

**AN INVESTIGATION INTO ORGANIZATIONAL CHANGE: A CASE STUDY OF
THE MOTOR VEHICLE ACCIDENT FUND OF NAMIBIA**

A THESIS SUBMITTED IN PARTIAL FULFILMENT

OF THE REQUIREMENTS FOR THE DEGREE OF

MASTER OF BUSINESS ADMINISTRATION

OF

THE UNIVERSITY OF NAMIBIA

BY

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August 2016

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Abstract

The study aimed at investigating organisational change at the Motor Vehicle Accident Fund (Hereafter referred to as the MVAF) which was as a result of a transition, by identifying problems and consequences that hindered the change process. The further studies the impact of organisational change on job satisfaction, analyse effects of change on employees and identify factors that are critical in successfully managing change.

Jacobs, van Witteloostuijn and Christe-Zyse (2012, p. 772) notes “that most change initiatives fall short on their goals and produce high opportunity and process costs, which at times outweigh the content benefits of organisational change.”

Firstly, an online questionnaire survey was administered to 36 employees who were in the employment of the Fund when the transition was undertaken, of which only 31 employees responded. Secondly, two executives at the MVAF who were part of the team that spearheaded the change management exercise at the MVAF were involved in this study through structured interviews. The findings revealed that the both the employees and management were key in ensuring that the change management exercise was successfully implemented.

Communication was very crucial in ensuring that the employees had a buy in and they understood what the change was all about. The communication of the change exercise and the day to day briefing on the latest happenings helped in ensuring that there was less

resistance by the employees which could lead to a negative effect. The study revealed that job satisfaction of employees was not affected by the transition at the MVAf with 77% demonstrating that they were satisfied with their jobs.

The study recommends that communication between employees and management continues to bridge the information gap that might arise as a result of change, and to also discuss changes envisaged in the future. Emphasis should be placed on activities that require team work so as to cover all employees including those based at the satellite offices.

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ACKNOWLEDGEMENT

I would like to thank the Almighty God for giving me the strength and power to see to the successful completion of this research project. I would further like to thank my employer, the MVAf of Namibia for awarding me a scholarship to pursue my MBA studies and fellow employees for the support, encouragement and completion of the survey. Special thanks goes to Martin Nambundunga, MVAf IT System Administrator for the important role he played in ensuring that the questionnaire was automated online and the data collection process which included the drawing of reports from the online survey went as planned.

The support, tolerance, encouragement and prayers by family and friends cannot go unnoticed, you all made a big impact in the success of this paper.

Finally, my supervisor, Dr. Daketima G. Briggs, this journey would have been meaningless without your continued support, determination and motivation. I am indebted to you for your professionalism and effort in seeing this paper through.

DEDICATION

This research project is a dedication to my family and my beloved mother, Kaisa Mpande Mukungu, in particular. You are an inspiration to me. You have endured so many hardships to ensure that I get education. My words alone are not enough to express how thankful and indebted I am to you, may God continue to bless you so you reap the rewards of what you have laboured.

DECLARATION

I, Lucas Rumingu Sindere, declare hereby that this study is a true reflection of my own research, and that this work, or part thereof has not been submitted for a degree in any other institution of higher education.

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Lucas Rumingu Sindere

August 2016

LIST OF ABBREVIATIONS

ACCPAC	A Complete and Comprehensive Program for Accounting Control
ADKAR	Awareness, Desire, Knowledge, Ability and Reinforcement
CEO	Chief Executive Officer
CBS	Chief Business Strategy
CMS	Claims Management System
COO	Chief Operating Officer
IT	Information Technology
MBA	Master of Business Administration
MVAF	Motor Vehicle Accident Fund
SOE	State Owned Enterprises

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CHAPTER ONE: INTRODUCTION

1.1 Orientation of the proposed study

Greek philosopher, Heraclitus (540-480BC) is credited with the famous quote: “There is nothing permanent except change.” Everything in this world is bound to change, people, the environment, organisations, cultures and so many other things. If we know that things around us are bound to change, why then is it so difficult to bring about change in organisations?

Most organisational managers today would agree that change has become a constant phenomenon which must be attended to and managed properly if an organization is to survive. Changes in technology, the marketplace, information systems, the global economy, social values, workforce demographics, and the political environment all have a significant effect on the processes, products and services produced. The culmination of these forces has resulted in an external environment that is dynamic, unpredictable, demanding and often devastating to organizations which are unprepared or unable to respond” (Burnes, 2004, p.310).

The Motor Vehicle Accident Fund (Hereafter referred to as the MVAF) was established in 1990, the year Namibia attained its independence from the then South African Apartheid regime by an act of parliament, namely, the Motor Vehicle Accident Fund Act, 1990 (Act 30 of 1990). The MVAF was established solely to pay damages to injured parties or

compensate for a death which is a result of a road crash where negligence is involved. The MVAF was mandated to provide services to people who are injured or the dependents of those who are killed in road accidents in the form of the following benefits:

- Funeral Expenses;
- Loss of support;
- Loss of income;
- General damages

The Government of Republic of Namibia (GRN) realised that the legalistic and protracted system of compensation was not in the best interests of the public. This prompted the repeal of the Motor Vehicle Accident Fund Act No. 30 of 1990, which was substituted by the Motor Vehicle Accident Fund Act No. 4 of 2001. This new Act established the MVAF as a State-Owned Enterprise (SOE), to be managed by a Board and CEO, reporting to the minister of Finance (The Incredible Journey, 2014, p. 14). The two Acts, both the Motor Vehicle Accident Act, Act No. 30 of 1990, as well as the Motor Vehicle Fund Act No. 4 of 2001 were fault based systems where the Fund could only incur a liability if the crash was as a result of the driver's fault and this meant that as long as there was proof that an accident had occurred and the driver of the vehicle involved was negligent, the MVA Fund was liable to pay compensation. This led to a lot of exclusion with many victims not getting covered, where fault was not established. This was the birth of a new Act, the Motor Vehicle Accident Fund Act of 2007 (Act No. 10 of 2007), provision was made with this

new Act to cover accident victims irrespective of the cause of accident. The Motor Vehicle Accident Fund Act, 2007 (Act No. 10 of 2007) had an increased mandate as compared to the other two and it provides for the following:

- Provide compensation in the following forms; funeral grant, injury grant, loss of income and loss of support;
- Promote road safety and accident prevention;
- Effective emergency transportation and rehabilitation of injured persons; and
- Provide medical treatment to those injured in motor crashes.

The MVAf website, www.mvafund.com.na states that, "...the Motor Vehicle Accident Fund of Namibia is statutorily mandated to design, promote and implement crash and injury prevention measures. It provides assistance and benefits to all people injured and the dependents of those killed in motor vehicle crashes in accordance with the MVAf Act No.10 of 2007."

The MVAf has grown in leaps and bounds, from being an Agency in the Directorate of Administration in the Ministry of Finance to being a State Owned Enterprise (SOE) with seven offices countrywide and 143 employees serving clients. The MVAf stands out as a service oriented organisation, where superior customer service is core to its operations. The Fund's culture is emphasised by a winning spirit, the passion to serve customers with excellence and teamwork, an environment has been created where all employees have a

role to play in reaching the institution's objectives and subsequently feel that they are part of the stakeholders. This allowed the MVAf to accomplish its set goals in many of the projects that were undertaken since its inception because of the team work made by every single member of its staff who gives input without fear of reprisal or intimidation.

In 2004, with the Motor Vehicle Accident Fund Act 2001 (Act No. 4 of 2001) which led to the transformation of the MVAf from an Agency, a Chief Executive Officer (CEO) was appointed to lead the institution. Previously, the MVAf as an Agency was run by a First Officer in Charge whose tenure ended in 2003. The CEO appointed in 2004 had been at the helm of the organisation seeing through major transformations and growth of the institution. The MVAf for the first time has seen a major change in leadership in the form of re-alignments of senior managers, the executives and mainly a CEO. Since its founding, the MVAf had been led by only one CEO whose tenure ended in January 2014 after having been at the helm of the organization for ten years. Change is not new to the MVAf though, re-alignments, changes in the legislation and in the operating system are among some transformations to have taken place at the MVAf.

Kotter (1996, p. 4; see also Barker 1998, p. 550) "begins his book with highlighting the fact that most of the transformation efforts undertaken in firms end up with failure, i.e., producing only disappointment, frustration, burned-out and scared employees, and a waste of resources. However, according to Kotter a significant amount of the waste and failures could be avoided, if only more energy and attention was put into avoiding the most common and biggest problems transformation efforts are typically facing."

To summarise, change project managers/leaders seem to need an effective concept to help them successfully carry out change projects in the dynamic and continuously changing business environment. A concept that helps overcome the greatest obstacles and offers guidance to avoid problems even before they occur would probably be of great importance to those engaged in change project management.

There has also been change in both top and middle management positions with re-alignments, thus this research paper investigates the organisational change exercise carried out by the MVAF during the change of leadership from the then incumbent CEO to the incoming CEO.

1.2 Statement of the problem

Over the years researchers have attempted to provide insight into change dynamics and help organisations successfully implement change. Herzing and Jimmieson (2005, p. 628) state that “...change is ever present in today’s fast-paced organizations. Market demands, the introduction of new technologies, and internal push for growth are some of the major factors driving change in organisations.”

Organisations come in all shapes and sizes, provide a vast variety of products and face an enormous range of challenges. Organisations are always evolving, the nature of change, the speed at which change occurs may be different from time to time and from organisation

to organisation. It is now generally accepted that the ability to implement strategic change effectively is a crucial component of an organisation's ability to compete successfully (Burnes, 2009, p.11). Different scholars have developed different types of models for strategic change that would offer assistance and guidance in the field of organisational change but many change efforts by organisations end up in failure, the MVAF is not an exception as far as implementing strategic change is concerned.

The MVAF has gone through serious transformations such as change in leadership and management realignments, this in turn has led to the organisation's leadership to devise a new vision coupled with a new strategic plan. The changes are necessary as the organisation strives for financial sustainability, deliver superior customer service and enhance its customers' quality of life. How to implement change has been discussed and investigated for many decades with no golden rule on how to go about it. There have been different levels of change and varying steps involved in change processes have been identified in change literature. This, however, has not fully been translated to the development process model nor definable and empirically tested with analytical tools for change implementation.

This study investigates the entire organisational change process carried out at the MVAF, looking into the problems and consequences that come about implementing this change and it also seeks to establish roles played by different stakeholders such as employees and management. The study further seeks to establish as to whether the change exercise was a

success as per the set objectives and what the outcome of this exercise has been after its successful/unsuccessful implementation.

1.3 Objectives of the Study

The objectives of the study are as follows:

- (a) To identify problems and consequences that affected the organisational change process at the MVAf;
- (b) To investigate the impact of organisational change on job satisfaction;
- (c) To analyse the effects of organisational change on MVAf employees; and
- (d) To identify factors that are critical for successful change management at the MVAf.

1.4 Significance of the study

Leadership has a vital role to play, both in setting direction, inspiring change throughout the organization and being the catalyst of implementing change. Change if not well actioned and championed can lead to undesirable performance results, unfavorable employee reaction or total neglect by employees.

The study will guide the MVAf, private entities as well as other SOE's that undertake change process from time to time by making change management strategies and practices part of their organisational change management processes. At a personal level, the study

will broaden the researcher's understanding, provide deeper knowledge on change management practices, models and their effectiveness.

To the researchers, scholars and academicians, the research findings will contribute to the extension of existing body of knowledge in strategic change management. The study will provide a useful basis upon which further studies on implementing strategic change can be done. The study will also suggest areas for further studies on which researchers and scholars can study further.

1.5 Limitation of the study

The study is limited to the MVAf of Namibia specifically targeting the re-alignments in senior management positions and the appointment of a new CEO. The study focuses on the initiatives, practices and processes undertaken by the MVAf during the period of change in its leadership. The other limitation is that there is no existing data on the MVAf as to how the organisation was affected by such a change previously since this is the first time there has been major changes to the extent of a change in the CEO position.

1.6 Conclusion

In summary, the looked at the problems and consequences that affected the change processed that was undertaken by the MVAf, the effects of this change process on employees and what attributes contributes to a successful change management process.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Change is not new to the MVAf, there have been numerous changes at the fund amongst others was the individual performance based bonus to organisational performance based bonus; change in the operating system from the Claims Management System (CMS), Performance Management System (Vision Active) and A Complete and Comprehensive Program for Accounting Control (ACCPAC) which were integrated into one Oracle System called Siebel.

Change in leadership of organisations or re-alignments in management are part of practices that many organisations undertake during their institutions' life span. The changes may be necessitated by organisational growth, change in strategy, resignation or succession planning. Over the years researchers have attempted to provide insight into change dynamics and help organisations successfully implement change. Herzing & Jimmieson (2005, p.628) state that "...change is ever present in today's fast-paced organizations. Market demands, the introduction of new technologies, and internal push for growth are some of the major factors driving change in organisations."

"Today change is constant and organizational leaders who anticipate change and react rapidly and responsibly are successful. However, those organizational leaders who are

proactive anticipate and invent the future are even more successful because those who invent the game are the leaders in their industry” (Pryor, Taneja, Humpries, Anderson & Singleton, 2008, p. 1).

Shanley (2006, p. 962) states that “...the regularity and intensity of change that most organisations are subject to highlights the importance of effective management development. Perhaps the two greatest challenges facing organisations today are leadership and change: recruiting, retaining and most importantly developing managers, and successfully managing organisational change.”

In this study, the researcher explores the historical and existing literature on change management, resistance to change, the role of leadership in change management, organisational culture, the role of change agents and change champions, in order to gain an understanding on the impact of change management on the change management activities of the MVAF. In the overview of the literature, the researcher makes a presentation and critical analysis of reviews, studies and opinions aimed at helping answer the research questions and satisfy the research aim and objectives are made. Finally, this chapter reviews the broad background of strategic change management by examining the various models of change management used to manage and implement strategic change effectively.

2.2 Defining change and change management

Rees and French (2013, p. 102) define change as “making things different.” Research has shown that many organisations do go through different phases of change. “Change management is the process of continually renewing an organization’s direction, structure, and capabilities to serve the ever-changing needs of external and internal customers.” Moran and Brightman (2001, p. 111). Fincham and Rhodes (2005, p. 525) defined change management as “the leadership and direction of the process of organisational transformation-especially with regards to human aspects and overcoming resistance to change”.

Hiatt & Creasey (2003, p. 3) defined change management as “managing people in a changing environment so that business [and organisational] changes are successful and the desired business [or organisational] results are realized.” Nadler and Tushman (1995, p. 35) defined “organisational change as an empirical observation of a difference in form, quality, or state over time. Changes within an organisation take place in response to business and economic events and processes of managerial perception, choices and actions where managers see events taking place that indicate the need for change. These changes are occurring so fast that people say ‘in this rapidly changing world change is the only constant thing.’” Hiatt (2003, p. 21) defined change management as: “the application of the

set of tools, processes, skills and principles for managing the people side of change to achieve the required outcomes of a change project or initiative.”

Berns, Charboneau, Foth, Hesley & Korsmo-Kennon (2007, pp. 6-7) state that there are five themes that are repeatedly identified throughout the literature on change management as being critical factors for successful change.

- **Communication:** Communication is a key component in the success of any change initiative. The general rules are communicate early, clearly, often, and at all levels of the organization. The goals for effective communication are to increase the organization’s understanding and commitment, reduce confusion, and prepare staff for the impact of change.
- **Written Plans:** A Change Management Plan is a written document that defines the vision and scope of the change. It includes both the technical project plans and the plans for managing people as they implement the change. It lists the objectives and deliverables of change, strategies to implement changes, roles and responsibilities of people affected by the change (throughout the organization), and resources available to implement change, and specific steps and schedules to implement strategies. This document serves as a guide for the entire process of change, and helps everyone involved in or affected by change make sense of what is happening. This document needs to be assessed and updated at regular intervals. Plans created for specific areas need to relate to this overall plan. Area-specific plans may

include: Communication, Human Resources, Finance/Business Plan, Risk Assessment, and a detailed timetable.

- **Human Factors in Change Management:** The process of change has an impact on the people who live through it. When organizations undertake any transformational change process, they must make a distinction between the strategic and tactical plans and actions to accomplish change, and the experience and emotions of people who will design, implement, and live with the change. Both of these elements must be systematically addressed in the development and implementation of strategic plans, to ensure the ultimate success of the change process.
- **Availability of Resources:** Resources must be clearly identified and made available to middle managers and operational or front line staff in order to successfully implement an initiative to support transformational change. Necessary resources may include additional staffing, additional funding, training in both change management and project management, administrative support, technical support, change management support, project management support, and communication tools.
- **Leading Change:** Leading a change effort requires a strong sponsor and/or champion for change. Change can be led by one person or a group of people who are passionate, visible, and committed to the effort. Leading change requires clearly identifying the need for change, creating a vision, gaining support or commitment, and keeping the momentum going.

Bevan (2011, p. 5) on the other hand, identified seven factors to summarize the conditions, resources, and processes that support successful change.

- **Clarity.** Be clear and unambiguous about the purpose of the change, its direction, and the approach.
- **Engagement.** Build a sense of ownership, belonging, and commitment. Consult with and involve the people who will be affected by the change.
- **Resources.** Put the needed resources in place (e.g., financial, human, and technical) to enable change.
- **Alignment.** Ensure that systems and processes (e.g., rewards, information, accounting, and training) support the change.
- **Leadership.** Guide, train, and equip leaders at every level so that they display consistent commitment to the change.
- **Communication.** Facilitate an effective two-way flow of information. Be aware of issues and questions; provide timely responses.
- **Tracking:** Establish clear goals; assess progress against these; adjust and fine-tune as necessary.

The set of factors listed here align with models and frameworks developed and applied by many writers, educators, and leaders. These include John Kotter and Daryl Conner, as well as Kurt Lewin (1947), one of the earliest commentators on change who remains fully

relevant to this day. The challenge doesn't lie in understanding the process, or even in putting together an effective plan: it's in putting the plan into action and sustaining the effort.

Cabrey and Haughey (2014, p. 5) argued that organizations that are highly effective at change management, change enablers, incorporate certain practices that they deem important to the success of strategic initiatives:

- Having well-defined milestones and metrics
- Having senior management committed to change
- Establishing and communicating concrete ownership and accountability
- Using standardized project management practices
- Having engaged executive sponsors

They further stated that it comes as no surprise that these practices are not frequently used within organizations that are not very good at change management.

2.3 Types of change

Change comes in different forms, it can be anticipated as it is planned or unanticipated-change which comes as a surprise or unplanned. Change is all around us, in our personal

lives or business there are opportunities every day where disagreements happen. There can be big changes that adjust everything or small changes that only concern a small group of people. It is only possible for the group to choose the time for change, when the change is both predictable and controllable. The advantages of these kinds of changes are that they can be done when the group is ready and has time. Changes that are unpredictable or uncontrollable possess potentially bigger challenges and difficulties for the organization.

Anderson and Ackerman-Anderson (2001, p. 31), state that there are three different types of change which are, “Developmental, Transitional and Transformational”. “Developmental change represents the improvement of an existing skill, method, performance standard, or condition that for some reason does not measure up to current or future needs. Developmental change is usually a response to relatively small shifts in the environment or marketplace requirements for success or simply the result of a continuous need to improve current operations (process improvement). Transitional change is more complex. It is the required response to more significant shifts in environmental forces or marketplace requirements for success. Transitional change begins when leaders recognize that a problem exists or an opportunity is not being pursued as well as that something in the existing operation needs to change or be created to better serve current and/or future demands. Once executives, change leaders, or employee teams have assessed the needs and opportunities at hand, they design a more desirable future state to satisfy their distinct requirements. Whereas, transformation is the radical shift from one state of being to

another, so significant it is that it requires a shift of culture, behavior, and mindset to implement successfully and sustain over time. In other words, transformation demands a shift in human awareness that completely alters the way the organization and its people see the world, their customers, their work, and themselves. In addition, the new state that results from the transformation, from a content perspective, is largely uncertain at the beginning of the change process and emerges as a product of the change effort” Anderson and Ackerman-Anderson (2001, pp. 34-39).

“An evolutionary perspective views change as transitional, transformational, or developmental. Transitional change represents small, gradual, even incremental changes in people, policies, procedures, technology, culture, or structures. These common changes are driven and orchestrated by management for units, departments, divisions, or the entire organization” (Gilley, McMillan & Gilley, 2009, p. 39). “Radical shifts in underlying assumptions, deep-seated mindsets, culture, strategy, or other significant organisational paradigms involve transformational change” (Kuhn, 1970, p. 120). Although extreme and sometimes revolutionary, successful transformational change has been positively linked to increased competitiveness when firms are able to clearly differentiate themselves in the market (Denning, 2005). “To the contrary, a host of corporate results and research highlight the rarity with which organizations successfully achieve transformational change” (Beer & Nohria, 2000, p. 137).

Developmental change flows from an organization wide philosophy of continuous growth and development that leads to increasing competitive advantage through dynamic stability, a culture of continuous dynamic yet manageable change. Developmental change occurs when firms continually scan their internal and external environments to create work settings that encourage and reward individual innovation, growth, and development, while avoiding radical, infrequent yet disruptive large-scale change (Gilley & Maycunich, 2000).

The MVAF undertook transformational change, “a change in strategy with the finalization of a five year strategic plan with a shift in the key long term goals being: ensuring financial sustainability and independence; attain rehabilitation goals and return injured people to work, school and independence; to ensure operational excellence and attain customer satisfaction; and finally, create positive employee engagement and enrollment. The previous strategic focus for 2008-2013 was, contribute to crash and injury prevention; ensuring the Fund provides effective transport, treatment and rehabilitation focused with returning people to productive life; and finally, operational excellence and high public confidence” (The Motor Vehicle Accident Fund of Namibia [MVAF], 2014). Changes in strategy and leadership are transformational in nature as they require a shift in organisation culture, people’s behavior and attitude in order to achieve the set goals.

2.4 Change management theories, processes and strategies

Different theories have been developed to tackle the source of the problem. Instead of accepting the status quo and trying to exploit the positive aspects of uncertainty, change management theories should concentrate on developing new organisational models which can set the pace of change and development.

2.4.1 Lewin' 3-stage model of change

“In 1947, Lewin came up with the three stage process of change: firstly, unfreezing current behaviour; secondly, moving to the new behaviour; and, finally, refreezing the new behaviour. I found Lewin's basic change model to be a theoretical foundation upon which change theory could be built solidly. The key, of course, was to see that human change, whether at individual or group level, was a profound psychological dynamic process that involved painful unlearning without loss of ego identity and difficult relearning as one cognitively attempted to restructure one's thoughts, perceptions, feelings, and attitudes”(Schein, 1995, p. 2).

Kritsonis (2004-2005, p. 2) explained Lewin's theories as follows;

Unfreezing

Unfreezing involves coming up with a method that makes it possible for people to get rid of the old way of doing things that was not beneficial at all. To succeed in unfreezing the position and mind-sets, the process should include an increase in new activities that would

divert the attention of individuals from existing behaviour, have a decrease in activities that negatively effects the process of unfreezing, and finally, a combination of the two need to be struck.

Moving to the new behaviour

In moving to new behaviour, change in thoughts, feelings, behaviour, or all three need to change leading to some way of liberation or more productiveness.

Refreezing

Refreezing involves the establishment of change as a new habit, so that it now becomes the standard operating procedure. If this stage is not followed through, people can easily go back to old ways.

“Despite its popularity, Lewin’s original theory has been criticized for being based on small scale samples, and more importantly the fact that it is based on the assumption that organizations act under constant conditions that can be taken into consideration and planned for” (Barnard & Stoll, 2010, p. 2).

In summary, the Kurt Lewin model demonstrates to move an organisation from point A to point B, while compelling and motivating reasons for change should be created, followed by the installing and implementation of the necessary changes to the way things should be

and finally, aim to stabilize the operation at a better or higher level of performance. Lewin's change model was not a perfect fit for the MVAF change process as it did not represent how change was to be conducted as it mostly focuses on the organisation at large while paying little attention to individuals. The transformational changes at the MVAF needed a model that would help guide the change process thoroughly, a model that would address both the change in organisation culture as well as individual behaviour.

2.4.2 Kotter's eight step change model

Kotter (1996, p. 20) argues that, "the methods used in successful transformations are all based on one fundamental insight: that major change will not happen easily for a long list of reasons. Even if an objective observer can clearly see that 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 trust, lack of teamwork, arrogant attitudes, a lack of leadership on middle management, and the general human fear of the unknown".

Kotter (1996, p. 23) came up with the eight-stage process of creating major change: "Establishing sense of urgency; Creating the guiding coalition; Developing a vision and 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".

Figure 1: Kotter's Eight-Step Change Model



Source: Organization adaptation and change, (Bodner, Ellerbe, Compton, Lockwood & Tognazzini, 2013, p. 7)

“The eight stages should be followed in a sequential order, for any change implementation to be successful. Thus skipping even a single step or getting too far ahead without a solid base almost always creates problems” (Kotter, 1996, p. 25-26). The eight-step process by Kotter (1996) is a good fit for the change management process undergone by the MVAF. The step by step process by Kotter(1996) can be aligned to the MVAF change process map to ensure that the change process came to fruition.

“In analysing Kotter’s model from an organizational practitioner’s perspective, the stages and action steps are clear, but broad. A business seeking to implement a strategic change initiative based on this original information could become frustrated with the gaps in

explanation; the model is designed to provide a framework and starting points, rather than offer a step-by-step action plan. One area not addressed in this change model was the factor of continuous or simultaneous change” (Stragalas, 2010, p. 35).

2.4.3 Prosci’s ADKAR Change Model

“Managing organizational change starts with understanding how to manage change with a single person. Among the tools available to drive individual change, the ADKAR model developed by Prosci, the world leader in change management research and content creation, is commonly used. ADKAR is an acronym for Awareness, Desire, Knowledge, Ability and Reinforcement,” (Bourda, 2013, p. 5).

Haitt (2006, p. 43) stated that, “the ADKAR model has five elements that define the basic building blocks for successful change: Awareness, Desire, Knowledge, Ability, and Reinforcement. By nature, ADKAR is an individual change management model. In other words, ADKAR represents the essential element of change for a single person”. Haitt (2006, p. 44) further stated that, “in the workplace, missing or weak elements of the ADKAR model can undermine business changes. In the absence of awareness and desire, you can expect more resistance from employees, slower adoption of change, higher turnover and delays in implementation. If awareness and desire are extremely low, project failure is likely. In the absence of knowledge and ability, you can expect lower utilization throughout the organization, incorrect usage of new processes and tools, a negative impact

on customers and a sustained reduction in productivity. In the absence of reinforcement, you can expect individuals to lose interest and revert to old behaviors. Each of these consequences impact the probability of success for a change and lower the return on investments (ROI) for the project overall”.

“When the ADKAR elements are achieved, employees become engaged and energized. The change is adopted faster. Employees contribute ideas and seek out new ways to support the change. Employees have the knowledge and ability to implement the change such that the business goals are realized or exceeded. Employees celebrate success. Flexibility and adaptability become part of the organization’s value system; a more change-capable organization results” (Haite, 2006. p. 44).

Table 1: Factors influencing each element of the ADKAR model

ADKAR elements	Factors influencing success
Awareness of the need for change	<ul style="list-style-type: none"> • a person’s view of the current state • how a person perceives problems • credibility of the sender of awareness messages • circulation of misinformation or rumors • contestability of the reasons for change

<p>Desire</p> <p>to support and participate in the change</p>	<ul style="list-style-type: none"> • the nature of the change (what the change is and how and it will impact each person) • the organizational or environmental context for the change (his or her perception of the organization or environment that is subject to change) • each individual's personal situation • what motivates a person (those intrinsic motivators that are unique to an individual)
<p>Knowledge</p> <p>of how to change</p>	<ul style="list-style-type: none"> • the current knowledge base of an individual • the capability of this person to gain additional knowledge • resources available for education and training • access to or existence of the required knowledge
<p>Ability</p> <p>to implement required skills and behaviours</p>	<ul style="list-style-type: none"> • psychological blocks • physical abilities • intellectual capability • the time available to develop the needed skills • the availability of resources to support the development of new abilities

Reinforcement to sustain the change	<ul style="list-style-type: none"> • the degree to which the reinforcement is meaningful and specific to the person impacted by the change • the association of the reinforcement with actual demonstrated progress or accomplishment • the absence of negative consequences • an accountability system that creates an ongoing mechanism to reinforce change
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Source: ADKAR: a model of change in business, government and our community, (Haft, 2006, p. 45).

The Prosci ADKAR change module mainly looks at two aspects of change; that change should happen at an individual level and secondly, for change to be successful individuals need to go through all the five stages of the ADKAR models which comprises of awareness, desire, knowledge, ability and reinforcement in a sequential manner.

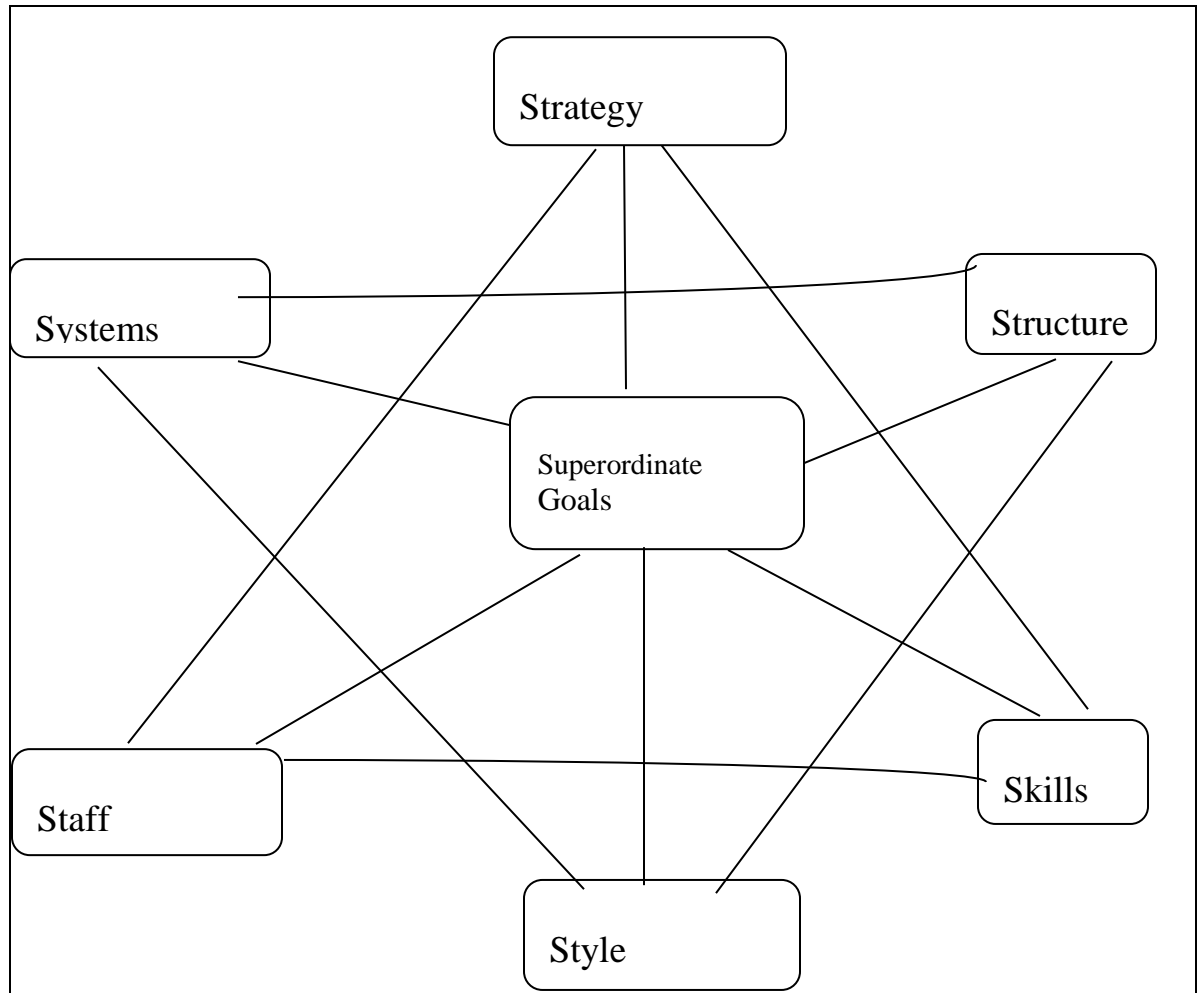
“ADKAR is a goal-oriented change management model that allows change management teams to focus their activities on specific business results. This model is used to identify gaps in change management process and to provide effective coaching for employees” (Crawford, 2013, p. 17).

2.4.4 The McKinsey 7-S Framework

“The McKinsey 7-S framework was developed by McKinsey consultants, including Tom Peters and Robert H. Waterman, with the academic partnership of Richard Pascale and Anthony G. Athos in the early 1980s” (Pothiyadath and Wesley, 2014, p. 14). The McKinsey 7-S framework is a holistic framework with which to analyze and improve organizational effectiveness. It allows an organization to survey its operations, articulate its vision, compare the present with the future, and articulate intended changes.

“The consultants at McKinsey & Co recognized a circular problem central to their client’s failure to effectively implement strategy, and co-developed the McKinsey model. The successful implementation of strategy requires management of the interrelationships between the seven elements of, structure, strategy, systems, style, staff, skills and shared values” (Fleisher & Bensoussan, 2007, p. 3).

Figure 2: The McKinsey 7-S Framework



Source: In search of excellence. Lessons from America's best-run companies (Peters & Waterman, 1982, p.10).

“It is understood that there is no hierarchy in working on each part of the framework, however, implementation of one would have an effect on the other. So, the success on each part of the framework has to be cautiously achieved” (Pothiyadath and Wesley, 2014, p. 14).

“Effective organisations try to achieve a fit between these 7 elements. If one element changes, it will affect the others. In change processes many organisations focus their efforts on the hard “S” – strategy, structure and systems and they overlook the soft “S”, namely skills, staff, style and shared values (Peters and Waterman, 1982, p.12). Peter and Waterman (1982, p. 12) further noted that “the soft factors can make or break a successful change process because new structures and strategies are difficult to build on where cultures and values are inappropriate,”

“Changes in strategy and structure, on the surface, may happen more quickly. But the pace of real change is geared to all seven S’s. At its most powerful and complex, the framework forces us to concentrate on interactions and fit. The real energy required to redirect an institution comes when all the variables in the model are aligned” (Waterman, Peters, & Phillips, 1980, p. 26)

Pothiyadath and Wesley (2014, p. 14) argued that, “at inception, this framework invited criticism on its ability to affect organizational effectiveness. The argument was centered on the other authors’ contention on certain elements of 7-S especially such as structure - who does what, who reports to whom, and the like, but, a composite framework that includes the constituents of 7-S has not been studied. An understanding of 7-S is now very imperative as organizations grew in size and complexity and the more critical question became one of human coordination”.

2.5 Resistance to change

Ansoff (1988, p. 207) defines resistance as “a multifaceted phenomenon, which introduces unanticipated delays, costs and instabilities into the process of strategic change”, whereas, Zaltman and Duncan (1977, p. 63) define resistance as “any conduct that serves to maintain the status quo in the face of pressure to alter the status quo”.

Human beings do not change easily. “People only want to change when both the pull- and push-forces are that strong that people themselves see no other solution any more than to change. An allegedly “much more challenging business environment” and a “vision” of a “more business-like” organization are definitely not enough to convince employees to change their daily routines at their desks. Another issue people are quite sensitive about are the “technical” aspects of change initiatives, i.e. how change is introduced, communicated and discussed, if and how their view points are not only being heard but seriously taken into account” (Samuel, 2013, p. 5)

“No matter how successfully or administratively perfect a proposed change may be individuals in an organization implement or break the change due to representing a form of influence. Even though resistance to change can take many forms, it is difficult to identify the reasons for the resistance. The forces against change in work organizations include disregarding the needs and expectations of the organization’s members; providing

insufficient information about the nature of change and not acknowledging the need for change,” Yilmaz and Kilicoglu (2013, p. 15-16).

Yuh-Shy (2012, p. 1) stated that resistance to both small and large changes is one of the important factors that can influence the success of implementing any organizational change, which may include change in mission, restructuring operations, inputting new technologies, mergers, major collaborations, downsizing, new programs such as Total Quality Management, re-engineering, and new organizational structure.

Understanding the origin of resistance allows creation of a strategy to deal with it. To resolve resistance, a manager must willingly explore what the root causes are. Resistance to change can be caused by many factors, Proctor and Doukakis (2003, p. 268) stated that fear of the unknown, lack of information, threats to status, fear of failure, and lack of perceived benefits are some of the factors that cause resistance. The readiness of individuals for change is a crucial factor for a successful implementation of organisational change.

“Why do employees resist change? Primarily because they fear the unknown. In fact, psychologists say that fear of the unknown is a rational, rather than an irrational, response to change. A small amount of uneasiness is to be expected from most people when the

status quo shifts, simply because people need time to adjust their thinking, their job performance, and their social relationships to any changes made” (Baker, 1989, p. 53).

Yue (2008, p. 84) argued that resistance arises because change threatens the way people make sense of the world, calling into question their values and rationality, and prompting some form of self-justification or defensive reasoning. Or, people distrust or have past resentments towards those leading change; they have different understanding or assessment of the situation, or are protecting established social relations that are perceived to be threatened.

There is no other way. O’Connor (1993, p. 33) believes that resistance results from differences involving ideas, motives, plans, or priorities, and brought forward five common sources of resistance as follows:

- Lack of belief that there is a serious need for change.
- Different descriptions of the need for change.
- No agreement about goals for change.
- Lack of belief that the goal is attainable.
- No confidence in the manager of change.

Yue (2008, p. 85) is of the opinion that recognizing the sources of resistance guides the development of better understanding. And once a source of resistance is identified,

managers can encourage the debate of issue about the identified source and work to integrate these differences and therefore minimize resistance (2008, p. 85)

Schuler (2003, p. 1) indicated that there are ten reasons why people resist change which are:

- The risk of change is seen as greater than the risk of standing still.
- People feel connected to other people who are identified with the old way.
- People have no role models for the new activity.
- People fear they lack the competency to change.
- People feel overloaded and overwhelmed.
- People have a healthy skepticism and want to be sure that the new ideas are sound.
- People fear hidden agendas among would-be performers.
- People feel the proposed change threatens their notion of themselves.
- People anticipate a loss of status or quality of life.
- People genuinely believe that the proposed change is a bad idea.

Different organisations treat change in an organisation differently more often ordinary employees are left behind in the entire change management process. This is through a lack of communication between management and employees as well as a lack of a clear roll out plan of the entire change management project to all employees in the organisation, this in the end leads to fear of the unknown amongst employees.

No matter how well designed and planned your change program is, not everyone will be singing its praises. Employees resist change for a wide variety of reasons, ranging from a straightforward intellectual disagreement over facts to deep-seated psychological prejudices. For some people they resist change because of multiple reasons. Adding to this complexity is the fact that sometimes the stated reason hides the real, more deeply personal reason. You will also need to recognize that people work through a psychological change process as they give up the old and come to either embrace or reject the new.

Freddy and Mbohwa (2013, p. 212) note that, “managers describe resistance in many different ways for example push-back, no buying in, criticism, dragging. These labels embrace a wide variety of behaviors, including not responding timeously to requests, making unjustified remarks, and also not completing tasks agreed to. Resistance is virtually every type of behavior that is disapproved off”.

Beitler (2005, p. 4) noted that “there are seven essential elements that managers should consider for a successful organizational change, which will eliminate resistance. The said elements are: involve people who will be effecting the change; communicate a good reason for the change; designate a champion for the change; create a transition management team; provide training in new values, skills, and behaviors; bring in outside help; and reward people” (2005, p. 4)

“Resistance is often viewed by managers as the enemy of change, the foe which must be overcome if a change effort is to be successful” (Schein, 1988, p. 243). However, Waddell & Sahol (1998, p. 544) argue “that careful examination of the literature surrounding resistance indicates that this adversarial approach has little theoretical support.” Rather, a great deal of work undertaken during the 1960s and 1970s found that there is in fact an advantage to be gained from resistance, therefore it should not be avoided or quashed as suggested by classical management theory. That resistance can play a useful role in an organisational change effort certainly stands juxtaposed to a traditional mindset that would view it as an obstacle that is normally encountered on the way to a successful change process. Nevertheless, it is a conclusion reached by a variety of authors who suggest that there are a number of advantages of resistance. When managed carefully, these advantages can in fact be utilised by the organisation to greatly assist change.

Though resistance occurs because it threatens the status quo, it can also be viewed from a positive perspective if handled well thus being advantageous to the organisation. The challenge though is that many organisations focus more on the negative impact of resistance which outweighs the positive impact, instead of managing the negative consequences in such a way that they turn resistance to the benefit of organisational change. Scholars such as Ford, Ford & D’Amelio (2008, p. 362) are of the view that, “there is no consideration given to the possibility that resistance is an interpretation assigned by change agents to the behaviors and communications of change recipients, or that these

interpretations are either self-serving or self-fulfilling”. Ford, et al, (2008, p. 365) further argued that “resistance to change could be as a result of change agents contributing to resistance which goes beyond the labeling that results from their own sense making to breaking agreements and violating trust, misrepresentation and other forms of communication breakdown, and their own resistance to change.”

Ford, et al (2008, p. 363) stated that “the ways in which change agents contribute to the occurrence of the very reactions they label as resistance through their own actions and inactions, such as the breach of agreements and failure to restore trust which implies that resistance is neither a sudden nor a direct response to a particular instance of change but, rather, a function of the quality of the relationship between agents and recipients in which change agents are and have been active participants and contributors; and, third, by considering that there are circumstances under which what agents call resistance can be a positive contribution to change. By assuming that resistance is necessarily bad, change agents have missed its potential contributions of increasing the likelihood of successful implementation, helping build awareness and momentum for change, and eliminating unnecessary, impractical, or counterproductive elements in the design or conduct of the change process.”

It is thus difficult to conclude that resistance merely originates from the recipients of change, as it may be aroused by change sponsors or agents alike. Resistance to change if

carefully studied and understood by the initiators of change may signal deficiencies in the change process which may lead to improved engagements, proper planning and improved change implementation. Although the failure of many corporate programs is often directly attributed to employee resistance, if well managed it can bring much needed results to an organization during the change process and beyond.

It would seem that when one refers to resistance to change, there is automatic reference to a problem, and in most instances this problem relates to the employees of the organization. Freddy and Mbohwa (2013, p. 212) “argued that there are benefits in having resistance to change, as it serves a function, which is to maintain the status quo or the organization’s perceived state of equilibrium. If resistance to change never occurred, organizations no doubt would be entirely unstable; they would lack both focus and integrity. Resistance serves to maintain the state of equilibrium until the reason for change is both conscious and compelling.”

It is evident from the literature that there are mixed reactions towards resistance although the majority of scholars (Schein, 1988; Beitler, 2005; Samuel, 2013; Baker, 1983; and many others) side with the notion that resistance can be a distraction to change and should be carefully monitored and managed. “Resistance to change does not reflect opposition, nor is it merely a result of inertia. Instead, even as they hold a sincere commitment to change, many people are unwillingly applying productive energy towards a hidden competing commitment. The resulting dynamic equilibrium stalls the effort in what looks like

resistance but is in fact a kind of personal immunity to change” (Kegan & Lahey, 2001, p. 119).

Luecke (2003, p. 75) is of the opinion that resistance to change can be dealt with or avoided, he suggested ways of dealing as follows;

- Always try to answer the question, “Where and how will change create pain or loss in the organization?”
- Identify people who have something to lose, and try to anticipate how they will respond.
- Communicate the “why” of change to potential resisters. Explain the urgency of moving away from established routines or arrangements.
- Emphasize the benefits of change to potential resisters. Those benefits might be greater future job security, higher pay, and so forth. There’s no guarantee that the benefits of change will exceed the losses for these individuals. However, explaining the benefits will help shift their focus from negative to positive.
- Help resisters find new roles, roles that represent genuine contributions and mitigate their losses.
- Remember that many people resist change because it represents a loss of control over their daily lives. You can return some of that control by making them active partners in the change program.

Organisational and economic benefits sustained from restructuring projects are not only a result of a network of business processes and technologies; but also the acceptance and involvement of employees with respect to these changes. It is common knowledge that many employees will resist change. Their resistance and their choices influence the success of any organization's change projects. Employee resistance has a great impact on productivity, employee morale, and ultimately employee turnover (Singh, Saeed & Bertsch, 2012, p. 68).

2.6 Change agents and champions

The focus of earlier research on organizational change has mostly focused on the systems and structural approach to effective implementation of organizational change, thus neglecting the aspect of the role individual's play in making the change process a success. An organization seeking to successfully implement change must understand that it requires encouraging individuals to support new behaviors so that desired change outcomes are achieved. Warrick (2007, p. 15) "argued that for significant improvement in the success rate of organizational change, change champions who can effectively champion important organizational changes need to be developed throughout the organization, and especially at the top."

“A change champion can be defined as a person at any level of the organization who is skilled at initiating, facilitating, and implementing change. Change champions are to be distinguished from change agents who are trained specialists in organization development and change. Change champions play a major role in initiating, facilitating and implementing change in organizations” Warrick (2009, p. 15).

Ohlson (2007, p. 38) stated “that the agent’s task starts with a diagnostic phase where the agent tries to evolve a model with an existing theory that is adapted for the particular organization. In short, the change agent’s role is to act as a transducer between scientific knowledge regarding organizational functioning and change processes for the particular situation during this phase.” Ohlson (2007, p. 38) further “argued that the change agent must be a good communicator and has enough knowledge about the groups’ tasks to relate the model with these tasks, that is to say an understanding of the organization’s reality. In later stages, the change agent often helps the organization’s members with skills acquisition and perfection. The agent must not only know which skills are necessary, but also be competent in guiding the acquisition. The agent needs skills for handling everything between problem solving, giving and receiving feedback, listening, general leadership and resolving conflict.”

Change agents are catalysts who get the ball rolling, even if they do not necessarily do most of the pushing. Rogers (1983, p. 315-316) described them as figures with one foot in the

old world and one foot in the new, creators of a bridge across which others can travel.

Roger went on to explain the roles that change agents play in a change process, they:

- articulate the need for change;
- are accepted by others as trustworthy and competent (people must accept the messenger before they accept the message);
- see and diagnose problems from the perspective of their audience;
- motivate people to change;
- work through others in translating intent into action;
- stabilize the adoption of innovation; and
- foster self-renewing behavior in others so that they can “go out of business” as change agents.

Luecke (2003, p. 78) argued that it is important to identify change agents so that you can place them in key positions during a change effort. In a self-regenerating company, you will find change agents in many different operating units and at all different levels. However, the search for change agents should not be limited to company personnel. It is advisable to look outside the organisation for people who have skills and attitudes required to stir things up and get the organisation moving in a new and more promising direction.

The change agent is not just responsible for smooth transitions during changes, the change agent must also propose changes to the top management based on best market practices. The change agent is always in a precarious position within the organisation and the buy-in

from management is essential. The change agent must be able to align different projects and imagine their impact on employees. Employees are rarely able to absorb a large number of changes at one time, and the change agent should prepare a proper communication plan. The change agent can help employees to understand change and thus minimize its impact (Long, 2013, p. 50).

Nikolaou, Gouras, Vakola & Bourantas (2007, p. 292) argued that “a very significant stage of an organizational change effort is the selection of the individuals who will design and execute the change with success, these individuals are referred to as change agents. An organization in order to struggle a winner out of change must achieve in selecting the right people as change agents to help promote change throughout the organization. Ideally, every employee of the organization involved in the change management effort should be able to act as a change agent.”

Change efforts often require a person or group who continues to build and sustain strong enthusiasm about the change, which would include reminding everyone as to why the change is occurring in the first place and the types of benefits that will come from the change process. Individual employees would buy in the idea of change if they were to hear it more often from colleagues at the same level as them, a top down approach in terms of communicating the change process and its benefits would meet some resistance as they would prefer getting this information from those they can relate to such as employees at the same level as them. Change agents thus play a crucial role in helping employees to toe

the line as management is ensuring that the change process is a success and the benefits are achieved for the benefit of the organization and the individual employees at large.

2.7 The role of leadership

It has become fashionable over recent years to distinguish leadership from management, however, increasing evidence indicates that this distinction may be misleading. This study will discuss the term leadership in detail later in this chapter under the light of scientific definitions, but herein the study uses the term “leadership” in the meaning of a Person/Manager/ or Leader who is responsible for organisational matters.

Conger (1992, p. 18) describes Leaders as “individuals who establish direction for a working group of individuals and who gain commitment from this group of members to establish direction and who then motivate members to achieve the direction’s outcomes.”

Grint (2004, p. 36) notes that “it is a continuous debate that whether the leadership comes from the personal qualities of a leader or a Leader makes followership through what s/he does or believes, this he called the “process problem”. Grint (2004) further highlighted, what he termed as position problems with the leadership, which explores, is the leader a person in charge? With the true authority to decide or implement, or it is only a person in front who takes his/her directions from someone.

Karakas (2007, pp. 44-45) argued that “the old leadership model is giving way to a new twenty-first century paradigm for navigating in an age of uncertainty, complexity, interdependency, globalisation, and accelerating change. As they face more complexities, competition, and change than at any other time in history, organisations that thrive in the new century actually, in the new world will be those that learn capabilities and disciplines especially suited to coping with the new conditions. To effectively guide their organisations in learning and applying these new capabilities and disciplines, successful leaders will perform three new creative roles or functions implicit in the new leadership paradigm of being social artist, spiritual visionary and cultural innovators. He further argued that cultural innovators are individuals who are advocates and pioneers of new ideas, values, artifacts, and lifestyles in society or the world of work. They explore and nurture creative talents and abilities of people to create change. They are radicals and trendsetters who bring ideas home by making them palatable to their people. They revive a sense of civic vibrancy or engagement lacking in the lives of many people whose societies and organizations are in transition and who find themselves negotiating between tradition and modernity without the intellectual resources to make sense of it all.”

“Leaders’ thoughts and skills are manifested in actions, structures, and processes that enhance or impede change, further strengthening the linkage between leader behaviors and effectiveness in implementing change. For example, change management skills have been positively linked to successful organisational change” (Gilley, McMillan & Gilley, 2009,

p. 40). Conversely, lack of change management skills or understanding of change implementation techniques, the inability to alter one's management style, and failure to modify organizational systems or structures have been identified as barriers to success (Bossidy & Charan, 2002, p. 29; Gilley, 2005, p. 42).

Gilley, McMillan & Gilley (2009, p. 45) noted that "a firm's leadership drives all aspects of operations throughout all levels, in concert with employees. As a consequence, effectively leading change requires deployment of interpersonal skills such as motivation, communication, and team building to fully engage employees and cultivate success. Organisations must continually and quickly change to adapt to a dynamic, rapidly changing global environment. Leaders' deliberate and disciplined actions, grounded in a solid base of interpersonal skills, enable effective change."

Bruhn (2004, p. 132) reasoned that some organisational leaders are visionaries in creating change and become experts in growing their organization. They create and lead change. Other leaders see change as an intrusion and try to minimize its effects on their organization, these leaders manage change. Bruhn further differentiated between two sets of leaders, those who manage change "change managers" and those who lead change "change leaders" and characterize them as follows:

Table 2: Change leaders vs. Change Managers

Change Leaders	Change Managers
Believe that members are an organisation's greatest asset	Believe that people are the major source of problems
Protect the organisation's culture while creating change	Focus on problem-solving; culture should be considered a given
Implement change incrementally but present the complete plan for change up-front to the total organisation	View organisational problems as barriers to change; take on problems as they present themselves
Assume responsibility for the organisation's plan of change and nurture and guide its implementation, delegating the details	Manage problems and change through the structure of the organisational chart; deal with change issues through managers
Use change strategies appropriate to the organisation's stage in its life cycle	Manage problems within organisational units
Keep their visions realistic and adaptable	Focus on short-term goals rather than on a vision

Source: Leaders who create change and those who manage it: How leaders limit success. (Bruhn, 2004, p. 133).

Bruhn (2004, p. 132) further, elaborated on these two types of leaders by noting that leaders are considered role models in society who keep their eye on their organisations' mission while they adapt their products and services to changing market needs and maintain a forward momentum, These proactive leaders have the ability to lead change, manage its effects, and anticipate and plan for the waves of change. On the other hand, leaders who react to change in their organisation by containing or controlling its effects can easily become over-whelmed with putting out fires created by change they did not make or want.

Bejestani (2011, p. 304) argued that leaders have a crucial role to play in ensuring that employee resistance is addressed by reducing negative reflects, hence, it would be beneficial to focus on the reflections of employee resistance. Some of these reflections could be as follows:

- Lack of self-reliance
- No success anxiety
- Worry about job position
- Worry about revenue reduction
- Worry about added work
- Distrust between team members

These items have negative influences on employees such as decreasing motivation, reducing teamwork interest, increasing conflicts, and so on. All of these effects are capable

to decrease projects' performance while we would like to improve it during changes. On the other side, leadership characteristics can remove or reduce these negative influences. As an example, humor makes a fresh workshop and in such a place, there is no space for any anxiety or worry. In addition, humor helps to increase trust between team members.

Schroeder-Saulnier (2009, p. 3) notes that “amongst the roles of leadership in the change management process it includes, ensuring that employees have clear roles and accountabilities, as well as the authority to make necessary changes in their work. For that reason, organizations should conduct a high-level overview of jobs considered to be critical to building agility, re-evaluating job descriptions, if necessary. Senior leaders also must introduce appropriate systems for communication, performance management, recruitment and selection, and remuneration. And, organisations need methods for measuring success. Best is to define goals at the outset and the metrics for assessing successful achievement of those objectives, and to create mechanisms for receiving feedback, such as employee surveys.” Meanwhile, Fernandez & Rainey (2006, p. 170) clarified that “managerial leaders must build internal support for change and reduce resistance to it through widespread participation in the change process and other means. Students of major organisational changes typically report that successful leaders understand that change involves a political process of developing and nurturing support from major stakeholders and organisational members.”

“Change is an ongoing natural process. For a successful organisation, change is meant to be implemented at three different levels, i.e., individual, group and organisation. At every level of change, leadership plays different roles as it’s the virtual duty of a leader to manage people and make their efforts to be at their best in favor of change for an organization. Change management is an essential area of concentration for the healthy growth of any business, it is important even for the survival of any organization in today’s business world. Successful change in any organization is impossible without the active participation of management” (Ajmal, Farooq, Sajid & Awan, 2012, p.111-112).

When change affects an organisation, leaders of the organisation from top management to line supervisors need to step in and demonstrate effective leadership skills. The role of the manager becomes critical in leading teams of employees through the change process so that the organization can implement new ideas and maintain its customers while retaining and engaging talented employees. To be a successful leader of change, each manager needs to first understand the dynamics of change and how uncertainty affects them and others. The change leader has to recognize how ambiguity can be used to adapt to change, how improvement forces work units to make the best of their situations and how change brings up the need for clear, crisp and empathic communication.

“Leadership is essentially a process of social influence in which individuals want to feel included, supported and reinforced, especially during change. Relations between

individuals and their leader will affect perceived leader effectiveness. As such, an understanding of such relations needs to address issues of the individual's self-concept” (Kavanagh, 2006, p. 7). Successful organizational change requires strong, ongoing and visible leadership to support that change. Leaders must be at the forefront of the change process, leading by example and modeling the type of behaviors that they want to see in their organization.

Warrick (2009, p.14) is of the opinion that “the primary reason why so few change efforts succeed is a lack of understanding on how to successfully manage change, particularly by top management, and also by management at all levels and others involved in change efforts. The people initiating change may be visionary leaders, excellent managers, or star employees however, they may have little knowledge of how to manage change which requires excellent instincts about change or training in how to champion and manage change.”

2.8 Organisational culture

Dooley (1995, p. 2) argued that, “when we think of “culture” we enter a fuzzy world of purposeful thought and feeling, action and meaning that shapes what life is like within an organization but that is very difficult to capture and define. This is in part because patterns of purposeful thought and action are not particularly amenable to reductionistic analysis”.

Organisational culture develops and manifests itself differently in different organisations. One cannot say that one culture is better than another but just that it differs in certain aspects. There is no ideal culture, only a good culture, appropriate to the organisation. This means there cannot be a universal recipe for managing the culture of any organisation, although there are certain approaches (Grigoruta, 2006, p. 747).

“Organisational culture emerges from the external environment, history, and day-to-day operations of the organisation. The interactions of the organisation and its members shape and mould the culture as does the longevity of the organisation, the richness of its shared history, how well culture is taught to new members, and the values and beliefs of its founders. An organisation without a long history, strong founding values, or steadfast personnel will have a weak culture” (Schein, 1990, p. 117).

Anderson & Ackerman-Anderson (2001, p. 98) discussed that “within culture lies the company’s core values, its norms and operating principles, its myths and stories. Culture is the way of being of the organisation, exerting influence over people’s morale and spirit. It determines what types of individual behaviors are acceptable or not and shapes the behaviors and style exhibited by the organisation in the marketplace. Culture is the organisation’s character.”

Altogether, very different conceptions of culture construct have been revealed. Organisational culture can be viewed as a way of life among particular people, as cognitive rules guiding the behavior of the cultural members, as a shared system of meanings, an emergent, constantly interpreted and reproduced, fragment, political phenomenon or as a

text – true fiction - produced by the researcher (Netta, 2005, p. 4). The culture of a group can now be defined as a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems (Schein, 1992, p. 17).

Gibson & Barsade (2003, p. 15) defined culture “as the glue that holds an organization together through a sharing of patterns of meaning.”

“Organisational culture is manifested in the typical characteristics of the organisation, in other words, organisational culture should be regarded as the right way in which things are done or problems should be understood in the organisation. It is widely accepted that organisational culture is defined as the deeply rooted values and beliefs that are shared by personnel in an organization” (Sun, 2008, p. 137).

There are various definitions for 'organisational culture' in the literature, which differ somehow from each other. The emphasize of some is in the meaning, some emphasize the way it is conveyed, while some emphasize the applications on the organisation, and some point out the culture mainly as a pattern of behaviour. All these definitions have something in common, they emphasize on the importance of the culture for the organisation and for the members of the organisation since the culture helps the organisation define itself and make its way into a possibly difficult environment. People working for one particular

organisation have a specific way of acting, way of doing things and inter-acting which sets them apart from people working for other organisations, these specific differences will be noted as the culture of the certain organisation.

Schein (1992, p. 14-15) argued that, when we have so many other concepts such as norms, values, behavior patterns, rituals, traditions, and so on, one recognizes that the word culture adds several other critical elements to the concept of sharing: structural stability, depth, breadth, and patterning or integration.

Structural Stability

Culture implies some level of structural stability in the group. When we say that something is “cultural,” we imply that it is not only shared, but also stable, because it defines the group. Once we achieve a sense of group identity, it is our major stabilizing force and will not be given up easily. Culture survives even when some members of the organization depart. Culture is hard to change because group members value stability in that it provides meaning and predictability. Depth Culture is the deepest, often unconscious part of a group and is, therefore, less tangible and less visible than other parts. From this point of view, most of the concepts reviewed above can be thought of as manifestations of culture, but they are not the essence of what we mean by culture. Note that when something is more deeply embedded it also gains stability.

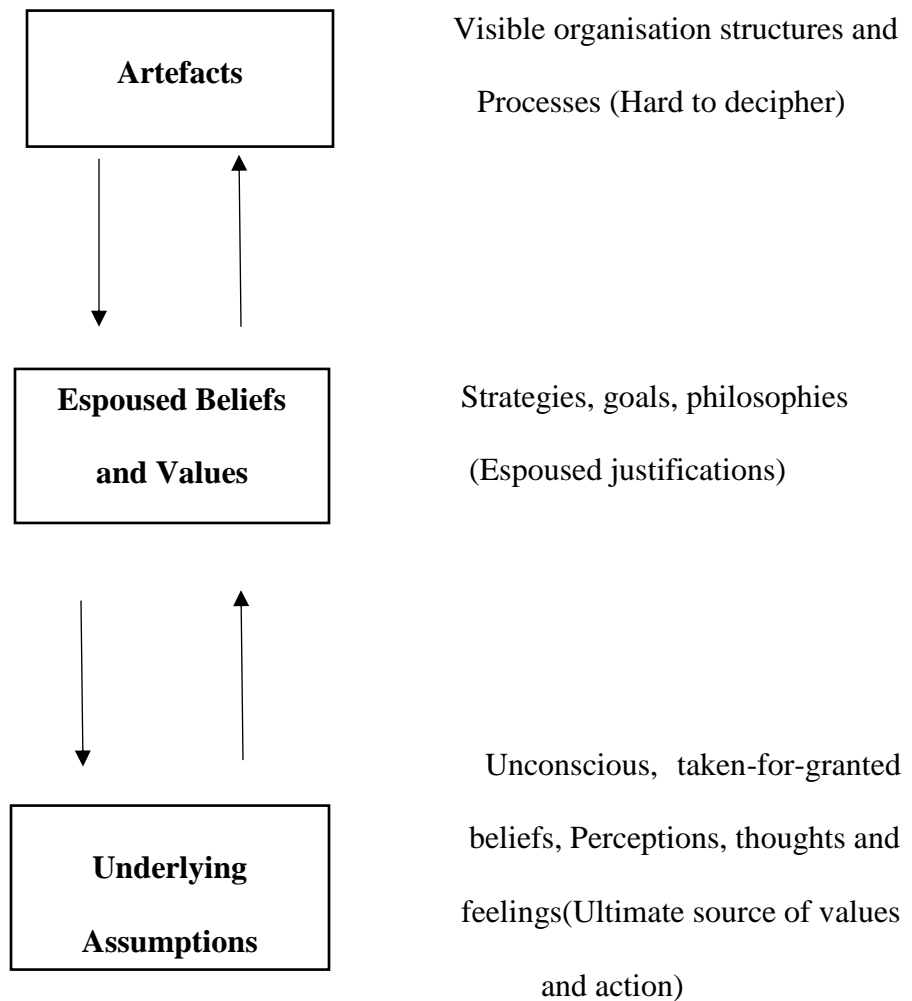
Breadth

A third characteristic of culture is that once it has developed, it covers all of a group's functioning. Culture is pervasive; it influences all aspects of how an organisation deals with its primary task, its various environments, and its internal operations. Not all groups have cultures in this sense, but the concept connotes that when we refer to the culture of a group we are referring to all of its operations.

Patterning or Integration

The fourth characteristic that is implied by the concept of culture and that further lends stability is patterning or integration of the elements into a larger paradigm or "gestalt" that ties together the various elements and that lies at a deeper level. Culture somehow implies that rituals, climate, values, and behaviors tie together into a coherent whole; this patterning or integration is the essence of what we mean by "culture".

Figure 3: Levels of culture



Source: Organisational culture and leadership (Schein, 2004, p. 26)

Schein (2004, p. 25-31) modeled culture on three levels, the first level being, artifacts, includes all the phenomena that one sees, hears, and feels when one encounters a new group

with an unfamiliar culture. The observable daily features of organizational life such as activities, rituals, jargon, office layouts, and so forth. The most important point to be made about this level of the culture is that it is both easy to observe and very difficult to decipher.

The second level is, values and beliefs, which talks about all group learning ultimately reflects someone's original beliefs and values, their sense of what ought to be, as distinct from what is. This may include an organization's espoused judgments about what is good and bad, which make sense of how actions are evaluated as exemplary or ineffective.

The third level is, basic assumptions, which is about being taken for granted that one finds little variation within a social unit. This degree of consensus results from repeated success in implementing certain beliefs and values, as previously described. In fact, if a basic assumption comes to be strongly held in a group, members will find behavior based on any other premise inconceivable. This includes our deepest and most comprehensive explanation of reality—our views of fundamental truths about people and the world.

Smollan & Sayers (2009, pp. 435-436) points out that change triggers emotions as employees experience the processes and outcomes of change, including cultural change. An organisation's affective culture, which shapes the way emotions are experienced and expressed, plays a particularly important part during changes to the culture or to any other significant aspect of organisational life. They further argued that there are a number of ways in which organisational culture, organisational change and emotions are related. Firstly, organisational culture is imbued with emotion and therefore cultural change is

especially emotional. A change in culture can be the goal of management but could occur indirectly as a result of strategic, tactical or operational changes. Secondly, an organisation's affective culture influences how these emotions are experienced and expressed. Thirdly, there might be specific elements of a culture that an employee likes or dislikes and these influence emotional responses to any type of change.

Researches at Corner Partners (2010, p. 4) argued that, many leaders don't attend to the culture as they should when confronting major upheavals. Sometimes it is out of a disregard for the power of culture to maintain the status quo. Sometimes, culture is seen as "too soft and mushy" to do anything about. Some leaders believe that the culture will change on its own once the new strategy (or new organisational structure, or new technology) is in place. They can also fall into the trap of thinking the investment required to change culture is too high. For others, the process of changing culture is considered just too much. Finally, there are those leaders who believe they can avoid addressing culture until the "real work" of change has been completed (installing new policies, procedures, etc.). If any of these leaders introduce significant changes, their organisational culture will likely consume the changes and leave their commitments less than fully honored. It is wise to look at organisational culture when facing change, and ensuring whether a culture shift is needed.

"Change in an organisation creates uncertainty in an organisation. This uncertainty creates fear among those in the organisation making change management very difficult. Building change on and around the core values of the library's culture makes implementing the change less uncertain and unpredictable thereby making the librarians and library staff less

stressed and fearful. Emphasizing an organisation's values, especially how the change will enhance those values, strikes at the very heart of those within the organisation and makes them more open to and accepting of change" (Martin, 2013, p. 460).

Grigoruta (2006, p. 748) argued that "since, cultures develop over a long time, and are usually deeply rooted, they are also difficult to change. When in an organisation there is a weak or weakly supported culture, this presents the opportunity for change. It is hard for people to change attitudes and long held conceptions. All managers can do is to help facilitate behavioral change to reduce the dysfunctional elements in a culture and introduce functional ones."

Attention to culture is a make-or-break factor in successful transformation. We have seen numerous examples of organisations spending millions of dollars on information technology installations, only to have the old cultural norms stifle the implementation and subsequent use of technology. The investment was made, the technology installed, but the people did not use it and the potential benefits were lost. All cultural interventions, no matter what level of human system change leaders are addressing, they begin and end with the mindset. If leaders are working at the organisation level, then they must consider and address the collective mindset and include it in their change strategies (Anderson & Ackerman-Anderson, 2001, pp. 100-101).

CHAPTER THREE: METHODOLOGY

3.1 Research Design

Research design refers to the overall research approach that was used to achieve the primary and secondary objectives of this study and to reach a conclusion on the thesis statement. The study was conducted using mixed methods approach. Firstly, the qualitative study through interviews was used to gain an understanding on how re-alignments were managed. The interviews were conducted with the team that was involved in the initial planning and implementation of the change exercise, which includes change agents and the executives. Conducting interviews provided for diverse opinions and outcomes since the effect of the change implementations were felt differently. Interviews made up of ten questions in which two senior employees participated were designed, the interview questions and answers were used by the researcher to do a preliminary exploratory analysis to familiarize himself with the interview answers and start picking up themes that were used to classify findings.

Quantitative methods using self-administered questionnaires designed by the researcher, loaded on an internet based software were used to obtain statistical data, this in turn enabled and assisted in understanding the impact of change management and its effects on the daily operation of the MVAf's business.

Data collection for the study was conducted at two different levels, firstly, management level, to determine the nature of support system put in place, understand the reasons behind

the re-alignments and change in strategy; secondly, with the employees, which helped understand the role played by employees and the effects of change on individual employees.

A considerable number of the current employees who make the population for this study were in the employment of MVAF at the time of the change process which involved the re-alignments and the transitional change. These employees were affected differently, thus the collection of data across all levels of the organization provides for accurate and reliable data for this study.

3.2 Population

The population for this study comprises of the 143 employees of the MVAF, the 143 is comprised of 84 females and 59 males employed both at the Head Office and the Regional branches. The one hundred and forty-three (143) is made up of one (1) Chief Executive Officer, six (6) executives and one hundred and thirty-six (136) employees below the executive level. The sample for this study was drawn from this group of employees because the majority of them experienced the effects differently.

3.3 Sample

Saunders, Lewis & Thornhill list two types of sampling: “probability or representative sampling and non-probability sampling” (2009. p. 152). This study used the systematic sampling method which is a probability sampling technique.

A list of employees of the MVAF was obtained from the Human Resource Unit for a sample to be drawn out of the population. The study used the systematic sampling technique method to select the 36 participants, which is 25% of the population. The sample was made up of 36 employees, which excluded the executives of the different units and was drawn as follows: $N=143$, $n=36$: so $N/n=143/36=4$; with (N) being the population size, (n) being the sample size and 4 being the sampling fraction. The number, 3 was randomly chosen as a starting point on the list of 143 employees, meaning that employee number 3 formed part of the sample and every fourth employee thereafter was included until the sample size reached 36. Thus, employees on the list represented by the following numbers made up the sample for this study;

3,7;11;15;19;23;27;31;35;39;43;47;51;55;59;63;67;71;75;79;83;87;91;95;99;103;107;111;
;115;119; 123; 127; 131; 135; 139; 143.

In cases where the chosen employee was new in the organisation, having joined after the entire change exercise was carried out then the next employee on the list was chosen to replace the initial chosen employee. The same applied in cases where a member of the executive was chosen as part of the sample, they too got replaced by the next employee on

the list because they were part of a team that was leading the change process and were catered for by the interviews.

3.4 Research Instruments

In the primary or field research, quantitative as well as qualitative research methods were used to collect data. Lime survey which is an online survey software tool used by the MVAF to carry out organisational surveys, was used in the form of a questionnaire to cover quantitative research. The lime survey questionnaire retrieves data in excel and excel in turn was used to analyze data collected.

As a technique for data collection, an online structured questionnaire was chosen to collect primary data. A pilot study designed to test the questionnaires reliability before undertaking the main data collection exercise, where four people were chosen to pilot the questionnaire. The questionnaire consists of follow-up questions which are used to test the reliability of the research instrument. The researcher examined the response patterns during the pilot study and questions which had flaws were adjusted so that they are presented in a manner which is fully understood by the respondent. A large sample size of 32 was selected based on the sampling equations to ensure that results are valid.

The survey was conducted through individualised online links and the respondents remained anonymous. The self-administered survey method was chosen as it was found to

be the most appropriate for the study with an easily identifiable population. The chosen sample could read, write and are proficient in English, thus understood and answered the questions without difficulties. Upon completing the online survey, the feedback was gathered by the IT department where the researcher collected the combined data for analysis.

Another type of primary data was gathered by conducting structured interviews with executive managers who were part of the team that spearheaded the change exercise at the MVAF. The objective of the interviews was twofold, to obtain in depth knowledge on the transitional change the MVAF was undergoing and secondly, to identify factors that were critical in managing organisation change.

Open-ended, face to face, structured interviews were used to carry out qualitative research. A pilot interview to test the questions and readiness of the interviewer, as well as to determine its validity and reliability was conducted by the researcher. Interviews conducted for the executives of the MVAF include the CEO and CBS.

3.5 Procedure

The questionnaire was designed to be short, precise and covered areas such as, role played in the change management process, resistance, stress factor, communication, challenges faced, framework used and the response from the employees. An electronic link was sent out via email to all the employees who were chosen as a sample to access the survey which was opened for a period of five (5) working days, this allowed respondents to have

sufficient time in answering the questionnaire uninterrupted and at their most convenient time.

Apart from the questionnaire, thirty (30) minutes face to face interviews were conducted with the CEO and the CBS who was part of the change agents. The purpose of the interviews was to establish the role played by different individuals, determine the challenges faced, the impact of change and its effects on the day to day operation of the MVF business.

3.6 Data analyses

Examining relationships and displaying data, as well as narrative analysis are the methods of data analysis used to analyze qualitative data collected through interviews. The data gathered through questionnaires was analysed by means of computer aided data analysis software called Lime-Survey, which sorts and categorizes data outputs into Excel where it was analysed to determine the effects of change management on individual employees and the organisation. The online survey only gives an output of gathered data which is then analysed by the researcher in Excel by using column charts. The quantitatively analysed data is herein presented in frequency and percentage, as in chapter four (4). Correlational analysis is only limited to cross tabulations given that ordinal data was the only quantitative data generated from the research instrument.

3.7 Research Ethics

The participation by the chosen sample is totally voluntary, with permission to partake in the research obtained from the employees before they undertook to answer any questions. The process of gathering information from respondents was anonymous and confidential, as no names were used in this final research report even though the data and findings is related to the MVAF. The online survey only gives an output of gathered data which is then analysed by the researcher. The participants were informed of the purpose of the study, the length of time it will take to complete the questionnaire and the benefits of the study. All borrowed ideas from researchers or scholars have been acknowledged and plagiarism is avoided.

3.8 Conclusion

The study uses a mixed method approach by using a qualitative method through interviews, as well as quantitative by rolling out self-administered questionnaires. The population of the study was derived from the total employees that were on the books of the MVAF at the time when the study was conducted, which was 143 and by using a systematic sampling method, the sample size of 36 was derived at.

CHAPTER FOUR: DISCUSSION OF FINDINGS

4.1 Introduction

This section presents the results from the primary study conducted. The data was gathered with a questionnaire survey administered amongst employees for the MVAf who are part of the sample and from interviews conducted with key informants, who were part of the change agents. Quantitative data is presented in the form of charts while qualitative data from the interviews was grouped into themes and is presented in the form of summaries.

4.2 Demographics



Figure 4: Gender of the Respondents

The sample for the study is 36 employees, of which only 31 participated in the study by responding to the individual online survey send out, thus, there was an 86% response rate on this study. The bar graph above shows that 65%, which translates into 20 females participated in this study while 35% which is 11 males took part in this study from the chosen sample. This distribution is an indication that there are more females 59% as compared to males 41% at MVAF since a simple random sampling technique was used to select the participants. Participation of both genders ensured a gender balanced study which takes into account the opinion of both sexes.

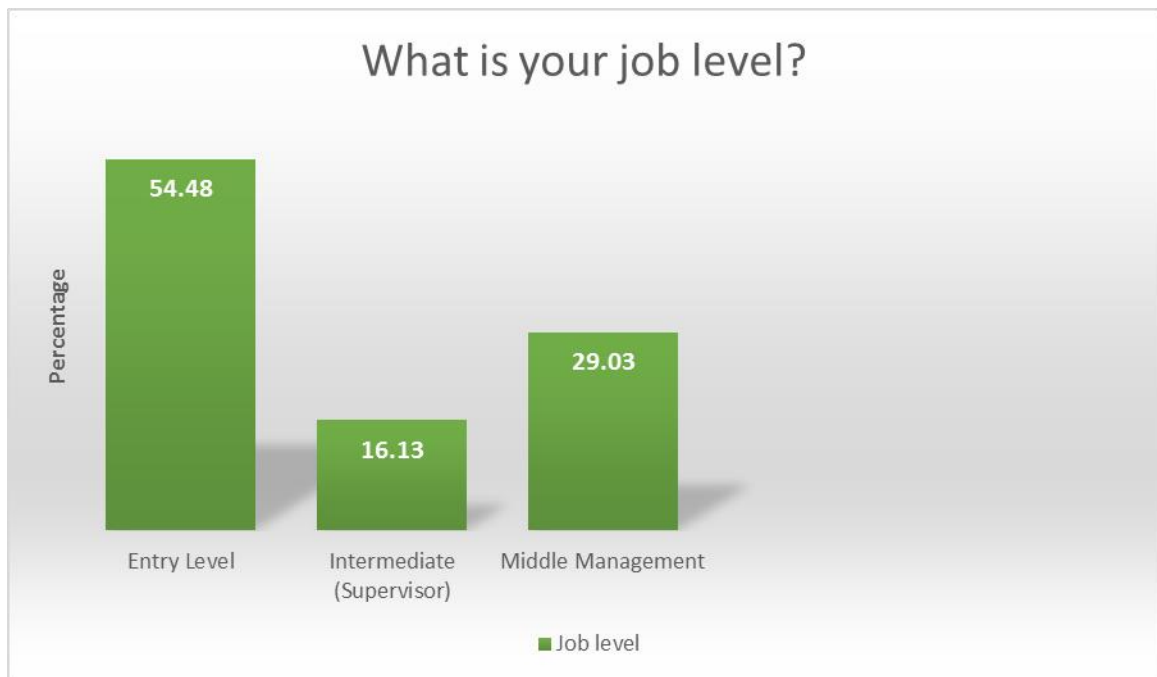


Figure 5: Job Category of the Respondents

The figure above shows that three employee levels were reached by the study. The majority of the respondents were at entry level (55%). Employees at entry levels are the ones mostly affected by organisational change because they have to adjust to change in management styles of new superiors. Small proportions consisted of those who had supervisor roles and those in middle management. The reasons why the majority of respondents are from entry level jobs can be attributed to the organisational dynamics of the MVAf or any other organisation, where there are more subordinates as compared to supervisors, managers and executives. The executives were reached using key informant interviews.

4.3 Change Management at MVA fund



Figure 6: Job satisfaction levels at MVAf

The figure above shows that the majority of the respondents (77%) are satisfied with their job. Only a proportion of 16% was indifferent while a small proportion of 6% stated that they were not satisfied with their job. Overall, the results above indicate that the majority of the employees are satisfied with their jobs. This is consistent with information gathered from the key informant interviews. The key informants highlighted that a lot is already being done by the MVAf to ensure that the staff is satisfied with the workplace.

The MVAf has gone to the extent of having a Wellness Officer whose role is to coordinate different activities such as work-life balance and the Employee Assistant Fund. The key informants stated that the MVAf has created a conducive environment under which individuals can thrive and get recognition for it while study opportunities, professional growth are amongst some of the opportunities provided by the MVAf to meet the employees halfway. The fund has introduced employee satisfaction surveys and participates in the annual Deloitte Best Company survey where the MVAf can get feedback on employee satisfaction and work on their concerns. The key informant highlighted in the interview that, employees value their supervisor relationships, the working environment and the prospects of the organisation, with remuneration being the least to give them job satisfaction.

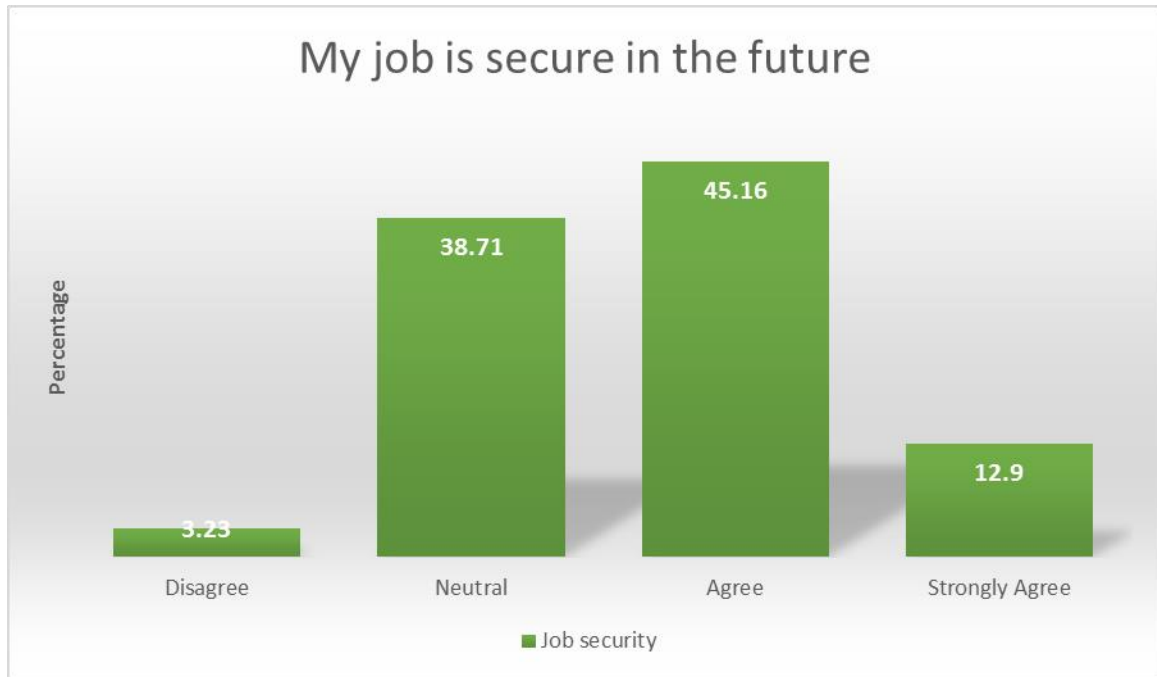


Figure 7: Job Security at MVAF

The results above reveal that more than half of the employees feel that their jobs are secure despite the organisation change taking place. However, a considerably large proportion of 39% highlighted that they are unsure whether or not their job is secure in the future. This signifies challenges in reassuring the employees that they would not be purged under the disguise of organisational change. However, the evidence from the key informants suggested that the executives ensured that the process of organisational change is implemented in a transparent and consultative manner. The key informants highlighted that a committee organised regular focus group discussions through which engagements with staff on job security were held.

Re-assurance was given at these discussions that the transition was mainly focused at the top and though there might be re-alignments due to change in strategy, there won't be any job losses. However, the results above indicate that a large proportion of the respondents are still unsure about whether or not the change exercise would result in them losing their jobs. This could be attributed to the fear of the unknown which was partly caused by the change in strategy as some employees felt that their jobs might be on the line once the new strategy is adopted, whereas, some's fear of losing their jobs could be derived from lack of trust in the new leadership.

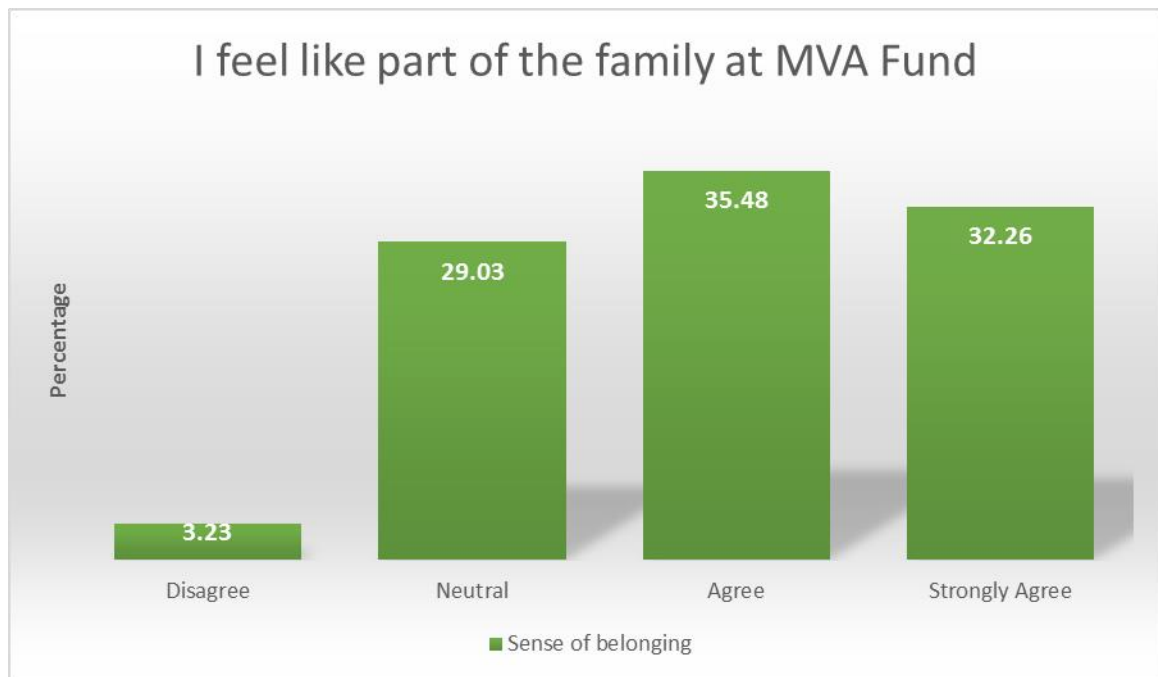


Figure 8: Sense of belonging at MVAF

The results above show that the majority 68% of the staff at MVAF have a sense of belonging. However, considerable proportions are either unsure 29% while the remaining 3% feel that they do not belong to the MVAF. Overall, the results indicate that despite undergoing change employees feel they belong to the MVAF. Evidence from the key informant suggested that at first some employees went into resistance by way of apathy, withdrawal (non-participative) in organisational events and activities. However, the majority were quite explorative while at the same time sceptical. The major concerns were about losing benefits and forging new relationships with newly appointed superiors. These results could be attributed to the lack of team building exercises and activities carried out during the transition period, thus leading to certain employees feeling left out and not being part of the MVAF.

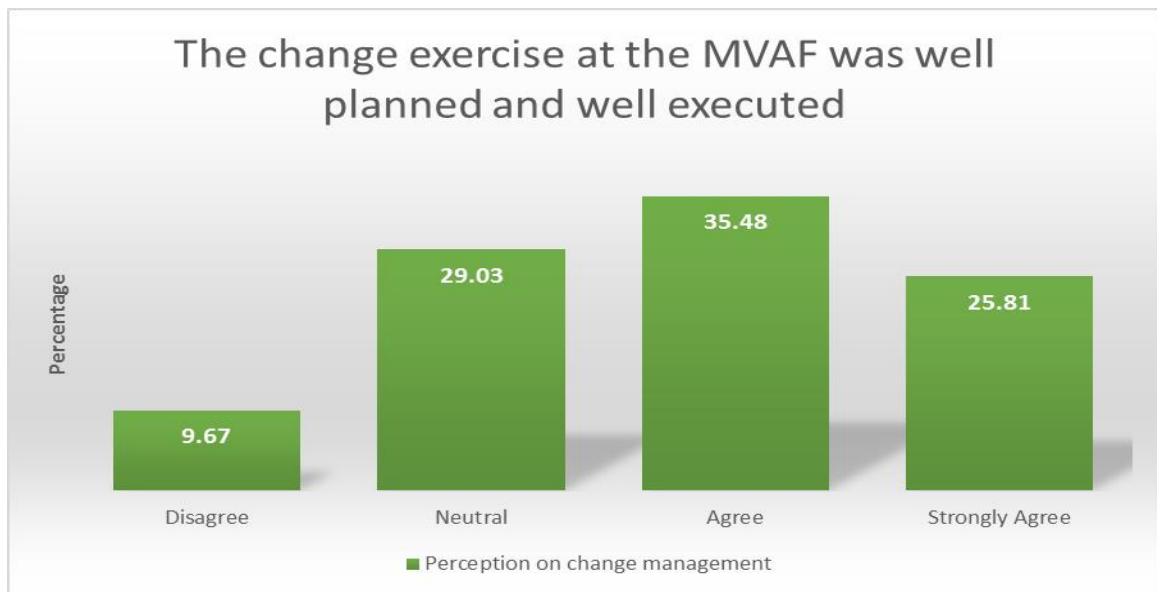


Figure 9: Perception of the change management process

The bar chart above shows that a total of 61% of the respondents are of the opinion that the change management process was well planned and well executed. Almost a third of the respondents were indifferent, while 10% of the respondents stated that the change management process was not well planned. Overall, the results show that the MVAF change management process was well thought of and was systematically implemented.

The key informants stated that change management planning started the moment when the former CEO announced that he was not seeking renewal of his contract. The planning process involved recruiting a consultant to assist the MVAF with rolling out change management. The consultant assisted with the training of the Core team as well as had preparatory meetings with the Board, CEO and the entire team. At the time the Cabinet approved the appointment of a new CEO, it was agreed with the board that the new CEO be the one to champion the change management process in the 8 months remaining before the former CEO leaves.

This allowed a smooth transition between the two leaders and served as a preparation for the employees to ready themselves for change. In having the incoming CEO champion the change process, the MVAF was an indication to staff members on how serious and important this matter of change was to the institution, thus a high number of employees affirming that the change exercise was well planned and executed.

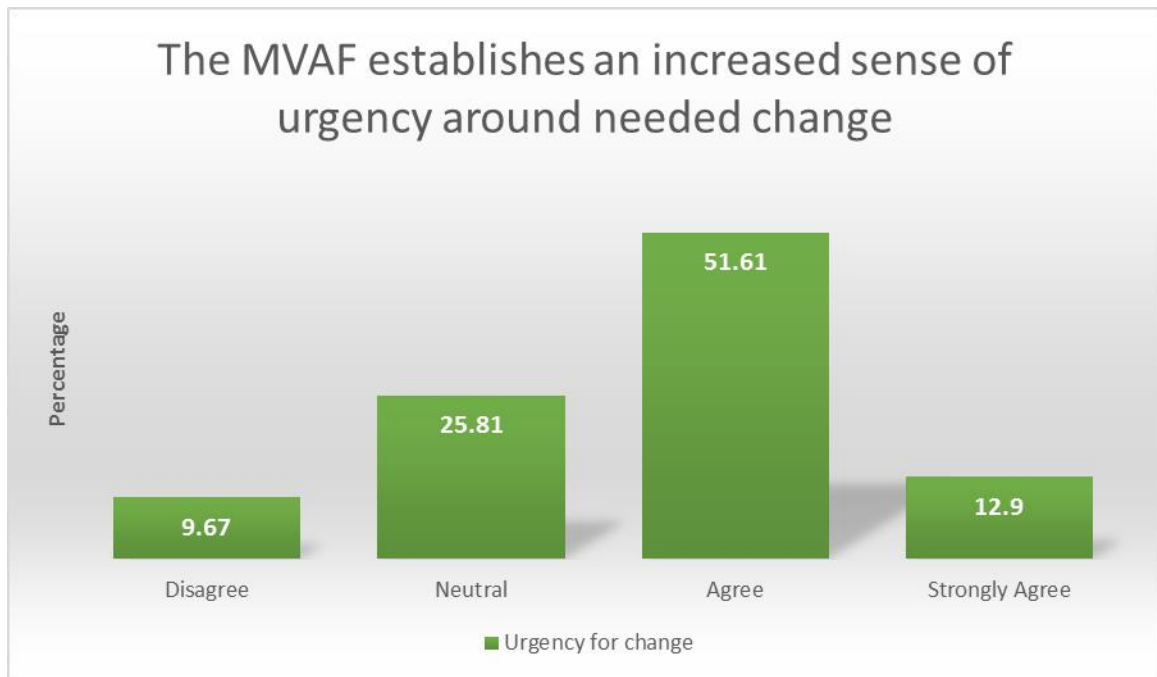


Figure 10: Urgency of the need for change

The figure above shows that the majority of the respondents 65% concurred with the statement that the MVAF established a sense of urgency around the needed change. The results show that the necessary preconditions for successful change were met before the change management strategy was implemented. However, considerably large proportions of the respondents were indifferent 26% or felt that these conditions did not prevail. This shows that even though the preconditions were there, they were below the ideal levels hence this could have limited the impact of the change exercise.

The key informants indicated that the urgency was mainly derived from the activities that were carried out with the assistance of the former CEO, the MVAF arranged staff meetings where change matters were discussed, a public lecture addressed by the former CEO

focusing on his tenure at the institution and transformational leadership was held at the Polytechnic of Namibia, media coverage on the change at the Fund and a farewell dinner were amongst some of the activities that increased the urgency to change amongst employees.

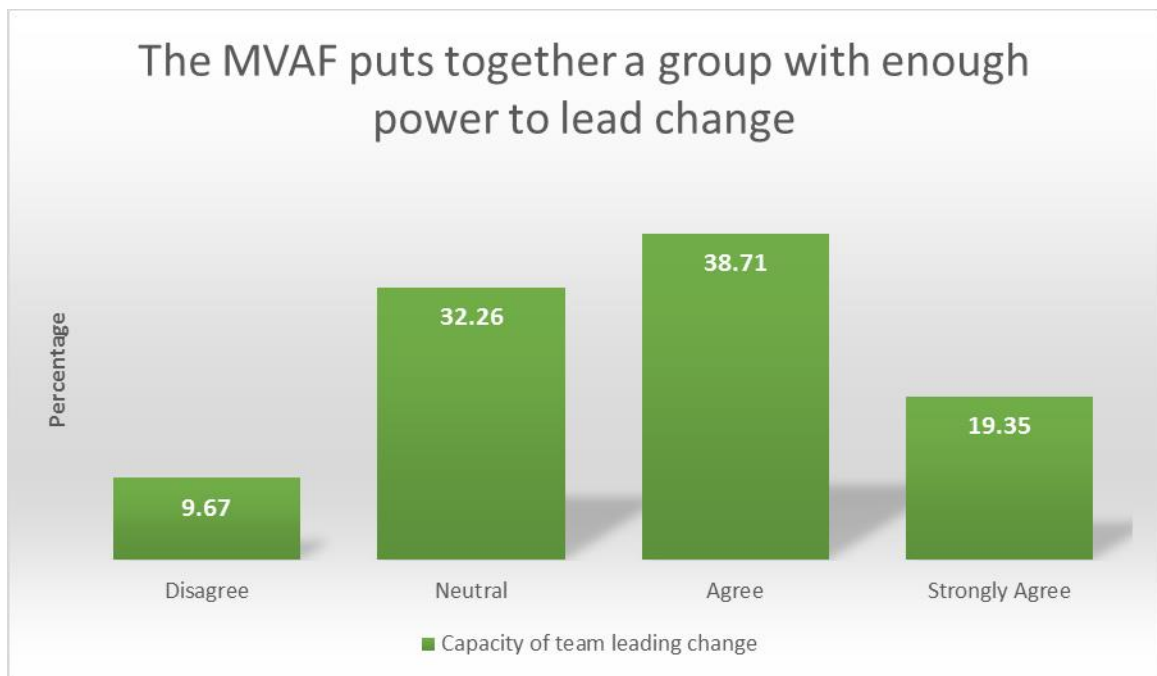


Figure 11: Capacity of the team leading change management exercise

The results above show that the staff that was tasked with the responsibility of managing change within MVAF had enough power to lead the change process as evidenced by 58% who shared this opinion. However at least 32% of the respondents were undecided,

whereas, 10% did not fully agree with this statement. This was consistent with evidence gathered from the key informant interviews which showed that some employees resisted change at first, hence the results above could be an indication that those who resisted felt that the champions of change did not have enough influence to steer the change management process.

One of the important success factors of a change management exercise is the ability of the champions and agents for change to exert a level of influence to steer the organisation towards the desired direction with minimum resistance. This requires powerful people within the organisation who act as catalysts of change.

Evidence gathered through the interviews shows that selection of the committee tasked with this process was done in consultation with the board and consisted of members of the executive and management. Having a committee which consisted of management and the executive, headed by the new CEO contributed to an increase in the trust and confidence the majority of employees had in the team leading change.

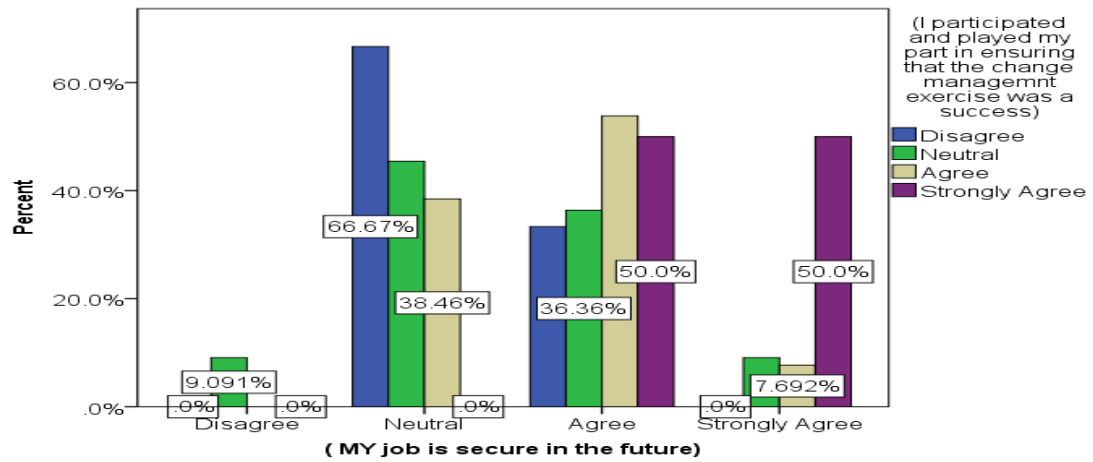


Figure 12: Participation in change process and job security

Table 3: Chi-Square test on job security and participation

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.168 ^a	3	.983
Likelihood Ratio	.169	3	.982
N of Valid Cases	31		

Table 3 shows that the test p-value of 0.0983 > 0.05 (critical) hence there is significant association between job security and overall participation in the change exercise.

The clustered chart shows that 67% of those who did not participate in the change management exercise were unsure about whether or not their jobs were secure in the future. Change processes within organisations are often associated with job insecurity among employees.

A successful change management exercise should allay fears among employees and give assurance that the change process is not a purge but rather a process that could lead to better employee wellbeing. The results above show that all those who participated in the change management exercise, 50% Agree, 50%, strongly agree, felt that their jobs were safe in the future. Participation in the change process involved the use of focus group discussions aimed at assuring employees that the change process is aimed at leadership transition.

The purposes of focus groups were to work through the employees' fears and perceived losses and assure them that it is a leadership transition, while also communicating that their jobs were not at risk. It is thus imperative to note that those that did not partake in the change management discussions were insecure and have the fear of the unknown.

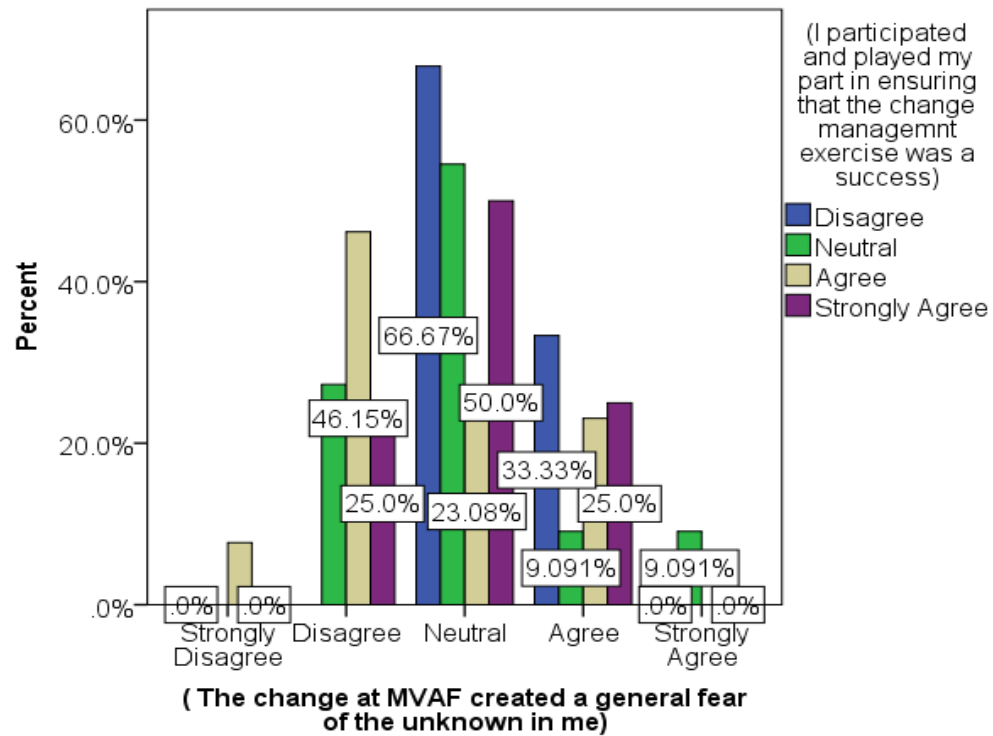


Figure 13: Participation in change process and insecurity

Table 4: Chi-square test on participation and insecurity

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.672 ^a	9	.378
Likelihood Ratio	10.001	9	.350
N of Valid Cases	31		

The Chi square test in table 4, shows a value of $0.378 > 0.05$ (Critical) hence there is significant association between participation in the change management process and general insecurity and fear on the part of an employee.

Figure 13 shows that the participation in the change management process results in better understanding of the aim of change and this reduces the fear of the unknown among employees. The chart shows that the majority 33% of those who felt that the change process created a general fear of the unknown in them did not actively participate in the change process. Similarly the majority of those who were unsure about whether or not the change process resulted in a fear of the unknown did not actively participate in the change exercise. In contrast, the majority 46% of those who stated that the change exercise did not result in any fears at all stated that they actively participated in the change process.

The key informants stated that at first there were some expectations and disappointments as well as fear for some about who their superiors will be and whether they are strong enough to drive performance. The informants highlighted that the new superiors themselves were tasked to manage the change process from within their units. There was resistance from some and withdrawal although it was not prolonged.

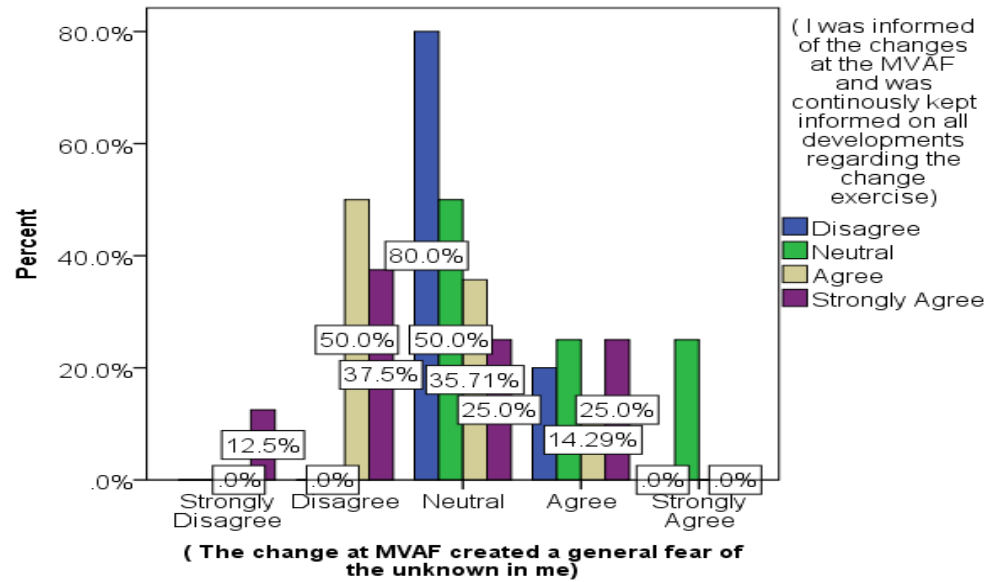


Figure 14: Communication of the change management process and insecurity

Table 5: Chi-square test on communication and job insecurity

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.813 ^a	12	.157
Likelihood Ratio	16.426	12	.173
N of Valid Cases	31		

The Chi square p- value of 0.157 > 0.05 (critical value) hence there is significant association between communication of the change exercise and job insecurity. The chart above shows

the general effect of communication on uncertainty among employees. The majority 50% of those who stated that the change process did not create fear of the unknown also stated that they were continuously informed on development brought about by the change exercise. In addition 80% of those who were unsure of whether or not the change process created a general fear in them did not participate in the change management exercise.

The key informants highlighted that change was first communicated to the employees before a press release and the advertisement for the position was done. This was to ensure that employees do not get fed with information by the media which would be a secondary source, thus the institution made a pronouncement on the changes and urged employees to be part of the change process so that no one feels left out. There were regular focus group discussions on the change in strategy which included all the employees.

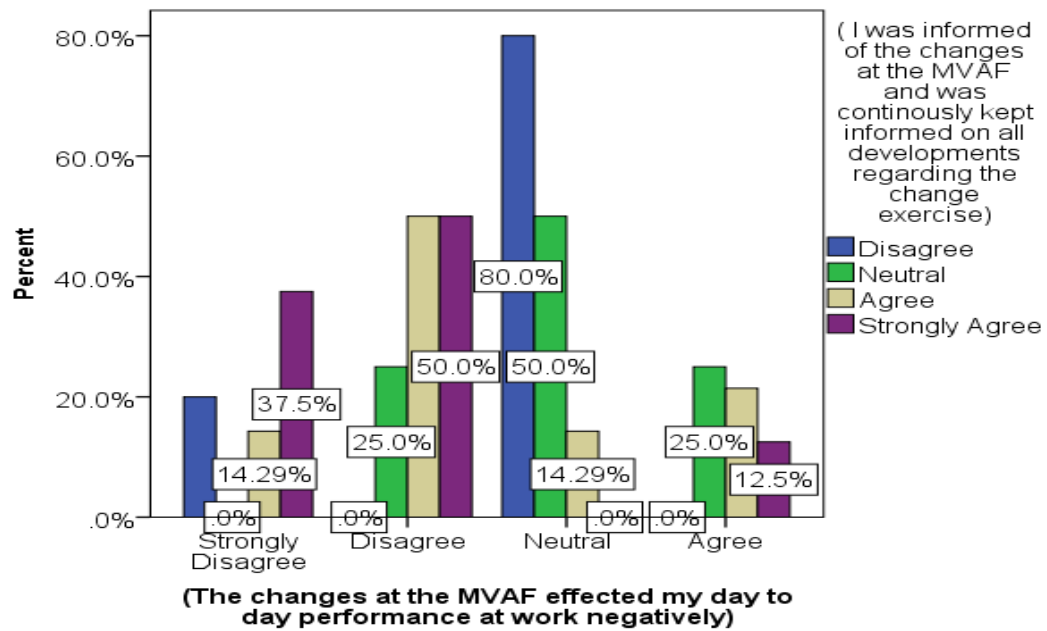


Figure 15: Communication and negative outcomes of the change exercise

Table 6: Chi-square test on communication and negative outcome of the change exercise

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.869 ^a	9	.070
Likelihood Ratio	18.978	9	.025
N of Valid Cases	31		

The table shows that there is significant association between the outcome of the change management exercise and the effectiveness of the communication process since the p-value of $0.07 > 0.05$ which is the critical value.

The goals for effective communication are to increase the organization's understanding and commitment, reduce confusion, and prepare staff for the impact of change. The results in figure 15 show that 80% of those who stated that there were not continuously informed of the developments regarding the change exercise were also unsure of whether or not the change exercise had a negative impact on them. Similarly, half of the respondents who stated that there was effective communication stated that there was no negative outcomes from the change exercise. The majority of those who felt the change exercise resulted in negative outcomes were unsure about whether or not there was continuous communication regarding the change exercise.

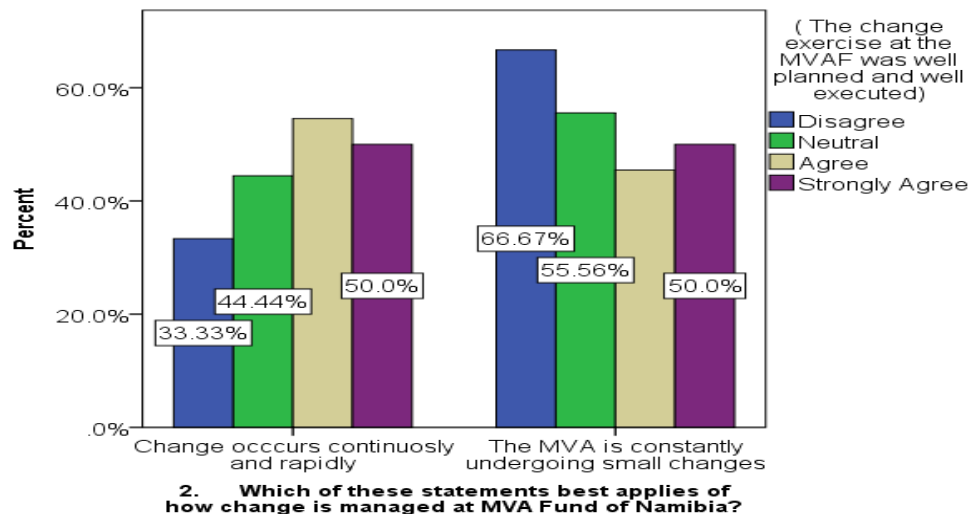


Figure 16: Perception and attitude towards change

Table 7: Chi-square test on perception and attitude towards change

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.168 ^a	3	.983
Likelihood Ratio	.169	3	.982
N of Valid Cases	31		

The Chi square p- value of 0.983>0.05 (critical value) hence there is significant association between perception towards change and the general attitude towards change. The results above shows that the majority of (67%) the respondents who stated that the change process was not well planned and well executed felt that MVAF is moving through small changes. This may signify that these respondents feel that the change process is not significant enough to influence their day to day activities. Similarly 55% of those who stated that the change process was well planned and well executed are of the opinion that change occurs continuously and rapidly.

4.4 Conclusion

The findings of the study found that effective communication maximize value and minimize disruptive impact the initiative has on employees. Key to the process was the flow of information and participation by the employees being the main stakeholders in this change process.

CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This section presents the conclusions of the study based on the discussion of findings from the previous chapter. The chapter also presents recommendations from the study based on the conclusions made.

5.2 Summary of findings

The study revealed the change exercise has been successfully implemented so far. This is evidenced by the majority of the respondents stating that the change exercise did not result in any negative outcome which affected their day to day business. In addition the study revealed that the implementation of the change exercise was to a certain extent limited by the coverage of the communication mechanisms used in the process. This is evidenced by the fact that the majority of the respondents who stated that the change process was not well planned and well executed also highlighted that there was no regular and continuous communication on the change mechanisms adopted by the organization. In addition the majority of the respondents who stated that their jobs were not secure in the future highlighted that they did not actively participate in the change exercise.

5.4 Conclusions

The study revealed that the resigning of the MVAF CEO resulted in a sense of uncertainty within the organisation. The change which the MVAF went through was in the form of a transition, having an executive who was in the employment of the MVAF to take over the reins of the organisation made this change exercise easier to carry out. Once the need change had been identified, there was a necessity to establish a competent team which managed the transition of the MVAF from the leadership of the former CEO to the present CEO.

During this process employees were worried about losing their jobs and other benefits under the new leadership hence organisational change was implemented to ensure a smooth transition. The results show that employee involvement and regular and effective communication are the key success factors in implementing a change exercise. The MVAF has successfully implemented the organisational change process through a participatory strategy which has yielded good results. The effect of organisational change on employees has been minimal with most of them highlighting that there have been no negative outcomes as a result of organisational change. Most of the respondents stated that they feel that their job is secure and the organisation fosters a sense of belonging within them.

The organisational change process has yielded satisfactory results in job satisfaction. The respondents highlighted that the establishment of a wellness officer resulted in improved working conditions and they are happy with their work environment.

5.3 Recommendations

- Regular communication on the status of change within the organisation and envisage change in the future
- MVAF should hold regular feedback meetings where employees contribute to how the implementation of the change exercise can be enhanced
- There is a need to put a suggestion boxes dedicated to the change process to ensure that sensitive issues can be communicated
- There is a need to hold regular breakfast meetings to strengthen the relationship between new supervisors and subordinates. This is also an opportunity to share success stories across departments.
- There is a need to increase communication coverage of employees to minimize any fears of job insecurity caused by lack of communication. This can be achieved through the use of company emails as a communication platform to keep all employees up to date about new developments.
- There is need to ensure that all employees are actively involved in the change management process. Emphasis should be placed on activities that require team work so that none team players are also covered in these activities.

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APPENDICES

APPENDIX 1: KEY INFORMANT INTERVIEW GUIDE

There has been a change in leadership at the MVAf in the form of a new CEO and subsequently, the strategic re-alignment of the executives. These questions seek to establish the role played by different individuals, determine the challenges faced and the criteria followed to ensure that the change was a success at the Fund.

1. How has the organization, and yourself, been involved in the change management exercise?
2. How were employees involved, from which stage and was there training involved?
3. From your observation and experience, what effects did the changes at the organization have on employees?
4. What was done to assure employees about their future at the organization?
5. Did the MVAf management put together a group with enough power to lead and implement change, what were the criteria used in choosing them and what were their roles?
6. Did the management communicate the proposed change to the entire staff before implementation took place?

7. How did workplace politics affect the implementation of change process at the Fund and was there any employee resistance?
8. Did those leading change get full support from all the staff members of the MVAf and was there enough resources for the full implementation?
9. In your opinion, has the implementation of change at the MVAf been successful?
If your answer is No, what do you think hindered the successful implementation?
If yes, please elaborate on the success.
10. What do you feel this organization can do to make employees more satisfied in their workplace?

APPENDIX 2: EMPLOYEE QUESTIONNAIRE

Section A

Demographic Information

1. What is your gender/sex

Male	
Female	

2. How old are you?

19 years old or younger	
20-29 years old	
30-39 years old	
40-49 years old	
60 years or older	

3. What is your job level

Entry Level	
Intermediate e.g. supervisory	
Middle Management e.g. Heads/Managers	
Upper Management e.g. Senior Managers	
Executive Level e.g. Chiefs	

4. How long have you been working for the MVA Fund of Namibia

Less than 1 year	
2-5 years	
6-10 years	

11-15 years	
16 years or above	

5. What qualification do you have

Grade 12/Matric certificate	
Certificate	
Diploma	
Degree	
Master Degree	
Doctorate Degree	
Other: specify	

6. What is your current job status

Full Time Employee	
On Contract	
Intern	

7. In which department do you work

Operations	
Human Relations	

Corporate Affairs	
Public Relations	
Legal Services	
Business Strategy	

Section B

This section measures job satisfaction and job security at MVA Fund

Area	1.Strongly disagree	2.Disagree	3.Neutral	4.Agree	5.Strongly agree
I am satisfied with my job					
I am satisfied with my supervisor					
My job measures up to the sort of job I wanted when I took it					
I am satisfied with place of work, the moral is good					

The salary that I receive is equivalent with the job that I perform					
I feel like part of the family at the MVA Fund					
I enjoy discussing my organization with people					
My job is secure in the future					
I do not feel a strong sense of belonging to my organization					
I do not know what my job will be in the future					
I feel uncertainty when discussing the future with clients					
My job offers me an opportunity to grow as a person					

Section C

This section measures your views on change implementation at the MVA Fund of
Namibia

Area	1.Strongly Disagree	2.Disagree	3.Neutral	4.Agree	5.Strongly agree
The change exercise at the MVAF was well planned and well executed					
The MVAF establishes an increased sense of urgency around needed change					
The MVAF puts together a group with enough power to lead the change					
I participated and played my part in ensuring that the change management exercise was a success					

I was informed of the changes at The MVAf and was continuously kept informed on all developments regarding the change exercise					
The MVAf change exercise affected me negatively					
The MVAf continuously communicates the new vision and strategy to the employees					
The change at MVAf created a general fear of the unknown in me					
The MVAf monitors and adjusts strategies in response to problems in the change process					
The MVAf aligns all policies, systems, structures and					

practices to fit each other and the change vision					
The MVAF selected the right team to lead the change exercise					
The changes at the MVAF effected my day to day performance at work negatively					

Section D

This section covers the general information on change management

1. Are you familiar with the term of change management and how it relates to affecting people?

Yes:		No:	
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2. Which of these statements best applies of how change is managed at MVA Fund of Namibia?

Change occurs continuously and rapidly		The MVAF is constantly undergoing small changes		Other: Specify	
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3. How long did it take you to adjust to the changes of a new CEO and the Executive team?

1-6 months		7-12 months		13-18 months	
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4. Was your day to day performance at work affected by the changes at the MVA Fund?

Yes		No	
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5. Which of this statements best describes your attitude towards change?

This change is not good for the organization, the CEO and is executives must all stay	Change is good, it is breath of fresh ideas in the organization	I cannot cope with this change, my boss is gone and I	I am optimistic, things will go well and the organization	My job is not safe anymore, I might be retrenched or sacked	I don't welcome this change, things should remain
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			have not place here anymore	shall succeed			as they are	
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