated programmes such as quality circles, team building, profit-sharing and incentive schemes. Such uncoordinated initiatives may not secure employee commitment and motivation, the two ingredients essential for increased productivity and competitiveness.

To a great extent, therefore, South African business organisations have not yet combined and teamed up all employee participative programmes into a more co-ordinated management strategy, which Finnemore (1998) and Orsburn et al., (1990) maintain are essential for increased productivity and competitiveness. It is not surprising that research, done by Veldsman and Harilall (1996), found that many South African organisations lack the zeal to co-ordinate the respective factors that make up the key variables in employee involvement. It was concluded that these organisations had not yet accepted work-place democratisation, let alone redefining the relationship between management and employees.

The above research findings are critical to this investigation, for they show that post-apartheid South African organisations have not yet developed effective mechanisms to cope with global demands and changes brought about by the

democratisation of the country. While still being undemocratic, these organisations operate in a democratic environment. This has resulted in poor organisational benchmarking as reflected in Ernst and Young's report (Veldsman, van der Linde and Conidaris, 1998). It has also resulted in organisations' poor 'world-class' status being reflected in recent world competitive reports, which show that South African organisations fare exceptionally poorly when compared to other developed and developing nations (World Economic Forum, 2005).

The following factors have also been identified as obstacles to the proper implementation of participation schemes in post-apartheid South Africa by other authors:

- **Employee and employer battle mentality**

Van Rensburg (1998) asserts that, over an extensive period of time, employers and employees in South Africa have developed and nurtured a battle mentality that is evident in the adversarial and antagonistic relations existing between the two parties. For several years, the relationship between labour and management has been punctuated by conflict, suspicion, mistrust and sometimes open hatred.

This relationship has spilled over into post-apartheid South Africa, making it difficult for participative work practices to be effectively implemented. Marais and Israelstam (1996) note that the injustices and conflicts of the past have in many cases entrenched negative attitudes in employers and employees alike. As a result, both parties view each other as self-serving, untrustworthy, disloyal and hostile, and are, therefore, unable to work together to effect the needed changes.

- **Lack of managerial and employee commitment to the process**

Bendix (2001), Healy (1996), and Marais and Israelstam (1996) point out that employee and managerial commitment is essential for the process of implementing participative work practices in order to be successful. However, Healy (1996) observes that some post-apartheid managers are inwardly threatened by the process and, as a result, are not committed to it. While such managers are publicly enthusiastic about the new pattern of worker participation, privately, they use any available

opportunity to frustrate and undermine programmes meant to involve and empower workers in their organisations.

- **The “*Boss-Servant*” tradition in the work-place**

Johnson (1993:124) notes that tradition could provide anchors that prevent necessary changes. This is true as far as the South African work-place is concerned, where the political system prior to the demise of apartheid nurtured and encouraged the ‘*Boss-servant*’ relationship between managers and workers. During this period, managers managed and workers worked; and most of the “*good*” ideas evolved from Management, who could see the big picture and had the education to think things through. Consequently, many of today's managers still feel they should manage and think for employees, while some workers also have the mind-set that “*Bosses get paid to make decisions, so they might as well earn their money*”. In the process, employee participation is stifled.

- **Lack of employee empowerment through skills acquisition**

The majority of employees in post-apartheid South Africa are not empowered, but are expected to assume joint responsibility and play a decision-making role along with Management. They lack the necessary knowledge, skills and confidence to conduct meetings, to question and evaluate managerial plans and decisions.

The implication of the above scenario is that even in cases where managers have accepted Employee Participation Programmes, and have wholeheartedly accepted the process, they are unable to find partners among the workers with whom to make joint quality decisions. It is indeed against this background that Bendix (2001) and Meyer (1996) suggest that shop stewards, employees and managerial representatives alike need to develop the new understanding, competencies and skills needed to effect participation.

- **Presence of strong employees’ and employers’ organisations**

Van Rensburg (1998) observed that employees and employers alike in South Africa are fiercely loyal to their organisations. Since the two parties have divergent interests, it becomes difficult for them to focus jointly on strategies meant to facilitate participation.

While employers are primarily concerned with minimising production costs and maximising profit, trade unions focus primarily on pushing up wage levels and ensuring the improvement of their members' conditions of working. As a result, both parties are, at times, opposed to cooperating with one other.

According to Bendix (2001) and Johnson (1993), employers normally object to participation on the grounds that it is a time-consuming process, leads to a lack of control and employees are not capable of making responsible decisions. On the other hand, some unions also oppose the process on the grounds that it weakens their traditional role as challengers of managerial decisions, and dilutes their collective power since they are treated as individuals.

It is clear that managers of post-apartheid business organisations, together with their employees, seem relatively complacent with respect to the importance of work-place democratisation. The breed of managers and employees who succeeded within an authoritarian and adversarial system have to acknowledge that the old system of management can no longer provide a foundation for successful productivity and competitive work practices in post-apartheid South Africa. Ignoring the current trends will inevitably expose the country's business organisations to the danger of surrendering entire businesses to foreign competitors who have already made participative work practices a way of life for some time. Indeed, as Nel (in Slabbert *et al.*, 1998) notes, the importance of an organisational culture, that reflects democratic principles like leadership, accountability, transparency, information sharing, participation and freedom of expression cannot be over-emphasised.

This finding is in line with the findings of Pettigrew (2000) that high performing organisations with a longitudinal record of accomplishment of successful change have implemented different types of change. These changes include rationalisation (restructuring and downsizing) as well as continuous changes focussed on organisational development and employee involvement. Both strategies, which initially seem contradictory towards employee morale, can be reconciled, according to Pettigrew (2000), when strategic change is linked with operational change, when people are managed as assets and liabilities, and when the different organisational

changes are managed coherently. These conditions imply a high trust in the executive management, that is, trust in a management that adopts a consistent approach and is competent, honest, and unbiased in considering the positions of employees.

When a trustworthy executive management decides to rationalise, people believe decisions are necessary and not merely in favour of management's interest. This explains why people's readiness to change can still be considerable, even when the change brings about severe job losses. The conditions of high performing organisations, described by Pettigrew (2000), refer to the importance of participation and trust in the supervisor as well. Linking strategic with operational change necessitates the involvement of employees and the support of lower management. Goshal and Bartlett (2000) underscored that, in the rationalisation processes, the commitment of management to legitimate empowerment and a management style of supervisors based on coaching and guidance is effective in creating an environment of support.

Some studies have argued that the behaviour and trust in a supervisor is more important for employee attitudes than behaviour of the executive management (Edmonson and Woolley, 1999). This particular study does not support that argument. Trust in executive management and trust in the supervisor were both equally important for the participants' attitudes to change. Contrary to expectations, the study indicates that the two variables do not even interact. Both variables are clearly independent, and compensate for each other.

Another interesting finding relates to the relationship between trust in Senior Management, Skilled and Professionally Qualified employees and the organisation's History of Change. Schneider, Brief and Guzzo (1996) and Wanous, Reichers and Austin (2000) referred to the importance of successful changes in the past for employees' attitude to new changes. The study highlights this as an area of concern that deserves attention considering people with influence might be cynical about the transformation process. This does not come as a surprise noting that the participation of employees was of concern. Top Management needs to be in sync with employees in sharing their vision and to ensure their buy-in, especially those that wield influence on others. This can only be achieved through a high level of communication.

The findings from this study have several managerial implications. First and foremost, the study supports the frequently made claim that broad involvement of organisational members that are affected by change is associated with success at implementation. Thus, it seems warranted to recommend participation as one important element of the overall approach to implementation. Second, the results indicate that the collaborative climate generated by an authentic invitation to participate as a full member of the project/change team is the key mediating factor that link participation to implementation success. Granting organisational members a right to veto decisions that have been made by others does not seem to have this positive influence on implementation success. Third, as argued by Vroom (1964) in his contingency model of leadership and decision-making, managers are advised to actively choose to blend autocratic or participative implementation processes based on an overall consideration of costs and benefits associated with participation. This is the case because the strength of the positive effects, from a managerial perspective, depends on the perceived compatibility of the change with important values in the organisation.

4.5 LIMITATIONS

Naturally, the present study has its limitations. Although participants in the study were all employed, with most occupying skilled and semi-skilled occupations, the change process had not been officially announced. They only had a limited amount of information about the change taking place. A limitation is the fact that this study attempted to assess the readiness for change among employees of eThekweni Electricity but the change they have to embrace encapsulates other stakeholders (such as Eskom Distribution and smaller Municipalities) that will form part of the Regional Electricity Distributor (RED). The impact of culture, paradigm, synergy and operational efficiency that is envisaged to be the determinant for success with these combined entities has not been included in this research. The research also does not measure the after-effect, that is, when transformation has taken place, to compare the old perception before and after transformation into a RED.

Reliance on self-report measures from a single source at a single point in time is problematic because temporal relationships between the vocal variables cannot be

established. Situational constraints to engage the process of integration for transformation with all other stakeholders could not be measured. Therefore, the assessment of organisational readiness of eThekweni Electricity does not serve as a reliable indicator of what employees will actually do during subsequent implementation of the change.

The study has not analysed the factoring on dimensions observed. Therefore, the ranking on dimensions does not necessarily indicate with certainty the level of readiness, it has only gauged the aptitude of readiness for change.

The key to fostering successful change is to understand what stage a person is in and then decide what strategies (processes) she or he should use to move forward (Prochaska et al., 2001). Future research assessing a broader range of variables can help to better understand the processes underlying readiness to change in integrating different organisations better.

4.6 AREAS FOR FUTURE RESEARCH

The study focussed on creating an application framework that can be employed to identify gaps in perception held by employees to assist change agents and stakeholders to identify 'hot spots' that need attention to achieve a successful transition. The study has not measured the effects of change on the age group. The measure of the age effect can assist in evaluating the transformation imperatives in a sense that it may be able to predict the likely turnover of the human capital that may be affected by age through early retirement.

The findings of the study suggest that the variables referring to the climate of the organisation, as it was in the past, are not reliable predictors of employees' perceptions of new change programmes. Results of this study suggest that change management in the past and in the present has a decisive impact on employees' commitment to specific changes, independent of the current organisational or work unit climate. The same is true for personality factors like locus of control. Further research is required to study the relationship between contextual variables and change process variables and the impact of both sets of variables on readiness to change.

Therefore, longitudinal research is required to study organisations before and after major organisational changes.

Another possible explanation for the minor role certain internal contextual variables play in the change readiness of employees in the study is that the relevance of these variables depends on the kind of change that is implemented. Edmondson and Wooley (1999) found that psychological safety is an important variable for a specific kind of change such as organisational learning programmes focussed on supervisor – subordinate dialogues. In the present study, where several organisations will merge into one, psychological safety might not be relevant to employees' readiness to change. This study, however, indicates that certain change process variables, like participation in the change program and disposable time for change targets, have relevance for all kinds of change. Also, job satisfaction and the change history have a major impact throughout all the change efforts that were analysed. Future research should focus on establishing appropriate contextual variables that will be reliable and relevant to be used in different kinds of change efforts.

4.7 CONCLUSIONS

From the results of the study, Top Management of eThekwini Electricity would seem not to have too much to worry about as the overall attitude towards the readiness assessment reflects a positive trend. Greater effort needs to be exercised in achieving positive levels in all aspects of readiness. However, it cannot be stressed enough that the study only focussed on one aspect of readiness for change. Change agents and management of other stakeholders need to embark on similar exercises to measure the level of readiness in their own organisations before the integration process.

4.8 RECOMMENDATIONS

The EDI Holding Company must consider employing similar assessment techniques in gauging readiness in other stakeholders using eThekwini Electricity as a benchmark. They can then use the gaps identified by the present study as key areas to focus their energy to circumvent failure in the transition process. Thereafter

maintenance strategies can be developed to achieve the overall objective of the transformation process.

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APPENDICES

APPENDIX A. (Letter of Consent)

eThekwini Electricity
1 Jelf Taylor Crescent
Durban
4001

Dear Participant

LETTER OF INFORMATION AND CONSENT

“The readiness of eThekwini Electricity employees for change to a Regional Electricity Distributor”

I am currently undertaking a research project in partial fulfilment of a Masters Degree in Business Administration. The research aims to assess the readiness for change of eThekwini Electricity employees for a Regional Electricity Distributor. Employee responses are very important because they provide a direct medium to communicate perceptions about the forthcoming restructuring that is due to take place in July 2007.

Your assistance in participating in this study will be greatly appreciated and would contribute significantly to research in electricity distribution industry restructuring. If you agree to participate in this research, the literature will be made available to you on completion of this study.

Attached is a questionnaire that will take approximately 10 minutes to complete. It would be appreciated if the questionnaire could be returned to me by 29 July 2005 in the self-addressed envelope that is provided. Please note that participation in this study is voluntary. The information that you provide will only be used for research purposes, and your identity and individual response will be kept completely confidential. Should you wish to discuss this research further, please feel free to contact me or my supervisor (Mr P. Raap 031-3085389).

Yours Sincerely
Muzi Mntungwa
Tel: 0827780150

Please complete the following as confirmation of your willingness to participate in this research project.

I, voluntary agree to participate in this study by completing and returning the questionnaire to the researcher. I understand that I may withdraw from the study at any time without giving reasons.

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

Appendices B (Questionnaire)

eThekwini Electricity Survey

Thank you for taking the time to do this Organisational Survey. Before you start answering the survey, here is a reminder of this Organisational project.

The survey is to assess the readiness for change at eThekwini Electricity with the view of being integrated to form part of the Regional Electricity Distributor (R.E.D.). Your responses are very important because they provide a direct medium to communicate your perceptions. This will assist in formulating a strategy going forward.

The survey is built around 8 dimensions. The responses are anonymous and the results will only be presented on an aggregated basis. Individual responses will not be communicated to anybody. The researcher only needs to identify each respondent in order to avoid multiple responses by the same respondent.

After 6 demographic questions, which will be used in analysing responses by demographic profiles, there are a total of 38 closed statements to respond to. You will be asked to assess the statements by ticking ✓ one of the optional responses: Strongly Disagree; Disagree; Agree; Strongly Agree; Don't Know.

Now, it is the time to do the survey. All completed questionnaires should be returned to Muzi Mntungwa at Western Depot; 55 Gillits Road; Pinetown. Alternatively you can ask him to collect on the following numbers: 7003306 or 0827780150.

I hope you will enjoy it. Thank you for your cooperation.

DEMOGRAPHICS

What is your gender?									
Female	<input type="checkbox"/>	Male	<input type="checkbox"/>						
What is your race?									
African	<input type="checkbox"/>	Coloured	<input type="checkbox"/>	Indian	<input type="checkbox"/>	White	<input type="checkbox"/>	Other	<input type="checkbox"/>

How old are you?	20 < 25	26 < 30	31 < 35	36 < 40	41 < 45	46 < 50	51 < 55	56 < 60	61 < 65
How many years have you been with eThekweni Electricity?	0 < 5	6 < 10	11 < 15	16 < 20	21 < 25	26 < 30	36 < 40	41 < 45	
What Department?									
Grade/Task									

STATEMENTS

	Strongly Disagree	Disagree	Agree	Strongly Agree	Don't Know
1. I experience the change process as something positive					
2. I am willing to contribute to the change process					
3. The change will support my professional career plans and goals					
4. I do not view my job as at risk with this change					
5. I will not have to relocate to support this change					

	Strongly Disagree	Disagree	Agree	Strongly Agree	Don't Know
6. Line managers pay attention to the personal consequences of the change project for the employees					
7. I do not know what is expected of me to make the EDI restructuring process work					
8. Middle-managers have been advocates for change in the past					
9. Management is consistent in what they say and what they do about the EDI restructuring process					
10. Decisions concerning the EDI restructuring are made on adequate and accurate information					

	Strongly Disagree	Disagree	Agree	Strongly Agree	Don't Know
11. Employees have sufficient time to complete each of the phases of the change process					
12. The timing of the EDI restructuring process is clear					
13. The EDI restructuring process is clear					
14. There is common understanding of the EDI restructuring process					
15. The sooner we are formed into REDs the better for all concerned					
16. My colleagues are unsure of their futures in the new REDs organisation					

	Strongly Disagree	Disagree	Agree	Strongly Agree	Don't know
17. The top management of the organisation is actively involved in the change process					
18. Decisions about the EDI restructuring process are made transparently					
19. The company spends enough time and energy communicating the objectives of the EDI restructuring to customers and media					
20. Executives are in this organisation are visible and active change leaders					

	Strongly Disagree	Disagree	Agree	Strongly Agree	Don't know
21. I have been actively involved in the implementation process of previous change projects					
22. Most changes in my in my organisations in the past have been implemented successfully					

		Strongly Disagree	Disagree	Agree	Strongly Agree	Don't know
23.	Because of the changes ahead, I am thinking of looking for another job					
24.	I believe that the pay I receive is on par with people doing similar work in other organisations					
25.	All in all I enjoy my work					
26.	The change will result in a more enjoyable work environment					
27.	The change will improve my financial position					

		Strongly Disagree	Disagree	Agree	Strongly Agree	Don't know
28.	In my organisation employees are involved to analyse the problem.					
29.	Management takes into account the remarks of the employees					
30.	My manager is in touch with the opinions and views of staff					
31.	I do not know what is expected of me to make the EDI restructuring process work					
32.	We are involved in the restructuring decisions which affect our work					
33.	We get opportunities to ask management about issues which concern us					
34.	I look forward to playing a role in creating the new REDS					

		Strongly Disagree	Disagree	Agree	Strongly Agree	Don't know
35.	I believe creating REDs is essential to deliver electricity in the future					
36.	I believe that the new REDs will be a good place to work					
37.	Most employees are positive about EDI restructuring					
38.	We will loose our company culture					

Appendix C to J. Captured data from respondents questionnaire:

Appendix C: Emotional Involvement

	Strongly Disagree		Disagree		Don't Know		Agree		Strongly Agree	
	Count	Table N %	Count	Table N %	Count	Table N %	Count	Table N %	Count	Table N %
q1	3	1.3%	15	6.7%	121	54.3%	46	20.6%	38	17.0%
q2	2	.9%	10	4.5%	121	54.3%	75	33.6%	15	6.7%
q3	6	2.7%	19	8.6%	57	25.8%	64	29.0%	75	33.9%
q4	12	5.4%	19	8.5%	77	34.5%	49	22.0%	66	29.6%
q5	7	3.2%	19	8.6%	48	21.7%	36	16.3%	111	50.2%

Appendix D: Line Leadership

	Strongly Disagree		Disagree		Don't Know		Agree		Strongly Agree	
	Count	Table N %	Count	Table N %	Count	Table N %	Count	Table N %	Count	Table N %
q6	15	6.7%	48	21.4%	94	42.0%	25	11.2%	42	18.8%
q7	33	14.8%	44	19.7%	84	37.7%	25	11.2%	37	16.6%
q8	7	3.2%	33	14.9%	74	33.3%	32	14.4%	76	34.2%
q9	25	11.2%	43	19.3%	55	24.7%	31	13.9%	69	30.9%
q10	16	7.2%	22	9.9%	47	21.1%	19	8.5%	119	53.4%

Appendix E: Time

	Strongly Disagree		Disagree		Don't Know		Agree		Strongly Agree	
	Count	Table N %	Count	Table N %	Count	Table N %	Count	Table N %	Count	Table N %
q11	14	6.3%	40	17.9%	57	25.4%	13	5.8%	100	44.6%
q12	24	10.7%	48	21.4%	61	27.2%	27	12.1%	64	28.6%
q13	25	11.3%	54	24.3%	54	24.3%	28	12.6%	61	27.5%
q14	30	13.4%	69	30.8%	41	18.3%	29	12.9%	55	24.6%
q15	12	5.4%	29	13.1%	35	15.8%	62	28.1%	83	37.6%
q16	29	15.8%	24	13.1%	67	36.6%	37	20.2%	26	14.2%

Appendix F: Support of Top Management

	Strongly Disagree		Disagree		Don't Know		Agree		Strongly Agree	
	Count	Table N %	Count	Table N %	Count	Table N %	Count	Table N %	Count	Table N %
q17	8	3.6%	14	6.3%	90	40.5%	37	16.7%	73	32.9%
q18	29	13.1%	48	21.6%	58	26.1%	42	18.9%	45	20.3%
q19	40	18.0%	70	31.5%	42	18.9%	24	10.8%	46	20.7%
q20	17	7.6%	63	28.3%	65	29.1%	34	15.2%	44	19.7%

Appendix G: History of change

	Strongly Disagree		Disagree		Don't Know		Agree		Strongly Agree	
	Count	Table N %	Count	Table N %	Count	Table N %	Count	Table N %	Count	Table N %
q21	35	15.7%	71	31.8%	72	32.3%	28	12.6%	17	7.6%
q22	29	12.9%	46	20.5%	66	29.5%	35	15.6%	48	21.4%

Appendix H: Job Satisfaction

	Strongly Disagree		Disagree		Don't Know		Agree		Strongly Agree	
	Count	Table N %	Count	Table N %	Count	Table N %	Count	Table N %	Count	Table N %
q23	72	32.1%	66	29.5%	30	13.4%	17	7.6%	39	17.4%
q24	50	22.5%	50	22.5%	59	26.6%	13	5.9%	50	22.5%
q25	4	1.8%	41	18.3%	126	56.3%	49	21.9%	4	1.8%
q26	8	3.6%	21	9.5%	23	10.4%	42	18.9%	128	57.7%
q27	14	6.3%	23	10.4%	18	8.1%	21	9.5%	146	65.8%

Appendix I: Participation

	Strongly Disagree		Disagree		Don't Know		Agree		Strongly Agree	
	Count	Table N %	Count	Table N %	Count	Table N %	Count	Table N %	Count	Table N %
q28	26	11.6%	66	29.5%	84	37.5%	17	7.6%	31	13.8%
q29	35	15.6%	64	28.6%	85	37.9%	19	8.5%	21	9.4%
q30	29	13.1%	42	19.0%	100	45.2%	23	10.4%	27	12.2%
q31	43	19.4%	28	12.6%	93	41.9%	25	11.3%	33	14.9%
q32	22	9.9%	74	33.3%	70	31.5%	25	11.3%	31	14.0%
q33	25	11.3%	59	26.6%	101	45.5%	29	13.1%	8	3.6%
q34	13	5.8%	24	10.7%	89	39.7%	57	25.4%	41	18.3%

Appendix J: Locus of control

	Strongly Disagree		Disagree		Don't Know		Agree		Strongly Agree	
	Count	Table N %	Count	Table N %	Count	Table N %	Count	Table N %	Count	Table N %
q35	9	4.0%	16	7.1%	54	24.1%	50	22.3%	95	42.4%
q36	5	2.2%	15	6.7%	60	26.8%	39	17.4%	104	46.4%
q37	15	6.7%	44	19.6%	46	20.5%	23	10.3%	96	42.9%
q38	44	19.6%	21	9.4%	43	19.2%	21	9.4%	95	42.4%