

**INVESTIGATING SAP AS AN INTERVENTION
CASE STUDY: JOHANNESBURG WATER**

MAGISTER IN BUSINESS ADMINISTRATION

AUTHOR

MR.MAHLATSE MASHIANE

**DEPARTMENT OF MANAGEMENT ECONOMICS AND
MANAGEMENT SCIENCES**

INSTITUTIONAL AFFILIATION

UNIVERSITY OF JOHANNESBURG

NAME OF SUPERVISOR

DOCTOR R.HUYSAMEN

31 OCTOBER 2006

Abstract

The objective of this research is to study how to successfully implement organizational change in a large organization. The study deals with an approach for implementation that incorporates both efficiency and flexibility. Within the domain of organizational change, this research focuses on business process change, more specifically the Human Resources Information systems planning and implementation and evaluation. The research question is approached by first studying how to carry out planning, implementation and evaluation according to the relevant existing theories of organizational change. Then, an ERP change implementation program is reflected with the existing implementation approaches and finally characteristics of a successful approach for change implementation are concluded. This study follows the logic of inductive theory building and qualitative case study. The research is designed as an embedded case study, the primary research object being an extensive change program that focuses on SAP implementation at Johannesburg Water. The case data is mainly qualitative in nature and is collected through participant observation, archives and numerous and diverse documents created within the program.

The focal terms and the scope of the study are defined based on relevant theory of organizational change. For understanding the existing body of knowledge on change planning, implementation, a multidisciplinary review is carried out including the theories of organization development, organization transformation, business process reengineering, project management and organizational learning. As a conclusion of the review, four research constructs are elaborated for guiding the case study. The constructs define essential elements of change implementation: initiation, management structure, and process and change advancement. Using the elaborated constructs, two generic implementation approaches are conceptualized, planned and emergent. The former represents centrally managed, sequentially proceeding holistic change, whereas the latter is about locally managed, continuous and incremental change.

STATEMENT OF ORIGINALITY

The material presented in this dissertation has not been previously submitted for a degree or diploma in any University or institution.

To the best of my knowledge it contains no material previously published or written by another person, except where due reference is made in the dissertation

Signed _____ Date _____

Acknowledgements

Firstly, I would like to thank my supervisor, Dr. Renalde Huysamen, for her support and guidance, which has made this research possible.

Additionally, I would like to thank the following individuals for their contributions and cooperation throughout the research:

- All the employees of Johannesburg Water who took the time to complete the questionnaires.
- Kuberanthian Nair, Michael Bevan, Morgan Naicker, Kumaron Pather for their assistance and advice throughout my studies.

Finally, I would like to thank my colleagues at Johannesburg Water for their continuous encouragement and support through the good and bad times, and also for helping with the proofreading of the document.

GLOSSARY OF TERMS

BPR	Business Process Reengineering
COJ	City of Johannesburg
ERP	Enterprise Resource Planning
GJMC	Greater Johannesburg Municipal Council
JW	Johannesburg Water
IT	Information Technology
OT	Organizational Transformation
OD	Organizational Development
PM	Project Manager
PMBOK	Project Management Body of Knowledge
SAP	Systems Application and Products
TQM	Total Quality Management

LIST OF FIGURES AND TABLES

FIGURE 2.1 Breaking through Resistance with vision.

FIGURE 2.2. An outline of a four phase model of change.

FIGURE 2.3. Level of communication clutter.

FIGURE 2.4. Barriers to Empowerment.

FIGURE 2.5. Definitions of planned change implementation approaches

FIGURE 5.1. Management communicated the urgency of SAPHR implementation to me.

FIGURE 5.2. The SAPHR steering team is of the right people, with high level of trust and a common goal.

FIGURES 5.3. There are sufficient resources to successfully implement SAPHR.

FIGURE 5.4. The SAPHR steering team has clear, roles and functions.

FIGURE 5.5. I know the overall mission and vision of JW as it was communicated to me before implementing SAPHR.

FIGURE 5.6. Senior management has clearly articulated the need for change to me before implementing SAPHR.

FIGURE 5.7. JW used two-way communication about SAPHR implementation to me.

FIGURE 5.8. Senior management have clear commitment to use SAPHR as a Human Resources information system.

FIGURE 5.9. There is monitoring system to assess progress in SAPHR implementation.

FIGURE 5.10. I participated in defining problems and solutions to SAPHR implementation.

FIGURE 5.11. The SAPHR change project was managed from the top.

FIGURE 5.12. I am provided with regular constructive feedback about SAPHR change process.

FIGURE 5.13. I am motivated by business vision of JW to reduce costs, output quality, and quality of life with SAPHR implementation.

FIGURE 5.14. Top management communicated a vision or agenda of the future of the organization to me.

FIGURE 5.15.I am committed to changes that will improve my company's performance.

FIGURE 5.16.The SAPHR change committee is well represented.

FIGURE.5.17.JW has a solid understanding of customer needs.

FIGURE 5.18.The SAPHR implementation is based on explicitly defined goals.

FIGURE 5.19.SAPHR implementation is carried out in all levels of JW.

FIGURE 5.20.I am empowered to make SAPHR Implementation successful.

FIGURE 5.21.Management gave feedback, about SAPHR implementation.

FIGURE 5.22.Management made a swot analysis prior to SAPHR intervention.

FIGURE 5.23.SAPHR implementation is managed by external agents.

FIGURE 5.24.I am appropriately placed within the organization structures since SAPHR implementation.

FIGURE.5.25.The training programs in my organization are consistent with future needs of the organization.

FIGURE.5.26.After implementation of SAPHR project organizational performance.

FIGURE.5.27.During the SAPHR implementation additional employees were brought from outside promoted and developed to help with the change.

FIGURE.5.28.Urgency levels are very high because SAPHR implementation purpose has been clarified.

FIGURE.5.29.Managers in the lower ranks of JW provides leadership for specific projects.

FIGURE.5.30.SAPHR plan has been developed to ensure ongoing support for employees.

Table 1.2.The links between the eight steps of creating change and the three areas of planning, implementation and evaluation and sustaining of change.

Table 1.3.Project Poseidon and SAPHR events using Kotter's framework.

Table 1.4.1.Relevant situations for different research strategies.

Table 1.4.2.Sources of evidence strengths and weaknesses.

TABLE OF CONTENTS

ABSTRACT	ii
STATEMENT OF ORIGINALTY	iii
ACKNOWLEDGEMENTS	iv
GLOSSARY OF TERMS	v
LIST OF FIGURES AND TABLES	vi
TABLE OF CONTENTS	vii

CHAPTER 1.

1. Introduction	1-2.
1.1. Bacgkound to Johannesburg Water	3-9
1.2. Research Problem	7-9
1.3. Literature Review	9-12
1.3.1 Sub Problems	9-12
1.3.1.1 Sub Problem 1	12
1.3.1.2 Sub Problem 2	12-13
1.3.1.3 Sub Problem 3	13-14
1.4. Aims and Objectives	15
1.5. The Research Methodology	16.-17
1.5.1 The Research Design	17
1.5.2 Collection of Data	17-18
1.5.3 Measurements instruments	18-19
1.5.4 Analysis of data	19
1.5.5 Sampling	20
1.5.5.1 Sample size	20
1.5.5.2 Sample type	20
1.6. Assumptions	21
1.7. The importance of the study	21-22
1.8. Delimitations of the study	22-23

1.9. Definitions	24
1.10. Outline of the research report	25-26

CHAPTER 2.LITERATURE REVIEW

1. Introduction	27
1.1. History of Change management	28
1.2. Approaches to Organizational Change	28-29
1.3. Types of Organizational Change	30
1.4. Organizational Change Planning	30-46
1.5. Organizational Change Implementation	47
1.5.1 Organizational Development	47-51
1.5.2 Organizational Transformation	51-54
1.5.3 Business Process Reengineering	55-58
1.5.4 Project Management	58-61
1.5.5 Learning Organization	62-69
1.6. Evaluating and Sustaining Change	70-79
1.7. Enterprise Resource Planning	79-81
1.7.1. Advantages of ERP systems	81
1.7.2. Disadvantages of ERP systems	81-82
1.7.3. Implementation of ERP systems	82-85
1.8. Summary	85-88
1.9. Conclusions	88-99

CHAPTER 3: PROJECT POSEIDON

1. Introduction	100
1.1. Project Poseidon	100
1.2. Interview Process	101
1.3. Document review	101
1.4. Implementation events	101-102
1.5. Analysis of Project Poseidon based on Kotter's eight steps model	104-105
1.6. Summary	112
1.7. Conclusions	112

CHAPTER 4: RESEARCH DESIGN AND QUANTITATIVE METHODOLOGY

1. Introduction	113
1.1. Research Design: Qualitative and Quantitative Approach	113-114
1.2. Research Strategy	114-116
1.2.1 Data Sources	116-119
1.2.2. Measurements instrument	119
1.3. Sampling	119
1.3.1 Sampling size	120
1.3.2 Sampling types	120
1.3.3 Trustworthiness	120
1.4. Analysis of data	120-121
1.5. Summary	121
1.6. Conclusions	121

CHAPTER 5: FINDINGS AND INTERPRETATION OF RESULTS

1. Introduction	
1.1. Findings and Analysis	122-123
1.1.1 Section A	123-134
1.1.2 Section B	135-146
1.1.3 Section C	146-158
1.1.4. Face to Face Interviews	159-160
1.2. Summary	160
1.3. Conclusions	161-165

CHAPTER 6: RECOMMENDATIONS AND CONCLUSIONS

1. Introduction	166
1.1. Recommendations	166-181
1.2. Action Plan	182 -184
1.3. Summary	184
1.4. Conclusions	185-188
1.5. Value of the Study	188-190
1.5.1. Theoretical Value	188-189
1.5.2. Practical Value	189
1.5.3. Methodological Value	189-190
1.5.4. Delimitations of the Study	189
1.5.5. Further Research	190

Appendix

References

Questionnaire

Chapter 1: INTRODUCTION TO THE RESEARCH

1. INTRODUCTION

Organizational change is a reality of the modern world, and that reality is not likely to change anytime soon. If anything, organizations can expect to face the need for even more change in the future, at an ever faster pace. Organizations have to deal with new technology and with upgrades for existing technology. They have to get by with reorganizations, process improvement initiatives, and mergers and acquisitions. So, with all that change going on, how are organizations managing to cope? Not very well. The reality is that relatively few of the organizations that institute change realize the benefits they had hoped for and, in fact, end up worse off than they were before. That does not mean that it is impossible to engage successfully in change. Many organizations do succeed (Conner *et al.* 2004).

They succeed by integrating any technical solution that was part of the change mix with a thorough and proactive orchestration of the non-technical human aspects associated with the change. In other words, the organizations that succeed at change do so by considering the people who are affected by it, who will have to live with, and are often crucial to effecting the change in question. Even better, not only does managing the human aspects of an organizational change initiative help ensure the successful implementation and use of the technical solution, it sets the groundwork for implementing future solutions (Lean *et al.* 2000).

This study investigates the requirements of how organizations can be successful when planning and implementing a change intervention. The study specifically analysis implementation of an Enterprise Resource Planning (ERP) called Systems Application and Products (SAP) within the Human Resources Department of Johannesburg Water(JW).ERP's are beneficial because they are integrated instead

of fragmented, embed best business practices within software routines, and provide organizational members with direct access to real-time information (Ross, 1999). Although ERPs provide benefits such as: improving the effectiveness and efficiency of the corporate IT infrastructure or enabling the integration of global business processes, many ERP projects fail (Aladwani, 2001; Robey *et al* .2002). Al-Mashari and Zairi (2000) report on failure which occurs due to the employees' resistance to change. Many companies ignore that ERP implementation represents more than an incremental change. Moreover, it is a radical change of technical infrastructure, business processes, organizational structure, the roles and skills of organizational members, and knowledge management activities. All the changes in these areas are essential for the success of the implementation (Martin 1998; Davenport 1998). This chapter covers the following topics: background to JW, the research problem, aims and objectives of the study, the research methodology, literature review and assumptions about the study, the importance of the study, delimitations of the study, definitions and finally an outline of the research report.

1.1. BACKGROUND TO JOHANNESBURG WATER

Johannesburg Water (JW) was established in January 2001 as an independent company, the City of Johannesburg being the sole shareholder. The company formation is an outcome of the iGoli 2002 transformation plan embarked on by the former Greater Johannesburg Metropolitan Council. Johannesburg Water has been mandated the responsibility of providing water and sanitation to three million residents of the City of Johannesburg. Annual turnover exceeds R1.6 billion. Services are provided along business principles, ensuring customer satisfaction and cost recovery.

In 2002 Johannesburg Water decided to re-evaluate all its business practices and to become a more focused and effective operator in its sphere of business or risk being sidelined by its customers and competitors. As a result of this business necessity JW decided to implement a new integrated technological system. The idea behind the integrated information systems was to achieve financial sustainability, operational effectiveness and efficiencies. The implementation of integrated information systems will allow the utility to implement reliable, clear and objective indicators in order to measure the performance of the company.

Prior to the introduction of the new integrated system the Human Resources function was both bloated and non strategic. In addition the service offered to the business was mechanistic and input driven. To support this function, a large number of HR practitioners were employed to provide specialist services such as Industrial Relations, Payroll, Training or Recruitment and so on. This approach to HR operated in direct contradiction to legacy information systems inherited from the City. The legacy systems required line managers to establish good management and HR practices while encouraging self management and development. Managers were required to assume line responsibility for functions such as Business Planning, Goal Setting, Communication, Performance Management, Career Development, Training

and Development needs and Time Management. This has resulted in employee service and reduced operational efficiencies.

In keeping with the old legacy approach, it soon becomes inevitable that the victim would be the HR function. Prior to the establishment of Johannesburg Water, the City of Johannesburg underwent a process of Functional Integration. Together with the legacy systems the Functional Integration processes succeeded in consolidating the role of a line manager from HR perspective. A key line manager role became managing people up down the HR value chain. Line managers were expected to manage all aspects of their employee's productivity, performance and development and were expected to consult with HR personnel only for deeply specialist HR services. The Human Resources function reported to line managers for this purpose.

The effect of such radical overhaul of HR within the City was transferred to the newly established utility as it was huge. Without the traditional HR practitioner collecting and maintaining information and the ever increasing work pressure on line managers the ability to collect and process HR information effectively become eroded. In addition the data that was being collected was not being used to drive business strategy as for the most part, it existed in disparate pockets throughout the organization. This led to a loss of organizational memory in the area of HR and people information as well as preventing the business from accessing real time information to the business of strategic people resourcing.

These reasons drove JW to seek a business solution that would meet the following criteria:

- Provision of an integrated HR information system that would cover the spectrum of compensation, organizational structures , training and development and time attendance;
- Provision of IT-based support to the HR community and line managers with the intention of entrenching or optimizing post functional integration Processes roles and responsibilities;

- The provision of better balance between divisional standardization and regional flexibility;
- Ensuring standardized policies, procedures, and reporting systems in line with legal requirements and best business practice;
- Allowing line managers to take additional responsibility for human resource management without being impeded by the legacy information systems that operated throughout JW. The legacy systems were stand alone home made systems that were not integrated and required ongoing duplication of data capture;
- Savings to the business through reduction of duplication of activities, streamlining of core functions and removal of non value add activities from the business.

The old version of Systems Application and Products (SAP) and the legacy systems are being replaced with new SAPHR/3 technologies for operational efficiencies. The project is an integrated process called Project Poseidon. Throughout the world, companies are replacing old technologies with new ones for various reasons, examples of this include: integration of all areas of business, availability of audit trail, simple generation of reports, rationalization of multiple systems to a single common solution, implementation of integrated Human Resources and Payroll functions.

The problem with JW information systems is that data largely resides on ageing and disparate legacy systems that typically cannot be shared. These systems were inherited from the City of Johannesburg and they have not contributed to the competitive advantage of the company. According to research by Shannon (2002), the goal of most SAPHR projects is to provide managers and HR professionals with the capability to manage employee information effectively, to the benefit of both the employer and the employee. Johannesburg Water believes that by implementing the SAP/3HR system there will be large costs savings and major benefits such as streamlined business processes, business process automation and improved data accuracy. JW views the implementation of SAP3/HR as a strategic imperative which will give the company a competitive advantage.

According to da Silva *et al.* (2006) many companies have been successful in the past with regard to the implementation of an ERP solution for their unique businesses. This is for the reason that they fail to recognize certain factors which lead to disastrous mistakes occurring. One of the most predominant reasons why these companies fail at the end of the day is as a consequence of unplanned or under planned phases of implementation. An example of improper planning can be given that a company will establish a business process, think it through, and implement it, but all before the selection, purchase, and deployment of the software solution. It is possible that by overlooking a critical stage such as this a company implementation strategy could be lead to its eventual death (da Silva *et al.* 2006).

The problem with Project Poseidon is that JW was purely focusing on technology and this alone cannot solve a business problem. Management had abdicated responsibility for the implementation by assuming that all issues have been addressed or even identified by the vendor and believed that technology alone will prevail. As a result, implementation was elongated, with badly defined requirements which resulted in inadequate defined measures of success. The ERP project was rushed, with a total leap from requirements definition to the development phase by skipping necessary implementation steps. These steps such as building a solid implementation plan and a solid understanding of what it will take to develop and implement the solution before hand are in the end vital to the success or failure of ERP projects (JW SAP, 2002).

The most glaring symptom to describe the problem at JW is the failure to implement the technological system as projected according to strategic plans of the organization. After realizing the issues confronting implementation of the project the previous Managing Director of the Company through the advice of the Human Resources and Corporate Resources Executive had put forward eight steps, which if followed would address the process needs and at the same time facilitate the underlying changes required. The eight steps were taken directly from Kotter (1996) in which he had recognized, based on extensive research, eight errors that

companies make when implementing any change process. The first three relate to the planning process. The next three relate to the implementation of the processes, and the last two steps relate to evaluating and sustaining the changes brought about during the first two phases.

The three phases provide the basis for these issues or sub problems. The first step relates to whether the strategic steps relating to the planning phase were correctly applied. The second step relates to whether the strategic steps relating to the implementation phase were correctly applied, and the final step relates to whether the strategic steps relating to the evaluation and sustaining phase were correctly applied. Adding some substance to these sub problems, each of them can be considered within the ambit of the three criteria, namely; whether the steps suggested by Kotter (1996) were followed from a technically correct viewpoint and, a philosophically correct perspective in terms of communication and whether adequate systems for measurement were put in place.

1.2. The Research Problem

According to research carried out by Morley (2005), about one third of the organizational change initiatives survive beyond initial implementation and two third of change initiatives fail. In Kotter's view (1996) significant change has grown tremendously in organizations during the past two decades due to powerful macroeconomic forces. Whenever human communities are forced to adjust to shifting conditions, pain is ever present. Some of the most common errors when transforming an organization are:

- Allowing too much complacency,
- Failing to create a sufficiently powerful guiding coalition,
- Underestimating the power of vision, align and use bullet points to number here
- Under communicating the vision by a factor of 10x-100x,
- Permitting obstacles to block the new vision,

- Failing to create short-term wins,
- Declaring victory too soon,
- Neglecting to anchor changes firmly in the corporate culture.

The key lies in understanding why organizations resist needed change and the multi-step process to achieve it, and how leadership is critical to drive the process in a socially healthy way. Useful change tends to be associated with a multi-step process that creates power and motivation significant to overwhelm all the sources of inertia and is driven by high quality leadership, not just excellent management (Kotter, 1996).

From the above discussion the following can be drawn from this research that more often than not, change efforts fail because organizations fail to recognize and manage the human components of change. This research therefore investigates whether SAP as a change intervention was successfully implemented. The research problems to be addressed are:

1. What led to the failure to implement the SAPHR technological system as projected according to strategic plans of the organization?
2. Did the organization follow a change strategy to implement technological changes?

Not all ERP implementations have been successful. Some of the reasons cited in the literature are lack of support of top management support, resistance from employees, poor selection of ERP systems and vendor etc. During the ERP implementation at JW there was a profound impact on the processes, the workplace, and on the employees. For example, some employees could not accept the new screen layout of the ERP software and the new navigation within the ERP software. It was difficult for those employees to abandon their old habits and adapt themselves to the new system. On the other hand, JW did not recognize the importance of this change and first started without a project leader to lead the project full-time. Instead

they divided the tasks of the project on some employees in addition to their operational work. Moreover, the employees regarded this project as an IT project. According to Nah *et al* (2001), this perception is wrong because it generates a version and prejudices. However, it is necessary to introduce situational and organized change management (Scherr, 1989).

1.3. Literature Review

The implementation started off with processes grounded in the eight-step process espoused by Kotter (1996). As the implementation progressed it was found that more literature would be needed to supplement, clarify and customize. Although the additional literature was available prior to the implementation not much focus was given to it. It is believed that by selecting the best from all additional literature sources and supplementing the eight processes with these, a customized and a meaningful recommendation will be made.

The applied literature can be summarized broadly, into three major categories, listed below.

- Planning
- Implementation
- Evaluating and sustaining

The research has been limited in scope, very broadly, to these three areas. And within these three areas an emphasis has been placed on the practical applications of the theories. It is understood that these literature sources are by no means exhaustive, but for practical reasons are deemed adequate grounding for this research

The implementation consists of the configuration of the ERP system and the introduction of corresponding organizational and technical changes, like the definition of new responsibilities or the design of new interfaces (Keller & Teufel, 1998). Implementation is defined for the purposes of this study as the process

starting after the decision to acquire an ERP system has been made and ending when the ERP system has been released into use with full planned functionality and scope. (Keller & Teufel, 1998). According to Haft and Umble (2003), every discontinuous process has three stages: initiating tasks, proper process, and terminating tasks. All projects start from some initiative. After initiative occurs, evaluation stage follows. This stage can include evaluation of business processes, requirement analysis, and evaluation of different products (Haft and Umble, 2003).

Esteves and Pastor (2001) proposed that the ERP implementation process comprises of adoption decision, acquisition, implementation, use and maintenance, evolution and retirement phases. Markus and Tanis' (2000) implementation model is based on the four phases namely: (a) chartering- decisions defining the business case and solution constraints, (b) project- getting system and end users up and running, (c) shakedown—stabilizing, eliminating “bugs”, getting to normal operations and (d) onwards and upward – maintenance systems, supporting users, getting results, upgrading system extensions. According to Chang and Gable (2000), improved understanding of ERP life-cycle issues is required for both fruitful research and effective implementation of ERP. The stages of their model are the following three: pre-implementation, implementation and post-implementation, involving respective activities such as (a) requirements definition, business case and software selection; (b) gap analysis, custom modification, project and change management; and (c) roll out, upgrades and payback review. Shanks (2000) proposed distinguishing between planning, implementing, stabilization and improvement.

Kotter (1996), on the other hand, suggests that change fails for eight reasons. Four reasons deal with not having a well-crafted and communicated vision. The other four reasons deal with not having a compelling reason to change, not having the right structure in place, not having a guiding coalition, and not having the right culture. Kotter (1996) further suggested the eight-step process for creating and facilitating the change process. The first three relate to the planning process. The next three relate to the implementation of the processes, and the last two steps relate to

evaluating and sustaining the changes brought about during the first two phases. This association can be illustrated as in table 1.2.below.

Linking the eight steps to three important phases of change	
The eight steps	The three phases
1. Establishing a sense of urgency	Planning
2. Creating the guiding coalition	
3. Developing a vision and strategy	
4. Communicating the change vision	Implementation
5. Empowering broad-based action	
6. Generating short-term wins	
7. Consolidating gains and producing more change	Evaluating and Sustaining
8. Anchoring new approaches in the culture	

Table 1.2.The links between the eight-step process of creating change and the three areas of Planning, implementing and sustaining. (Source: Kotter, J.P (1996): Leading Change, USA: Harvard Business School Press).

Planned change as a term is rather established in the field of organizational change and commonly considered as the process suggested by the Organizational Development theories (e.g.Burnes, 1996; Porras and Silvers, 1996).Planned change is defined as proactive change that organizational members deliberately initiate and implement to anticipate or respond to alterations in the environment or to pursue new opportunities. The planned change is further described as change that is initiated from inside the organization to deal with anticipated environmental demands and that typically affects many segments of the organization (Porras and Robertson,1990) Cummings and Worley (1993) have defined organization development (OD) as “a system-wide application of behavioral science knowledge to the planned development and reinforcement of organizational strategies, structures, and processes for improving an organization’s effectiveness”. (Cummings and Worley, 1993) OD has also been defined as “a planned process of change in an

organization's culture through the utilization of behavioral science technologies, research and theory." A standard dictionary definition of "implementation" states that it is a means employed to achieve a given end, to provide a definite plan or procedure to ensure the fulfillment of a goal (American Heritage Dictionary, 1981).

Implementation of information technology is more complicated because the implementation process may be long and drawn out, and in many instances may have vague boundaries. Evaluating and sustaining refers to an institutionalized act which has been defined as "a behavior that persists over time, and is performed by two or more individuals in response to a common stimulus and exists as a social fact" (Goodman et al, 1980). According to Cummings and Worley (1993), institutionalizing change involves 'reinforcing new behaviors through feedback, rewards and training'. The next section will elaborate on these points.

1.3.1. Sub-Problems.

This section deals with the sub-problems, leading to the failed processes, in more detail.

1.3.1.1. Sub-problem 1: Were the steps relating to planning correctly applied?

The methods used in successful transformations are all based on one fundamental insight: that major change will not happen for a number of reasons. Even if an objective observer can see that the costs are too high, or products are not good enough, or shifting customer requirements are not being adequately addressed, needed change can still stall, because of inwardly focused cultures, paralyzing bureaucracy, parochial politics, a low level of trusts, lack of teamwork, arrogant attitudes, a lack of leadership and the human fear of the unknown. To be effective, a plan designed to alter strategies, reengineer processes, or improve quality must address all these barriers and address them well (Kotter, 1996).

Leading from this, successful change starts with well thought out plans to address these issues. The first three steps in Kotter (1996) model relate to this planning phase. Briefly these three stages are as follows:

- Establishing a sense of urgency
- Creating the guiding coalition
- Developing a vision and a strategy

According to Kotter (1996) increasing urgency demands that one removes the sources of complacency or minimize their impact: for example, eliminating signs of excess and setting higher standards both formally in the planning process and informally in day to day interaction. To achieve this, a strong guiding coalition is needed, one with the right composition, level of trust, and shared objective. Building such a team is always an essential part of the planning stages of any effort to restructure, reengineer, or retool a set of strategies. The coalition must plan the vision and the strategies to achieve that vision. Vision refers to a picture of the future. By planning the general direction for change, hundreds or thousands of more detailed decisions are simplified. Good planning motivates people to take action in the right direction and helps coordinate the actions of different people, in fast and efficient manner. Based on observation it is initially suggested that the repair culture described earlier, combined with adequate leadership of the processes, led to the planning steps originally set out not being adhered to.

1.3.1.2. Sub-problem 2: Were the implementation steps correctly applied?

A great vision can serve a useful purpose even if it understood by just a few key people. But the real power of a vision is unleashed only when most of those involved in an enterprise or activity have common understanding of its goal or direction. That sense of a desirable future can help motivate and co-ordinate the kinds of actions that create transformations. Gaining understanding and commitment to a new direction is never an easy task, especially in large enterprises. Smart people make mistakes all the time, and outright failure is not common. Managers under

communicate and often not by small amount, or they inadvertently send inconsistent messages. In either case the result is the same, a stalled transformation (Kotter, 1996).

Leading from this successful change will only occur with the correct implementation of the vision and strategies set up during the planning phase. The second set of three steps in the Kotter (1996) model relate to the planning phase. Briefly these stages are as follows:

- Communicating the change vision
- Empowering broad-based action
- Generating short term wins

According to Weinstein (1999) experts do not provide answers. Someone will always know more. People need to be encouraged to say, "Let us try", and have confidence in their abilities and insights. Becoming empowered refers to individuals gaining confidence, feeling they have something to offer, knowing how to put across their ideas, how to take responsibility and to become active and involved. For managers empowering may mean removing the blocks that prevent their staff from carrying out their jobs effectively. Empowered individuals usually achieve small success at an early stage. These successes must be recognized and rewarded, to build on the momentum created. Based on observation, it is suggested that the processes were not communicated adequately and that people were therefore not empowered to act on the vision. Therefore insufficient short-term wins were generated.

1.3.1.3. Sub-problem 3: Were the steps relating to sustaining and evaluating the process correctly applied?

According to Kotter (1996) successful change can be stalled if victory is declared too soon. It can also fall short if new ways are not embedded in the way things are regularly done. The right measurement systems are imperative in guiding these two issues. According to Kaplan (1996), measurement matters: If you can't measure it, you can't manage it. An organization's measurement system strongly affects the behaviour of people both inside and outside the organization. If companies are to survive and prosper in information age competition, they must use measurement and management systems derived from their strategies and capabilities. Unfortunately, many organizations espouse strategies about customer relationships, core competencies, and organizational capabilities while motivating and measuring performances only with financial measures. The final two steps of Kotter (1996) processes, if applied correctly, ensure sustainable and enduring change. The final two steps in the eight step processes are:

- Consolidating gains and producing more change.
- Anchoring new approaches in the culture.

Based on observation, there were no adequate measures put in place, which could measure and reward both financial and non-financial performance. Not all strategies lead to immediate financial benefits for the company, although all strategies should ultimately end up in financial gains for the business. Sometimes the cause effect delay between initiation of an action and the benefits thereof are apart. In other cases the causal relationship is not that clear at all. Nevertheless, it is important that both kinds of performance objectives be set for all employees involved in the transformation processes. The individual or team performance should be measured against the objectives on a regular basis, to keep the processes visible and on track, and more importantly to sustain the processes into interminable.

1.4. Aim and Objectives of the research

Due to failure to meet the set strategic objectives of change of the company the newly appointed Managing Director proposed to form a steering committee consisting of senior managers to review the change project and start implementing key strategic objectives. At a Manco meeting on the 3rd of May 2002 a number of goals were set; to use the eight steps of Kotter (1996), to have quarterly briefings with line management about changes already implemented or in the processes of being implemented, and to start rolling out other modules of SAP.

The main aim of the research is to investigate the implementation of SAP as a change process and the research objectives are:

- to do a theoretical overview on the subject of change management.
- to investigate if the planning steps for SAPHR put forward were properly followed;
- to investigate if the implementation steps of SAPHR were properly followed
- to hopefully put forward a recommendation that will set the context, and provide a structure, for successful implementation of SAPHR.

The next section will deal with the research methodology.

1.5. The Research Methodology

It is commonly believed that qualitative research methods are appropriate, among many others, when there is a low state of knowledge about a phenomenon of interest and (Yin 2000), when there is a dearth of research surrounding the research issue (Waldman *et al.* 1998), when the question being posed requires an investigation of a real life intervention in detail; where the focus is on how and why the intervention succeeds or fails, where the general context will influence the outcome; and where researchers asking the questions will have no control over events (Keen *et al.* 2005).

Such research approach therefore provides direct experience and helps the researcher become more experienced with the phenomenon. The benefit of such qualitative research, applied to an actual case study, is that a 'fine-grain' understanding of theory can be gained and the findings used to benefit a case-specific application (Saunders, Lewis & Thornhill, 2000). The author believes that the literature study and the qualitative method as an approach can fully deliver on the promise to answer the research questions. The motivation for doing qualitative research, as opposed to quantitative research, comes from the observation that, if there is one thing which distinguishes humans from the natural world, it is our ability to talk. Qualitative research methods are designed to help researchers understand people and the social and cultural contexts within which they live.

1.5.1. Research Design

This investigation employed a case study approach as the most suitable to explore the content and processes of change within what Yin (1994) has described as real life context. One of the main advantages of case studies is that they provide a degree of flexibility for the investigator. This feature is not usually found in quantitative approaches. Indeed, the case study design permits the pursuit of opportunistic new directions as the need arises (Peshkin, 1993). In particular, the techniques of grounded theory (Glaser & Strauss 1967, Strauss 1987, Strauss & Corbin 1994) were employed, including casual conversations with employees and more formal interviews with key staff members. Management allowed the researcher to freely wander about the regions, where users of the system could be.

1.5.2. Collection of data

According to Williman (2001), data may be collected as either primary or secondary data. Both primary and secondary data were used in the context of the study and for the author to achieve its purpose. It was also stated that for the purposes of case studies, documentation, archival, records, interviews, direct observation, participant

observation and physical artifacts can be useful. These sources complement each other. Each of these sources have their own strengths and weaknesses and none of these have a complete advantage over all the others, as a result a good case study must use as many sources as possible.

Primary data is a type of data which is collected and assembled specifically for the research project at hand (Zikmund ,2000). It can be described as the one collected by the researcher in order to carry out research. Primary data can be collected through various sources such as questionnaires, focus groups discussion, personal interviews and telephonic interviews. Yin (1994) explained and advocated that the use of more than one source is a good practice as it increases the validity in scientific studies. An interview is one of the methods of data collection used in qualitative research (Ritchie and Lewis, 2003).

Secondary data is data that has already been collected for purposes other than the problem at hand. It includes both raw data and published summaries. The secondary data in this case study was compiled from the organization's documents and from the library including various sources like the internet. According to Saunders *et al.* (2000), the advantages of secondary data are that it can be collected more quickly and it is easy and is an inexpensive way of receiving information. It has also been shown to be useful when performing exploratory studies since it saves the researcher from 'reinventing the wheel". Despite this, secondary data can pose a problem of finding the relevant material. (Saunders *et al.* .2000).

1.5.3. Measuring instruments

The study will use structured questionnaires and personal interviews as a form of data collection. A questionnaire has been developed following an extensive review of literature by various authors which will focus on the sub-problems mentioned earlier. In investigating SAP as change intervention the author will use Likert Rating Scale. The Likert scale is the most frequently used variation of summated rating

scale. This will be assigned as follows: Strongly agree (1,) Agree (2) Indifferent (3), Disagree (4) and strongly disagree (5).The Likert scale compares one person's score with a well defined sample group. This measurement is useful for a manager when the organization plans to conduct an experiment or undertake a program of change or improvement. The researcher can measure attitudes before and after the experiment or the change or judge whether the organizational efforts have had the desired effects (Donald *et al.* 2003). After the structured interviews are analyzed the researcher will conduct in-depth face-to-face interviews with four respondents in order to probe for more information regarding the problem areas identified. For purposes of trustworthiness, the questionnaire will be piloted with three respondents.

1.5.4. Analysis of data

According to Hartley (2004) data collection and analysis are "developed together in an iterative process," which can be a strength as it allows for theory development which is grounded in empirical evidence. Apart from that, a careful description of the data and the development of categories in which to place behaviors or process have proven to be important steps in the process of analyzing the data. The data analysis in this study will be organized around such key themes: planning, implementation and evaluation etc. In general, "data analysis means a search for patterns in data" (Neuman, 1997).

In this case study a Microsoft excel package will be used to analyze the data and the author will use frequency distribution. With frequency distribution the researcher will exhibit percentages of respondents in terms of the Likert scale and analyze each response to the question. Finally the data would be examined to see how far they fit or fail to fit the expected categories and the findings will be checked with the case study participants and reference to literature to enhance validity (Hartley, 2004). After analysis of the questionnaire and further probing will be done through face to face interviews with 4 respondents/users in order to get a more in depth understanding of the problem areas.

1.5.5. Sampling

In selecting a sample, it is important to have a target population in mind. The population can be described as a specific group that will be relevant to the research study. The group should contain information relevant to the research (Malholtra, 1996). All researches involve sampling. This is because no study, whether qualitative, quantitative or both can include everything “you cannot study everyone everywhere doing everything” (Miles and Huberman, 1994). The smaller number of cases which you need to collect data means that more time can be spent designing and piloting the means to collecting this data. According to Saunders et al (2000), sampling saves time and data collection is more manageable.

1.5.5.1. Sample size

Saunders *et al* (2000), has noted that once the researcher has chosen a suitable sampling frame and established the actual size of the sample, determining the most appropriate sampling technique to obtain representative sample is very important. Since SAP3/HR implementation is quite new and is still evolving not many companies have implemented it. The users of SAP3/HR are very limited and due to high license fees as such the actual study will focus on 5 users of SAP3/HR.

1.5.5.2. Sample type

A purposive sampling method would be suitable for this study considering the sample frame that is very small. Purposive sampling is often used when working with small samples such as in a case study research when you want to select cases that are particularly informative (Neuman, 1997). The organization was chosen due to convenience, self-interest and acquaintance, which will speed up the data collection processes.

1.6. Assumptions

The research processes could be continuous unless certain assumptions are made. A few logical assumptions have been made and carefully considered so that they may not influence the credibility of the research proposal. It was assumed that:

- All interviews were conducted in a fair, unbiased manner and that all relevant questions were understood and answered in ways that truly reflect the attitudes and opinions of all respondents.
- The respondents had sufficient information, regarding the implementation to provide meaningful responses.
- The literature used in the study is precise and reflects true presentation of the evaluation philosophy, but is not exhaustive.
- The sub-problems gleaned out of the poor implementation processes are meaningful in relation to this specific implementation, but are not necessarily exhaustive

1.7. The importance of the study

Johannesburg Water (JW) finds itself in a fixed position. The implementation of SAPHR has been recognized as a powerful strategic tool, which will help to guide the decision making process. The reality is that the implementation has not proceeded as planned. On a daily basis, the business is faced with constant systems breakdowns, inaccurate employee information and salary inaccuracies. An interesting observation is that it is not technical aspects of the processes that pose the main problem; rather it is the change processes that must occur in the hearts and minds of all individuals of all involved that stand in the way for successful processes. It is believed that this study will get to the heart of the needed change. It will also open the minds of those involved through logical analysis and reference to proven case studies and theories. The final recommendation will not only offer an

effective process for this specific implementation, but also for subsequent implementations.

On the one hand it solves the current business crisis at the same time offering a new way of thinking with respect to other business issues. This will add to the body of knowledge inherent and documented within JW. By presenting to management and employee's different ways of approaching problems and instilling the understanding of the importance of change management, the group knowledge will increase. The data will ultimately support organizational changes needed to make the organization effective. If management accepts the recommendations, the experiential learning gained will lead to even deeper understanding than what the study could provide.

1.8. Delimitations of the study

- Time constraints

According to da Silva (1999), a company case study is the most appropriate choice as it allows the writer access to information from key personnel and other vital sources within the company. The author is employed by Johannesburg Water and has been granted sufficient time and access to conduct the research processes. This process will however, have to fit into an already busy schedule and as such the research will need to be executed with careful planning and vigour. The management of Johannesburg Water is expecting a full appraisal, with recommendations at the end of September 2006.

- Resources.

Resources requirements have been categorized under the headings: finance, data access and equipment.

- Finance

At the first meeting held in March 2002, the Board of Directors of JW approved 4 million rands for the implementation of Project Poseidon .There is sufficient money in

the budget to cover research related costs, although this is not expected to be more than twenty thousand rand.

- Data access

Both Executive Committee and the Managing Director have given their full support to the processes. The implementation is also taking place on one side with minimal installations on various sites, thus greatly minimizing any data access constraints. Most of the data is however available at JW Head Office where the research is located.

- Equipment

Due to the relatively small sample, the Excel spreadsheet is the chosen data analysis tool. The company is up to date with computer processing power. Both resources are readily available.

9. Definition of terms.

- Change Management

According to (Nickols, 2000:89), change management has at least three basic definitions, which are as follows:

- *The task of change management, which refers to the task of managing change in a planned and managed fashion.*
- *An area of professional practice where many consultants internationally, profess to specialize in managing change on behalf of clients.*
- *A body of knowledge, which consists of models, methods and techniques, tools, skills and other forms of knowledge that go into making up a practice. (Nickols, 2000:89)*

Hiatt and Creasy (2002:29), state that change management evolved as a result of the convergence of two predominant fields of thought, namely:

- An engineer's approach to improving business performance
- A psychologist's approach to managing the human side of change.

McKee (1998), provides an interesting insight into change management by reflecting on the difference between change and transition. He states that changes are successfully made by organizations, but they fail in the process of transition. Change is physical, like moving from point A to point B, but transition is a psychological process that people need to go through to come to terms with the new situation and this takes time. Transition starts with an ending. For people to successfully make a change, they must leave the past. Transition, as an inward psychological process, happens much more slowly than the outward physical change. McKee states that unless transition takes place, change will not work.

Change management is defined as the deliberate use of strategies to manage change within an organization, to suit the particular organization's context and the type of change required. This deliberate, conscious use of strategies is a characteristic of change management: Whatever particular form change takes and

whatever objectives it seeks to achieve, organizations cannot expect to achieve success unless those responsible for managing it understand the different approaches on offer and can match them to their circumstances and preferences (Burnes, 1996:173).

- Organizations

“Goal-directed, boundary-maintaining, and socially constructed systems of human activity” (Aldrich, 1999:2).

- Transformation

It refers to ‘periodic, discontinuous, metamorphic, or frame-breaking changes in organizations to overcome inertia or stagnation and to enable better alignment with the environment’ (Ferreira, 1997, 77).

10. Outline of the research report

Chapter 1:

This chapter covers the following topics: background to JW, the research problem, aims and objectives of the study, the research methodology, literature review and assumptions about the study, the importance of the study, delimitations of the study, definitions and finally an outline of the research report

Chapter 2:

Literature review: The literature referred in Chapter 1 will be discussed and critically analyzed. The objective is to seek some tentative guidelines and solutions to the research problem.

Chapter 3:

Background to Johannesburg Water: In this chapter the SAP3/HR implementation processes and the types of organizational problems will be analyzed against the sub problems presented in Chapter 1 and correlated with the theory presented in Chapter 2. Any inconsistencies that clash with the implementation of Kotter (1996)

will be highlighted. Also, any inconsistencies that accentuate the sub-problems mentioned will be revealed.

Chapter 4:

Research Methodology: In this chapter the qualitative research methodology outlined in chapter 1 will be described in detail. These include population, sample size, sampling method and sampling instruments. The questions of trustworthiness and method of analysis will be described.

Chapter 5:

Findings and interpretation: After considering and explaining all the necessary facts, the results arising out of questioning process will be presented and interpreted.

Chapter 6:

Recommendations and conclusions: Recommendations will be based on an interpretation of the results, and within the context of literature reviewed in Chapter 2. Finally the discussion will be raised to a broader strategic level and highlight the impact that this research could have on managers of JW with specific reference to the climate for change.

Having briefly discussed the remainder of the study, chapter 2 follows with detailed, but not exhaustive, discussion of the change management and other relevant literature

Chapter 2: Literature Review.

1. Introduction

The literature referred in Chapter 1 will be discussed and critically analyzed. The objective is to seek some tentative guidelines and solutions to the research problem. This chapter will discuss planning, implementation and evaluation and sustaining of organizational change. Implementation of organizational change involves numerous different actions related to various elements of the organizational system. The change approaches, types and planned change offer some basic viewpoints. Organizational development theories will look at change from a behavioral perspective. Theories of organizational transformation will highlight the relations between organizational change and corporate strategy. When considering change in business processes, the Business Process Reengineering paradigm cannot be ignored as it complements the behavioural aspects with the more content specific elements as well as provides practical guidelines for implementation. An intentional change effort is typically carried out as a project and thus relevant parts of project management are reviewed. The theory of organizational learning then considers change implementation as part of learning and thus provides a valuable differentiating viewpoint. Finally the chapter will discuss institutionalizing change as an alignment of the different organizational elements to the changes and to each other in order to reinforce new behaviors.

1.1. THE HISTORY OF CHANGE MANAGEMENT

In 513 B.C. Heraclitus of Greece observed, "There is nothing permanent except change." In the 16th century, Niccolo Machiavelli stated in his political treatise, "The Prince, There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of new order of things." The challenge today is that change is not an "engineering problem", it involves people, and can call up emotions, uncertainties and inconsistencies. Therefore, simply managing change is insufficient. Successful change requires leadership (Kenneth *et al.* 2002).

1.2 APPROACHES TO CHANGE

Change management concepts and theories are relatively new in management studies. They consist of ideas from business psychology and engineering that are embedded together in order to provide a framework for successful organization change. As change in companies have become more frequent and necessary, the field of change management has also changed to cover a broader set of skills. The earlier view of change management was the engineering view that business are similar to mechanical systems and in order to improve their efficacy they can be changed just like a machine by upgrading different components of that business. This approach focuses on different business elements such as processes, strategies, organizational activities and systems. It is believed that changes and improvement to each of these elements can have measurable and predictable outcomes as long as they are implemented correctly. One such key test about such an approach is reengineering the corporation by Michael Hammer(1993) In his book Hammer(1993) takes a radical approach to business process reengineering and sees it as the only way to improve business in the early 1990's."Post industrial companies must be reengineered which necessitates starting anew, going back to the beginning to invent a better way of accomplishing tasks" (Hammer and Champny, 1993). This approach will not succeed if employees resist the changes or

when their reactions to change are out of line with reengineering predicted in the reengineering process. The other approach is the human side approach of change or the way psychologist look at how people react to change, which is similar to how employees react to change in their work environment.

One of the earlier publications about this side of change management is *Transitions* by William Bridges in 1980. In his book Bridges (1980) looks deeply at human adaptation to change but rarely relates this theory to workplace change management. Change practitioners assert that neither of the two can be successful in isolation. (Hiatt and Creasy, 2004). No matter how great the reengineering process is, or how good the systems are, if the people who are going to implement, those who are not accepting the changes as positive step the chances of failure are high. Also the psychology view does not appreciate the business processes, design and how it can be improved to move the company in a new direction. Hence the new approach to change management is the convergence of two trains of thought: the engineering view on how to improve business processes and psychology view on how to manage the effects of change on personnel.

The convergence is relatively new to the field of business and management and therefore only a few leaders know this approach. In her 1995 book *Changing the Way we Change*, Jeanne LaMarsh introduced the managed change process after implementing in companies like AT & T, Ford AND Caterpillar. Daryl Conner (2004) is another author who presented both the psychology and the structural change process in his book *Managing at the Speed of Change*. However the most prominent author on this topic is John Kotter, who published the best selling book *Leading Change* in 1996. Kotter, developed a simple eight step process to lead and manage change in companies and many leading firms throughout the world use his method with great success. The author has based most of his analogy on Kotter's eight-step process and will introduce his work and methodology at a later stage

1.3. TYPES OF ORGANISATIONAL CHANGE

Organizational change can and has been classified in various ways. Van de Ven and Poole (1995) make a distinction of categorizing changes based on their outcome and the process and unlike most of the theories of organizational change, they concentrate on the process. The outcome of change refers to the theories of radical or discontinuous versus incremental or continuous change (e.g. Tushman et al., 1985). Mintzberg and Westley (1992) propose a framework of organizational change consisting contents and levels, means and process, episodes and stages, sequences and patterns of change. The first refers to the outcome of change and the second and the third to the process of change. Sequence and patterns of change then classify the pattern how different change follow each other, which is not limited to an individual change effort and thus beyond the scope of this study.

1.4. ORGANISATIONAL CHANGE PLANNING

Organizational change is often handled under the term “organization development” (OD). The field of OD originates from and is based on behavioural science disciplines such as psychology, social psychology, sociology, anthropology, system theory, organization theory, and management (French and Bell, 1999, Burke, 1994). OD grew out of Taylor’s (1911) “scientific management” principles and Weber’s (1947) “bureaucracy” concept, which both focused on breaking jobs into small, repetitive tasks and creating a strong hierarchy of authority in order to build a well functioning efficient human machine. However, some scientists, like Kurt Lewin (1946) in particular, began to realize the shortcomings of the above described mechanistic approach. Consequently, an opposite school of thought, such as organization development, started to conquer the field of organizational research. Cummings and Worley (2005) have defined organization development as “a system-wide application of behavioural science knowledge to the planned development and reinforcement of organizational strategies, structures, and processes for improving an organization’s effectiveness”.

OD has also been defined as “a planned process of change in an organization’s culture through the utilization of behavioral science technologies, research and theory” (Bourke, 1987). Therefore, although OD involves the element of planning, it also clearly concentrates on the use of behavioral and sociological methods, and even the planning aspect usually deals with the planning of behavioural interventions. There are also numerous other definitions of OD, all having a flavour of their own, yet also including the most prominent views and principles commonly associated with OD.

In OD discipline the culture of the organization is often seen as an input of the change process, i.e., in order to bring about permanent change the culture must first be altered (French and Bell, 1999). However, there are also contradicting arguments to this, for instance, Kotter (1996) argues that instead of being input, altered culture is an output of change effort. Culture will thus gradually develop itself alongside with some more tangible changes in procedures, structures and operations. Out of all the above-mentioned features of organization development, one of the most acknowledged theories and practices in the field of OD is that of planned change.

Cummings and Worley (1993) even argue that all approaches of OD rely on planned change. Miles et al (1995) also supports that notion by stating that the firms planning for the redesigning of the organization should first consider the basic route their redesign should follow. According to Lippitt *et al* (1958), “planned change originates in a decision to make deliberate effort to improve the system”. Consequently, the notion of planned change has lead to different kinds of models for carrying out the planning itself and the action following it. One such model is Kotter’s eight steps model of change which form the framework of this research. It is important to note that conceptions of change have tended to focus on how change can be implemented in organizations (Church and Burke, 1995). Kotter (1996) views organizational change planning as consisting of the following first three stages namely:

Establishing a sense of urgency: The biggest mistake that people make when trying to change organizations is to allow too much complacency when change is needed. People respond to crisis and pressure and if in a change environment people are not reminded of the urgency of change, it is easily forgotten. Any change causes pain and people always try to avoid pain unless they realize the pain of not changing could be greater than pain of change. Managers need to remind the employees of that in order to communicate the urgency of change. Kotter (1996) has recognized the following:

- The absence of major and visible crisis
- Too many visible resources
- Low overall performance standards
- Organizational structures that focus employees on narrow functional goals
- Internal measurement systems that focus on wrong performance indexes
- Lack of sufficient performance feedback from external sources
- Kill the messenger of bad news, low candour, low confrontational culture
- Human nature with its capacity for denial especially when people are busy stressed
- Too much happy talk from senior management

One of the first steps to establish a sense of urgency is to examine the market's competitive realities by performing an external analysis. By conducting an external analysis companies can identify potential crisis or realize major opportunities, which can in return create an initial great sense of urgency for managers and employees. This initiative then needs to be followed by eliminating obvious examples of excesses such as luxury facilities in order to give credibility to the urgent crisis and there should be more honest discussions of the firm's problems in company newspapers and senior management speeches (Kotter, 1996).

Furthermore revenue, income, productivity and similar performance targets must be set so high that they cannot be achieved by conducting business as usual and companies must try not to measure performance based on narrow financial goals

but hold more people accountable for wider measures of business performance. As an ongoing activity people need to be continually reminded of the urgency of change until the change takes place successfully. This can be achieved by sending more detailed data about financial performance to more employees by insisting that people talk regularly to unsatisfied customers, by using consultants to encourage more relevant productivity discussions at board meetings, and by giving people information on future opportunities, on the wonderful rewards for capitalizing on those opportunities, and on the organization's current liabilities to pursue those opportunities.

Creating a guiding coalition: Since major change is so difficult to accomplish a powerful force is needed to sustain the change progression.' No individual is ever able to develop the right vision, communicate it to a large number of people, eliminate all the key obstacles, generate short term wins, lead and manage dozens of change projects' (Kotter, 1996). In any restructuring or reengineering a strong guiding coalition is needed. The team can make a change can make a change happen must be of the right people; with a high degree of trust that has a common goal. Kotter (1996) describes four key characteristics that are essential to guiding coalition:

Positions of power: There must be enough key players on the team.

Expertise: Members must have various relevant to task expertise

Credibility: People on the team shall have good reputation in the firm

Leadership: At least one person proven leadership skills

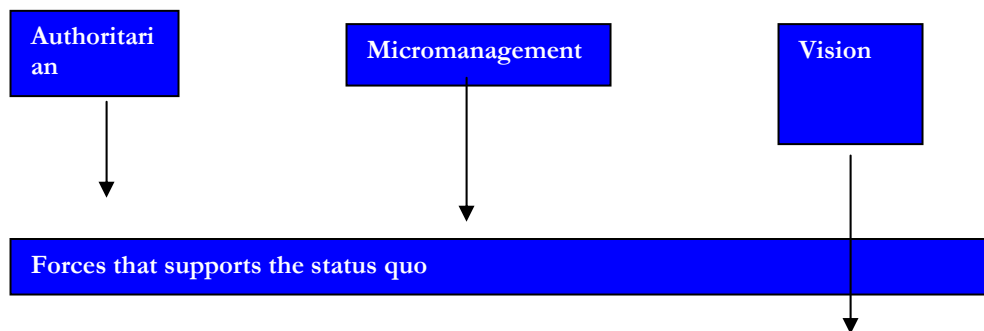
The last point leadership is very important. It is usually overlooked or mixed up with management skill. A manager develops plans and control people while a leader creates visions and empower. There must be a mix of both skills on a coalition team and they must work in tandem. When the right mix of people is chosen for the guiding coalition, there must be a high level of trust among those. Trust is often absent in organizations as people have worked in single functional positions and

only trust their own close network of colleagues and not the other employees from other departments. The prime example is the typical mistrust between engineers and marketing where they look at each other with great suspicion. Kotter (1996) suggest that the best way to create trust and to build a strong team is to plan off site meetings. A group of eight or twelve or twenty-four goes somewhere they talk, analyze, climb a mountain and play games, all for the purpose of increasing mutual understanding and trust.

Finally, in order to make a team who trust each other efficiently is to create a common goal, a goal that is 'sensible to the head and appealing to the heart'" (Kotter, 1996). The typical goal that binds individuals together in many cases is commitment to excellence, true desire to success of the organization. A team with the right people, with a high level of trust and with a common goal to excellence can lead to sustainable change.

Developing a Vision and a Strategy: A vision is the picture of the future that has the same draw so that people should strive to create it in the future in a change process. A clear vision is very important to guide people. Companies need to break away from authoritarian and micro-management styles of management in order to breakthrough the forces that support the status quo and to encourage the major shifts found in successful change as illustrated below.

Figure.2.1 Breaking through Resistance with vision.



Adapted from Kotter (1996)

In a transformation process, a vision plays an important role. Firstly it clarifies the direction of the change; secondly people who are comfortable in their current positions get motivated to take actions in order to create that fruitful vision. Thirdly it helps to align the direction of different people in a very simple and efficient way. Another benefit of having a clear vision is that with a good vision, unsuitable projects can be identified and terminated, even if senior management has supported them.

A vision however must be strategically feasible, meaning that the firm must be able to develop a strategy that creates the vision with available resources. An unrealistic vision could be attractive at the beginning but is not sustainable for long-term purposes as people will realize that the vision is unattainable. A good vision is clear, focused, flexible and easy to communicate. It must be focused and clear while flexible enough to allow for individuals' initiative and for changing environments. It must also be easy to communicate so that people can easily understand it.

In conclusion an effective vision should have the following characteristics (Kotter, 1996):

- Imaginable: it must convey a picture of what the future will look like
- Desirable: Appeals to the long-term interest of employees, customers, stakeholders and others who have a stake in the enterprise
- Feasible: it must comprise realistic, attainable goals
- Focused: Is clear enough to provide guidance in decision making
- Flexible: Is general enough to allow individual initiative and alternative response in the light of changing conditions
- Communicable: Is easy to communicate and can be explained in five minutes

According to Covin and Kilmann (1990) successful change efforts tend to be accompanied by a high degree of consistent, broad-based communication and conversely, overlooking communication has been quoted as an important reason for failure (Hall, 1993). Smeltzer (1991) studied announcements of organization-wide change in organizations and concluded that change efforts often failed due to the

presence of inaccurate and negative rumors. These rumors were often caused by management's neglect to provide timely and accurate information. Also, managers themselves recognize their inability to provide sufficient information. A detailed examination of the broad subject of communication reveals a multitude of aspects. For example, top management relies not only on internal stakeholders, but also on external constituencies for success in implementing fundamental change. Some of the groups that can play an important role are customers, regulatory bodies, suppliers, and stockholders. According to Hambrick and Cannella (1989), these external constituencies are no different from insiders in their potential for skepticism and anxiety about a change in direction. Communication therefore needs to address not only internal, but also external stakeholders.

Isabella (1993) on the other hand says that managers should provide information even if it is speculative or incomplete. If one does not know, then say so. Isabella (1993) further says that, managers should also be aggressive in terms of hearing and addressing rumors. A survey by the Wyatt Company (1993) found that companies who succeeded at restructuring tended to communicate with employees about restructuring issues earlier in the process than companies that fell short of their goals. It is necessary that to have an open and a broad-based communication throughout the whole change process (Larem, 1993). Another aspect is the quality of the information that is shared. Some authors have argued for an immediate and full disclosure of information (Marshall and Yorks, 1994). Others contend that the amount of appropriate disclosure depends on the situation (Smeltzer and Zener, 1992; Jick, 1993). One important aspect of change that is closely tied to the amount of disclosure of information is trust. According to Duck (1993), one of the paradoxes of change is that trust is the hardest thing to establish when you need it the most. One way of gaining the trust of employees is through a continuous, honest and plain-speaking communication program (CSC Index, 1994). Another observer declared that 'confidentiality is the enemy of trust' (Hurst 1991). Hurst (1991), speaking from his experience as a manager in a major turnaround, observed that there was a direct link between the information that was shared with employees and

their commitment. In addition to the above-mentioned timing and completeness of information, Hilb (1994) identified two additional principles of communication. They are objectiveness and clarity.

While communication can never be fully objective or impartial, Hilb (1994) recommends that it should be as close to the objective truth as possible. The principle of clarity and understanding implies that the information should be presented in a way that fits the needs and context of the user. A final aspect of communication through words is its channel richness. Channel richness is the ability to use all the communication cues and allow for quick feedback and revision through questions and answers (Smeltzer and Zener 1992). The richest form of communication is face-to-face between two people. The least rich form is written messages. Recent authors have emphasized the advantages of two-way communication. According to Hall (1993), "two-way communication will do far more than any memo or video can". A key advantage of the small-group format is that employees can give feedback and air their concerns. Beckhard and Pritchard (1992) stress that passive, one-way communication may engage people intellectually, but does not necessarily result in an emotional commitment. On the other hand active, two-way communication is designed to involve people personally and make them engage with the subjects emotionally as well as intellectually. Despite the clear advantages of two-way communication, a recent survey (the Wyatt Company, 1993) indicates that one-way communication is still the most frequently used by managers. In the survey, managers quoted letters and memorandums as the most frequently used communication tactic is support of restructuring (used by 83 percent of respondents). Letters and memoranda were commonly used despite the fact that only 28 percent quoted this communication tactic to be very effective. On the other hand, small group meetings of less than thirty employees were quoted as very effective by 63 percent of managers, but were only used by 65 percent of managers (The Wyatt Company, 1993). The vision can also be communicated through actions.

According to Duck (1993), employees have now been through so many management fads and change programs without real changes that they are skeptical. Companies are full of change survivors, people who have learned to live through change programs without really changing at all. The attitude of the change survivor is: 'I'll believe it when I see it' (Duck, 1993). What this illustrates is that people want to know if something is 'really' going to happen before they are willing to invest their effort in a change program. Observers have therefore highlighted the need for leaders to walk the talk, i.e., practice what they preach, and behave in new ways that indicate strong commitment to the vision (Duck, 1993; Beckard and Harris, 1987; Beckhard, 1990). According to MacCoby (1981), one of the key attributes of successful leadership was found to be the ability and willingness to behave in ways consistent with the changes they were trying to bring about in their organizations. Likewise, Beer (1990) found that consistency between the leader's words and actions was critical at the business unit level. Another study found a 'visible demonstration of senior management commitment' to be the second most important implementation factor after a clear vision (Arthur D. Little, 1994). However, despite this apparent agreement among researchers and managers on the need for leaders to change their own behavior, and practice what they preach, Pascale (1990) indicates that this is seldom the case: "The rarest, yet most essential, ingredients in successful change are top executives who are willing to suffer and change themselves" (Pascale, 1990). One important way for leaders to visibly demonstrate their commitment to the new way is the act of replacing resisting managers. However, in order to be considered fair by the rest of the organization, this should only be done after the managers have been given a chance to change and prove themselves in the new environment (Beer, 1990). Beer (1990) found that 50 percent of successful change efforts involved replacing key personnel whereas only 17 percent of unsuccessful efforts included personnel replacements. Although replacing key people can be "the most unpleasant thing you have to do in life" (Welch, 1993), "misplaced kindness" is a key reason why many change processes have foundered (Young 1991).

Another way that management can communicate through actions is by changing the way they allocate resources. By allocating resources in accordance with the vision they are trying to implement, their commitment is made visible. In addition to communication through words and actions, a third category of communication is through the use of signals and symbols. The following quotes illustrate what is meant by these concepts: According to Allaire and Firsirotu (1985), "During periods of transition, more than any other time, the members of the organization will be looking out for signals – watching for clues, inferring intents and motives - to see which way the organization is going. Any discrepancy between the leadership's words and needs will be spotted". "The assumption ... {}... is 'we haven't said anything yet, so we're not really communicating. We haven't sent any messages'. But the opposite is true. Everything that is or is not done sends a message" (Duck, 1993).

Although no clear-cut distinction was found in the literature between communication through actions on the one hand, and signals and symbols on the other hand, the above quotations illustrate that signals and symbols can be regarded as more subtle and indirect. Not doing something is not an action, but it can send an important signal. No difference in definition was found between the words symbol and signal. According to Nadler and Tushman (1993), senior management's time appears to be one of the scarcest resources in large-scale change efforts. Several observers have argued that fundamental change requires top management to spend between 20 and 60 percent of their time on change-related activities (Hall, 1993; Heygate, 1993; Arthur D. Little, 1994). Such an investment of top management time sends important signals to the organization about commitment. A survey of 398 individuals who had participated in large-scale change programs quoted visible management support and commitment as the number one success factor for change (Covin and Kilmann, 1990). Another survey of restructuring found 'senior management visibility' as the third most important factor facilitating success ('The Wyatt Company, 1993). Detailed reviews on the role of symbols in management were provided by Peters (1978) and Pfeffer (1981). They observed how the use of political language and symbolic action

serves to legitimate and rationalize organizational decisions and policies. Peters (1978) focused on how change can be implemented through mundane behavior, the sending of signals by the leader through everyday actions as opposed to grand gestures. Some of the examples of mundane behavior listed by Peters include the type of issues that get on the executive's agenda. The kinds of questions the executive is asking, the kind of feedback the executive is giving, the control over location, attendance, and agendas of events or meetings, the summarization of post-hoc interpretations of what occurred, approaches to follow-up and small symbolic actions including the use of praise and punishment.

The problem of securing an organization's commitment to a particular strategy has been largely neglected in the strategic management literature (Guth and Macmillan, 1986). On the other hand, the literature on organizational change has developed some approaches to address this challenge. Most of these methods view the organization as a political system. From a political standpoint, organizations can be seen as loosely structured coalitions of individuals and groups having different preferences and interests and who are therefore competing for power (Tushman, 1977; Salancik and Pfeffer, 1977). Given this view of organizations, political behavior is thus a natural and expected feature of organizations in both current and future states. However, attempts to change the organization can lead to increased levels of political activity, as the changes may threaten the balance of power among groups.

Power groups will be concerned about how the conflict of the transition period might affect the balance of power in the future state, and they will therefore attempt to maintain or improve their own position, leading to political conflicts and struggles (Nadler, 1987). Individuals and groups may also engage in political action for ideological reasons as the change might be inconsistent with their shared values, culture or image of the organization (Pettigrew, 1973). Recent literature focusing on the aspect of mobilizing commitment to a vision have used several different terms to describe this process including: Mobilization of commitment (Tichy and Ulrich, 1984), Commitment planning (Beckhard and Harris, 1987), getting the support of key power

groups (Nadler, 1987), developing political support (Cummings and Worley, 1993) and line-up political support (Jick, 1993). A person is committed to a vision when he or she pursues that vision in a consistent fashion. With the passing of time and in varying situations, the committed person persists in activities that will help achieve the vision. Alternative courses of action that are not consistent with the vision are rejected, even if they might have short-term benefits. Finally, the committed person understands that personal sacrifice will be necessary along the way (Conner and Patterson, 1982). This type of committed person can be deemed as somebody who helps to make change happen. However, such a strong commitment might not be needed from everybody. Several authors have developed methods for developing the commitment of both formal and informal leaders in the organization who are instrumental in making change happen. For example, Pfeffer (1992) developed a process for using power to get things done. An overview of the process recommended by Pfeffer (1992) is included in the following paragraph. However, while the process of using power recommended by Pfeffer (1992) may be appropriate for getting small and medium things done, it is unlikely to foster the long-term commitment to a vision, which is necessary in fundamental change.

- Decide what your goals are, what you are trying to accomplish?
- Diagnose patterns of dependence and interdependence; what individuals are influential and important in your achieving your goal?
- What are their points of view likely to be? How will they feel about what you are trying to do?
- What are their power bases? Which of them is more influential in the decision?
- What are your bases of power and influence? What bases of influence can you develop, to gain more control over the situation?
- Which of the various strategies and tactics for exercising power seem most appropriate and are likely to be effective, given the situation you confront?

Based on the above, choose a course of action to get something done. According to Cummings and Worley (1993), the process of developing political support should start with an assessment of the change agent's own sources of power. By assessing

their own power base, change agents can determine how to use it to influence others to support the change. Greiner and Schein (1988) identified three such sources of individual power in addition to the formal position of the leaders: they were knowledge, personality and other's support. Knowledge refers to expertise that is valued by others, and to controlling important information. Personality refers to charisma, reputation, and personal credibility, and other's support refers to the access to information and resource networks. After having completed this initial assessment of the leader's own power base, the process for developing the commitment of those individuals and groups who are vital to the change effort can be initiated. The framework that was developed by Beckhard and Harris (1987) appears useful. Their model consists of the following steps:

- Identify target individuals or groups whose commitment is needed.
- Define the critical mass needed to ensure the effectiveness of the change.
- Develop a plan for getting the commitment of the critical mass.
- Create a monitoring system to assess the progress

Beckhard and Harris (1987) define critical mass as 'the minimum number of individuals or groups who must support the change or it won't happen'. The author emphasize that the critical mass is not the same as those individuals or groups within the organization that would be significantly affected by the change. The critical mass is rather those individuals or groups whose active commitment is necessary to provide the energy for change to occur (Beckhard and Harris, 1987). Burke (1987) observed that gaining the commitment of informal leaders is often overlooked in organizational change. Middle managers represent another powerful group, which is often overlooked in the commitment planning.

In the strategic management literature, Guth and MacMillan (1986), concluded that middle managers could not only redirect a strategy, delay, or reduce the quality of its implementation, but also even of sabotaging it altogether. It is therefore important to carefully review which middle managers need to be included in the critical mass. Similarly, Wooldridge and Floyd (1990) found that middle management involvement in the formation of strategy is associated with improved organizational performance.

Finally, Westley (1990) found evidence of dissatisfaction among middle managers who perceived to be excluded from strategic processes. A method that can help to define the critical mass was provided by Cobb (1986). This author stated that such a political diagnosis must be performed at three levels: individuals, coalitions, and networks. For example, at the individual level, management needs to identify people who hold powerful positions, have reputations for power, or have influenced decisions on organizational issues in the past. Finally, after a leader has assessed his or her own sources of power identified the individuals and groups whose commitment is needed to implement change and defined the critical mass, the next step is getting the commitment of the critical mass. Several tactics to get the commitment of individuals were identified in the literature. According to Beckhard and Harris (1987), the level of commitment needed may not be the same for everybody. These authors distinguish between three levels of commitment: to let it happen, to help it happen, and to make it happen. According to Beckhard and Harris (1987), it is sufficient to get the minimum commitment judged necessary from each individual or group. Leaders should not expect everybody to be ready to make change happen. One of the most important ways of building commitment is to get the key individuals and groups involved in the change to make them see it as their own rather than something that has been imposed upon them. The assumption that people who participate in defining problems and solutions will, as a result of that participation, become committed to the result of the process, is considered to be one of the most crucial of all organizational behavior theories (Coch and French, 1948; Fleishman, 1965). According to Pascale (1990), participation was an important factor in winning the commitment of the organization in the fundamental changes implemented at Ford.

As one of Ford's managers observed, quoted by Pascale (1990): "We identified the key individuals whose support (to the problem we were trying to solve) was critical. We put them on a team, or task force. We trained them and provided protected opportunities to experiment". According to Nadler (1987), participation may not be feasible or wise in all situations. Nadler argues that participation in many cases

merely increases the power of opposing groups to forestall the change. In these cases, another approach suggested by Nadler is bargaining with groups, winning their support by providing some incentive, for individuals who neither want to participate nor to bargain. Nadler (1987) suggests either assigning them to a position outside of the mainstream or to remove them entirely through transfer or outplacement. Nadler prefers the methods of participation and bargaining, but concludes that “it would be naive to assume that they will be successful in all cases” (Nadler, 1987). Finally, as a last step in the process of building commitment, Beckhard and Harris (1997) suggested creating a monitoring system to assess the progress.

The last three sections have dealt with the vision: how to create it, communicate it, and mobilize commitment to it. The next important step in the change process is to develop a plan for getting from the present to the future. Senge (1990) called this process the 'principle of creative tension'. According to Senge, creative tension comes from seeing clearly where one wants to be, the 'vision', and at the same time having an accurate picture of current reality. The gap between the two generates a natural tension. Senge (1990), argues that both a compelling picture of the desired future and an accurate picture of current reality are equally important:

- Leading through creative tension is different than solving problems. In problem solving, the energy for change comes from attempting to get away from an aspect of the current reality that is undesirable. With creative tension, the energy for change comes from the vision, from what we want to create, juxtaposed with current reality. While the distinction may seem small, the consequences are not.
- Many people and organizations find themselves motivated to change only when their problems are bad enough to force them to change. This works for a while, but the change process runs out of steam as soon as the problems driving the change become less pressing. With problem solving, the

motivation for change is extrinsic. With creative tension, the motivation is intrinsic (Senge, 1990)

.Another perspective in the process of moving from the present state to the future state was provided by Davis (1982). He suggested a retrospective strategy, or, in other words, treating the future state as if it were the present state. Thus, the *present is the past of the future*. Davis explains: "The only way that an organization's leaders can get there (the desired future) from here (the present state) is to lead from a place in time that assumes you are already there, and that is determined even though it hasn't happened yet". The importance of planning to the change process was illustrated recently by a survey of restructuring efforts. Managers quoted improving planning as the fourth most important thing they would change if they could do it over again (The Wyatt Company, 1993). Developing a transition plan involves making a road map for change, citing specific activities and events that must occur if the transition is to be successful. The transition plan should clearly identify, temporarily orient, integrate discrete tasks, and link these tasks to the vision. Responsibilities must be clarified, and benchmarks and standards for performance decided upon.

The plan should be approved by top management, be effective and be adaptable as feedback is received during the change process (Cummings and Worley, 1993). The transition plan should also clarify what needs to be changed and what does not. For organization members, it is just as important to be informed about what will not change as it is to be informed about what will be different. During times of significant change, to be clear about what is not changing provides people with something stable to hold on to, an anchor (Burke, 1987).

In other words, there is a need to build in certain stability in all the changes. If not, too much uncertainty can create anxiety, defensive reactions, and political conflict (Nadler, 1987). Since the values from an organization's mission or guiding philosophy are not likely to change, at least not all of them, emphasizing these

enduring values can provide an important sense of stability. Finally, there is a need to create special management structures to manage the transition from the present to the future state. Kanter (1983) named this a parallel organization. It has been noted that it is frequently difficult for a hierarchy to manage the process of changing by itself (Nadler, 1982). This is due to two factors. First, change disrupts the normal course of events within an organization leading to a weakening of existing systems of management control. As a result, during a change the organization may lose the capacity to effectively coordinate the work being done. Second, most formal organizational arrangements are designed for quasi-stable states and not for periods of fundamental change (Nadler, 1981). It may therefore be necessary to develop special management structures outside of the regular organizational structure to manage the change process. These management structures should include people who have the power to mobilize resources to promote change, the respect of existing leadership and advocates of change, and the interpersonal and political skills to guide the change process (Cummings and Worley, 1993). Beckhard and Pritchard (1992) suggest the following options:

- Top management ... ()... could become the project managers.
- Top managers could appoint a 'czar' or project leader.

The change could be managed by creating a special change management team.

In a fundamental change effort, it might well be necessary to create multiple change management teams assigned to different change tasks. Finally, the existence of the change management teams and their role should be communicated to all the relevant parties.

1.5 ORGANISATIONAL CHANGE IMPLEMENTATION

Implementation organizational change involves numerous different actions related to various elements of the organizational system. As said earlier on organizational development theories look at change from a behavioral perspective. Theories of organizational transformation highlight the relations between organizational change and corporate strategy. When considering change in business processes, the Business Process Reengineering paradigm cannot be ignored as it complements the behavioural aspects with the more content specific elements as well as provides practical guidelines for implementation. An intentional change effort is typically carried out as a project and thus relevant parts of project management are reviewed. The theory of organizational learning then considers change implementation as part of learning and thus provides a valuable differentiating viewpoint. (Tissari, 2002)

1.5.1 Organizational development (OD)

OD aims at improving organizational effectiveness and employee well being (Beer et al 1987). OD focuses on behavioral elements of change like organizational culture, process and people as objects of change, and collaboration of the organizational members with an external change agent as a means for change. (Cummings and Huse, 1985). Altering organizational culture is often considered as a prerequisite of permanent change (French *et al* 1999). Beckard (1999), defines OD as a planned organizational effort that is managed from the top to produce planned interventions in the organizational processes using behavioural science knowledge.

There are large varieties of OD activities called interventions. Changes in organizational variables such as the formal structure, cost control systems, machinery, policies and procedures or job designs and responsibilities all target at changing the organizational members behaviour that alters the effectiveness of the overall system (Porras and Robertson, 1990). Typical OD change efforts involve

innovative plant designs, participative management approaches, use of task forces to identify and solve problems, off site team building or mission building sessions, employee ownership and quality circles (Porras and Robertson, 1990). Cummings and Huse (1985) classify OD interventions to four types:

- Human process programs aimed at people within the organization and their interactions processes: team building, survey feedback and inter-group relation interventions.
- Techno structural methods directed at organizational technology and structures for linking people and technology: interventions concerning organizational design, job enrichment or self regulated work groups.
- Human resource interventions aimed at successfully integrating people into organizations: goal setting, reward systems or career planning and development interventions.
- Strategic programs directed at how the organization uses its resources to gain competitive advantage in the larger environment.

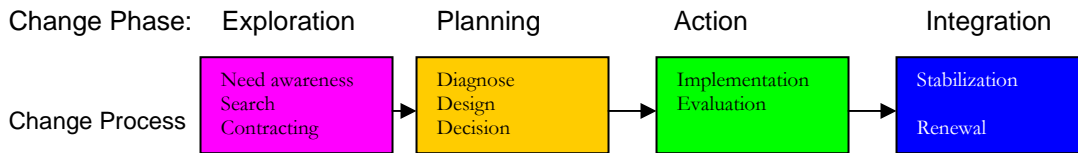
Porass and Robertson (1990), classify implementation theory of OD at three levels: strategy, procedure and techniques theories. The technique theories describe the broad strategies that can be used to change human systems, the procedure theories includes major steps that must be taken in executing a complete change process, prescribing intervention steps, identifying the diagnostic variables, choosing a specific intervention, understanding conditions for effective change agents. The technique theories then consist of perspectives that focus primarily on one of the core steps identified in the procedure theory, such as diagnostic theories, planning theories, micro interventions theories and evaluation theories. Porras and Robertson (1990), considers the procedure theories most useful for the actual implementation which also applies in research.

An OD effort begins with awareness of a need for improvement (Ackerman, 1982) or with developing the need for change (Lippit *et al.* 1958). An important element of OD

theory thus is diagnosing the general problem areas of the organization prior to any intervention (Burke, 1982). Cummings and Huse (1985), sees the diagnosing as a collaborative process involving both managers and consultants in collecting analyzed data as well as drawing conclusions for action planning and intervention. After assessing the present state, the next step is to develop an ideal model of the desired end state (Blake and Mouton, 1968). Designing the ideal model is management driven and involves the entire organizational systems defined as being relatively free to determine its own plans and future, let it be an entire enterprise, business unit or rather independent department (Beckard, 1969). OD always deals with change within a total system and its scope is overall organizational change targeting organizational culture structures, processes and congruence among various organizational factors (French and Bell, 1999). The description of the organization and the desired future of the organization should be detailed and comprehensive and specify all organizational elements (Porras and Robertson, 1990). A clear target of the desired state is an essential element of OD but so is a plan of how to reach state timetables, intermediate goals and the activities to be carried out (Dawson, 1994). Planning constitutes a key part of most OD interventions procedures and essential part of the so called planned models that relate closely to the concept of planned change.

Many different models of organizational change process have been presented, one of the earliest being a three stage model by Lewin (1958). Based on a number of analysis of a large number of phase models, Bullock and Batten (1985), concluded that a good model of organizational change consists of a linear sequence of change phases and reversible change process that occur in each phase as illustrated in Figure 2.2 .The idea of the model is that, whereas the phases form a linear sequence the process can take place in whatever order and even iteratively inside the corresponding phase

Figure 2.2



An outline of a four phase model of change by Bullock and Baten (1985).

Yet another essential characteristic of OD is that efforts are supported and managed from the top (Porras and Robertson, 1990). The top management's role is to articulate and propagate a vision or agenda of the future of the organization (Beer and Walton, 1987). In addition, the feature of the OD theories is the emphasis that is put on the role of a consultant acting as a change agent (Dunphy and Griffiths, 1998). An external change agent nominated and supported by top management, typically designs and sequences interventions following his or her diagnosis of the organization's needs and shortcomings (Beer and Walton, 1987). The OD consultant helps the organization members to examine current difficulties and their causes (Burke, 1987). The role of OD consultant is usually one of a facilitator that conducts interventions which are reflective and self-analytical by nature but he or she can also be seen as the project manager of the change (French and Bell, 1989).

According to Porras and Robertson (1990), the degree and quality of organizational member involvement is one of the most important conditions for effective change. Thus, in addition to top management involvement and the commitment of all other organizational members, is considered essential (Beer and Walton, 1987). OD involvement of the organizational members is considered as a means of overcoming change resistance which, according to Reger *et al* (1994), either can be passive or active. Passive resistance results from failure to fully comprehend the change and active resistance is direct conflict between initiative and the valued elements of current organization.

The OD approach has been criticized for failing to connect social issues with technical or operational side of change. Porras and Silvers (1991) acknowledged that OD procedures are appreciable, but not radical change in understanding employee cognition as well as behaviour. As a summary, it can be stated that OD theory suggests that:

- Implementation ideally to be initiated based on designed description of future state as a result of diagnosis of the organization.
- Managed by top management and external agents that involve employees.
- Sequential process defined in a plan made in the beginning of the implementation.
- Realization of the complete description of the future state is a prerequisite for implementation

1.5.2 .Organizational Transformation

OT, is also called second generation OD. (Porras and Silvers, 1991) strategic change (Dunphy and Griffiths, 1998) or strategic transformation (Saliminen, 2000), is considered an enhanced approach arising from critics of OD that support radical and large scale changes. With its strategic focus, OT also relates to the stream of strategic management that emphasizes strategic implementation in contrast to strategy as competitive position (Porter, 1980) or core competence definition and development (Hamel and Prahalad, 1993). The concept emphasizes the magnitude and the urgency of change and implies that structure breaking strategic approach is required in the circumstances that many enterprises operate (Dunphy and Griffiths, 1989). Passmore (1994) states that, during the past two decades changes like globalization, desire for speed, technology, environmental consciousness, diversity of people as consumers, quality and downsizing have resulted in a need for organization transformation irreversibly. Thus as opposed to transforming an organization from its current state to some future state or developing it to be better at

what it does, transformational change means the emergence of a totally new unforeseen state out of the remains of the old (Ackerman, 1986).

Organization development is considered having focused too narrowly on internal efforts and thus neglected the role of environmental factors (Beer and Walton, 1987). On the contrary, organizational transformation is initiated or at least affected by external factors and often related to a crisis situation. According to Cummings and Huse (1985), both environmental and internal disruptions may trigger transformations. Dunphy and Stace (1988), claims that organizational transformation is caused by an externally imposed change or as the only way to bring the organization back into fit with its environment. Thus transformational change applies under conditions of widespread economic restructuring, recession and discontinuity. When the organization is markedly out of fit or environment changes dramatically, a more discontinuous change process is needed for the organization to survive (Dunphy and Stace, 1988).

Transformation is closely linked to strategic business issues and thus it is not a question of changing only organizational process or style (Nadler and Tushman, 1989). Transformational change requires abrupt shifts in most parts and components of the organization such as total structures, information systems, human resource practices, management processes and corporate cultures (Vollman, 1996). Porras and Silvers (1991), differentiates transformation from the traditional organizational development, based on the object of change: whether it is only the work settings or involves the organizational vision as well. According to Nadler and Tushman (1989), transformational change affects the entire organization, whether it be a corporation or business unit, rather than individual strategic business units or departments. On the other hand, Hall *et al.* (1993) presents a contradictory finding that the most successful transformations are not considered as a once and for all effort, but as a series of waves washing over the organization for period of years leaving a system for continuous improvement in place.

While the scope and magnitude of change are considered distinctive to OT, the process of transformational change commonly applies similar phase models as OD (Kotter, 1996). According to Dunphy and Griffiths (1998), the transformation approach focuses on planned, purposive competitions and begins by looking outward from the firm, scanning the competitive environment. Once a viable strategy is determined, an implementation plan is put into place that will reposition the organization so as to capitalize on new strategy. Kotter (1996) presents eight steps to transforming an organization: establishing a sense of urgency, creating the guiding coalition, developing a vision and a strategy, communicating the change vision, empowering broad-based action, generating short term wins consolidating gains and producing more change and anchoring new approaches in the culture. He stresses that none of these steps should be skipped, but that change processes typically operate simultaneously in different stages, in different sub projects of the complete transformation effort. Cummings and Huse (1985) presents a different view to the deterministic phase models as they state that undertaking transformational change is much more uncertain than fine tuning the organization, and thus requires considerable innovation and learning, which occurs at all levels of the organization and the process is likely to be substantial.

Different views also exist on the pace of transformation. Some author justifies the whole paradigm of transformational change based on the slowness of organizational development (Miller and Friesen, 1984). On the other hand, Nadler and Tushman (1989) claims that just like in incremental change, also in transformation the pace depends on whether the organization is anticipating or reacting to external change. Based on the learning organization during transformation, Cummings and Huse (1985) notes that the effort is likely to persist as long as the firm needs to adapt to the change. Yet they do recognize that the time frame rarely is unlimited because the environment is likely to be very dynamic during the change process. Kotter (1996) agrees that real transformation takes time, but compelling evidence of the ability to reach the expected results should be available within 1-2 years, whereas

Anderson *et al* (1985) studied seventeen transformational efforts, each of which lasted five to ten years.

Due to being closely linked with corporate strategy, a transformation effort is considered to be initiated by the leaders of the organization rather than the consultant of human resources specialists (Nadler and Tushman, 1989). Cummings and Huse (1985), asserts that senior executives and line management that are responsible for the strategic direction and operation of the organization have to lead the transformation. They decide when to initiate transformational change, what the change should be, how it should be implemented and who should be responsible for directing it. The underlying assumptions about of organizational transformation have also been criticized. Dunphy and Griffiths (1998) states that the newly dominant strategic approach is based rational assumptions that senior executives have the power to introduce rationally devised strategic plans and implement them as planned ,which has led to major debates on the field about the relative value of deliberate and emergent strategies. As a consequence, the problems of strategy implementation have gained increased importance. Strategic management is no longer seen as simply formulation and linear execution of strategy, but it is recognized that strategies may be thoroughly reworked and elaborated as more organizational units and stakeholders become involved in the process of corporate change and influence emergent strategies (Dunphy and Griffiths, 1998). As the theory of transformational change is still in its incubation stage, it is not as well defined as the theory of OD. Whether it provides a truly alternative approach to OD or only a difference of emphasis in terms of the object and magnitude of the change, it remains somewhat unclear. The dominant views of organization transformation to change implementation are as follows:

- Initiated through a vision based on strategic need, often due to external changes.
- Lead externally from the top.
- Sequential and linear process although more responsiveness is called for.
- Involves most parts and elements of the organization at once.

1.5.3 Business Process Reengineering

Business Process Engineering (BPR) emerged from two different paradigms namely: total quality management (TQM) that proved to have limited contribution to radical transformation while focusing on improvement of current practices in an incremental and continuous manner and socio-technical systems that consider change to affect both the people and the technical elements of an organization (Jaffe and Scott, 1998). According to Hammer and Champy (1993), business process reengineering is the “fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as costs, quality, service and speed”. Reengineering is not about incremental improvement in the old process, but about inventing a better way of delivering value to customers.

BPR originally focused on radical process changes enabled or implemented through innovative use of information technology (Hammer, 1990), but IT is not always the primary driver of reengineering efforts (Dixon et al, 1994). Reengineering triggers changes of many kinds, not just of the business processes itself: the organizational elements associated with the process, such as job design, organizational structure and management systems, must be refashioned in an integrated way. Thus reengineering mandates change in many areas of the organization (Hammer, 1990). As Magnelli and Klein (1994) puts it, business processes do not exist in a vacuum, but are facilitated by a support infrastructure, which must be aligned with the newly reengineered process flows.

In line with the presented definitions, Davenport and Stoddard (1994) lists five primary concepts that make reengineering:

- A clean state approach to organizational design and change.
- An orientation to broad, cross-functional business processes, or how work is done.

- The need for, and possibility of radical change in business performance.
- Information technology as an enabler of change in how work is done.
- Changes in organizational and human arrangements that accompany change in technology.

Burgess (1998) states that BPR requires practitioners to move beyond their current perception of the world and question the very foundations upon which they do business. At the heart of reengineering is the notion of discontinuous thinking, recognizing and breaking away from the outdated rules and fundamental assumptions that underlie operations (Hammer *et al.* 1990). However, Davenport and Stoddard (1994) makes a firm distinction between clean state design and clean state implementation and agrees that it is useful to design a target state of outright processes to direct the development, but the development may still be piecemeal over several years.

Business process reengineering is based on viewing business as processes instead of functions and the aim is to optimize process so that they bring maximum value to the customers as efficiently as possible. While in a functional organization work has mainly been organized as a sequence of separate tasks and complex mechanisms to track its progress (Hammer, 1990), an important characteristic of a process is that it has either an internal or external customer and it crosses organizational boundaries Davenport and Short (1990). Optimized process can be realized through like combining several tasks together, bringing decision making as part of the actual work and performing work where it makes the most sense regardless of the functional boundaries (Pollalis,1996). Manganelli and Klein (1994) claims that not all processes are relevant in reengineering, but only strategic and most value adding ones. According to Miller and Puddicombe (1992) reengineering focuses on key value creation processes, such as order fulfillment, product development, order creation and customer service. Furthermore BPR should be motivated by objectives derived from the strategic business vision, such as cost reduction, time reduction,

output quality or quality of work life. Whatever the objectives in a specific effort may be, they should be clearly defined and quantified (Davenport and Short, 1990).

Reengineering is carried out through projects or programs with clear start and end as well as defined targets (Dixon *et al* .1994). The initiatives are considered to consist of different phases, and several practitioners and researchers have proposed their own sequential models of how reengineering should be carried out in an organization. Lowenthal (1994) proposes a four stage model that consists of: preparing for change, outlining change and evaluation of change. Petrozzo and Stepper (1994), also divides reengineering into four phases called “discover”, “hunt” and “gather”, “innovate and build” and “reorganize, retrain, retool” .A third model outlines general phases of reengineering project to include: determining the requirements, designing new processes and systems, building the new process and systems with organization structures, roles and responsibilities, implementing and deploying the change (Mossbroker and Loftin,1998).

The main focus of business process reengineering is on achieving major business benefits through designing optimum business processes. Davenport *et al* .(1994) claims that managing process change is similar to managing any types of change, except that its cross functional nature increases the number of stakeholders and thereby the complexity of their efforts. It is clear that no process change with similar features can be implemented in an organization without successful change management (Grover *et al* .1995). Thus the generic change management theories have been applied in reengineering initiatives as well. Dixon *et al* .(1994) states that reengineering efforts tend to be managed top down and numerous other studies confirm that in addition to excellent process solutions, successful reengineering efforts include strong leadership engagement (Jaffe and Scott, 1998). Employee participation to eliminate resistance and motivate people has been recognized as an important success criterion (Jaffe and Scott, 1998).

Business process reengineering as a tool for implementing change has been criticized for its assumption of a deterministic process with no support for flexibility due to internal or external reasons. Wilson (1999) state that as the world today is unpredictable and fast changing, it is unrealistic to believe that major business benefits could be realized through reengineering programs that typically last for more than one year. The real business complexity should not be ignored by simply executing the plans once made through a rigid approach that relies on planning measuring and controlling. Jarrar and Aspinwall (1999) claims that instead of relying on perfect planning, the best way to learn how to reengineer or implement change is by doing it.

In summary the BPR theory suggests that change implementation ideally holds the following characteristics:

- Initiated based on process redesign derived from strategic vision and motivated by performance improvements.
- Strong leadership as well as participation to overcome resistance.
- Sequential process.
- Implementation based on holistic design of optimal, cross functional business processes and related organizational elements.

1.5.4 Project Management

Project management evolved in the late 1950s to answer the need of an efficient management philosophy for large military systems. Most of the early project management concepts were thus developed by North American military organizations working with defense contractors. However, according to Cleland (1994), no one can really claim to have invented project management. Its roots can be found in the construction industry and in the engineering discipline, yet later, the idea of carrying out things by projects was adopted also in other disciplines. As a management discipline, project management has its roots in the branch of

management science or operational research (OR). In turn, the basis of OR lays on belief that there are different forms of management problems, i.e., decision or inventory problems, and all differences from the general form are only minor in nature.

According to Partington (1996), this is also the underlying philosophy of project management methodologies. A project is often defined as a unique endeavor with a predefined start and end dates, objectives, scope, and budgets performed by a temporary organization (e.g. Clelland, 1994, Kerzner, 1989; Lewis, 1993, PMBOK Guide, 1996). The Project Management Institute(PMI) defines project management as *"the art of directing and co-coordinating human and material resources through the life of a project by using modern management techniques to achieve predetermined objectives of scope, cost, time, quality and participant satisfaction"* (Clelland, 1994).

The definition thus clearly emphasizes on one hand different techniques and on the other hand the objective of reaching predefined goals on time and within the budget. PMBOK (1996) makes a distinction between projects and operations – though admitting that these two can overlap – on the basis of continuity and uniqueness. According to this definition, a project is "a temporary endeavor undertaken to create a unique product or service" (PMBOK, 1996). 'Temporary' here means that each project has a definite end, which is reached when the objectives of the project are reached. Uniqueness of the results means that no other product or service of exactly the same nature has been produced before. On the basis of the definitions described above, it becomes quite clear that a change effort in an organization is, or at least could be, a project. It usually has predefined starting and ending dates, objectives and schedules. Furthermore, a temporary project organization is responsible for carrying out the undertaking within defined scope and budget.

Although the history of project management is connected with the management of large-scale product development or capital investment projects, recently some authors have explicitly acknowledged tendency towards managing organizational transformation efforts as projects. (Partington, 1996, Adler and Shenbar, 1990, Carnall, 1990, Juran, 1992, Kotter, 1996, Turner, 1999).Juran (1992) especially emphasizes that quality improvement efforts should be organized as projects. Thus, change is being managed with an increasing professionalism, yet remembering that pragmatism should be the greatest preoccupation for leaders and managers in change (Carnall, 1990).

Clelland (1994) summarizes that, in addition to more or less traditional project management areas, projects can be used e.g., for developing new processes or reorganizing corporations. He further refers to organizational change and determines that a project is something that brings about change in an organization and has:

- Time, cost and technical performance parameters (or objectives).
- Complexity, scope or innovation beyond the operational work of the enterprise.
- A key role in preparing the organization for its future.
- Significant contributions by two or more functional units of the organization.
- A direct contribution to the success or failure of the enterprise.

Turner (1999) also includes change in his latest definition of a project: “A project is an endeavor in which human, financial and material resources are organized in a novel way to undertake a unique scope of work, of given specification, within constraints of cost and time, so as to achieve beneficial change defined by quantitative and qualitative objectives”. Regarding Clelland’s definition, change efforts can surely be carried out as projects and thus also called projects if only organized in a manner described in Clelland’s definition. In general, Clelland (1994) adds, project management can be used for any ad hoc endeavor and, furthermore, the more unfamiliar and unique the undertaking is, the greater the need for project

management (Clelland, 1994). A change effort is usually unique and unfamiliar since changing organizations is not a part of a company's main business or core competence. On the other hand, project management is not needed in highly standardized and stable environment where things are run by routines, nor is it necessary if the organization or the task is very small of which it can be accomplished through the functional organization by more informal techniques than those used in project management (Clelland, 1994).

Turner (1999) notes that, change is endemic and has become an essential determinant in maintaining a company's competitive edge. The old bureaucratic style of management is incapable of meeting the challenges of a changing environment. According to Turner, project management is the answer to many of the distinguishing challenges of the prevailing markets. Knowing this, it is surprising how poorly managed change projects often are. Partington (1996) remarks that in many cases, inappropriate systems are used for managing change projects, that is, although the objective of many organizations as a whole is to abandon bureaucracy, they may turn to the most bureaucratic tools and methods to manage projects of organizational change.

- As a summary, it can be stated that the project management theory suggests change implementation to be:
- Initiated based on explicitly defined goals.
- Managed centrally by project manager and supported by project sponsor.
- Sequential process defined and controlled by project schedule.
- Directed by a complete hierarchy of goals and tasks.

1.5.5 Learning Organization

A learning organization is commonly considered as the target of organizational change, but it can also be seen as an alternative approach for bringing about organizational change (Beer and Eisenstat, 1996). An additional viewpoint with relation to organizational change and learning is to acknowledge elements of the learning organization as essential aspects of planned, transformational change or reengineering (Cummings and Huse, 1985). Roth *et al.* (1994) views BPR as a tool for executing actions as part of an organizational learning process and on the other hand a facilitator of learning.

As opposed to performance improvements through periodic innovations, the concept of learning organization is based on continuous improvement at all levels and parts of the organization. The roots of the learning organization paradigm lie in the Japanese kaizen philosophy that relies on incremental improvements and daily small scale activities. The ideas of kaizen were further carried in Total Quality Management, and defined as managerial innovation that emphasizes an organization's commitment to the customer and to continuous improvement of every process through the use of data driven problem solving approaches based on empowerment of employee groups and teams (Dean and Bowen, 1994). Based on the work of Anderson *et al.* (1994) and Waldman (1994), Westphal *et al.* (1997) have summarized the manifold theory of TQM to four basic aspects:

- Customer focus: Improvement of processes for both internal and external customers.
- Continuous improvement.
- Structured people solving process for identifying and solving problems and finding opportunities for improvement, modeled as the Plan-Do-Check-Act cycle (Deming, 1993).

- Employee empowerment. Continuous improvement is most likely to occur in groups of individuals who are provided with knowledge skills, motivation and authority to take action (Crosby, 1984). Most of the knowledge to improve a product or service is thought to rest with those directly involved in producing the good or service, and this knowledge must be exploited (Juran,1989).

Theories that see change as a process of learning and continuous improvement also emerged in management literature related to organizational change. As change is developing and unpredictable of nature, creating learning organization is understood as a means to cope with the increasingly turbulent environment (Beer *et al.*1990). Continuous improvement is considered essentially a learning process it necessarily requires first learning something new. In the absence of learning, change may remain cosmetic and improvements are either fortuitous or short lived (Gavin, 1994). Organizational learning can be defined as the capacity or processes within an organization to maintain or improve performance based on experience (Nevis *et al* .1995). Individual learning is imperative for organizational learning but not sufficient as such (Marquardt, 1996). Senge (1990) makes a distinction between adaptive and generative learning and accounts on increasing adaptiveness only as the first step in moving toward learning organizations. At its heart, the impulse to learn is about being generative and creative (Senge, 1990). Sarala and Sarala (1996), defines learning as a co-operative developmental activity by which existing modes of operation are either improved or quite new ways of action are created.

Accordingly, Argyris (1993) divides learning to either a single loop or double loop learning. Single loop learning focuses on how to execute current actions better, whereas double loop learning is more about setting the right targets and only then acting towards them. Double loop learning calls for deeper understanding, identifying a mismatch between the desired and achieved results, and accomplishing the reconstructive actions. Double loop learning is not only better execution of tasks to achieve results based on the governing variables, but questioning even the targets set for actions.

As Sirkin and Stalk (1990) put it, the difference is in whether the organization is learning from problems or continuously fixing the same ones over and over again. Single loop learning is sufficient in routine like, repetitive situations whereas solving more complex problems requires double loop learning. Both types of these learning techniques are needed in a learning organization and for any type of learning a common requirement is implementing the corrective actions in practice; just observing a problem and defining a solution is not enough (Argyris, 1993).

A learning organization then has an enhanced capacity to learn, adapt and change. It is an organization in which learning processes are analyzed, monitored, developed, managed and aligned with improvement and innovation of goals (Gephart *et al* .1996).Based on the different definitions that describes the characteristics of a learning organization (Argyris, 1993; Marquardt, 1996; Mayo and Lank, 1994; Senge, 1990). Pankakoski (1998) summarizes the features of a learning organization as a “systematic entity that has the ability to e.g.:

- Use learning capabilities of its members to achieve common goals
- Create supportive climate that aims at continuous improvement
- Encourage the members to critically question, correct and reform the ways of action
- Create, acquire and share know-how and continuously adapt and renew itself in response to the changing environment”.

Garvin (1994) states that some more concrete ideas of how to achieve a learning organization. He says that learning organizations are skilled at five main activities namely:

- Systematic problem solving
- Experimentation with new approaches
- Learning from their own experience and past history, culminating to recognizing the value of productive failure over unproductive success.
- Learning from the experiences and best practices of others and,

- Transferring knowledge quickly and efficiently throughout the organization for learning to be more than local affair.

As examples of experimentation Garvin(1994) mentions involving incentives systems that favour risk taking and launching demonstration projects that involve holistic, system wide changes introduced at a single site ,but undertaken with the goal of developing new organizational capabilities. Characteristics for such demonstration projects are that they:

- Are the first projects to embody principles and approaches that the organization hopes to adopt later on a larger scale. Thus involve midcourse corrections and considerable learning by doing.
- Implicitly establish policy guidelines and decision rules for later projects.
- Often encounter severe tests of commitment from employees who wish to see whether the rules have in fact changed.
- Are developed by a strong multi-functional team reporting directly to senior management.
- Tend to have only limited impact on the rest of the organization (Garvin, 1994).

The steps towards a learning organization are recognized as fostering an environment conducive to learning, opening up boundaries and stimulating the exchange of ideas and creating learning forums, such as strategic reviews, systems audits, internal benchmarking reports and delegations that are sent to study leading organizations around the world to better their performance and distinctive skills (Garvin, 1994).

As a summary, it can be stated that Organizational learning theory suggests change implementation ideally to involve:

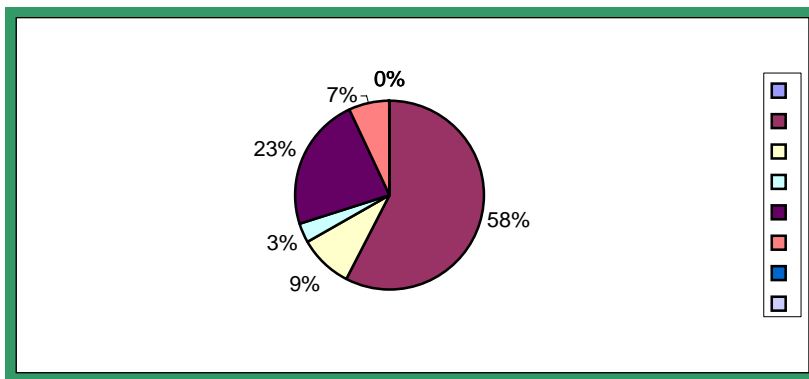
- Behavioural change as a result of observing a problem.
- Carried out in all levels and by all members of the organization.
- Constantly an ongoing process.

- Accumulation of continuous incremental and individual changes.

Kotter (1996) views implementation as consisting of the following three steps:

Communicating the change Vision: A vision is not effective if it is only understood by a few people in the company. The vision must be communicated often, as well as clearly. One of the causes of miscommunication is the failure of the first three stages of transformation. If there is not enough urgency, people do not listen, if the guiding coalition is not formed well, it will not be able to create and send the right message or if the vision itself is not clear or just not feasible, selling it is not easy. Another is the clutter of information that surrounds people in the organization. The change vision can get easily lost in loads of information and messages that people receive in companies. As shown in figure 2.2 based on a typical 30-minute speech, one hour meeting, 600 word article and 200 word memo, it only get 0.58 percent of the total amount of communication going to an employee in three months

Figure.2.3. Level Communication Clutter



The following are key elements in the effective communication of vision (Kotter, 1996).

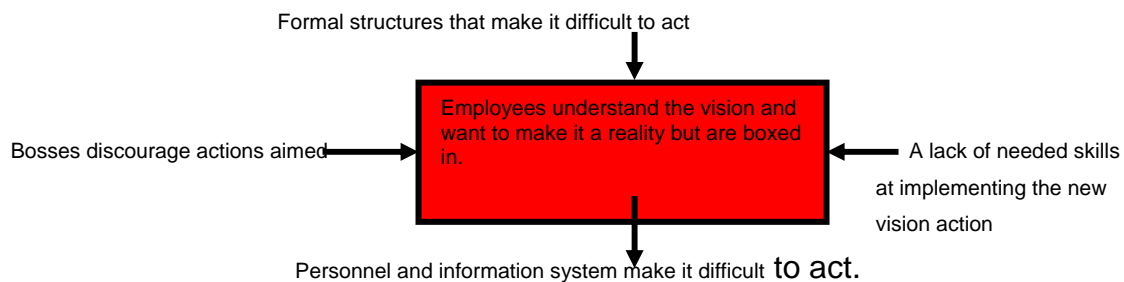
- Simplicity: All jargon and technical language must be eliminated.
- Metaphor Analogy and example: A verbal picture is worth a thousand words.
- Multiple forms: Big meetings and small memos and newspapers, formal and informal interaction all are effective for spreading the word.
- Repetition: Ideas sink in deeply only after they have been heard many times.

- Lead by Example: Behaviour from important people that is inconsistent with the vision overwhelms other forms of communication.
- Explanation of seeming inconsistencies: Unaddressed inconsistencies undermine the credibility of all communication
- Give and take: Two-way communication is always more powerful than one-way communication.

The communication must be simple not to overwhelm employees and it is best explained if some metaphor or examples delivers the essence of the message. The message should be repeated over and over again and delivered via different mediums such as meetings memos or just informal conversations. Management must make sure that they lead by example and abide by the same vision they are advocating and try to eliminate inconsistencies within the message and to address those inconsistencies during the early stages of the transformation processes. At last the lines of communication must be opened on both sides, this makes the message much more powerful as employees feel valued and would make an extra effort to understand the vision.

Empowering Employees for Broad Based Action: Major internal changes do not happen unless many people assist. However, most employees cannot help much as they are relatively powerless. Therefore empowering employees is another way to make transformation successful. After effectively completing stage 1 through 4, we then need to empower a broad range of people to take action by removing as many barriers to the implementation of the change vision as possible at this point of the processes (Kotter, 1996). Kotter (1996) has identified four big obstacles to be removed in order to empower people to make a change. These are structures, skills, systems and supervisors.

Figure.2.4. Barriers to Empowerment



Adapted from Kotter (1996)

Kotter (1996) suggest the following steps to tackle the above problems:

- Communicate a sensible vision to employees: If employees have a shared sense of purpose, it will be easier to initiate actions to achieve that purpose.
- Make structures compatible with the vision: Unaligned structures block needed action.
- Provide the training the employees need: Without the right skills and attitudes people feel disempowered.
- Align information and personnel systems to the vision: Unaligned systems also block the needed action.
- Confront supervisor who undercut needed change: Nothing disempowers people the way a boss can.

Following the above can help empower employees to take initiatives towards the required change.

Generating Short Term Wins: Major transformation take lots of time sometimes years. The initiator of the change or leader of the guiding coalition will usually stick to the plan for the duration of the change implementation. However most of the other employees and manager want to see the results that prove that their efforts are paying off. On the other of the spectrum, non-believers need hard data and numbers

indicating that the transformation processes is not wasting the company's resources. Because of this reasons managing a major change without paying attention to the short term wins could jeopardize the whole processes.

According to Kotter (1996), short term wins need to have three characteristics:

- Its visible, large numbers of people can see for themselves whether the results are real or just hype.
- It's unambiguous; there can be little argument about the validity of the success.
- It's clearly related to change effort.

The first wins need to happen within six months in smaller companies and within eighteen months in larger organizations. Kotter (1996) concludes that these small wins can help transformation in at least six ways:

- Provide evidence that sacrifices are worth it: Wins greatly help justify the short costs involved.
- Reward change with a pat on the back: After a lot of hard work, positive feedback builds morale and motivation.
- Help fine-tune vision and strategies: Short wins give guiding coalition concrete data on the viability of their ideas.
- Undermines cynical and self-serving people: Clear improvements in performance make it difficult for people to block needed change.
- Keep bosses on board: Provide those in hierarchy with evidence that transformation is on track.
- Build momentum: Turn neutrals into supporters, reluctant supporters into active helpers.

The previous sections discussed the implementation phase of the change process. This section discusses how the momentum of the organizational change process can be sustained so that the system does not revert to its pre-change condition.

1.6. EVALUATING AND SUSTAINING CHANGE

An institutionalized act has been defined as “a behavior that persists over time, is performed by two or more individuals in response to a common stimulus and exists as a social fact” (Goodman, Bazerman, and Conlon, 1980). According to Cummings and Worley (1993), institutionalizing change involves 'reinforcing new behaviors through feedback, rewards and training'. Goodman and Dean (1982) observed that there are different degrees of institutionalization. Starting with knowledge of the desired behavior, the next step is performance of the behavior, then preference for it and finally, incorporation of the new behavior in norms and values. Jick (1993) noted that to speak of institutionalizing change may be partially missing the point in today's environment of continuous change. Jick (1993) therefore prefers to use the term institutionalizing the journey.

This dissertation views institutionalizing change as an alignment of the different organizational elements to the changes and to each other in order to reinforce new behaviors. Institutionalizing change is not understood as a means of locking in the organization in its current state in order to prevent future changes to occur. In other words, what is meant is institutionalizing the process of change, and not a particular change in itself. Lewin (1947), discussed the institutionalization of change using different terms such as 'freezing, the use of multiple and consistent leverage points' (Nadler, 1981), aligning the organization (Beckhard and Pritchard, 1992), 'the many-bullets principle' (Nadler and Tushman, 1993), the dimensions of the organizational mobile (Duck, 1993) and finally, 'the unwritten rules of the game' (Scott-Morgan, 1994). The institutionalization of change is closely linked to the concepts of fit or congruence. According to Nadler (1981), this concept can be traced back to Homans, around 1950. Homans, in his pioneering work on social processes in organizations, highlighted the importance of the interaction and consistency among key elements of organizational behavior. Leavitt (1965) identified the four major components of the organization as being people, tasks, technology, and structure.

Leavitt suggested that these components are interconnected and that organizational change strategies therefore should take all four components into account. Several researchers have since further developed and/or empirically validated the congruence concept (e.g. Lawrence and Lorsch, 1969; Khandwalla, 1973; Galbraith, 1977; Nadler and Tushman, 1980). At the core of the fit or congruence concept is the assumption that the interaction among organizational components is perhaps more critical than the characteristics of the components themselves, and that as systems, organizations fundamentally work better if the pieces fit together. It has been observed in the literature that organizational congruence can be a double edged sword. Galbraith and Nathanson (1982) argued that there is a trade-off between short-run fit and long-run fit: the short-term congruence between the organization's design variables may be so good that they cannot be disentangled and rearranged into a new configuration in order to meet an environmental challenge or to implement a new strategy (Galbraith and Nathanson, 1982). Similarly according to Tushman, Newman and Romanelli (1986), organizational structures and systems can become so interlinked that they only allow for compatible changes.

In the literature on organizational change there is widespread agreement that there comes a point in time in the change process when all the different parts of the organization need to be realigned with each other in order to reinforce the new behaviors that have emerged. If not, there is a high risk that the system will revert to its pre-change condition. Likewise, Scott-Morgan (1994) found that the key cause of failure in the implementation of corporate change initiatives is the lack of consistency between organizational motivators (rewards), enablers (power structure) and triggers (performance measures). According to Beckhard and Pritchard (1992), there is probably no single action management can take that will affect credibility more than not making sure that the organization's strategies, policies, and pay, as well as more informal rewards and signals, are in conformity with each other. Also recent quantitative studies have confirmed the importance of using multiple leverage points to shape behavior.

A study of business process reengineering in twenty companies concluded that fundamentally changing the following six crucial organizational elements: roles and responsibilities, measurements and incentives, organizational structure, information technology, shared values and skills, were key factors leading to success (Hall, 1993). The next logical question is which subsystems of the organization are particularly important to bring in congruence with each other. A selection of the subsystems is discussed below. They are: the human resource system, management systems, roles and responsibilities, and organizational structure. The human resource system was found to be the most relevant with regard to the institutionalization of change.

Hilb (1994) underscored the importance of aligning the human resource system to a holistic vision, one that meets the needs of all stakeholders, and to integrate the components of the human resource system with each other. According to Tichy (1983) and Hilb (1994), the human resource system can be thought of as having four key components. They are employee selection and placement, performance appraisal, rewards, and development and career planning. The following section attempts to render an overview on these four components of the human resource system within the framework of institutionalizing change. According to Beer (1990), an understanding of the types of people and skills needed for the organization to be effective, is something that is developed gradually during the change effort. In other words, employee selection and placement needs to be adapted to the emergent organization during the later stages of the change process. For example, Hammer and Champy (1993) argue that reengineering leads to a more complex, multidimensional work, which requires highly skilled employees.

One executive stated that strategy follows people. In other words, placing the correct people in appropriate organizational positions can be an important factor in promoting change. Hiring decisions can also send important signals into the organization about both the vision and the commitment of management to realize it. Development and career planning can also play an important role in the change

effort. Managing development systems requires that sufficient attention be paid both to formal training programs and to on-the-job development programs. These training programs must be consistent with the future needs of the organization. For example, in reengineered organization, the greater the number of skills or competencies each individual brings to a team and the richer that person's understanding of the relevant core process, the greater the problem solving-capacity of the team will be. According to Ostroff and Smith (1992), most people contribute more to customer satisfaction by understanding, even if at a moderate level, a large number of the tasks required to produce satisfaction than by being extraordinarily good at only a few. The career planning, or whom gets ahead and how they get ahead can send important signals about the commitment of management to the vision. If the new organization includes fewer management levels, a new career system with greater emphasis on rotation between functions, as opposed to moving up within one function, might be needed. Similarly, Womack and Jones (1994) suggested that career paths in the lean enterprise must alternate between concentration on a specific value stream or process, and dedicated, intense knowledge building assignments within functions. In this career path, the individual's functional know-how will still be growing while the processes will get his or her undivided attention for extended periods. According to Womack and Jones (1994), the concept of an alternating career path has nothing to do with matrix organizations, in which everyone has two bosses. In this new model, the process leader rates an individual's performance while the individual is dedicated to a process, but the function head rates performance while the individual is back in the function, and the process leader decide jointly where the individual should go next.

Finally, the performance appraisal and compensation systems need to be changed to reflect the new vision. Although these are often considered as two separate systems in the human resource literature (Hilb, 1994), they are mostly grouped together under the term reward system in the literature on organizational change. This grouping is also adhered to here. Expectancy theories of motivation (Vroom, 1964; Lawler, 1976) suggest that people will tend to be motivated to behave in ways

that they perceive as leading to valued outcomes. The implication is that both formal and informal rewards need to be identified and tied to the behavior that is implied by the vision. Both human resource management authors (Hilb, 1994), and authors in the field of organizational change (e.g. Beckhard and Harris, 1987; Nadler, 1981; Tichy and Ulrich, 1984) have emphasized the importance of adapting the reward system to the vision. Beckhard and Pritchard (1992) observed that more executives see the necessity of putting the company's money where the leaders' mouths are. Kanter (1989) argued that "sharing the profits with those who help produce them is one way to put reality behind the oft-stated corporate slogan that people are our most valued assets". Finally, recent surveys of organizational change efforts have confirmed the problems of incongruent reward systems and the importance of a reward system that support the necessary changes (Covin and Kilmann, 1990; Arthur D. Little, 1994). Smith (1993), argued that the new reward system need not be in place at the outset, but that if rewards remain unaligned for too long, employees will revert to doing what they are paid for. Despite all this evidence and good advice from academics, a common problem is still that many companies expect individuals to behave in certain ways while rewarding them for other conflicting behaviors (Kerr, 1975; Beckhard and Pritchard, 1992). For example, business process redesign tends to lead to a 'horizontal organization' built around teams (Ostroff and Smith, 1992). For teams to be effective, their members must hold themselves mutually accountable for agreed purposes and goals. Horizontal organizations must therefore measure and reward team performance. The horizontal organization requires that rewards are built around team performance and individual skill development (Ostroff and Smith, 1992).

Also management systems need to be aligned with the vision and integrated with the other systems of the organization. According to Belasco and Stayer (1994), information systems can be a powerful lever in changing behavior. Fundamental organizational change is likely to alter the type of information that is needed at each level of the organization. For example, most existing information systems were designed to serve the needs of individual functions. The management of business

process, on the other hand, requires cross-functional data collection, something these systems were not designed to do. Process reengineering can also lead to greatly increased information needs of front/line personnel. In the horizontal organization, process teams are empowered to implement the actions needed to improve performance. This means that information must be made available on a just-in-time-to-perform basis rather than on a need-to-know basis (Ostroff and Smith, 1992).

According to Beckhard and Pritchard (1992), the strategic planning process has been quoted as a powerful tool for helping the organization to learn from the past, change its mind-set, and develop a future focus. Finally, there is likely to be a need to adapt financial management systems to be managed closer to the source, and networks or online databases developed to make information available to several levels simultaneously. While budgets are currently driven vertically by functional requirements, horizontal organizations require that budgets and resource allocations are driven horizontally by process requirements.

Roles and responsibilities also need to be adapted. Goodman (1980) observed that organizational change leads to the development of new roles. The role of senior management might change, the allocation of decision-making responsibility might need to be changed, and the relationship between the line and staff roles redefined. For example, Hammer and Champy (1993) have argued that managers in the reengineered organization change from supervisors to coaches, and executives change from scorekeepers to leaders. If reengineering leads to a 'horizontal organization', the roles and responsibilities of the function are likely to change dramatically. Womack and Jones (1994) have provided useful perspective on how organizations might balance the process and functional perspectives. They argue that in Japan, where the process perspective is most strongly developed, the creation of new knowledge in the technical functions has languished. Most Japanese engineers spend practically all their careers on cross-functional teams developing new products or improving production processes. This means that they get better

and better at applying what they already know while ideas for generating fundamentally new, innovative products are lacking (Womack and Jones, 1994). According to Womack and Jones (1994), functions in the learning, horizontal enterprise will therefore have two major roles.

The first will be to serve as a school; systematically summarizing current knowledge, searching for new knowledge, and teaching it to their members who are working on value-creating process teams. The second role will be to develop guidelines, or 'best practices' for, say, purchasing or marketing, and to decide which companies should be used as long-term partners in the value stream. Finally, the changes in roles and responsibilities need to be reflected in the organizational structure. The fact that structure follows strategy was first pointed out by Chandler (1962). Quinn and Kimberly (1984) pointed out that the structure should not only be matched to the strategy, but also to the environment and the internal culture. For example, reengineering business processes can lead to changes in the organization structure. Whereas the traditional functional organization is built around specific skills, the 'horizontal organization' is built around how the work is done. In the horizontal organization, permanent process owners and process teams are made responsible for the continuous improvement and performance results of core business processes. Finally, Womack and Jones (1994) have argued that companies must create a new process management function that instills a process perspective in everyone from the top to the bottom of the company. This function should define the rules for managing cross functional teams; teach team leaders how apply these rules, and constantly search for better approaches.

Hilb (1994) argued that a holistic evaluation of the organization should be completed along four dimensions, namely, financial, social, market/customer and ecological/environmental. Finally, Isabella (1993) observed that as individuals spend time with changes, they begin naturally to evaluate the rightness or wrongness of the changes for themselves and for the organization. According to this author, this is an

opportunity for managers to influence the conclusions and lessons that are drawn by organizational members. To do this, managers must:

- Create events to evaluate the change.
- Communicate in very concrete terms what the event has meant overall.
- Admit failures and state new strategies to turn those around. (Isabella 1993)

According to Kotter (1996) evaluating and sustaining change comprises the following:

Consolidating Gains and Producing More Change. At this stage it may seem that the job has been done but irrational and political resistance to change never really disappears. The consequences of a mistake at this stage can be extremely damaging. Kotter (1996) mentions that after studying more a dozen major change takes place “I am confident of one cardinal rule”: *‘Whenever you let up before the job is done, critical momentum can be lost and regression may follow’*. Until change practices attain a new equilibrium and have been driven into the culture, they can be very fragile”.

The two main reasons for this fragility, one the corporate culture and the second is related to interdependencies within organizations which means the interconnectness between departments and people make it very difficult to change anything without changing everything. The more interdependent the system is, the more difficult it is to change. For example let us look at a simple task of re-arranging office furniture. If there is only a desk, a chair, and a box in the office it is fairly easy to move them, add lamp, a monitor, a PC, and a printer that are all connected by wires and cables and the same re-arranging task would become much more complicated specifically if the computer system has to function while we are re-arranging.

Companies are also the same, they are interdependent than others, and this has to be taken into account while planning change. If there is a lot of interdependence the process of change must be done much slower to build up capacity to deal

successfully with the situation. According to Kotter (1996), in a successful major change effort the situation should look like the following:

- More changes, not less: The guiding coalition uses credibility afforded by short-term wins to tackle additional bigger change projects.
- More help: Additional people are brought, promoted and developed to help with all changes.
- Leadership from senior management: Senior people focus on maintaining clarity of purpose for the overall effort keeping urgency levels up.
- Project Management and leadership from below: Lower ranks in the hierarchy both provide leadership for specific projects and manage those projects.
- Reduction of unnecessary interdependencies: To make change in both short and long term, managers identify unnecessary interdependencies and eliminate them.

Anchoring new approaches in culture: When all stages are completed successfully, then the changes and the transformation need to be embedded into the culture of the company. Culture is a very strong force in an organization and it is an essential to anchor new changes to the culture, or the transformation will not last after the change process is completed. Kotter (1996) recognizes three reasons as to why culture is so powerful:

- Because individuals are selected and indoctrinated so well.
- Because culture exerts itself through the actions of hundreds or thousands of people.
- Because of all this happens without much conscious intent and thus difficult to challenge or even discuss.

The culture change however is just as hard as making transformation within an organization; it needs just as much focus and is the ultimate result of a change. The following are what Kotter (1996) considers necessary to anchor changes in a culture:

- Come last, not first.

- Most alterations in norms and shared values come at the end of the transformation processes.
- Depends on the results: New approaches usually sink into a culture only after it is very clear that they work and are superior to old methods.
- Requires a lot of talk: Without verbal instructions and support, people are often reluctant to admit the validity of new practices.
- Make decisions on succession crucial: If promotion processes are not changed to be compatible with the new practices, the old culture will reassert itself.

In conclusion, although these eight stages for change management have been implemented with success at many organizations, this is just a guideline on how to approach change management. Each company that initiates major change effort needs to look at their own practices, culture, past experiences and apply these stages accordingly.

Kotter states that it is imperative to pay attention to all of the phases, not only to those e.g., that are most easy to carry out. However, depending on the nature of the change and the current state of the organization, i.e., employees' readiness for the change, less emphasis may be put on the first four typical errors. He also suggests that all successful change efforts go through all eight stages in his process (Kotter, 1996). There are also numerous other phase-models for carrying out change in organizations. Summarizing briefly, the result of the evaluation is likely to be the adaptation of goals and strategies, which lead to a new 'loop' in the never-ending spiral of corporate change.

1.7. Enterprise Resource Planning Systems

Kumar *et al.* (2000) defines enterprise resource planning (ERP) systems as “configurable information systems packages that integrate information and information-based processes within and across functional areas in an organization”. ERP systems are expensive, and once ERP systems are implemented successfully,

significant benefits such as improved customer service, better production scheduling, and reduced manufacturing costs can be gained. An Enterprise Resource Planning (ERP) System is an Information System that normally encompasses the entire organization. Therefore these systems are often called enterprise systems. ERP systems are integrated enterprise wide systems, which automate core corporate activities (Gibson, Holland & Light, 1999).

This automation is normally conducted by the incorporation of best practices to facilitate rapid decision-making, cost reduction, and greater managerial control (Holland & Light, 1999). Some ERP systems were developed out of administrative (financial and human resources) sides of the business (e.g. SAP and PeopleSoft), and others grew from materials resource planning in manufacturing (e.g. Baan) (Markus and Tanis, 2000). A research firm recently predicted that the ERP market would reach \$66.6 billion by 2003 (Markus and Tanis, 2000). The main costs for ERP implementation are the capital expenditure on IT (hardware, network and software), external consultants and organizational change (Goodman, Holland & Light, 1999). The high cost of this type of implementation is in part due to the demand for consulting services, which help keep the prices high due to a significant shortage of qualified personnel (Lozinsky, 1998). Baan, PeopleSoft and SAP calculate that customers spend between three and seven times more money on ERP implementation and associated services compared to the purchase of the software license (Scheer and Habermann, 2000).

ERP systems can either be tailored to fit the business processes of an organization, or an organization can tailor its business processes to fit the structure of the ERP system. The customization of the ERP system directly relates to the complexity, and therefore to the cost of the implementation process. Using the systems without customizations means the work practices used throughout the business will need to be changed to suit the structure of the package. This will have an effect on the users of the system, and the methods from which the company derives competitive advantage over its competitors. Gibson, Holland and Light (1999) identified that the

business process changes brought about by the introduction of an ERP may be required to remain competitive in today's market (1999). Davenport (1998) raises the issue that the market saturation of ERP products is affecting the ability for companies with these products to maintain some form of product or information differentiation. (For example, if everyone has the same business procedures the ability of an organization to produce a unique product or service may be reduced). Therefore the implementation of these systems could negatively affect the company's competitive advantage. Many companies maintain their competitive advantage by avoiding these types of generic products (Davenport, 1998).

1.7.1. Advantages of ERP Systems

The benefits of installing an ERP system are widespread. An ERP system streamlines a company's data flows and provides management with a direct access to a wealth of information (Davenport, 1998). This centralization of control over information allows companies to translate the achieved benefits to gains in productivity and speed. The ability to take advantage of real time sales and consumer information affords the enterprises new avenues of competitive advantage as new market opportunities become available. The other major benefit of installing an ERP system is the reduction in maintenance costs. The removal of the many legacy systems the ERP system replaces reduces the number of software programs and systems the maintenance department must support. This reduces the costs of training personnel and decreases maintenance expenditure (Gibson, Holland and Light, 1999).

1.7.2. Disadvantages of ERP Systems

Davenport (1998) suggests the benefits available from ERP implementation come at great risk. These risks, which are especially high for projects that are entered into without extensive planning, are both tangible and intangible. ERP systems impose their logic upon a business' strategy, culture and organization, often forcing

companies to tailor its business processes. Therefore the goal of implementing an ERP must be to improve the business, not just to install the software (Martin, 1998). In order to achieve this goal, it is imperative that a company has a clear understanding of the business implications of ERP implementation before the onset of the project (Davenport, 1998). ERP implementation can be a considerable drain upon an organization in terms of both cost and development time. Even a medium-sized installation can soak up tens of millions of dollars and require years of tweaking before the benefits appear. This is reflected in the identification that approximately 90 per cent of ERP implementations are late or over budget (Gibson, Holland and Light, 1999).

1.8. Implementing Enterprise Resource Planning Systems

ERP systems are instruments for improving business processes, and therefore ERP implementation and activities that are aimed at changing business processes should be closely connected. ERP implementation should involve the analysis of current business processes and the chance of reengineering, rather than designing an application to make the best of bad processes (Scheer and Habermann, 2000). ERP system implementation is very complex, because consensus is required from an entire enterprise to re-engineer a core business process and take advantage of the benefits of the system. ERP implementation can reap enormous benefits for successful companies, or it can be disastrous for organizations that fail to manage the implementation process (Gibson, Holland & Light, 1999). The scales of business process reengineering and customization tasks involved in the software implementation process are the major reasons for ERP dissatisfaction (Scheer and Habermann, 2000).

A new ERP platform will form a critical infrastructure in any company for at least the next ten years (Gibson, Holland & Light, 1999). Therefore if a company rushes to install an enterprise system without first having a clear understanding of the business implications, the dream of integration can quickly turn into a nightmare.

The logic of the system will fail, wasting huge sums of money and causing a great deal of disruption, or the system will weaken important sources of competitive advantage, hobbling the company (Davenport, 1998).

From a software perspective an ERP system is complete. From a business perspective the software processes and business processes need to be aligned. This involves a mixture of business process design and software configuration. Therefore the focus of an ERP implementation is more on the alignment of the system with business practices, then on more traditional systems development (Gibson, Holland & Light, 1999). The authors also advocate change across the whole organization. This includes business processes, managerial behaviour, culture and organizational structure. Reengineering of an organization's business processes is an expensive process with a high failure rate (Gibson, Holland & Light, 1999).

Another reason an ERP package fails to achieve the results sought by business is that it is a generic solution to a variety of legacy systems (Davenport, 1998). This can cause a gap in the functionality provided by the ERP system, to the functionality provided by the organizations existing legacy systems. Because of this misfit, and the cost and impracticability of modifying ERP software it is normally more practical to modify the business to the software. The usual method of modifying the software to meet business requirements is impracticable due to the costs of such modifications and the inability to use upgrades provided by the ERP vendor (Gibson, Holland & Light, 1999).

The implementation of ERP software is not a technical task. The implementation of ERP systems is a business-based endeavor, as organizations try to match the technological imperatives of the ERP software with the business needs of the company. Technical challenges are not the main reasons that enterprise systems fail. Organizations fail to reconcile the technological imperatives of the ERP system with the business needs of the enterprise itself (Davenport, 1998). Rosemann and

Wiese (1999) investigated the process of evaluating the performance of ERP system implementation and use, based upon the Balance Scorecard Approach. These authors suggest that “the success of an ERP implementation project is often reduced to two facts – the ERP system is configured and running and the whole project is (more or less) on time and within budget.” Therefore the culture of an organization has direct influences on the implementation. For example user acceptance has a direct impact upon the speed of implementation, with respect to user training and business analysis for Business Process Reengineering purposes. The improvement of user acceptance could therefore theoretically reduce implementation time of an ERP system, making this an important area of study.

A quick review of ERP research revealed different strategies for implementing ERP successfully. One can classify these strategies into organizational, technical, and people strategies. Organizational strategies for promoting ERP implementation success include change strategy development and deployment, change management techniques, project management, organizational structure and resources, managerial style and ideology, communication and coordination, and IS function characteristics (e.g. Al-Mashari and Zairi, 2000; Gable and Stewart, 1999; Sarker and Sarker, 2000). Some of the technical strategies that have been proposed to determine ERP success include technical aspects of ERP installation, ERP complexity, adequacy of in-house technical expertise, and time and cost of implementation (e.g. Al-Mashari and Zairi, 2000; Amoako-Gyampah, 1999; Russo *et al.*, 1999; Sarker and Sarker, 2000). Examples of people strategies include staff and management attitudes, involvement, and training (e.g. Amoako-Gyampah, 1999; Gable and Stewart, 1999; Russo *et al.*, 1999; Computerworld, 1998).

Past ERP implementation research may be described as factor research, which involves identifying the factors or variables that are critical for implementing ERP successfully. Although factor research is valuable for advancing our understanding of ERP implementation success, it adopts a rather static view, which limits its adequacy in explaining the dynamics of the implementation process. Thus, factor

research alone is not adequate for explaining how the transition from resistance to success has happened. Unlike factor research, process research helps us understand how ERP implementation efforts have happened; it therefore gives a moving picture about how we got from time 1 to time 2.

1.9. SUMMARY

Summarizing how different theories of organizational change contribute to change implementation is challenging, because rather than being a uniform model, each theory is a collection of somewhat ambiguous concepts, guidelines and frameworks. Despite the different viewpoints, the theories also overlap and complement each other. Due to different origin of approach, the main difference is related to the targeted outcome of change. OD emphasizes employee well being along organizational effectiveness, whereas OT aims at large scale change as a means of strategic management. BPR then concentrates on measurable performance improvements through business process change. The theory of organizational learning does not explicitly restrict its object of change, but aims at adaptive and continuously renewing organisation. Project management is also a generic theory of carrying out any temporary tasks that stresses the planning and control of the execution. The ultimate aim according to all the theories anyhow improved business performance, and the variance stems from different assumptions of means, whether it should be employee empowerment streamlined processes, ability to learn or something else.

On the subject of implementation OD highlights participative diagnosis of the improvement needs, careful planning of both the target state as well as the interventions for reaching it. The phase models describe the change process as a focal element, as well as the change agent role supported by top management. The theory of OT has grown from critics of OD. The contribution of OT to the actual implementation consists of suggesting change initiation not based on diagnosis but on strategic intent affected by external change. OT diminishes the importance of a

change agent and stresses the role of line management in the change. In terms of implementation process, the view of sequential processes dominates also in OT, although many authors have called for more adaptive and flexible process that facilitates learning in the uncertain conditions of today's business environment.

The BPR theory views implementation rather similarly than OT, but more clearly relies on the phase models of change and holistic approach. While some authors in the field of strategic change (e.g. Mintzberg; Quin, 1980) are extremely doubtful of making a complete and holistic definition target state as a detached task before implementation, holistic planning and implementation approach is the definitive view in BPR. The BPR theory essentially views change as a project and supports the assumption of the traditional project management theory of being able to determine the target of the project in a detailed and exact manner at the start. Project management relies on planning, control and monitoring and considers a project successful when execution and the outcome conforms to the plan. Organizational learning holds a fundamentally different view to change as it views change as a result of learning and thus change implementation as part of learning. Organizational learning emphasizes that change is carried out in all levels and parts of the organization while each member of the organization learns besides their practical work. As a means of coping in the constantly changing environment, the theory stresses the continuous and incremental nature of change. Rather than concentrating on controlling change, the role of management is to foster circumstances that support the organization members in learning and generating new ideas and knowledge.

In institutionalizing change 'reinforcing of new behaviors through feedback, rewards and training is emphasized. Some authors observed that there are different degrees of institutionalization. Starting with knowledge of the desired behavior, the next step is performance of the behavior, then preference for it and finally, incorporation of the new behavior in norms and values. Institutionalizing change is not understood as a means of locking in the organization in its current state in order to prevent future

changes to occur. In other words, what is meant is institutionalizing the process of change, and not a particular change in itself. The institutionalization of change is closely linked to the concepts of fit or congruence. According to Nadler (1981), this concept can be traced back to Homans, around 1950. Homans, in his pioneering work on social processes in organizations, highlighted the importance of the interaction and consistency among key elements of organizational behavior. Leavitt (1965) identified the four major components of the organization as being people, tasks, technology, and structure. Leavitt (1965) suggested that these components are interconnected and that organizational change strategies therefore should take all four components into account.

The implementation of Enterprise Resource Planning normally encompasses the entire organization. Therefore these systems are often called enterprise systems. ERP systems are integrated enterprise wide systems, which automate core corporate activities. This automation is normally conducted by the incorporation of best practices to facilitate rapid decision-making, cost reduction, and greater managerial control. Some ERP systems were developed out of administrative (financial and human resources) sides of the business (e.g. SAP and PeopleSoft), and others grew from materials resource planning in manufacturing (e.g. Baan). The benefits of installing an ERP system are widespread. An ERP system streamlines a company's data flows and provides management with a direct access to a wealth of information. ERP implementation can also be a considerable drain upon an organization in terms of both cost and development time. Even a medium-sized installation can soak up tens of millions of dollars and require years of tweaking before the benefits appear. ERP system implementation is very complex, because consensus is required from an entire enterprise to re-engineer a core business process and take advantage of the benefits of the system. The implementation can reap enormous benefits for successful companies, or it can be disastrous for organizations that fail to manage the implementation process. The scale of business process reengineering and customization tasks involved in the software implementation process is the major reasons for ERP dissatisfaction. The next

chapter will deal with Johannesburg Water's implementation of SAP3/HR processes and the types of organizational problems encountered during implementation will be analyzed against the sub problems mentioned in chapter 1 and contrasted with the theory in chapter 2.

1.10. CONCLUSION

The chapter concludes what the presented theories state about planning, implementation and evaluation and sustaining organizational change and provides a framework for analyzing the empirical data. The theories of organizational change and their contribution can be broadly divided into four main categories.

- Planned change

Planned change represents fundamentally a different approach to implementation. The dominant view of organization transformation also supports the planned approach to change ,although a growing number of studies claim its rigidity in the uncertain and dynamic conditions .Although there is extensive theory concerning BPR as a distinct form of organizational change including specific models for implementation ,it can be concluded based on the presentation of various approaches that there is not much difference in implementing business process change compared to any other strategic change. While being rather uniform concepts, the theories of BPR and project management most consistently comply with the definition of the planned change approach. Reducing the manifold theories of organizational change to the four dimensions somewhat simplifies the issue and ignores to some extent the contemporary findings that manifest how additional elements and viewpoints should be involved in any of the presented theories. The more recent theory of OD calls for flexibility to the sequential phase models, strategic transformation theories including BPR recognize the importance of organizational as part of the effort and project management theories acknowledge the specific nature of organizational change projects that involve a high degree of

uncertainty. However, despite the imperfection and simplification of this framework, it can be presumed to provide a basis for creating further understanding of change implementation through the practical case. The usefulness of the framework remains to be seen

Figure 2.5.

	Planned implementation
Initiation	Initiated proactively by designing a vision of the target state
Management structure	Managed ,controlled and executed by a central organization distinct from operative work
Process	Carried out as linear, sequential process
Change advancement	Based on a holistic and comprehensive solution

Definition of planned change implementation approaches

- Initiation

Perceived need for change is considered one of the most important conditions for successful change (Kotter, 1996; Burke, 1997; Ackerman, 1982) and thus a prerequisite for implementation initiation is having a clear reason and target for the change. The need may arise from defects in the existing organization or the appeal of the target state. In line with the planned change approach to change ,OD,BPR and project management theories all view change to be initiated proactively and internally by designing a comprehensive and uniform vision of the target state. The importance of vision and visionary leadership is widely shared in the theory of organizational change (e.g.Kotter, 1996; Beer et al.1990; Pettigrew, 1985; Tichy and Ulrich, 1984).Vision provides a picture of the future and shows how members of the organization will fit into that future (French and Bell 1999).Thus a good vision shows the direction for development (Lanning, 2001).

Kotter (1996) describes how the most successful change efforts begin with a hard look at a company's competitive situation, market positions, technological trends and financial performance and claims that in every successful transformation effort there is a picture of the future that is relatively easy to communicate and appeals to stakeholders. In OD the target state is based on the diagnosis of the organization, in BPR it consists of the target process design and in projects it is the explicit goals of the project. Organization transformation also mainly relies on an explicitly formulated strategic vision as the impetus for change, although the vision is triggered or at least greatly affected by changes in the external environment.

By contrast, the point of view in the theory of organizational learning is that change implementation is a response to an observed problem or opportunity (Argyris, 1993; Nonaka, 1988) rather than implementation of some target state. In a learning organization, the role of vision is merely to set the direction for the change, but not to act as the main cause of change implementation, so change initiation according to organizational learning theories complies with characteristics of emergent change. In the theories, implementation initiation is thus characterized either by common vision designed by the organization itself or observed concrete problems and opportunities.

- Management Structure

In a learning organization, the whole is responsible for initiating and implementing changes as suggested also by the emergent change approach. Quite to the contrary, the other approaches rely on top down management and the power of committed top management or change agent and thus promote a centralized management structure like the approach of planned change, although the need to motivate people through involvement is recognized both in OT, BPR and project management theories and especially in OD. The emphasis that many authors (e.g. Salminen, 2000; Kotter, 1996; Beer and Walton, 1987; Anderson *et al.* 1985) place on the leadership of change implementation implies support for centralized management structure as a means for gaining control and focus, which are

considered important for ensuring that the effort really has an effect on the performance of the company, and for creating order in the middle of the chaos of change.(Schaffer and Thomson,1992;Denton,1996;Moran and Avergun,1997)

On the other hand, Beer and Eisentat (1996) claim that even when the need for a new strategic direction is perceived at the top, too often companies employ top down programs in which the inability to create an organization capable of implementing it is a serious barrier. Therefore Kanter (1983) and Burke (1985) suggest that the key to the leadership formulations is that leaders empower others. Levine and Mohr (1998) further define that successful implementation is most likely when the people who do the work are the ones engaged in the redesign. Their argument is derived from the traditional rationale according to which people support what they help to create and the diversity of knowledge mobilized through large scale involvement leads to greater creativity and innovation (Bunker and Alban, 1997).In his review of many research findings from the 1940s to the late 1970s, Nadler (1981) also concludes that participation in the change tends to reduce resistance, build ownership of the change and thus motivates people to make change work.

Salminen (2000) emphasizes participation with real decision making and characterizes participation in planning as representative involving a limited number of members from every important interest group ,whereas participation in implementation means that the members of the changing organization take part in bringing the new solution to use. Building on the arguments of the importance of employee involvement, the theories of organizational change go further and propose a completely different management structure in change implementation: corrective actions are initiated and taken locally close to where the work is done.Sashkin's (1985) suggestion for effective leaders give away power to achieve goals through others and not dominate them supports the local management structure. Organizations with fluid job descriptions ,loose organizational charts ,high communication and few rules have also been found to be conducive to innovation ,because they free developers from constraints ,allowing them to change flexibly and

create novel ideas(March,1981);Peters,1984).Senge (1990) supports the view of a local management structure with his notion that the old model “the top thinks and the local acts” must give way to integrated thinking and acting at all levels. Nadler and Tushman (1989) also encourage developing leadership for change throughout the organization.

Beer *et al.* (1990) conclude that top down approach holds premise of producing rapid change toward an elegantly conceived end state. However, employee commitment to the newly aligned organization may be low, and employee knowledge of how things get done may not be considered in the solution. A bottom up approach allows, even demands participation by employees, which seems to address many of the failings. But, change may be too slow and ill defined to respond effectively to short term business demands and top managements perspective and knowledge may not become adequately incorporated into new solutions.

- Process

Concerning the change implementation process, OD, OT, BPR and project management theories seem to follow the same pattern. Despite critics to the phase’s models and the demands for a more flexible approach, a linear process that has a clear start and end and consists of pre defined phases dominates the theories. Although the phases may overlap, they should still be performed in the specified order and not be reversed. The phase models as a core characteristic of planned change resemble the project life cycle and thus imply that change implementation is a project with a clear start and end

As an argument for sequential process, Burgess (1998) claims that the most successful reengineering projects involve careful planning of approach to be taken, with realistic milestones. Kotter (1995) further advises that none of the eight steps of his model for transforming an organization should be skipped. Bullock and Batten (1985) claim that in a good model the phases must be linear, i.e. the sequential ordering of the phases should never be reversed, but they do agree that a phase

description must incorporate fluidity so that phases can overlap and interconnect. Burke (1982) agrees that although it is useful for understanding change to conceive of distinct phases, in actual practice they blend and overlap. As a contrast, organizational learning –in line with the emergent approach does not view change as a project all, but instead as a continuous process that forms constant cycle. As opposed to arguments for sequential process, some research clearly argue that change does not obey the linear, phased plan of a manager or consultant and that the pre-programmed phase models may be unrealistic (Beer and Walton, 1987).Mclean et al. (1982) note that despite of the heavy use of the planned change model it often breaks down, for example because a phase results in insufficient data for action and cycles back to data collection. Also a number of other authors have challenged the extent of the domain within the linear approach to change may be effective (e.g.Mintzber, 1978; Pasmore, 1994; Pettigrew, 1985; Tosey, 1993).

Dibella's (1996) findings indicate how culture at multiple levels of analysis (group, organization, society) led to deviations in how change plans were implemented. As part of the dynamic process of change, managers should thus continually monitor meanings, which people give to change and not block adaptations. If a project proceeds through a sequence of lock steps once started, it is difficult to adjust in the middle of the project to changing conditions for example in markets and technologies (Brown and Eisenhardt, 1997).Burns and Stalker's (1996) "organic organizations, Lawrence and Lorsch's (1967) successful plastic firms and Mintzberg's and Walter's (1985) "adhocracies" are favoured exactly because of their adaptive capacities.

- Change advancement

The starting point in planned change is holistic and complete solution that is to be brought in practice .OD and BPR ,as well as most of the theories of OT also suggest that the best way to start change effort is to make as comprehensive description as possible. Implementation then is about executing the necessary actions required for reaching the state. The theories also support changing all required subsystems due

to the interrelationships between them. According to Burgees (1998) a successful project is defined broadly and tackle most of the critical activities in the organization to enable the desired impact upon overall performance .Hall et al.(1993) agree that BPR, process breadth is important ,because if a process includes interrelated activities ,a company may identify additional opportunities that would not surface in single function performance improvement effort. Identification of the appropriate strategic and organizational change is considered to come from diagnostic thinking, analyzing the organization and its environment, understanding its strengths and weaknesses and analyzing the impact of the anticipated changes. The most effective orientations are accounted to include a fully develop description of the desired future state, although it is difficult to predict or define exactly what the future state will be.(Nadler and Tushman,1989).On the other hand some, authors of strategic management (e.g.Mintzberg,1990) and transformational change (e.g. Cummings and Huse,1985) also note that in turbulent environment the uncertainty present may also require learning along the change ,which limits the possibilities of having a complete solution for implementation. Likewise, Beer and Eisentat (1996) claim that the interdependence of various organizational design elements accounts for the failure of un-dimensional interventions.

As an alternative the holistic view, change advancement is seen as incremental in the theories of organizational learning where the idea is to implement the required change as a problem is observed. The implication thus is that change is an accumulation of incremental improvements throughout the organization as suggested by also the emergent approach. Reger *et al.* (1994) make a point that change efforts are often aborted, because executives are unable to transform the entire organization all at once when the initial effort meets the opposition and falls short. Quinn's (1980) logical instrumentalism describes how managers make plans that work imperfectly and attract a great deal of attention .disagreement, and support. The response of the system then affects and redirects the plan. Similarly, Beer *et al.* (1990) describe that successful managers explore the future by experimenting with a wide variety of low cost probes. To support learning by doing,

pilots function for testing and redefining the redesign as well as its implementation. Beer and Walton (1987) also propose that change is brought about by continually readjusting direction and goals which places more stimulus on behavioural learning as opposed to representational learning. According to Reger *et al.* (1994), even within a single corporation, implementation must be tailored to the specific identity of each division or department. An approach proved successful in one division may be resisted in another one. On the other hand, diversity or organizational identity beliefs creates leverage or entry points where change can be implemented with relative ease. Nadler and Tushman (1989) promote small scale efforts to experiment with changes in a bounded manageable setting and to see whether change will really work in our unique setting. Beer *et al.* (1990b) conclude that grass roots change presents senior managers a paradox of directing a nondirective change process. Instead of mandating corporate renewal from the top, the successful senior managers specify the general direction in which the company should move without insisting on specific solutions.

In evaluating organizational change the author will judge the approach that planned change stands for. For example, what is the theoretical basis for proposing implementation to be initiated by a designed vision? All the reasoning presented earlier on will not be repeated here. Related to change initiation Nadler and Tushman (1989) state that visions are developed for a number of different purposes. They are directional, signaling where the reorientation is headed. They are symbolic as well providing a point for rallying and identification, educational, energizing and help individuals to understand the events around them. (Nadler and Tushman, 1989). In addition, the parameters of the overall mission, even if they are broad, constrain the actions taken as part of the change (Kotter, 1995). In contrast, Beer *et al.* (1990b) describe how in their research the more successful transformations usually started at the periphery of the corporation. General managers of individual units lead the change by creating ad hoc organizational arrangements to solve concrete business problems instead of focusing on formal systems and structures. They claim the typical "off the shelf" standard solutions to be

irrelevant as they fail to meet individual needs of different sub units. Also Stacey and Dunphy (1994) warn of generic style interventions and advise to customize and internalize the interventions by the organization so that they add value to the customer. Yet it has been noted that autonomous or grassroots change formulation and implementation may potentially lead to loss of focus and dilution of limited resources. (Liedtka and Rosenblum, 1996)

Centralized hierarchical organizing of a change effort is favoured as it is considered useful for coordination as well as control (Pasmore, 1994), which according to Salminen (2000) is one of the most important success indicators of change implementation. Stjernberg and Philips (1993) notes how directive approach to change ensure that things get done in the change effort, but on the other hand, the effects of the actions may work against participatory goals of the initiative. Beer et al. (1990a) summarized the drawbacks of a centralized management structure as low employee commitment and the ignorance of the practical knowledge of how things get done in the organization and the claim that a bottom up approach that allows and even demands participation of employees seems to address many of the failings of unilateral top management direction. Hammer (1990) agrees that decentralizing a resource gives better service to those who use it, but at the cost of redundancy, bureaucracy, and missed economies of scale.

Considering change implementation as a linear sequence of phases is such an established and dominant view (e.g. Bullock and Baten, 1985; DeCock and Rickards, 1996) that it often seems to be taken for granted without providing much explicit reasoning of the benefits. DeCock and Rickards (1996) agree that the linear approach can act as a binding mechanism and source of psychological security in managing change. Systematic and motivation based project control also ensures that everything progresses as planned, whereas not having systematic project control and project management tend to cause difficulties in reaching the goals (Salminen, 2000)

According to my research, none of the models identified in the academic literature has considered the three forces for change except Kotter's model, although recent research has concluded that integrated and holistic approaches to change produce the strongest organizational improvements (Egri and Frost, 1991; Macy and Izumi, 1993). The models that were identified have also failed to consider the three phases of the change process. At this point a question may arise: What is the logical sequence of a change process? However, according to Beer (1990a) and Beckhard (1990), sequence is very important. Another question still unanswered is the role of pace. Some authors have argued that all the sub-systems in the organization must change simultaneously (Tushman, 1986; Lawler, 1989; Beckhard and Pritchard, 1992). However, other authors have argued that change can be both too fast and too slow, and that there is an 'ideal' pace for each situation (Porter, 1975; Beer and Driscoll, 1977; Jick, 1993e). Another question that could arise is: What is the role of consultants? Taking into consideration that both internal and external consultants can play a role in the change process, internal consultants include human resource professionals (Beer, 1990a), and external consultants include management consultants and individual experts. Management consultants have traditionally provided specific solutions, whereas the experts, many of whom have their roots in the organizational development movement, have focused on helping organizations to solve their own problems (Mirvis, 1988). With few exceptions (Beer, 1990a; Beckhard and Pritchard, 1992), very little has been written about the role of consultants in fundamental change. For example, Greiner and Bhambri (1989) argued that the role of management consultants in strategic change has received surprisingly little attention.

Concluding, even though most of the elements of the strategic change matrix are based on research, the elements have never before been integrated into a holistic model. An integrated strategic change matrix should be regarded as a new model of change. The empirical study should provide insight into the following questions related to the strategic change matrix:

- Can distinct phases be identified in the change process?
- Does sequence matter?
- What is the role of pace?
- What are the most important elements of each 'force for change'?
- What is the role of consultants?

The formal change process ends with refreezing behaviors and attitudes. The new behaviors and attitudes that have been brought about by the change strategy need to become part of the institutional fabric of the organization. Through official policies such as work rules, compensation systems, and training, and through unofficial means such as the culture (e.g., language, symbols, and stories), the organization must establish the new behaviors and attitudes as the ones that are desired and appropriate. An organization that has implemented a new information system needs to establish new rules and standards for communication between layers of the organization. Perhaps the organization has set guidelines for lower-level employees to take new responsibilities for making decisions. The organization must create an internal environment to support these new behaviors. One company that failed to set new communication standards found out those lower-level employees, who were now supposedly empowered to make decisions, were still asking for permission because that was the way things used to work. An organization that wants to avoid major problems and subsequent radical change should continue to monitor change efforts long after they have been implemented and adjusted. Continuous monitoring may bring problems to the forefront before they are serious and require radical or extensive change.

The author concluded, however, that these basic principles appear to be rarely followed in actual intervention practice. As Porras and Robertson (1992) noted, any change program must pay attention to both individual and organizational needs. The personal benefits to be gained, and the likely problems to be confronted, should be communicated early in the process to establish an atmosphere of trust. In addition,

employees and work groups may wish to participate in planning, analyzing, and coordinating the change effort. This participation, in turn, may offer employees some insight into the need for change and help minimize resistance.

Chapter 3

1. INTRODUCTION

In this chapter the SAP3/HR implementation processes and the types of organizational problems will be analyzed against the sub problems presented in Chapter 1 and correlated with the theory presented in Chapter 2. Any inconsistencies that clash with the implementation of Kotter (1996) will be highlighted. Also, any inconsistencies that accentuate the sub-problems mentioned will be revealed. The next section will provide an outline of the project.

1.2. PROJECT POSEIDON IMPLEMENTATION

The implementation of SAPHR in Johannesburg Water was viewed as a major change initiative. At a cost of R4 million and a potential impact on 2500 employees, the implications were immense. It was recognized from the outset that the impact of SAPHR would extend to all areas of the business, not just HR. Once the SAPHR implementation was seen as an organic process and part of a broader business change initiative, the implementation model was framed in those terms. The choice to use SAPHR was first communicated to the company by the Managing Director through a communiqué on the 8th of August 2001. The primary reason given for wanting to use the system was that JW data largely resides on ageing and disparate legacy systems that typically cannot be shared. (Newsleak, 2001)

SAPHR was the first choice because of its capabilities. This chapter describes the implementation process and the methodology used. The information presented is the result of interviews with staff involved in implementation and the review of the literature generated by JW implementation. The implementation model developed, over time, into a Systems Implementation Change Model (SICM) based on Kotter's eight step model. (Newsleak, 2001). The next section will deal with the interview process of SAPHR users.

1.3. THE INTERVIEW PROCESS

The interviews were intended to get an understanding of the process from different perspective. The candidates were chosen based on their involvement in the implementation of the project and a cross section of the affected areas. The functions interviewed were Finance Department, Human Resources Department, and Information Technology Department. Additional stakeholders interviewed were includes South African Municipal Workers Union (SAMWU), Independent Municipal. (Newsleak, 2001)The next section will deal with the document review process

1.4. THE DOCUMENT REVIEW

During the implementation process JW generated a library of documents describing Project Poseidon, the business need for Project Poseidon implementation, Project Poseidon training material. As part of this project the document library was reviewed. The library contains a charter describing the process implementation but the overall approach on how achieve this is not clear. (SFTM Project Charter, 2002)The next section will focus on the SAPHR implementation events..

1.5. IMPLEMENTATIONS EVENTS

The figure below gives us a view of major events for the Poseidon Project. The figure shows how the project was mapped out and schedule of events. It should be noted that the perception, intent or impact of the communications and actions of the people participating in the project have not been included here. The next section will deal with the initiation of change.

Table .2.PROJECT POSEIDON AND SAPHR IMPLEMENTATION EVENTS USING KOTTER’S FRAMEWORK (SICM) Adapted from.SFTM Project

CHANGE MANAGEMENT	PHASE	KOTTER FRAMEWOK	BUSINESS PROCESS	KEY ACTIVITIES
			Application process	
Pre-Implementation: Creating an Environment for Change Aim: to establish a sound and solid basis for implementation		Creating a sense of urgency or a burning platform for change	1. SCOPING	Identify the ‘burning platform’ for change Define and plan the Change Management Challenge Agree the communication & training plan Agree the roles of all the key teams
Implementation: Making the changes		Creating Change Management infrastructure and capacity	2. TEAM ORIENTATION Design	Identify the issues requiring change Identify ‘out of scope’ regional practice Design data migration templates and processes
		Developing a vision and strategy	3. INFORMATION GATHERING Construction	Anchor the shared vision Define interaction with regional implementation team Schedule and conduct Pre Implementation
		Communicating the change vision	4. SITE PREPARATION Testing and Delivery	Conduct all User Acceptance Training Implement training plan Conduct PIAs
			5. STAGGERED IMPLEMENTATION Usage	Stagger the roll out Reengineer the SICM
Post-Implementation: Entrenching the implementation in the culture Aim: To develop, trial and implement new practices and to anchor new approaches in the culture		Empowering broad based action	6. BUSINESS ALIGNMENT systems fixes	Implement formal feedback process Continuously reapply Best Practice Implementation sign off
		Generating Short term wins	7. ANCHORING Reengineering and Usage	Roles and Responsibilities agreement Second bounce and ongoing training and coaching Identifying ‘what needs to be fixed?’ Ongoing communication Continuous Improvement Activities
		Consolidating and producing more change	8. LEVERAGING Maximizing benefit	Measure progress using Key Performance Indicators Adjust intervention to meet new set of extrinsic factors
		Anchoring new approaches in the culture	9. CONSOLIDATING THE NEW WAY	Identify system usage to drive business decisions Entrench Best Practice/ Define ‘culture friendly’ measures

1.6. INITIATION OF CHANGE

The first time the employees of JW learned of SAPHR implementation was through the company's communiqué. The Managing Director made the announcement but the fundamentals and the rationale for change was not well understood by employees. This was evident in the interviews because employees at lower levels could not remember the announcement in the communiqué. According to Kotter (1996) for any successful change stakeholder buy in is essential. Stakeholders need to understand why change is occurring, what the outcome of intended to be and how they will be affected. For all those intended to use the system, the first exposure to SAPHR implementation was through the training sessions conducted by the consulting company called Swicon.(Newsleak,2002)

1.6.1. Training and implementation education

In order to successfully implement SAPHR, employees (end users) needed to understand how SAPHR works what portions of the process will be adopted first. JW's intention was to host several morning sessions conducted by SWICON at its premises for intended users. This meant that not all intended users will attend the sessions due to organizational structural problems as it could not be identified as to who is basically earmarked to use the system. The organizational structures in the company's regions were confusing as some regions had assistant admin clerks, senior admin clerks and admin clerks. The three types of clerks differed in terms of authority but were doing the same functions. The reporting lines were also confusing as many clerks reported to Admin Finance clerk who was not using the system at all. As a result communication was limited to those who were closer to management and identified as potential users of the system. (Newsleak, 2002)

In addition the consultants that were conducting the training were not well experienced with the SAPHR process or training of people which contributed to lower attendance at the sessions. The training sessions were the first

communication to many of the intended users of the SAP system. However, since stakeholder buy in had not occurred the attendance suffered and sessions were of a time to question the choice of SAP rather than to learn the process. The interviews made it clear that the implementation approach, expectations and goals were not clear to stakeholders at that point. The expectations were mixed. The next section will deal with analysis of the project based on Kotter's eight step model.

1.7. Analysis of Project Poseidon based on Kotter's eight stage model

1.7.1. Were the steps relating to planning correctly applied?

- Establishing a Sense of Urgency

From the beginning of Project Poseidon change initiative there was no sense of urgency. Training sessions were meant for certain end users and line managers were not sure if the project is vital to the success of the organization. The end users of the system never felt that this initiative was part of their daily job as managers did not communicate the urgency of the change. Management was not honest in communicating the problems about the project problems in company newspapers and senior management speeches. All crisis identified within the project were dealt with without discussing with the end users even though they were affected.

- Creating the Guiding Coalition

The process started as one man mission to make some change and hopefully to improve process. There was no project guiding team or a strong network of people to lead the change. The manager that initially started the project was indisposed and then replaced by another person. The whole implementation process was weak enough that three out of the four teams decided to completely ignore the initiative in the middle of implementation.

- Developing a vision

The strategy and vision that was set in 2001 was to improve human resources information systems and replace incompatible legacy systems. Although there was a strategy and vision it was not enough to draw attention. Employees within the company mostly felt that the project is just another initiative put in place to make their lives difficult and could not see how it can directly benefit them or the company. For example during the interviews one of the employees mentioned “what will this do for JW, “what is in there for me?” while another said we keep on changing the process ,methodologies ,timelines so it is hard to one as I do not know if its going to change in the next quarter.”

1.7.2. Were the steps relating to implementation correctly followed?

- Communicating the vision

This was probably one of the shortcomings of JW, no follow up, no repetition of the message and leading by example. There was one inadequate mention of Project Poseidon in the Newsleak and no follow up for months. Also there was a lot of inconsistencies in delivering the message. While some project team members wanted immediate implementation of the project others suggested a test pilot which created confusion as to what exactly is the message. In addition ,employees were not directly asked for their feedback as to how the process can be improved, which led to three implementation teams not completing the transition to new SAHR .One of the interviewees commented “Problem is that I was not involved from the beginning and it was already eighteen steps into the project when they included me”

- Empowering Employees

The project began with a new methodology and expecting project teams to implement it. Employees were not involved in the discussions on how to make this project successful. Involving employee in this initiative from the beginning could have appeared to be a bottom up approach as opposed to top down approach.

- Generating short term wins

Another big misstep of Project Poseidon initiative was that no short wins was appreciated to encourage the continuation of the process to a full completion. For instance JW could have used the test pilot as one short term goal and moving from functional to team based structure as another short term goal instead of expecting a complete transition from current structure to full Project Poseidon structure as one big goal. If such short term wins were appreciated, there was a good chance that some of those teams who did not completely implement the project would have been encouraged to continue.

1.7.3. Were the steps relating to evaluating and sustaining change correctly applied?

- Consolidating Gains and Producing More Change

Even though project Poseidon was not successful as it could have been, there gains .The SAPHR system is currently in operation and more and more end users are being trained to

- Anchoring New Approaches in the Culture

Since the change process is not complete and still ongoing project, new approaches are enough to be embedded

1.8. DISCUSSION

Were the planning steps correctly applied?

According to Kotter (1996) managers need to remind the employees of that in order to communicate the urgency of change. From the beginning of Project Poseidon change initiative there was no sense of urgency. There was absence of major visible crisis as line managers were not sure if the project is vital to the success of the organization. People were not constantly reminded of the urgency of change as can be seen by the manner in which the company communicated. At the initiation of the

project management communicated through a communiqué which was accessible to only a few employees and especially those who can read and write are office based. This contributed to failure in the implementation of the project as few employees new about the project. This confirms Covin and Kilmann (1990) view that successful change efforts tend to be accompanied by a high degree of consistent, broad-based communication and conversely, overlooking communication has been quoted as an important reason for failure.

As the project progressed there were more rumors generated as a result of inadequate communication. Smeltzer (1991) who studied announcements of organization-wide change in organizations concluded that change efforts often failed due to the presence of inaccurate and negative rumors. These rumors were often caused by management's neglect to provide timely and accurate information. If management had communicated earlier they could have avoided the implementation failures. A survey by the Wyatt Company (1993) found that companies who succeeded at restructuring tended to communicate with employees about restructuring issues earlier in the process than companies that fell short of their goals.

The use of a communiqué by JW was not sufficient enough as it felt short of reaching the intended target. A two way communication in addition to the communiqué would have been helpful as employees would have had an opportunity to give feedback and air their concerns .According to Hall (1993), “two-way communication will do far more than any memo or video can”. A key advantage of the small-group format is that employees can give feedback and air their concerns

According to Maccoby (1981), one of the key attributes of successful leadership was found to be the ability and willingness to behave in ways consistent with the changes they were trying to bring about in their organizations. Likewise, Beer (1990) found that consistency between the leader's words and actions was critical at the business unit level. Another study found a 'visible demonstration of senior management

commitment' to be the second most important implementation factor after a clear vision (Arthur D.Little, 1994).

The manner in which the training sessions were conducted indicates clearly that there was leadership crisis. The fact that line managers were not sure about the importance of the project was inconsistent with the changes that they were trying to bring. Another survey of restructuring found 'senior management visibility' as the third most important factor facilitating success ('The Wyatt Company, 1993). During the implementation of the project management was invisible as they were locked in meetings or attending to small projects unrelated to the main project.

Since major change is so difficult to accomplish a powerful force is needed to sustain the change progression.' No individual is ever able to develop the right vision, communicate it to a large number of people, eliminate all the key obstacles, generate short term wins, lead and manage dozens of change projects' (Kotter, 1996). In any restructuring or reengineering a strong guiding coalition is needed. The team can make a change can make a change happen must be of the right people; with a high degree of trust that has a common goal. It would appear that the majority of the project team members did not have necessary expertise and they were not powerful enough to make an influence, hence the decision making was of poor quality. This is evident from the way in which they were handling crisis in the project teams

The project was one man mission as there was no project guiding team. The project steering committee served as a guiding team and often due to inexperience, steps in executing and managing projects were overlooked in terms of the methodology as envisaged in the project plan. According to Cummings and Worley (1993), the process of developing political support should start with an assessment of the change agent's own sources of power. By assessing their own power base, change agents can determine how to use it to influence others to support the change. Greiner and Schein (1988) identified three such sources of individual power in

addition to the formal position of the leaders: they were knowledge, personality and other's support. The Human Resources Manager was responsible for most of the actions in the project and his decision was final. This was in contrast to what is proposed by Cummings and Worley (1993) and Greiner and Schein (1988) as the HR did not have influence, expertise, knowledge, personality and support of others.

Beckhard and Harris (1987) put the following steps in their model in identifying key personnel for organizational change:

- Identify target individuals or groups whose commitment is needed.
- Define the critical mass needed to ensure the effectiveness of the change.
- Develop a plan for getting the commitment of the critical mass.
- Create a monitoring system to assess the progress

From the beginning of the project management failed to identify key personnel for the project ,instead participants in the project were nominated according to their knowledge of projects unrelated to information systems and as such lacked the necessary commitment. In addition they were also involved in other engineering projects of the company. There was no definition of the type of employees needed to run the project and no plan to give direction. Burke (1987) observed that gaining the commitment of informal leaders is often overlooked in organizational change. Middle managers represent another powerful group, which is often overlooked in the commitment planning.

According to Kotter (1996) a vision is the picture of the future that has the same draw so that people should strive to create it in the future in a change process. A clear vision is very important to guide people. Companies need to break away from authoritarian and micro-management styles of management in order to breakthrough the forces that support the status quo and to encourage the major shifts found in successful change.

Although there was a strategy and vision it was not enough to draw attention. Employess within the company mostly felt that the project is just another

initiative put in place to make their lives difficult and could not see how it can directly benefit them or the company. The project lacked political support as senior managers were not taking a leading role in publicizing the project. According to Cummings and Worley (1993), the process of developing political support should start with an assessment of the change agent's own sources of power. By assessing their own power base, change agents can determine how to use it to influence others to support the change.

Were the implementation steps correctly applied?

A vision is not effective if it is only understood by a few people in the company. The vision must be communicated often, as well as clearly. One of the causes of miscommunication is the failure of the first three stages of transformation. (Kotter, 1996). This was probably one of the shortcomings of JW, no follow up, no repetition of the message and leading by example. The top management of JW failed to communicate the vision as noted from the way in which the whole project started, since the announcement there was no repetition and no follow up. The top management's role is to articulate and propagate a vision or agenda of the future of the organization (Beer and Walton, 1987). Management also did not see the transformational effort as a project as envisaged by Kotter (1996).

Major internal changes do not happen unless many people assist. However, most employees cannot help much as they are relatively powerless. Therefore empowering employees is another way to make transformation successful. After effectively completing stage 1 through 4, we then need to empower a broad range of people to take action by removing as many barriers to the implementation of the change vision as possible at this point of the processes (Kotter, 1996). Employees were not involved in the discussions on how to make this project successful. Involving employees in this initiative from the beginning could have enhanced chances of success. Management thought that by involving employees their powers will be eroded.

Major transformation take lots of time sometimes years. The initiator of the change or leader of the guiding coalition will usually stick to the plan for the duration of the change implementation. However most of the other employees and manager want to see the results that prove that their efforts are paying off. On the other of the spectrum, non-believers need hard data and numbers indicating that the transformation processes is not wasting the company's resources. Because of this reasons managing a major change without paying attention to the short term wins could jeopardize the whole processes. At this stage of the project there was no visible short term wins as short term wins were not appreciated by management. The project appeared to be faltering at this stage. The project teams appeared to be disillusioned because the little work that they have done was not appreciated.

- Were the steps relating to sustaining and evaluation correctly applied?

According to Cummings and Worley (1993), institutionalizing change involves 'reinforcing new behaviors through feedback, rewards and training'. Goodman and Dean (1982) observed that there are different degrees of institutionalization. Starting with knowledge of the desired behavior, the next step is performance of the behavior, then preference for it and finally, incorporation of the new behavior in norms and values. Although Project Poseidon experienced major difficulties training is still continuing and more and more user of the system are being trained to use the system.

1.6. SUMMARY

The implementation of JW Project Poseidon implementation to date has included many expected components such as senior management mandate, training and a steering committee. Unfortunately senior management mandate has not been heard by employees, the training was not well attended and the steering committee was only after employees began to use the system. Expectations were not clear to staff and only one out of the four project teams managed to get past the conflict stage. The current implementation has not given clear results. There are virtually no measures other than opinion to determine if the project is giving JW any business value. The differences between opinions of staff versus the opinions of management make it difficult to give opinion weight. Despite the difficulties with implementation to date the underlying business remains valid. JW need to decide how to proceed with the implementation plan.

1.7. CONCLUSIONS

In concluding it is evident that Project Poseidon implementation did not follow a methodology as initially envisaged. The way in which it was implemented was a total deviation from what Kotter (1996) has suggested. The project has included expected components but the actual implementation has suffered because of little mistakes that management committed.

Chapter 4: The Research Design and Methodology

1. Introduction

In this chapter the qualitative research methodology, outlined in chapter 1 will be described in detail and compared with quantitative methodology. The research design will also be outlined, including data collection and measurements, data analysis, sampling, sample size, sampling method and sampling instruments. The questions of trustworthiness and method of analysis will be described.

1.1 Research design: Qualitative and Quantitative research Approach

There are two approaches that can be applied by researchers; qualitative and quantitative approach. (Denzin and Lincoln, 1994).According to Yin (1994) the best method to use for study depends on the purpose of the study and the accompanying research questions. Qualitative approach is defined as an inquiry process of understanding a social or human problem, base on building a complex ,holistic picture ,formed with words, reporting detailed views of informants ,and conducted in a natural setting .(Creswell,1994).The quantitative approaches can be described as a logical and linear structure, in which hypothesis take the form of expectations about likely causal links between constituent variables stated in the hypotheses ,thus leading to the rejection or acceptance of the theoretical proposition(Eldabi *et al.*,2002).

It is commonly believed that qualitative research methods are appropriate, among many others, when there is a low state of knowledge about a phenomenon of interest and (Yin, 2000), when there is a dearth of research surrounding the research issue (Waldman *et al.* .1998), when the question being posed requires an investigation of a real life intervention in detail; where the focus is on how and why the intervention succeeds or fails, where the general context will influence the outcome; and where researchers asking the questions will have no control over events (Keen *et al.* .2005).This research would seek to gain a better understanding of

SAPHR planning, implementation and evaluation and sustaining approach in JW. The whole concepts of SAPHR and its factors is a new management approach and as a result there are not enough studies on the topic. The author believes that the literature study and the qualitative method as an approach can fully deliver on the promise to answer the research questions. The motivation for doing qualitative research, as opposed to quantitative research, comes from the observation that, if there is one thing which distinguishes humans from the natural world, it is our ability to talk. Qualitative research methods are designed to help researchers understand people and the social and cultural contexts within which they live. This provides a reason for the adoption of qualitative approach. Another reason is that there is a lack of understanding and divergent perspectives about SAPHR implementation which supports the chosen approach to be of qualitative nature. This study is not intended to make generalizations but aimed at developing a comprehensive understanding of variables of SAPHR implementation. Such research approach therefore provides direct experience and helps the researcher become more experienced with the phenomenon. The benefit of such qualitative research, applied to an actual case study, is that a 'fine-grain' understanding of theory can be gained and the findings used to benefit a case-specific application (Saunders, Lewis & Thornhill, 2000).

1.2 Research Strategy

According to Yin (1994), there are five primary research strategies in social science: experiments, surveys, archival analysis, histories and case studies. He claims that each strategy has certain advantages and disadvantages, which are determined by three conditions. The conditions are:

the type of research question posed

the extend of control an investigator has over the actual behavioural events

the degree of focus on contemporary as opposed to historical events

According to Yin (1994) these conditions can be related to the five research strategies as shown in the table below.

Strategy	Form of research question	Requires control over behavioural events	Focus on contemporary events
Experiments	How, why	Yes	Yes
Survey	Who,what,where,how many, how much	No	Yes
Archival	Who, what, where, how many, how much	No	Yes/No
History	How, why	No	No
Case Study			

Figure 1.2.1.: Relevant situations for different research strategies (Yin, 1994)

There is no need to control behavioural events in this research which experiments strategy emphasizes, this rules out experiment as a research strategy .The proposed research is focused on contemporary issues so historical cannot be an appropriate option. Survey analysis of archival records is advantageous when the research goal is to describe the incident or prevalence of a phenomenon or when it is to be predictive about certain outcome (Yin, 1994).

This leaves us with only one research strategy, which is case study. This study applied case study strategy. Case study, as a research strategy is defined as an inquiry that investigates a contemporary phenomenon within its real life context, when the boundaries between phenomenon and context are clearly evidenced and which multiple sources are evidenced and used. (Yin, 1994). The researcher embarked on case study research interested in specific phenomenon and wanting to get a deeper understanding organizational change (Dooley, 2002).The reasons why the researcher made a choice of case study were as follows:

To explore the content and processes of change within what Yin (1994) has described as real life context.

The researcher also wanted to challenge the existing theories of organization change and also provide a source of new hypothesis.

- To take advantage of an opportunity to do an in-depth investigation of the entire organization.
- To be flexible while investigating
- To pursue opportunistic new directions as the need arises

In particular, the techniques of grounded theory (Glaser & Strauss 1967, Strauss 1987, Strauss & Corbin 1994) were employed, including casual conversations with employees and more formal interviews with key staff members. Management allowed the researcher to freely wander in the offices where users of the system could be found. From the above, a case study is considered the most suitable research strategy for this research since it will enable the researcher to gain a deeper understanding of a process which is a contemporary event that the researcher has no control over.

1.2.1 Data sources

Yin (2003) for purposes of case studies, documentation, archival records, interviews, direct observation, participants' observation and physical artifacts can be useful. These sources complement each other. He maintains that each of these sources has its own strengths and weaknesses and no one source has a complete advantage over all others; as a result a good case study should use as many sources as possible. According to Williman (2001), data may be collected as either primary or secondary data. In this case study, both primary and secondary data were used in the context of the study and for the author to achieve its purpose.

Most of the sources in this research came from company documents and interviews. Gummesson (1993, cf. Eisenhardt, 1989a) introduces another set of methods for collecting data, that is, existing material, questionnaire surveys, qualitative interviews, observation, and action science. Table 1. summarizes the strengths and weaknesses of some data collection methods. That is followed by a more thorough discussion.

TABLE 4.Sources of evidence strengths and weakness (modified from Yin,

Sources of evidence	Strengths	Weakness
Documentation	<ul style="list-style-type: none"> ▪ Stable – can be reviewed repeatedly ▪ Unobtrusive – not created as a result of the case study ▪ Exact – contains exact names, references, and details of an event ▪ Broad coverage – long span of time, many events, and many settings 	<ul style="list-style-type: none"> ▪ Retrievability – can be low ▪ Biased selectivity, if collection is incomplete ▪ Reporting bias – reflects(unknown) bias of author ▪ Access – may be deliberately blocked
Interviews and questionnaires	<ul style="list-style-type: none"> ▪ Targeted – focused directly on case study topic ▪ Insightful – provides perceived causal inferences 	Bias due to poorly constructed questions Response bias Inaccuracies due to poor recall reflexivity – interviewee gives what interviewer wants to hear

Primary data is a type of data which is collected and assembled specifically for the research project at hand (Zikmund 2000). It can be described as the one collected by the researcher in order to carry out research. Primary data can be collected through various sources such as questionnaires, focus groups discussion, personal interviews and telephonic interviews. Yin (1994) explained and advocated that the use of more than one source is a good practice as it increases the validity in scientific studies. An interview is one of the methods of data collection used in qualitative research (Ritchie and Lewis, 2003).The study will use structured questionnaires and personal interviews as a form of data collection. A questionnaire has been developed following an extensive review of literature by various authors which will focus on the sub-problems mentioned earlier in chapter 1.

The type of interview adopted in this study was face to face interviews. Face to face interviews has several advantages e.g. it allows opportunity for the respondents to freely respond and reveal attitudes and feelings; makes it possible for probing further and has a higher rate of participation (www2.educ.org/NTP/interview.htm). E-mail in the form of a letter was used to make appointments and confirm the dates and time for the interviews as well as to send information about the study developed based on theory prior to the appointments.

The actual interview was conducted by the author and on average the interviews lasted for one hour. Interviewees were sent an interview guide to orient them before the actual interview. The interviews were recorded and the conversations were transcribed word by word and were compared alongside the notes taken during the interviews. The author also sought clarification of any part that was unclear and all these took place within 48 hours.

Secondary data is data that has already been collected for purposes other than the problem at hand. It includes both raw data and published summaries. The secondary data in this case study was compiled from the organization's documents and from the library including various sources like the internet. According to Saunders and Thornhill (2000), the advantages of secondary data are that it can be collected more quickly and it is easy and is an inexpensive way of receiving information. It has also been shown to be useful when performing exploratory studies since it saves the researcher from 'reinventing the wheel'. Despite this, secondary data can pose a problem of finding the relevant material. (Saunders and Thornhill, 2000).

Secondary data mainly covered company documents, newsletters and documentation generated from the SAPHR implementation project. Valuable insight was also gained from analysis of research work studies conducted by Johannesburg Water on organizational development research. Secondary data covered different sources and provided an essential preparation for interviews. It also helped to cross the official information, learn about major events, technical details, historical

decisions and main organizational players and roles. This also supported exploring of particular responses during the interview.

1.2.2 Measurement Instrument

In investigating SAP as change intervention the author will use Likert Rating Scale. The Likert scale is the most frequently used variation of summated rating scale. This will be assigned as follows: Strongly agree (1,) Agree (2) Indifferent (3), Disagree (4) and strongly disagree (5).The Likert scale compares one person's score with a well defined sample group. This measurement is useful for a manager when the organization plans to conduct an experiment or undertake a program of change or improvement. The researcher can measure attitudes before and after the experiment or the change or judge whether the organizational efforts have had the desired effects (Donald *et al*, 2003). After the structured interviews are analyzed the researcher will conduct in-depth face-to-face interviews with five respondents in order to probe for more information regarding the problem areas identified. For purposes of trustworthiness, the questionnaire will be piloted with 4 respondents.

1.3 Sampling

In selecting a sample, it is important to have a target population in mind. The population can be described as a specific group that will be relevant to the research study. The group should contain information relevant to the research (Malholtra, 1996). All researches involve sampling .This is because no study, whether qualitative, quantitative or both can include everything "you cannot study everyone everywhere doing everything" (Miles and Huberman, 1994). The smaller number of cases which you need to collect data means that more time can be spent designing and piloting the means to collecting this data. According to Saunders *et al* (2000), sampling saves time and data collection is more manageable. In this study 5 respondents were selected as they have been affected or involved in the implementation of the project.

1.3.1 Sample size

Saunders and Thornhill (2000), has noted that once the researcher has chosen a suitable sampling frame and established the actual size of the sample, determining the most appropriate sampling technique to obtain representative sample is very important. Since SAP3/HR implementation is quite new and is still evolving not many companies have implemented it. The users of SAPHR are very limited and due to high license fees as such the actual study will focus on 5 users of SAPHR.

1.3.2 Sample type

A non probability purposive sampling method would be suitable for this study considering the sample frame that is very small. None probability purposive sampling is often used when working with small samples such as in a case study research when you want to select cases that are particularly informative (Neuman, 1997). When it came to choosing the person to be interviewed non purposeful sampling was used because it was very important that the author get a hold of a knowledgeable person, well informed involved and well positioned person within the organization who could have a good understanding of the company's strategies, process and familiar with SAPHR implementation. The organization was chosen due to convenience, self-interest and acquaintance, which will speed up the data collection processes.

1.3.3 Trustworthiness

For trustworthiness of the research the questionnaire will be piloted to 5 people before distribution. And after distribution the researcher will visit some of the respondents to probe why they said what they said in answering the questions.

1.4 Analysis of data

Data analysis consists of “examining, categorizing, tabulating and testing or otherwise recombining both quantitative and qualitative evidence to address initial

prepositions of a study” (Yin, 2003).Miles and Hubermann (1994) define qualitative data analysis as consisting of three concurrent flows of activity: data reduction, data display and conclusion and drawing and verification. Data reduction, data display, and conclusion verification were described as interwoven before, during and after data collection in parallel to make up the general domain called “analysis”(Miles and Hubermann,1994).In this view, the three types of analysis activity and the activity of data collection itself form an interactive, cyclical process.

In this case study a Microsoft excel package will be used to analyze the data and the author will use frequency distribution. With frequency distribution the researcher will exhibit percentages of respondents in terms of the Likert scale and analyze each response to the question. Finally the data would be examined to see how far they fit or fail to fit the expected categories and the findings will be checked with the case study participants and reference to literature to enhance validity (Hartley, 2004). After analysis of the questionnaire and further probing will be done through face to face interviews with 4 respondents/users in order to get a more in depth understanding of the problem areas.

1.5 Summary

The chapter presented a research methodology used in this study and how it was applied to the research. It focused on aspects like qualitative research methodology, research design, sampling and data analysis. The next section will deal with results of this study.

1.6 Conclusions

This chapter looked at the methodology as it applied to the research. The chapter dealt with the qualitative and quantitative techniques and their advantages and disadvantages. It further focused on the research strategy with its strengths and weaknesses. It went on to expose the type of measurements and the sample that are applicable to this study and reasons why they are applicable.

Chapter 5: Findings and Interpretation of the results

1. Introduction

In the previous Chapter, the researcher highlighted the research methodology to be used for this case study. Chapter Five focuses on the findings and analysis of the research. The chapter then proceeds to conduct an in-depth analysis of the findings to determine whether the steps relating to SAPHR planning were correctly applied, whether the SAPHR implementation steps were correctly applied and whether the steps relating to SAPHR evaluating and sustaining were correctly applied.

The questionnaires were emailed to 5 staff members at the Head Office of Johannesburg Water in central Johannesburg. The questionnaire comprised of 30 questions divided into three parts and a Likert scale was used. The staff members who were from the different levels of the organization were given a week to respond to the questionnaires. Staff was given the opportunity to e-mail the questionnaire back to the researcher and if they wished to remain anonymous, they were requested to place the questionnaire under the door of the researcher's office in his absence.

5 staff members responded to the questionnaires which represents 100%. Four face to face interviews were held after the questionnaire was received. The main aim of the data interpretation is ultimately to answer the questions raised in chapter 1, these are:

were the steps relating to planning correctly applied?

were the implementation steps correctly applied?

were the steps relating to sustaining and evaluating the process correctly applied?

Care was taken however to ensure that those of the 5 respondents were within the organization during and after the change in the organization had occurred. The questionnaire in Section A of Annexure A attempts to elicit information to answer the

first part of the question which is on SAPHR planning. The questionnaire in section B attempts to elicit information on SAPHR implementation articulated above, while the questionnaire in Section C of Annexure A attempts to answer the third question on evaluation and sustaining as articulated above. The presentation and interpretation of the data will thus be discussed in a format that relates the respective questions and data to them. The data obtained from each questionnaire and each section will be discussed as well in terms of the total respondents. The findings will be interpreted using frequency distribution for each question

1.1. Findings and analysis

In section A 10 sub-questions under questionnaire 1 were asked. The questionnaire read as follows: “In your opinion the company has successfully planned implementation of SAPHR on the grounds that

Section A

5.2.1. Management communicated the urgency of SAPHR implementation to me

. Figure 5.1.

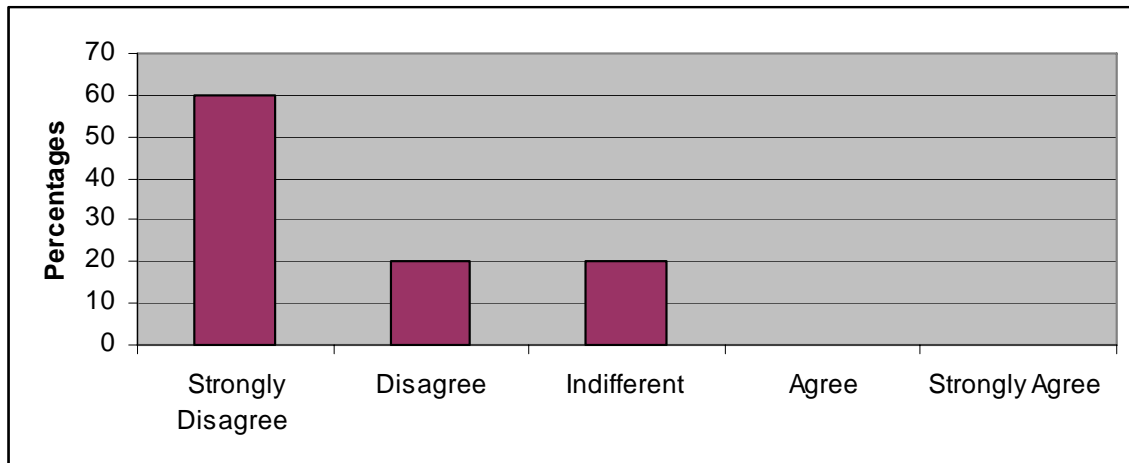
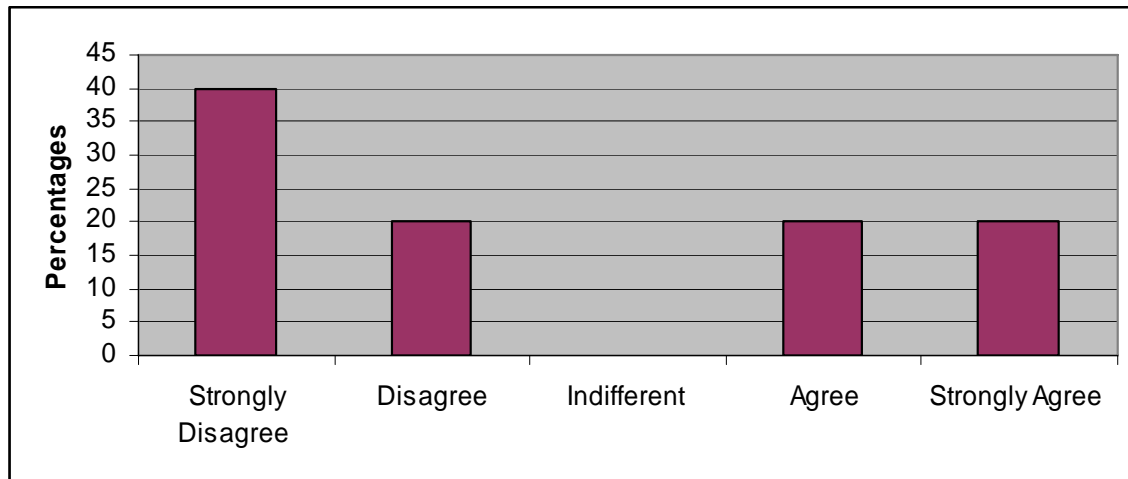


Figure 5.1.indicates a 60% peak in the number of respondents who disagreed that management communicated the urgency of SAPHR implementation. This is far higher than the 20% of the respondents who were uncertain to the statement and the 20% of respondents who agreed with the statement. Noticeably there was no respondent who strongly disagreed and strongly agreed.

Deductions that can be made from these findings are that a large percentage of employees disagreed with the statement. Generally 60% of the total employees disagreed, indicating that there was no sense of urgency, which is a significant large number of employees compared to 20% who agreed. The high percentage of employees who disagreed may be largely due to employee complacency "Why should we change when things are going well?". This can be attributed to management that plunged ahead with the project without establishing high enough urgency among employees and fellow managers. Management appears to have underestimated how much they can enforce a big change in the organization. They also underestimated how hard it is to drive people out of their comfort zones Kotter (1996) says that the biggest mistake that people make when trying to change organizations is to allow too much complacency when change is needed. The sizeable number of employees who were indifferent might have been alienated, disempowered or frustrated with the change process or they might have been out of touch with the situation in the market place. Furthermore a sizeable number of employees agreed. This might be due to the fact that they were coerced or manipulated or they understood the logic and complied.

5.2.2. The SAPHR steering team is of the right people, with high level of trust and a common goal.

Figure 5.2.



As illustrated by Figure 5.2, 40% of the respondents strongly disagreed with the statement, signifying that employees feel that the SAPHR steering team is not of the right people with a high level of trust and a common goal. This is substantially higher than the 20% who agreed to the statement. Combined 60% of the employees disagreed with the statement and 40% agreed with the statement which implies that there are serious problems with the steering team. It should be noted that no respondents were indifferent.

It can be deduced from these results that a significant percentage of employees disagreed with the statement. This may be largely due to the fact that steering team members had no powers, credibility and leadership skills. The fact that one of team members was indisposed attest to employee perceptions about the steering committee. In addition the three out of the four teams decided to completely ignore the initiative in the middle of implementation. This is in contrast to Kotter's (1996) view that any restructuring or reengineering a strong guiding coalition is needed. The team that can make a change happen must be of the right people; with a high degree of trust that has a common goal. In order to make a team who trust each

other efficiently is to create a common goal, a goal that is ‘sensible to the head and appealing to the heart’. A sizeable number of employees however have agreed with the statement. These may be largely due to the fact that they had confidence in the in some members of the SAPHR steering committee as they have directly engaged with them during the implementation.

5.2.3. There are sufficient resources to successfully implement SAPHR.

Figure.5.3.

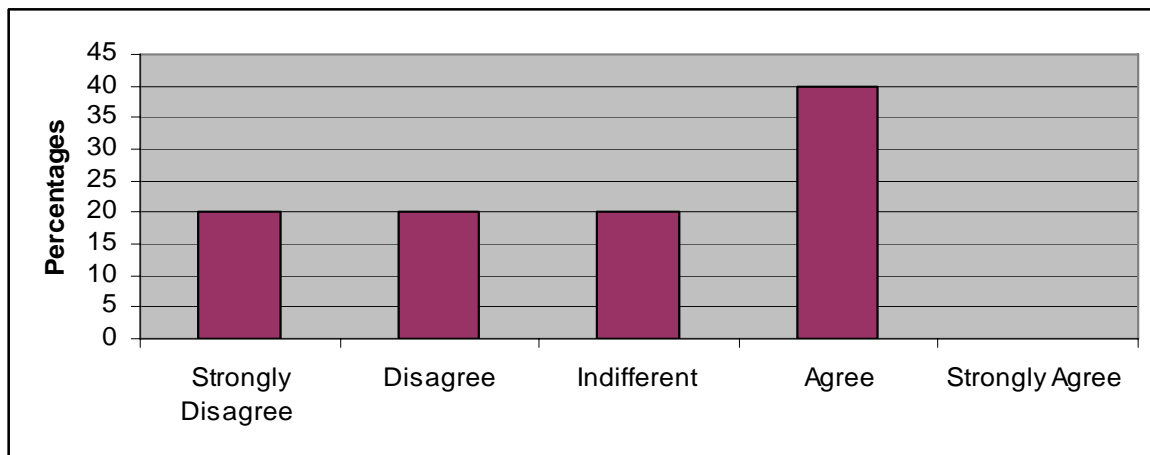


Figure 5.3 shows a peak of 40% of respondents who agreed with the statement that there are sufficient resources to successfully implement SAPHR. In contrast 20% of respondents disagreed and strongly disagreed. Combined 40% of the total number of respondents disagreed compared to 40% of respondents who agreed. Twenty percent of the respondents elected to remain indifferent. Noticeably no respondents strongly agreed.

It can be surmised from these results that a high percentage of employees agreed with the statement. This may be owing to the perceived time that some managers have spent project in activities. This is in line with Nadler and Tushman’s (1993), assertion that senior management’s time appears to be one of the scarcest resources in large-scale change efforts. In supporting Beer (1990) also said that another way that management can communicate through actions is by changing the way they allocate resources. By allocating resources in accordance with the vision

they are trying to implement, their commitment is made visible. A sizeable percentage of employees combined disagreed with the statement. This may be due to the fact that the company was involved in various projects and as such enough time was not devoted to SAPHR implementation. These results show that although a large percentage of employees agreed that there sufficient resources to implement SAPHR, a sizeable number of employees choose to remain indifferent, suggesting that the are unsure of their thoughts regarding whether the company has resources to implement the project. This may be due to the fact that management failed to draw resources from other departments and disciplines in the organization.

5.2.4. The SAPHR steering team has clear, roles and functions.

Figure 5.4.

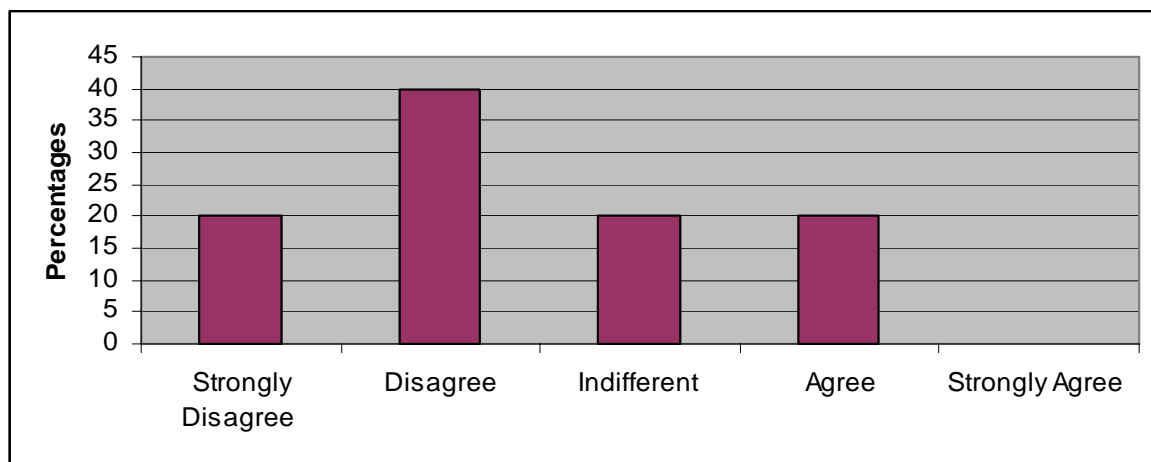


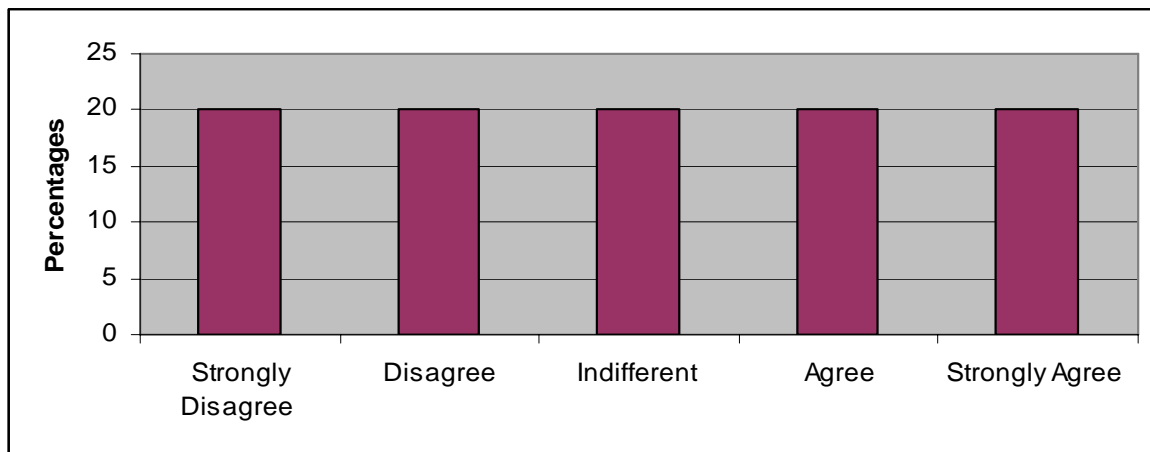
Figure 5.4.shows a peak of 40% of respondents who disagreed that the SAPHR steering team has clear, roles and functions. Twenty percent of the respondents strongly disagreed with the statement, while 20% of the respondents remained indifferent to the statement and 20% of the respondents agreed. Combined 60% of the respondents disagreed with the statement.

It can be deduced from these results that a large percentage of employees disagreed with the statement. Combined 60% of the employees disagreed with the statement. This may be owing to the fact that management often interrupted the implementation process when other issues were believed to be critical, urgent or

beneficial. This led to confusion among employees in terms of roles and responsibilities of the project members. This is in contrast to Cummings and Worley's (1995) that the transition plan should clearly identify, temporarily orient, integrate discrete tasks, and link these tasks to the vision and responsibilities must be clarified, and benchmarks and standards for performance decided upon. A sizeable number of employees were uncertain about the statement. This may be due to the fact that they perceived other projects as taking precedence to SAPHR implementation. Nonetheless a number of employee's agreed with the statement. This may be owing to the fact they have been working closely with the project team members and had a fair knowledge of roles and responsibilities of the project members.

5.2.5. I know the overall mission and vision as it was communicated to me.

Figure.5.5



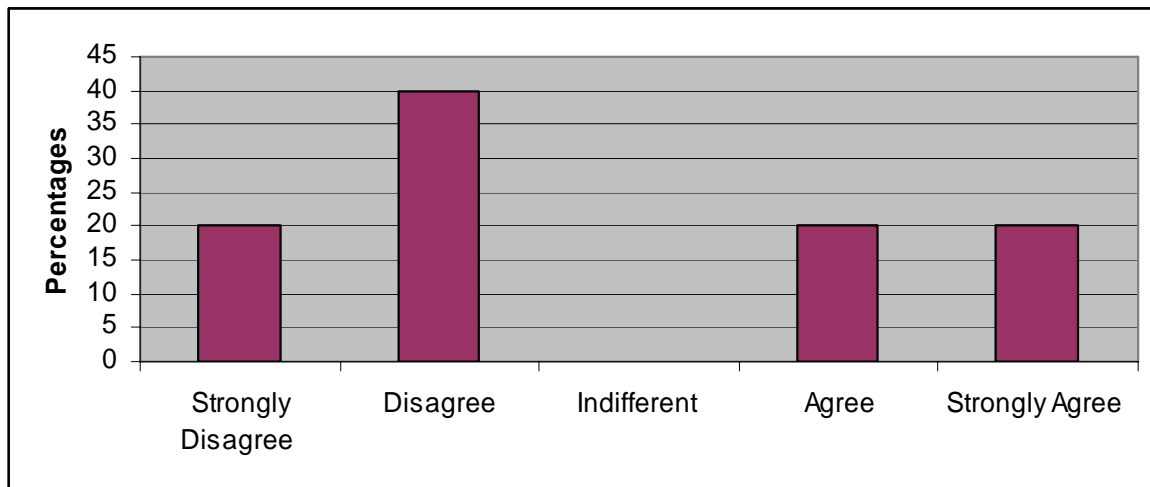
As indicated in Figure 5.5, there is a split of respondents who strongly agreed, disagreed, indifferent, agreed and strongly agreed. Twenty of the respondents strongly agreed and agreed that they know the vision and mission of the company, and 20% were indifferent to the statement. On the contrary 20% strongly disagreed and 20 % disagreed

Deductions can be made here that the equal number of respondents disagreed and agreed with the statement. A sizeable percentage of the respondents disagreed with

the statement. This may be due to management failure to clearly communicate the vision and mission of the company. This is could be in contrasts to what Kotter's (1996) refers to as clutter of information that surrounds people in organizations. Kotter (1996) says that change vision can easily be lost in loads of information and messages that people receive. A sizeable number of respondents elected to remain indifferent to the statement. This may be due to the fact that the vision and mission of the company did not appeal to them or they were overwhelmed by communication of the vision. Furthermore a sizeable number of employees agreed with the statement. This may be due to the fact that were active participants in a number of company change initiatives and had good grasp of the vision.

5.2.6. Senior management have clearly articulated the need for change to me before implementing SAPHR.

Figure 5.6.



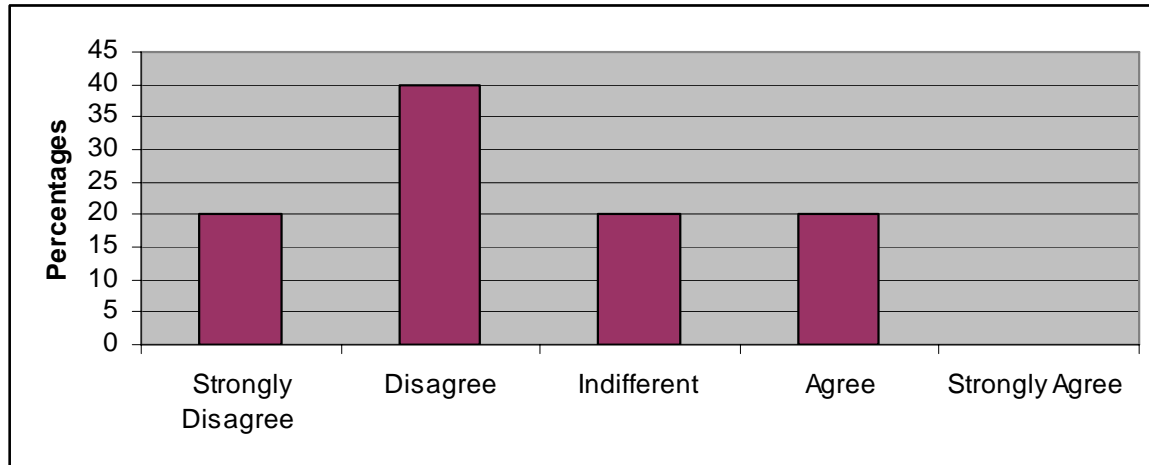
As indicated in this Figure 40% of the respondents disagreed that senior management have clearly articulated the need for change before implementing SAPHR. In addition 20% strongly disagreed with the statement Combined 60% of the respondents disagreed with the statement This is a significant percentage compared to 20% of the respondents that were indifferent to the statement and 20%

of respondents that agreed with the statement.. Noticeably no respondents strongly agreed.

It can be deduced from the results that a significant percentage of employees disagreed with the statement. This may be largely due to the fact that leadership failed to communicate a sensible, appealing picture of the future in such a way that people understand the logic of how vision can be actualized. Furthermore managers become out of touch with the organizations employees and realities. All this resulted in poor communication of the vision by management about the project. This is in contradiction to Kotter (1996) who says that in a transformation process, a vision plays an important role. Firstly it clarifies the direction of the change; secondly people who are comfortable in their current positions get motivated to take actions in order to create that fruitful vision. Thirdly it helps to align the direction of different people in a very simple and efficient way. Another benefit of having a clear vision is that with a good vision, unsuitable projects can be identified and terminated, even if senior management has supported them. A sizeable percentage of respondents remained indifferent to the statement. This may be due to the fact that they leaders had spent less time with employee in the lower levels, to coach and guide them until they are confident. A sizeable percentage of employees agreed with the statement. This may be due to the fact that they had accepted accountability and make decisions and accept appropriate risk levels.

5.2.7. JW used two way communication about SAPHR implementation to me.

Figure 5.7.



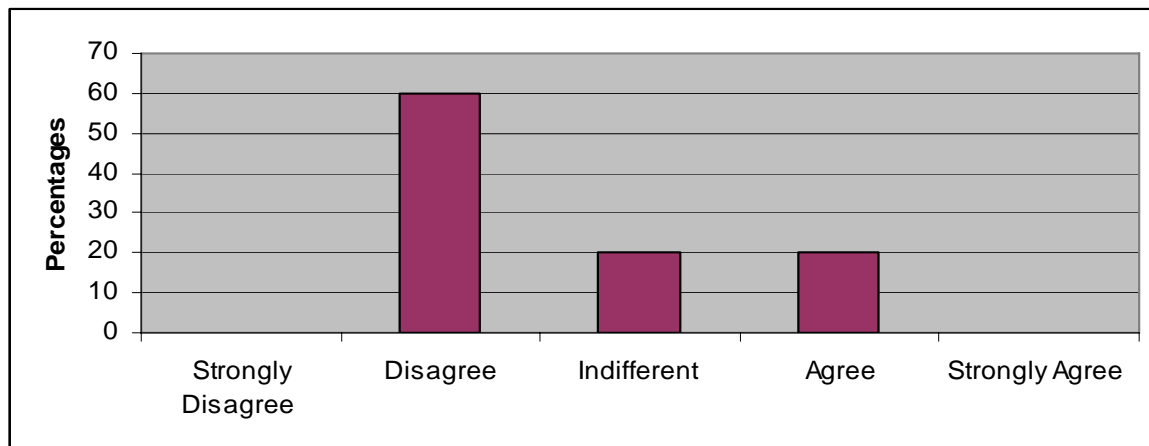
As indicated in Figure 5.7, 20% of the respondents strongly disagreed that JW used two way communication about SAPHR implementation while 40% disagreed with the statement. 20% was unsure of the statement and 20% agreed with the statement. It is important to note that no respondents strongly agreed.

It can be deduced from these results that a high percentage of employees disagreed with the statement that JW used two way communication about SAPHR implementation. Combined 60% of employees disagreed with the statement. This may be largely due to the communication strategy of the company, which focused on use of letters and memorandums in communicating issues within the company. This is in contradiction to Smeltzer and Zener's (1992) view that the richest form of communication is face-to-face between two people. The least rich form is written messages. Duck (1993), also says that employees have now been through so many management fads and change programs without real changes that they are skeptical. Companies are full of change survivors, people who have learned live through change programs without really changing at all. The attitude of the change survivor is: 'I'll believe it when I see it'. The percentage of employees who elected to be indifferent could be regarded as victims of passive communication as coined by Beckard and Pritchard (1992). Passive one way communication may engage people

intellectually, but does not necessarily result in an emotional commitment. A sizeable number of employees agreed with the statement. This may be owing to the fact that the one way communication had an impact on them small as it was.

5.2.8. Senior management has a clear commitment to use SAPHR as a Human Resources information system.

Figure 5.8.



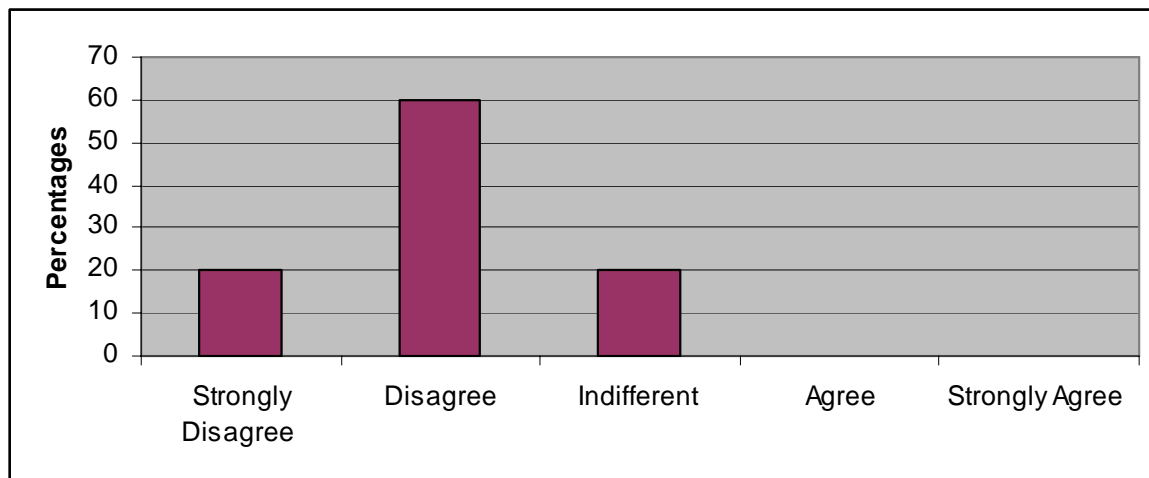
It can be derived from Figure 5.8 that, 60% of the respondents disagreed with the statement that senior management has a clear commitment to use SAPHR as a Human Resource system. This is substantially more than the, 20% of respondents that were indifferent and the 20% of respondents that agreed with the statement. Noticeably there were no respondents who strongly agreed or strongly disagreed

Based on this findings one can conclude that 60% of the employees disagreed that senior management has a clear commitment to use SAPHR system. This may be owing to management behavior which was inconsistent with the change process. During the implementation of the project, management was out of depth with implementation issues and were not exemplary in advocating the change process. This is contradiction to Maccoby's (1981) findings that key attributes of successful leadership is the ability and willingness to behave in ways consistent with the changes they are trying to bring about in their organizations. Likewise, Beer (1990) found that consistency between the leader's words and actions was critical at the

business unit level. A sizeable number of employees elected to be indifferent to the statement, which may be attributed to management having kept demotivated employees in the dark. A small number of employees agreed with the statements which suggest that a few of them have been able to take notice of management signals and gestures of communication about the project.

5.2.9. There is a monitoring system to assess progress in SAPHR implementation.

Figure 5.9



As depicted in Figure 5.9, 60% of the respondents disagreed that there is a monitoring system to assess progress in SAPHR implementation. Twenty percent strongly agreed with the statement while 20% remained indifferent. Combined 80% of respondents disagreed with the statement. Noticeably there were no respondents who agreed and strongly agreed.

It can be deduced from the results that the majority employees disagreed that such a monitoring system exists. These may be owing to fact that such a monitoring system was never established or they did not know about it. This is in contrasts to Beckhard and Harris (1997), who says that as a last step in the process of building commitment, a monitoring system should be in place to assess the progress. A sizeable number of employees indicated that they are indifferent to the statement. These may be due to the fact that they are not well informed, knowledgeable nor equipped to make a contribution of any value.

5.2.10. I participated in defining problems and solutions to SAPHR implementation.

Figure 5.10

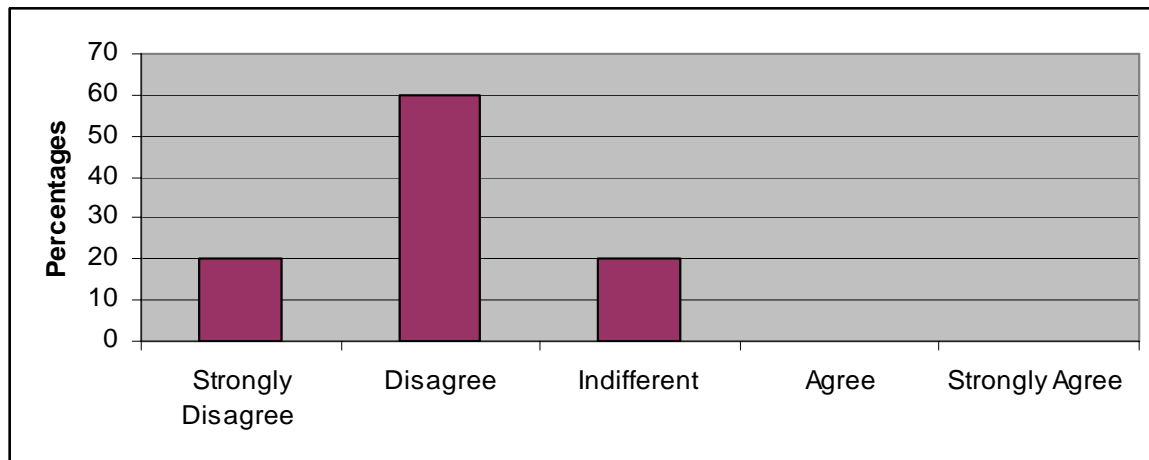


Figure 5.10.illustrates a 40% peak of the respondents who disagreed that they participated in defining problems and solutions to SAPHR implementation. Twenty percent of the respondents strongly disagreed with the statement suggesting that a large number of employees are not participating in defining problems and solutions to SAPHR implementation. Combined 60% of the respondents disagreed with the statement. A further 20% remained indifferent to the statement, while 20% of the respondents agreed.

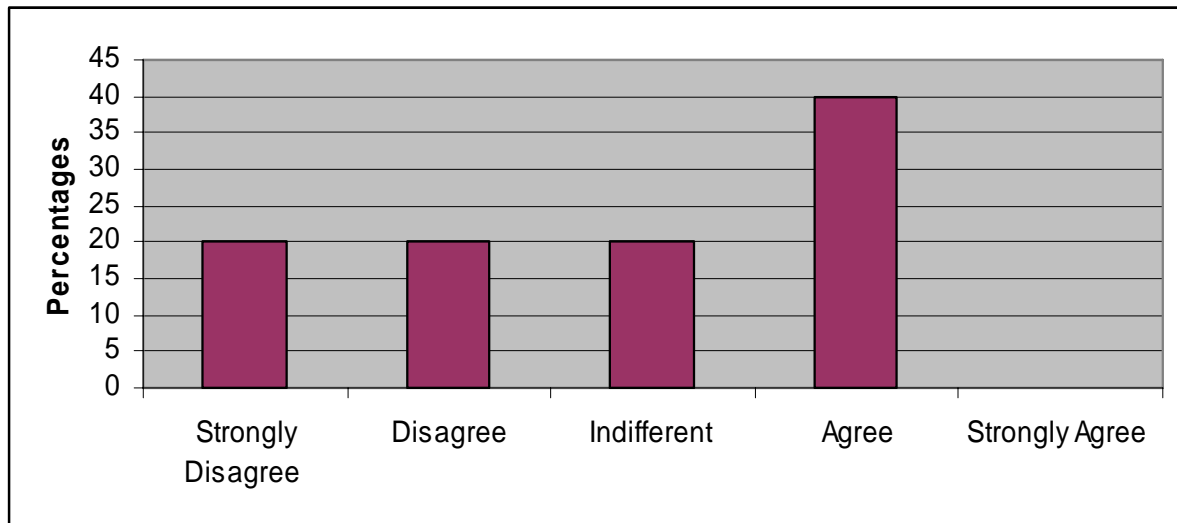
Deductions that can be made from the results that a significant percentage of employees disagreed with the statement which indicates a serious problem. This may be due to the fact that management ignored cultural differences and diverse participation which leads to organizational change success. This is in contrast to Beckard and Harris's (1987), assumption that people who participate in defining problems and solutions will, as a result of that participation, become committed to the result of the process. A sizeable number of employees elected to remain indifferent to the statement. This may be due to the fact that there was no climate of trust and mutual respect which might have been easily destroyed by unilateral control and management fear. Furthermore a sizeable number of employees agreed with the statement. This might be owing to the fact management invested in their skills and their corporate capabilities to ensure their meaningful participation.

1.1.2 SECTION B

In section B 10 sub-questions under questionnaire 2 were asked. In your opinion the company has successfully implemented SAPHR on the grounds that

5.3.1. The SAPHR change project was managed from the top

Figure 5.11.



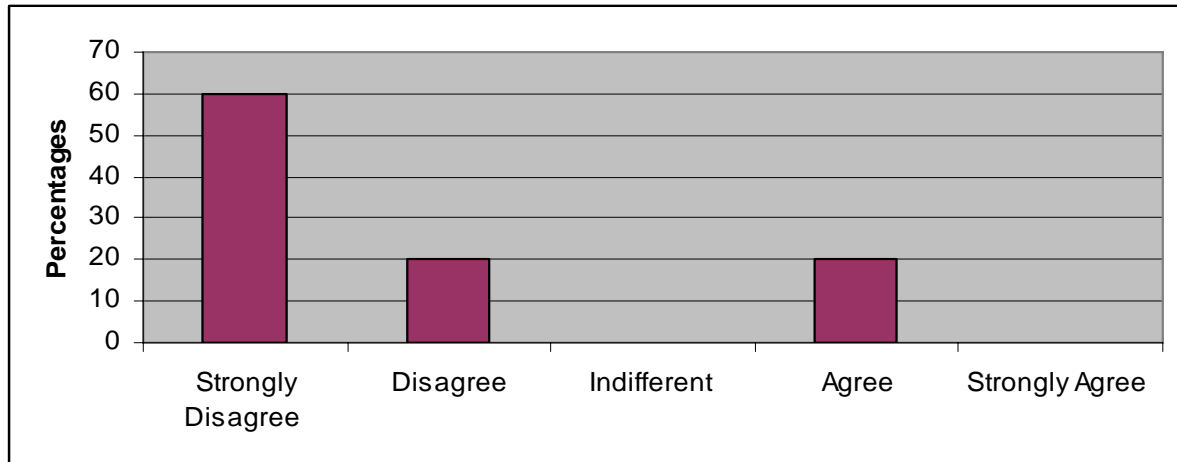
As depicted Figure 5.11.40% of the respondents agreed that SAPHR change project was managed from the top. This is substantially more than the 20% who responded to the questionnaire stating that they strongly disagreed and disagreed and the 20% that was uncertain. Combined 40% of the respondents disagreed. Noticeably there were no respondents who strongly agreed.

It can be deduced from these results that the high percentage of employees believed that projects are managed by top management as it is usually the case in many organisations. This is in line with Porras and Robertson (1990) who says that an essential characteristic of OD is that efforts are supported and managed from the top. A sizeable percentage of employees disagreed with the statement. This may be due to the fact that employees did not have faith in the system or the ability of the leaders to turn the organization around. A percentage of the respondents were indifferent to the statement. This may be attributed to the fact some managers do not have an established track record of effective leadership, so by the time

management had to deal with this change it was too late as employees have given up.

5.3.2. I am provided with regular constructive feedback about SAPHR change process.

Figure 5.12.



As indicated in Figure 5.12.the largest percentage of (40%) respondents strongly disagreed, suggesting that they are not provided with regular constructive feedback about SAPHR change process. A significant number of respondents (20%) revealed that they do receive regular constructive feedback about SAPHR implementation. The remaining 20% disagreed with the statement. It is important to note that no respondents were indifferent or strongly agreed.

It can be derived from the findings that the largest percentage of employees strongly disagreed that they are provided with regular and constructive feedback about SAPHR implementation. Combined 80% of the employees disagreed with the statement. This may be largely due to fact that management did not measure and evaluate change through out the implementation or give constant feedback. This is in contradiction to Kotter (1996) who says that major transformation take lots of time sometimes years. The initiator of the change or leader of the guiding coalition will usually stick to the plan for the duration of the change implementation. However

most of the other employees and manager want to see the results that prove that their efforts are paying off. On the other of the spectrum, non-believers need hard data and numbers indicating that the transformation processes is not wasting the company's resources. Because of this reasons managing a major change without paying attention to the short term wins could jeopardize the whole processes. A small percentage of employees however agreed with the statement. This is largely due to the fact some employees who were neutral were turned into supporters during the momentum building of change.

5.3.3. I am motivated by business strategic vision of JW to reduce costs, output quality, and quality of life with SAPHR implementation.

Figure 5.13.

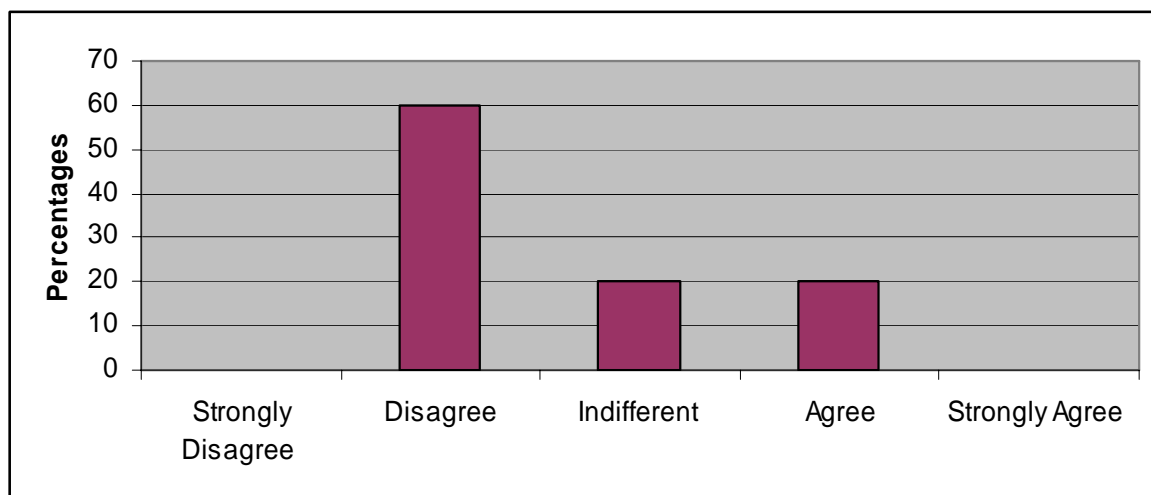


Figure 5.13.shows a 60% peak in the number of respondents who disagreed that they are motivated by business strategic vision of JW to reduce costs, output quality, and quality of life with SAPHR implementation. A further 20% revealed that they were unsure of the statement, while 20% of the respondents agreed with the statement. Noticeably there were not respondents who strongly agreed

One can deduce from the results that the majority of employees are not motivated by the strategic vision of JW to reduce costs, quality output and quality of life. This is most probably due to the fact management set goals and objectives of the

organization and they did not involve employees in decision making processes. This contradicts Miller and Puddicombe (1992), who says that Business Process Reengineering should be motivated by objectives derived from the strategic business vision, such as cost reduction, time reduction, output quality or quality of work life. According to Porras *et al* (1990) the degree and quality of organizational member involvement is the one of the most important conditions for effective change. Thus in addition to top management involvement and the commitment of all other organizational members is considered essential (Beer *et al* 1987). A sizeable number of employees chose to be indifferent to statement. This may be owing to lack of a strong vision and focus by which employees will measure their performance. On the other hand a sizeable percentage of employees agreed with the statement. This may be due to the fact that they participated in various sessions at the initiation of the project.

5.3.4. Top management communicated a vision or agenda of the future of the organization to me.

Figure 5.14.

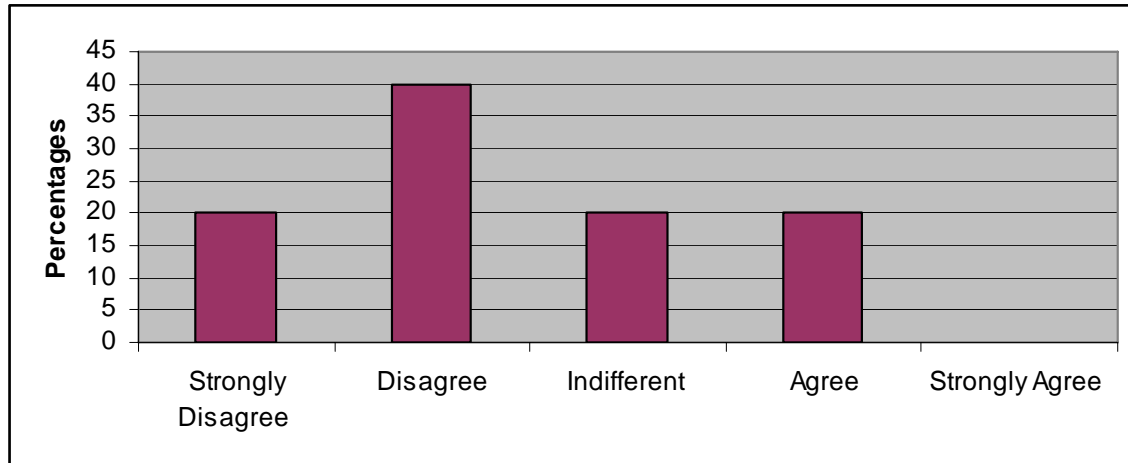


Figure 5.14 shows a 40% peak in the number of respondents who disagreed that top management communicated a vision or agenda of the future of the organization. In addition 20% said that they strongly disagreed with the statement, combined 60% of respondents disagreed with the statement. Twenty percent elected to remain indifferent to the statement, while 20% agreed. Noticeably there were no respondents who strongly disagreed.

From these results it can be deduced that management has not communicated a vision or agenda of the future of the organization as indicated by the majority of employees who disagreed. This is generally owing to the way in which the top management propagated and articulated a vision or agenda of the organization. It would appear that communication of the vision was uninspiring or unappealing as it could not instill confidence in the minds of the employees who know very little about the strategic intent of the company. This is contrast to Porras and Robertson (1990) who says that the description of the organization and the desired future of the organization should be detailed and comprehensive and specify all organizational elements. Again Beer and Walton (1987) say top management's role is to articulate and propagate a vision or agenda of the future of the organization. A sizeable

percentage of employees remained indifferent to the statement. This may be owing to inability of management to communicate organizational goals and strategic issues. Another sizeable percentage of employees agreed with the statement. One can surmise that such employees have had an exposure of what the organization wants to achieve and the direction it wants to take.

5.3.5. I am committed to changes that will improve my company's performance

Figure.5.15.

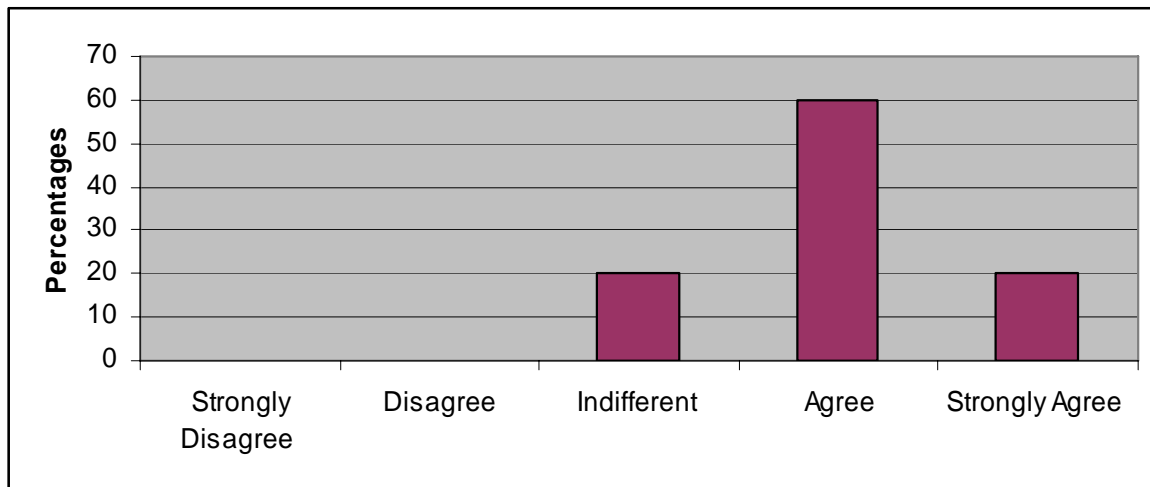


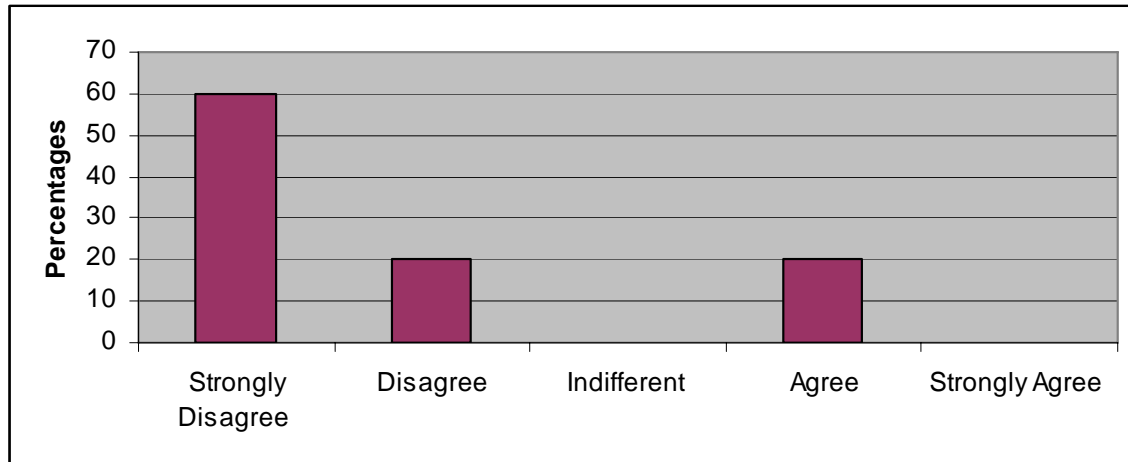
Figure 5.15 illustrates the 60% peak in the number of respondents who agreed that they are committed to the changes that will improve the company's performance, suggesting that the largest percentage of employees are committed to company performance. Noticeably there is a 20% split among respondents who are uncertain about the statement and those who strongly agreed. It should be noted that no respondents strongly disagreed or disagreed.

It can be deduced from this results that despite all problems affecting the implementation of SAPHR a large number of employees are still committed to the performance of the company. The number of respondents who agreed combined comprises 80% of the employees which indicates a high level of confidence. The number of respondents that are unsure might be due to the fact that they were not involved in the change process and therefore have lost confidence in the process.

This contradicts Jaffe *et al* (1993) who says that employee participation to eliminate resistance and motivate people has been recognized as an important success criterion in organizational change.

5.3.6. The SAPHR change committee is well represented

Figure .5.16.



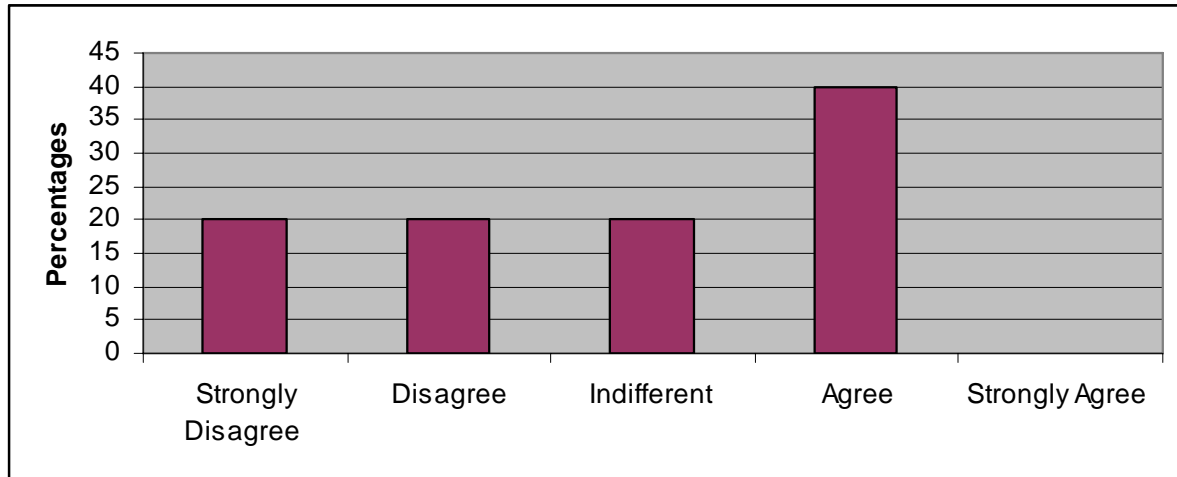
As illustrated in Figure 5.16, 60% of the respondents strongly disagreed that the SAPHR committee is well represented. In addition 20% disagreed with the statement and 20% agreed with the statement. Noticeably no respondents were indifferent or strongly agreed.

It can be derived from the graph above that a large number of respondents disagreed with the fact that SPAHR committee is well represented. This might be owing to the fact that the committee was dominated by senior managers from IT and Corporate Services and Human Resources and they were all male, while the majority of the respondents were female. Another reason might be that there were no line managers in the project team, so this might have prompted their response to the question. This is in contradiction to Cummings and Huse (1985), who says that senior executives and line management that are responsible for the strategic direction and operation of the organization have to lead the transformation. A sizeable percentage of employees however agreed with the statement. This may be

owing to the fact they have been interacting with some of the project committee members therefore they have been provided with first hand information.

5.3.7. JW has a solid understanding of customer needs.

Figure 5.17.



In accordance with results shown in Figure 5.16, a noteworthy 40% of the respondents agreed that JW has a solid understanding of customer needs. In contrast 20% of the respondents strongly disagreed with the statement. In addition 20% of the respondents disagreed with the statement and only 20% of the respondents remained indifferent. Noticeably there were no respondents who strongly disagreed.

It can be deduced from this results that a significant percentage of the employees agreed that JW has a solid understanding of customers needs. This might be owing to the fact the project manager coordinated and integrated project teams and maintained a continuous focus on customer needs. This is line with Dean and Bowen (1994) Total Quality Management, which emphasizes organizations commitment to the customer. A sizeable percentage of the respondents combined disagreed with the statement. One can surmise that this was due to the fact that the employees have not be enabled and empowered to adapt practices and procedures to better meet customer expectations and needs. A sizeable percentage of

employees remained indifferent to the statement. This may be owing to the fact that employees were not clear about who their customers are and what their needs and expectations are.

5.3.8. The SAPHR implementation is based on explicitly defined goals

Figure 5.18.

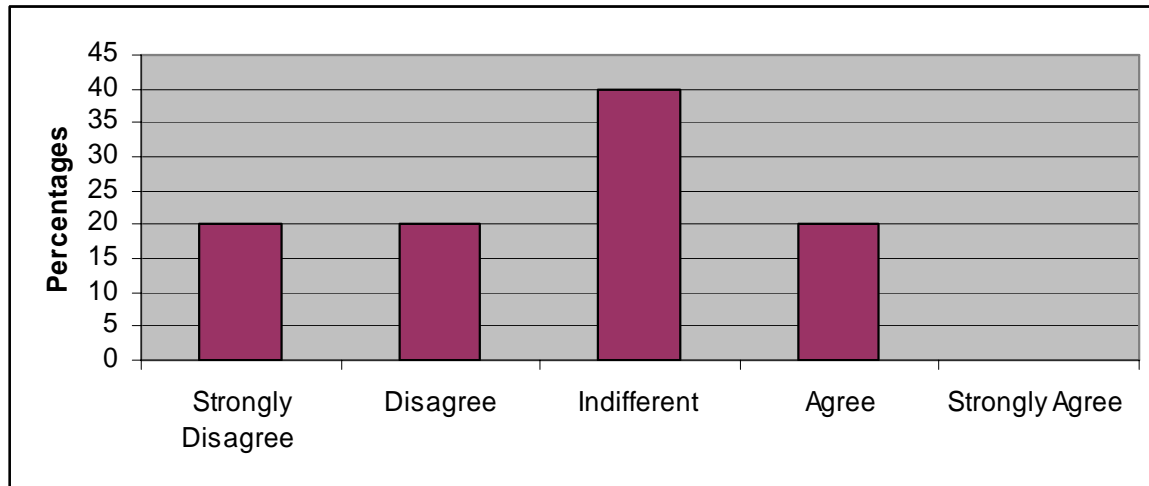


Figure 5.18 shows a peak of 40% of respondents who are indifferent to the statement that SAPHR implementation is based on explicitly defined goals. In addition 20% of the respondents strongly disagreed with the statement, while 20% of the respondents disagreed with the statement and 20% agreed. Noticeably no respondents strongly agreed

It can be surmised from the results that several employees are unable to say how they feel about whether SAPHR is based on explicitly defined goals. This is possibly due to the project vision which was unclear and ineffective. This in contrast to Kotter (1996) says that a vision is ineffective if it's only understood by few people in the company. The vision must be communicated very often and must be clear. Secondly, a considerable percentage of the employees combined disagreed with the statement. This may be owing to the fact that the vision did not appeal to their long term interest or it did not convey a picture how the future will look like. Furthermore a sizeable percentage of employees agreed with the statement. One can surmise that these employees were clarified of the goals of the project.

5.3.9. SAPHR implementation is carried out in all levels of JW

Figure 5.19

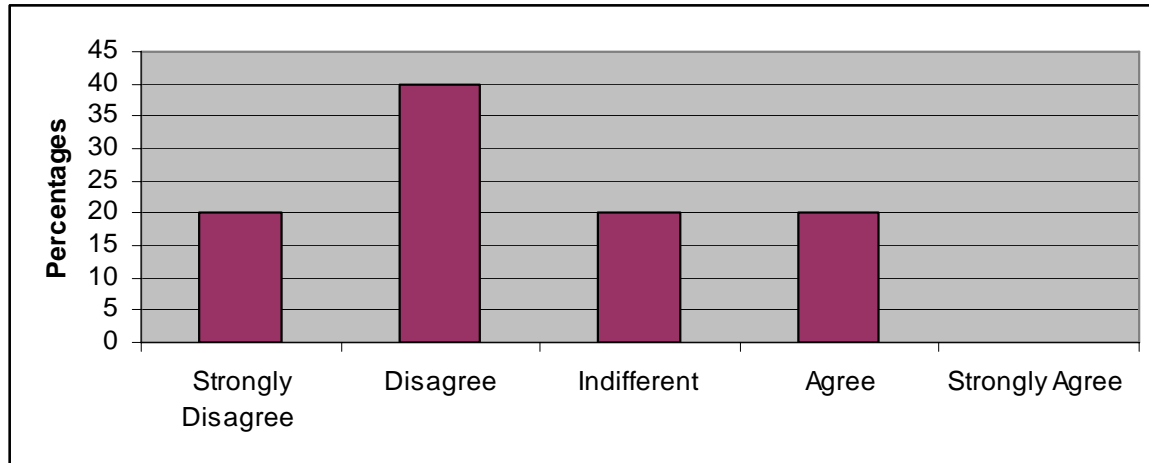


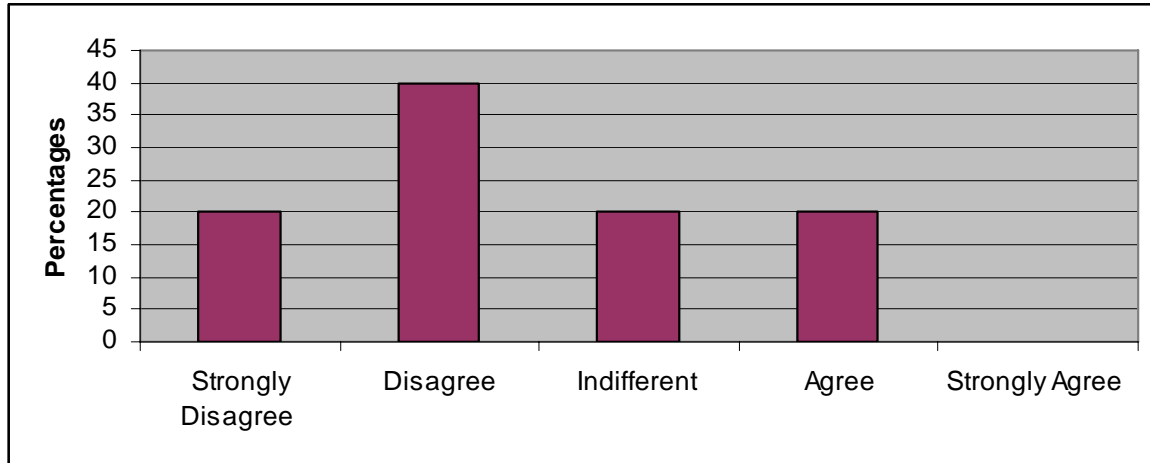
Figure 5.19 highlights a peak in the number of respondents who disagreed with the statement, indicating that 40% of the respondents disagreed that SAPHR is carried out in all levels of JW. In addition 20% of the respondents strongly disagreed with the statement. A further 20% are indifferent to the statement and 20% agreed with the statement that SAPHR implementation is carried out in all levels of the company. Noticeably no respondents strongly agreed.

Based on the results one can deduce that a significant number of employees disagreed that SAPHR implementation was carried out in all levels of JW. The number of respondents who disagreed combined amounts to 60% which is a high significant percentage compared to 20% of respondents who agreed. This is probably due to the fact that when the project was initiated it was in addition to other projects that were running and they could not differentiate between SAPHR implementation and other projects. A moderate number of respondents however remained indifferent. This is probably due to non participation in the project and therefore do not have knowledge of how implementation is structured. The small number of respondents who agreed may be attributed to their involvement in the initiation of the project and therefore have an understanding of what the project

entails. This contradicts Gibson, Holland and Light (1999) who advocates change across the whole organization, including business processes, managerial behaviours, culture and organizational structure.

5.3.10. I am empowered to make SAPHR implementation successful.

Figure 5.20



According to the graph illustrated in Figure 5.20., 40% of the respondents have disagreed that they are empowered to make SAPHR implementation successful. In addition 20% strongly disagreed with the statement, making the combined percentage of employees who disagreed with the statement 60%. This is significantly more than the 20% of respondents who agreed and the 20% of respondents who are unsure. Noticeably no, respondents strongly agreed.

Deductions can be made from these results that a significant number of employees are not empowered to make SAPHR implementation successful. These may be owing to inadequate training programs and, employees lacking powers to make decisions. The results show that a sizeable number of respondents are indifferent and this might be owing to employee adaptation to the new system. The number of respondents who agreed might have been adequately trained. This is contradiction to Kotter (1996) who says that major internal changes do not happen unless many people assist. However, most employees cannot help much as they are relatively

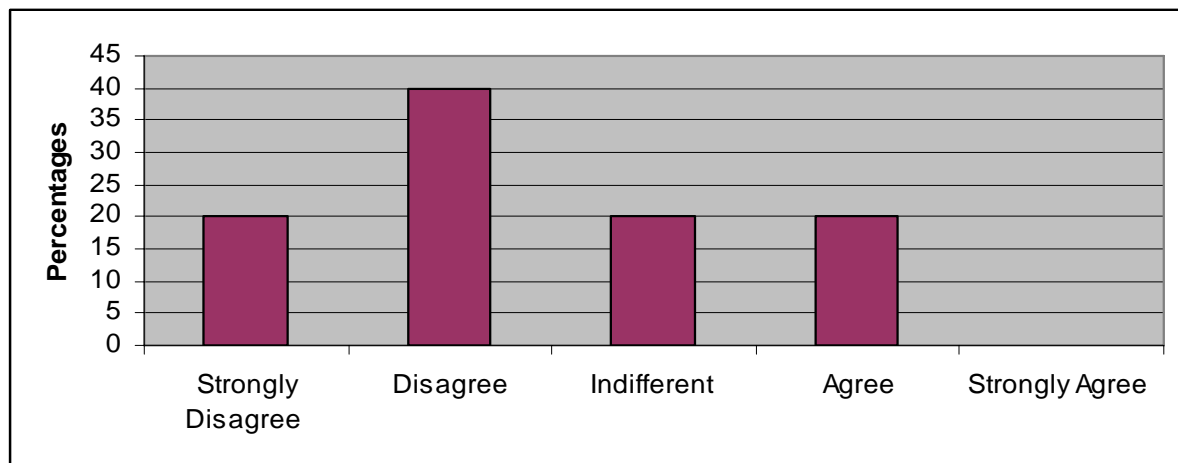
powerless. Therefore empowering employees is another way to make transformation successful.

1.1.3 SECTION C

In section C 10 sub-questions under questionnaire 3 were asked. In your opinion the company has successfully evaluated and sustained SAPHR implementation on the grounds that

5.4.1. Management gave feedback, about SAPHR implementation

Figure 5.21



As illustrated in Figure 5.21, 40% of respondents disagreed with the statement that management gave feedback, SAPHR implementation. This is a significant number of respondents compared to 20% of respondents who chose to remain indifferent and 20% of respondents who agreed. A similar number of respondents representing 20% of the respondents have strongly disagreed which means the number of respondents who disagreed combined is quite high at 60%. Noticeably no respondents strongly disagreed.

It can be deduced from this results that a percentage of employees disagreed with the statement. Although there is an even split in the percentage of employees who agreed and those that are indifferent, and a combined number of employees who

disagreed is significantly high. These may be owing to inadequate feedback or communication. The employees who agreed may have based their decision on the daily interaction they have with management in the office and their ability to discuss human resources related issues at departmental meetings. The results also show that a sizeable number of respondents are indifferent. This is possibly owing to the fact that certain members of senior management have made very little effort to comment about SAPHR implementation. This contradicts Kotter (1996) who says that major transformation take lots of time sometimes years. The initiator of the change or leader of the guiding coalition will usually stick to the plan for the duration of the change implementation. However most of the other employees and managers want to see the results that prove that their efforts are paying off. On the other of the spectrum, non-believers need hard data and numbers indicating that the transformation processes is not wasting the company's resources. Because of this reasons managing a major change without paying attention to the short term wins could jeopardize the whole processes.

5.4.2. Management made a swot analysis prior to SAPHR intervention

Figure 5.22.

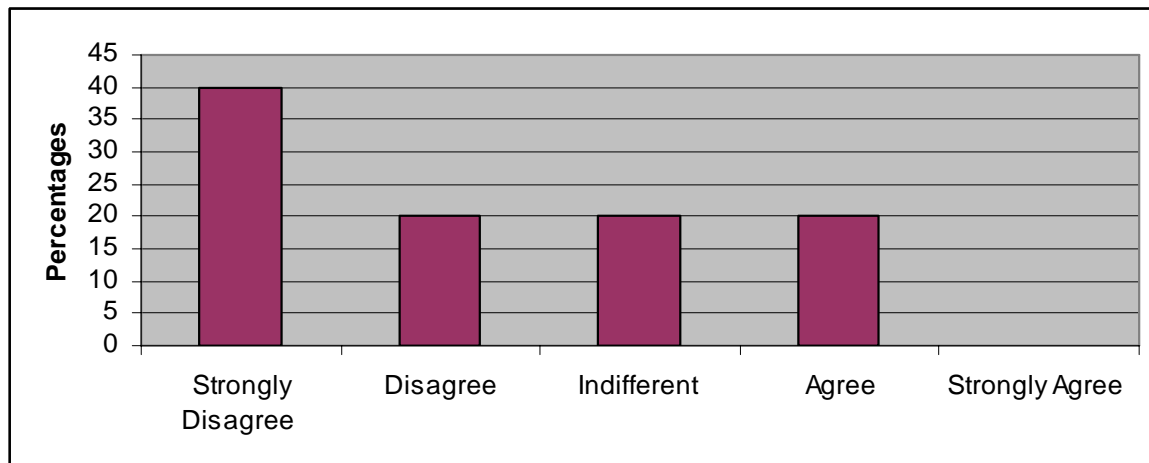


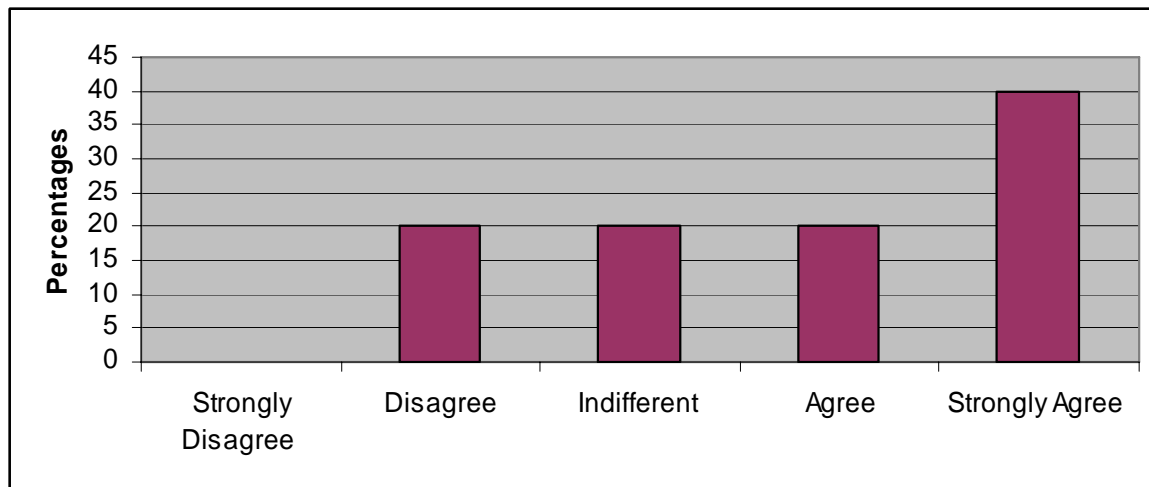
Figure 5.22 shows a peak of 40% in the number of respondents who strongly disagreed that management made a swat analysis prior to SAPHR implementation. In addition 20% of the respondents disagreed with the statement. Combined 60%

disagreed with the statement with the statement compared to 20% of respondents who elected to be indifferent to the statement and 20% who agreed to the statement. Noticeably no respondents strongly agreed.

Based on the results one can deduce that a significant percentage of employees revealed that they disagreed that management made a swat analysis prior to SAPHR implementation. This is probably due to the culture of the organization where employees are not involved in strategic issues but are expected to carry out strategic objectives of the organization. In addition the employees might have not been exposed to the company's critical business information which includes company financials, and measures that are used for strategic decisions. This contrasts to what is stated in the strategic management literature, Guth and MacMillan (1986), concluded that middle managers could not only redirect a strategy, delay, or reduce the quality of its implementation, but also even of sabotaging it altogether. It is therefore important to carefully review which middle managers need to be included in the critical mass. Similarly, Wooldridge and Floyd (1990) found that middle management involvement in the formation of strategy is associated with improved organizational performance. Finally, Westley (1990) found evidence of dissatisfaction among middle managers who perceived to be excluded from strategic processes. The sizeable number of employees who were indifferent might not have seen themselves as having a stake in the outcome of the SAPHR implementation. A sizeable percentage of the respondents agreed with the statement. This may be owing to the organization's culture of selective participation whereby a few employees would be involved in strategic planning.

5.4.3. SAPHR implementation is managed by external agents

Figure 5.23.



As illustrated in Figure 5.23, there is a peak in the number of respondents who strongly agreed with the statement, indicating that 40% of respondents are aware that SAPHR implementation is managed by external agents. A further 20% revealed that they agreed with the statement as opposed to 20% who are uncertain and 20% that disagreed. Noticeably no respondents strongly disagreed.

Deductions can be made from this results is that a significant number of employees combined are aware that SAPHR implementation is managed by external agents. In addition a sizeable number of employees agreed that it is indeed the case. This is a significant number of employees who agreed that the implementation is managed by external agents. In supporting, an important element of OD theory thus is diagnosing the general problem areas of the organization prior to any intervention (Burke, 1982). Cummings and Huse (1985), sees the diagnosing as a collaborative process involving both managers and consultants in collecting analyzed data as well as drawing conclusions for action planning and intervention. Hammer and Champy (1993) argue that reengineering leads to a more complex, multidimensional work, which requires highly skilled employees. These results also show that a sizeable number of employees disagreed with the statement that SAPHR is managed by external agents. This is possibly owing to the fact that certain members of the steering committee have clarified their roles within the project and employees are

able to distinguish between participants in the project and external consultants. Furthermore a sizeable percentage of employees who decided to remain indifferent might have had no benefit of knowing roles of steering committee members and the external agents concerned due to their limited knowledge.

5.4.4. I am appropriately placed within the organizational structures since SAPHR implementation

Figure 5.24

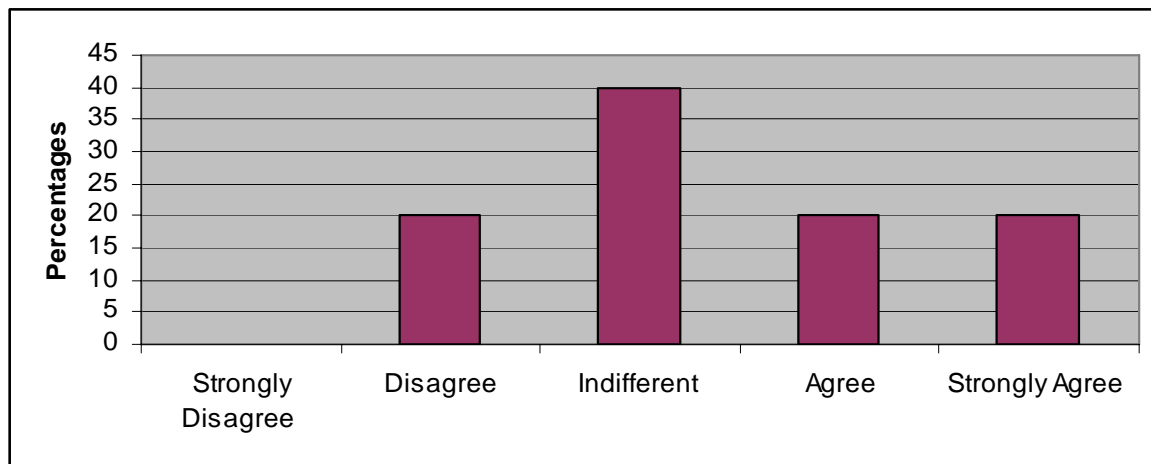


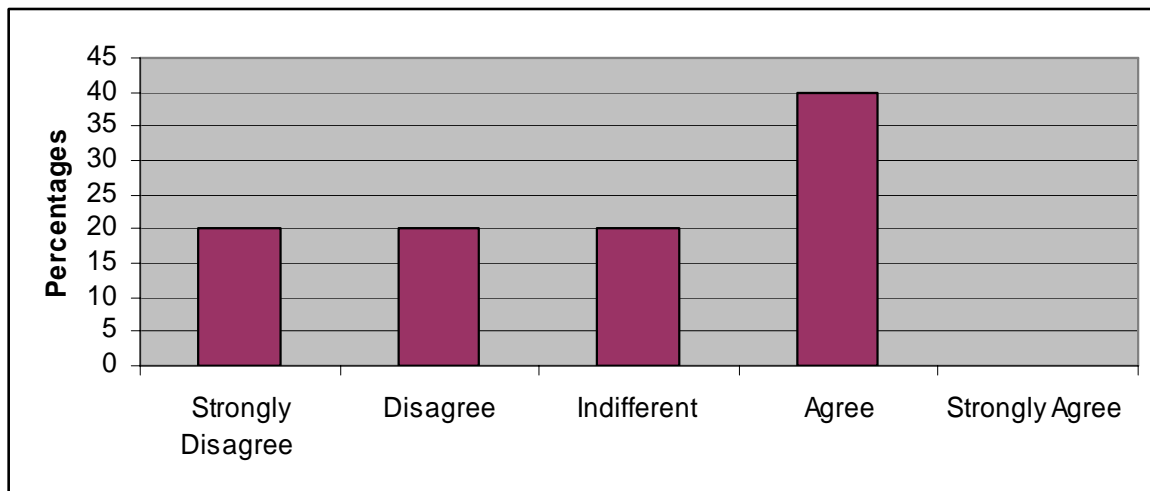
Figure 5.24, shows percentage of respondents, 40% who disagreed that they are appropriately placed within the organizational structures since SAPHR implementation. In addition a sizeable percentage of respondents strongly disagreed with the statement at 20%. Combined 60% of the respondents disagreed with the statement. This is significantly more than 20% of respondents that are indifferent and 20% respondents that agreed that they are appropriately placed within the organizational structures since SAPHR implementation. Noticeably no respondents strongly agreed.

Deductions can be made from this results that a higher percentage of respondents of respondents disagreed with the statement. Combined 60% of the respondents disagreed with the statement which is a highly significant percentage. The high percentage of disagreed respondents may be due to the fact that they have been

involved in the analysis of business process and designing of new structures of the company .this is contrast to Quinn and Kimberly (1984) who pointed out that the structure should not only be matched to the strategy, but also to the environment and the internal culture. For example, reengineering business processes can lead to changes in the organization structure. Whereas the traditional functional organization is built around specific skills, the 'horizontal organization' is built around how the work is done. In the horizontal organization, permanent process owners and process teams are made responsible for the continuous improvement and performance results of core business processes. Finally, Womack and Jones (1994) have argued that companies must create a new process management function that instills a process perspective in everyone from the top to the bottom of the company. A sizeable number of respondents elected to be indifferent. This might be owing to the fact that they have not been oriented about the newly designed structures after implementation. A sizeable number of employees have however agreed with the statement. This may be due to the fact that they may have been designated into new roles.

5.4.5. The training programs in my organization are consistent with future needs of the organization

Figure 5.25



As illustrated in Figure 5.25, a significant percentage of respondents 40% of the employees agreed that training programs are consistent with the future needs of the organization. In contrast sizeable percentages of the respondent's at 20% disagreed

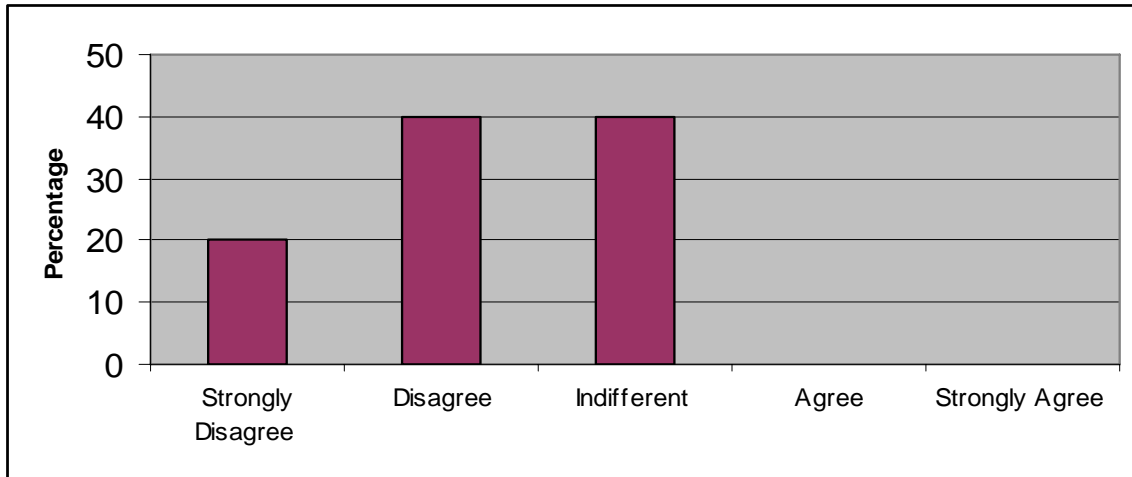
and strongly disagreed with the statement. Only 20% decided to remain indifferent to the statement. Noticeably no respondents strongly disagreed.

From these results one can assume that although there is an even split in the percentage of employees who strongly agreed and disagreed, and there is also a significant high percentage of employees who agreed with the statement. Combined a percentage of employees who disagreed is very high. This may be owing to the fact that a proportion of the employees have not been trained and therefore do not know whether training programs are consistent with the future needs of the organization. A large proportional percentage of employees who agreed with the statement have had the benefit of attending various training programs. A sizeable percentage of employees elected to be indifferent. This is largely due to the fact they have seen no value in the training programs that they have attended for instance, the fact that they have not advanced in their careers had an emotional impact in their response.

In supporting employees who agreed, Hammer and Champy (1993), says that managing development systems requires that sufficient attention be paid both to formal training programs and to on-the-job development programs. These training programs must be consistent with the future needs of the organization. For example, in reengineered organization, the greater the number of skills or competencies each individual brings to a team and the richer that person's understanding of the relevant core process, the greater the problem solving-capacity of the team will be.

5.4.6. After implementation of SAPHR project organizational performance appraisals reflect the new vision of the company

Figure 5.26.

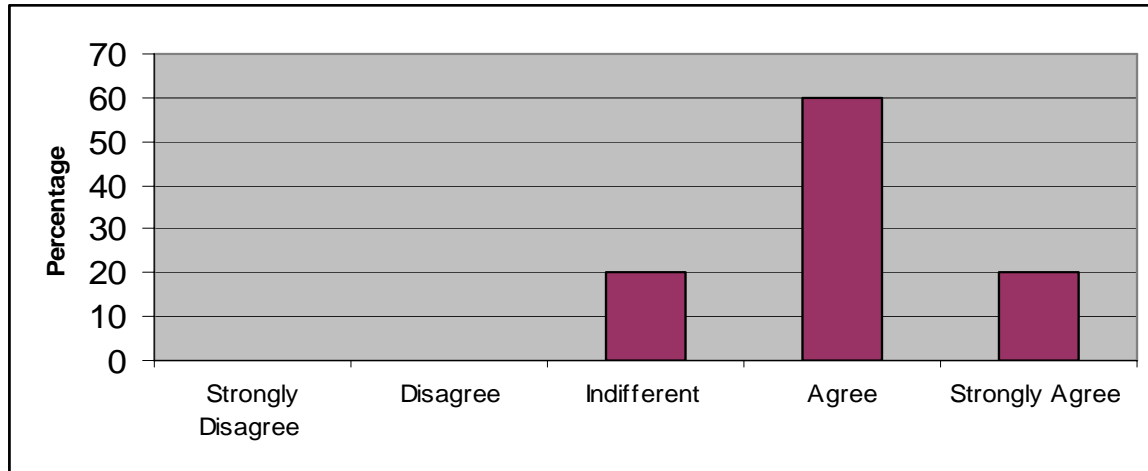


In accordance with Figure 5.26, a clearly visible peak reveals a split of 40% of respondents that agreed and 40% that are indifferent to the statement. In addition 20% of the respondents revealed that they strongly disagreed that after SPHR implementation project performance appraisals reflects the new vision of the company. Noticeably no respondents agreed or strongly agreed

From these results one can assume that although there is a split in the percentage of employees who disagreed and with the statement and those who elected to remain indifferent a higher percentage of employees disagreed that performance appraisals reflect the new vision of the company. This may well be due to the fact that performance management was introduced to certain levels of management prior to SPHR implementation and this resulted in lot of dissatisfaction. The percentage of respondents who were unsure .might be owing to the fact that they have not being exposed to performance management before. This is in contradiction to Womack and Jones (1994) who suggest that performance appraisal and compensation systems need to be changed to reflect the new vision.

5.4.7. During the SAPHR implementation additional employees were brought from outside promoted and developed to help with the change

Figure 5.27

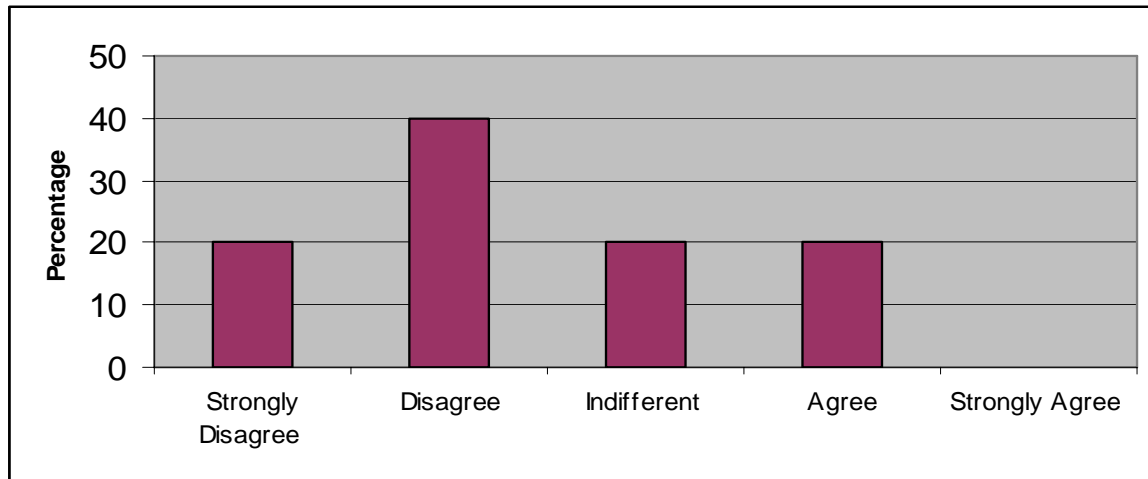


As indicated in this graph a significant higher percentage of respondents representing 60% agreed that additional employees were brought from outside, promoted and developed to help with the change. In addition 20% of the respondents strongly agreed with the statement. However a sizeable percentage of the respondents elected to remain indifferent.

Deductions can be made from these results that a significant higher percentage of employees combined agreed that additional employees were brought from outside, promoted and developed to help with the change. This is extremely higher compared at 80% compared to a percentage of respondents who elected to remain indifferent. This might be owing to the number of employees hired on contract during the implementation process of the project. As the project was faltering a number of employees were recruited to come and assist in putting it back on track. In supporting Beer (1990), says that an understanding of the types of people and skills needed for the organization to be effective is something that is developed gradually during the change effort. In other words, employee selection and placement needs to be adapted to the emergent organization during the later stages of the change process.

5.4.8. Urgency levels are very high because SAPHR implementation purpose has been clarified

Figure 5.28



It can be seen from the figure above that 40% of the respondents disagreed with the statement. In addition 20% of the respondents strongly disagreed that urgency levels are very high because SAPHR implementation purpose has been clarified. On the contrary 20% of the respondents elected to remain indifferent, while 20 % of the respondents agreed with the statement. Noticeably no respondents strongly agreed.

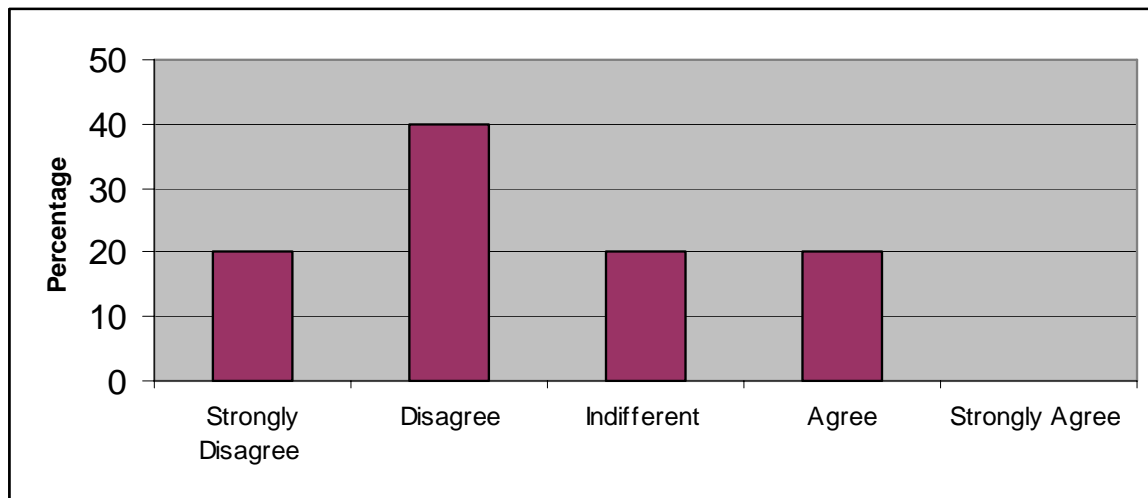
Deductions can be made from this results that a higher percentage of respondents of respondents disagreed with the statement. Combined 60% of the respondents disagreed which is a highly significant percentage. This may be due to senior managers failing to constantly remind employees about the significance of the change process. This in contrast to Kotter (1996) who says that in a successful change effort the situation should like:

—Leadership from senior management: Senior people focus on maintaining clarity of purpose for the overall effort keeping urgency levels up.

- A sizeable number of respondents elected to be indifferent. This might be owing to lack communication. A sizeable percentage of the respondents have however agreed with the statement. This may be due to the fact that they were involved and participated in the project.

5.4.9. Managers in the lower ranks of JW provides leadership for specific projects

Figure 5.29



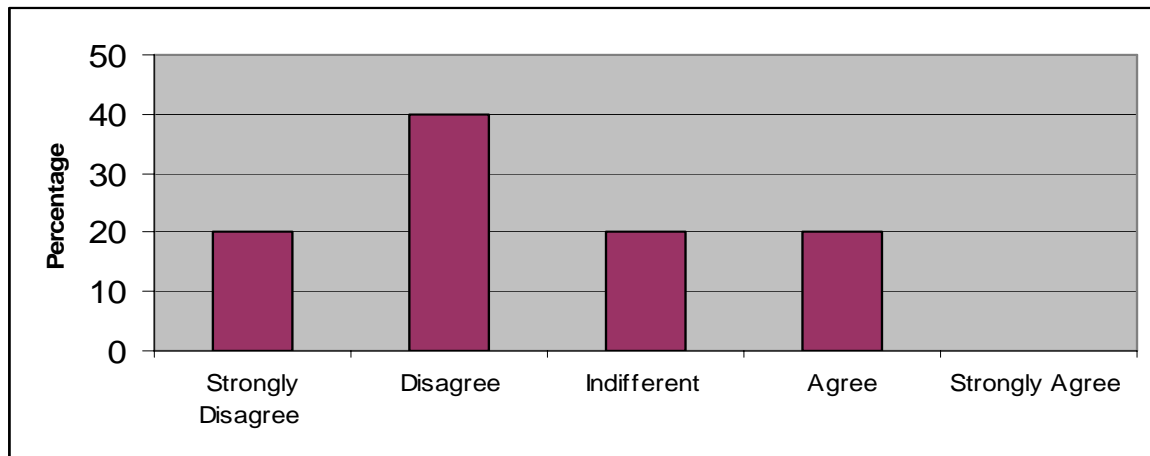
As illustrated by the figure above there is a 40% peak of respondents who disagreed that managers in the lower ranks provided leadership of JW for specific projects. In addition a 20% of the respondents strongly disagreed with the statement. Twenty percent of the respondents chose to remain indifferent, while 20% of the respondents agreed. Noticeably no respondents strongly agreed.

It can be surmised from this results that a significant percentage of employees disagreed with the statement. Combined 60% of the employees disagreed with the statement. This may be owing to non involvement of line managers in the implementation of the project. The fact that the majority of line managers were not participating in the SAPHR Implementation had a significant bearing on their perceptions about the project. This is in contradiction to Kotter (1996) who has stressed that successful major changes need a powerful guiding coalition. This powerful coalition goes beyond the support of top management. Groups without strong line leadership never achieve the power that is required. In addition Kanter et al. (1992) says that organizational transformation often implies a change in the tasks of line managers, their personal leadership style and their social relations with subordinates. The leadership style off-line managers during the change process remain an important element to be monitored during the change process. The active

support, the ability to confront the new challenges and the ability to support subordinates adequately are all crucial elements of this line leadership. A sizeable percentage of the respondents elected to remain indifferent to the statement. This may be attributed to the fact they had a perception that their opinions have not been heard and given a careful respect and consideration. In supporting Kotter (1995) has stressed the importance of credible and timely information to capture the hearts and minds of employees. A considerable percentage of employees however have agreed that managers in the lower ranks of JW provide leadership for specific projects. One can conclude that these employees were committed to the change process and were emotionally involved because of their level of participation.

5.4.10. SAPHR plan has been developed to ensure ongoing support for employees

Figure 5.30



It can be seen from the Figure 5.30 , there is a peak of 40% of respondents who disagreed that a SAPHR plan has been developed to ensure ongoing support for employees. In addition 20% of the respondents strongly disagreed with the statement. Twenty percent elected to remain indifferent to the statement and 20% agreed with the statement. Noticeably no respondents strongly agreed

One can deduce from these results that the majority of employees disagreed that SAPHR plan has been developed to ensure ongoing support for employees. Combined 60% of the employees disagreed with the statement. This is owing to the

fact that when all stages of change were completed the changes and the transformation were never embedded into the culture of the company. This is in contrast to Womack and Jones (1994) who have argued that companies must create a new process management function that instills a process perspective in everyone from the top to the bottom of the company. This function should define the rules for managing cross functional teams; teach team leaders how apply these rules, and constantly search for better approaches. A sizeable number of employees have were uncertain about the statement. This is largely due to the fact that managers have not taken an active role in influencing conclusions and lessons learned from organizational members in the project. Isabella (1993) observed that as individuals spend time with changes, they begin naturally to evaluate the rightness or wrongness of the changes for themselves and for the organization. According to this author, this is an opportunity for managers to influence the conclusions and lessons that are drawn by organizational members. To do this, managers must:

- Create events to evaluate the change.
- Communicate in very concrete terms what the event has meant overall.
- Admit failures and state new strategies to turn those around. (Isabella 1993)

However despite the majority of employees who disagreed a sizeable number of employees have agreed that a SAPHR plan has been developed to ensure ongoing support for employees. This might be owing to the fact that they new about a SAPHR help desk that was established immediately after implementation of the system, however this did not last for long.

1.1.4 Face to Face Interviews

After the structured questionnaire the researcher went back to the respondents to clarify answers that were elicited from the questionnaire. The researcher randomly chose certain questions to seek clarity on. The questions were on the three key aspects of the research which are planning, implementation and evaluation and sustaining of change. The respondents confirmed the following on planning of SAPHR implementation:

- Urgency of change

Sixty percent and 20% of the respondents said that they felt there was no sense of urgency from management with regard to the urgency of change. When probed why they said that the respondents listed the following issues as managerial problems:

Lack of communication strategy on change management

Too much focus on organizational hierarchies

Less managerial interest in strategic imperatives of the company

No managerial consultation on strategic issues.

- Steering team is of the right people, with high level of trust and a common goal.

Forty percent of the respondents strongly disagreed with this statement and when asked why they said so, they responded that steering should have been composed of employees from different departments so that you have an array of expertise within the project team. They also said that they do not believe that members of the steering team were competent enough to be in the project.

Senior management have clearly articulated the need for change

Forty percent of the respondents disagreed with the statement. When probed why they said that the company lacked transformational leadership, communication skills and managerial skills and failure to clearly formulate a vision for the change.

- Clear commitment to use SAPHR as a Human Resources information system.

Sixty percent of the respondents disagreed with the statement. They put forth the following reasons for their disagreement:

Lack of inspirational leadership

No building of commitment to the change process

Lack of understanding change management

Attitude of some managers towards the change process

Management communicated a vision or agenda of the future of the organization
Sixty percent of the respondents combined disagreed with the statement. The respondents pointed out the following:

Because of lack of vision for the project they were not clarified in terms of the direction of the change process, hence they were not motivated. Actions of various people within the project were also not properly coordinated because of lack of vision.

Feedback, about SAPHR implementation

Sixty percent of the respondents combined disagreed with the statement while 20% remained indifferent. The respondents cited the following reasons:

Feedback was only given to certain employees

It is was normally one on one communication

Management might have felt embarrassed about certain drawbacks in the project.

1.5. Summary

Chapter 5 highlighted the findings of the research in relation to the literature review in chapter .The chapter focused on a questionnaire relating to planned change, implementation and sustaining and evaluation of change. Based on relevant literature change can only be implemented through proper planning and communication. The results of the research have indicated that for the most part, the change was inadequately managed within the company.

1.6. Conclusions

An organizational change intervention remains a paradox to managers and employees in general. As indicated by the SAPHR implementation in JW, managers often plunged ahead with changes without laying the foundation for change and this eventually leads to change failure. In the literature various theoretical insights have been used for understanding change within organisations. These includes planned change, implementation and evaluation and sustaining of change. Planned approaches are based on two fundamental assumptions. Firstly they assume that major change determinants can be planned in advance and secondly technology is seen as the main enabler for successful change management .Planned models postulates a top down approach, where senior management are seen as the prime drivers in managing the change process. Despite the popularity of planned models over the past few decades, they are increasingly becoming obsolete as reflected by the failure of many planned change interventions.

A major reason for planning failure is the increasingly more turbulent, complex and uncertain organizational conditions of today. A major criticism is that organization fails to look beyond technological issues and understand the social and cultural factors influencing the change process. The researcher's view is that organisations ignore the human, social, political issues and processes involved in managing change. In the current study it would appear that a number of human, social and political issues have been overlooked. The following factors seem to have been ignored:

- support of top management
- time
- line leadership
- participation

1.6.1. Support of top management

Top management behaviour is an important contributor to the change process. Establishing and communicating a need for change is one of the important steps to follow when implementing change. In major changes the head of the organization is drives the communication process.Organisational members will not take the change efforts seriously if top management does not actively support the change process. The development of sense of urgency and a vision that is relatively easy to communicate appeals to all employees is an important element in this process.Organisational change will become less successful when top management fails to keep employees informed about the program of change. If employees feel that those in power have no interest in the change process their interest will fade out.

In this study chapter three highlighted the actual activities of the SPAHR implementation and the objectives that the implementation sought to achieve. It also exposed the inept manner in which implementation was carried out. For example the manner in which the training sessions were conducted indicates lack of support from top management as they failed to inform employees about the SAPHR implementation. The findings in chapter 5 confirmed the above.

1.6.2. Line leadership

Kotter (1996) has stressed that successful major change need powerful guiding coalition. This powerful coalition goes beyond the support of top management .Groups without line leadership never achieve the power that is required. Moreover ,line leadership has to translate the general goals of organizational change efforts into specific departmental objectives.Organsitional transformation often implies a change in the tasks of line managers ,personal leadership style and their social relations with subordinates. The leadership line managers during the change

process remain an important element to be monitored during the change process. The active supports, the ability to confront new challenges, the ability to support subordinates adequately are all crucial elements of this line leadership.

As indicated in chapter 3 the process started as one man mission with no involvement of line managers. Other problems included managers being indisposed and teams withdrawing from the implementation process. The findings in chapter 5 attest to that with the majority of employees disagreeing. The author is of the opinion that the team members lacked credibility and leadership skills in change implementation hence the crisis that had arisen.

1.6.3. Time

Time plays a central role in the change process. The implementation of change goes through different phases. These phases take time. Common to all this implementation models is the message that efforts to bypass these seldom yield satisfactory results. Second, major change efforts hard work, permanent attention and perseverance. When members of the organization are confronted with too many changes at the same time, they cannot allocate their time properly to all changes and continue their daily tasks at the same time. There is not enough time to do recommendations and explore new behaviours (Jaffe and Scott, 1994). In the end the change project fails and employees become cynical towards announcements of change projects.

1.6.4. Participation

Lack of participation is a major cause for disappointing results in organizational change. Employees must believe that their opinions must be heard and have been given careful respect and consideration. Shared decision making is associated with higher commitment. In order to participate employees must dispose of the necessary information. Participation provides opportunities to receive more information. Without

proper information organizational members can hardly be involved in the change effort .Kotter (1995) stressed the importance of credible and timely information to capture the hearts and minds of employees. Change agents must prevent that employees get information through the grapevine .Lack of information and rumors make it easier to conclude that the change is failing and decreases the commitment of employees to the change process.

The findings in chapter also highlighted the following elements as perceived by the respondents:

- lack of clear roles and functions of the change team
- failure of management to articulating change
- lack of communication
- lack of management commitment to SAPHR implementation
- lack of monitoring systems to assess implementation
- lack of constructive feedback about SAPHR implementation
- lack of strategic vision
- lack of employee representation within SAPHR committee
- lack of employee empowerment
- lack of ongoing support for SAPHR implementation

It is the researcher's opinion that the above can be attributed to symptoms of change resistance:

- feelings about the change in general
- conflict between the existing culture and what is to be changed
- number of unanswered questions that arise
- historical events
- the extent to which the change threatens the basic needs
- the extent that the change impacts feelings of self worth or self importance

Employees resist change because they have to learn something new. In many cases this is not a disagreement with the benefits of the new process but rather fear for the unknown future and about their ability to adapt to it. In this case study employee

resistance developed as a result of lack of information, participation, clear and roles and functions, vision and leadership to lead the change process. These are evident from the responses of employees as elicited by the researcher.

Chapter 6 will follow with recommendation to the issues identified above and the issues raised in Chapter 3.

Chapter 6: Recommendations and Conclusions

1. Introduction

Having discussed at length the findings and analysis in Chapter 5, Chapter 6 will focus on the recommendations made by the researcher which are aimed at ensuring that SAPHR is effectively implemented within Johannesburg Water. Recommendations will be made based on an interpretation of the results, and within the context of the literature reviewed in Chapter 2. Finally the discussion will be raised to a broader strategic level and highlight the impact that this research could have on Johannesburg Water

1.1. Communicating the urgency of change

According to Kotter (1996) if people in an organization do not feel the urgency for change, the change process will not have enough momentum .He refers specifically to the complacency levels within the organization. As mentioned in the literature review, Kotter suggests that the way make change initiatives successful is to reduce complacency and to increase the urgency for change .Creating a sense of urgency is linked to the planning phase. Looking at the change process, it is evident how important the planning element of change is. If planning is not properly done, the whole change process will be negatively affected. Senior management with the assistance of employees, only have one shot at planning the transformation effectively.

No custom plans exist for any company wanting to make change .Change is a process, starting off from where the company is today, to where it wants to be in the future. The result of the research indicates that most employees seemed to have been complacent and therefore could not understand the reasons for realignment. Ambiguity also existed among the employees regarding the future success of the business because of the alignment. It would appear that the real driving forces for change like customer satisfaction, vision for change strategic objectives of the

company competitive forces were not highlighted to employees. This is evident from the levels of uncertainty and disagreement found as outcomes of the research.

- Areas for improvement

It is recommended that employees be made aware of the competitive positions of the company in relation to its competitors. Kotter (1996) refers to examining the markets and competitive realities and discussing potential crisis and opportunities. Customer and competitive information must be fed regularly to all employees. Employees need to be sensitive to customer needs and trends and what the competition is doing. This should create a sense of discomfort within them that things always change and that there is always rivalry in the industry. Senior management need to reduce the levels of complacency by continually speaking of changes in the industry and that the absence of visible crisis should not create comfort in the minds of the employees (Thomas, 2003). The driving force for change, by creating a sense of urgency, will boost the company out of complacency and into the future, in order to achieve its vision.

1.2. Leadership and trust

Kotter (1996) states that a strong guiding coalition is needed to make change happen successfully, by having a team that is composed of the right people, who have credibility and work well together as a team. The team must work on trust and develop a common goal, which is sensible to the head and appealing to the heart. Relating to creating a strong guiding coalition during the planning process the outcome of the research showed that the guiding coalition for SAPHR implementation seemed not to have a correct composition and necessary experience to drive the change. It also showed that most employees questioned the experience of the pivotal figures to make the implementation a success. Senior management may not have adequately assembled the right composition of people with trust as more than more than 50% of the employees disagreed with the

statement. Obtaining trust and credibility from employees (Kotter, 1996) is a long term process.

- Areas for improvement

The leadership of JW needed to inspire employees, acting with honesty and integrity whilst ensuring stability and promoting change. It is recommended that a planned and coordinated change management intervention be developed to focus on strategic change. Middle management needs to also be involved in these initiatives with trust existing between all levels of management, which is visibly noticed by all employees.

1.3. Resources to successfully implement SAPHR

According to Nadler and Tushman (1993), senior management's time appears to be one of the scarcest resources in large-scale change efforts. Another way that management can communicate through actions is by changing the way they allocate resources. By allocating resources in accordance with the vision they are trying to implement, their commitment is made visible.

Although resources for the project might have been allocated for the project, the majority of the employees disagreed that there were enough resources to implement the project. A sizeable percentage of the employees were indifferent to the statement. Providing resources to the project does not itself release management from its day to day obligation of running the project. Several observers have argued that fundamental change requires top management to spend between 20 and 60 percent of their time on change-related activities (Hall, 1993). Such an investment of top management time sends important signals to the organization about commitment.

- Areas improvement

It is recommended that management allocate much of their time to the project and also that resources are allocated in line with the project vision. Furthermore management needs to strategies effective and efficient ways of allocating resources.

1.4. SAPHR team has clear roles and functions

According to Cummings and Worley's (1995) a transition plan should clearly identify, temporarily orient, integrate discrete tasks, and link these tasks to the vision and responsibilities must be clarified, and benchmarks and standards for performance decided upon.

Cummings and Worley (1993) states that developing a transition plan involves making a road map for change, citing specific activities and events that must occur if the transition is to be successful. Although a transitional plan was spelt out at the beginning of the SAPHR implementation the majority of employees disagreed and a sizeable percentage was indifferent. Very high levels of skepticism existed with regard to roles and responsibilities. Providing a transitional plan does not necessarily mean that the employees will know who is responsible for what and how. Employees need to know the main roles and functions of the SAPHR team members so that whenever they have issues to raise, then they know who to speak to. From the initiation of the project consultants were given a free role and were dictating terms in the project. Management did not communicate the roles and functions of SAPHR team. Although they may possible have formulated a transitional plan, most employees most certainly did not know their roles

- Areas for improvement

It is recommended that management formulate a transitional plan that will spell out the various roles, functions and responsibilities of project team members. . The plan should he approved by top management, be effective and be adaptable as feedback is received during the change process (Cummings and Worley, 1993). The transition plan should also clarify what needs to be changed and what does not. For

organization members, it is just as important to be informed about what will not change as it is to be informed about what will be different. Since the values from an organization's mission or guiding philosophy are not likely to change, at least not all of them, emphasizing these enduring values can provide an important sense of stability. Finally, there is a need to create special management structures to manage the transition from the present to the future state. Kanter (1983) named this a parallel organization. Finally, the existence of the change management teams and their role should be communicated to all the relevant parties.

1.5. Articulating the need for change.

According to Kotter (1996) a vision is the picture of the future that has the same draw so that people should strive to create it in the future in a change process. A clear vision is very important to guide people. Companies need to break away from authoritarian and micro-management styles of management in order to breakthrough the forces that support the status quo and to encourage the major shifts found in successful change as illustrated below.

In a transformation process, a vision plays an important role. Firstly it clarifies the direction of the change; secondly people who are comfortable in their current positions get motivated to take actions in order to create that fruitful vision. Thirdly it helps to align the direction of different people in a very simple and efficient way. Another benefit of having a clear vision is that with a good vision, unsuitable projects can be identified and terminated, even if senior management has supported them.

Kotter(1996) states that defining the vision and strategy always take time and is a difficult process, but should not be neglected, as it forms the basis of the change process .Although no formal vision statement was created and communicated for SAPHR implementation the majority of employees disagreed that senior management had articulated the need for change. A sizeable percentage of employees stated that they were indifferent to vision. Providing the objectives of the

project does not, in itself provide employees with an idea of what the future would like and how they would be affected by the future state. Senior management did not effectively communicate the vision for SAPHR implementation .Although they may have certainly formulated the vision, most employees certainly did not know about it. It is the responsibility of the leadership to create vision and strategy for change (Kotter, 1996).

- Areas of improvement

It is the strongly recommended that JW formulate a vision for the change process during the planning phase. Employees need to understand what the business will look like after the implementation process. They need to understand how it will affect them and how it fits with the strategic objectives of the whole company. It is recommended that management formulate and communicate the master plan for the business. A specific vision and mission needs to be created and communicated .The gap between the current state and future state needs to be highlighted .This gap cannot be shown if no picture of the future exists. Looking at the outcomes of the research a sizeable percentage of employees disagreed that they know vision and mission of the company. This gap cannot be shown, if no picture of the future exists.

1.6. Two way communication

According to Smeltzer and Zener's (1992) view that the richest form of communication is face-to-face between two people. The least rich form is written messages. Duck (1993), also says that employees have now been through so many management fads and change programs without real changes that they are skeptical. Companies are full of change survivors, people who have learned live through change programs without really changing at all. The attitude of the change survivor is: 'I'll believe it when I see it'. A large percentage of employees disagreed with the statement that management used two way communication about SAPHR implementation. The percentage of employees who elected to be indifferent could be regarded as victims of passive communication as coined by Beckard and Pritchard

(1992). Passive one way communication may engage people intellectually, but does not necessarily result in an emotional commitment. A sizeable number of employees agreed with the statement.

- Areas for improvement

It strongly recommended that management JW employ multiple ways of communicating. Communication plays a vital role in organizational interventions. The less management communicates organizational change, the more chances are that organizational interventions may be unsuccessful. The way manner of communication must also be taken into consideration. For example one way communication through the use of memorandums and letters has been found to be ineffective while two way communication is highly effective. For example Kotter says that (1996) key elements of effective communication are “Give and take: Two-way communication is always more powerful than one-way communication.”

1.7. Management commitment

According to Maccoby's (1981) key attributes of successful leadership is the ability and willingness to behave in ways consistent with the changes they are trying to bring about in their organizations. Likewise, Beer (1990) found that consistency between the leader's words and actions was critical at the business unit level. A sizeable number of employees elected to be indifferent which may be attributed to management having kept demotivated employees in the dark. A small number of employees agreed with the statements which suggest that a few of them have been able to take notice of management signals and gestures of communication about the project.

- Areas for improvement

It is recommended that management change their behaviour in line with the change process within the organization. Management needs to behave in way that will further the aims and objectives of the change process. Failure to do so will lead to employees losing confidence in the change process. In some areas resisting

managers needs to be replaced as they may be an obstacle to change. However this could be done after managers have been given a chance to prove themselves. Observers have therefore highlighted the need for leaders to walk the talk, i.e., practice what they preach, and behave in new ways that indicate strong commitment to the vision (Duck, 1993; Beckard and Harris, 1987; Beckhard, 1990)

1.8. Monitoring systems to assess implementation

According to Beckhard and Harris (1997), as a last step in the process of building commitment, a monitoring system should be in place to assess the progress. The majority employees disagreed that such a monitoring system exists, while a sizeable number of employees indicated that they are indifferent to the statement.

- Areas of improvement

It is strongly recommended that a monitoring be put in place to assess implementation progress. This will assist management in ensuring that the project is adequately resourced, problems are dealt with when they arise and project milestones are achieved.

1. 9.Employee participation

According to Beckard and Harris's (1987), people who participate in defining problems and solutions will, as a result of that participation, become committed to the result of the process

A significant percentage of employees disagreed with the statement which indicates a serious problem. A sizeable number of employees elected to remained indifferent to the statement.

- Areas for improvement

It is recommended that employees be part of the whole change process since its success hinges on their participation. Failure to included employees in organizational change process has proven disastrous in many organizations. Employees form a vital cog organizational process and their exclusion can only lead

to the demise of the change process Employee participation to eliminate resistance and motivate people has been recognized as an important success criterion (Jaffe and Scott, 1998).

1.10. Constructive feedback about SAPHR

Kotter (1996) who says that major transformation take lots of time sometimes years. The initiator of the change or leader of the guiding coalition will usually stick to the plan for the duration of the change implementation. However most of the other employees and managers want to see the results that prove that their efforts are paying off. On the other of the spectrum, non-believers need hard data and numbers indicating that the transformation processes is not wasting the company's resources. Because of this reasons managing a major change without paying attention to the short term wins could jeopardize the whole processes. A combined number of employees who disagreed is significantly high. The results also show that a sizeable number of respondents are indifferent.

- Areas for improvement

It is recommended that management convene feedback sessions where employees are updated about SAPHR implementation. This is to ensure that they are on board about implementation of the project. This will also reduce misconceptions relating to how the project is implemented.

1.11. Strategic vision.

Miller and Puddicombe (1992), who says that Business Process Reengineering should be motivated by objectives derived from the strategic business vision, such as cost reduction, time reduction, output quality or quality of work life. A sizeable number of employees chose to be indifferent to statement.. On the other hand a sizeable percentage of employees agreed with the statement.

- Areas of improvement

It is recommended that management involve employees in key strategic issues matters for the organizational change to be efficient and effective. Failure to involve employees in strategic issues will lead less commitment and paralysis of the change process. According to Porras *et al* (1990) the degree and quality of organizational member involvement is the one of the most important conditions for effective change. Thus in addition to top management involvement and the commitment of all other organizational members is considered essential (Beer *et al* 1987).

1.12. Communication of a vision.

Porras and Robertson (1990), say that the description of the organization and the desired future of the organization should be detailed and comprehensive and specify all organizational elements. Again Beer and Walton (1987) say top management's role is to articulate and propagate a vision or agenda of the future of the organization. The majority of employees disagreed with the statement, while a sizeable percentage of employees remained indifferent to the statement.

- Areas for improvement

It is recommended that management of JW emphasize the strategic intent or future agenda of the organization in every activity that they are engaged in. This will highlight to employees the strategic intent of the organization and where they fit in within the bigger picture of the organization. Management needs to keep in mind the following when communicating a change initiative to employees:

- People need to understand why the organization is changing and need to be sold on the benefits.
- Management should decide beforehand on the communication vehicles.
- Communication should be frequent and ongoing.
- Training should be provided, if necessary.
- If people will lose their jobs, this needs to be communicated to them openly and honestly.

- Rather than slashing jobs, you may want to work with top employees to reengineer their jobs.

1.13. Employee representation

According to Cummings and Huse (1985), senior executives and line management that are responsible for the strategic direction and operation of the organization have to lead the transformation. A large number of respondents disagreed with the fact that SPAHR committee well represented.

- Areas for improvement

It is recommended that line managers be involved in the strategic direction and operation of JW .This will improve the roll out of the project as line manager key to the success of the project. At best line managers serve as a link between senior managers and employees. They also the first in line to communicate organizational change to employees. If line managers are excluded from change process the project is likely to fail because they are in the forefront of organizational change.

1.14. Implementation base explicit defined goals.

Partington (1996) says that a project is often defined as a unique endeavor with a predefined start and end dates, objectives, scope, and budgets performed by a temporary organization. A considerable percentage of the employees combined disagreed with the statement, while a large percentage of employees were indifferent to the statement.

- Areas for improvement

It is strongly recommended that management within JW convene sessions to clarify goals and objectives of SAPHR implementation. This will help employees in understanding the value of the project and how it affects their lives. It will also dispel rumors about the actual purpose of the implementation

1.15. Implementation is carried in levels of the organization

Gibson, Holland and Light (1999) advocates change across the whole organization, including business processes, managerial behaviours, culture and organizational structure. A large percentage of employees disagreed with the statement while a sizeable percentage of employees were indifferent.

- Areas for improvement

Change affects all spheres of company operations, hence adjustments needs to be made across the whole organization to be in line with the change process. It is recommended that JW management have a re look of the change process comprehensively to cover areas a whole spectrum of issues like business processes, managerial behaviours, culture and organizational structures. This will ensure that processes and people are directed towards the same direction and eventual success of the SPAHR implementation.

1.16. Employee empowerment

Kotter (199) says that major internal changes do not happen unless many people assist. However, most employees cannot help much as they are relatively powerless. Therefore empowering employees is another way to make transformation successful. After effectively completing stage 1 through 4, we then need to empower a broad range of people to take action by removing as many barriers to the implementation of the change vision as possible at this point of the processes (Kotter, 1996).Kotter (1996) has identified four big obstacles to be removed in order to empower people to make a change. These are structures, skills, systems and supervisors. A significant number of employees disagreed with the statement and a sizeable number of respondents were indifferent to the statement.

- Areas for improvement

It is recommended that employees be included in the project to empower them to make a meaningful contribution to the project and their own self development. This

means that their skills needs be improved through training, coaching and mentoring. The structures and systems of the organization also needs to be aligned.

Supervisors must be given a latitude to decide on matters affecting the project. Kotter (1996) recommends the following:

Make structures compatible with the vision: Unaligned structures block needed action.

Provide the training the employees need: Without the right skills and attitudes people feel disempowered.

Align information and personnel systems to the vision: Unaligned systems also block the needed action.

Confront supervisor who undercut needed change: Nothing disempowers people the way a boss can.

1.17. Appropriately placed within organizational structures.

A study of business process reengineering in twenty companies concluded that fundamentally changing the following six crucial organizational elements: roles and responsibilities, measurements and incentives, organizational structure, information technology, shared values and skills, were key factors leading to success (Hall, 1993). The next logical question is which subsystems of the organization are particularly important to bring in congruence with each other. This are: the human resource system, management systems, roles and responsibilities, and organizational structure. The human resource system was found to be the most relevant with regard to the institutionalization of change.

A higher percentage of respondents of respondents disagreed with the statement. A sizeable number of respondents elected to be indifferent.

- Areas for improvement

It is strongly recommended that JW review its human resources systems to be in line with the change vision. In other words, placing the correct people in appropriate organizational positions can be an important factor in promoting change

1.18. Performance appraisals reflect the new vision of the company.

According to Womack and Jones (1994) performance appraisal and compensation systems need to be changed to reflect the new vision. A higher percentage of employees disagreed that performance appraisals reflect the new vision of the company while a considerable percentage remained indifferent

- Areas for improvement

It is recommended that performance management be realigned to reflect the new vision of the company. Furthermore it must be rolled out to all employees with clear objectives aligned to the vision of the company

1.19. Clarification of SAPHR purpose

According to Kotter (199) on Leadership from senior management: Senior people focus on maintaining clarity of purpose for the overall effort keeping urgency levels up. A higher percentage of respondents of respondents disagreed with the statement. A sizeable number of respondents elected to be indifferent.

- Areas for improvement

It recommended that senior management constantly remind employees about the overall SAPHR implementation so as to keep urgency levels up. This is done to ensure that the situation does not revert back. It is also to make sure that momentum is for the project is sustained.

1.20. Leadership by managers in the lower ranks

Kanter et al. (1992) says that organizational transformation often implies a change in the tasks of line managers, their personal leadership style and their social relations with subordinates. A significant percentage of employees disagreed with the statement. A sizeable percentage of the respondents elected to remain indifferent to the statement.

- Areas for improvement

It is recommended that line managers be empowered to facilitate change strategies formulated by top managers. Secondly they must operationalize the change requirements for their specific areas of responsibility.

1.21. Plan developed for ongoing support.

Womack and Jones (1994) say that companies must create a new process management function that instills a process perspective in everyone from the top to the bottom of the company. This function should define the rules for managing cross functional teams; teach team leaders how apply these rules, and constantly search for better approaches. Isabella (1993) observed that as individuals spend time with changes, they begin naturally to evaluate the rightness or wrongness of the changes for themselves and for the organization. According to this author, this is an opportunity for managers to influence the conclusions and lessons that are drawn by organizational members. To do this, managers must:

- Create events to evaluate the change.
- Communicate in very concrete terms what the event has meant overall.
- Admit failures and state new strategies to turn those around. (Isabella 1993)

The majority of employees disagreed that SAPHR plan has been developed to ensure ongoing support for employees. A sizeable number of employees were uncertain about the statement.

- Areas for improvement

It is strongly recommended that a plan be developed to ensure ongoing support for SAPHR implementation. This will ensure focus on critical factors of successful change such as leadership, participation, perceived need for change, motivation, planning and progress control.

- Finally in recommending bringing the project back on track management must do the following?
- Senior leadership must prepare plans that are subject to adjustment as goals and objectives are drafted.
- Alternatives and possible reactions to the change must be considered with plans established.
- Employee input should be gathered from all levels.
- Senior leadership must fully accept its role as a change enabler.
- Senior leaders must take complete responsibility for all that is expected and required of true senior leadership.
- External threat to the organization must be recognized as the need for the internal organization to change – not just the whim of a new leader.
- Make transition rituals the pivotal elements of change.
- Involve people throughout the organization.
- Allow a transition that mourns the old values and rituals and welcomes the new.
- Provide transition training in new values and behavior patterns.
- Even language may need to change to create a shared experience for organizational members.
- Bring in outside shamans. At times consultants may provide the path and the light for the change process.
- Build tangible symbols of the new direction. Symbols and “structural changes can help groping people find their way
- Insist on the importance of security in transition. Job security or insecurity can be a positive or negative influence. “An axed manager or worker can quickly become a martyr or hero of the old way”
- A final decision should be made with a project plan and timetable established.
- After the change is communicated, then implementation and evaluation must take place.

1.2 Action plan

As indicated from the findings of the research Kotter's (1996) model as initially envisaged was not correctly applied hence the high percentage of respondents who disagreed and elected to be indifferent. A sensible thing to do by management is to revisit the model and try to find rectify were things went wrong. This means that the whole project needs to be reviewed with an intention of correcting anomalies as presented by the respondents in the researcher's findings. Kotter's model (1996) is as follows:

ACTION	WHO	WHEN	HOW
Establishing a sense of urgency	HR and Corporate Affairs Executive and Senior Managers	By the end of January 2007	Gain consensus :Stakeholders and team members must agree to goals and expectations
Creating a guiding coalition	All Executives :Finance,HR and IT	By the end of December 2006	Pull together a team with appropriate skills leadership capacity and authority, organizational credibility, experience of change and influencing skills. Promote honest and open behaviour ,and considered risk taking Establish and develop trust and credibility The team must get smart quickly and remain ambitious.

Developing a vision and strategy	All Executives ,Managing Director	Ongoing	<p>Articulate possible future scenarios, blueprints for the future.</p> <p>Make the vision as positive as possible ,avoiding negative communication which can be de-motivating</p> <p>Ensure the short term vision is clear, concise easily articulated, sponsored and understood.</p>
Communicating the change vision	Line managers, executives and senior management	Ongoing	<p>Ensure clear and consistent messages are communicated, expressed in terms that target audiences can relate to and understand.</p> <p>Address people’s anxieties and fears.</p> <p>Show people ‘what its in it for them’</p>
Empowering broad based action	Line managers and Senior Managers	Ongoing	<p>Use case studies and champions to show how change has improved their situations</p> <p>Introduce reward systems that inspire ,promote optimism ,support and innovation</p> <p>Use change agents.</p>

Generating short term wins	Executives ,Senior Managers, line managers and employees	Ongoing until project completion	Focus on 4 not 50 goals Identify early wins that come quickly to gain support for change
Consolidating gains and bringing more change	Senior Managers and Line managers	Ongoing	Revisit policies, systems and structures that do not fit in with the new organization. Always look for ways to maintain a sense of urgency Keep focus on current and future benefits
Anchoring new approaches in the culture	Executives ,Senior Managers, and Line Managers	Ongoing	Ensure continuity of behaviour and culture that the new organization wants Promote new organizational structures to reflect new changes Provide long term goals and strategy Embed and live strategy Ensure changes are tracked during the transition

1.3 Summary

Chapter 6 dealt with recommendations and conclusions about the whole study. It further provides an action plan on how to refocus the project and keep it track. As can be observed the action plan is based on Kotter's model as the researcher believes that it was not properly implemented hence the failure of the project. The

researcher has therefore reiterated the framework to be followed in rectifying what has occurred.

1.4 Conclusions

In concluding the research attempted to answer the following questions formulated as follows:

- were the steps relating to planning correctly applied?
- were the implementation steps correctly applied?
- were the steps relating to sustaining and evaluating the process correctly applied?

- **Planned organizational change**

The answer to the first question was grounded on various theories of organizational change. The division to planned change and emergent approaches was proposed in the existing body of knowledge, but especially the concept of emergent change was not fully established. The validity of the two distinctive implementation approaches was confirmed in this research by reflecting them with the main theoretical disciplines contributing to organizational change implementation. How the theories proposed to implement change conformed relatively closely with either planned or emergent approach. The answer for the first question consisted of two dimensions planned and emergent change.

Planned change is the subject of many books and articles and executive seldom neglect making reference to its significance in staying competitive. It seems as if planned change is a fallacy. It lacks serious thinking, proper conceptualization and is characterized by poor front end loading. This problem is exacerbated by a content focus, while the changes process itself, which affects people cognitively, emotionally and existentially, is heavily underplayed. The result is that timelines are unrealistic, resources are inadequate and initial positive expectations are soon replaced by skepticism and doubt. In contrast transformational change is in essence a planned process driven by a well tested set of principles.

The philosophical undertones of most planned change efforts appear to be of a rational and logical nature .Because change makes sense to Senior Management, lower levels have to accept the logic and comply. Sometimes they do agree to try and obtain buy in, but such efforts are often nothing more than formal presentations by a senior manager and apparent openness to questions and ideas. However these concerns and ideas are seldomly afforded the necessary attention. Sometimes the philosophy verges on coercion and manipulation. Through various benefits employees are exploited to accept changes while frustration, uncertainty, alienation, disempowerment, fear and other negative feelings prevail. The consequence of this is demotivation, exhaustion and burn out. In spite of these negative consequences it appears as if organizations just cannot mobilize sufficient time, energy and other resources to use collaborative re-educational approach –the approach most suitable for changing people’s perceptions, thinking and behaviour, and a sine quo non in transformational change.

Finally, organizational transformations should be characterized by active involvement of senior management and line management. It appears however that change efforts lack leaders who can champion the change and provide direction and credibility. The reasons for this failure could be manifold. It is the researcher’s opinion that much of the variance can be attributed to the following:

- a reluctance to change their thinking about business –their assumptions and paradigms about business and the critical factors in business successes
- a fear of failure ,coupled with unwillingness to take risks in entrusting accountability to subordinates
- a hesitance to engage in change openly and boldly and take personal accountability

- **Implementation of organizational change**

The second question was answered using various disciplines of organizational change which are OD, BPR, OT, Project Management and organizational learning. The disciplines of organizational change formed the basis of the case study. Many change efforts aim at creating a flexible and adaptive organization but the means offered by most theories for implementing such change seem to be from responsive and sensitive unexpected events. Admittedly, critics towards the simplistic and deterministic view of change have been expressed and alternative approaches have been proposed but they have been somewhat tentative and restricted by the boundaries between these disciplines of organizational change such as OD, BPR or organizational learning thus leave a lot of room for further research.

- **Evaluating and sustaining organizational change**

The third question was answered using various theories of organizational change which emphasizes institutionalizing of new behaviours, organizational congruence, and organizational realignment. In essence these theories emphasize changing the following six crucial organizational elements: roles and responsibilities, measurements and incentives, organizational structure, information technology, shared values and skills as key factors leading to organizational success (Hall, 1993)

1.4.1 VALUE OF THE STUDY

This study poses theoretical, practical and methodological value. The study also contributes to the better understanding of organizational change planning, implementation and evaluation of change. The implementation of SAPHR has been recognized as a powerful strategic tool, which will help to guide the decision making process. The reality is that the implementation has not proceeded as planned. On a daily basis, the business is faced with constant systems breakdowns, inaccurate employee information and salary inaccuracies. An interesting observation is that it is

not technical aspects of the processes that pose the main problem; rather it is the change processes that must occur in the hearts and minds of all individuals of all involved that stand in the way for successful processes. It is believed that this study will get to the heart of the needed change. It will also open the minds of those involved through logical analysis and reference to proven case studies and theories. The final recommendation will not only offer an effective process for this specific implementation, but also for subsequent implementations.

On the one hand it solves the current business crisis at the same time offering a new way of thinking with respect to other business issues. This will add to the body of knowledge inherent and documented within JW. By presenting to management and employee's different ways of approaching problems and instilling the understanding of the importance of change management, the group knowledge will increase. The data will ultimately support organizational changes needed to make the organization effective. If management accepts the recommendations, the experiential learning gained will lead to even deeper understanding than what the study could provide.

In the ensuing section the theoretical value of the study will be highlighted.

1.4.1.1 Theoretical Value

The following theoretical value was gained through this study:

- The research placed an emphasis on the importance planning, implementation and evaluation and sustaining of organizational change and suggested ways of dealing with these aspects
- The research considered successful factors in the management of organizational change such as leadership, employee participation, and perceived need for change, motivation, and planning and progress control.
- The research highlighted the change models that can be utilized in implementing change projects in organizations
- The research also applied the principles of continuous learning

- . The research highlighted various criteria for successful change and the roles that senior management and line managers can play in the realization of change thereof.

1.4.1.2 Practical Value

The research had the following practical value for organizations:

- The research contributed to the enablement of managers in critical positions to deal with the biggest cause of unsuccessful change.
- All management levels can benefit from the findings on criteria for successful change.
- Recruitment practices can be adapted to ensure that people that are appointed from outside can contribute to organizational growth and sustainability.

In the following section the methodological value of the research will be discussed.

1.4.1.3 Methodological Value

The research has the following methodological value:

- The research provides guidelines for the development of organization-specific methodology of change.
- The research highlighted the limited research that has been conducted in organizational change and ERP implementation.
- The research supports the value of qualitative methods in dealing with organizational change planning implementation and evaluation and sustaining of change

In the ensuing section the limitations of this study will be highlighted.

1.5 Delimitations of the study

- Time constraints

According to da Silva (1999), a company case study is the most appropriate choice as it allows the writer access to information from key personnel and other vital sources within the company. The author is employed by Johannesburg Water and has been granted sufficient time and access to conduct the research processes. This process will however, have to fit into an already busy schedule and as such the research will need to be executed with careful planning and vigour. The management of Johannesburg Water is expecting a full appraisal, with recommendations at the end of September 2006.

- Resources.

Resources requirements have been categorized under the headings: finance, data access and equipment.

- Finance

At the first meeting held in March 2002, the Board of Directors of JW approved 4 million rands for the implementation of Project Poseidon .There is sufficient money in the budget to cover research related costs, although this is not expected to be more than twenty thousand rand.

- Data access

Both Executive Committee and the Managing Director have given their full support to the processes. The implementation is also taking place on one side with minimal installations on various sites, thus greatly minimizing any data access constraints. Most of the data is however available at JW Head Office where the research is located.

- Equipment

Due to the relatively small sample, the Excel spreadsheet is the chosen data analysis tool. The company is up to date with computer processing power. Both resources are readily available.

1.6 Further research

In suggesting further research in organizational change the researcher as informed by this study would like the following to be investigated further:

- What factors influences the perceptions of employees about organizational change interventions?
- To what extent should leadership role influence organizational change interventions?
- To what extent should employees be involved in organizational change and who must be involved and when and how?