

# CHAPTER 1

## INTRODUCTION AND PROBLEM STATEMENT

### 1 INTRODUCTION

The environment in which organisations operate has become increasingly complex, turbulent, and uncertain (Veldsman, 1995). Changes in this environment are due to various factors such as increased global competition and competitors, technological innovations, new or different government and international regulations, economic and social restructuring, growth (as a product of success), the changing nature of the workforce, the ecological dilemma with increased attention on the environmental impact of organisational practices and shifts in client and stakeholder expectations (Mohrman, Mohrman, et al., 1989; Goodstein & Burke, 1991; Welford & Gouldson, 1993; Nadler, Shaw, Walton & Associates, 1995; Greenwood & Hinings, 1996).

Only organisations able to respond quickly and effectively to changing environmental conditions will be able to survive (Nadler, et al., 1995). For organisations to remain in business, they have to change to keep in balance with the environment. At the broadest level, two types of change can be distinguished which are "sufficiently pervasive in recent work and sufficiently central in the conceptualization of change" (Weick & Quinn, 1999, p. 362). The one type is described as first-order, incremental, continuous and evolving aimed at the regular fine-tuning and making of adjustments and modifications in the regular process of the organisation to improve itself (Levy, 1986; Goodstein, et al., 1991; Nadler, et al., 1995). The existing understanding or schemata (based on beliefs and values) of organisational members and how the organisation is understood, is usually reinforced during incremental, continuous change (Bartunek & Moch, 1987). The basic assumption of continuous change is that everything changes all the time (Weick, et al., 1999).

The other type of change is episodic, discontinuous and intermittent (Weick, et al., 1999; Nadler, et al., 1995). Concepts such as second-order, radical, fundamental, revolutionary and transformational are also used to describe discontinuous change. It is understood to be pervasive, permeating the whole organisation, strategic in intent, disruptive because programmes are replaced rather than altered, and aimed at changing the "core" of an organisation (Goodstein, et al., 1991; Levy, 1986; Forsell & Jansson, 1996; Weick, et al., 1999). In this process of change, the organisation is not trying to improve fit, "but rather to build a whole new configuration, with a new strategy, new work, new formal organization arrangements" (Nadler, et al., 1995, p. 22). A crucial aspect of episodic change is the shift in paradigm<sup>1</sup>, the modification or rather replacement of the shared understanding, values and beliefs of organisational members and the way in

1. Mohrman et al (1989) identify three main characteristics of a paradigm, namely (1) a social matrix consisting of people who share a particular way of looking at the world and behave in a way that corresponds with their world-view; (2) a world-view that is the cognitive approaches and affective responses of the social matrix, and (3) a particular way of doing things.



which the organisation is understood (Bartunek, et al., 1987; Mohrman, et al., 1989). It can also include a shift in the perceptions and beliefs in the organisation regarding their employees, customers, competitors and products (Nadler & Tushman, 1989).

The nature, extent and rapidness of the changes currently faced by organisations have effectively “rewritten the game of business”, bringing new meaning to the Darwinian theory of “survival of the fittest” (Harper, 1998, p. 25), thus requiring companies to respond to competitive pressures by instituting large-scale, fundamental or episodic change (Eby, Adams, Russel & Gaby, 2000; Mohrman, et al., 1989).

## 2 MANAGING CHANGE OR TRANSFORMATION

Understanding the different approaches to and challenges of the types of change is important. However, applying the appropriate type of change when required by the challenges of the environment is really the crux for the long-term sustainability of organisations (Nadler, et al., 1995). Furthermore, for organisations to maintain its viability and competitive edge, managing change effectively needs to be a core competency in which managers are skilled (Veldsman, 1995; Tampoe, 1990).

Veldsman (1995, p. 5) describes an organisational reality as a “dynamic network of dynamically interrelated elements”, namely the environment, strategic intent, architecture, people and outcomes<sup>2</sup>. Based on this understanding of the organisational reality, successful change is described as “a permanent change in the content of the organisational elements and a reconstituted dynamic balance amongst the various elements, giving the organisation a different overall strategic configuration and trajectory (or track)” (Veldsman, 1995, p. 9). Blumenthal and Haspeslagh (1994, p. 105) define successful transformation as “one in which management has succeeded in institutionalizing the behavioral change required for long-term financial success”. Change is thus a complex process, involving the redefinition and reconstitution of the various elements for a new direction which is sustained or made durable by the actions or behaviour of the “people” element of the organisation. Because people are the life line of an organisation (Brockner, 1988), successful change should also be measured by the legacy it leaves in its wake: does it promote a healthy organisation (with healthy people and relationships) or “does it leave behind bruised feelings, mistrust, and animosity” (Jurow, 1999, p. 60) or decreased employee moral, motivation and commitment in the longer term (Tampoe, 1990).

Managing change and especially second-order or transformational change effectively is not easy. “Whatever their frequency, it is apparent that large-scale system changes are risky, hard,

2. Veldsman (1995) discusses the dynamic network of the elements in detail. He describes the environment as the micro and macro environment, and strategic intent as the mission, values, vision, strategy and strategic objectives of the organisation. Architecture refers to the technology, and the formal organisational structures, processes and culture. The element of people also includes the interactions among them while the outcome refers to individual, group and organisational results. Nadler and Tushman (1989) and Nadler et. al (1995) describe an organisation as consisting of various interacting components, namely work, the people who perform the tasks, formal organisational arrangements and informal arrangements.

Rather than argue and discuss the similarities and differences between elements and components, the point here is simply to indicate that an organisation consists of various intricately interrelated elements and components that (1) need to be addressed in a large-scale change, and (2) contribute to the complexity of a process of change.



complex, unpredictable and emotionally intense" (Mohrman, et al., 1989, p. 27). It is often bewildering and unsettling to the organisation's members, and sometimes even to the suppliers and customers as well (Tampoe, 1990). The success rate of effective large-scale change or transformation is rather moderate. Hennestad (2000) is of the opinion that attempts at major change often fail or are characterised by underachievement. Levine (2001) gives the success rate of redesign efforts at 30%, Farias (2000) refers to an average of about 50% and according to Hamilton-Attwell (1997) the success rate is between 20% and 50%. Kotter (1995) observed more than 100 companies trying to make themselves better under various banners such as TQM, reengineering, right sizing, restructuring, cultural change and turnaround aimed at coping with new markets. However, he remarks (Kotter, 1995, p. 59) that few of the efforts have been successful, few have been utter failures, "with most of them falling somewhere in between with a distinct tilt toward the lower end of the scale". What is furthermore significant is that organisations seem to portray or regard "change" (and in this respect, the process of staying in business) in predominantly negative terms (Kabanoff, Waldersee & Cohen, 1995; Nelson, 1995).

Given the dynamic nature of the environment in which organisations have to operate, it is therefore a real concern that organisations do not seem to be responding successfully to the change. Unsuccessful efforts to manage change or transformation, not only jeopardises an organisation's chances of remaining in business or maintaining a competitive advantage, but may leave managers frustrated and employees cynical, adding to the difficulty of the next round of change (Schneider, Brief & Guzzo, 1996). As people are at the crux of the process of change (Wheatley, 1992) and given the increased stress levels resulting from a change process (Mohrman, et al., 1989; Nadler, et al., 1995; Hamilton-Attwell, 1997), it seems even more crucial to consider the human and social cost of a failed process. The effort, hardship, disillusion and burned fingers resulting from an unsuccessful change cannot simply be erased from the memories of employees and will thus be carried forward to the next process.

The ability to manage change will be more important in the years ahead than at any time before. While the future may be uncertain, it is clear that organisations (and leaders) without the ability to respond successfully to the accelerating rate and breadth of change will have no future (Harper, 1998). As the management of change is regarded as an essential core competency of companies who wish to remain part of the economy and the future (Veldsman, 1995; Nadler, et al., 1995), concerted efforts are necessary to improve performance in this respect.

### **3 CONTRIBUTING TO CHANGE MANAGEMENT FROM MULTIPLE PERSPECTIVES**

Farias (2000) argues that in order to increase the number of successful transformations, a better understanding of the factors leading to successful change is necessary. However, it is argued that organisational change is something that is "managed", but it is also something that is "experienced". Blau (in Rousseau, 1999, p.524) argues that, in contributing to or building organisational competency in managing change, "distinct frames of references are necessary to evaluate actions and accountabilities, and the managerial perspective is one of many".

Viewing organisations from the older Newtonian perspective of a *well-behaved machine*, implies that the process of change would rely on the belief in linearity and predictability. Implementing a new order would be imposed from above resulting in top-down, command-and-control leader-



ship expecting employees to adhere to decisions reliably and passively (Tetenbaum, 1998, p. 21). However, the new understanding of organisations as living systems, having the ability to learn and the capacity to renew themselves has, among other things, a new perspective on the role of managers or management and the role of employees (Wheatley, 1992; Tetenbaum, 1998). Managing an organisation is seen less as ensuring stability where a choice is made between "either/or" but increasingly as the ability or necessity to manage contradictions, to fuse or to reconcile polarities with "both/and" thinking (Tetenbaum, 1998; Veldsman, 1994). From this perspective it is thus argued that with respect to change, managers need to fuse the perspectives of management and employees; have to manage the process **both as managers and as employees**. This fusion can be facilitated by a body of knowledge on employee perspectives on and of change. Employees are increasingly regarded as the most important asset of an organisation. It is acknowledged that "every employee has the energy to contribute and "there are no unimportant players" (Wheatley, 1992, p. 56). Employees' participation in decisions affecting their work lives is encouraged, and their contribution in improving the functioning of the organisation is increasingly realised. Various organisations are developing practices to increase employee involvement, motivation and commitment (Mohrman & Cummings, 1989). Ownership, described as employees' emotional investment in the work, is now regarded as more important than ever because it enhances commitment and people support what they create (Wheatley, 1992). It is thus argued that an appreciation of the constructive, participatory role of employees in the competitiveness of organisations necessitates an in-depth understanding of how they experience change, how they are affected by such a process and in what way their participation in or co-ownership of the process can be facilitated.

Having argued for and justified the necessity and benefits of a multiple perspective on change management, it is significant that the dominant perspective in the literature is that of management. "To a great extent, research on change has focused on management's perspective" (Rousseau & Tijoriwala, 1999, p. 524). In an article Ashford (1988, p. 20) remarks that literature on change is "curiously silent about the impact of major organizational transitions on employees or the way employees attempt to cope with these situations" (Ashford, 1988, p. 20). Several years later Nelson and Cooper (1995, p. 57) argue that little progress had been made in this regard and conclude that "relatively little attention has been paid to the consequences for individual well-being of large-scale organisational change". Focusing on research in this regard, they conclude further that this endeavour has rarely focused on how large-scale change within organisations affects employees and "which characteristics of either the environment or the individual mediate these reactions" (Nelson, 1995, p. 58). In the process of developing a best practice model for change management (tapping into existing literature and surveying companies), Clarke and Garside (Clarke & Garside, 1997) refer to the historical tendency of excluding the human and cultural side of change management (and thus also employee experiences). Both Rousseau and Tijoriwala (Rousseau, et al., 1999) and Eby, Adams, Russel and Gaby (2000) remark that little is known about and little empirical research has focused on how employees understand and interpret the decision to change. This lack of comprehensive information prompted their respective research projects. It is thus concluded that comprehensive research information on employee experiences of transformation and the impact of such processes on the well-being of employees other than from a management perspective (both conceptual and empirical) is fairly limited.



The lack of information on the impact of a process on employees generally and on their well-being does not mean that there is no information on change. What does seem to be prominent in management and organisational psychology literature is people's tendency to resist change (Gagne, Koestner & Zuckerman, 2000; Mohrman, et al., 1989) with the result that much debate and advice is directed at overcoming resistance to change, motivating people to participate in the process of change or overcoming fear of change (Lawrence, 1991; Kotter & Schlesinger, 1991). However, little empirical information is available on why people resist change and what elements or aspects of a process of change specifically, if any, elicit resistance and whether all people (employees) resist change. It is also unclear what role, if any, particular characteristics of the context or the process play in eliciting responses of resistance. Moreover, it seems important to know "who" identified or interpreted certain conduct as resistance. Did employees express their resistance to the process of change or did members of management brand certain behaviours such as asking difficult questions or commenting on potential mishaps as resistance? How does the general tendency to resist change relate to employees' creative and innovative abilities that in some organisations are the reason for their success (Amabile, Conti, Coon, Lazenby & Herron, 1996)? How does resistance relate to people's leadership abilities or should it be accepted that those qualities belong only to people in managerial positions (Guastello, 1995)?<sup>3</sup>

It is also general knowledge that people experience change as stressful possibly due to increased uncertainty and that such a process elicit a wide variety of positive and negative experiences and emotions (Mossholder, 2000). However, little empirical information is available on what employees experience as positive and/or negative and why they experience it as such. Furthermore, increased participation right from the start of a process of change is seen as a solution to the "people problem" (Nadler, et al., 1989; Lawrence, 1991), but how does that relate to information that not all employees necessarily view participation in a positive light (Coyle-Shapiro, 1999) or wish to involve themselves in organisational activities (Argyris, 1998). The question can also be raised as to why increased participation is regarded as a solution? Does it increase employee commitment, contribute to the feeling of being valued by the company or increase the possibility of obtaining information about the process? Moreover, what organisational or other characteristics facilitate or inhibit the positive effect of participation?

Failure to bring about change is often blamed on an inability to change people or to institutionalise new behavioural patterns (Cooper & Markus, 1995). The question arises whether we know how to achieve change in behaviour or institutionalise new behaviour in the organisational context? What are the underlying psychological processes of relearning and then performing new behaviour of one's own free will? Is it any different, for instance to changing smoking into non-smoking behaviour? Schein (1993) refers to the relearning of behaviour in a psychologically safe environment, but what are the qualities of such an environment and why would it facilitate successful learning? Many questions regarding behavioural changes during transformation still need to be answered.

It is thus argued that a conceptual tool or framework, proposing a more integrative and holistic perspective on employee experiences and behaviour during transformation processes can

3. Resistance to change is used here as an example to illustrate the various unanswered questions that still exist despite the clear and dominant belief that people resist change. However, the focus of the study is not on resistance per se.



facilitate an understanding of employees and thereby contribute to the more effective management of change. From the management perspective several frameworks are already available eg, Clark and Garside's (1997) best practice model or Veldsman's (1995)<sup>4</sup> change management logic, to assist organisations in obtaining a holistic view of change management through the identification of the key components of a management logic. It also facilitates decision making on the area or component of the organisation that needs attention or that may perhaps be responsible for the lack of success. Focusing on the people in a process of change (behavioural issues), there is still a need for an integrative perspective that can facilitate understanding employee experiences and conduct in change.

Finally, Hennestad (1998) argues that before an organisation can implement tools to increase the level of empowerment of employees, it needs to know what de-powers employees. Veldsman (1994, p. 15) argues that organisations need a "compass" that can assist them in making informed choices between all the "magic potions" that are supposed to improve competitiveness. In the same way it may be argued that an integrative framework for employee experiences (behavioural issues) is necessary to assist organisations in evaluating and choosing viable and applicable remedies or magical potions to overcome, inhibit or rectify the negative consequences or impacts of a process of change on employees.

#### **4 OBJECTIVE OF THE STUDY**

This study proposed to obtain information on the experiences of employees in an academic institution during a period of organisational transformation, from the employee perspective.

Grounded in the experiences of employees and having reviewed existing literature, this study then proposed to develop a conceptual framework or tool for understanding employee experiences during a process of transformation which could facilitate practice and at the same time contribute to theory in this regard.

For the purpose of this study, transformation or change is understood as episodic, discontinuous and disruptive (as defined in 1.1). It is further understood to involve a shift in paradigm where the shared understanding, values and beliefs of organisational members are replaced rather than reinforced.

#### **5 ACADEMIC CONTEXT FOR THE EMPIRICAL STUDY**

The selection of an academic institution for studying employee experiences of change had to do with accessibility rather than with the intention to explore the nature of transformation in the higher education sector. That the higher education sector and academic institutions in general in South Africa are also exposed to the challenges and changes in the external environment, demanding rapid, episodic or revolutionary change instead of evolutionary change is clear (Vorster, 1998; Greenwood & Hinings, 1996). The demographic profile of students at universities, technicons and colleges is changing from predominantly White or Black (at historically disadvantaged universities) to multiracial and multicultural requiring, among other things, a

4. Veldsman (1995, p. 10) argues that organisations learn to manage change in a certain way which provides the organisation with a certain change management logic. Change management logic is defined as "a fundamental way in which the organisation believes change must be managed". Veldsman discusses the components of the change management logic in detail.



reevaluation of cultural fairness and applicability of course content. The demand for the Africanisation of academic institutions versus a so-called Eurocentric approach contributes to the revisiting of various previously assumed non-negotiables. Financial assistance provided by Government is decreasing, which necessitates the adoption of business principles in the management of academic institutions. The intrinsic value of education is challenged by issues such as the potential income it can generate and whether or not the education deals with the needs and problems of the South African public (Vorster, 1998)<sup>5</sup> Furthermore, new government policies, such as the White Paper on Education and Training (1995), challenge the established ways of doing business, requiring the adoption of new ways (The Faculty, 1995). Thus, due to the transformation taking place in academic institutions at large, institutions in this sector can thus be seen as potential study areas of large-scale change.

Mohrman et al (1989) explain that one of the reasons for the little research on large-scale organisational change is the limited opportunities to do so. Not many organisations regard large-scale change as something to be researched and furthermore can such an investigation be very close to the heart of the organisation. Managers may fear that the right information will end up in the wrong hands or being used against them. Thus, knowing that a particular faculty in the academic environment was in the process of major, revolutionary change and that they would at least consider a proposal to explore the experiences of the organisational members motivated the researcher to formally request the Faculty for permission to do so. Their understanding of the value of research and the potential opportunity for learning that such an endeavour could offer the institution, led them to allow access to organisational members.

Thus, the selected faculty is regarded as an institution undergoing transformation rather than an example of change in the higher education sector. However, it must be stated clearly that this study did not propose to investigate change in the higher education sector per se. Specifying the organisation under investigation as an academic institution simply identified or described it as a particular type of organisation, namely a knowledge-based environment (Drucker, 1988), so as to differentiate it from organisations in other sectors, such as mining or manufacturing. Specifying the nature of the organisation thus provided a context in which to interpret the findings of the study. Providing a description of the type of organisation should place readers of the study in a better position to judge its applicability to other contexts.

## 6 BACKGROUND TO THE PROCESS OF CHANGE IN THE FACULTY OF EDUCATION AT THE UNIVERSITY OF SOUTH AFRICA

In the document *Entering Tomorrow's World*, the official beginning of the process of transformation in The Faculty of Education, is introduced as follows:

The 1990s are characterised worldwide as a period of accelerated change, transformation and innovation which stimulate critical analysis, restructuring and even paradigm changes. This is also the case in higher education and UNISA is at the forefront of these trends. The process of change, transformation and innovation within The Faculty at the University of South Africa be understood against this background (The Faculty, 1995, p. 3).

In October 1994, prior to the announcement of the process of change in the Faculty, the Principal of the University of South Africa appointed a Commission of Enquiry, assisted by the

5. Whether one necessarily agrees with the nature of the changes, is a totally different matter and outside the scope of this study.



Executive Management Committee of the Faculty, to investigate its operations and capacity to deliver nationally within the changed socio-political context. Stakeholders from inside and outside the faculty concerned with teacher training were invited to raise concerns, air their opinions, make suggestions in terms of the current practices as well as aspects that needed to be investigated.

After hearing 64 individuals and representatives of various bodies, the Commission set up nineteen task groups to investigate the issues and problems raised during the hearings over a period of two months. Most members of the faculty as well as interested persons from other faculties participated in the research process, including literature studies, discussions, group work, consultation with experts in the field, and interviews with a large body of clients and policy makers. The findings of the task groups were released at the end of January 1995 during an open meeting, followed shortly by the formal report of the Commission with final conclusions and 15 recommendations. After issuing the final report the Commission was dissolved.

The Executive Management of the faculty produced a document, *Implementation of the recommendations for transformation*, and appointed sixteen task groups to assist management in the process. A Transformation Coordinating Committee was established, comprising the Executive Committee and the Chairs of the task groups. Their main tasks were to ensure consultation of all role players and utilisation of expertise within and outside the university. The transformation process involved seven phases over a period of several years. Briefly, the transformation process involved the following issues/aspects:

- (1) a different/revised understanding of and approach to students (clients)
- (2) the phasing out of several existing courses and the development of new courses, which resulted in some expertise being rendered unnecessary and expertise required in new areas
- (3) thorough revision of all other courses, with specific reference to their relevance and applicability to the African context
- (4) changing the way in which course material is developed from an individual, single-disciplinary approach to a multidisciplinary, team approach
- (5) development of a new structure of the organisation in view of the new multidisciplinary, team organising of work
- (6) implementation of a staff development programme for increased performance.

The change thus involved the whole faculty and a clear shift in paradigm regarding the way things were done, the way of looking at the external environment and the way they see the organisation.

## 7 PRESENTATION OF THE STUDY

Chapter 2 describes the researcher's epistemological assumptions and discusses the method followed in arriving at the findings of the study. Chapter 3 deals with the first level of the data analysis. Each participant is introduced with reference to some demographic information, followed by a detailed description of the individual experiences of transformation, structured according to themes identified during the coding process. In chapter 4 the initial data is abstracted from the original individual context and presented in themes as opposed to the individual perspective presented in chapter 3. The chapter mainly discusses of the differences and similarities in experiences of transformation by comparing data in and between themes. Chapter 5 links and compares participants' experiences to what has been written on the



phenomenon of “experienced transformation”. Iterating between the experiences and existing literature, a conceptual tool or framework is proposed to understand or make sense of employees’ experience of transformation. Chapter 5 concludes with a discussion of possible research questions or areas for future research.