

READINESS FOR CHANGE: AN INDIVIDUAL PERSPECTIVE

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DEDICATION

This project is dedicated to my dearest mother, Vinette Forbes, who fathered me. Mother, I thank you for encouraging me to “strive for excellence” and for your spiritual guidance especially throughout this research process. Your constant reminder that “I can do all things through Christ who strengthens me” (Phil, 4:13), has been my inspiration. The values you have taught me are indelibly imprinted on all that I have been, all that I am, and all that I will ever be. Thus, you are a part of all that I accomplish and all that I become.

ABSTRACT

The purpose of this study is to understand employees' views of their readiness for change. The study explores employees' retrospective interpretations of their experience with the elimination of the public service division of an organization that they worked for. A qualitative case study approach involving the utilization of deductive and inductive analyses was adopted. A conceptual model of readiness factors was adapted from the literature. The research findings indicated that the constructs of the conceptual model, discrepancy, appropriateness, personal valence, self-efficacy, and fairness influence employees' readiness for change. As significantly, the findings revealed that the model should be expanded to include three additional factors that influence employees' readiness: a sense of control, the passage of time, and a sense of the change inevitability. The study emphasized the importance of studying the change targets' perspectives to enhance our understanding of change dynamics in organizations.

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CHAPTER ONE

Introduction

Substantial change and adaptation are among the most challenging events that organizations must respond to (Isabella, 1990). Yet, change has become an inevitable feature of an organization's life, and a "manager's constant companion" (Holt, 2000, p.1). Change appears to be the only constant in today's organization.

Organizations are faced with the need to implement rapid changes in strategy, structure, process, and culture (Armenakis, Harris, & Mossholder, 1993). Researchers and practitioners worldwide persistently write about the complex and dynamic issue of "change" in an effort to aid understanding of the intricacies of this phenomenon. Wong-Mingji and Millette (2002) explain, however, that theorizing about organizational change is like nailing jello to a tree. They warn that just as one feels that one is about to understand organizational change, it seems to slip away.

The startling statistics about the success rate of organizational change indicate the difficulties experienced in comprehending and implementing it. According to Kotter (1995), only few organizational change efforts have been successful. Waddell and Sohal (1998) reiterate this point by stating that although many organizations encounter wide spread changes of varying kinds, nearly two thirds of all major changes are unsuccessful. Beer and Nohria (2000) also add that about 70% of all change initiatives fail. The reasons for these failures vary; however, Spector (1989) found in his study that one main reason for organizational change failures is the fact that the organizational members were not ready.

Nature of the Study

Organizational researchers have increasingly emphasized the need for “readiness” in the process of change. A plethora of studies (e.g., Armenakis et al., 1993, Chreim & Giroux, 1996; Eby, Adams, Russell, & Gaby, 2000) have been conducted in various settings and usually support the conclusion that employees within organizations need to be “ready” to work towards change in order for the change effort to be successful. Changes, however, may bring about a level of uncertainty and ambiguity that are not welcomed by employees. It is, therefore, necessary for employees to be motivated to adopt the change. The employees’ willingness and readiness are important components of successful organizational change (Armenakis et al., 1993).

Change can be viewed from two perspectives: from the change agent’s standpoint – those implementing the change, and from the change target’s standpoint – those who are the recipients of change (Hiatt, 2001). This study looks at change from the change targets’ perspective. Change agents have a role to play at the earliest planning stage of a change effort and are responsible for creating the dynamic change and providing support (Gowigati & Grenier, 2001). Nevertheless, according to Puri (1999), no meaningful and sustainable organizational change can transpire without a willingness to change by the individuals (change targets).

Most studies on organizational change are usually approached from a macro level of analysis. According to French and Delahaye (1996), more attention has been given to the macro dimensions of organizational change than the micro dimensions of individual change. They also purport that there is little information on individual change in organizations because approaches to managing change have been developed at a group or

systems level. Conner (1994) argues that while most organizations focus on deciding what change is necessary to improve company performance and quality, the human element of executing these decisions is often unattended.

A micro level of analysis of change that focuses on the individuals' perspectives is important because as the old adage "take it from the horse's mouth" implies, if you want to have first-hand knowledge about something, direct consultation with the people involved is of vital necessity. Also, according to Drucker (2001), organizations are social entities and at the end of the day, change boils down to people. The individual employees are the ones who ultimately must implement the change. Moreover, Porras and Robertson (1992) remind us that successful change is only possible when organizational members alter their behaviour in the appropriate way. To implement major change successfully, it is imperative that companies find the connection between the organization, the worker, and the change initiative being introduced (Conner, 1994). It is also important to understand that organizations that succeed at change are the ones that give due consideration to the employees who are affected.

Researchers and practitioners need to have a better framework to examine the individual-level factors that influence employees' readiness for organizational change (Conner, 1994). As such, this research, which adopts an individual level of analysis, seeks to reach a better understanding of the factors that create readiness for change.

The Research

This research explores employee readiness for a change in a City's Electric Services Division in Western Canada. Two departments in the Electric Services Division were restructured to meet the requirements of the newly deregulated electricity market.

In this major divisional change process, jobs were eliminated. However, some employees were able to find other jobs within the organization, but experienced major changes in their job tasks. This study is an exploratory, qualitative case study that relies primarily on data obtained from semi-structured interviews; additional information was obtained from documents and archival data.

The objective of this study is to understand readiness for change from the individual's perspective. A conceptual model addressing the factors that facilitate readiness for change is presented. This model is derived from Armenakis and associates' (1993, 1999 & 2001) model of change readiness and other studies in the literature. The study explores the applicability of the conceptual model and attempts to refine or modify it to take into account the factors that will emerge from the empirical information gathered. The aim of this research is to determine what are the factors that employees perceive as assisting in their readiness for organizational change.

CHAPTER TWO

Literature Review

The topic of organizational change is vast in its scope, and consists of a wide range of issues. This research will focus on readiness for an organizational transformation resulting in the change in the jobs of employees. In this chapter, I present different dimensions of organizational change that are pertinent to the study and discuss the notions of resistance and readiness for change. I also present the conceptual framework that will be used as a guide for the study.

Types of Organizational Change

A review of the change literature reveals numerous definitions for organizational change. According to Ackerman (1986), “change” means different things to different people; it serves as a melting pot for scores of concepts and methods. In broad terms, change is described as any movement from one state to another (Pollard & Liebeck, 1994). Jick (1993) states that “change in its broadest sense is a planned or unplanned response to pressures and forces” (p.1).

One classification of organizational change distinguishes between planned and unplanned or emergent change (Cummings & Worley, 2001). Planned change occurs when a change agent makes a deliberate attempt to implement a new procedure, typically intended to realign an organization with the changing demands of its environment or to capitalize on business opportunities (Cummings & Worley, 2001; Hatch, 1997). Unplanned or emergent changes are “actions that are taken in response to some change in the environment, and these actions are then considered to be solutions to problems that have yet to be defined” (Ancona, Kochan, Scully, Van Maanen, & Westney, 1999). This

study focuses on a change planned by organizational agents in response to changes in regulations.

Two key dimensions of planned organizational change are its scope, which concerns the “focus” of the change (whether it involves the entire organization or a subsystem), and its nature/intensity, which concerns the severity of the effects of the change (Cummings & Worley, 1993; Nadler & Tushman, 1989). The nature/intensity of planned change can be further characterized as ranging from incremental to quantum or strategic (Cummings & Worley, 1993; Nadler & Tushman, 1989). Incremental change focuses on bounded improvements, whereby each step or change is a part of the process of constant adaptation and modification. In this process, there is an attempt to build on work that was previously accomplished in order to improve the effectiveness and functioning of the organization (Nadler & Tushman, 1995). Quantum change on the other hand, occurs when the organization builds a completely new configuration, with a new strategy that involves a complete break with the past and a major reconstruction that alters the fundamental operations of the organization (Cummings & Worley, 1993).

Quantum or strategic change is said to be transformational and radical in nature, because it involves abrupt shifts in most parts and components of the organization, such as its structure, culture, and processes; it is dramatic and dissentious (Cummings & Worley, 1993). According to Ackerman (1986), transformational changes necessitate a leap of faith by the individual and the organization as it involves a birth and death, a process that may cause individuals to experience intense pain. Tannenbaum and Hanna (1985) assert that major change is difficult because it brings on a wide array of emotional reactions, such as shock, fear, and anger. They also add that there is a strong desire for

people to hold on to the previous ways, because of their view that the ground is being pulled from under their feet. The present study focuses on a planned change that was experienced by the participants as a major transformation.

Resistance to Change

Change in general, is a process that is feared by most, as it requires modifying the status quo (Klein, 1996; Vasilash, 2002). Changes that are transformational or radical in nature are even more difficult for individuals as the letting go process is a profound personal experience (Ackerman, 1986). People resist change because it means giving up the familiar routine (Tannenbaum & Hanna, 1985). Resistance is defined as a restraining force moving in the direction of maintaining the status quo, in the face of pressure to alter the status quo (Piderit, 2000). It is considered by some researchers as a natural component of the change process and a normal expression of reservation as a response or reaction to change (Waddell & Sohal, 1998).

While some researchers (e.g., Eby et al., 2000; Waddell & Sohal, 1998), posit that resistance to change is a common and natural response because human beings have a characteristic fear of uncertainty, others (e.g., Dent & Goldberg, 1999; Merron, 1993; Puri, 1999) argue against the notion of resistance to change. Dent and Goldberg (1999) for example, indicate that it is almost universally accepted that in organizational life people resist change. They state, however, that individuals do not necessarily resist change but the associated losses. Puri (1999) adds that people do not resist change because they love the past but more so because they are uncertain of the future. Bridges (1991) also asserts that it is not the change that people fight against, it is the transition,

the risk of failure, and/or loss of identity associated with substantial organizational change that people resist.

Despite these conflicting views on the notion of resistance to change, it is true that people react in various ways to the idea of a change. As Moran and Brightman (2000) put it, the minute we say the word change people display a red, yellow, or green signal which means a “no,” a “maybe,” or a “yes” towards the change. Extrapolating from Moran and Brightman’s (2000) analogy, if a change is to be successfully implemented these first two reactions need to be directed into a positive “yes” response and one means of doing so is the creation of readiness. According to Armenakis et al. (1993), readiness for change may act to pre-empt the likelihood of resistance to change, increasing the possibility of a successful change effort.

Readiness for Change

Employee readiness is the cognitive precursor to the behaviours that support the change effort and is reflected in organizational members’ willingness to adopt the change (Armenakis et al., 1993). Readiness indicates a willingness to commit physical and psychological energy to the change (Cummings & Worley, 1993). Creating readiness is the proactive attempt by change agents to influence the beliefs, attitudes, and behaviours of change targets in order to motivate them to change (Applebaum & Wohl, 2000; Armenakis et al., 1993). Creating readiness is akin to Lewin’s concept of the unfreezing stage of change (Armenakis et al., 1993).

The literature reveals various factors that contribute to readiness, such as the attributes of the change agents and interpersonal dynamics (Armenakis et al., 1993). The attributes of the change agent influence an individual’s readiness because, according to

Armenakis et al. (1993), the implementers of change should be considered as credible, trustworthy, and sincere in order to win the support of the targets. Interpersonal dynamics can also play a significant role as an individual's readiness may influence others.

Although an employee's perceived readiness for change is an intuitively appealing construct, little empirical research focuses on this phenomenon (Eby et al., 2000). In my review of the organizational change literature, which included the readiness literature, most studies take a top-level prescriptive approach in the sense that they outline what managers should do to create readiness (e.g. Armenakis, Harris, & Feild 1999; Armenakis et al., 1993; Besecker, 2001; Jansen, 2000). Few studies ask the individual employees about their views of what creates their readiness for organizational changes. To the best of my knowledge, Eby et al.'s (2000) research comes closest to doing so. However, their study focused on the employees' view of the organization's readiness and not on the employees' view of their own readiness or the factors that influenced it. Furthermore, Eby et al. (2000) adopted a survey methodology to study readiness in the context of implementing team-based selling. The present research differs in that a qualitative analysis was used, which has proven to be an effective means of obtaining rich information from the individual's perspective. In addition, little has been written about readiness in the specific context of deregulation leading to employee job changes.

Theoretical Framework

The purpose of this paper is to explore employees' views of their readiness for change. In this section, I propose a conceptual model of factors that individuals perceive

as facilitating their readiness for the change. It relies on the framework for readiness creation proposed by Armenakis and associates (1993, 1999 & 2001) as a starting point. However, unlike this work that focused on the strategies that managers need to adopt to create readiness among the targets of the change, my framework focuses on the factors that employees perceive as influencing their readiness for change. The framework I propose incorporates factors discussed in the readiness creation literature as well as the broader literature on individual reaction to change.

Individual Level Readiness Creation Factors

Four factors suggested by Armenakis and associates (1993, 1999 & 2001) are adapted here. These factors are discrepancy, appropriateness, personal valence, and self-efficacy. Additionally, a review of the literature indicates that employee readiness may be enhanced by additional factors that are attributions of responsibility (Chreim & Giroux, 1996; Sutton 1983) and fairness (Cobb, Folger, & Wooten, 1995; Daly, 1995). These readiness factors are discussed below.

Discrepancy. A rationale should be evident to change targets in terms of how the organization's current performance differs from the desired end-state (Armenakis & Harris, 2001; Klein, 1996). Perceiving a compelling reason for change facilitates the targets' readiness for the change. Ancona et al. (1999) argue that there needs to be a sense of urgency to change, as it is a critical factor to rally an organization behind the change initiative. They, however, advise that this sense of urgency should not appear to be a fabrication by the change leaders. According to Kotter (1995 & 1996), the expressed sense of urgency should be one that makes the status quo seem more dangerous than launching into the unknown. In essence, employees need to have a sense that the

new way of doing business would be much better than if they continue to do business as usual.

Schein (1996) advocates the need for disconfirming information in order to generate readiness and motivation to change. By this, information that disconfirms individuals' expectations and hopes should be presented to create the realization that change is necessary for goals and ideals to be attained. Information such as the organization's competitive situation, market position, financial performance, changes in government regulations, or depressed economic conditions can be communicated to show the urgency of the need for change (Armenakis et al., 1993; Kotter, 1995). This information provides the change targets with a compelling reason for the change. An understanding of the discrepancy or gap in the system's operation should act as a motivating factor to create employee readiness to embrace the change.

Appropriateness. Understanding that a discrepancy exists between the present state and the desired end-state is not sufficient. It is also important to understand that the end-state intended is the most appropriate reaction to the discrepancy (Armenakis et al., 1993; Armenakis & Harris, 2001). The change being implemented should be perceived as the best possible or most suitable solution because individuals may feel that some form of change is needed but may disagree with the specific change being proposed (Armenakis & Harris, 2001). If the prospective change being implemented is not seen as appropriate by the targets of the change, this might lead to resistance.

Attribution of responsibility. Attribution of responsibility, according to Shaver, (1985), is a social phenomenon that involves judgements about causality and personal responsibility that take place when an event has negative consequences. Whenever a

change is required or announced, questions and doubts about who is responsible arise in the minds of the change targets. Sutton (1983) purports that in organizational deaths managers spend an enormous amount of time explaining things, which is due to a strong and sometimes dysfunctional need among individuals to know why things happen.

According to Chreim and Giroux (1996), when a required change is viewed as having negative consequences or outcomes it is particularly important that change targets have an understanding of whom or what is responsible for the change. In order for employees to accept the need for changes such as an organization's closure, they need to perceive that these changes were caused by forces over which decision makers had no control (Sutton, 1983). If organizational members believe that managers are responsible, the changes will be more difficult for them to accept, as management will be blamed for its incompetence (Sutton, 1983). According to Chreim and Giroux (1996), when organizational failures are believed to be caused by poor management decisions, organizational members' beliefs in management's credibility and decision-makers' ability to lead the change effort are diminished. Therefore, it is important for employees to perceive that external uncontrollable forces are the reason for negative consequences as this increases their willingness and readiness to change.

Personal valence. Employees often ask the question "what's in it for me?" when they are expected to adopt a change (Armenakis & Harris, 2001). Before attempting change, targets are concerned with how they benefit from it. They are often "resistant to change because they fear that the change will bring about some undesirable or negative outcome" (Vroom, 1967, p.15). According to Vroom's (1967) theory of motivation, individuals will expend effort on activities that lead to desired rewards. Consequently, if

an individual believes that there are associated benefits with a change effort, it is expected that the individual's motivational force will be high to work toward making the change.

The assurance that the change effort will have a positive impact on the employees' lives is an important factor that aids in the creation of readiness. According to Dent and Goldberg (1999), people do not necessarily resist change, but instead resist the loss of status, pay, or comfort associated with it. Keith (1996), states that employees are not likely to support change unless they believe the future will have fewer obstacles and more benefits than the status quo. He asserts that people do not need, and often do not care about all the details of a change, but that they are very interested in the details that directly affect them. Leaders of change must provide a clear vision of the future and information about how individuals will be affected by the proposed changes.

Fairness. According to Cobb et al. (1995), issues of fairness are inherent in change programs because organizational change involves modifications in policies, procedures, and resource allocations. According to the organizational justice theory, "fairness" speaks to two aspects of justice: distributive and procedural (Cobb et al., 1995; Folger & Konovsky, 1989; Viswesvaran & Ones, 2002). Distributive justice is defined as the perceived fairness of the outcome of the allocation of resources of the change, while procedural justice relates to the perceived fairness of the process of the change (Cobb et al., 1995).

Change targets usually weigh the positive and negative outcomes to determine the fairness of the change effort (Armenakis & Harris, 2001). The appropriateness of change agents' behaviours and the fairness of the change procedures influence the employees'

perceptions of justice during organizational change (Naumann, Bennett, Bies, & Martin, 1998). If employees perceive fairness and justice in the expected outcomes, they will be more committed and loyal to the organization's efforts (Naumann, et al., 1998).

Self-efficacy. Self-efficacy is the “belief in one’s capabilities to mobilize the motivation, cognitive resources, and courses of action needed to meet given situational demands” (Bandura, 1997, p.77). According to Gist and Mitchell (1992), self-efficacy is a person’s estimate of his or her capacity to orchestrate performance on a specific task. Individuals will perform activities that they believe they are capable of and avoid those activities that they judge to surpass their coping abilities (Bandura, 1997).

An individual’s self-efficacy beliefs can be developed by four main sources of influence: enactive mastery, vicarious experience, social persuasion, and emotional state (Bandura, 1994). Enactive mastery is considered the most effective source of creating a strong sense of efficacy, and relates to gaining efficacy through one’s personal experiences (Bandura, 1994). Vicarious experience refers to gaining efficacy by modelling others carrying out activities (Bandura, 1994). Social persuasion, according to Bandura (1994), involves verbally convincing or persuading an individual that he/she possesses the confidence to master given activities, thereby, enhancing their efficacy beliefs. According to Gist and Mitchell (1992), two effective means of persuading others are counselling and coaching. The effectiveness of any of these methods, however, is largely determined by the credibility of the individuals providing the persuasion (Bandura, 1997). Lastly, an individual’s emotional state influences his/her efficacy beliefs because individuals usually base their confidence level on their emotions (Bandura, 1994). Positive moods and emotions enhance an individual’s perceived self-

efficacy while stress and tension are usually interpreted by individuals as signs of debility, which results in low efficacy beliefs (Bandura, 1994).

An individual's self-efficacy has been consistently found to influence thought patterns, actions, and emotional arousal (Armenakis et al., 1993). Change agents can enhance the efficacy of change targets by providing information and building their confidence in their ability to successfully implement change. In this effort, however, it must be noted that an individual's self-efficacy is a complex and dynamic issue as it involves the adaptation to changing circumstances. As such, as information and experiences change over time, an individual's efficacy belief changes (Gist & Mitchell, 1992).

In summary, transformational organizational changes demand radical shifts from the past to bring about new forms of organizing. Due to the radical nature of this type of change, organizational members have to expend a significant amount of effort in order for it to be successful. Readiness is an integral part of implementing successful transformational change, for such readiness facilitates the target's mobilization into action to work towards the change. The constructs suggested in the conceptual framework (see Figure 1) are seen as a starting point for understanding the important issues that influence change targets' readiness for change.

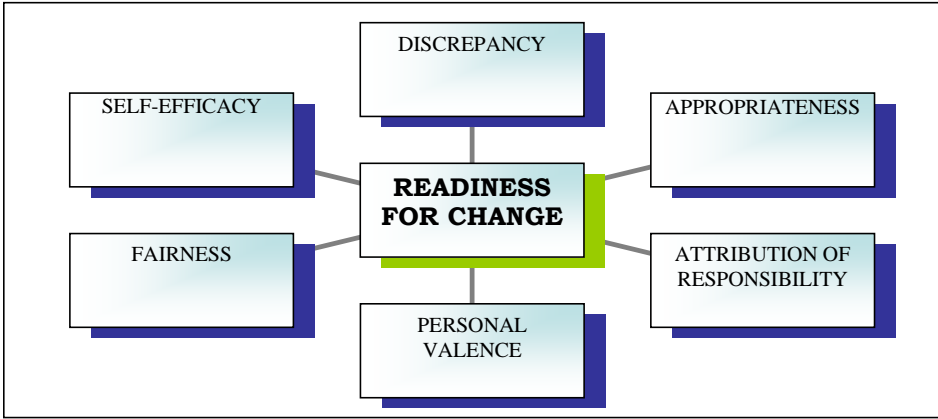


Figure 1: Conceptual model of factors that influence an individual's readiness for change.

CHAPTER THREE

Methodology

The previous chapters discussed the purpose and significance of this research and reviewed the literature that is pertinent to the topic of readiness for change. This chapter presents a discussion of the method used. The research question the study attempts to answer is the following: What are the factors that change targets perceive as affecting their readiness for change? To answer this question, a retrospective case study of an organizational change event was carried out. The study adopts a qualitative research approach. This section describes the research design, the research approach, and data gathering and analysis.

Research Design

The case study looked intensely at a participant pool in a single organizational setting, in an effort to understand the participants' perceptions of their readiness for a major change. This research is an instrumental case study (Stake, 2000). Instrumental case studies are studies that use a specific case to provide insight into an issue; as such, they illustrate how the concerns of the researcher are manifested in the case (Stake, 2000). This study is instrumental because an organization's case was used to obtain in-depth knowledge of the concept of creating readiness and conclusions were made from this specific context. A case study, according to Yin (1994), "allows an investigation to retain the holistic characteristics of real-life events...and is useful in understanding complex social phenomena" (p.3). The analysis focuses mainly on interview data gathered from individual employees who were affected by the change in the City's

Electric Services Division. Secondary data were obtained from other sources such as documents and archival data.

A combination of deductive and inductive reasoning was used to gather and analyse the qualitative data obtained in the case of the City's Electric Division. The study is retrospective in nature and aims at understanding employees' experience with a major change instituted by the management of their organization.

The Organization

Virtually all sectors of the economy have been affected by some kind of change and/or development. The public sector in Western Canada is no exception and over the past few years, has seen major changes caused by the deregulation of the electricity supply.

Since 1996, Provincial authorities in Western Canada have made an effort to deregulate the electric supply in all major cities. Previously, the electric industry operated in a regulated market comprised of vertically integrated utilities. According to one city Mayor, the deregulation of electricity was a response by the government to the need for faster and more cost effective service. Deregulation was intended to promote a level playing field in order to develop a competitive market for power generation and the reliable supply of electricity services. This increased competition was expected to increase customer choice, lower regulatory expenses, and put downward pressure on electricity costs and rates.

This meant that the historical monopolies granted to a few large entities providing electricity were to be eliminated in order to increase competition. Cities in Western Canada were faced with the government mandate to restructure several aspects of their

electricity divisions. This affected the generation component that produces the electricity, and the retail services that carried out the billing of customers. As it would be inefficient to build more than one set of wires for the same purpose, the transmission and distribution systems, however, remained regulated.

The present study was carried out in a city that went through major changes due to the deregulation process that transpired over a period of approximately five years (January, 1996 to December, 2000). In an effort to fulfil the requirements of the provincial government, this City decided to contract out the generation and retailing functions of its Electric Services Division. Difficulties were experienced in trying to find a suitable organization to carry out these functions. Therefore, it was not until late in the change process that the City contracted out some of its electric service functions to MaxPower¹.

This deregulation process was one that was uncertain for all involved because the governmental rules and regulations that guided the process were constantly changing, (for example, the amendments that were made to the Electric Utilities Act or EUA). Consequently, throughout most of the change process, it was unclear which company would take over the electric services and what functions they would or could acquire. This uncertainty contributed to major decisions that had to be made in the final stages of the deregulation. One such decision was to contract out certain jobs in the Electric Services Division, which most employees believed would have remained with the City, thus securing their employment. Employees who carried out maintenance work in the

¹ MaxPower is a pseudonym for the company that took over most of the electric services previously performed by the City.

City were drastically affected by this decision, as they were unprepared for such a change.

Two departments were eliminated as a result of the deregulation process. Employees were severed from their previous jobs and had to seek other employment in or outside the organization. Thus, employees had the option of transitioning into existing vacancies within the organization, exercising bumping-rights, or accepting lay-off, all of which were carried out in accordance with their union contractual agreement. This transition process was one that required a major upheaval from jobs that most were once comfortable with, some for up to 35 years. It is within this context that this study occurred.

Research Approach

The aim of this research is to understand the concept of readiness for change in order to gain a better insight of the factors that facilitate or hinder willingness to change among employees. A conceptual model of factors that create readiness for change was derived from the extant literature and presented in Chapter Two. For the most part, the readiness for change literature adopts a managerial perspective whereby prescriptions are offered to change agents regarding how to create readiness for change among employees. The aim of this study is to examine whether or not this model is applicable when the change target's perspective is adopted and to refine or extend the model (if necessary) based on the data obtained on employees' interpretations of their readiness for change (or lack of it).

Although the conceptual model suggested in Chapter Two provided a set of preconceived categories that assisted in shaping the research (Eisenhardt, 1989; Miles &

Huberman, 1994), these concepts were only introduced at a later stage in the interview process. It was not until after general questions that were geared towards getting an understanding of the employees' perspective on the change were asked, that these employees were asked questions that related to the constructs in the conceptual model.

Data Gathering and Analysis

Retrospective View

This research is a retrospective analysis of employees' experience with a major organizational change event. A retrospective study is usually conducted after the occurrence of a particular event. This study was conducted one year after the change event occurred. Retrospective studies allow an understanding of informants' interpretations that they have had the time to evaluate.

Some authors, according to Cohen and Mallon (2001), have questioned the usefulness of retrospective data, indicating that a potential risk of this method is the informants' inability to recall the past due to elapsed time. Cohen and Mallon (2001) along with other researchers (e.g., Isabella, 1990; Weick, 1995) advocate, however, that retrospective studies are an effective means of gathering data. Weick (1995), for example stated that interpretations tend to be formulated after, and not during events. As such, research can be done on events that have already transpired and where viewpoints have had time to emerge (Isabella, 1990). Abelson (as cited in Isabella, 1990), purports that, "the most thorough cognitive processing (is) based on 'hot cognition', or emotion-laden cognition" (p. 33). The participants in this study viewed the change event as one that was emotionally charged. For example, one participant describing the change experience stated that "I was shocked, I was angry, and fairly soon, I started to get fairly

depressed.” Another participant indicated, “it affected me mentally and emotionally, it was very stressful.” We could expect that the emotionally-laden experience of participants with change had been thoroughly cognitively processed. Additionally, the emotionally-laden, traumatizing nature of the participants’ experience illustrate that it is a critical incident event that stands out in the minds of individuals, and therefore would not be easily forgotten (Cope & Watts, 2000). It is also worth noting that in providing descriptions of the change events, different informants in this study provided similar details that were also consistent with information that appeared in written organizational documents and press articles addressing the change.

Sources of Data

Primary source. The primary source of data consisted of information obtained from semi-structured interviews with participants. This interview structure proved to be suitable for allowing informants to explain their responses and to provide more in-depth information where necessary. The interview questions were open-ended, which was essential for eliciting rich details from the informants, permitting them to respond in their own terms and minimizing the possibility of imposing predetermined responses. Therefore, the opportunity for exploratory and unstructured responses remained (McCracken, 1988).

Other sources. Additional sources used were meant to provide information allowing for understanding the research context. These additional sources were documents such as internal memos, letters, minutes of meetings, and presentation notes from organizational personnel. Archival records such as newspaper articles and bulletins

of labour union publications and other publications on deregulation were also sources of information for this study.

Sampling

The informants for this study were individuals who were involved in the deregulation process at the City under study. A mixture of purposive and snowball sampling was used. My goal was to speak with the individuals who were directly affected by the change, however, only ten of the members of the previous Electric Services Division were still employed at the City. Six of these members agreed to participate in the study. Those who consented were asked to suggest other individuals who were implicated in the change (as targets, agents, or negotiators on behalf of the parties) and who might be willing to speak to the researcher. Ultimately, ten informants were obtained for the study of which seven were change targets. An illustration of the participants' employment status at the time of the study is shown in Figure 2.

Eight of the ten informants were employed at the organization at the time of the study. Their length of service ranged from sixteen to thirty-five years. With this group of employees, two were change agents. One acted as project director for the deregulation, and played a significant role in the negotiation process between the employees, the unions, and the newly contracted firm MaxPower. The other participant's role was to act as an advisor to management on all the human resource issues as well as convene meetings with the unions and the employees. The purpose of these meetings was to keep an open line of communication on how the deregulation would be handled from the human point of view. The remaining six informants employed by the city at the time of the study were change targets and experienced radical changes in their jobs. Two

of these six informants held managerial positions in the organization before the change. One of these individuals was also a union representative acting on behalf of the employees affected by the change. Four of the informants were individuals who held lower-level positions in the organization.

The organizational participants referred the remaining two informants to the researcher. Both informants were not employed with the City at the time of the study. One held a position at the Electric Division at the time of the change but did not accept offers to stay with the City and subsequently sought employment with the acquiring company. The other was an external Union Representative. The latter was included in the study because he/she played an important role in negotiating deals with the organization on behalf of the employees. Therefore, through this informant, the researcher was provided with a wealth of information on negotiations and other issues that related to how the change affected the employees. From the change agents, the researcher acquired background details regarding the events leading up to the change. These informants also provided details on the role that management played in the change process. This information proved to be valuable in understanding the sequence and the overall context of the change events.

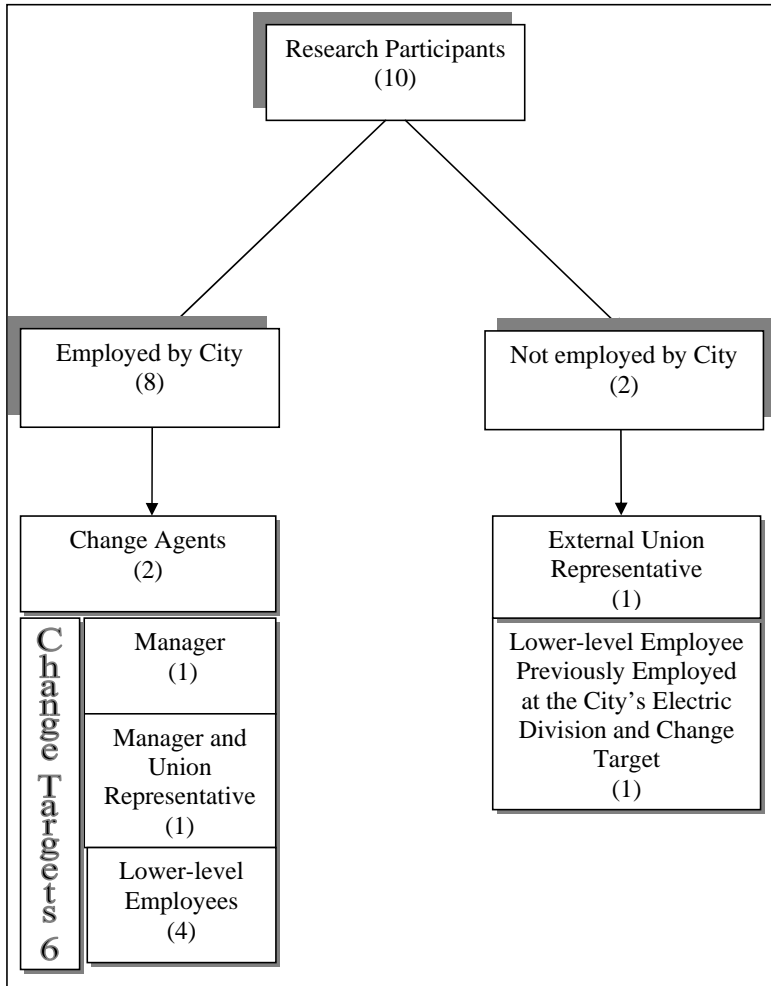


Figure 2: An illustration of the research participants' employment status at the time of the study.

Conducting the Interviews

Interview process. Ten interviews were conducted over the period of two months. The interviews varied in length and averaged one hour and fifteen minutes. At the beginning of each interview, the interviewee was told that the purpose of the study

was to obtain his/her perspective on the change process and his/her experience with it. A letter of consent printed on the University's letter head was presented to the informants to formally obtain their consent to participate in the study (see Appendix A). This was also used to formally indicate that ethical issues had been considered, and that the research was approved by the University of Lethbridge Research Services Department and was being conducted in accordance with the Tri-Council Policy on Human Subject Research. Signatures were obtained from the informants as proof of consent. The informants were assured of their anonymity and were advised that their experiences, attitudes, and feelings were important, and that they would not be judged by what they said. This was done in an effort to establish rapport and neutrality as advised by Patton (1990). The agenda for the interview was then stated, after which questions or concerns of the informants, if any, were addressed.

Qualitative interviewing. An interview protocol was developed through a rigorous process of consulting the literature, reviewing the questions with the supervisory committee members, and making any necessary adjustments. This process ended when all agreed that the protocol would adequately obtain the informants' views and would provide the data necessary in order to answer the research question. Four categories of questions were constructed (see Appendix B). The first category consisted of a few descriptive questions, which were used to obtain brief background information on each employee's history with the organization. These were followed by unstructured open-ended questions that were general in nature and centred on gaining information about how the participants were affected by the change, their initial reactions and whether or not their reactions changed over time. I used extensive probing at this stage. These

unstructured questions facilitated the process of induction. Semi-structured open-ended questions followed, and sought an understanding of the individual's perspective on the constructs of the conceptual framework proposed in Chapter Two. The final set of questions sought to get the informant's suggestions on what the organizational leaders could have done to enhance their willingness to change and whether or not the change experience equipped them to be better prepared for another change. Although all the interviews were based on the protocol, some of the specific issues that were addressed varied depending on the informants' rank in the organization and their role in the change process. This required adjustments to the protocol from time to time. Nevertheless, the interview protocol served as a point of reference whereby the researcher asked similar questions in each interview to ensure that the same terrain was covered (Isabella, 1990; McCracken, 1988).

The qualitative interviewing approach enabled the researcher to illicit rich descriptions on the informants' experience with change. The empirical data provided insight about the informants' thoughts and emotions related to the change (Patton, 1980). Qualitative studies allow the understanding of phenomena in terms of the meanings people bring to them (Denzin & Lincoln, 1994). This approach is also well adapted to the purpose of the study that is exploratory in nature and is aimed at building and/or extending theory.

Data Analysis

The data analysis process began with the verbatim transcription of the tape-recorded interviews after which preliminary codes that represented the participants' views were assigned. To accomplish this, I first printed copies of the transcribed

interviews with large right hand margins for placing codes and notes. Labels or short descriptions of statements were assigned to the transcripts in an effort to organize the raw data into preliminary descriptive categories (Miles & Huberman, 1994). Subsequent analysis led to the assignment of more conceptual codes. After the assignment of the initial conceptual codes, I met with my committee members who were provided with a copy of a coded interview transcript. After an extensive discussion of the codes and the phenomena the codes were meant to represent, some codes were modified, others were deleted, and still others were added, leading to a revised code list. It is common for qualitative research to lead to interpretations (Janesick, 2000); however, the reliability of these interpretations may be attained when other readers can follow and agree with the researcher's analysis (Kvale, 1996). Having the input of my committee members provided a means of attaining reliability. In this process, each member reviewed quotations to determine whether the meanings assigned represented the participants' responses. This was done until there was a consensus on the meanings assigned.

The revised code list was used to code all the interviews. The data analysis software Atlas proved to be a useful tool in managing the data. This software facilitates the retrieval of coded quotations, although I personally delineated the quotations and assigned the codes.

The final stage of the data analysis involved an in-depth analysis of the coded data that followed the process of noting regularities, themes, patterns, and explanations as they emerged. This was done in an effort to build a logical chain of evidence to achieve conceptual theoretical coherence (Miles & Huberman, 1984). The inductive nature of this qualitative study required the immersion of the researcher in the data to explicate the

themes and categories that revealed the informants' perspective on factors that influence their readiness for change. The deductive process involved a comparison of the conceptual framework with the informants' comments to identify its applicability to the informants' view of their readiness for change.

Validity and Reliability

There is a debate concerning the validity and reliability of qualitative data. Some quantitative researchers view the empirical data gathered from qualitative studies to be softer and more interpretive, and others see it as unreliable, impressionistic and not objective (Denzin & Lincoln, 1994). Qualitative researchers, however, argue that the positivistic notions of validity and reliability should not be carried over to the interpretive domains of qualitative research, as the reassignment of these notions from one domain to the other becomes confusing (Janesick, 2000). Despite this debate, it is necessary for qualitative data to capture the meaning intended by the participants, which speaks to the validity of research data (Neuman, 1997). This means that descriptions and explanations should be consistent; explanations that fit the descriptions are considered to be credible (Janesick, 2000). To ensure that the explanations presented were credible and portrayed the participants' point of view, I immersed myself in the data as Janesick (2000) suggests, and paid special attention to data that might disconfirm the themes emerging from my analysis. In the data analysis section, I provide extensive quotes that should allow the reader to verify whether the explanations I provide fit the descriptions by the participants.

Reliability in qualitative research is a measure of consistency across researchers (Miles & Huberman, 1994). As pointed out previously, the final coding scheme used to code all the primary data was derived from discussions between three researchers (my

committee members and I). These discussions led to agreement about code definitions and boundaries. This provides a measure of reliability for the study.

In brief, a description of the methodology used to answer the research question was presented. Through this qualitative case study I was able to gain rich details of the participants' experience with the changes. The following chapter presents the themes obtained from the analysis of the respondents' comments on their views of their readiness for the major change experienced.

CHAPTER FOUR

Analysis

This chapter highlights the themes that emerged from the data analysis process. Some of the themes that emerged supported the constructs of the conceptual framework presented in Chapter Two. Other themes that emerged from the data were not accounted for in the conceptual model and, therefore, allow for its expansion. These themes demonstrated that there are additional factors that help create readiness among employees in organizations. I will highlight the constructs of the conceptual model, after which the findings related to the emerging themes will be examined.

Discrepancy

The first theoretical construct, discrepancy, examines whether or not organizational members perceive a gap in the organization's current mode of operation that requires a change. It is necessary for organizational members to perceive this gap as compelling and legitimate, in order for the change to be successful. Organizational members' perception of the legitimacy for the change helps create a willingness to break away from the status quo.

All informants indicated that they knew the reasons for the change. The organization's leaders communicated the need for the change to them early on in the process, through meetings, office memos, news releases, and notice board announcements. In addition, since the deregulation was a province-wide change, the participants pointed out that there was an abundance of information presented in the media. For example, in a newspaper article, the City's Mayor spelled out the main reason for the deregulation, indicating that there was a need to provide a level playing field, in

which competitors could buy and sell power. The increased competition was expected to provide lower prices for electricity to the citizens. Thus, the participants were well informed about the reasons for the change.

The need for change was viewed from two levels. The first was the need for the deregulation change imposed by the government and the second was the need for contracting the Electric Services Division by the City. Both levels of change are not mutually exclusive because the former caused the latter. However, the participants' responses to the question on whether or not they saw a need for change indicate that some members concentrated on deregulation in general, while others focused only on contracting out some of the functions of the Electric Services Division. The participants' responses to the change were mixed. Some perceived a discrepancy while others did not.

Participants in Favour of the Change

The participants in this category pointed out that the provincial government imposed the deregulation, therefore, the City had no choice but to implement it. Since they viewed the deregulation as inevitable, these participants' comments focused on the City's ability to operate in the newly deregulated environment. They spoke of the risks associated with the City's participation in the deregulated market. Specifically, they mentioned the City's inability to compete because of its small customer base. Consequently, they felt there was a compelling need to contract out the City's electric services to MaxPower. The following quotations highlight this point:

The city just could not be competitive enough, and I really feel that that was true. Some people thought that there was no need to change. But I do not think we could have been competitive because we were too small. They really could not afford to be in the competitive market...I do believe they had to make that change [or else] it would have been forced on [them]...It was such a small customer base, we were nothing, you know.

[There] was a high risk factor involved in buying power and stuff like that. Therefore, they did not want to take that risk [of] being out there in the open market, buying their power and reselling it, because they did not want to get burned.

The views expressed above indicate that the participants saw a gap in the operations and thus the need for a change. However, not all participants were in favour of the change.

Participants not in Favour of the Change

While the participants in favour of the change considered deregulation as an imposing threat and, therefore, focused on the organizational changes required to deal with this threat, the participants not in favour concentrated on the provincial government's decision to deregulate the power market. Contrary to the government's view that deregulation would lead to lower electricity prices, the respondents in this category did not think there was a compelling reason for the change. According to one participant, "deregulation was a process that the government imposed on us... there was no problem that they were trying to solve." Another participant also stated that:

They should have just left it the way it was. There was no need to go to deregulation. There was no need to make any changes, and I do not understand how they thought – in their wisdom – that it was going to open the market and it was going to be a level playing field...in the long run.

Comment [BA1]: Novak P5: 447:452

When asked to explain why they believed that there was no discrepancy, this is how one participant responded:

Deregulation is not necessary. In fact, if you look at Saskatchewan, Manitoba, Quebec or Prince Edward Island [there is no deregulation]. There are thousands of places that do not have deregulation, and have lower prices for energy, and easier accessibility.

The above comments indicate that these informants do not agree with the government's view that deregulation would lead to lower prices. They also argued that the province

and, specifically, the City had enjoyed one of the cheapest electricity prices in all of the country. Others claimed that the government invented the reasons for the deregulation and, therefore, they did not see any discrepancy in the current mode of operation.

Although there was enough information and knowledge about the change, most of the informants did not think that the reasons for the deregulation were compelling. As a result, they were unwilling to make the necessary preparations. One management level informant, charged with the implementation of the change, pointed out that providing the employees with information about the change does not necessarily mean that the informants would be ready for it. The following response by a participant to a question about his/her understanding of deregulation confirms the above:

Did I understand? Yes. I did not agree with it, but I understood it. [These are] two different things... I understood what deregulation was. I understood what objective they had. But I don't think it was in the best interest of the province or the residents of the province.

Overall, most of the informants did not see a discrepancy requiring a solution and did not agree with the reasons for the change.

Appropriateness

In the model presented in the conceptual framework, appropriateness was defined as the suitability of the change implemented as a solution for the problems encountered. Employees may feel that some form of change is needed but may disagree with the specific change that is being introduced to correct the discrepancy. Although the model had one view of appropriateness, the data indicate that respondents had two views about the appropriateness of the change, namely, the appropriateness of the change decision as previously described and the appropriateness of the procedures used to carry out the decision. These two views are discussed next.

The Appropriateness of the Change Decision

The appropriateness of the change decision refers to the suitability of the electric deregulation and subsequent contracting out of the City's electric services. The informants who viewed the appropriateness of the change from the City's level, again, did not focus on the appropriateness of the deregulation. Rather, they focused on whether or not it was appropriate to contract out the City's electric services. In this regard, they believed that the City made the right decision.

Those who viewed the change from the provincial level believed that deregulation was inappropriate because they did not see a problem that required the change. The participants in this category believed that deregulation was inappropriate for two main reasons: the anticipated higher cost to customers, and their view of electricity as an essential public service. One respondent stated that "I'm of the opinion that deregulation is not good because the costs are going to go higher." Others also made the point that:

It doesn't seem to me that they made the best decisions they could, as far as serving the citizens. I do not believe in deregulation. I believe electricity is as vital to the well-being of a community as health care, education, and water.

Comment [BA2]: Warner P3 170:189

I still think they made the wrong choices when they decided to [deregulate]. No, I do not think it was appropriate. They said [deregulation] was going to bring lower prices for your energy and stuff like that, but I knew that that was not going to happen, and it has not happened.

With reference to how the deregulation would affect the customers, one respondent said "I saw no benefits for the citizens from that decision, I still do not....I saw a negative impact on the citizens." The participants pointed out that in fact, the customers had experienced an increase in the price of electricity after the deregulation. While these views were made in retrospect, the informants reported that they held these views before

the results could be seen. One informant said, “at the time, I felt that they could do it differently, and I still feel that they could have done it differently.”

Comment [BA3]: Warner P3: 331:337

Appropriateness of Procedures

From the participants’ responses, it was apparent that they were not only concerned about the appropriateness of the change to be implemented, but also about the procedures used to implement the change. The appropriateness of procedures refers to the suitability of the processes involved in implementing the deregulation. All participants, including those against deregulation and those in favour of contracting out the City’s electric services, expressed some disapproval about the procedures used. Their statements related to the timing of the change events, the procedures to eliminate the Electric Service Division, the timing of the communication of the change procedures, and the constantly changing procedures that resulted from the lack of clarity and uncertainty of the change.

Timing of change events. Some informants believed that the government’s time frame for implementing the deregulation was inappropriate because it compelled the City to rush into a deal with MaxPower to contract out the Electric Services Division. One informant expressed this point by saying that:

Technically, we were not ready, technically every one knew we were not ready to jump into this....We needed another six to nine months to make it work properly or to make sure it would work when we implement it. [But they had] decided somehow [we] had to cope.

Comment [BA4]: Lenz 286-295

Another participant indicated, “the government could have taken more time. One thing I felt is that they rushed into it with MaxPower.” In fact, the hasty implementation led to problems with billing for customers, which have cost the City a large sum of money to resolve.

The elimination of the Electric Services Division. Another aspect of the deregulation procedures that employees felt was inappropriate was the elimination of one of the departments. This department will be referred to as the Maintenance Department from here onwards. Its function was to ensure the proper maintenance of the service stations, customer lines, and equipment. Most informants believed that the elimination of this department in the deregulation process was not a requirement by the government and was unnecessary because the department's functions are needed regardless of deregulation.

Some of it they had to do, but as far as they went, I think they went too far. We could still be doing the customer service part, so we would have good contact with our customers.

Comment [BA5]: Fyfe P2 797:800

They did not have to sell the meters. There was nothing said in the [government requirements] that they had to sell the meters. They could have kept the [Maintenance Department]; we could have kept working there. The problem was that they could not be in the business of buying and selling power, and they could not individually set prices. So could they have kept the [Department]? Yes. Could we still be working there? Yes.

An informant explained that it was late in the negotiation process that the

Comment [BA6]: Lenz 427-441

Maintenance Department was handed over to MaxPower because top management decided that it was not profitable to retain it. The respondents attributed this late decision by the change agents to their lack of knowledge about the process because the rules were constantly changing both at the provincial and City's level. Informants reported that they were unaware of the elimination of the Maintenance Department and did not realize that their jobs would have been severely affected by the change. The participants claimed that they knew that deregulation would be associated with some changes within the department; however, they were unsure about the extent of the changes and were unprepared for its total elimination. Some of the informants affected by the elimination

were shocked and in disbelief about what was happening, as one participant explained, “we were prepared for a change of duties ... in our jobs. [But], no, no, no. We were not prepared for a loss of jobs. We were not prepared to lose our jobs completely.” Another reported that:

We anticipated that something was going to happen...we knew that there was going to be a change. The drastic...way it turned out [was] absolutely [unexpected]. They did not have enough knowledge about what they were really doing.

Timing of communication. The respondents from the Maintenance Department also spoke of the inappropriateness of the change procedures in terms of the timing of the communication of information regarding the change. They expressed their dissatisfaction with the communication of the internal change procedures and explained that they did receive information concerning the procedures to eliminate the department’s functions, but not in a timely manner. The informants mentioned that they received sufficient general information about the deregulation change from the change agents. However, specific details regarding the effects on their jobs were inadequate. As one informant puts it:

There was no information at all. [In] trying to get information about what was going to happen to us or our job, and what we could do, and all that, we found out about this in the middle of May and we were going to [cease operation] at the end of June or the middle of July.

Constant change in rules and procedures. The constant change in rules and procedures was a common feature of the deregulation change. According to a participant, “the electric industry was in a regulated environment with a huge amount of rules and so there [was] this constant changing of rules.” A change agent described the change as a “moving target” because there were limited rules to guide the process. The

agent stated that the provincial government continued to change the regulations up until the very end. It was further stated that they were the first in the country to deregulate the electric supply; therefore, there were not many guidelines on the processes to be followed. These continuous changes in the regulations made it a difficult exercise for both the agents and the targets of the change. A change agent pointed out that “there was so much uncertainty, and it seemed like things were changing almost daily in respect to how the government was interpreting certain regulations, and how they impacted the process.”

The constant changing of rules and procedures created a level of uncertainty in the targets of the change, and their lack of preparedness for the final decision. A change agent confirmed this point by stating that the deregulation was very challenging to explain to the targets of the change due to the constantly changing rules and procedures and the difficulty of understanding the technicality of the industry. At first, it seemed contradictory that most informants reported that they did receive sufficient information about the change, while at the same time reporting that there was a lack of information. Further probing revealed that this lack of information was due to the constantly changing rules and procedures related specifically to the downsizing of the Maintenance Department. In general, most respondents viewed the decisions and the implementation procedures as inappropriate.

Attribution of Responsibility

Attribution of responsibility seeks to answer the question of who is responsible for the change. This is particularly important when change targets view the change as having negative outcomes. All the informants were able to identify clearly who they

believed was responsible for the change. Their responses centred on the idea that the change came about from two levels: the provincial government and the City's administrators (organizational leaders).

Provincial Government

The driving factors for deregulation according to the informants were the pressures from influential electric buyers and sellers, coupled with the government's ideology of privatisation. The participants reported that the large industrial businesses believed that a deregulated electric market would be more efficient than government-owned electric services. There were buyers and sellers of electricity who wanted to trade in the electric market but were unable to do so due to the monopolistic system:

The different companies wanted the government out of the electric industry because they wanted access to it. They said they could not sell power and build generators because there is only one company and the industry is regulated. Therefore, the companies wanted the government to get out of it.

Furthermore, some participants claimed that large businesses argued that if the government deregulated the electric market, they would have access to cheaper electricity. The participants stated that these businesses were against the use of electric revenues to subsidize other government programs. This, they believed contributed to higher electric prices: thus they claimed that a free and competitive market would facilitate the entry of new electric companies (buyers and sellers), which would reduce the cost of power. A respondent who believed that the government was responding to pressures from large industries searching for cheaper prices said that "probably there were many, many, many factors [that caused deregulation], but there was a huge amount of pressure from the large industrial groups to get cheaper energy." Similar comments on this issue were:

I don't really know what the problem was that made them decide they had to go [to] deregulation, other than pressure from big businesses – a lot of businesses, they say “we don't like government regulating things, we think things should be deregulated” So the government says “Okay, we will get out of regulating electricity.”

In the words of a participant, “the drive to deregulate is probably ideological [and it centres] around... the private sector competing. Privatisation is a strongly held value in the province.” Another informant also stated, “there is nobody to blame except for the government and the Premier. They are the ones as far as I am concerned, that have to take all the responsibility.”

The City's Administrators

Participants also mentioned that while the government mandated the deregulation, the organization's administrators should also be blamed for their actions. They stated that the government allowed some discretion on how the administrators could carry out the changes. These individuals, as expressed by the informants, were the ones who made the decision that directly affected them and were blamed for not carrying out the change process in an effective manner as explained before.

With direct reference to the elimination of the Maintenance Department, informants blamed the City's administrators for that decision. The respondents believed that the administrators had other options that could have been chosen in the process, and that they disregarded employees' knowledge and interests when making the decision. One informant stated that “they could not [compete in the market] but the other part, about ...job elimination, and stuff like that, they had a say in that. That didn't have to happen.” Another said, “they had no experience or knowledge in what they were doing, and how this was all going to play out...I blame them for that, they didn't have to

(eliminate the department).” Yet another informant stated that “my understanding was these two or three individuals who were in the upper administration were the ones that decided [that] we are not going to have the department anymore.”

Some held the notion that it was good to know who was responsible for the change as it enabled them to know at whom to vent their anger. As expressed by an informant, “it is nice to know who initiated things... [you know] who to gear your anger at, and your comments.” Another informant sarcastically said it was a means of knowing whom to “suck up to” and explained that it helps to know who is in charge of their well being so that they can try to influence the change leaders in their favour.

Interestingly, even though the participants placed blame, most did not believe that knowing who was responsible for bringing about the deregulation helped them to be better prepared for it. One participant asserted that:

It doesn't matter to me whether it was Joe Blow or Mary Smith or whatever, like the name of the person that made the decision doesn't really matter, that's not what affects me. It is the fact that I lost my job there now, that is what affects me, and it doesn't matter who it was that made the decision.

Comment [BA7]: Jim

Comment [BA8]: Warner 482-490

In general, participants knew to whom they could direct blame. However, knowing who initiated the change did not allow them to be better prepared for the change because of their belief that they had no power to change the decision mandated by those responsible.

Personal Valence

Before embarking on a change initiative employees want to know how they would benefit from it. They want to have a sense that there are some intrinsic and/or extrinsic rewards stemming from the change. The participants had differing views on the outcomes of the change. Some anticipated the change to be positive, while others anticipated negative outcomes.

A participant, who anticipated positive outcomes, gladly embraced it due to a desire for a change in jobs, which the deregulation inadvertently created:

I had had enough of that department (previous job). I had had enough of it, so I was ready for a change and in one way I was really excited...because I was always looking when jobs were coming up, but nothing much came up over that period and I was excited about doing something new. I was stagnant and burnt out and bored, so I welcomed the change and it was nice too. When you are in a job that long, and at the end when you know it is coming to an end...something new is always good...I was looking at the opportunity and I saw that this was the end of something and the start of something better for me. At the time, I did not know how positive it would be but I was looking forward to it.

For this informant, anticipation and desire for the change assisted in creating readiness.

Other informants saw positive outcomes such as the ability to remain employed with the organization, and the possibility to continue and fulfil their pension requirements. As one informant puts it, "I had five years to get my factoring that I need, so I would not be penalized on my pension." They felt more privileged than their co-workers whose jobs were totally lost due to the deregulation process.

Other participants viewed the change as negative. For example, one participant stated that "the day they announced that they were completely eliminating the Maintenance Department, I saw no benefit from anything at that time." Others described the negative outcomes as losing their jobs and seeking new employment, in and outside the organization, and having to work for much less pay and benefits. Some also saw their placement in the organization as one that was not worthwhile because they were unable to do the job that they loved to do and were unable to utilize the skills that they had acquired over the years. As one informant pointed out, "I saw no benefit from anything at that time, because what they outlined for me at that time was that I was going to lose my permanent position, which I did."

Other views on the negative outcomes were related to the informants' concern about their age and thus finding job placements. At their age, they saw limited job opportunities in the labour market. As one informant puts it:

I guess the biggest negative thing is that you are out of a job. So that was frustrating, you were just cut off...It was just a whole negative thing for me. I did not want to look for another job, you know, my age and all. If I am 20, fine, I will go and find a better job somewhere else. When you are [my age], you are looking forward to getting your pension in a few years and so that was not very positive for me.

Comment [BA9]: Fyfe 941-955

Others spoke of their specialized skills, which would make it difficult to obtain employment elsewhere. One respondent pointed out that:

The job that I'm doing, you have to work for a utility to do that job. You just don't go work for anybody because it's kind of specialized, the training and all that... so you would have to work for a utility.

Comment [BA10]: Novak 125-138

The specialized skills were viewed negatively in light of the change because informants stated that to find a good job in which their skills could be utilized adequately would be difficult and costly. They explained that they would have to up root their lives, move families, and become detached from friends.

In summary, most informants reported that the negative outcomes outweighed the positive ones. Despite actions by the organization's leaders to provide a variety of employee assistance programs, most informants did not see the change as benefiting them and were very displeased with how their interests were considered. Here the major interest addressed was the loss of their previous employment. This contributed to their lack of readiness for the change.

Fairness

Employees seek a fair distribution of positive and negative outcomes in organizational change. Though they do not desire any negative outcomes, if the

procedures are carried out fairly, with honesty, integrity, and impartiality it is more likely that they would accept the negative outcomes. Two views emerged from the data on the informant's perceptions of the fairness of the change. Some informants considered the change process to be fair because they were treated with equity and justice, while others spoke of the unfair treatment that they and other employees received.

Those who believed that they received adequate compensation and other benefits from the change perceived the change as fair. Some participants mentioned that although the compensation given was a requirement stipulated by their union contract, they believed the organization met and exceeded these requirements; therefore, this action was viewed as fair.

I think the way the severance packages read as far as what they were allowing for people that were severed from the City, I felt was fair. So that was a plus for the City. I think they did a good job in that area.

On the other hand, other informants were of the view that some employees received unfair treatment due to the change procedures employed. They asserted that although seniority was the basis for whether or not an employee would remain in the organization, the termination procedures did not seem fair in this regard. The job termination process involved a procedure known as "bumping." This procedure is indicative of the contractual agreement between the union employees and the organization. It allows the union employee to displace another union employee out of a position once the person who is doing the "bumping" is qualified for the job and has more seniority than the displaced person. Seniority, therefore, was an important factor in the "bumping" process. Some informants considered the "bumping" procedure as unfair because they believed that the leaders did not allow the process to take its full course.

Looking at it from my perspective, it did not seem fair to me [because] what might have been fair to me may not have been fair to somebody else, if I [had] bumped [that person] out of a job. They chose what they thought was the fairest rather than allowing the bumping to go on and cause hard feelings or whatever.

Here, the full execution of the bumping process was not evident in the view of this informant who believed that the change agents had their hands in this process. A change agent explained this by saying that bumping could be cascading, because if an employee bumped someone, that person can bump someone else. Therefore, according to the change agent, “we did try to make this process as short as possible and impact as few people as possible. We did work strongly with the union in trying to do that because [we did not want] just this cascading negative effect.”

Some respondents felt that there was a lack of regard for their seniority, because less senior employees occupied positions in the organization, which they themselves could have occupied but were unable to do so. The respondents stated that this was because they did not possess the skills required and were denied the opportunity to obtain them two years prior. This was due to management’s view that cross training was inappropriate. Some informants pointed out that they did not perceive fairness as they were unable to get the jobs that they sought and that after their positions were terminated, management hired new employees. With reference to this unfairness, a respondent stated that “in one case they replaced the person that was leaving and then they gave him a [severance] package but they hired someone else...So in that regard, I did not think that was fair.”

Another point of contention for most informants was the lack of opportunity for them to present their views about the impending change. One informant said:

I kind of get the feeling that those involved sort of ploughed ahead and made the decision in a way that they felt was easiest for them. They felt it was easiest to make that decision without finding out too much about the people who were going to be affected.

Comment [BA11]: Warner 291-298

While some participants viewed the process as fair, others sensed partiality and injustice by organizational leaders. This perceived unfairness by the latter group of informants was a disincentive to work towards the change, and did not contribute to their readiness.

Self-efficacy

Self-efficacy is the confidence in one's ability to carry out a specific course of action in a given situation. The notion of self-efficacy within the context of this research relates to how individuals perceived the confidence in their abilities to attempt changes in their jobs.

The job changes required major transition for most informants, who, therefore, needed to have confidence in their abilities in order to be motivated to make the change. The participants gave varied responses regarding their efficacy to deal with the change. Some felt they had the confidence needed, others described their confidence level as one that fluctuated, while others expressed that they did not have any confidence.

All participants acknowledged that the organization assisted the employees in dealing with changes in their jobs. The respondents stated that change agents brought in consultants to host change management programs, and employees were given courses on stress management, networking, and preparation for job interviews. The programs provided were geared to the personal level and aimed at helping the employees to deal with the loss associated with being severed from their previous jobs. By this, management provided the means for allowing the employees to grapple with the fact that they were losing their jobs and provided the employees with information and assistance

on how to take the various steps toward making that transition. According to one respondent:

They tried to help us to look forward towards something else, and taught us how to go about it. They gave us a couple day courses and some training on networking and stuff like that ... [For example] how to do a job interview, because none of us has probably done a job interview for ten years.

Comment [BA12]: Fyfe 451-457

Additionally, according to another respondent, the organization's leaders also provided assistance with the training required to take on their new jobs. This was to assist employees with gaining the skills and confidence needed to take on the change. For those who were transferring to new jobs within the organization, some training was required and was normally provided on-the-job. When asked if the training received on the job helped them become more confident, one informant said, "sure it does, it made me feel better." Another said, "oh yeah, [the] in-house- training made the transfer easier." Others sought training outside the organization for which the City provided full funding. A respondent who was ready for the change and expressed a high efficacy explained that once there was knowledge of the change the opportunity was taken to acquire training.

I had the time from when they said this [change] was going to happen and I took that opportunity and used it. The City paid for me to go through a lot of courses and I put in my time, and it was worth it. The training definitely made me more confident to take on my job.

This training according to the respondent increased his/her confidence level to take on the new job. Most informants highly commended the organization for the helpful assistance provided.

Most participants expressed that the change was an emotionally difficult situation to deal with. As one participant indicated, "It affected me mentally and emotionally. It

was very stressful, there were times that I thought that I would need to take a stress leave.” Another participant expressed that due to the traumatizing negative emotions experienced he/she “reached the point where my doctor felt that I needed to be treated for depression.” Nevertheless, it was also reported that management provided the means of assisting them to deal with the difficulties that were experienced at the psychological level. Employees who were emotionally stressed or traumatized were provided with personal counselling to help them deal with the change.

Respondents spoke of the general positive attitude and encouragement provided by some of the change leaders who provided emotional support by talking to them about how to deal with the change. A change agent expressed that “I had a stream of people coming in and out of my office, asking questions ... so it was kind of like counselling. Some people used me as way to vent their anger and frustration.” Another respondent stated:

I think the people in Personnel that we were working with tried to be as positive as they could. They encouraged us not to give up and to try to face this [problem]. They helped us by trying to be positive.

Here, the participant relates to moral support provided to the employees by the change agents. Some respondents expressed that the assistance provided by agents helped them to gain and increase the confidence they needed to make the necessary changes to their new jobs. Others expressed experiencing fluctuations in their confidence level. It was described as a roller coaster, whereby some days they had the confidence to take on the change, while other days depending on the circumstances, there would be a lack of confidence. Commenting on this issue an informant stated that:

Sometimes I would be really confident about it and then ...I think how am I going to be ...received over there [in the new job]? And what if I don't like it once I've got into it?

This also indicates that individuals might have the efficacy to deal with one aspect of a change and not another.

A few informants, however, did not see the programs provided as aiding in their confidence to deal with the job changes. When asked if the programs were helpful, one informant said that "I am not really sure if there was anything they could have done to prepare us for something like this, at least nothing that I can think of." From this statement, one can infer that regardless of the assistance offered, it was not adequate to diminish the impact of the change and contribute to the confidence in their capabilities. One can attribute this to the fact that some individuals were not willing to change and, therefore, were not ready to move on. They were still dealing with the unpleasant emotions and effects of the change in jobs, and could not see anything helping them to deal with it and were, therefore, despondent to the change. Another participant who did not see the assistance provided by managers as helpful commented, "I think they tried their best, I don't know if there was anything else they could have done." Here the respondent emphasized that although the change agents tried their best, the assistance provided was of no real benefit.

The research data show that while some informants believed that the programs assisted in providing the efficacy needed to deal with the change, others kept contemplating the negative effects of losing their jobs. The latter group experienced a lack of confidence and subsequent lack of readiness for the change.

Emergent Themes

A few recurrent themes that allow a better understanding of employees' readiness for change emerged from the data and yet were not accounted for in the conceptual model. These themes allow the extension of the conceptual model proposed previously. The themes are *lack of control*, *the time factor*, and *inevitability*. The "lack of control" issue addresses the participants' sense that they were unable to influence the decisions and outcomes associated with the change. The "time factor" theme depicts the essence of how the informants viewed the role that time played in their willingness to change. Lastly, "inevitability" represents how the imminent change influenced the readiness of the informants. Furthermore, at the end of the interview respondents were asked whether their experiences with the change in jobs aided in their ability to deal with future change. The responses provided are also analysed.

Lack of Control

The data indicate that a sense of lack of control was a major issue the respondents encountered in the change process. They referred to the feeling of powerlessness due to the mandatory nature of the change. They also mentioned the lack of regard for their opinion in the decision-making processes. Respondents felt that having an input and some control over the change implementation would have contributed to their willingness to change.

A respondent pointed out that "the government had made the decision to implement the deregulation of electricity, and we weren't going to influence their drop-dead date." The informant asserted that they had no control over how the events

transpired as these rigid decisions sometimes came from the government's headquarters and had to be adhered to.

Concerning the City's decisions that were made, one informant mentioned that they had no voice or say in them. They asserted that if they had had a voice or say in the decisions at the City level it would have enabled them to have a better understanding of what the change agents' intentions were. As one informant puts it "at least I would have been able to help and at the same time then, I would have understood better what it was that they were trying to accomplish and why." Participants explained that they had no control over the decisions that were made even though the change leaders had little or no knowledge of what their work involved and were not able to make informed decisions:

That makes you mad, because I know that the people who are making the decision knew nothing about how it would affect the people's lives...they didn't have anybody involved in that negotiation that knew about the [department] and how it would affect [the employees].

That was the disappointing part because we, who had the answers and could help because we were doing the actual job day-to-day, were not even asked our opinions. Whereas those who did not know anything, and thought they knew enough, were those people who made the decisions.

The respondents believed that their participation could have prevented the Maintenance Department's closure had they received the opportunity to exercise more control over the process. This would have enabled them to enlighten the administrators on the matters regarding their work issues:

We were left isolated, while people who knew nothing about electricity negotiated electric service contracts. This created its own problems for the customers and then at the end we were simply told to resolve them. I think if they had involved me, first of all, I would have brought technical expertise and they require that.

The management group made this decision that they were going to negotiate this deal to sell the equipment and do away with the [Maintenance Department] ...

They should have [had] somebody from our department or somebody who knew what our jobs entailed.

Informants also viewed their lack of control over how the change process transpired as unfair treatment by the organizational leaders. An informant pointed out that this stems from the organization's lack of value for their opinion and lack of regard for their interest.

I think they would have been fairer if they had asked the people that were doing the work, what input they might have had... I think we should have had more input into the process before they made their decision. Then we would have felt better in the fact that we had an input into it, even if we were not able to save the jobs, at least we would have had some input.

Comment [BA13]: Fyfe: 548-560 & 1108-1128

The management's failure to involve the employees in the decision-making processes, as viewed by the informants, was an attempt to avoid any confrontation or debates.

However, change agents indicated that management had different reasons to exclude the employees from the decision-making process. The change agents alluded to the fact that the lack of involvement of employees was due to the confidentiality of the negotiation process. Since the City was negotiating with another company to contract out some of their services, divulging any detailed information to the employees would have compromised the negotiating parties' competitive advantage. The organization's leaders however, did not communicate this information to the employees. Therefore, even though they may have had legitimate reasons for not involving the informants, the latter were not aware of this reason, and thus viewed this action as inconsiderate. This contributed to their feeling of a lack of control.

The Time Factor

As it relates to the timing of the change events, there were informants who gave credit to the organization for the time provided while others believed that they did not

have sufficient time to deal with the change. The former group of informants believed that the time given was sufficient or helped them to deal with the change, because as one participant commented:

It was not like we were here today and gone tomorrow, so we did have a little bit of time, and that was very helpful. And it kind of helped take some of the stress off. [It] is good to have a little time there to deal with it because if you walked in this morning and they said “you’re done tonight, take your stuff home with you when you leave,” that would be really, really hard. [But] because we had a little time with this I think that did help us all to figure out what we were going to do.

One informant, however, had the opposite opinion: “They said we had enough time, and there may be some validity in that; there was a lot of time. But certainly, from my perspective we were not ready.” However, most participants stated that as time passed, they became more accustomed to the change, which aided in their readiness. In other words, while they were not initially ready, as time passed they developed a willingness to change. One informant stated, “the time passed and you learned to accept it. I do not think it is something you accept just overnight.” Similarly, another informant expressed that “as time went on, I guess you had to get positive on some things. You had to start looking forward to [the change, even if] you did not intend to experience a new job or whatever.” Another informant speaking on this issue stated the following:

I realized that all the worrying I was doing wasn’t going to change anything and I just had to kind of try to take it one day at a time... so my personal worries were somewhat alleviated as time passed.

Comment [BA14]: Warner 193-202 & 365-373

Most informants described their emotional experiences. Emotions such as, a sense of “shock,” “fear” and “anger” about the change, were experienced by most. A respondent stated that, “it couldn’t have affected us any more than it did because when you lose your job, that’s the ultimate. You can’t get any worse than that.” Describing the stages, an informant pointed out that:

I was shocked, angry with the people that made the decision then as things went along...it was not until several months later and I moved from that fear and anger and apprehension to being resigned to my fate.

Although there were many difficult experiences encountered by the participants, most indicated that time played an important role in their ability to deal with these difficulties and helped them to be ready for the change.

Inevitability

The perception of “inevitability” describes the belief held by the respondents that the change was mandatory and that they had to change whether or not they were ready. Accordingly, the informants had to be ready as there was no other alternative. As one informant puts it, “I guess I felt confident at the point when I had no choice.” In the words of another participant “I don’t agree but we have no choice. We have to follow the guidelines that are in place, whether we agree with it or not. We can’t do anything about it.” Strikingly, these rules and timelines that came as a directive from the government proved to be a significant factor in pushing informants into the new positions. “You have to go with what’s happening,” stated one respondent “you have to be prepared to make the changes.” Here it is evident that the participant did not make the necessary changes out of free will but due to the inevitability of the change; the informants were compelled to make the necessary changes.

While some informants anticipated the changes in jobs, most were not looking forward to letting go of the jobs that they had occupied for a number of years. The inevitability of the change forced the latter group of informants to realize that they needed to start making the necessary preparations. These respondents expressed that they started to prepare résumés, take interviews, and seek other job opportunities, when they

realized that the change was eminent. It was evident that this action for the change was not motivated by an intrinsic desire, but the realization that they had no choice.

According to one informant, “you finally come to the realization that “hey, there’s no choice here. This job is done, it’s gone, and I’ve got to move on.”

Ability to Deal with Future Changes

At the end of each interview, the informants were asked if they believed that the changes experienced enhanced their ability to deal with future changes. All replied in the affirmative and asserted that the experience and lessons learned would assist them in dealing with other changes. The participants’ responses centred on the idea that the stress and anxiety they experienced would not be as intense as they would be better able to control these reactions. As one participant responded, “you know how to handle it, and what to do, so you would not have to go through all the anxiety and worrying and all that.” This informant went on to say that the experience increased his/her confidence, indicating that, “I have been through it before, I’ll get through it again.” Another said, “Yes, I will be better able to go through another change. It would not take me so much time to react.” As such, the informants believed that their experience has enhanced their ability to deal with similar changes in the future.

In summary, these emerging themes indicate that additional factors not previewed by the conceptual framework contributed to the employees’ readiness for change. There were varied opinions from the respondents concerning the factors that contributed or hindered their readiness. While some appeared ready, the majority of the respondents seemed to indicate that there was no anticipation and desire for the eminent change.

CHAPTER FIVE

Discussion

In the previous chapter, I presented the participants' perspectives on the factors that were influential in determining their readiness for the changes encountered. In this chapter, the theoretical implications of the participants' views are discussed. First, I will discuss the theoretical implications of the research findings in light of the conceptual framework, after which the theoretical implications of the other themes that emerged from the data will be discussed.

Discrepancy

Due to the mandatory nature of the deregulation, the informants who focused on the discrepancy at the City level viewed the change as necessary and were, therefore, in favour of the decision to change. These informants' agreement with the need for change appeared to be an overriding factor that significantly contributed to their overall readiness for the change. Most participants, however, focused on the provincial level and believed that the need for the change purported by the government was not compelling or valid. These informants were not convinced of the need for the change and exhibited a lack of readiness for it. It was evident that all informants had knowledge of why the changes were being made as the participants stated that this was clearly communicated through the various media. However, based on responses, the discrepancy depicted by the change agents was not evident to most participants.

Armenakis et al. (1993 & 1999) emphasize the need to communicate the discrepancy message in order to create awareness and an understanding of the need for the change. By this, change agents should clearly state how the organization's current

performance would differ from the desired end state. The research findings showed, however, that having this information about the problems that necessitated the change did not facilitate most of the informants' readiness for it. This reaction is explained by Katz and Kahn (1978), who purport that though information capitalizes on existing forces to influence change, mere explanation and the provision of information is unlikely to bring about new behaviour. The value of communication in the change process is not negated here. However, an important element that is insufficiently emphasized is that organizational members should not only see the rationale for the change but must also view it as compelling, legitimate, and necessary. In this instance, although there was sufficient information from both internal and external sources, the research findings showed that a compelling reason for changing was not evident. This was a contributing factor to a lack of readiness among most informants.

One method of effecting a change within an organization is by creating a sense of urgency. According to Kotter (1995), the organization should communicate broadly and dramatically the discrepancy in the system. He also asserts that to motivate employees, the problem or opportunity in the organization should be presented as a crisis or potential crisis. According to Pettigrew (1987), legitimacy for a change can be established by emphasizing the changes in external factors and their effects on the organization, which in turn must change in order to adapt. From the participants' responses, it appears that this legitimacy was not established for most of them for a number of reasons. First, providing electricity was considered by participants to be a public service. Privatisation of such a service was perceived as inappropriate. Second, evidence from the external environment indicated that deregulation led to an increase (as opposed to a decrease) in

electricity prices. Respondents cited examples of other countries that had deregulated the electricity market and consequently experienced major problems with availability and increasing prices of electricity. Third, the participants made comparisons with electric services that were still regulated and publicly owned in other Canadian provinces yet were experiencing low prices in electricity. As a result, participants saw no gap between current operations and the desired end-state, and therefore, considered the change unnecessary. According to Schein (1996), all forms of change begin with information that disconfirms expectation and creates a sense of dissatisfaction with the status quo. This information should arouse “survival anxiety” such that the change targets believe that if there is no change, goals and ideals would not be attained (Schein, 1996, p. 29). Apparently, the organization studied did not effectively portray this urgency or crisis to the employees as most did not believe that there was a legitimate need for the change. Thus, the lack of this disconfirming information created the sense among most participants that the change was something that the government created based on its ideology of privatisation. The need for the change did not appear to be compelling, legitimate, or urgent. Due to the absence of these features in the discrepancy message given by the change leaders, they failed to persuade employees about the need for change, thus, most employees did not portray a readiness for the change.

Appropriateness

Respondents, who focused on the City’s inability to compete in the electric market, believed that the appropriate decision was made to contract out the electric services. Most respondents, however, did not see any discrepancy and therefore did not see any solution or decisions as appropriate. Furthermore, there was a consensus on the

lack of appropriateness of the procedures used to bring about the change. Armenakis and Harris (2001) purport that the change being implemented should be an appropriate solution for the discrepancy being experienced. They, however, did not differentiate between the appropriateness of the solution and the appropriateness of the procedures used to carry out the solution. Although some participants perceived the contracting out of the Electric Services Division as an appropriate solution to the discrepancy, some of the procedures used to attain the desired results were seen as inappropriate. A distinction between the appropriateness of the change decision and the appropriateness of the procedures used to carry out that change is essential. If inappropriate procedures are deemed to be in place, participants will likely be sceptical that the communicated outcomes will be achieved. This reduces their readiness for change.

Additionally, the participants constantly referred to the inappropriateness of the change decisions and procedures for the citizens/customers. This is because most informants seemed to have had a strong identification with their work role as public servants and exhibited a strong customer service value. According to Shamir (1991), an important concept in understanding individuals' work motivation is the value and moral obligation exhibited towards their work. The participants' numerous references to the citizens/customers signify their value and feelings of moral obligation to them. Anticipating negative outcomes for their customers was also a contributing factor to the participants' lack of readiness for the change.

Attribution of Responsibility

The participants in this study attributed the change to two sources: the government and the organizational leaders. As mentioned earlier, most informants felt that the government implemented deregulation based on its ideology of privatisation and there was no real need for this change. However, a significant amount of blame was placed on the organizational leaders, though they were not the ones directly responsible for initiating the change. The participants held the organizational leaders accountable because they were the ones who made the decisions that directly affected their lives. Hence, organizational leaders were blamed for the inappropriate decisions made. From the research findings, it appears that when company managers are blamed for the decisions that are seen as inappropriate, cynicism about the change can prevail.

Cynicism about organizational change according to Wanous, Reichers, and Austin (2000) is a pessimistic view about the success of organizational change efforts, because those responsible for bringing about change are blamed for being unmotivated and/or incompetent. Some participants believed that the organization's administrators were incompetent as they lacked the "know how" required for proper decision-making. This contributed to their negative views about the change.

While a few participants believed that knowing who was responsible for initiating the change contributed to their understanding and willingness to make the change, most participants did not. Some individuals expressed cynicism about the change and explained that attributing responsibility did not diminish the difficulties faced. Thus, these respondents did not view having the knowledge of those responsible for the change as assisting with their readiness.

Personal Valence

Vroom's (1967), expectancy theory of motivation is useful in describing the informants' reaction to the change. This theory explains that behaviour results from conscious choices among alternatives and those behaviours chosen usually maximize pleasure and minimize pain. People are generally motivated to behave in ways that bring about positive outcomes, as we normally seek pleasure and avoid pain. Based on the participants' responses it was evident that their reactions to the change were largely determined by whether they saw it as bringing about positive or negative outcomes. Employees generally seek out their self-interest; they want to know that they will benefit from the outcomes of the changes that affect them (Armenakis et al., 1999). If there are no personal benefits, the change effort is usually seen as undesirable and may be met with resistance.

The research findings are consistent with Christian's (1995) notion that an object with a positive valence will attract the individual while an object with a negative valence will push the individual away. The participants' responses showed that individuals who had a desire for a change and the associated benefits, anticipated and were ready for it, in essence they were attracted by the change. However, those who were comfortable with their previous employment and feared the loss of monetary benefits and their financial status had no interest in changing, and thus avoided and resisted the change. Hence, these informants did not see any favourable outcomes and, as a result, were not motivated to act or make the necessary changes until they had practically no other choice.

Fairness

Informants' perceptions of fairness can be viewed in light of the organizational justice theory of distributive and procedural justice (e.g. Cobb et al., 1995; Dailey & Kirk, 1992; Folger et al., 1989). The concept of distributive justice relates to the fairness of the actual outcome received by an employee while procedural justice refers to the fairness of the procedures used to determine the distributive outcomes (Dailey & Kirk, 1992). The findings showed that the participants who perceived fairness focused on the outcomes (distributive justice) received from the change. On the other hand, the participants who viewed the change as unfair expressed their concerns about both the procedures (procedural justice) and final outcome (distributive justice).

Additionally, the informants who perceived unfairness did so due to the lack of opportunity afforded them to give their input in the decision-making process of the change. This idea supports the notion purported by Cobb et al. (1995), that the field of organizational development's use of participation in change efforts incorporates a major underlying principle of procedural justice. They assert that procedures should give workers a "voice" by providing employees with the opportunity to express their views and letting them be aware that their interests are considered. The respondents' perceptions of fairness seemed to be linked with their readiness for the change as those who perceived fairness were those who exhibited readiness for the change while employees who perceived unfairness were those who expressed a lack of readiness.

Self-efficacy

It was apparent that the informants' confidence in their capabilities was a factor that determined how they related to the required job changes. Bandura's (1994) self-

efficacy theory helps in the interpretation of the informants' efficacy beliefs. Responses showed that enactive mastery, social persuasion, and emotional states (Bandura, 1994), were sources of the participants' efficacy towards the change.

Enactive mastery experience, one of the most effective sources of creating a strong efficacy belief (Bandura, 1994) was evidently a contributor to some of the participants' confidence in their capabilities to perform their new job tasks. Wood and Bandura (1989) stated that people become assured of their capabilities through prior successful experiences. This concept was evident in the participants' positive references to the prior training gained, which assisted them in their confidence to take on their new job tasks.

Social persuasion provided by the change agents through counselling and coaching was evidently a significant factor that contributed to some of the participants' confidence in their capabilities to make the change in their jobs. In this study, change agents provided social persuasion through professional counselling and emotional support. Malone (2001) describes this as coaching, whereby, managers and leaders of change help individuals understand and strengthen their self-efficacy through a collaborative and empowering process.

The emotional states of the informants also affected their self-efficacy about the change. According to Malone (2001), an individual's judgement of their stress and anxiety levels is a determinant of their probable success because individuals base their capabilities on their feelings. Individuals who perceived the assistance provided by the change agents as contributing to their confidence in their ability to deal with the negative emotions were those who moved on and expressed a greater level of confidence in their

capabilities to deal with the changes. Conversely, those who were less optimistic about the change were those who expressed a lack of confidence to attempt the change. These respondents felt perturbed by their negative emotions of stress and anxiety and did not see anything as assisting them to deal with the emotions.

The participants' views also revealed the dynamic nature of one's efficacy beliefs (Gist & Mitchell, 1992). They expressed changes in their confidence level whereby sometimes they felt confident to deal with specific aspects of the change while other times there was no confidence.

The research findings also support Bandura's (1994) statement that people with high assurance in their capabilities approach difficult tasks as challenges to be mastered rather than as threats to be avoided. In some instances, positive attitude and anticipation of the change contributed to the informants' high efficacy and willingness to change. As evident in the other cases and as explained by Bandura (1994), individuals with low self-efficacy are usually slow to recover their sense of efficacy and easily lose their faith in their capabilities, falling victim to stress and depression. This holds true to those participants who believed that the change required was unattainable and saw nothing as contributing to their ability to deal with it.

Lack of Control

Concerning the change initiative, the informants expressed the feeling of a lack of control and a sense of powerlessness. Applebaum and Wohl (2000) indicate that many change situations cause frustration and stress, which can leave employees with a feeling of powerlessness and ambivalence. According to Puri (1999), this is a common response because most people perceive change to be negative and associate it with instability and

disorientation. This negative reaction to change is intensified when employees feel they have little or no power to influence the future (Dowd, Shearer, & Davidhizar, 1998).

Most respondents expressed that they felt a lack of control specifically relating to the fact that they were excluded from the decision-making process. They expressed strong disapproval of management's lack of regard for their opinions and believed that if they were allowed greater input and control, the change results would have been different. Davidhizar, Giger, and Poole (1997), argue that to facilitate change, agents should provide as many avenues as possible for persons to provide input, to help make decisions, and to have some control over matters that affect them.

According to Applebaum and Wohl (2000), allowing employees to participate in organizational change reduces their fear by making them much more comfortable with the proposed changes. Dowd et al. (1998) also add that when possible, discussion of an anticipated change should begin at the grass-roots level so that employees know what is coming and that their input is valued and needed. They further advise that, even when employees cannot help to plan the change, working as a group can assist staff in planning strategies to cope with the change. In essence, as Sherer (1997) suggests in the process of change, control needs to be given back to the people because those who feel a strong sense of control are the most productive. The sense of lack of control among the participants in the study was an impediment to readiness.

The Time Factor

Several informants indicated that it was due to the passage of time that they became more willing to change. They expressed the varied emotions they experienced and the subsequent resignation to their fate. Davidhizar et al. (1997) confirmed the fact

that time aids in accepting change and the unexpected outcomes that are often associated with it. Time can enable an individual to move slowly through the grieving and emotional processes associated with the change and to experience it less intensely (Davidhizar et al., 1997; Dowd et al., 1998). Furthermore, spreading the change out over time can also reduce the trauma of change (Davidhizar et al., 1997). Applebaum and Wohl (2000), also advocate that change is more easily accomplished if it is not rushed. The research is supportive of the literature in that time appeared to play a significant role in creating readiness.

Inevitability

The time factor enabled the participants to gradually be ready for the change. However, the research revealed that it was the inevitability of the change that finally led to the realization that the impending change was inescapable and certain, influencing the participants' decision to take the necessary steps towards making the change. Most of the respondents stated their displeasure with the fact that they were forced to change whether they were willing to change or not.

Dowd et al. (1998) asserted that change is difficult for everyone and it is especially difficult when it is mandatory and imminent, for input into the change process is unlikely, the time available to plan and adjust is minimal, and negotiation is next to impossible. Davidhizar et al. (1997) advise, however, that when change is imminent, it is helpful to look into the future to imagine how the change, though difficult and painful, may work out in the end. The ability to look into the future and to see the world at another point in time may make the pain of change less traumatic. This was the

experience of some of the participants who soon realized that there was no other option but to change.

Ability to Deal with Future Changes

The participants' responses on questions regarding their ability to deal with future changes also supports Bandura's (1994) notion that one's prior experience increases one's confidence. There was a consensus in the participants' responses, which indicated that they believed they were better equipped to deal with future changes due to the past change experienced at the City. It appears that even though most respondents did not desire or anticipate the changes, they felt that this previous accomplishment had now increased their confidence in their capabilities to attempt future changes.

In summary, this chapter linked the results of the study to the literature. Several constructs that extended the readiness model were presented, thus providing an expanded understanding of individual level readiness factors. In the following chapter, a summary of the research findings is presented, after which I conclude with the research limitations and directions for future research.

CHAPTER SIX

Conclusion

This case study provided insightful knowledge on factors that individual employees perceive as creating their readiness for a transformational change. Based on the findings, the constructs discrepancy, appropriateness, personal valence and self-efficacy adapted from Armenakis and associates' (1993, 1999, & 2001) model proved to be applicable in the assessment of the employees' readiness in this change context. The additional construct, attribution of responsibility, derived from other literature did not appear to be a significant contributing factor to the participants' readiness for the change. On the other hand, the concept of fairness drawn from the organizational justice literature was viewed as an influence in employee readiness for the change. Through this qualitative study, I was able to obtain a significant amount of details from the participants, which revealed three additional factors that they perceived as influencing their readiness for change or lack of it: a sense of control, the time factor, and the change inevitability.

The research findings provided a perspective that broadens Armenakis et al.'s (1993, 1999, & 2001) notion of discrepancy. The findings contributed to the understanding that having information and awareness of the reasons for a change effort does not effectively bring about readiness. Rather, the reasons for change should be seen as compelling, legitimate, and crucial in order to enhance employee readiness to change.

The findings also indicated that the appropriateness of the procedures used to carry out a change is a significant contributor to readiness. Similar to the fact that employees want to see that an appropriate decision is made to solve the discrepancies

encountered, employees also want to see that appropriate procedures are used to implement these changes. Due to the strong customer value held by the participants, procedures are considered appropriate when customers are carefully considered. Additionally, the participants' responses showed that procedures are considered appropriate, when information is communicated on a timely basis, when the employees' interests and views are taken into consideration, and when fairness is served.

Participants showed concerns about their personal valence, which is a factor that influenced their readiness for the change. The research revealed that the individuals that were most positive about the change were those who perceived positive outcomes, while those who exhibited a lack of readiness were those who did not anticipate any positive outcomes.

Due to the radical nature of the transformational change experienced by the participants, their confidence in their capabilities was affected by three sources of efficacy. The participants' mastery experiences gained in their training exercises for their new jobs were sources that influenced their confidence in their capabilities to attempt the change. Additionally, the participants' responses to questions regarding their ability to deal with future changes revealed that they believed that their previous experience (enactive mastery) with the change had equipped them with a higher level of confidence to deal with future job changes. The research findings also revealed that the social persuasion provided by organizational leaders in the form of coaching, was very beneficial to some participants who were emotionally stressed by the changes. Lastly, the research data also indicate that the participants' emotional states, such as their levels of stress and anxiety, were also sources that affected their level of confidence. These

sources of efficacy beliefs purported by Bandura (1994) were seen as factors that influenced the informants' confidence in their capabilities, and consequently their readiness for change.

The attribution of responsibility construct did not appear to have a significant influence on the participants' readiness for the change. The feeling of powerlessness and the inability to influence those responsible seems to have contributed to most informants' feeling that blaming the government or organizational leaders would not help. However, the participants' expressed opinions on the fairness of the change outcome and procedures made it evident that this factor influenced their readiness. Those who perceived fairness were those who exhibited readiness, while the respondents who did not perceive fairness of the change initiative were those that did not anticipate the change and expressed a lack of readiness for it.

The research findings also show that it is necessary for individuals to have a sense of control over how the changes will affect them, and that time is an important factor in enhancing employees' ability to deal with change. Furthermore, while there are many difficulties dealing with mandated changes, the inevitability of the change encountered created heightened awareness and motivation that contributed to the participants' willingness to work towards change.

Limitations and Directions for Future Research

This research provided a number of contributions to the understanding of employee readiness for organizational changes. There are, however, some limitations. These limitations are discussed along with directions for future research.

Research has shown that an individual's traits influence his/her adaptability and readiness for change. Adaptation and innovation (Kirton, 1980) and locus of control (Weiss, 1996) are considered to be individual styles or traits that influence behaviour. Due to this research focus, however, these components were not incorporated in this study. Future research can take into account the individual's perceptions of their readiness in relation to their cognitive structures and personality dimensions.

The present study is a one-time, snap shot, analysis of employees' retrospective views of their readiness. Readiness, however, is a dynamic process that occurs over time. Therefore a longitudinal approach that aims at capturing individuals' readiness for change at different points in time would have provided a more thorough investigation of this subject. The employees' perceptions of their readiness can be assessed prior to, during, and after the change initiative. This will provide insightful knowledge on if and how individuals' perceptions of their readiness evolve over time and what factors influence this evolution.

This study focused on a public service organizational setting—one in which the need for the termination of a basic utility service provided to the citizens was considered illegitimate. Moving away from this public mission of providing an important public service affected most participants' interpretations and reactions. In private companies, employees may consider it acceptable for their organizations to contract out parts of their operations, thus the applicability of the findings of the current study to private sector companies must be interpreted with caution. Nevertheless, this study helps us to understand employees' lack of readiness when they consider the change to be unjustified or illegitimate. Private organizations may undertake changes that are viewed by

employees as incompatible with their missions and, therefore, as illegitimate. We would expect that the findings from this study could help inform employee readiness or lack of it in organizations, either public or private, that attempt changes that employees view as unjustified. Future research may attempt to compare how employees respond to similar changes attempted in both private and public organizations.

Furthermore, this research focused on the individual's perspective. Future research may look at both the individual and the managerial perspectives and see how they differ. While managers may perceive their communications and actions as enhancing readiness, employees may perceive such attempts as inadequate. Research on similarities and differences in perspectives across the levels in the organization should provide insight into how major change can be more successfully effected.

In conclusion, organizational change is a fertile area for future research. Given that the majority of change attempts in organizations fail, more research is needed to shed light on this complex phenomenon. The present study attempted to make a step in that direction.

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APPENDIX A

Letter of Consent

My name is Barbara Anderson and I am currently a Graduate Student in the Masters of Science in Management Program at the University of Lethbridge.

One of the major requirements for the M.Sc. qualification is the completion of a research project. The project I have chosen seeks to assess what are the factors that influence change target's (employees) readiness for job changes in the context of deregulation. This letter seeks to request your participation in a recorded interview in order to get your opinion as it relates to this research.

Your participation is completely voluntary, confidential, and anonymous. Sources of information generated in this study will be reported in general terms without reference to your particular results. The research findings will be used for this master's research project and possible future presentation or publication in academic conferences or journals; no individual interviewee will be identified with any comments or opinion expressed in the interview or other communications. The original supplements of this research will be retained in secure storage at the University of Lethbridge for one year, after which they will be destroyed. A summary of the findings will be available to you upon your request.

Your participation in this research is greatly desired and is valuable to its success. You are however free to withdraw at any time, without prejudice. This research is being carried out in accordance with the Tri-Council Policy Statement and The University of Lethbridge policies. Questions of a general nature may be addressed to the office of Research Services, University of Lethbridge [phone: (403)-329-2747]. If you have any about this study please feel free to contact me at the telephone number (403) 382-7143 or (403)-394-7989 or by e-mail at Barbara.anderson@uleth.ca. My supervisor for this project is Dr. Samia Chreim, of the Faculty of management, who may be reached at (403) 382-7144.

I wish to express my sincere gratitude for your much-anticipated participation

Sincerely

Barbara Anderson, M.Sc. Candidate
Faculty of Management, University of Lethbridge

=====please sign and detach=====

I consent to participate in the study entitled "readiness for change: job changes in the context of deregulation" as described in the letter dated May 22nd 2002.

Printed Name and Signature

Date

APPENDIX B

Interview Questions

Category 1

- ♣ Please state your job title and describe your present job responsibilities?
- ♣ Please give a brief history of your career in this organization.
- ♣ How is your present job different from your previous one?

Category 2

- ♣ Could you describe the changes that occurred in the deregulation process
- ♣ How was your work affected by the changes that arose from deregulation/restructuring?
- ♣ What was the experience like for you?
- ♣ Think back to when you initially heard about the change, what was your reaction?
- ♣ Why was this your initial reaction?
- ♣ (Probe into each of the reasons offered by the employee as explaining the initial reaction)
- ♣ How did your opinion towards the change, or your perception change over time?
- ♣ Why did your opinion or perception change over time? Or what caused the change in your attitude or perception. (Probe into each of the factors mentioned.)

Category 3

- ♣ Were you aware of the reason or reasons why the city made this change?
- ♣ What was your opinion of the city's reason for the change?
- ♣ Did you agree with the city? Why or why not? How did this affect your reaction to the change?
- ♣ Would you say that knowing why the change was necessary enabled you to prepare for the change? If not why?
- ♣ Do you believe that deregulation was the appropriate solution to the problems faced or was there a more appropriate solution?
- ♣ Probe. What other solutions do you think were available? Why do you think they were not selected by the city?
- ♣ Who or what do you believe was responsible for bringing about the change?
- ♣ Why do you think so?
- ♣ Was an understanding of who was responsible for the change important for you? Why (or why not)?
- ♣ Were you aware of any personal benefits or positive outcomes to you that would be derived from the change? Please describe them.
- ♣ What do you think about these benefits? Were they helpful in making the job change process easier or the change more acceptable?
- ♣ Were there any negative outcomes? How did they affect your reaction to the change?
- ♣ Do you think you had the skills or knowledge to undertaking the change?
- ♣ If not, why

- ♣ Were you provided with programs or resources, to help you to prepare for the change? What were they?
- ♣ Did you feel confident to undertake the change? Why or why not?
- ♣ If not, what resources or programs should have been provided to prepare you for the change?
- ♣ Did you receive any incentive?
- ♣ Were the proposed offers fair? If not, why?
- ♣ What is your opinion of the fairness of the change procedures?
- ♣ Were the other employees treated fairly? Why or why not?
- ♣ Did you anticipate the news about this change?
- ♣ How did you learn of the change that was about to take place?
- ♣ Who informed you about the change?
- ♣ How were you informed? What medium was used, e.g. Letters, memos or meetings.
- ♣ What is your opinion of the manner in which you were told about the change?
- ♣ Did you receive sufficient information regarding the change? If yes, what sort of information. If not, why?
- ♣ Would say that having more or sufficient information about the change would have made the change process a better experience for you?
- ♣ Do you have any suggestions as to what management could have done to provide more or better information before the change effort?
- ♣ What are the other ways in which you believe information could have been provided to you.
- ♣ What was your role in the activities leading up to the actual change?
- ♣ Were you directly involved in the decision-making process of the change before it was actually implemented? If not, would you have liked to be?
- ♣ If yes, do you believe your participation was important or helped you to go through the change?
- ♣ What type of skills did you need to perform your new job tasks?
- ♣ Did you have the skills that you needed to perform your new job tasks?
- ♣ If yes: What did the city do to provide you with those skills?
- ♣ If not: Would training have helped to make the transfer to the new job an easier experience for you?
- ♣ What type of training was needed?

Category 4

- ♣ Is there anything else that management could have done to make the job change easier or to increase your willingness to change?
- ♣ In general before you go through a change such as this one, what are the things that you would like to see happen?
- ♣ Is there anything else that you would like to add?
- ♣ In general, what is your view today of the change that resulted from deregulation?
- ♣ Would you say that this change has equipped you, or will make you better prepared to go through another change?