

UNIVERSITY OF KWAZULU – NATAL

**INVESTIGATING STAFF PERCEPTIONS DURING AN ACQUISITION - THE
CASE STUDY OF THE GIBB (PTY) LTD AND SEFSA (PTY) LTD**

BY

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**A dissertation submitted in partial fulfilment of the requirements for the degree of
Master of Business Administration**

**Graduate School of Business & Leadership
College of Law and Management Studies**

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2017

Faculty of Management Studies
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Roland A David
Student number: 200298958

ACKNOWLEDGEMENTS

“It is not the strongest of the species that survive, or the most intelligent, but the one that is most responsive to change.” – Charles Darwin

This project was a major undertaking that would have been impossible to complete without the assistance of many others. I have to thank:

Most importantly I thank my God through his son Jesus Christ and His Holy Spirit who gave me the courage and strength needed to complete this project.

Shaheeda, Matthew & Jordyn David for their love and inspiration, which carried me through the completion of this thesis. Without them, all of this is unnecessary.

My dear friend Zaheer Hamid and his family, Nazreen, Anisa, Mohammed, Waseem and Zahira who are always an inspiration to me.

Carmen Krishandutt (this rising star), without who, this work could not have been completed in time. Her time in discussing, reviewing and editing this dissertation was priceless.

Phumela Madubela, you are a star and my support whenever I need you. Thank you for all your support in completing this.

To my supervisor, Vannie Naidoo – Thank you for your support and patience in completing this dissertation.

To GIBB who allowed me to use this acquisition as a project to conduct this study. Thank you.

To my Director and General Manager at GIBB: Thank you for supporting me in this study.

To the stars of the SLASH team at GIBB, thank you for your support and assistance throughout this project. You have no idea how you inspire me.

ABSTRACT

Growth is an important measure of success in today's competitive global business environment and is the key element in the successful sustainability of business activities (Jay, 2014, pp. 430-448). Growth could be achieved organically or through the acquisition of another company which could lead to diversity and give the organisation a competitive and unique edge. The success of an acquisition is heavily dependent on the people who are actually affected by this change by way of their attitude and commitment to the change. In order for the acquisition to be successful, employee involvement is vital. Most importantly, their perceptions to the change need to be evaluated so that the organisation is more assured of successful change implementation (Babi , Savovi and Domanovi , 2014, pp. 856-876).

GIBB (Pty) Ltd, a multidisciplinary engineering consultancy had aspired to grow its environmental division through the acquisition of another environmental firm, SEF (Pty) Ltd. It was envisaged that the acquisition would double the size of the GIBB environmental sector in terms of both workforce and revenue. Although the two organisations operated in similar industries they had very different organisational cultures and very different operating structures. In order to determine whether this acquisition would be successful, it was essential to gauge the perceptions of the employees of both companies towards the acquisition and the readiness of both sets of employees to change.

The type of research design used for this study was a quantitative descriptive study, with the use of a census technique. The online questionnaire was made available to a sample of 59 environmental employees. The outcome of this study revealed the overall positive staff perceptions toward the organisational change process i.e. acquisition of SEF by GIBB. These staff perceptions assisted in indicating what was going right in the change process and also indicated areas for improvement. The Pearson correlation coefficient analysis revealed the attitude towards change processes were not impacted by the company people worked for, gender, work experience, age, whether current job is respondents' first job or not, position and location. Recommendations from this research study highlight the importance of building trust and identifying and implementing change agents within the organization.

TABLE OF CONTENTS

DECLARATION	ii
ABSTRACT	iv
TABLE OF CONTENTS	v
LIST OF FIGURES	xii
LIST OF TABLES	xiii
LIST OF ABBREVIATIONS	xiv
1. INTRODUCTION	1
1.1. Background	1
1.2. Problem statement.....	2
1.3. Justification for the study.....	3
1.4. Research aim and objectives	3
1.4.1. Aim	3
1.4.2. Objectives	4
1.5. Research questions.....	4
1.6. Justification for the study.....	4
1.7. Research methodology.....	5
1.8. Structure of the dissertation	6
1.8.1. Chapter One: Introduction	6
1.8.2. Chapter Two: Background into companies that merged	6
1.8.3. Chapter Three: Literature Review	6
1.8.4. Chapter Four: Research Methodology.....	6
1.8.5. Chapter Five: Data Analysis.....	7
1.8.6. Chapter Six: Discussion of results.....	7
1.8.7. Chapter Seven: Conclusion and Recommendations	7
1.9. Conclusion	7
2. BACKGROUND INTO COMPANIES THAT MERGED.....	8

2.1.	Introduction.....	8
2.2.	GIBB (Pty) Ltd (GIBB)	8
2.2.1.	Management Board and Staff.....	9
2.2.2.	Organisational Vision.....	12
2.2.3.	Mission Statement	12
2.2.4.	GIBB Environmental Sector.....	13
2.3.	Strategic Environment Focus (Pty) Ltd (SEF).....	14
2.3.1.	Organisational vision.....	14
2.3.2.	Mission statement.....	14
2.3.3.	SEF synergy.....	14
2.4.	Conclusion	15
3.	LITERATURE REVIEW	16
3.1.	Introduction.....	16
3.2.	Context.....	16
3.2.1.	The need for growth	17
3.2.2.	Growth strategies	17
3.2.2.1.	Organic growth.....	17
3.2.2.2.	External Growth	19
3.3.	Mergers and Acquisitions (M&As)	19
3.3.1.	Negative impacts of M&A's.....	20
3.3.2.	Positive impacts of M&A's	21
3.3.2.1.	Innovation through M&A's.....	21
3.3.3.	Factors affecting M&A performance	22
3.3.4.	Mergers and Acquisitions in Africa.....	24
3.3.5.	Mergers and Acquisitions in South Africa	25
3.4.	Organisational Change.....	26
3.5.	Forces of change	27
3.5.1.	Nature of the workforce.....	27

3.5.2.	Technology	28
3.5.3.	Economic shocks	28
3.5.4.	Social trends	29
3.5.5.	Competition	29
3.6.	Planned Change	30
3.7.	Resistance to change	31
3.7.1.	Individual Resistance.....	31
3.7.2.	Organisational Resistance.....	32
3.8.	Implementing environmental sustainability.....	33
3.8.1.	Acceptance of change	34
3.8.2.	Resistance to change.....	35
3.9.	Successful Change Implementation.....	36
3.9.1.	Performance Management.....	36
3.9.2.	Challenges with change implementation.....	37
3.9.3.	Performance management as an enabler of change.....	37
3.9.4.	Performance management as a support mechanism	37
3.10.	Role of managerial dynamic capabilities towards organisational change.....	38
3.11.	Adopting a design attitude to organisational change	39
3.12.	GIBB acquisition strategy	40
3.13.	Industry life cycle.....	41
3.13.1.	Introduction phase.....	42
3.13.2.	Growth phase	42
3.13.3.	Maturity stage	43
3.13.4.	Decline phase	43
3.14.	Conclusion.....	44
4.	RESEARCH METHODOLOGY	45
4.1.	Introduction.....	45

4.2.	Research Designs and Methods	45
4.2.1.	Exploratory Research	45
4.2.2.	Causal Research.....	45
4.2.3.	Descriptive Research	46
4.2.3.1.	Qualitative and Quantitative Research	46
4.3.	Research Aim and Objectives	46
4.4.	Study Setting.....	47
4.5.	Data Collection Strategy	48
4.6.	Population and Sample Size	48
4.6.1.	Calculating Sample Size.....	48
4.7.	Research Design and Methodology	49
4.7.1.	Questionnaire Construction	50
4.7.2.	Questionnaire Administration	51
4.8.	Validity and Reliability.....	51
4.8.1.	Validity	51
4.8.2.	Reliability	52
4.9.	Data Analysis	52
4.9.1.	Inferential Statistics	52
4.10.	Ethical Considerations.....	53
4.11.	Conclusion.....	54
5.	PRESENTATION OF DATA	55
5.1.	Introduction.....	55
5.2.	Demographical aspects	55
5.3.	Objective 1: Effectiveness of change processes in the organisation.....	57
5.3.1.	Quality of change communication.....	57
5.3.2.	Participation.....	59
5.3.3.	Attitude of top management toward change.....	61

5.3.4.	Support by supervisors	62
5.4.	Objective 2: Climate of change or internal context	64
5.4.1.	Trust in leadership	64
5.4.2.	Politicking.....	65
5.4.3.	Cohesion	67
5.5.	Objective 3: Staff readiness for change	69
5.5.1.	Emotional readiness for change.....	69
5.5.2.	Cognitive readiness for change	69
5.5.3.	Intentional readiness for change	71
5.6.	Inferential Statistics	72
5.7.	Conclusion	75
6.	DISCUSSION OF RESULTS	76
6.1.	Introduction.....	76
6.2.	Organisational Change.....	76
6.3.	Discussion of Results.....	77
6.3.1.	Objective One: Change process in the organisation.....	77
6.3.1.1.	Quality of change communication	77
6.3.1.2.	Participation	79
6.3.1.3.	Attitude of top management toward change	80
6.3.1.4.	Support by supervisors.....	81
6.3.2.	Objective Two: Climate of change.....	82
6.3.2.1.	Trust in leadership.....	82
6.3.2.2.	Politicking	83
6.3.2.3.	Cohesion.....	84
6.3.3.	Objective Three: Readiness for change	84
6.3.3.1.	Emotional readiness for change.....	84
6.3.3.2.	Cognitive readiness for change	85
6.3.3.3.	Intentional readiness for change	85
6.3.4.	Inferential Statistics	86

6.3.5. Staff perceptions during an acquisition	87
6.4. Conclusion	88
7. CONCLUSION AND RECOMMENDATIONS	89
7.1. Introduction.....	89
7.2. Summary of key findings.....	90
7.3. Conclusions - Theoretical	91
7.3.1. Influence of change process	91
7.3.2. Communication	92
7.3.3. Synergies	92
7.4. Conclusions -- Empirical	92
7.1. Limitations	93
7.1.1. Professionalism of staff	93
7.1.2. Timing of study	93
7.2. Recommendations.....	93
7.2.1. Building trust	93
7.2.2. Identifying change agents.....	94
7.3. Contribution of this study to knowledge.....	94
7.3.1. GIBB.....	94
7.3.2. Academia	95
7.4. Direction for future research.....	95
7.5. Conclusion	95
REFERENCES	97
APPENDIX A: Informed Consent Letter.....	104
APPENDIX B: Gatekeepers Letters.....	106
APPENDIX C: Research Questionnaire.....	108
APPENDIX D: Descriptive Statistics: Frequencies	119
APPENDIX E: Reliability Test Statistics: Cronbach's Coefficient Alpha	127

APPENDIX F: Inferential Statistics: Pearson's Correlation Coefficient	128
APPENDIX G: Ethical Clearance Approval	129
APPENDIX H: TURNITIN REPORT	130

LIST OF FIGURES

Figure 2.1: Breakdown of GIBB ownership. (Source: GIBB, 2015).	9
Figure 2.2: Holding Board of Directors. (Source: GIBB, 2015).	10
Figure 2.3: Executive committee. (Source: GIBB, 2015).	10
Figure 2.4: Management committee. (Source: GIBB, 2015).	11
Figure 3.1: Stages in the industry life cycle.	18
Figure 3.2: Human elements of resistance to change.	35
Figure 5.1: Length of employment in the company.	56
Figure 5.2: Bar graph indicating the average ratings for the quality of change communication.	59
Figure 5.3: Graph representing the overall rating averages for participation processes.	60
Figure 5.4: Pie chart illustrating the responses for the provision of adequate coaching about implementing change by senior managers.	63
Figure 5.5: Average ratings for trust in leadership.	65
Figure 5.6: Percent of staff taken advantage of in the organisation.	66
Figure 5.7: Average ratings for cohesion.	68
Figure 5.8: Effect of change in clients.....	70
Figure 5.9: Employees responses for whether the change will simplify work.....	71

LIST OF TABLES

Table 3.1: Factors affected during the industry life cycle	41
Table 4.1. Reliability test statistics for the questionnaire.....	52
Table 5.1: Pearson correlation coefficient results for company.	72
Table 5.2: Pearson correlation coefficient results for gender.	72
Table 5.3: Pearson correlation coefficient results for experience.	73
Table 5.4: Pearson correlation coefficient results for age.	73
Table 5.5: Pearson correlation coefficient results for first job.	74
Table 5.6: Pearson correlation coefficient results for position.	74
Table 5.7: Pearson correlation coefficient results for location.	74

LIST OF ABBREVIATIONS

AIDS	Acquired Immune Deficiency Syndrome
APS	Australian Public Service
BRICS	Brazil, Russia, India, China and South Africa
Caltex	California Texas Oil Company Ltd
CBMA	Cross-border merger and acquisition
CEO	Chief executive officer
CFO	Chief financial officer
CSR	Corporate social responsibility
HIV	Human Immunodeficiency Virus
HKS	Hill Kaplan Scott
HPOs	High performance organisations
GDP	Gross Domestic Product
GIBB	GIBB (Pty) Ltd
GM	General Motors
J&J	Johnson & Johnson
M&A	Merger and Acquisition
MNC	Multi-national Corporation
MoE	Margin of error
MOU	Memorandum of understanding
NDA	Non-disclosure agreement
NPM	New public management
P/E	Price-to-earnings
SEF	Strategic Environment Focus (Pty) Ltd
SMM	Shared mental model
UKZN	University of KwaZulu-Natal

CHAPTER ONE

1. INTRODUCTION

1.1. Background

In today's competitive business environment, growth is an important measure of success and is the key element in the sustainability of the business. Growth could be achieved in two of the most common ways i.e. organic (internal) or through acquisition. In many cases, acquisition is the preferred route as it provides an immediate impact on the finances of a business and serves to present shareholders with almost instant gratification (Jay, 2014, pp. 430-448).

Unfortunately, the internal processes in the integration of two organisations, is more difficult than is often anticipated and staff on both sides of the acquisition are left uncertain. This could lead to the failure of the acquisition as its success is heavily dependent on the people who are actually affected by this change by way of their attitude and commitment to the change. In order for the acquisition to be successful employees involved in the acquisition need to be involved and their perceptions to the change evaluated so that the organisation is guaranteed buy-in from the elements of the change that are fundamental to its success (Babi *et al.*, 2014, pp. 856-876).

The difficulty is in predicting those elements that have the most impact on employee perceptions to change. If these were identified the management could focus on dealing with those critical elements thereby addressing the issues that make employees most uncomfortable. With employee's negative perceptions excluded, it could pave the way for a more successful merger. This study attempts to identify the most critical elements of employee perceptions to change so that management would be able to focus on the elements to positively influence employee perceptions to the change and increase the chances of a successful merger.

1.2. Problem statement

The process of change is often stressful and the people affected by the change need to be involved in the process to lower stress levels and increase the chances of the merger/acquisition success (Dominguez CC, Galán-González and Barroso, 2015, pp. 411-431). This is especially true during an acquisition where there are two groups of people who operate under very distinct organisational cultures who need to come together under a unified organisational culture to produce a working unit that is more successful than the sum of the individual units. This is the ideal which is very rarely achieved because the acquisition process often excludes the entire team on which success hinges. All too often the acquisition occurs behind closed doors and staff are informed of this change when the final decision has been made (Jay, 2014, pp. 430-448).

It is thus, imperative for employers to engage employees about a potential acquisition so that the correct information filters through and employees know what to expect. This also creates a platform for efficient management by allowing for fair, transparent and open processes within the company. Understanding of an employee's perception of a potential change and their readiness for such a change is thus paramount for success. Evaluation of the readiness of the workforces to change and engaging them will definitely improve the chances of success (Bouckennooghe, Devos and van den Broeck, 2009, pp. 559-599). In the case of an acquisition, where two very differing perceptions may exist, it may be even more imperative to evaluate these perceptions and to measure the elements of these perceptions that indicate success or failure. Having carried out this exercise the employer will have a much better idea as to whether the change will be positive and/or sustainable.

The consequences of not doing this could lead to employee dissatisfaction and a subsequent lack of commitment to change process. Management often ignores the importance of staff commitment to change and this often is the reason for the failure of change processes. Had staff been committed then the chances of success would have been significantly higher (Jay, 2014, pp. 430-448). This study focusses on the areas in which management could focus in order to garner staff support and improve the success rate of mergers and acquisitions. The study looks at the priority areas which managers could focus on to gain maximum support for the change process.

1.3. Justification for the study

GIBB (Pty) Ltd (hereafter referred to as GIBB), a multidisciplinary engineering consultancy had wanted to grow its environmental division through the acquisition of another environmental firm, SEF (Pty) Ltd (hereafter referred to as SEF), involved in a similar type of work. It was envisaged that the acquisition would double the size of the GIBB environmental sector in terms of both workforce and revenue. Although the two organisations operated in similar industries they had very different organisational cultures and very different operating structures. In order for this acquisition to be successful it was vital to gauge the perceptions of both companies towards the acquisition and the readiness of both sets of employees to change.

This study has been undertaken to measure the perceptions of the employees of both organisations to better understand their views of the change through the acquisition. In order to better understand these perceptions they were split into three broader categories in order to separate the issues and to provide the management of the organisation with clearer information for the future. Employees of both organisations would also benefit by having a better understanding of the perceptions of their colleagues.

Both the employer and the employees of both organisations stands to benefit from this study as the research would enable the employer to understand where to improve staff perceptions. The employers gain in that they have an improved organisation to work for if the employer makes good use of the information obtained from this study.

1.4. Research aim and objectives

1.4.1. *Aim*

The decision to proceed with the acquisition had already been made at the time of this study but it was deemed important to carry out the study to determine staff perceptions prior to and during the change. For this reason it was important to categorise the various components of the change process so that they could be evaluated separately and holistically. The following form the objectives of this study:

1.4.2. Objectives

1. To determine the effectiveness of change processes at GIBB (Pty) Ltd in general.
2. To evaluate the climate of change and whether it is conducive to this acquisition.
3. To assess staff readiness for change.

These objectives were selected because past research has pointed to positive correlation between the role of these criteria and the understanding of activities that lead to the successful implementation of change (Bouckennooghe *et al.*, 2009, pp. 559-599).

1.5. Research questions

The questions that should be answered through this study would be the following:

1. Does the environmental sector of GIBB have the maturity and adequate processes in place to deal with change?
2. Does the environmental sector of GIBB possess a climate that is conducive to change and change processes?
3. Are the staff members of the environmental sector of GIBB ready for change and in particular this acquisition?

1.6. Justification for the study

The GIBB environmental sector is a small unit focussing mainly on auditing, licensing and environmental monitoring projects. In order to grow, the sector needed to expand its capability or diversify its offerings. The expansion of its capabilities offers a better growth opportunity in the short term and this option was preferred. The choice to grow by acquisition, rather than organically, was also an option that was preferred due to the perceived short term success of this option.

Having decided on an acquisition strategy and that the acquisition would be an expansion of current capabilities the next phase was to select the ideal partner. After an exhaustive investigation and vetting process, SEF was selected as they possessed similar expertise as GIBB but also had a specialist unit which was the main attraction. This would allow GIBB

to increase its revenue whilst undertaking the same kind of work but having a much wider client base. However, the specialist unit allowed GIBB to retain majority of the work that it currently outsources to other organisations/individuals as GIBB did not possess the expertise in-house.

This would be the first acquisition in the sector, however the GIBB group had embarked on an aggressive acquisition strategy and the environmental sector had already identified other growth areas for possible acquisition. Knowing that there would be acquisitions in the future it was important to understand the sectors climate and readiness for change but also to ensure that they had efficient processes in place to make the change that accompanies an acquisition successful.

It was acknowledged that there would be mistakes made during this process and that the sector would use it as a learning exercise. To prevent these mistakes this study is being undertaken to better understand staff perceptions so that these mistakes/risks could be prevented or mitigated. This would give the sector a very good indication of the readiness of the sector for these changes and to show the shortcomings that exist that need to be addressed in the future.

1.7. Research methodology

The type of research design used for this study will be probability sampling, more specifically simple random sampling because every participant stands a fair chance of being selected as a subject in the study. The target population used in this research were the employees of GIBB, which is inclusive of SEF employees. Of a total population of 59, all 59 participated, 38 are originally from GIBB and 20 from SEF. One employee had skipped the question and therefore it is unknown which company they work for. The employees were chosen due to the prime objective of the research topic, which was to assess their perceptions of and readiness for change.

The data required for this research was obtained via online questionnaires on SurveyMonkey. Section A of the questionnaire focussed on demographics of the

participants. Section B of the questionnaire was directly related to employees' perceptions of change and these questionnaires will be in the format of a 5 point Likert scale (1 being strongly disagree and 5 being strongly agree) with 50 items/statements presented to the respondent to choose from. After the questionnaires are answered the raw data will be analysed by SurveyMonkey in the form of tables, which will be used to generate graphs for further interpretation.

1.8. Structure of the dissertation

1.8.1. *Chapter One: Introduction*

Chapter one provides an overview of the research and offers some background to the study, its objectives, focus, problem statement as well as the research methodology to be implemented to meet the planned objectives of the study.

1.8.2. *Chapter Two: Background into companies that merged*

Chapter Two comprises of an introduction to the two companies involved in the study and gives insight to their reasoning behind the merger.

1.8.3. *Chapter Three: Literature Review*

Chapter three discusses the most recent literature that addresses business management concepts and organisational change processes. It discusses opinions taken from other researchers in the field of change, organisational culture and leadership amongst other issues. It presents a picture of the International, Continental and South African opinions on mergers and acquisitions and the change that accompanies it.

1.8.4. *Chapter Four: Research Methodology*

Chapter four provides a comprehensive overview of the statistical evaluation of data obtained using the chosen research design and methodology. It provides insight into the sampling method and design, the population and how this population was selected presents a cross examination and analysis of the sampling design, target population, reliability and validity measures that need to be measured in an attempt to analyse the data and present quality findings from the evaluations.

1.8.5. *Chapter Five: Data Analysis*

Chapter five is concerned with depicting the data which was collected using the questionnaires that were administered to the student population. Tables, graphs and charts are utilised to depict the data relating to the different aspects of the study.

1.8.6. *Chapter Six: Discussion of results*

Chapter six presents a comprehensive analysis of the results analysed in chapter five. The chapter allows for a detailed presentation of the discussion of results based on the literature review, research aim and objectives and the problem statement.

1.8.7. *Chapter Seven: Conclusion and Recommendations*

Chapter seven presents the conclusion and recommendations for future research conducted for this study. In addition, the chapter presents the limitations to the study.

1.9. Conclusion

The chapter provides a brief overview of the relevant themes and motivation for the study. A brief background to the research topic is discussed and the extension of these themes will be discussed in chapters two and three.

Chapter 2 will discuss the two companies to provide more insight into the reasons for the merger.

CHAPTER TWO

2. BACKGROUND INTO COMPANIES THAT MERGED

2.1. Introduction

Given that organic growth requires substantially more time to yield results more firms choose the acquisition route to quick growth in order to satisfy expectant shareholders. This study focusses on such an acquisition and the impact of the change in the two organisations as a result of the acquisition of a smaller firm into a larger one. The two companies are discussed below.

2.2. GIBB (Pty) Ltd (GIBB)

GIBB (Pty) Ltd (GIBB), as it is known today, was formed by David Hill and Leo Kaplan as Hill Kaplan and Partners over 58 years ago. The company changed its name after joining forces with Quentin Scott and became known as Hill Kaplan Scott (HKS). With the ever increasing demand for consulting services the consultancy changed from being just a partnership to a fully-fledged firm. Through various changes over the years they eventually ended up as GIBB (Pty) Ltd as they are known today and are well known for their role in the development of several of our countries landmarks like the Newlands Cricket Stadium, the V&A Waterfront and the Gautrain amongst others (GIBB 2015).

At the time of this study, 67% of GIBB was owned by a “Broad-Based Ownership Trust” and 33% by its employees through a “Staff Share Trust”, making it a truly African, employee owned firm (GIBB 2014). GIBB has built a reputation of being a “hub of technological intelligence” with a “solid track record” in South Africa and wider Africa having provided world class engineering solutions to a wide variety of clients over its 58 year existence (Figure 2.1) GIBB, 2015).

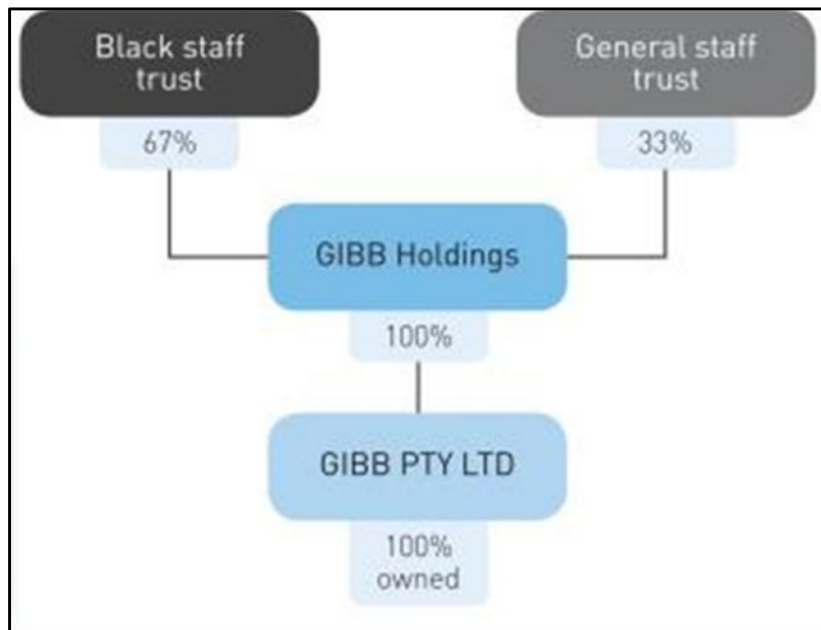
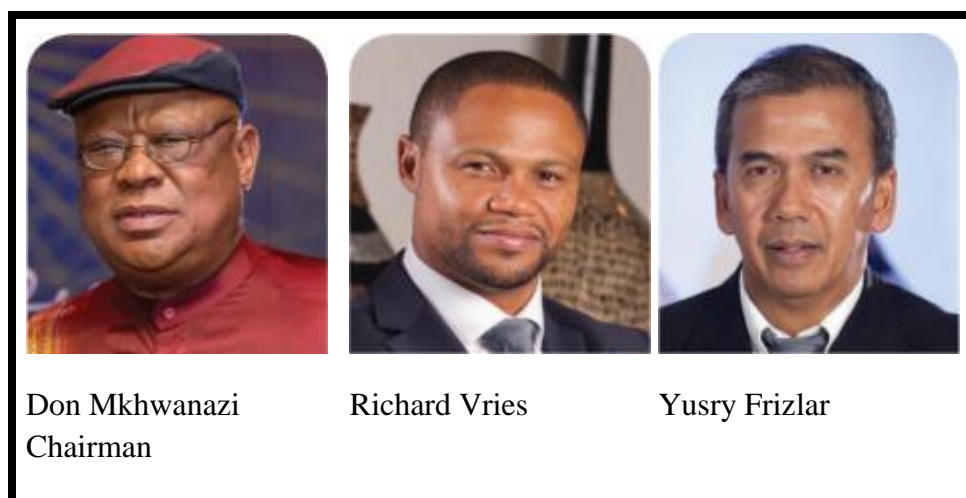


Figure 2.1: Breakdown of GIBB ownership. (Source: GIBB, 2015).

2.2.1. Management Board and Staff

The board of GIBB was made up of six members including the Chairman, Mr Don Mkhwanazi and the chief executive officer (CEO) Mr Richard Vries (refer to Figure 2.2) (GIBB, 2015). The board forms the top tier of the firm (Figure 2.1) controlling 67% of ownership via the Black Staff Trust. It must be noted, that this management structure is according to the statistics provided within the current year (2015) of the research study being undertaken and is subject to change.



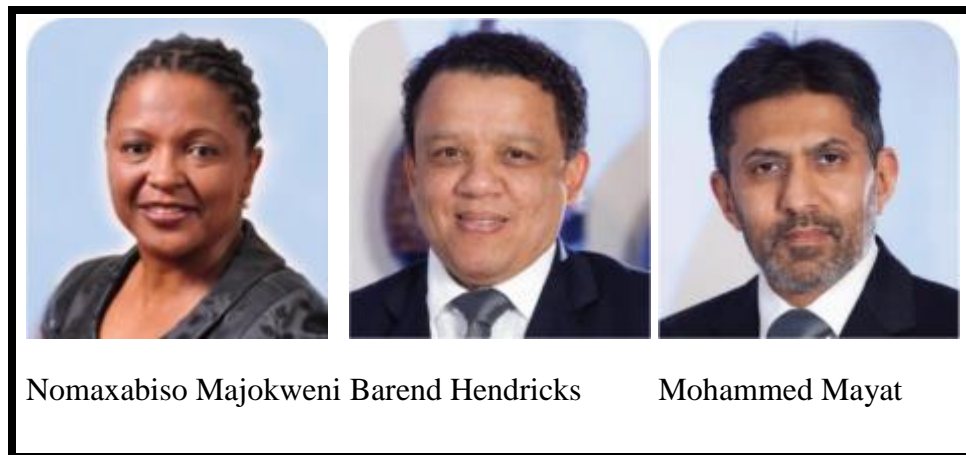


Figure 2.2: Holding Board of Directors. (Source: GIBB, 2015).

The group executive committee (Figure 2.3) is made up of the CEO, the chief financial officer (CFO) and the group business development executive and, together with the management committee (Figure 2.4) below, is responsible for the day to day management of company operations.

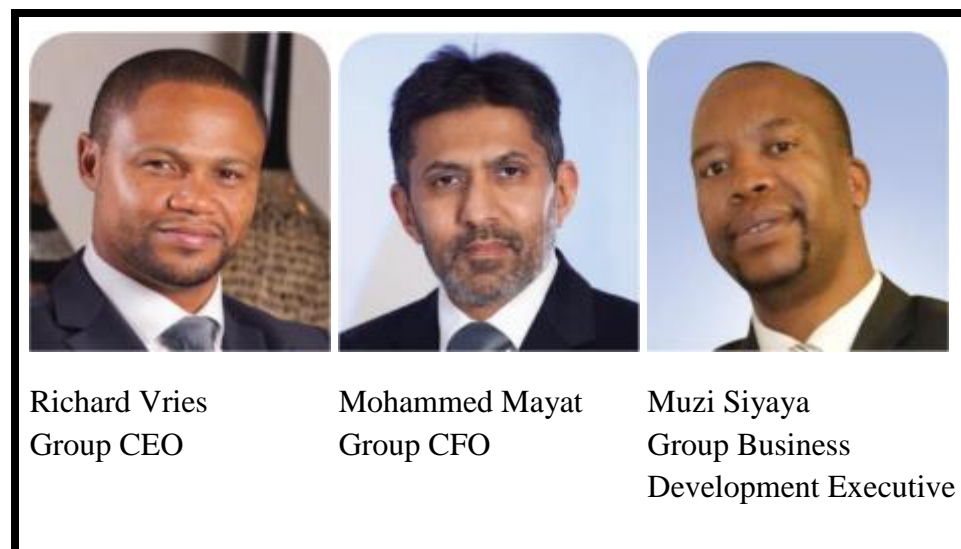


Figure 2.3: Executive committee. (Source: GIBB, 2015).



Richard Vries
Group CEO



Mohammed Mayat
Group CFO



Muzi Siyaya
Group Business
Development Executive



Johann Rauch
General Manager:
Transportation



Sean Molloy
General Manager:
Integrated Infrastructure



Paul Fitzsimons
General Manager:
Power and Energy Services



Vernon Joubert
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Figure 2.4: Management committee. (Source: GIBB, 2015).

2.2.2. Organisational Vision

The organisation vision is one of the critical steps to effective implementation of strategy. Although it has some value externally it is more internally focussed and aids guide the organisation into the future. A well-crafted vision provides a clear view of the future of the organisation and motivates all staff to contribute to achieving this view (Liu, 2006, pp. 849-859). Organisations are now using stories and the visual arts to capture their vision. It is believed that by including employees in developing the organisational vision this way, then there is much more employee commitment to achieve this vision. This inspired employees to achieve the goals that they helped create because they were involved in developing their idea of the future of the organisation (Tyler, 2015, pp. 326-342).

The creation, articulation and communication of the vision is crucial in developing a strategy for the future of an organisation and well-crafted strategy begins with a good, well thought out vision. The CEO has to then find a way to ensure that this vision is clearly transmitted through the organisation so that there is commitment created through all levels (Hough, 2011, pp. 5-6). A good leader should be able to communicate this vision in a way that entices his employees to adopt the vision in such a way that they feel a commitment to that vision and are willing to support him in doing whatever it takes to achieve that vision (Robbins, 2009, pp. 290-316).

It is clear that GIBB has put great effort in the formulation of a vision that its management and staff (and clients) can easily buy into. As supported in the literature it is concise, “catchy” and sets GIBB apart as a world leader (Liu, 2006, pp. 849-859). GIBB’s vision is to be:

“A world-class provider of infrastructure planning, design and delivery” – (GIBB, 2015).

2.2.3. Mission Statement

In a similar way, GIBB has articulated their mission to capture where they are presently and how they intend to implement their strategy to realise their strategic vision:

“We provide infrastructure planning, design and delivery solutions, in Africa, using international best practices. Our value-adding solutions are driven by our clients’ needs. We continuously seek ways to optimize the delivery cycle and finish our projects within

budget, thus ensuring the sustainable growth of our company. Our achievement culture allows us to be the employer of choice for the best people talent.” - (GIBB, 2015).

2.2.4. GIBB Environmental Sector

GIBB has various sectors addressing the numerous engineering disciplines required by both the private and public sectors. Included amongst these sectors is the environmental sector which began in response to a need by the engineering sectors for environmental services including those of auditing and licensing. When the South African environmental legislation became stricter all construction and engineering projects required environmental authorizations from the various government in order to proceed. Engineering consultancies in South Africa subcontracted these services out to various environmental companies. After a while GIBB realized that they could carry out these services themselves and retain the revenue internally. The GIBB environmental sector was thus born (GIBB, 2015).

The GIBB environmental sector provided services to the engineering sectors both internally and externally until the realization was made that there needed to be growth in this sector like in the other sectors. A new general manager was appointed in 2012 with the express purpose of growing the sector. After a year of stabilization and creating operational efficiencies the general manager realized the need for growth in order to create further efficiencies. One such inefficiency was the use of external specialists on projects. A large proportion of the revenue was paid to external consultants. The result was a decreased profit margin but furthermore, GIBB could not exercise control with these, sometimes difficult, scientists in terms of quality and turn-around times. A possible solution to this was to hire specialists who could assist in retaining the income that was spent externally. The problem with this solution was that the delay in recruiting and the time taken for someone to build up a client base would be too long and would drain profits in the short term. This problem would be compounded with multiple specialists (GIBB, 2015).

The other solution was to acquire another firm of specialists. This would be advantageous as the new firm would have an order book that was generating revenue from initiation, the specialists would already have a reputation in the industry and the brand could be included under the GIBB banner enhancing it further. The disadvantage was integration of the new company within GIBB and the management of the change that goes with such an acquisition (GIBB, 2015).

2.3.Strategic Environment Focus (Pty) Ltd (SEF)

SEF was formed in 1997 by its founder and CEO. SEF supplies environmental consulting services for both the private and public sectors locally and internationally. As a purely South African company they have highly skilled specialists in the biophysical, social and built environments and have been involved in some of South Africa's most prized landmarks.

2.3.1. Organisational vision

As discussed previously the vision of an organisation should be inspirational and should encapsulate the strategy of the company. The SEF vision embodies that:

“SEF offers holistic and innovative sustainable solutions in response to global challenges.”
– (SEF, 2015).

2.3.2. Mission statement

The mission statement is clear in its description of what SEF offers in terms of services.

“SEF is a national sustainability consultancy which provides integrated and innovative Social, Biophysical & Economic solutions while fostering strategic stakeholder relationships, underpinned by SEF's core values.” - (SEF 2015).

2.3.3. SEF synergy

SEF has proven to be one of the few companies in South Africa that fitted into the specifications required by GIBB. Having reviewed their offerings and having worked with them in the past it was agreed that a merger between the environmental sector of GIBB and SEF would create a unit that would be one of the largest, most competitive environmental businesses in SA. Having agreed that it was a correct fit GIBB began negotiation with SEF that started with signing a memorandum of understanding (MOU) between the two companies that set out the terms of reference for the ongoing negotiations. A non-disclosure agreement (NDA) was signed by the two companies to ensure that all company information would remain confidential and not be revealed to third parties without written consent. Having completed these documents the financial statements of SEF were supplied to GIBB who reviewed them and decided on a price based on their financial figures, projects that

would be ceded, assets and intellectual property. This offer was put forward to SEF and agreed upon.

GIBB conducted a due diligence exercise to validate the information provided by SEF to ensure that the information was correct. This included the financial statements, project register, assets register and employment contracts. Upon validation of the records the deal was finalized on the 1 May 2015.

It is this period immediately after the merger that proves to be the most difficult as the new organization has to integrate into the new company. Learning new systems, reporting and operational structures can prove to be daunting and it may appear to be additional work, on top of often heavy workloads. These possible frustrations could be misunderstood to mean that the current situation would continue in the long term and may lead staff to think that the change is not for the better with regards to their own situation. This makes it critical for managers to understand these frustrations of their staff during change and to inform staff of the processes and to provide clear timelines, so that everyone is aware of the extent of the various processes and the end result.

This study aims to provide an understanding of the fears and expectations of staff during a change such as an acquisition so that they may be able to create a positive environment for change and create a smooth transition to a new more efficient organization.

2.4. Conclusion

This chapter focussed on the background and organisational structure of the two companies of interest for this research study. It also provides insight as to the reasons why SEF is well suited for a merger with GIBB and highlights the benefits it would contribute to GIBB's environmental sector.

CHAPTER THREE

3. LITERATURE REVIEW

3.1. Introduction

Charles Darwin said these words above over 150 years ago about living organisms and today the same appears to be true for business as well. General Motors (GM) was ranked the biggest and strongest of firms in the United States of America in the late 1950s yet before the turn of the century it was on the brink of bankruptcy. In 2000, Enron was praised as “*one of the smartest companies in the world.*” According to Ransom and Knighton (1996, 10-16) (cited in Brodowicz, 2013, pp. 20-21), by the end of 2001 Enron filed for bankruptcy.

On the other hand Johnson & Johnson (J&J) started out as a manufacturer of fire hose in 1886 and is now a multinational corporation producing pharmaceuticals together with a variety of other medical and consumer products. Nokia started out as a lumber firm and grew to be the largest cellular phone supplier in the world (Ransom and Knighton, 1996, pp. 10-16).

The first two examples of GM and Enron prove that Darwin’s theory may also apply to business as these examples demonstrate that the reputed strongest of firms (GM) and the smartest of firms (Enron) either struggled to survive or resulted in bankruptcy. The more adaptable firms like J&J and Nokia were able to change: addressing new market needs and became highly successful. The ability to adapt to changing environments has become a necessity rather than the exception for the survival of the modern firm (Shirokova, Berezinets and Shatalov, 2014, pp. 185-212).

3.2. Context

In order to stay relevant in a changing environment and to grow in a challenging economy many companies have recognised the need to grow. Shareholders demand growth in their investment and the organisation has to consistently grow to ensure that they retain their shareholders and attract new ones (Buchner, Drake-Brockman, Kasterine and Sugathan, 2014, pp. 20-23).

3.2.1. *The need for growth*

The goal of a firm is to supply its customers with goods or services that fulfil a need. It would then be reasonable to suggest that growth is not an objective of a firm or a requirement for sustainability. Unfortunately, in the modern era growth is viewed as the necessary ingredient for survival and companies that are not growing are not expected to survive in the long term (Canals, 2001, pp. 587-598).

In spite of healthy profits, shareholders may view a lack of revenue growth as a lack of innovation that would eventually lead to a company's downfall. It may also indicate a firm's lack of ability to retain current customers or attract new ones. Since customers are the primary revenue source for most companies, the inability to retain current customers and attract new ones may be viewed as a risk to a firm's sustainability (Lehmann, 2015, pp. 16-21).

The share price of a firm is one of the critical success factors in its ability to attract or retain shareholders. Price-to-earnings (P/E) ratio is one of the indices used in the estimation of the share price of a firm. A company that is not growing its revenue would show an increase in P/E ratio which could act as deterrent to shareholders and result in the failure of the business due to lack of shareholder investment (Tang, Xu and Zhang, 2012, pp. 1063-1075).

3.2.2. *Growth strategies*

In today's competitive economic environment companies are expected to grow in order to survive. Growth provides organisations with added revenue which could enhance profits. It could also provide the firm with new and/or additional skills and capabilities which could provide more opportunities and enable the company to reach new markets (Boomer, 2010, pp. 23-28). In order to grow, companies have several options including organic growth and mergers and acquisitions that will be discussed further (Tang *et al.*, 2012, pp. 1063-1075).

3.2.2.1. *Organic growth*

Organic growth refers to internal growth using the companies own resources or developing expertise internally. This strategy usually takes longer as development needs to take place after which the market has to be made aware of the presence of a new product or service that

is being offered. While this is still happening no revenue is being earned and stage one in the industry life cycle (

Figure 3.1: Stages in the industry life cycle.) is extended.

The investment made in organic growth doesn't usually start to pay off immediately and there is a period of lag until the investment starts to earn revenue to begin paying off the investment. The break-even point is thus extended which is a situation not conducive to attracting shareholders. If the firm does not have adequate resources to see out this period it may have detrimental effects on their financial sustainability (Lazenby, 2014, pp. 179-195).

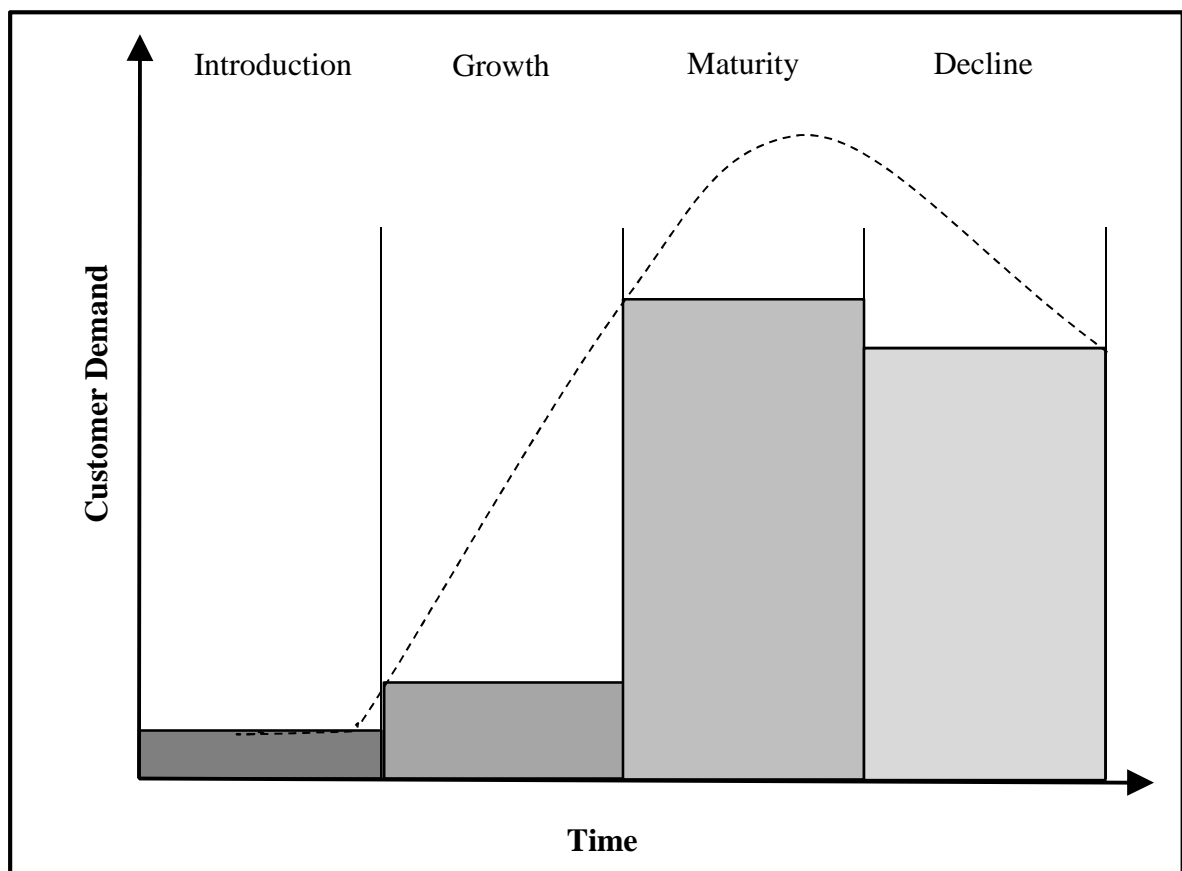


Figure 3.1: Stages in the industry life cycle.

Source: (Lazenby, 2014, pp. 222)

Figure 3.1 above depicts the various stages of the industry life cycle showing the increase in demand for new products/services with time until maturity and the decrease in demand during the decline phase.

3.2.2.2. *External Growth*

External growth or mergers and acquisitions (M&A) involves the merger of two or more operations or the acquisition of a completely new operation. This could involve the outright purchase of another firm or a division of another firm or the merger of two similar organisations into one. The critical aspect of M&A is that there needs to be synergies between the two organisations combining so that the resulting firm could benefit from efficiencies created by the merger or acquisitions. This is usually in the administrative departments where the two departments could be collapsed into one that services the requirements of the two joined entities (Lazenby, 2014, pp. 179-195).

This study focusses on such a strategy in which GIBB (Pty) Ltd (GIBB) acquired a similar company called Strategic Environment Focus (Pty) Ltd (SEF). This was an ideal fit into the GIBB acquisition strategy that focusses on acquisitive growth.

3.3. Mergers and Acquisitions (M&As)

The globalization of business activities over the past 20 years has been inclusive of domestic businesses emerging into international markets (Singla, Saini and Sharma, 2012, pp. 127-132). Organizations are now following their clients and consumers across the world by establishing their presence in the international market. To continue being competitive and to develop profitably at a steady and consistent speed, businesses throughout the globe have been aggressive in their attempts to create new capabilities and competencies. Through organizational change processes such as mergers and acquisitions, several companies have succeeded and failed in their attempts to become highly competitive. Mergers and acquisitions can be undertaken between organizations in a single country or organizations located in different countries (i.e. cross-border). Cross-border mergers and acquisitions offer plentiful opportunities to become a part of the global market. For instance, during the last few years companies from India have been actively involved in the global trend of partnership through mergers and acquisitions (Singla *et al.*, 2012, pp. 127-132). The amplified competition present in the post-liberal era has urged Indian businesses to embrace mergers and acquisitions as a vital strategic choice for survival.

3.3.1. Negative impacts of M&A's

M&As are changes on a large scale that cause considerable disruptions and result in several negative consequences for employees and organizations (Rafferty and Restubog, 2010, pp. 1309-1338). For example, mergers have been connected with increased employee job insecurity and uncertainty, stress and anxiety and feelings of threat and lack of control. These factors are known to cause resistance to change processes. Research undertaken by Rafferty and Restubog (2010, 1309-1338), found that it is imperative to take into the consideration the influence of the processes utilized when implementing change and employees perceptions towards a merger. Their findings indicate that when employees described having a poor change history in the organization, they were less committed to change than employees who described having a positive change history.

Mergers and acquisitions persist as one of the most popular business growth strategies with the hope of increasing wealth for the acquiring firm's shareholders, to maximise overall organisational performance and competitive advantage (Grace, 2016, pp. 134-148). With worldwide investment in mergers and acquisitions accelerating to unprecedented levels in recent years, research indicates that nearly one out of three workers will experience an M&A in their entire working life. In spite of the popularity and purpose of mergers and acquisitions, they seldom live up to their potential. There are numerous potential reasons for this such as due diligence, financial forecasting errors and market changes. However, these poor results may be attributed to overreliance on the rational case for a merger and acquisition whilst disregarding individuals' concerns. Mergers and acquisitions are known to be highly emotional processes for all involved and can bring up very basic responses. Even though this fact is still gaining acceptance, Grace (2016, 134-148) found that miscommunication, lack of communication and lack of understanding are common factors of individuals concerns that lead to the failure of implementing change processes.

It has been debated that hostile takeovers redistribute wealth from workers to shareholders by enabling the acquiring firm to revoke implicit contracts (Seltzer, 2017, pp. 185-208). One such example is that of the Union Bank of Australia's 1892 takeover of the Bank of South Australia. Research conducted confirmed the lifetime earnings of older workers at the Bank of South Australia declined because of the merger. Employees faced a high probability of

losing their jobs immediately following the merger, lost human capital resulting from the closure of branches, experienced a lower salary profile in their working life and received decreased pension. These experiences over the years have contributed to preconceived negative attitudes, fear, stress and anxiety toward such organizational change processes (Seltzer, 2017, pp. 185-208).

3.3.2. Positive impacts of M&A's

Mergers and acquisitions have significantly affected the development of the banking industry over the past decade (Sufian and Kamarudin, 2017, pp. 19-44). This change process has been an efficient way to eliminate surplus capacities in the banking industry. As in the presence of excess capacity, some banks are below efficient, have an inefficient product mix or may borderline efficient. M&A's may assist in solving these difficulties more efficiently than outright bankruptcies because it has the ability to preserve the franchise values of the merging companies. Sufian and Kamarudin (2017, 19-44) examined the impact of mergers and acquisitions on the productivity of the Malaysian banking sector. The study found that the Malaysian banking sector had exhibited a higher productivity level during the post-merger period attributed to technological progress.

3.3.2.1. Innovation through M&A's

Sustainable business development and persistent success require constant change and adaptation to these changes to address complexity and ambiguity (Dao, Strobl, Bauer and Tarba, 2017, pp. 195-236). In this regard, research conducted in the fields of innovation, competitive advantage and organizational learning emphasizes the prominence of balancing the exploration of possibilities for new developments and the exploitation of conventional activities to maximize survival rates. The success of an acquisition depends significantly on a firm's capability of managing the acquisition process through implementation. Associating two companies with different systems and backgrounds is a complex process related to uncertainty and ambiguity, as it requires eliminating, changing, transferring and adapting well-established ways of proceeding and thinking (Dao *et al.*, 2017, pp. 195-236).

Dao *et al.* (2017, 195-236) highlights how shared mental models (SMMs) influence exploration and exploitation innovation activities subsequent to an acquisition. SMMs have proven to increase team performance and communication in many situations. These mental models empower individuals to interpret and make predictions to understand phenomena, to

make decisions and to control its execution. Therefore, mental models entail descriptions, explanations and observations of systems, which allow people to organize, structure, process and store their knowledge quickly and flexibly based on working schemes Dao *et al.* (2017, 195-236). SMMs also serve as an internal knowledge base of expectations concerning how individuals decide which behaviours are required and when and how to execute them. Based on compatible expectations individuals instinctively adapt to the demands of the task and of their team members.

This study shows that SMMs positively influence team performance, as individuals better anticipate their colleagues' behaviour and also communicate more effectively (Dao *et al.*, 2017, pp. 195-236). It also suggests SMMs might be deliberated as a critical condition for learning and knowledge sharing in mergers and acquisitions. Knowledge transfer has been emphasized to ensure consumers are retained, which as a key indicator of overall M&A performance.

3.3.3. Factors affecting M&A performance

Numerous studies which analytically explored the most commonly used variables in research on merger and acquisition phenomenon has not been able to identify and determine clear predictors for the success or failure of M&A (Tarba, Ahammad, Junni, Stokes and Morag, 2017, pp. 1-38). Past research has also recommended that prospective research should emphasize non-financial variables. It has also been identified that very little research exists on the investigation of the performance of cross-border or domestic acquisitions of high-tech firms. High-tech firms refer to companies that invent and innovate technological products and services. Tarba *et al.* (2017, 1-38) investigated the factors that influence the overall acquisition performance of the organizations that are acquiring high-tech firms in Israel.

One such factor, apart from others, is the autonomy granted to the acquired firms which is essential to M&A performance (Tarba *et al.*, 2017, pp. 1-38). Autonomy refers to the strategic freedom from external control or influence to act. It also refers to the flexibility of action that managers have when they develop strategic activities, which include the implementation of organizational structure, determination of business development strategy and execution of technology adaptations. Autonomy from a managerial level can influence the employees from the acquired firm to develop a negative attitude toward the change and

leave or develop a positive attitude and stay. It was also determined that strategic complementarity are supportive of integration efforts and decreases threats to employees and managers in merging Israeli firms. This increases the odds that possible synergies will be recognized and can enhance success of M&A. Therefore, the greater the effectiveness of the integration, the more successful the M&A in the high-tech industry.

New public management (NPM) was a term coined in the 1980s and involved countries like New Zealand, Australia and Canada. This was a system implemented to improve efficiencies within the public sector. However, a more recent assessment of this management system has revealed that it has not been as successful as initially thought. On the other hand, some scholars believe that this management system is merely a transfer of principles and management techniques from that of the private sector (Steane, Dufour and Gates, 2015, pp. 263-270).

Steane *et al.* (2015, 263-270) have identified five fundamental elements (i.e. influencers, behaviours, ideology, boundaries and knowledge) as impediments to the NPM change process. Influencers are those stakeholders who are at the heart of controlling and influencing the challenges experienced during change management and are vital to successfully implementing change. In essence, the more disagreements among stakeholders would create more issues to existing challenges. Stakeholders are also known to fuel debates, maintain the issues for policy-makers and public administrators strongly influence agendas and use their voice to implement the process. The behaviour of people strongly contributes to impediments of change. Rothschild (1999, 24-37) (cited in Steane *et al.*, 2015, pp. 263-270) debates that the use of legislation, fines, taxes and sanctions, which are sources of coercion, assist in managing behaviour. In cases for social behaviour where resistance is evident, coercion is an effective tool. Education as a public policy implementation tool, allows for informing and influencing people to modify their behaviour voluntarily, as it creates awareness on the benefits of the change processes.

The third aspect of impediments is ideologies that consist of the aims, ideas, beliefs and interests of actors. Ideologies fuel conflicting perspectives and diverse viewpoints about policy challenges and solutions. The quality of scientific and technical knowledge relating to the problem, the consequences and the possible solutions can pose additional barriers. If there is miscommunication or inadequate information provided, this will negatively affect

the decision making process. The fifth element of impediments relates to the dispersed array of resources required to manage issues within an institutional environment. For instance, policy decisions are regularly required to be made in various interdependent places and varying governmental levels in efforts to initiate cumulative actions (Steane *et al.*, 2015, pp. 263-270). The aforementioned elements contribute to major impediments to the successful implementation of change processes.

3.3.4. Mergers and Acquisitions in Africa

With the pressure associated with globalization persisting and global competitiveness between organizations becoming more dynamic, mergers and acquisitions (M&As) continue to be the more common growth strategy amongst multinational corporations (MNCs) based all around the world (Wilson and Vencatachellum, 2016, pp. 1-2). The rapid expansion in M&A activity is attributed to the increasing need for MNCs to extend themselves to markets beyond North America and Europe. Also to reach larger customer bases, better access to raw materials, location specific advantages and have the opportunity to exploit existing competitive advantages or develop new ones (Ellis, Lamont, Reus and Faifman, 2015, pp. 137-171). Although China and Latin America persist in contributing a large portion of M&A investments in growing markets, yearly growth in Africa as a target region has shown a strong surge over the last two decades. Africa's portion of the global M&A activity has doubled with approximately \$35 billion in 2014.

Organizations also often utilize mergers and acquisitions as a method to increase their financial power and overall market share (Chen, Cui, Li and Rolfe, 2017, pp. 212-230). Due to high population and gross domestic product (GDP) growth, Africa is becoming highly attractive for international businesses. Many of the largest MNCs have already recognized the economic opportunities in Africa. For instance, Publicis acquired "The Creative Group" for €66 million in South Africa during 2015. Another example is Danone, the worldwide leader of dairy products, the second in bottled water and infant nutrition and the European leader in medical nutrition that aims to establish its business activities in emerging countries, especially in Africa (Bouchet and Bouchet, 2016, pp. 28-31). Africa is ideal for companies because the continent has a high population growth providing companies with an abundance of new customers. Additionally, a middle-class is emerging resulting in an annual rise in GDP and urban development. More significantly, participating in M&As in Africa allows

businesses similar to Danone to defeat competition with regards to entering a market, where there are no competitors or there a few competitors due to the lack of development in comparison to other existing markets. However, such M&As encounter some difficulties such as limited and unreliable information, lack of transparency and adapting products according to the market demand in that specific country. These are factors that could contribute to the failure of a merger and acquisition process.

The persisting progression of globalization indicates that businesses feel it is necessary to improve their positioning with regards to scale and scope. For instance, the acquisition of SAB Miller by AB InBev has created the leader within the worldwide beer industry, by absorbing its closest competitor. Recently, M&As have also been motivated by factors such as geopolitical risk, for example the merger of Lafarge and Holcim. Lafarge had 30% of production concentrated in areas such as Egypt, Morocco, Iraq, Jordan, Algeria, Nigeria, Syria and South Africa, whereas Holcim had 3% production in Africa and the Middle-East. This merger was attributed to the fact that both organizations sought to rebalance their geographical presence and reduce their vulnerability to political instability within certain areas (Thomas, Thomas, Cardot and Cardot, 2016, pp. 2-4).

3.3.5. Mergers and Acquisitions in South Africa

South Africa is Africa's biggest source of outward foreign direct investment. Two major motives driving South African businesses cross-border merger and acquisition (CBMA) activities are capturing the host economy market and enhancing efficiency. South African companies also prefer investing in Africa, more specifically countries on the border. On the other hand, the emerging economies of Brazil, Russia, India, China and South Africa (BRICS) have become significant players in the global economy in recent years. South African CBMA grew from a meagre US \$16 million in 1990 to over \$4.3 billion in 2013 (Anwar and Mughal, 2017, pp. 3263-3279).

Research conducted within South African companies suggests that synergy in mergers and acquisitions are an imperative factor to consider, as it could lead to its success or failure (de Graaf and Pienaar, 2013, pp. 143-180). Evaluating synergies before an M&A can occur may assist in decision making of whether to proceed with the M&A. Also enhance accuracy in valuing M&A synergies may contribute to the improved selection of worthwhile M&A

targets and making more suitable choices represent a positive step towards sustainable business practice. M&A synergy may also allow for the replacement of underperforming managers with more successful managers, through improved efficiency or a reduction in internal inefficiency.

Acquisitions are more prone to occurring in dynamic environments. Research conducted indicates that South African companies are embedded in an institutional environment that directly (i.e. through regulations) and indirectly (i.e. through subsidies) influences companies. Prior to an M&A it is important to consider and analyse the company's environment. This analysis should also consider government policies and trends that may impact competition. Understanding the circumstances of South Africa is imperative (King, Coldwell, Joosub and McClelland, 2015, pp. 338-353), as it offers insight on how social movements and resulting institutional environments influence corporate structure. Research has shown that the transformation of South Africa from Apartheid to democracy and the general removal of restrictions on corporate structure and corresponding similar effects of globalization had increased the value of the company. Another important factor to consider is managerial implications, whereby research conducted at Standard Bank indicated that managers are able to drive change processes and have the power to improve performance (King, Coldwell, Joosub and McClelland, 2015, pp. 338-353).

3.4. Organisational Change

One of the most fundamental laws in the world of thermodynamics is Le Chatelier's Principle which states: "If a system, in a state of equilibrium, is subjected to a stress then that system will undergo a change to reduce or nullify the effects of such a stress." (Shpielberg and Akkermans, 2016, pp. 1-2). This same principle appears to exist during organisational change as well and the stress associated with it. But in the case of organisational change it is mandatory for managers to administer and execute extensive change programmes (Robbins, Judge, Odendaal and Roodt, 2009, pp. 488-500) "to reduce or nullify the effects" of the changes that occur. In the midst of this lies resistance to change which managers have to overcome in order to effect the change. There are several reasons attributed to the resistance to change by people and organisations, however, this challenge can be overcome. The environmental forces and reasons for resistance will be discussed.

Additionally, several processes involved in managing organisational change and contemporary change disputes will be critically discussed.

3.5. Forces of change

Change is inevitable, more so in organisations that exist in a constantly and fast changing environment (Robbins *et al.*, 2009, pp. 480-482). These frequent, impromptu changes bring about the need for adaptation programmes or processes in organisations, in order to survive and compete in the business environment. Globalisation has increased the intensity of competition as international markets are becoming more complex and unpredictable. Increasing involvement in international markets, informatisation and innovativeness have a significant effect in shaping organisational behaviour and conduct. The intensified competition and the fast pace of technological innovations are contributing factors in forcing businesses to re-examine their strategies, tactics, behaviour, resources, positions and constraints. The capacity for organisational adaptation has become one of the crucial success factors in the business environment, resulting from global trends. There are various factors that constitute the forces of change, viz. nature of the workforce, technology, economic shocks, social trends and competition (Bertoncelj, Kav i and Gošnik, 2010, pp. 7-12).

3.5.1. Nature of the workforce

With regards to the changing nature of the workforce, majority of the organisations are forced to adapt and modify itself in a sustainable manner. For instance, South Africa constitutes of a diverse population in terms of the different race groups which are then further divided into the different languages (i.e. 11 official languages). Taking this diversity into consideration, human resource policies and practices have to be adapted and modified accordingly to attract and sustain this diversity within the workforce (Browaeys and Price, 2008, pp. 9-15). Another factor that changed the nature of the workforce, is that of gender mainstreaming. The introduction of gender equality, empowerment and transformation by employing more females has forced changes in the rules of the workplace. Such changes include policies regarding provision of maternity leave, protection, health, equal pay, equal opportunities and the provision of female facilities (Parpart, 2014, pp. 382-395).

3.5.2. *Technology*

The continuous upgrades and advancements in technology largely contribute to change in the organisation and to the role of jobs. Technology is largely responsible for reducing human labour, time spent on activities and an increase in production. The utilisation of technological devices calls for the training of employees to upgrade their skills, which becomes a forced cost to the company. Apart from the organisation, employees should also lean towards becoming more adaptable and versatile as jobs are being restructured in the working environment. Previously, a designated person performed a specific, specialised and monotonous job; however, today they are being substituted with a team of multi-skilled people that are all involved in decision making processes (Küng, 2013, pp. 9-12). The introduction of green technology has brought about many changes in the way companies view the environment, manage resources and the manner in which they conduct their daily business. Some companies have bravely embraced green technology whilst others have been strong-armed through the new environmental rules and regulations. Apart from such technology being so expensive, it also changes the productivity levels (Hottenrott, Rexhäuser and Veugelers, 2016, pp. 172-194).

3.5.3. *Economic shocks*

Another factor that forces change is economic shocks caused by rapid increase of global oil prices overnight and continuous increase in prices of petrol and diesel since November 2007. Economic shocks in South Africa have been caused due to the unstable rand and high inflation rate. Also, since 2008 the electricity shortages experienced in South Africa costed the economy significantly due to the loss in productivity. On the other hand, in the USA terrorism attacks had a direct adverse impact on the global financial markets (Lazenby, 2014, pp. 213-214). Another example of an economic shock, is the effect of migration and wage responses to the destination country. The global market for migrant labour has some of the largest distortions, as the same worker can earn different salaries based on the country they work in. McKenzie, Theoharides and Yang (2014, 49-75) provides evidence that a large number of migrant workers create a shock (i.e. an increase) in the gross domestic product (GDP) of the destination country.

3.5.4. Social trends

Different social trends have varying impacts on people's lifestyles' and in turn affect the business world. For instance, a decrease in early marriages and an increase in divorce have resulted in a greater number of single people. In response to this target market, particular food organisations produce more single-portion meals and the construction industry leans towards catering for households for single individuals. With the younger generation focussing more on their careers, delaying marriage and conceiving kids later in life has contributed to a steady increase in the GDP of many countries. The abundance of young and single employees has also changed the productivity levels as they have fewer commitments and can put in more work hours. Also with less children being born, this may negatively affect GDP in the future as there will be a lower population, a shift in the income distribution and less employees in the working force (Heath and Jayachandran, 2016, pp. 1-25).

Another significant social trend is that of HIV/AIDS that is resulting in major changes in sub-Saharan Africa where it has affected a large number of the population. Apart from it being a public health issue, whereby 2.2 million people die annually and 12.1 million children are orphaned, HIV/AIDS has severely impacted on the working class and therefore affected productivity within the economy (Volberding, 2017, pp. 1298-1299).

3.5.5. Competition

Lastly, competition has become a major role player in organisational growth and survival, however, even the essence of competition is changing (Pearce and Robinson, 2013, pp. 233-240). This spurs on the need for strategic planning and management to tackle these changes to bring about positive and profitable outcomes. To survive in the global economy, organisations need to be able respond to changes, for instance, popular global clothing stores competing with local clothing stores. Competition may also arise from the development of new products and services. In response to this, successful, flexible companies should be able to respond quickly by developing new and better products and introducing them into the market rapidly. Organisations would also need a workforce that is identically versatile, quick to respond, multi-skilled, vastly knowledgeable to adapt and adjust accordingly to spontaneous changing conditions (Pearce and Robinson, 2007, pp. 233-240).

To create such a competitive workforce, organisations result in mergers and acquisitions (Robbins *et al.*, 2009, pp. 480-483). For instance, two international companies i.e. Socal (provided the oil) and Texaco (highly secure in the markets) had a subsidiary located in Cape Town and had merged to form California Texas Oil Company Ltd (Caltex). Despite difficulties faced with distribution in several African countries, Caltex arose as a successful global company that established a strategy that emphasised cooperation, local decision making, partnership, customer focus and the capacity to surpass various political, cultural and geographic differences.

3.6. Planned Change

Planned change allows for change activities that are proactive, purposeful and goal-orientated (Rao and Hari Krishna, 2003, pp. 11-12). Fundamentally, there are two goals associated with planned change i.e. it aims to advance the organisation's capability to adapt to spontaneous changes in its environment and aims to change employee behaviour. An organisation's successes and failures are attributed largely to the successful and failed actions of its employees. These actions correlate with the employee's behaviour. As previously discussed, an organisation's survival is dependent on its ability to adapt to change. Planned change activities are purposefully directed at responding to various changes in the environment. Some of the planned change activities that can be considered are empowerment of employees, the introduction and careful execution of work teams and efforts to inspire and encourage innovation (Cummings and Worley, 2014, pp. 23-43).

Within planned changes there are first-order and second-order changes. First-order change is characterised as linear and continuous, and its primary change levers includes people, processes and structures whilst its secondary change levers includes attitudes, beliefs and values. On the other hand, second-order change is considered as multidimensional and discontinuous, as the primary change levers are attitudes, belief and values and secondary change levers are processes, structures and systems (Rao and Hari Krishna, 2003, pp. 11-12).

Change agents are responsible for managing change activities (Cummings and Worley, 2014, pp. 23-43). Managers, non-managers, the organisation's employees or outside

consultants can be change agents. Change agents are involved in reconfiguring technology, processes, roles, systems, responsibilities, structures, outputs and other resources with the goal of improving organisational effectiveness. There are four major categories i.e. structure, technology, physical setting and people. Change occurring within structure incorporates modification in authority relations, co-ordination mechanisms and cross-functional co-ordination, job redesign or related structural elements. Change regarding technology comprises of modifying the way in which work is processed inclusive of methods and equipment utilised. Changes made to the physical setting encompass changing the space and layout arrangements in the workplace. Lastly, changing people includes changes concerning the attitudes, skills, expectations, perceptions and behaviour of employees (Anderson, 2016, pp. 66-69).

3.7. Resistance to change

A popular finding from various studies based on individual and organisational behaviour reveals that organisations and their members often resist change (Jones and George, 2015, pp. 360-365). This can be seen as either positive or negative. On the positive side, it creates a measure of stability and predictability in behaviour. In the event of a lack of resistance, organisational behaviour would then take on features of chaotic randomness. Resistance to change can also bring about functional conflict, for instance, by stimulating healthy debates and can spur better decisions. However, on the negative side, resistance to change impedes adaptation and progress (Jones and George, 2015, pp. 66-69).

3.7.1. Individual Resistance

Sources of individual resistance to change exist in elementary human characteristics like perceptions, personalities and needs (Groenewald, 2013, pp. 207-210). Habits, security, economic factors, fear of the unknown and selective information processing are sources of why individuals may be resistant to change. Human beings develop set habits that are a part of their lifestyle. These habits can be considered as choices made in order to reduce the amount of similar decisions made on a daily basis. However, when challenged by change, the propensity to respond in a familiar way then becomes a source of resistance. For example, having a predetermined daily travel route for work and then later having to change the route due to the company moving to a new location. This would then result in changing several

habits such as having to wake up earlier, using a new route and having to adjust to the new layout of the office (Burke, 2017, pp. 110-119).

People that prioritise the need for security are more likely to resist change because it jeopardises their feelings of safety and well-being (Burke and Noumair, 2015, pp. 185-208). Unfortunately, temporary and permanent layoffs can be anticipated with change which would thereby invoke feelings towards job loss and job insecurity. Feelings of insecurity and stress are also experienced by employees that remain and survive the layoff process, as they now have to complete the work of multiple people. Economic factors include the apprehension over the possible decrease in income. Economic fears also arise when changes in job tasks and work routines/processes occur. These fears arise when employees feel they are incapable of performing the new tasks to previous standards. This is a major concern as salaries are closely tied to productivity (Burke, 2017, pp. 110-119).

Fear of the unknown encompasses ambiguity and uncertainty when changes and new situations arise (Burke and Noumair, 2015, pp. 185-208). Employees in an organisation dislike uncertainty. For example, if employees are required to learn new skills, some may fear that they are incapable of doing so. They may then develop a negative attitude towards the idea of the task and behave in a dysfunctional manner if required to perform the task. Selective information processing is another source of individual resistance, which is based on individuals shaping their world through their own perceptions. When this version of their world has been created, the individual resists change. Individuals are guilty of processing information selectively, to protect the world they have created and to keep their perceptions intact. Information that challenges this world and perceptions are ignored (Robbins *et al.*, 2009, pp. 485-488).

3.7.2. Organisational Resistance

The true nature of organisations compels them to actively resist change (Packard, 2013, pp. 75-90). There are several sources of organisational resistance to change which include structural inertia, limited focus of change, group inertia, threat to expertise, threat to established power relationships and threat to established resource allocations. Organisations have built-in mechanisms to produce and maintain stability. For instance, a selection procedure systematically chooses specific individuals to be included or not. The individuals

that have been selected into an organisation using specific criteria based on the individual being able to fit in, they are then given training to shape them and are directed by rules and procedures to direct them into behaving a particular way. In the event of change, the organisation's structural inertia acts a counterbalance to sustain stability (Griffin, 2013, pp. 405-425).

Organisations comprise of several interdependent subsystems, whereby an effect on one must trigger others (Griffin, 2013, pp. 405-425). For instance, if changes are made to technological processes, then modifications need to be made to the organisation's structure to match the change, or the change in technology will not be accepted. Therefore, limited changes in subsystems are known to be negated by the larger system. Group inertia relates to the influence of a group over an individual, for instance, if an individual decides to change their behaviour then the decision of the group to act in a specific way may act as a constraint. For example, an individual member of an union may be willing to accept and adhere to new changes regarding his/her job but if the union dictates that these changes should be resisted then the individual is more likely to resist (Packard, 2013, pp. 75-90).

Threats to expertise and specialised groups may be attributed to changes in organisational patterns (Griffin, 2013, pp. 405-425). For example, the introduction of decentralised personal computers replaced the need for specialised skills in the centralised information systems departments. In the event of redistributing decision-making authority, there could be threats to power relationships that were formed over a long period of time. Introducing participatory decision-making and self-managed work teams may give rise to threats experienced by supervisors and middle managers (Packard, 2013, pp. 75-90). The threats to established resource allocations reside in those groups that control large resources and frequently perceive change as a threat. These groups have a tendency to be comfortable with the current situation. With regards to the current allocation of resources, those that receive the most benefits will feel threatened by changes that may impact on prospective allocations.

3.8. Implementing environmental sustainability

Issues surrounding sustainability comprise of risks and opportunities within the business sector, which is put under continuous and increasing pressure, take responsibility for their

negative behaviour. On the other hand, companies can also benefit by developing solutions to such issues. Business sustainability is becoming a major concern and is regarded as a strategic issue in spite of the economic downturn. Johannsdottir, Olafsson and Davidsdottir (2015, 72-96) argues that the successes and failures in the sustainable functioning of businesses depend on the level to which leaders or superiors may embrace or resist this development (ideally any development would require/mean change within the company). The acceptance of change and resistance to change can be perceived as two extreme contrasts (Hon, Bloom and Crant, 2014, pp. 919-941). Upon implementing new business strategies, businesses and individuals need to overcome resistance to changes. If resistance to change is not overcome, efforts in change management will be unsuccessful. If a positive attitude towards accepting change is created, a more positive result towards change management may arise. Organisational change is closely tied to personal change, therefore for organisational change to occur; individual change needs to occur as well (Johannsdottir *et al.*, 2015, pp. 72-96).

3.8.1. Acceptance of change

For successful changes within a business, vital elements are needed (Johannsdottir *et al.*, 2015, pp. 72-96). These vital elements include:

- creating a sense of urgency towards crises or major opportunities;
- establishing an influential merger;
- forming and proper communication of a vision; and
- encouraging employees to achieve that vision.

Other vital elements include forming short term goals and victories, considering improvements and establishing a new approach. Major contributing factors to the success or failure to changes within structures, strategies and processes are largely dependent on co-operation, attitude, awareness and employee support (Hon *et al.*, 2014, pp. 919-941).

Corporate social responsibility (CSR) has a positive correlation with an individual's inherent motivation, which strongly relates to employee accomplishments, satisfaction, and gratification of tasks, being positively recognised and involvement in decision making (Dawson and Andriopoulos, 2014, pp. 188-220). Factors such as the assurance of psychological security, participation and fair treatment add to implementing strategies

successfully. There is a positive correlation with job security and communication towards openly accepting change and trust. Individual participation assists in predicting trust directly, whilst on the other hand, it assists in indirectly predicting openness to change. Taking this into consideration, commitment and openness to change are fuelled by the individual's faith in management and their willingness to accept possible risks associated with the changes implemented. Commitment to shared visions of goals and values within the company, knowledge, empowerment, involvement, information and incentive and recognition programs are responsible for influencing positive results for change management processes (Johannsdottir *et al.*, 2015, pp. 72-96).

3.8.2. Resistance to change

Research studies have indicated that strategy implementations are subjected to failure partially due resistance towards change (Johannsdottir *et al.*, 2015, pp. 72-96). Resistance to change encompasses aspects such as attitudes and behavioural responses towards change processes. When employees experience fear of losing something valuable (e.g. their job, reduction in pay or comfort), they will automatically be resistant towards change. Misunderstandings about these changes weaken efforts made towards implementing changes. Bovey and Hede (2001, 372-382) (cited in Johannsdottir *et al.*, 2015, pp. 72-96, pg. 76) offer a conceptual model (refer to Figure 3.2) that demonstrates which human elements contribute towards the resistance of change. This model illustrates how the mere perception of how the change will impact individuals creates irrational ideas. These ideas then result in negative emotions which bring about behaviour that resists change.

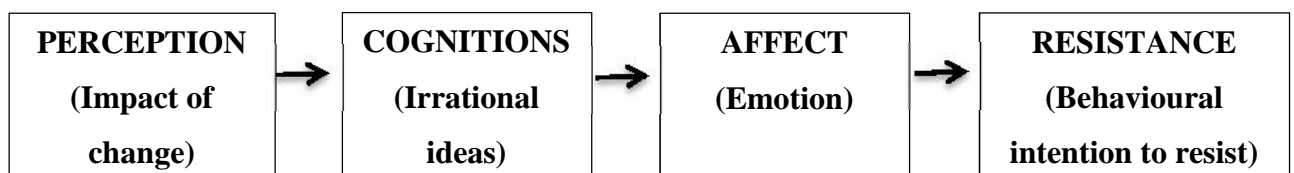


Figure 3.2: Human elements of resistance to change.
(Source: Bovey and Hede, 2001, pp. 372-382).

According to Pardo del Val and Martínez Fuentes (2003, 148-155) (cited in Johannsdottir *et al.*, 2015, pp. 72-96, pg 76), the most powerful and influential element of resistance to overcome is company values which is deeply embedded in the culture of the company. When company social responsibility related activities obtain superficial support from superiors in

the company, feelings of scepticism, disappointment and critique arise within employees. In order to overcome resistance to change, Agboola and Salawu (2011, 235) (cited in Johannsdottir *et al.*, 2015, pp. 72-96, pg. 76) suggests that proper education, motivation, co-operation, effective communication, negotiation, facilitation, manipulation and coercion must be accounted for. These factors may assist in unlearning beliefs and methods that have already been established as the norm. This would allow for employees to become more open and accepting of changes and alternative methods and techniques for the business to operate in a manner that is more socially acceptable.

3.9. Successful Change Implementation

3.9.1. Performance Management

High performance organisations (HPOs) are focussed on its ability to anticipate, respond and adapt to changing circumstances, more so with individual adaptability to change being a significant element (Buick, Blackman, O'Donnell, O'Flynn and West, 2015, pp. 271-289). Even with vast research into the undertaking of successful change processes, a significant amount of change initiatives still fail. However, a limited amount of studies have been conducted to assess the impact that performance management has on change. There is a lack of research based on how individual performance management can be utilised as a strategic tool for implementing change management.

Data collected from the Australian Public Service (APS) has contributed to a performance framework, which indicates vital areas for improving implementation that would result in more effective change practices (Blackman, Buick, O'Donnell, O'Flynn and West, 2013, pp. 1-25). Current literature focuses on the development of high performing organisations, with the aim of improving productive capacity of organisations within the public sector in order to achieve anticipated governmental results. High performing organisations comprise of several core characteristics, one of them being the ability to anticipate, respond and adapt to change processes. Several organisations are implementing changes involving what they do and how they do it, in order to advance their effectiveness, increase their value within the public sector and to improve their competitiveness within the private sector. These necessary changes focus on enabling supporting a company to adapt and manage challenges (Buick *et al.*, 2015, pp. 271-289).

3.9.2. Challenges with change implementation

One of the difficulties with implementing change is that a majority of change efforts are unsuccessful due, significantly, to individual resistance to change generally arising from feelings of uncertainty (Grady and Grady III, 2013, pp. 206-222). A study based on uncertainty during organisational change indicated that uncertainty related to job responsibilities resulted in a negative impact to individuals' feelings towards lack of control and therefore also resulting in a negative correlation to psychological pressure. The study also revealed that these factors impact an individual's ability to manage and adapt to organisational changes. Change processes that are beyond the individuals control spurs on feelings of powerlessness and stress that, in turn, results in the individual withdrawing from that pressured environment. It is also noted that when individuals withdraw, their performance deteriorates. Thus, indicating that there is a possible relationship between change processes and performance. When many individuals are subjected to high levels of change and their performance worsens this actually causes a reduction in organisational effectiveness instead of improving it (Buick *et al.*, 2015, pp. 271-289).

3.9.3. Performance management as an enabler of change

Human resource management plays a significant role in the success or failure of changes in an organisation (Doorewaard and Benschop, 2003, pp. 272-286). On the other hand, Gill (2002, 307-318) argues that performance management hinders change processes. This is caused by developing inconsistent aims and strategies to achieve change processes which then become a disincentive for individuals. Gill (2002, 307-318) also highlights that performance management encourages individualistic behaviour and deviates from promoting a culture of teamwork. By taking into consideration the level of influence towards the individual's behaviour and attitude can lead one to speculate that strategic and effective performance management can support the implementation of change.

3.9.4. Performance management as a support mechanism

Buick *et al.* (2015, 271-289) suggests four principles that act as a support mechanism for changes within the organisation. Principle one deals with clarity and purpose, whereby individuals are aware of what is to be achieved and are knowledgeable about the change processes. This reduces uncertainty and increases support from employees. Principle two relates to alignment and integration. It is often argued that the success of efforts made

towards organisational change depends on strategic thinking relating to the rationale, progress and impact on individuals. As changes within the organisation occur, employees individually try to understand the change in terms of what it means to them and how they align themselves to the circumstance (Paton and McCalman, 2008, pp. 177-203).

Principle three considers mutuality and motivation (Jones, Jimmieson and Griffiths, 2005, pp. 361-386). Employee willingness plays a vital role in overcoming the possibility of failure. Also, involvement and participation from the individual aids the change process by improving their sense of personal control over their job and future. Additionally, it assists in improving employee ownership, commitment to change and motivation for feedback to improve change processes. With mutuality present, employees and managers are motivated to develop teamwork ethics to accomplish outcomes of the performance management process by allowing for more adaptability and a platform to voice concerns. In addition it encourages them to be a part of the decision making process in relation to issues that directly affects them. Principle four deals with adaptability and progress. As previously discussed, high performing organisations are known for their continuous enhancements of performance and systems, in which these organisations increase their capability to adapt and respond to change circumstances. To be deemed as a high performing employee, characteristics such as adaptability and flexibility are vital (Choi and Ruona, 2011, pp. 46-73).

3.10. Role of managerial dynamic capabilities towards organisational change

The main goal of different types of research is to understand how different types of solutions in an organisation are managed and the way in which they assist in advancing organisational performance, the company's long term success and an improvement in their competitiveness, especially, during critical circumstances (Damanpour and Aravind, 2012, pp. 423-454). These management innovations are more commonly known as interruptions to the organisation's practices or management structures. These interruptions can also be known as process innovations from an administrative and organisational perspective. According to Basile and Faraci (2015, 43-58), management models play a vital role in the initial implementation and the transformation of the business models. Therefore this highlights the significant role of dynamic managerial capabilities as managerial skills that provide the foundation of the re-launch processes within the organisation. Dynamic managerial

capabilities embody fundamental drivers that improve the company's ability to respond to changes, both internal and external, by ensuring proper synergy between the organisations management model and their business model (Volberda, Van Den Bosch and Heij, 2013, pp. 1-15).

Management innovations can be characterised as the recognition of new practices, processes, structures or tools that has the capability to considerably change procedures within the organisation and influence the behaviour of managers and employees (Basile and Faraci, 2015, pp. 43-58). The rational perspective highlights the notion that management innovations are introduced by individuals who strive to improve the efficiency of their organisations. With regards to this perspective, the individual introduces innovative solutions to combat specific strategic and operative problems and is responsible for the execution of the solutions. A central role of managerial abilities at the beginning of these processes is essential to ensure the execution, the procurement and sharing of knowledge. It also aids the formulation of ideas by internal and external change agents. To achieve stronger competitiveness efforts should be directed towards integrating, constructing and reconfiguring resources and competencies internally and externally (Volberda *et al.*, 2013, pp. 1-15).

A research study conducted by Klonek, Lehmann-Willenbrock and Kauffeld (2014, 334-360) revealed the importance of introducing change agents before the change process can occur. The study highlighted that successful change management depends on how change is communicated and how employees perceive the change. Change agents are responsible for and are effective in promoting change initiatives and motivate employees to participate in the processes. Depending on the efficiency and effectiveness of the change agent, they can either add to the resistance to change or acceptance of change.

3.11. Adopting a design attitude to organisational change

Mergers, apart from being challenging, are extreme cases of organisational change. Furthermore, the possibility of work restructuring and downsizings during a merger could threaten professional identity and incite resistance. Recent organisational studies indicate

that adopting a design attitude to organisational change management can be an invaluable resource for solving managerial difficulties (Bate, 2007, pp. 8-11).

A design attitude constitutes being open to experimentation and looking to create alternative methods of organising work, motivating others to participate and contributing towards the change processes. Stang Våland and Georg (2014, 391-406) highlight that material artefacts like board games and drawings form a vital role in bringing employees together and allowing them to understand the change process and to be actively involved in the development of their work. Therefore, contributing towards change processes in the organisation.

Adopting a design attitude involves taking an approach that is collaborative and exploratory to overcome organisational challenges. Involvement and participation by employees can also be regarded as a solution to organisational challenges. Management can then easily engage and communicate with employees to reduce resistance by focussing on their concerns and worries towards the proposed changes. However, it must be noted that a design attitude is does not solely focus on overcoming resistance to change but rather about discovering methods to making it productive (Stang Våland and Georg, 2014, pp. 391-406).

3.12. GIBB acquisition strategy

The Environmental Sector is one of five operational sectors in the GIBB Group. The Environmental Sector has specific growth targets and, in order to meet these targets, has identified acquisition as the growth option. It is expected that the acquired service lines within the Sector would contribute more than 30% of the Sectors target by 2017(GIBB 2016). The Environmental Sector is not only looking at acquisition to increase revenue but has two specific requirements from this acquisition viz., acquire specialists that are currently outsourced and benefiting from economies of scale.

In the current competitive global climate the need for change is almost a requirement in order to stay ahead of ones competitors. In addition, the pace of change is also increasing resulting in organisations, and employees, having to adapt rapidly to changes in order to ready themselves for another (Haffar, Al-Karaghoul and Ghoneim, 2014, pp. 5-22). In spite of this most change initiatives fail and Burnes and Jackson (2011, 133-162) have quoted a 70%

failure rate. Given the need for change, and the fact that change needs to happen at a rapid pace, it is important to understand the critical success factors that would ensure successful change implementation.

3.13. Industry life cycle

Like in nature industry also has a life cycle. Investopedia (Investopedia, 2015, pp. Definition of 'Industry Lifecycle', Para 1) defines industry life cycle as a concept describing the various phases an industry would go through from the introduction of a new product to the decline of the industry. The industry life cycle includes the introduction phase, the growth phase, the maturity phase and the decline phase. Some researchers break these phases down even further e.g. the introduction phase is broken down into another phase called the embryonic phase before the introduction phase. Table 3.1 below outlines the various factors of business and how they are affected during the industry life cycle.

Table 3.1: Factors affected during the industry life cycle

Factor	Introduction	Growth	Maturity	Decline
Demand	Early adopters of the product High income	Increasing market penetration	Mass market, replacement/repeat buying Price-sensitive customers	Obsolescence of products
Technology	Competing technologies Rapid product innovation	Standardisation around dominant technology Rapid process innovation	Well-diffused technical knowledge Quest for technological improvements	Little product or process innovation
Products	Poor quality Wide variety of features and technologies Frequent design changes	Design and quality improvement Emergence of dominant design	Attempts to differentiate by branding, quality, bundling	Commodities the norm Differentiation difficult and unprofitable
Competition	Few companies	Entry, mergers and exits	Shake-out Price competition increases	Price wars Exits
Key success factors	Product innovation	Design for manufacture Access to distribution	Cost efficiency through capital intensity, scale	Low overheads Buyer selection signalling commitment

Factor	Introduction	Growth	Maturity	Decline
	Establishing credible image of firm and product	Building strong brand Fast product development Process innovation	efficiency and low input costs High quality	Rationalising capacity

Source: (Du Toit, Erasmus, Strydom, Badenhorst and Cohen, 2010, pp. 395-400)

3.13.1. Introduction phase

Industries often start out as individual entrepreneurial ventures and become emerging industries due to new technologies or patents becoming available or unique ideas being created. This is called the introduction phase and, as these firms become established, they start to grow into an industry. At the introduction phase a single company could make up the industry. Marketers often refer to the products developed in these kinds of ventures as “questionable” as the life of the industry and the product is untested (Maksimovic and Phillips, 2008, pp. 673-708).

During the introduction phase the firm may adopt a focussed strategy and the marketing technique used would be one that educates potential consumers of the product or service. Due to the fact that a large amount of product development and marketing is required, the capital required is also large. At this stage growth is fast as the individual venture has first mover advantage and revenues could be realised quickly (Maksimovic and Phillips, 2008, pp. 673-708).

3.13.2. Growth phase

Once the company has been operating for a period, other companies or individuals set up similar ventures thus creating an industry. This is the growth phase of the industry. During the introduction phase the firm was the only provider in the industry. At this stage there are commonly more competitors and the firm would have to differentiate its product/service offering in order to retain its clientele and to grow its business (Pearce and Robinson, 2013, pp. 233-240).

Capital is required at this stage for property, plant and equipment to improve production to meet the growing demand of the industry. At this stage product standardisation may have occurred in the industry and marketing would need to focus on advertising the differentiation

of the product including changes to quality or enhancements to products. Further challenges could include large firms being attracted by the new demand and they could pose a big threat with their access to much larger resources (Pearce and Robinson, 2013, pp. 233-240). Investment is required in research and development to improve quality and to make enhancements to the product/service.

If the firm is successful at this stage then growth could be very high and further investment may be required to meet market demands. This success could have drawbacks as it could attract more entrants into the market. Figure 1 shows that demand at this stage increases sharply so care would have to be taken not to over invest as the steep growth does taper off.

3.13.3. Maturity stage

As the industry becomes accustomed to the products, growth starts to taper off and the industry life cycle curve becomes less steep (

Figure 3.1: Stages in the industry life cycle.). Although sales increase and earnings expand the growth rate starts to mirror that of the economy of the country. The threat of late entrants into the industry is still evident and marketing has to continue in order to maintain market share. At this stage product differentiation is critical to ensure continued growth or else any competitor who enters the market will take market share (Pearce and Robinson, 2013, pp. 233-240).

3.13.4. Decline phase

The decline phase in most industries is inevitable as new innovations take over and the industry becomes saturated with competitors. Sales decline radically as shown in

Figure 3.1: Stages in the industry life cycle. above. It is at this stage of the industry life cycle that many mergers and acquisitions take place to take advantage of efficiencies and to grow through diversification. This happens through the process of integration i.e. horizontal integration which refers to the acquisition or amalgamation of competitors of the firm or through vertical integration by the acquisition or amalgamation of the firm's suppliers or distributors (Pearce and Robinson, 2013, pp. 233-240).

3.14. Conclusion

This chapter discusses the elements that could affect change the process either positively or negatively. The acquisition of SEF by GIBB is one such change that could have enormous impact on both units affected by this change. The following chapter discusses the research methodology employed in the study..

CHAPTER FOUR

4. RESEARCH METHODOLOGY

4.1. Introduction

Chapter four includes a detailed explanation of the research design and methodology that was adopted in undertaking this study. The chapter provides information on the study setting, how the data was collected and analysed, and discusses the ethical considerations.

4.2. Research Designs and Methods

According to (Mouton, 2001, pp. 1-150), once the research aim, research questions and objectives have been formulated; the research design must then be developed. The research design is a plan and is also referred to as a blueprint of how the researcher intends to conduct the research in terms of collection and analysis of the data. (Sekaran and Bougie, 2016, pp. 94-110) state that research could be either descriptive or a causal study

4.2.1. *Exploratory Research*

Research that is exploratory in nature, is research that is undertaken when there is less or no available information on how similar research problems have been solved previously (Babin and Zikmund, 2015, pp. 107-233). Therefore, it entails undertaking extensive preliminary work. Exploratory research studies are vital when some information is known, however more information is required for developing an appropriate theoretical framework. The purpose of this research is to provide information to determine if more comprehensive research is required.

4.2.2. *Causal Research*

Causal research, also referred to as explanatory research, is central to a scientific approach towards conducting research (Sreejesh, Mohapatra and Anusree, 2014, pp. 82-83). It involves identifying the extent and nature of cause-and-effect relationships, which essentially investigates if one variable is able to cause another variable to change.

4.2.3. Descriptive Research

The main objective of a descriptive study is to describe and is essentially based on information that is collected without altering the environment (i.e., nothing is manipulated), (Sekaran and Bougie, 2016, pp. 97-98). Descriptive studies often entail collecting data that describe the characteristics of individuals, events or situations. This type of study also comprises of quantitative data such as satisfaction ratings, sales targets or demographic data. It may also encompass correlational studies between two variables. Descriptive studies usually involve qualitative or quantitative data.

4.2.3.1. Qualitative and Quantitative Research

Qualitative research entails a variety of research approaches that aim to focus on gaining an in-depth understanding of the complexity of the phenomenon. This can be achieved by collecting and interpreting non-numerical data via the process of enquiry. On the other hand, quantitative research is strongly numerically focused (Creswell, 2013, pp. 145-225). Quantitative research aims to be objective and scientific in its approach whilst measuring and assessing. This research design includes statistical, mathematical, or numerical analysis of the data collected through various research strategies such as polls, questionnaires or surveys (Edmonds and Kennedy, 2016, pp. 29-168).

This particular study based on the employees' perceptions of organisational change processes utilised a quantitative research design. The study entailed a descriptive research method, as a questionnaire was utilised to answer the research questions.

4.3. Research Aim and Objectives

The aim of this study was to determine and understand staff perceptions prior to and during an organisational change process, specifically an acquisition. The following research objectives were formulated in consideration of the various components of the change process:

1. To determine the effectiveness of change processes at GIBB (Pty) Ltd in general.
2. To evaluate the climate of change and whether it is conducive to this acquisition.
3. To assess staff readiness for change.

These abovementioned objectives were utilised in the formulation of the questions present in the questionnaire that was administered to participants.

4.4. Study Setting

The environmental consulting industry has been growing rapidly, as organisations have been trying to keep up with environmental legislation alongside growing interests in environmental matters on a global and local scale. With regards to the context of environmental awareness and responsibility, the consulting industry has opened up a new market. Construction companies are joining in on the environmental initiatives by planning and establishing buildings that are safer for the environment thus creating a higher demand for environmental consultants from the public and private sectors. These environmental developments are contributing to the quick expansion within the industry and are projected to continue increasing revenue in the future (Cordeiro and Tewari, 2015, pp. 833-849). In the global market, the environmental consulting industry is currently in the maturity stage of the industry life cycle.

The environmental consulting industry provides advice, assistance, and action plans to organisations and governments to manage their environment (Dangelico and Pontrandolfo, 2015, pp. 413-430). It includes prevention of environmental contamination, toxic substances, security consulting, waste management, and pollution control. Environmental consultants identify problems, measure and evaluate risks and recommend solutions. The industry employs multi-disciplinary teams of scientists, engineers and other technicians to undertake the environmental work.

Large firms have the advantage of providing a wide range of environmental expertise and can thus offer "one-stop shop". This notion was considered when GIBB (Pty) Ltd (GIBB) decided to acquire Strategic Environmental Focus (SEF). This allowed GIBB to grow in its expertise and provide more services to existing and potential clients. This acquisition allowed GIBB to be more competitive in the environmental consulting industry.

GIBB is a multi-disciplinary consulting engineering company that operates within various sectors, one of them being the environmental sector. GIBB is based within South Africa and has offices within the major cities of South Africa, whilst also operating in other various

African countries. However, for the purpose of this study, the online survey was only extended to the environmental sector and offices based within South Africa.

4.5. Data Collection Strategy

For the chosen topic, in consideration of the aim and objectives, a survey/questionnaire research strategy was the most appropriate to collect primary data within an organisation. A questionnaire is a research instrument that employs the use of a predesigned set of questions which requires the respondent to choose from a set of answers. Studies that utilise surveys aim to provide a broad overview of a representative sample of a large population (Creswell, 2013, pp. 73-94). Surveys are normally less expensive and time consuming than interviews and observational studies and are also known as a quicker method of collecting data from a large sample size.

4.6. Population and Sample Size

The population refers to the complete group of people, events or things of interest that the researcher intends to investigate (Fowler Jr, 2013, pp. 14-40). However, in some circumstances it is difficult and nearly impossible for the researcher to collect the relevant data from the entire population. In this situation, a sample is required. A sample is a subset or subgroup of the population that has the same qualities and characteristics and is therefore a good representation of the population. A census is the process of collecting, recording and analysing data from all participants within an entire population.

4.6.1. Calculating Sample Size

To determine the sample size, the Yamane formula was used (Singh and Masuku, 2014, pp. 1-22). The Yamane formula is applicable when the population is finite and if the population size is known. The Yamane formula for determining sample size is given by:

$$n = \frac{N}{1 + N \times e^2}$$

Where n is the calculated sample size, N stands for the population size, and e refers to the margin of error (MoE). For this particular study a 95% confidence limit was used, therefore

making the margin of error 0.05 and the known population of the environmental sector was 59.

Therefore,

$$\begin{aligned}n &= \frac{59}{1 + (59 \times 0.05^2)} \\n &= \frac{59}{1 + 0.1475} \\n &= \frac{59}{1.1475} \\n &= 51.42\end{aligned}$$

Hence, approximately 51 participants make up the minimum sample size for a population of 59. The questionnaire was distributed to and available to the entire population, responses were received from all 59 participants. Therefore, this study exceeds the minimum sample size requirements. Due to the entire population responding to the questionnaire, this study could be classified as a census.

4.7. Research Design and Methodology

As previously discussed, the research design that was implemented for this study was a quantitative research design. The research design utilised can also be classified as an empirical study using primary, numeric data and has a medium degree of control (Mouton, 2001, pp. 1-150). The nature of the study was descriptive as a questionnaire/survey was utilised to collect primary data within an organisation.

A quantitative and descriptive study was the most ideal research design suited for this study. Descriptive research also encompasses correlational research which describes relationships between variables. The descriptive research adopted for this study allowed for the researcher to establish/distinguish the relationships between multiple independent variables (i.e. effectiveness of change processes, climate of change, staff readiness) and one dependent variable (i.e. change). The construction and administration of the questionnaire will be discussed in detail the following sections.

4.7.1. Questionnaire Construction

The research methodology that was conducted is closely linked to the aforementioned objectives. To determine the effectiveness of change processes, evaluate the climate of change and assess staff readiness for change, a well-structured electronic questionnaire was developed to encompass these three objectives (Appendix D).

The questions formulated consisted of only closed questions, which allowed respondents to make a decision based on the set of options provided by the researcher. The questionnaire also included questions that were positively and negatively worded (Stevens, 2013, pp. 333-360). This reduces the respondents' tendency to mechanically choose the points toward one end of the scale and allows for a more true and honest response. The questionnaire was divided into two sections, i.e. Section A that dealt with demographical aspects and Section B was based on the research objectives to determine staff perceptions.

With regards to the demographic questions a few alternatives were provided, on the other hand, for the perceptions based questions (section B) a Likert scale was created with the responses ranging from Strongly Disagree to Strongly Agree. The scale points were numbered from 1 to 5. The scale points represented the range of responses as follows; 1 indicated Strongly Disagree, 2 indicated Disagree, 3 indicated Undecided, 4 indicated Agree and 5 indicated Strongly Agree.

Section A consisted of seven questions and Section B comprised of the three research objectives that consisted of 50 questions. The research objectives were developed by making specific reference to the three components that lead to successful implementation of change. These three components are process of change (Objective One), climate of change (Objective Two) and readiness for change (Objective Three), as outlined by (Bouckenooghe *et al.*, 2009, pp. 559-599).

Apart from the three components of change used to predict change behaviour, there are a few well-validated measures that assess these components. There are 10 dimensions altogether that have been delineated based on the three components (Bouckenooghe *et al.*, 2009, pp. 559-599). Under Objective One that dealt with the process of change, the following four dimensions were included: quality of change communication, participation, attitude of top management toward organisational change and support supervisors. Objective Two

based on the climate of change included three dimensions, i.e. trust in leadership, politicking and cohesion. Lastly, Objective Three that focused on readiness for change included three dimensions which are emotional, cognitive and intentional readiness for change.

4.7.2. Questionnaire Administration

All questions were developed, designed and captured via SurveyMonkey. SurveyMonkey is an electronic based system that is commonly used for online surveys. Once the questions were finalised and the questionnaire was created, a link to access the questionnaire on SurveyMonkey was distributed via email amongst the population group. There are many benefits of using electronic questionnaires as they are easy to administer to respondents situated in different geographic locations, very inexpensive, administered faster and allows for respondents to answer at their own convenience (Rowley, 2014, pp. 308-330).

The questionnaire provided the respondents with clear instructions on how to answer the questions and was assured of the confidentiality towards their responses. SurveyMonkey randomly administered the 51 questions to avoid biasness when participants were responding. This electronic system was also responsible for collecting and capturing the primary data.

4.8. Validity and Reliability

4.8.1. Validity

The validity of a measurement instrument is the extent to which the instrument, in this case the questionnaire, measures what it is intended to measure or how precisely and accurately it reflects the reality of what it claims to represent (Bernard, 2017, pp. 451-695). The validity of the questionnaire was established using Construct Validity. Construct validity relates to how well the research study measures a characteristic (i.e. change processes) that cannot be directly observed but is assumed to exist based on patterns in people's behaviour (i.e. employees' perceptions of change processes). The research study is also valid in terms of content and certain criteria as employees' perceptions of change processes are determined based on questions derived from the three components for successful change implementation and their 10 dimensions highlighted by Bouckennooghe *et al.* (2009, 559-599).

4.8.2. *Reliability*

Reliability is the consistency of which a research study produces stable and consistent results. A reliability test can be used to measure the consistency and the value of the results (Bonett and Wright, 2015, pp. 3-15). An internal consistency reliability test focuses on the extent to which all of the items (results) within a single instrument yield similar results. The internal consistency reliability was verified by using Cronbach's Coefficient Alpha (Bonett and Wright, 2015, pp. 3-15). The resulting alpha coefficient of reliability ranges from 0 to 1 in providing an overall assessment of a measure's reliability. It is recommended that the minimum alpha coefficient should be between 0.65 and 0.8, the closer the alpha coefficient is to 1 the stronger the internal consistency reliability. The resulting alpha coefficient for this questionnaire is 0.947 is indicated in **Error! Reference source not found.** below and in-depth calculations are provided in Appendix F.

Table 4.1. Reliability test statistics for the questionnaire

Cronbach's Coefficient Alpha	Number of items
0.947	50

4.9. Data Analysis

SurveyMonkey has data analysis capabilities and functions that was utilised to analyse the overall responses to the demographic and perception questions. These functions and capabilities included providing the total count of participants for each of the options provided in the Likert scale. Using these results, SurveyMonkey also provided an output of tables and graphs indicating the results. The preferred design of the graphs could be chosen by the researcher. SurveyMonkey also provides the researcher with the option to export the data to excel. This enables the researcher to develop his/her own tables and graphs based on the collected data for each question.

4.9.1. *Inferential Statistics*

Inferential statistics is utilised to make deductions or conclusions about the population from the representative sample data (Gibbs, Shafer and Miles, 2017, pp. 214-220). Researchers use inferential statistics to make judgements of the probability that a difference is observed

between groups i.e. dependable or coincidental. The Pearson correlation coefficient (r) is a measure of the strength of a linear relationship between two variables (Puth, Neuhäuser and Ruxton, 2014, pp. 183-189). This test was utilised to determine the strength of relationships between the various variables within this study. This statistical test attempts to draw a line of best fit through the data provided between the two variables and the correlation coefficient, r , indicates how far away these data points are in relation to the line of best fit. The resulting Pearson correlation coefficient ranges from +1 to -1, whereby a positive value indicates a direct relationship between the variables and a negative value indicates an inverse relationship (Darlington and Hayes, 2016, pp. 85-120). A value of zero indicates no correlation, 0.1 to 0.29 denotes a low or weak correlation, 0.30 to 0.49 represents a medium correlation and 0.50 to 1 indicates a strong correlation. The closer the value is to 1, the stronger the correlation.

4.10. Ethical Considerations

Before the research study could commence, an agreement was reached and signed in the form of Gatekeepers letters (Appendix B). This letter outlined that the conditions pertaining to the research study was exclusively for educational purposes and confidential information would not be made available. Authorisation was obtained from both companies (i.e. GIBB and SEF). One letter was approved and signed by the director and general manager of the environmental sector of GIBB and the other was approved and signed by the CEO of SEF. Other ethical issues were also considered during the construction and administration of the questionnaire and during the analysis of the data collected.

These ethical issues are protection from harm, voluntary and informed participation, right to privacy and honesty with professional colleagues (Ritchie, Lewis, Nicholls and Ormston, 2013, pp. 62-70). To gain honest feedback from respondents, the researcher developed questions and was sensitive to potential respondent privacy and mindful not to cause any psychological harm, for instance, by causing unusual stress, embarrassment or loss of self-esteem. A respondent were given the choice of whether to participate or not, as it was a voluntary exercise and their prior consent was required (refer to Appendix A). Participants were also ensured that their identity would be kept strictly confidential, as it did not require a name but rather code number to distinguish between the participants. The researcher could

not identify a respondents name from the number. It is also compulsory for researchers to report their findings in a completely honest fashion. Researchers must ensure they do not misrepresent any aspect of their research or intentionally mislead others about the nature of their findings. In light of these ethical issues, the researcher submitted an ethical clearance letter (Appendix C) together with the Gatekeepers letters to the University of KwaZulu-Natal (UKZN) Research Ethics Committee for review and approval, which was granted.

4.11. Conclusion

Chapter four highlighted the research design and methodology that was utilised to conduct this research study. Secondary literature, that was closely examined, was also used to substantiate the chosen design and methodology. A quantitative descriptive approach was utilised in response to the research aim and objectives. The sampling method that was chosen was a census and an online questionnaire was the research tool used to collect primary data from the respondents. A validity and reliability test was used to measure the consistency of the data and the Pearson correlation coefficient test was used to determine the strength of relationships between the variables. Several methods were chosen to analyse the data which will be discussed in the following chapter.

CHAPTER FIVE

5. PRESENTATION OF DATA

5.1. Introduction

Chapter five is a summary of the survey data obtained through the online questionnaires and includes the reliability and validity test results. Data concerning demographical aspects and organisational change processes which involved quality of change communication, participation, attitudes of top management and support from supervisors have been assessed and are presented in this chapter. A display of the inferential statistical tests conducted are provided and the chapter also includes the results obtained from two other broad categories such as climate of change and readiness for change at GIBB (Pty) Ltd and SEFSA (Pty) Ltd.

5.2. Demographical aspects

The demographic analysis was undertaken to profile the respondents from GIBB (Pty) Ltd and SEFSA (Pty) Ltd and to determine whether any of these factors contributed towards the effectiveness of the change processes at GIBB, the climate of change and staff readiness for change.

Amongst the 59 respondents that participated in the questionnaire (Refer to Appendix E), it must be noted that one respondent had skipped all the questions and had not provided any answers. With regards to the first question, 65.5% stated that they worked for GIBB and 34.5% worked for SEF therefore indicating that a larger percentage of employees that participated were from GIBB. In terms of gender (question two), 31 out of 59 respondents (53.4%) were female and 27 out of 59 respondents (46.6%) were male. Thus, more females answered the online questionnaire than males.

Question three related to how long the respondent has been with their current company. The pie chart below (refer to Figure 5.1) depicts the various answers provided by 58 out of 59 respondents as one respondent did not answer the question. As indicated in Figure 5.1, 29.3% respondents had been with their company for one year or less, 8.6% respondents have been with their company for more than a year but less than two years, 19.0% have been with their

company for more than two years but less three years, 25.9% have been with their company for more than three years but less than five years, 10.3% have been with their company for more than five years but less than ten and 6.9% have been with their company for ten years or more.

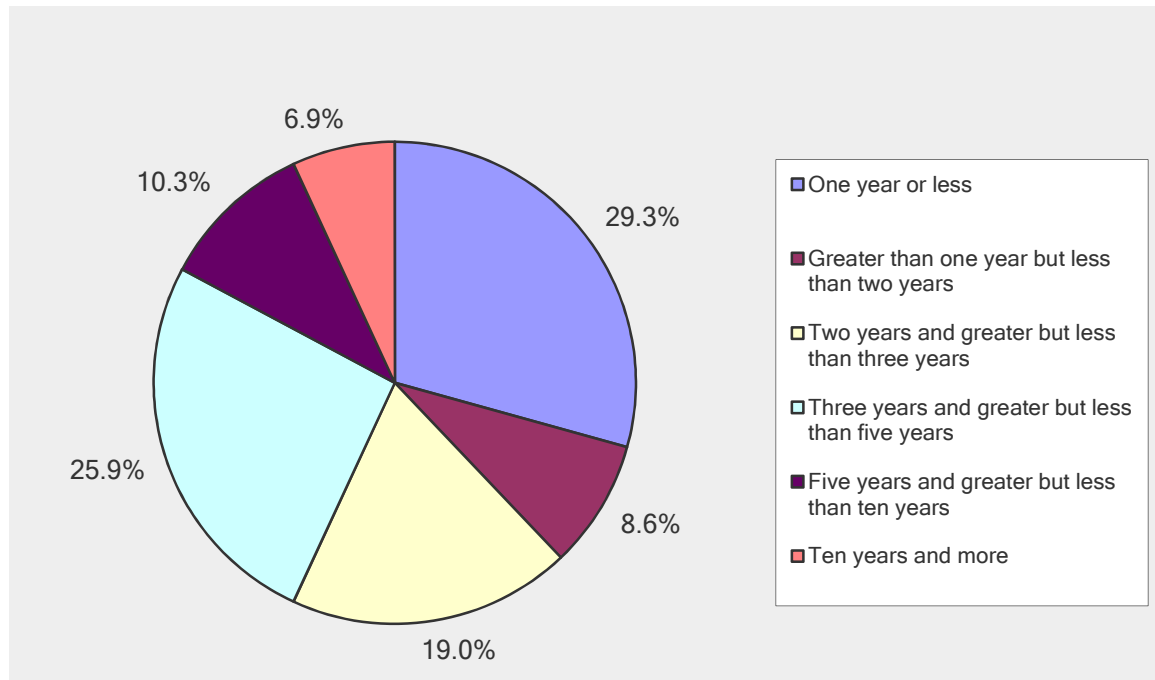


Figure 5.1: Length of employment in the company.

It is important to note that the two largest percentages of responses were those either working one year or less with their company and those who were working for their company for a period of between three and five years.

As previously discussed, it is important to note how long an employee has been with a specific company, as employees that have been longer with the company are most likely to resist change processes (Madsen, Miller and John, 2005, pp. 213-233, cited in, Oreg, Vakola and Armenakis, 2011, pp. 461-524). The largest percentage of respondents have been with their company for one year or less, whilst the second largest have been with their company for more than three years but less than five. A small percentage of respondents have been with their company for more than ten years. Overall, a greater percentage of employees (approximately 82.8%) have been with their company for less than a year to five years, whilst only 17.2% have been with their company for greater than five years.

Age is also considered as a factor that attributes to perceptions and attitudes towards change processes. According to studies (Madsen *et al.*, 2005, pp. 213-233, cited in, Oreg *et al.*, 2011, pp. 461-524), employees that are older are more likely to be resistant towards change and employees that are of a younger age are more likely to embrace and accept change. For question four, zero respondents were below the age of 20 or greater than 60 years old. One respondent was between the ages of 50 to 60 years old and one respondent did not provide an answer. A large number of respondents, 46.6% and 43.1% were between the ages of 20 to 29 years and 30 to 39 years respectively. On the other hand, only 8.6% (5 out of 59) of the respondents were between the ages of 40 to 49. A total of 24.1% of the respondents stated that their current assignment is their first job whilst the remaining 75.9% stated that it was not their first job (question five).

With regards to office location (question seven), 20.7% are based at the Johannesburg office, 37.9% are based at the Pretoria office, 8.6% are based at the East London office, 5.2% are based at the Port Elizabeth office, 17.2% are based at the Durban office, 8.6% are based at the Cape Town office and 1.7% are based at the Mthatha office. This question was asked to determine if the geographical region had an impact on the perceptions to change. This may relate to the dynamics and demographics at each office.

An employee's level of employment and position plays a vital part in the resistance and acceptance of change processes within the organisation. Researchers have established that the employees at management level have more to lose during change processes, such as power and decision-making rights, and are more likely to resist change (Haffar *et al.*, 2014, pp. 5-22). According to the responses tallied for question six, 6.9% are executives or directors, 15.5% are within the sector management level, 36.2% are senior consultants, 36.2% are junior consultants and 5.2% are graduates. The results clearly indicate that the majority of the respondents are within the intermediate level of the organisation.

5.3. Objective 1: Effectiveness of change processes in the organisation

5.3.1. *Quality of change communication*

In terms of the quality of communication regarding the change processes experienced between GIBB and SEF, 47.4% agreed and 21.1% strongly agreed that they received regular updates regarding the change (question one). A total of 68.5% of the respondents indicated

a positive response to receiving regular updates. The mean was calculated to be 4 which denotes that a majority of the respondents agree. With regards to communication between project leaders and staff members (question two), a majority of 60% (41.8% agreed and 18.2% strongly agreed) responded positively. It must be noted that a significant amount of people (25.5%) were undecided, however the mean was 4 (agree). A total of 27.3% were undecided as to whether they receive clear information on change processes, whilst 38.2% agreed and 14.5% strongly agreed. Thus, just over half of the respondents indicated a more positive answer and the mean was 3 denoting a more neutral stance.

When respondents were asked if they mostly hear of change processes via rumour (question four), the majority (69.6%) indicated that they did not as 46.4% disagreed and 23.2% strongly disagreed. Even though 12.5% were undecided, 14.3% agreed and 3.6% strongly agreed, the mean was 2 indicating that the majority disagreed. This may indicate that respondents were satisfied with communication received regarding the acquisition.

A majority of the employees responded positively when asked if they receive sufficient information on change processes with a total of 52.7% (question five) and if management informs all departments about its decisions with a total of 64.9% (question six). However, a significant amount of employees responded that they were undecided, 27.3% and 12.3% respectively, and disagreed, 14.5% and 21.1% respectively. The calculated mean for both these questions was 3 indicating that a majority of the respondents were undecided.

A large percentage of respondents (35.1%) stated they were undecided regarding the presence of excellent, two-way communication (question seven), whilst 33.3% agreed and 12.3% strongly agreed. On the other hand, 15.8% of the respondents disagreed and 3.5% strongly disagreed. Employees scored an average rating (mean) of 3 (refer to Figure 5.2), indicating neutrality with regards to the presence of excellent, two-way communication between the management team and staff within the various departments.

On the contrary, an average rating (mean) of 4 was achieved in relation to the clear communication for the need of the organisational change processes (question eight), as a total of 77.2% (54.4% agreed and 22.8% strongly agreed) responded positively. However, 14% were undecided, 1.8% strongly disagreed and 7% disagreed.

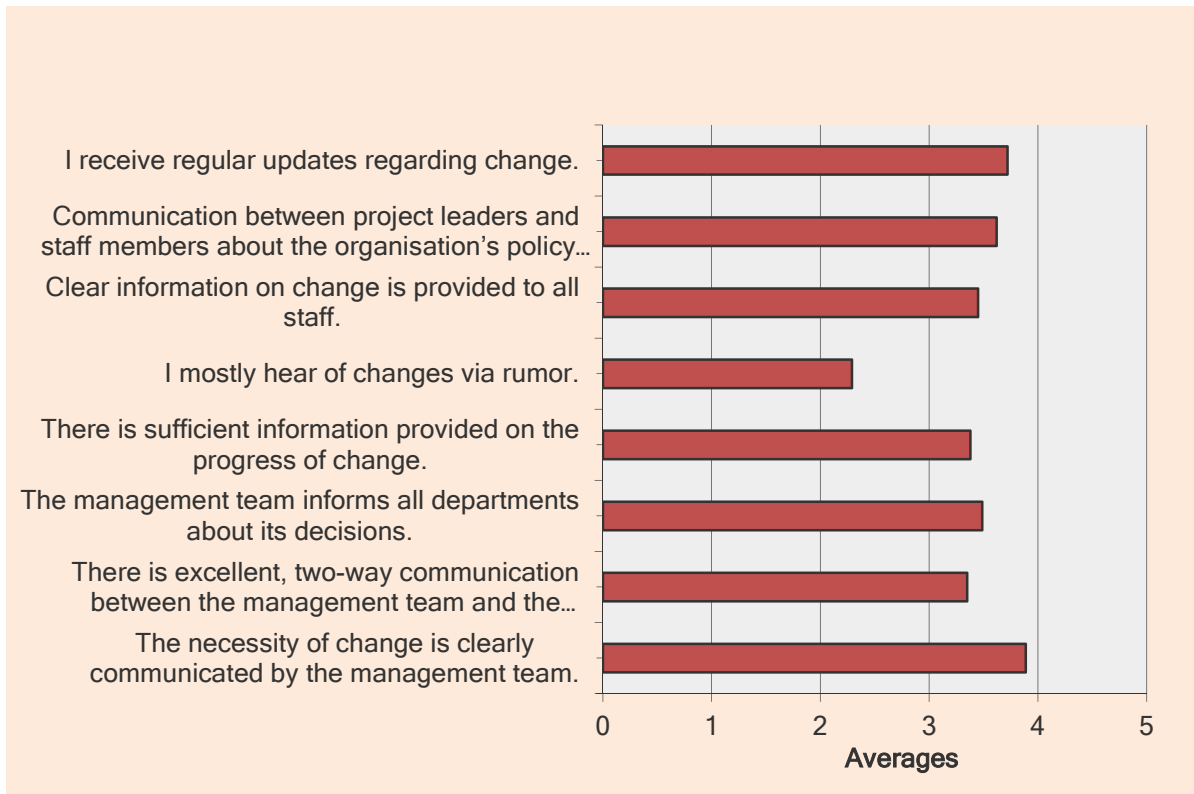


Figure 5.2: Bar graph indicating the average ratings for the quality of change communication.

Figure 5.2 above depicts the average ratings (means) for the quality of change management. It is evidently clear that half of the respondents were undecided whilst the other half responded that a high quality of change management was experienced. For the quality of change communication dimension, an overall mean was calculated as 4 (agree) which therefore indicates an overall positive response from the respondents. This mean was calculated by excluding the negatively worded question (question 4) based on hearing changes via rumour which had a mean of 2 indicating that the majority of the respondents disagree.

5.3.2. Participation

Participation in change management processes allow for better decision making and result in more successful outcomes to organisational change by reducing resistance to change mechanisms. When asked whether changes are always discussed with staff (question ten), 39% agreed and 19% strongly agreed, whilst 19% were undecided, 19% disagreed and 4% disagreed. The calculated mean was 4 (agree) indicating an overall positive result.

Even though a total of 51% (46% agreed and 5% strongly agreed) gave a positive response that they are consulted before decisions regarding their work are made (question 11), a significant amount (a total of 43.9%) of respondents disagreed (22.8%) and were undecided (21.1%). Thus, the rating average (mean) of 3 was achieved indicating overall neutrality.

A similar overall rating average of 3 was achieved regarding the consideration of employees' remarks before decision making was undertaken by the management team (question 12) and the ample consultation with various departments (question 13), (refer to Figure 5.3). A large percentage (44%) agreed, 7% strongly agreed, 26% were undecided, 18% disagreed and 5% strongly disagreed that employees' remarks are considered before undertaking decisions.



Figure 5.3: Graph representing the overall rating averages for participation processes.

A total of 51% (44% agreed and 7% strongly agreed) that there is sufficient consultation within the different departments regarding change (question 13). Also, 25% were undecided, 23% disagreed and 2% strongly disagreed. The calculated mean was 3 indicating indecisiveness. In terms of the staff being informed about the reasons for change (question 14), 54% agreed and 25% strongly agreed. However, 12% were undecided, 7% disagreed and 2% strongly disagreed. Thus, the mean was 4 indicating that the majority agreed and responded positively.

For question 15 stating that all staff members were encouraged to raise topics for discussion, 58% agreed, 26% strongly agreed, 9% were undecided, 5% disagreed and 2% strongly disagreed. Hence, the overall mean was 4 (agree). Respondents answered positively (calculated mean was 4) when asked if sufficient time was provided for consultation (question 16), as 46% agreed, 16% strongly agreed and the minority included 19% being undecided, 12% disagreeing and 7% strongly disagreeing.

Question 17 was a negatively worded question that stated the implementation of change leaves little room for personal input. Respondents answered varyingly with 35% being undecided, 28% disagreed and 4% strongly disagreed. On the contrary, 26% agreed and 7% strongly agreed. The varying answers resulted in the mean output of 3 (undecided).

A total of 40.4% (28.1% agreed and 12.3% strongly agreed) of the employees responded positively towards sufficient opportunities provided by management for the involvement of staff members in implementation processes regarding the changes (question 18). On the other hand, 33.3% were undecided and 26.3% disagreed, this resulted in the overall average rating of 3 which indicates neutrality.

In terms of the role of the participation dimension in organisational change processes that occurred between GIBB and SEF, a majority of the respondents were undecided, whilst the latter agreed that participation was evident through discussions, consultations and involvement in the decision-making processes. Ultimately, in exclusion of the negatively worded question, the mean for the participation dimension is 4 (agreed) indicating a positive relationship.

5.3.3. Attitude of top management toward change

The attitude of top management towards change is imperative and indicative of the success or failure towards the implementation of change processes. Attitude of employees is closely related to either the acceptance of, or resistance to change processes. A significant amount of respondents revealed that they either agreed or strongly agreed that there is confidence regarding the positive prospective vision by the managerial staff (question 19) with a total of 84.2% (43.9% agreed and 40.4% strongly agreed), their active involvement (question 20) with a total of 89.5% (50.9% agreed and 38.6% strongly agreed) and their unconditional support (question 21) with a total of 75.4% (40.4% agreed and 35.1% strongly agreed) in the

various change processes. All three questions in this dimension had a mean of 4 resulting in an overall average rating of 4 (agree) for the dimension which indicates a positive relationship between the attitude of top management and their efforts in the change processes.

5.3.4. *Support by supervisors*

Support by senior managerial staff is imperative for the efficient implementation throughout the change process. Through their assistance and guidance, employees feel safer and more open towards accepting change. A positive response, a total of 75.5% (63.2% agreed and 12.3% strongly agreed), was received by respondents that feel their senior managers do consider their personal consequences derived from the change process (question 22). Whilst, 12.3% were undecided, 10.5% disagreed and 1.8% strongly disagreed. Therefore, the resultant mean for this question was 4 (agree).

A mixed response was received from respondents regarding the provision of adequate coaching about implementing change by senior managers (see Figure 5.4 below). Results indicated that 19.3% disagreed, 1.8% strongly disagreed, 31.6% were undecided, 8.8% strongly agreed and 38.6% agreed generating an overall average of 3 (undecided) for this question (question 23).

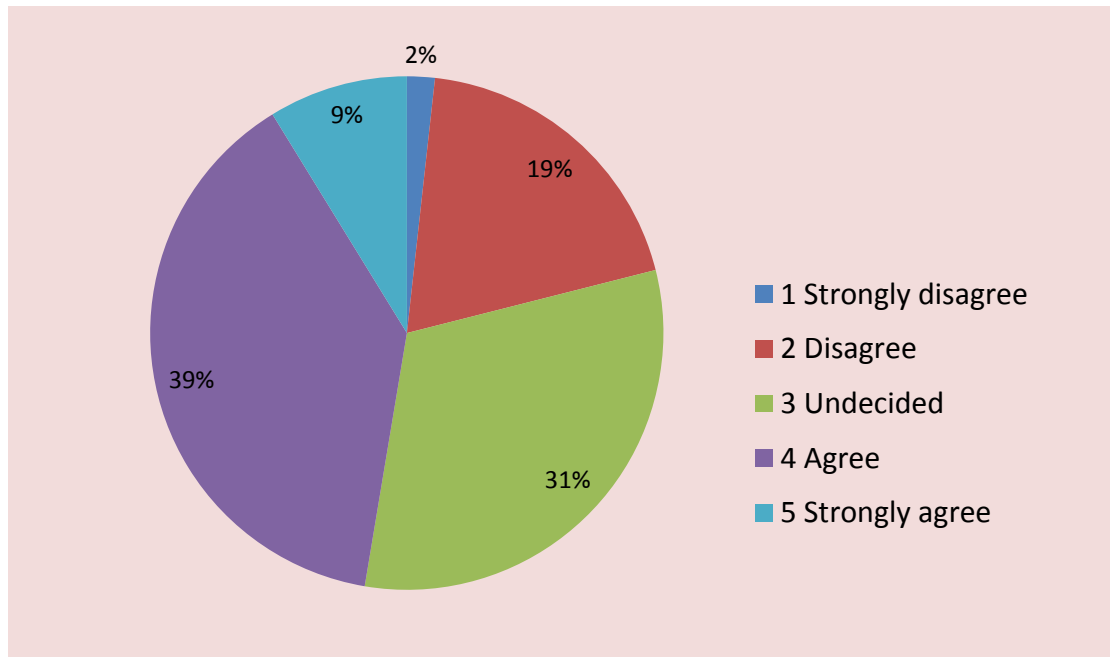


Figure 5.4: Pie chart illustrating the responses for the provision of adequate coaching about implementing change by senior managers.

With organisational change processes, adaptability of the organisation and its employees is vital for survival. With special reference to question 24, which was negatively worded, stating that senior managers do not adapt their leadership styles to the new changes, a total of 43.9% of the respondents (31.6% disagreeing and 12.3% strongly disagreeing) expressed that senior managers are adaptable whilst 43.9% of the respondents were undecided and 12.3% agreed and expressed that senior managers are not adaptable. Therefore the mean was calculated as 3 (undecided). Question 25 was another negatively worded question that stated the manager is not helpful in finding solutions to problems. A total of 87.7% of the respondents (49.1% strongly disagreed and 38.6% disagreed) disagreed, resulting in a mean of 2 (disagree) therefore indicating a positive result that employees do find their managers helpful.

A large majority (94.7%) of respondents (45.6% agreed and 49.1% strongly agreed) also expressed that their manager is approachable (question 26), especially when employees are experiencing challenges. For question 27 based on the ability of the manager to be understanding and able to view things from the staff's level of perception, 43.9% agreed and 29.8% strongly agreed whilst 17.5% were undecided and 8.8% disagreed. Question 26 and 27 resulted in a mean of 4 (agree). A majority of 87.7% (54.4% agreed and 33.3% strongly

agreed) also responded that they are encouraged by their manager to attempt new things (question 28). The mean resulted in 4 (agree).

Excluding the two negatively worded questions (question 24 and 25), all questions within the support by supervisors dimension resulted in a mean of 4 (agree) which positively indicates that support is offered from the management level. This creates a greater platform for experiencing new things, learning how to adapt and reducing the fear of the unknown, which contributes towards reducing resistance to change.

5.4. Objective 2: Climate of change or internal context

5.4.1. *Trust in leadership*

Trust in leadership is vital to eradicate fears and negative attitudes towards change processes. Results from employees indicated that the management team is consistent in the implementation of its policies in all departments (question one), with a majority of 70.3% (54.4% agreed and 15.8% strongly agreed) in agreement. An overall average rating of 4 (agree) was achieved (refer to Figure 5.5). A mixed response was received for question two regarding the management team always delivering on their promises. The majority of employees (52.6%) indicated a positive response with 38.6% agreeing and 15.8% strongly agreeing. The latter included a negative response of 21.1% (15.8% disagreeing and 5.3% strongly disagreeing) whilst 24.6% were undecided. The outcome was an average rating of 3 (refer to Figure 5.5).

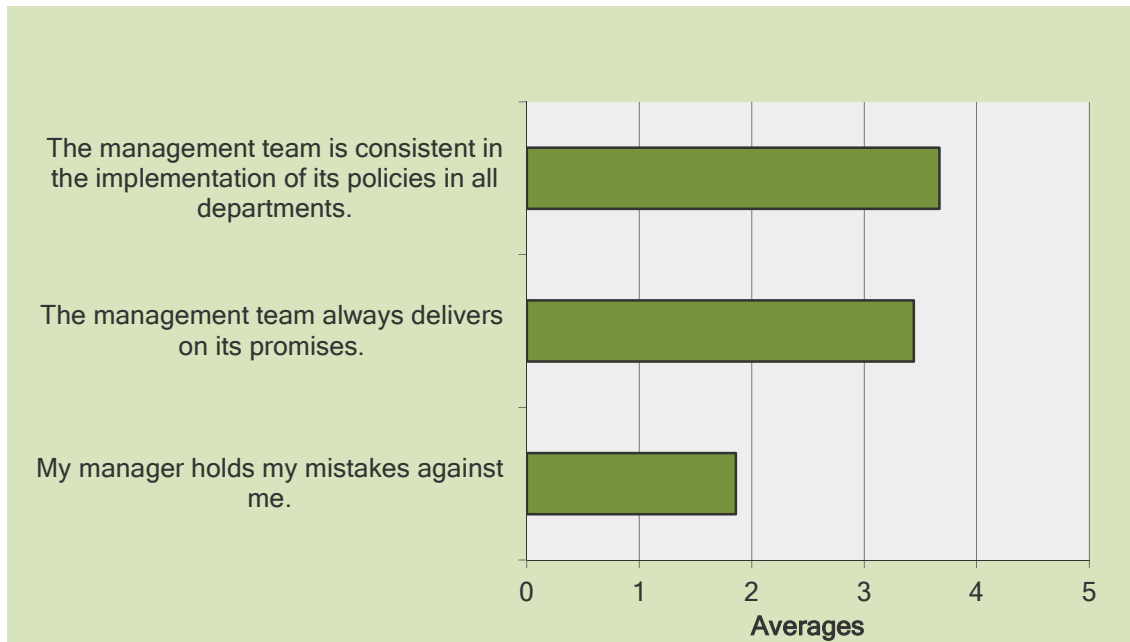


Figure 5.5: Average ratings for trust in leadership.

Question three was a negatively worded question whereby employees were asked if their manager holds their mistakes against them. A large majority (84.2%) responded positively with 33.3% strongly disagreeing and 50.9% disagreeing with the statement. These results then produced an average rating of 2 (disagree) which essentially indicates a positive outcome towards trust in leadership.

Considering the two positively worded questions in the trust in leadership dimension, an average rating of 4 was calculated denoting that a large majority agrees there is trust in leadership present.

5.4.2. *Politicking*

Politicking refers to the influence that employees exert on other employees for their own agenda or benefit. These situations may disadvantage employees instead of creating a fair, comfortable and safe working environment. In this section, there were three questions that were negatively worded. For question four, a large number of respondents (59.7%) responded that there is no power games between the departments, whilst 26.3% were undecided and a minority of 14.0% agreed.

A mixed response was received when employees were asked if they were sometimes taken advantage of (question 5), (see Figure 5.6). As illustrated below, majority of the respondents disagreed (12% strongly disagreed and 35% disagreed), which is an indication of a good working environment. However, 35% agreed (i.e. 30% agreed and 5% strongly agreed) thereby revealing that there are possible challenges and negative issues present in the working environment. It must also be noted that 18% were undecided.

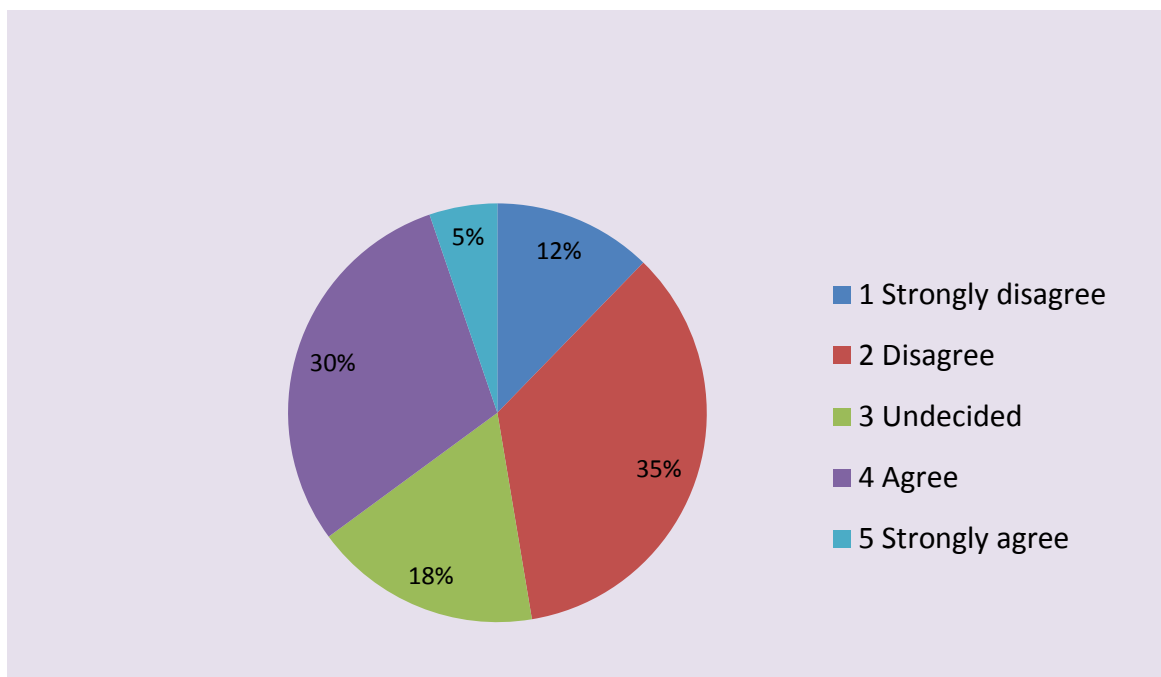


Figure 5.6: Percent of staff taken advantage of in the organisation.

With regards to question six relating to favouritism being a common practice in the organisation, a majority of 68.4% (17.5% strongly disagreed and 50.9% disagreed) disagreed to the presence of favouritism in the workplace, however 17.5% were undecided. Overall responses indicate there are minimal to no politicking activities occurring and therefore does not have a significant impact towards the climate of change. The mean for the politicking dimension is 3 (undecided).

5.4.3. Cohesion

Cohesion, team work and the overall way in which the team functions is necessary for creating a positive working environment, especially when change processes occur. In this section, there are five questions (i.e. questions seven to nine) of which three were negatively worded. A significant majority of 94.7% (40.3% strongly disagreed and 54.4% disagreed) disagreed that they find it difficult to ask their colleagues for help (question seven). This is a positive response, indicating that team work is evident. With regards to strong rivalry existing between colleagues (question eight), 87.7% of the respondents either disagreed or strongly disagreed. Overall the average rating is 2 for both questions, indicating a positive response to cohesion (refer to Figure 5.7). It is evident that team mates are willing to assist and help one another and there are good work relationships that have been established.

The majority of 89.4% disagreed (average rating of 2) with the statement that they doubt the competency of their colleagues (question nine). Therefore, indicating that they have confidence in their team mates. An average rating of 4 (refer to Figure 5.7 below) was generated as a significant majority (87.7%) agreed that they have complete confidence in their colleague's competency (question ten). This also indicates that employees value and appreciate their colleagues' contributions. It also increases the individuals' self-worth which contributes to better team work dynamics, subsequently creating a positive and happier working environment. These elements assist in building strong teams that can then adapt, handle and survive high-pressured and stressful situations, especially during various change processes.

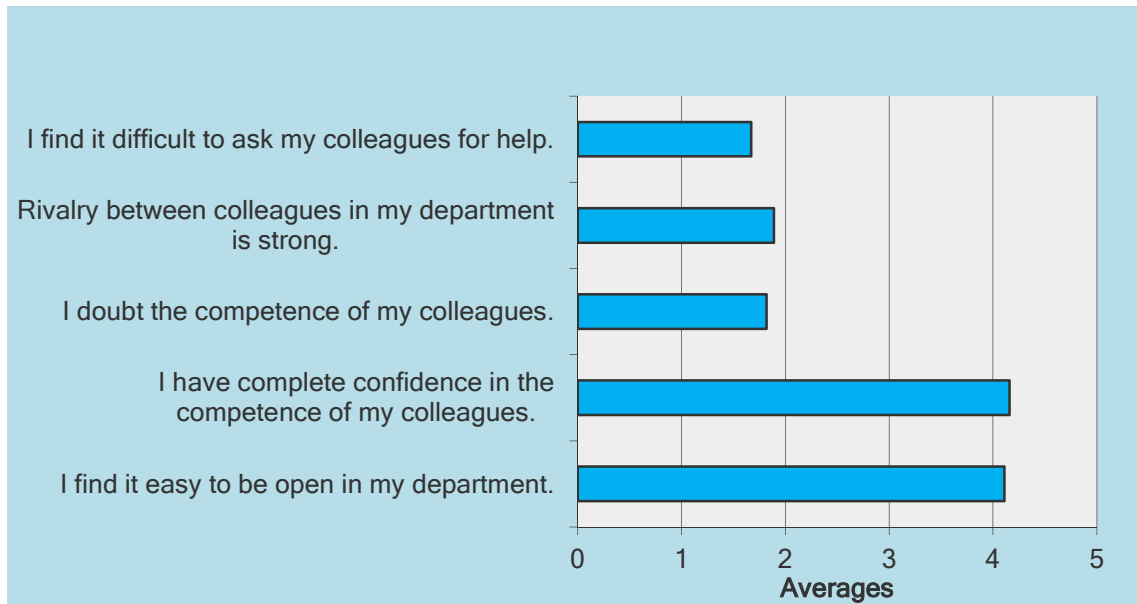


Figure 5.7: Average ratings for cohesion.

With an overall average rating of 4 (refer to Figure 5.7 above), 84.2% expressed that they find it easy to be open in their department (question 11). This is a positive outcome, as employees feel they are able to express themselves, voice how they feel and give their input or opinions. This provides an effective and efficient platform for challenges and issues to be resolved, making them keener to be participative and active in change processes thereby contributing to its success. Research shows that it is easier to solve issues of an expressive and open individual than that of an individual that is passive in nature (Robbins *et al.*, 2009, pp. 290-316).

Taking into consideration the two positively worded questions and bearing in mind the positive responses for the three negatively worded questions, the mean for the cohesion dimension is 4 and indicates there is a positive relationship between cohesion and change processes.

5.5. Objective 3: Staff readiness for change

5.5.1. *Emotional readiness for change*

For question one, a significant majority of respondents (70.2%) expressed that they feel good about the change, with 42.1% agreeing and 28.1% strongly agreeing. For question two relating to the change having a positive effect, a total of 78.9% responded positively as 52.6% agreed and 26.3% strongly agreed. A total of 75.5% stated they feel the change is refreshing (question three), as 47.4% agreed and 28.1% strongly agreed. Therefore an average rating of 4 was calculated for all three questions.

On the other hand, question four which was a negatively worded question, when employees were asked if they were unhappy to accommodate change and to incorporate it into their work, a majority of 77.1% disagreed, 5.1% were undecided and 17.5% expressed that they were unhappy. Overall the average rating was 2 (disagree), which is regarded as a positive outcome. These results show a positive relationship on how the employees feel about the change and provide a clear indication of their emotional readiness for change. For the emotional readiness for change dimension, the mean was calculated as 4 (agree).

5.5.2. *Cognitive readiness for change*

Cognitive readiness refers to the mental preparation an individual needs to establish and sustain competent performance, especially when considering change processes. This section included five questions and questions five to seven are negatively worded. When respondents were asked if they think the change will have an adverse effect on their clients (question five), a mixed response was received (refer to Figure 5.8). Results indicated that 19.3% strongly disagreed and 33.3% disagreed (total majority of 52.6%), which is a positive outcome. However, the latter of the results revealed that 10.5% agreed and 3.5% strongly agreed (total of 14.0%), showing a minor negative outcome. It is also important to note that 33.3% of the respondents were undecided; if this result was based on uncertainty it can also be an indication of fear of the unknown which is a factor that contributes to the resistance of change (Yılmaz and Kılıço lu, 2013, pp. 14-21). The mean for question five was 2 (disagree).

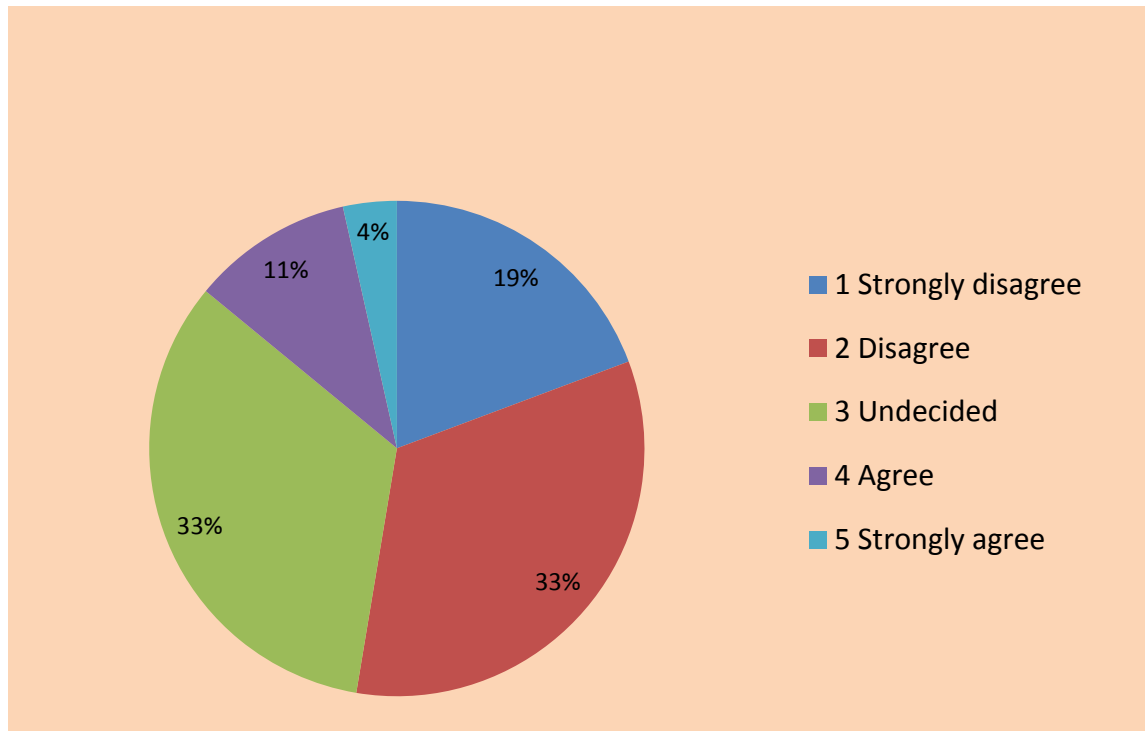


Figure 5.8: Effect of change in clients.

A majority of 70.2% disagreed (24.6% strongly disagreed and 45.6% disagreed) that future improvement plans will not be implemented (question six) and a majority of 80.7% disagreed (31.6% strongly disagreed and 49.1% disagreed) that changes will not improve things in the organisation (question seven). Although it must be noted that 26.3% and 19.3% of the respondents, respectively, were undecided. Overall, an average rating of 2 was generated for question six and seven, indicating a positive outcome towards cognitive readiness for change. With regards to question eight regarding whether change will improve work, a total of 71.9% agreed (45.6% agreed and 26.3% strongly agreed) that change will improve work. It must be noted that 28.1% were undecided and the mean was 4 (agree).

With regards to question nine whether change will simplify work, a mixed response was received (refer to Figure 5.9). The results revealed that 40.4% agreed (28.1% agreed and 12.3% strongly agreed), 21.1% disagreed (1.8% strongly disagreed and 19.3% disagreed) and a significant amount of 38.6% were undecided. Due to the variation in responses the mean was calculated as 3 (undecided).

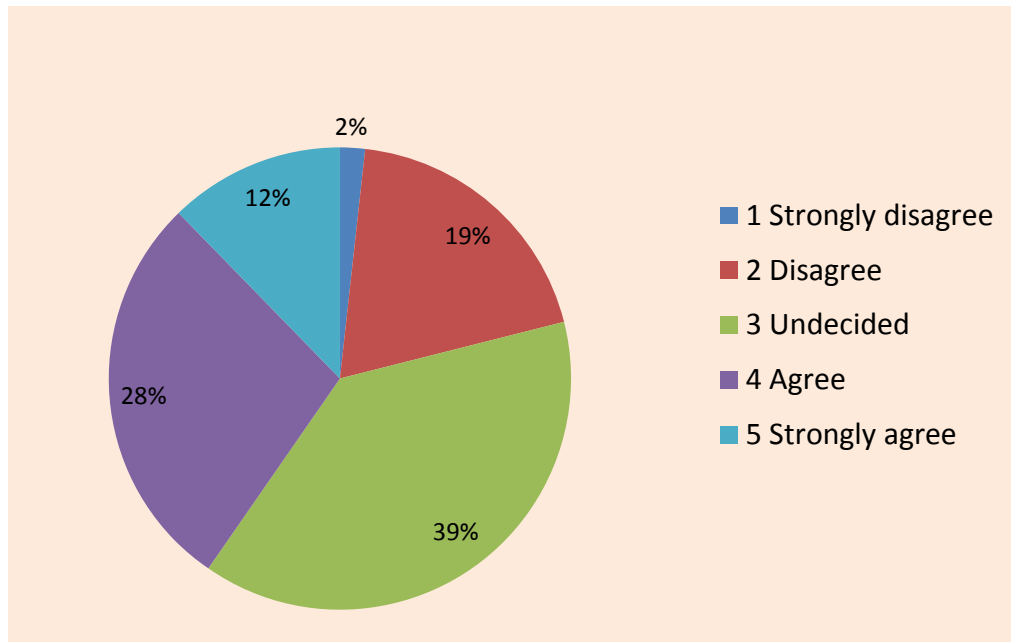


Figure 5.9: Employees responses for whether the change will simplify work.

With a significant amount of employees being undecided, this may be an indication of uncertainty that could also be related to fear of the unknown, which is an attribute of resistance to change (Yılmaz and Kılıço lu, 2013, pp. 14-21).

5.5.3. *Intentional readiness for change*

Intentional readiness deals with the individual's eagerness, planning and premeditated actions towards embracing and adapting to change. For question ten, a significant amount of employees responded that they aim to devote themselves to the change processes (59.6% agreed and 35.1% strongly agreed). For question 11, a large percentage of respondents (93%) would like to make a significant contribution to the change, as 49.1% agreed and 43.9% strongly agreed. For question 12 relating to the will to put effort into the change process, 57.9% agreed and 40.4% strongly agreed. Therefore, an overall average rating for each of the three questions was 4, indicating a positive outcome for the intentional readiness amongst employees for the change.

5.6. Inferential Statistics

The Pearson correlation coefficient test was conducted to determine the strength of the relationship between the various variables. The results are displayed in Table 5.1 to Table 5.7 below and the in-depth results of this calculation can be referred to in Appendix G. No correlations are depicted in grey, low or weak correlations are shaded in blue, yellow represents medium correlations and green indicates strong correlations.

Table 5.1: Pearson correlation coefficient results for company.

VARIABLES	Quality of Change Communication	Participation	Attitude of top management	Support by supervisors	Trust in Leadership	Politicking	Cohesion	Emotional Readiness	Cognitive Readiness	Intentional Readiness
<i>Company</i>	-0.225	-0.289	-0.278	-0.242	-0.330	0.289	-0.216	-0.137	-0.280	-0.008

From the above results (Table 5.1), it can be inferred that there is no relationship between the company the employee works for and their intentional readiness for the change ($r = -0.008$). Although majority of the results, displayed in Table 5.1 to Table 5.7, indicated no relationships and a significant number from the remaining results were low or weak relationships. This was evident for the company employees worked for and all ten dimensions listed, excluding trust in leadership and intentional readiness. The only medium correlation that was observed from the results from the Pearson correlation coefficient test was a negative correlation between the company the employee worked for and trust in leadership ($r = -0.330$). No strong correlations were determined between any of the variables.

Table 5.2: Pearson correlation coefficient results for gender.

VARIABLES	Quality of Change Communication	Participation	Attitude of top management	Support by supervisors	Trust in Leadership	Politicking	Cohesion	Emotional Readiness	Cognitive Readiness	Intentional Readiness
<i>Gender</i>	0.106	0.135	-0.152	0.040	-0.003	-0.042	0.025	0.124	-0.103	-0.033

According to Table 5.2, no correlation was also determined between gender and support by supervisors ($r = 0.040$), trust in leadership ($r = -0.003$), politicking ($r = -0.042$), cohesion ($r = 0.025$) and intentional readiness ($r = -0.033$). Gender also had low or weak relationships for the quality of change communication, participation, attitude of top management toward

change (inverse relationship), emotional readiness and cognitive readiness (inverse relationship). No medium and strong correlations were determined between any of the variables.

Table 5.3: Pearson correlation coefficient results for experience.

VARIABLES	Quality of Change Communi- cation	Participation	Attitude of top management	Support by supervisors	Trust in Leadership	Politicking	Cohesion	Emotional Readiness	Cognitive Readiness	Intentional Readiness
<i>Experience</i>	0.006	0.014	-0.125	-0.075	-0.255	0.193	-0.075	-0.058	-0.297	-0.096

There is also no relationship distinguished between experience, which denotes how long an employee has been with the company, and several dimension variables (see Table 5.3) such as quality of change communication ($r = 0.006$), participation ($r = 0.014$), support by supervisors ($r = -0.075$), cohesion ($r = -0.075$), emotional readiness ($r = -0.058$) and intentional readiness ($r = -0.096$). The experience variable results indicated low or weak relationships between dimensions such as attitude of top management (negative correlation), trust in leadership (negative correlation), politicking (positive correlation) and cognitive readiness (negative correlation). No medium and strong correlations were determined between any of the variables.

Table 5.4: Pearson correlation coefficient results for age.

VARIABLES	Quality of Change Communi- cation	Participation	Attitude of top management	Support by supervisors	Trust in Leadership	Politicking	Cohesion	Emotional Readiness	Cognitive Readiness	Intentional Readiness
<i>Age</i>	0.183	-0.015	-0.020	0.169	-0.052	-0.071	0.128	0.120	0.153	0.175

No relationship was observed for the age variable and participation ($r = -0.015$), attitude of top management toward change ($r = -0.020$), trust in leadership ($r = -0.052$) and politicking ($r = -0.071$), (refer to Table 5.4). A positive weak or low correlation was observed for the age variable and all dimensions besides participation, attitude of top management, trust in leadership and politicking. No medium and strong correlations were determined between any of the variables.

Table 5.5: Pearson correlation coefficient results for first job.

VARIABLES	Quality of Change Communication	Participation	Attitude of top management	Support by supervisors	Trust in Leadership	Politicking	Cohesion	Emotional Readiness	Cognitive Readiness	Intentional Readiness
<i>First Job</i>	-0.042	-0.052	-0.033	0.027	-0.054	0.081	0.044	0.008	0.133	0.184

As displayed in Table 5.5 above, no correlation was calculated for the first job variable, which refers to whether the employee's current position was their first job, and quality of change communication ($r = -0.042$), participation ($r = -0.052$), attitude of top management toward change ($r = -0.033$), support by supervisors ($r = 0.027$), trust in leadership ($r = -0.054$), cohesion ($r = 0.044$), politicking ($r = 0.081$) and emotional readiness ($r = 0.008$). Weak or low correlations were determined between employee's first job and cognitive readiness ($r = 0.133$) and intentional readiness ($r = 0.184$). No medium and strong correlations were determined between any of the variables.

Table 5.6: Pearson correlation coefficient results for position.

VARIABLES	Quality of Change Communication	Participation	Attitude of top management	Support by supervisors	Trust in Leadership	Politicking	Cohesion	Emotional Readiness	Cognitive Readiness	Intentional Readiness
<i>Position</i>	-0.026	0.035	0.018	-0.065	0.202	-0.118	-0.087	-0.008	-0.091	-0.178

The position variable relates to the level of the organisation that the respondent was employed at. No relationships were recognised between employee's position and quality of change communication ($r = -0.026$), participation ($r = 0.035$), attitude of top management toward change ($r = 0.018$), support by supervisors ($r = -0.065$), cohesion ($r = -0.087$), emotional readiness ($r = -0.008$) and cognitive readiness ($r = -0.091$). Results (Table 5.6) also indicated a positive low or weak relationship between position and trust in leadership ($r = 0.202$) and a negative relationship between position and politicking ($r = -0.118$). No medium and strong correlations were determined between any of the variables.

Table 5.7: Pearson correlation coefficient results for location.

VARIABLES	Quality of Change Communication	Participation	Attitude of top management	Support by supervisors	Trust in Leadership	Politicking	Cohesion	Emotional Readiness	Cognitive Readiness	Intentional Readiness
<i>Location</i>	0.207	0.139	-0.055	0.148	0.081	0.041	-0.034	-0.025	-0.081	-0.069

Office location (Table 5.7) also produces no relationship with seven out of the ten dimensions, i.e. attitude of top management toward change ($r = -0.055$), trust in leadership ($r = 0.081$), politicking ($r = 0.041$), cohesion ($r = -0.034$), emotional readiness ($r = -0.025$), cognitive readiness ($r = -0.081$) and intentional readiness ($r = -0.069$). The three positive low or weak relationships observed for the variable office location was for the quality of change communication ($r = 0.207$), participation ($r = 0.139$) and support by supervisors ($r = 0.148$). No medium and strong correlations were determined between any of the variables.

5.7. Conclusion

The abovementioned analyses represented in chapter five have validated the results using the necessary statistical tests. Chapter five identified and displayed the responses of the majority with regards to the quality of change communication, participation, attitudes of top management and support from supervisors, trust in leadership, politicking and cohesion, and emotional, cognitive and intentional readiness for change processes at GIBB (Pty) Ltd. The chapter also highlighted the strength in relationships between the various variables. These results are explained and discussed further in chapter six.

CHAPTER SIX

6. DISCUSSION OF RESULTS

6.1. Introduction

In this chapter, a detailed discussion of the findings from chapter five is presented. Chapter six offers an explanation to the staff perceptions that were determined with regards to the three components, that are further derived into ten dimensions, that contribute to successful change implementation. The three components of change processes were incorporated into the following objectives:

1. To determine the effectiveness of change processes at GIBB (Pty) Ltd in general.
2. To evaluate the climate of change and whether it is conducive to this acquisition.
3. To assess staff readiness for change.

6.2. Organisational Change

A number of studies conducted have led researchers to strongly agree that the role of climate of change, process of change and readiness for change is highly relative to the processes that lead to the successful implementation of change (Bouckennooghe *et al.*, 2009, pp. 559-599). However, despite the importance of these three components towards its ability to predict behavioural change, ten dimensions were developed as measures to assess these components. The process of change component incorporates four dimensions which are quality of change, participation, attitude of top management toward change and support by supervisors. The component based on climate of change is inclusive of three dimensions, i.e. trust in leadership, politicking and cohesion. The third component entails the three variables of readiness for change which are emotional, cognitive and intentional readiness for change.

6.3. Discussion of Results

6.3.1. Objective One: Change process in the organisation

6.3.1.1. Quality of change communication

Communication serves four main purposes within an organisation, i.e. control, motivation, emotional expression and information (Shockley-Zalabak, 2014, pp. 185-212). Communication acts to control individual behaviour in multiple ways and it fosters motivation by clearly indicating to employees what is to be done, how well they are doing and what can be done to improve performance. Communication also provides a release for the emotional expression of feelings and for the fulfilment of social needs (Karanges, Johnston, Beatson and Lings, 2015, pp. 129-131). Lastly, communication facilitates decision-making by providing the information required.

The quality of change communication refers to how change and the various associated processes are communicated (Rogiest, Segers and van Witteloostuijn, 2015, pp. 1094-1106). Aspects such as the clarity, frequency and openness determine whether communication is effective. Lack of communication between employees and top management is a common challenge, especially during change processes. Insufficient and inefficient communication can create confusion and uncertainty which may lead to resistance towards change processes. With regards to receiving regular updates regarding the change processes, the results show a large majority of 68.5% of the respondents either agreed or strongly agreed. This means that employees are continuously being informed and included with regards to new and relevant information regarding the change.

Apart from the formal system, the informal system is another communication network within an organisation. It is also known as the grapevine and is considered to be an important source of information (Enuoh and Inyang, 2016, pp. 75-88). A survey found that 75% of employees hear about matters first through rumours on the grapevine. The grapevine is not controlled by management, it is perceived as being more believable and reliable than formal communiqués distributed by top management and is mostly used to serve the self-interests of the people within it. According to the results displayed in chapter five, a large percentage (69.6%) disagreed that they hear of changes mostly via rumour, whilst a minority of 17.9% agreed that they do hear of changes mostly via rumour. The results of the majority indicate that the proper communication channels are being implemented, whilst the minority

indicates that this issue of rumours still needs to be addressed to achieve better communication within the organisation. On the other hand, rumours emerge in situations where there is ambiguity and possible anxiety and the grapevine serves employees' needs by creating a sense of closeness and friendship among those who share information (Sethi and Seth, 2016, pp.). It must be emphasised that management cannot entirely eradicate rumours but rather minimise the negative consequences of rumours by limiting their range and impact.

Results indicated that 60% of the employees either agreed or strongly agreed that communication between project leaders and staff members about the organisation's policy regarding changes is good, whilst 25.5% were undecided or had a neutral stance on this aspect. On the other hand, results revealed overall undecidedness with regards to the presence of excellent, two-way communication between the management team and staff within the various departments. Organisational change management communication needs to be bidirectional and directed towards the different departments (Groenewald, 2013, pp. 207-210). This type of communication allows for people to make sense of the change and encourage them to contribute towards it. Studies show that one-way communication with a top-down approach hinders the progress of change. Hence, two-way communication between the management team and staff within the various departments needs to be promoted.

A total of 27.3% were undecided as to whether they receive clear information on change processes, whilst 52.7% either agreed or strongly agreed. This indicates that just over half of the employees feel they receive clear information regarding change processes. On this note, it must be emphasised that constantly talking does not necessarily mean communication is present. The quality of information presented and the way in which it is presented is also vital for good communication (McKay, Kuntz and Näswall, 2013, pp. 29-40). On the contrary, an average rating of 4 was achieved in relation to the clear communication for the need of the organisational change processes, as a large percentage of employees agreed. This suggests that the need for the change is well articulated and communicated efficiently, whereas other general information on change is not as well communicated.

Just over half of the employees responded positively when asked if they receive sufficient information on change processes with a total of 52.7%, whilst 27.3% were undecided and 14.5% disagreed which resulted in an average of 3. Even though half of the employees feel they do receive enough information, the remaining half either felt that they do not receive enough information or was undecided. This undecidedness can be seen as a negative outcome, whereby employees probably feel that they do lack sufficient information but were probably not entirely sure or were scared to answer. Therefore, this issue needs to be addressed.

On a more positive note, for the quality of change communication dimension, the overall results indicate that effective and regular communication is taking place which will reduce fear of the unknown regarding the change process (Canning and Found, 2015, pp. 274-295). However, results also revealed there is insufficient communication taking place which can lead to negative attitudes towards change processes.

6.3.1.2. *Participation*

The participation dimension refers to the level to which employees are involved in and informed about decisions that directly affect them, especially decisions regarding organizational change (Boxall and Macky, 2014, pp. 963-984). Employee involvement is imperative as it utilizes the input of employees to increase their commitment towards the organization's success. The rationality of this lies in the fact that when employees are involved in decision making that affects them and increase their autonomy and control over their work lives, then employees will become more motivated, more committed to the organization, more productive and therefore more satisfied with their jobs.

Results strongly indicated that changes are always discussed with staff and that they were informed about the reasons for change. Allowing for employee involvement creates a platform for organizational change processes to be more transparent and open (Anderson, 2016, pp. 66-69). This allows for employees to have a better attitude and more confidence and trust towards the change processes and top management. Even though a total of 51% gave a positive response that they are consulted before decisions regarding their work are made, a significant amount of respondents disagreed or were undecided. This indicates that just over half of the employees feel that they are consulted whilst the latter feel they are not. A similar outcome was achieved when most employees that felt the management team

considers staff's remarks before making decisions, whilst there are quite a number of employees who feel that they are not consulted. This could lead to resistance to change and negatively affect change processes.

Results showed a variation in responses as half of the respondents agreed that there was sufficient consultation with different departments regarding the change whilst the latter either disagreed or were undecided. However, a majority of the employees strongly agreed that sufficient time was provided for consultation. This indicates that even though sufficient time was allocated, consultation across departments was unsuccessful.

An important factor of participation is that staff should be actively involved and feel encouraged to raise topics for discussion. In this regard, a large percentage of employees agreed, showing a positive response of motivation and encouragement for staff involvement during the change process. However, less than half of the respondents indicated they were provided with ample opportunities by management to become involved in the implementation of the changes. A large percentage of employees disagreed and were undecided. Thus, even though employees were encouraged, they were not successful in the actual implementation of becoming actively involved. This could lead to a lack of trust and confidence in management and the change process (Razi, Mohebbi and Rostam, 2016, pp. 202-206). As a result, answers were almost evenly distributed amongst employees as some either agreed, disagreed or were undecided that the implementation of change left little room for personal input.

In terms of the participation dimension, the overall results indicated that participation and staff involvement was evident with the majority of the employees. However, it must be noted that there were a significant amount of employees that were not actively involved, which should be taken into account for the next change process.

6.3.1.3. *Attitude of top management toward change*

The attitude of top management toward change involves the position that top management is taking with regard to change processes (Colbert, Barrick and Bradley, 2014, pp. 351-387). It assesses if top management is supportive of change processes and if they are actively involved in such processes.

The outcome of the results was highly positive as a large majority agreed that the management team has a positive vision, are actively involved with change processes and offer unconditional support. The attitude of top management strongly influences staff's attitude towards the acceptance or resistance of change processes, as they are seen as leaders and staff looks to top management for guidance and advice (Ololube and Ololube, 2017, pp. 25-42). When top management has a positive attitude and is able to provide their employees with the necessary support, this contributes to the change processes being more effective. The greatest assistance a leader can offer to a team is self-awareness and an understanding of their attitude and the impact it plays on relationships, the performance of their team, and everyone around them (Ololube and Ololube, 2017, pp. 25-42).

6.3.1.4. *Support by supervisors*

Support by supervisors is perceived as the degree to which employees experience support and understanding from their immediate supervisor. More specifically it measures their openness to reactions of their staff and their ability to lead them through the change process (Fuchs and Prouska, 2014, pp. 361-383).

In terms of support, it is evident that senior managers do consider the personal consequences that the change process could have on their staff members and managers are able to see things from the employee's perspective. This level of understanding is imperative, as a manager needs to understand well enough how to assist their employees towards accepting the change process.

A mixed response was received as some employees agree that their managers provide adequate coaching and are able to adapt their leadership styles, whilst others were undecided and disagreed. Although a larger percentage gave a positive response, those that gave a negative response should not be ignored. It seems that not all managers are capable of providing adequate coaching or able to adapt their leadership styles to the change processes and this situation needs to be resolved. This could be due to a variety of reasons, one of them being that different managers use different coaching approaches and techniques and some managers are reluctant to change their leadership styles that have been utilized for several years (van den Heuvel, Demerouti and Bakker, 2014, pp. 847-858).

Extremely positive results were achieved from employees that agreed that their manager is helpful in resolving their challenges experienced and they can easily approach their manager for help. Support offered by supervisors can aid in reducing fears and anxieties of employees, which are factors that could lead to resistance to change processes (Goh, Ilies and Wilson, 2015, pp. 65-73). When managers are able to support their staff and not let their staff face difficulties on their own, employees do not develop a negative attitude towards the change process and are more willing to work through the various challenges. Support by supervisors motivates employees to overcome difficult situations with a positive attitude rather than giving up.

A large majority feels encouraged by their manager to attempt new things, which motivates and inspires staff to embrace change, take on challenges and helps them develop a more positive attitude towards change processes (Wu and Parker, 2017, pp. 1025-1049). Overall, the support by supervisors dimension confirms that this kind of support is provided by top management.

6.3.2. *Objective Two: Climate of change*

6.3.2.1. *Trust in leadership*

Trust in leadership is the level to which staff members identify their supervisors and top management as trustworthy (Bligh, 2017, pp. 21-42). This dimension measures if management takes action on what they vocally express, if they keep to promises made and they are honest and fair to all departments. Trust is an imperative element in evaluating the climate of change and to determine whether it is conducive for the acquisition.

There were three elements used to measure trust in leadership, one of them being that the management team is consistent in the implementation of its policies in all departments, of which judging from the results was clearly evident. However, a mixed response was received when some employees felt that the management team always delivers on its promises, whilst some disagreed and others were undecided. Consistency is an integral part of building relationships and building trust, especially in an organization (Braun, Peus, Weisweiler and Frey, 2013, pp. 270-283). Consistent behavioral patterns and evidence of consistency between promises made and actions thereafter gives assurance to employees that managers

can be trusted. The results indicate that there is consistency with the policies but there is not much consistency in terms of behavior of management.

It was also clearly evident that managers did not hold employees' mistakes against them. The way to develop and maintain trust is to dig deep beyond the surface of things, to find the truth of the problem and then address it with honesty, integrity and collaboration (Zhu and Akhtar, 2014, pp. 373-392). This method can be applied so as to reduce fear of employees approaching their managers. When a manager is understanding and does not hold anything against the employee, it allows for the employee to trust the manager. The employee feels safe to discuss mistakes or concerns regarding the change with the manager, thus creating an open communication channel.

The trust in leadership dimension is one of the internal elements that make the change process conducive. According to the results for this dimension, trust in leadership is present.

6.3.2.2. *Politicking*

Politicking describes the perceived level of political games within the organization (Adu, Akinloye and Olaoye, 2014, pp. 1051). A high degree of politicking results in unnecessary expense, huge delays and reluctance to share knowledge. The presence of politicking activities within an organization can hinder the success of change processes.

Results revealed that a majority of the results suggest that no power games between the departments were evident, however a significant amount of respondents feel that power games do exist whilst some were neutral. Resolving political issues within a company can be quite time consuming and can result in unproductivity. It can also create an unhappy working environment, destroy good working relationships and team dynamics, stress and job dissatisfaction (Meisler and Vigoda-Gadot, 2014, pp. 116-135). These are all factors that contribute to the resistance to change. However, the results indicate that high levels of politicking are not present.

Unfair conditions such as employees being taken advantage of and favoritism may cause unhappiness, job dissatisfaction and a lack of motivation to do better. Results show that majority of respondents feel that favoritism is not common and employees are not taken

advantage of. However, it must be noted that a considerable amount of respondents felt that they were taken advantage of.

An overall response for the politicking dimension indicated there are minimal to no politicking activities occurring and that there is a good working environment within the organisation.

6.3.2.3. *Cohesion*

Cohesion denotes the level of cooperation and trust in the competence of team members. It also refers to the perception of togetherness, unity, sharing and willingness of employees to support each other in an organization. Group cohesion is important in building relationships in the workplace. It helps build trust, provides a platform for open communication and creates a positive working environment (Salas, Grossman, Hughes and Coultas, 2015, pp. 365-374).

The outcome of the investigation shows that a large majority of respondents feel that it is easy for them to request for help from their colleagues, rivalry between colleagues is not evident, they have complete confidence in the competence of their colleagues and they find it easy to be open in their departments. Group cohesion helps alleviate stress and negative energy in the workplace and having the support of team members is comforting during times of difficulty and uncertainty (i.e. change processes), (Lavy, Bareli and Ein-Dor, 2015, pp. 27-49). From the results obtained in this study, it is evident that cohesion is present within the organisation.

6.3.3. *Objective Three: Readiness for change*

6.3.3.1. *Emotional readiness for change*

Emotional readiness for change is the affective reactions toward change (Asnawi, Yunus and Razak, 2014, pp. 5). It involves the individuals' moods, attitudes and feelings towards implementing organizational change processes. Negative emotions such as fear, anger, hate and jealousy can hinder employee behavior and performance, which in turn negatively affects the successful implementation of the change process.

The results indicated that a large majority agreed that they feel good about the change, the change will have a positive effect and the change will be refreshing. The results also revealed that a majority of respondents were happy to accommodate change and to incorporate it into their work. Therefore, it can be stated that there is a good indication of positive emotions present and employee display emotional readiness for change (Stevens, 2013, pp. 333-360). Positive emotions of joy, love, interest, enthusiasm and feeling appreciated can create a positive working environment and enhances employee performance, which will contribute to the success of the change process.

6.3.3.2. *Cognitive readiness for change*

Cognitive readiness for change is the beliefs and thoughts people hold about change (Ng and Lucianetti, 2016, pp. 14). It may be the way in which change is regarded, understood, or interpreted and may include what people believe are the advantages or disadvantages caused by change. These beliefs and thoughts influence attitudes, feelings and behavior towards change within the organization.

Results clearly indicated that most respondents feel that the change will not have an adverse effect on their clients, future improvement plans will be implemented, the change will improve things in the organization and the change will improve work. Overall, employees think positively about how the change process will affect them within the organization and display cognitive readiness for change. However, the majority of respondents were neutral as to whether the change will simplify work, whilst the second largest majority agreed and the remaining employees disagreed. This indicates that there is uncertainty present and possibly fear of the unknown. These are factors that contribute to change resistance. For those that had indicated that the change will not simplify work, this issue needs to be addressed.

6.3.3.3. *Intentional readiness for change*

Intentional readiness for change is the extent to which employees are prepared to put their energy into the change process (Riddell and Røisland, 2017, pp. 17-19). Intentional readiness also deals with the individual's eagerness, planning and premeditated actions towards embracing and adapting to change.

The results for the assessment of the intentional readiness for change demonstrates that the majority of employees will devote themselves to the change process, make a significant contribution to the change and will put their effort into the change process. This clearly indicates that individuals are self-motivated and enthusiastic about the change process and display intentional readiness for change. This positive attitude may also influence others to develop a positive attitude toward the change process and may minimize resistance to change (Kirrane, Lennon, O'Connor and Fu, 2017, pp. 47-66).

6.3.4. Inferential Statistics

The Pearson correlation coefficient test (refer to Table 5.1 to Table 5.7) was used to determine the strength of the relationships between the various variables within the study. Determining the strength of the relationship between the two variables provides an indication of which variable influences the other and how it may affect the change process.

For instance, if there is no relationship or correlation between variables then this may suggest that there was no influence, with specific reference to the data collected and analysed for this study. Low or weak correlations indicate that there is a low likelihood that a relationship exists between the two variables. However, medium correlations indicate that a relationship could exist but there is an equal chance that it may not. Based on the results displayed in chapter five, there was a large majority of zero and low/weak correlations that were determined. The results from the Pearson correlation test also confirmed that no strong relationships between variables were determined.

Only one medium correlation was observed (see Table 5.1) and will be discussed further; however it must be noted that since the coefficient is below 0.5 a relationship cannot be confirmed. The company variable indicated a negative medium association with trust in leadership ($r = -0.330$). This observation suggests that SEF employees may have less trust in leadership in comparison to GIBB employees. However, it cannot be confirmed if the SEF employees experience less trust in leadership within their own company or if the lack of trust is experienced toward their new company, GIBB and its employees. It is expected that there would be a lack in trust toward GIBB and its employees as this may be due to the fact that trust is built over time and is hard to establish trust with new and unfamiliar people (Bligh,

2017, pp. 21-42). Fear of the unknown, whereby the employee is unaware of what to expect at GIBB can also contribute to a lack of trust.

6.3.5. Staff perceptions during an acquisition

The aim of this study was to investigate staff (i.e. GIBB and former SEF employees) perceptions during the change process of an acquisition, whereby GIBB had acquired SEF. In order to achieve the aim, three objectives were developed. They were to determine the effectiveness of the change processes at GIBB in general, the climate of change and whether it is conducive to this acquisition and staff readiness for change. Ten dimensions were used to measure these three objectives and the outcome of these results will now be discussed.

Objective One: To determine the effectiveness of change processes at GIBB (Pty) Ltd in general

Effective communication is an essential contributing factor towards the success of change processes. According to the results, effective communication was established with employees. With regards to participation, the results revealed that involvement of staff was achieved. It must also be noted that a phenomenal positive response was received for the presence of a positive attitude and the provision of support by top management toward change processes. Overall, it can be concluded that the abovementioned dimensions positively influence and contribute to the effectiveness of the organisational change process (i.e. the acquisition of SEF by GIBB).

Objective Two: To evaluate the climate of change and whether it is conducive to this acquisition.

Trust in leadership is vital for creating a favorable working environment that can embrace change and adapt easily to change processes. This dimension was present within the organization and was conducive for the acquisition. The absence of politicking and the presence of cohesion within an organization are imperative for creating a positive and happy working environment; this was evident from the outcome of the investigation. Overall, it can be concluded that the climate of change within GIBB was conducive to the acquisition.

Objective Three: To assess staff readiness for change.

Assessing readiness for change amongst individuals, allows the researcher to understand to what extent the employees may be ready and which areas need to be addressed. The outcome of the investigation reveals that employees display emotional, cognitive and intentional readiness for change.

6.4. Conclusion

The outcome of this study revealed the staff perceptions toward the organisational change process i.e. acquisition of SEF by GIBB. Staff perceptions assisted in indicating what was going right in the change process and also indicated areas for improvement. From the above discussions, it can be concluded that overall staff perceptions were positive. Furthermore, the study confirmed that there were a majority of no correlations and low/weak correlations, as well as only one negative medium association. This relationship highlighted possible challenges that exist that may contribute to the resistance of organisational change processes. Staff perceptions also underlined areas where employees were not entirely happy with or decisive on and these areas need to be addressed and improved for prospective change processes to be more successful in implementation. These recommendations, together with the conclusions, will be expanded on in the following chapter.

CHAPTER SEVEN

7. CONCLUSION AND RECOMMENDATIONS

7.1. Introduction

This chapter focuses on the findings from the analyses carried out in chapters five and six. It is established that overall staff perceptions toward the organisational change process, i.e. acquisition of SEF by GIBB, was positive. These conclusions are based on the study undertaken between GIBB and SEF employees and also highlight aspects that require improvement in the change process. Therefore, this chapter also offers recommendations for improving organisational change processes within GIBB and achieving successful implementation.

The overall aim of this study was to determine staff perceptions during an organisational change process, i.e. the acquisition of SEFSA by GIBB. This was achieved by studying the following objectives based on the three components that contribute toward successful implementation of change processes (Bouckennooghe *et al.*, 2009, pp. 559-599):

1. To determine the effectiveness of change processes at GIBB (Pty) Ltd in general.
2. To evaluate the climate of change and whether it is conducive to this acquisition.
3. To assess staff readiness for change.

In undertaking this investigation, the following section discusses key findings that were established in determining staff perceptions toward the change process.

7.2. Summary of key findings

The three abovementioned objectives were achieved by answering questions based on ten dimensions that contributed to each objective. The first objective was the effectiveness of change processes and comprised of the following dimensions:

- Quality of change communication;
- Participation;
- Attitude of top management toward change; and
- Support by supervisors.

The results revealed that there is a good quality of change communication, significant participation and involvement from employees, positive attitude of top management and ample support by supervisors. It can then be concluded that the change processes implemented at GIBB are effective due to the overall positive response received for the aforementioned dimensions.

The second objective was based on evaluating the climate of change and to determine if it is conducive to the acquisition. This objective consisted of the following dimensions:

- Trust in leadership;
- Politicking; and
- Cohesion.

The outcome of the results were that trust in leadership and cohesion is evidently present. Also, it was found that there is minimal to no politicking activities present in the organisation. Therefore, it can be established that the climate of change within the organisation was favourable.

The final objective was to assess the readiness of staff for the change process and consisted of the following dimensions:

- Emotional readiness for change;
- Cognitive readiness for change; and
- Intentional readiness for change.

The results indicated a highly positive response for the emotional, cognitive and intentional readiness of employees for the change process. Thus, it can be deduced that overall employees are ready for change.

Based on the findings from the inferential statistics it was observed from the results that there was a large majority of no correlations and low/weak correlations. It was also confirmed that no strong correlations were present between the set of variables.

There was an indication that there could be an association, but not confirmed, between the types of company the employee works for and trust in leadership. It was observed that SEF employees may have experience a lack in trust within their own company or the lack in trust may be toward GIBB and its employees.

Therefore, it can be concluded that with effective change processes at GIBB, a favourable climate of change and strong evidence of staff readiness that GIBB is a good vehicle for the change process. It can also be deduced that GIBB is adaptable for change processes and it most likely that this organisation will be successful in its implementation of the acquisition of SEFSA. It can be established that overall the employees at GIBB and SEFSA indicate an acceptance of the acquisition rather than resistance to the change.

7.3. Conclusions - Theoretical

The literature review has revealed significant gaps in information which this study has provided information that aids in closing these gaps. These include:

7.3.1. *Influence of change process*

This study has shown that the existence of change processes in a organisation contribute to positive perceptions to future change processes. The data shows the overall perceptions to the acquisition was positive due, in part, to the fact employees of both companies felt that they were aware of the change processes and this was communicated effectively to them.

7.3.2. *Communication*

Communication is one of the more important aspects of change processes that have been ignored. This study has shown that effective communication results in positive perceptions towards change and that goes a long way in ensuring the success of a change process.

7.3.3. *Synergies*

Although the importance of synergies have been discussed in literature there is a lack of empirical evidence to confirm this. This study has provided empirical confirmation of the fact that two companies that have synergies provide a good platform for merger and this results in employees having a much more positive perception to the change.

7.4. Conclusions -- Empirical

This study was carried out to assess the readiness of the two companies to merge and whether the teams making up these companies had a positive attitude towards the change. The study revealed an overall positive attitude towards the change which was due, in part or whole, to the perceptions of the staff to the company and their managers.

The tool employed was effective in measuring staff attitude towards the company, attitude towards the acquisition and readiness for change as it addressed the majority of aspects that lead to dissatisfaction or negative perceptions towards change. However, the effectiveness of the tool, and the study as a whole, could only be evaluated after another study has been carried out after the merger. At present this study only provides staff perceptions towards the merger. Once the merger takes place there are many other variables that could affect attitudes and perceptions which may not be affecting people prior to the merger. If this is carried out then the effectiveness of this study as a tool could be evaluated.

7.1. Limitations

Although this study was successful in measuring the perceptions of both GIBB and SEF staff towards the change there were some limitations.

7.1.1. *Professionalism of staff*

Both companies employ either engineers or scientists and their understanding of the concepts in this study were easy to grasp. This study may not be applicable to organisations where education and professionalism levels are not so high. In addition, both companies work in the consulting environment where work stability is based on personal relationships with clients. In this environment people have much more job security because they could possibly move to another company and still retain their workloads.

7.1.2. *Timing of study*

As discussed previously, this study relates to perceptions prior to the acquisition and cannot be evaluated for its effectiveness as a measure of whether or not a change process will be successful or not. If the post-merger study is undertaken then this could be evaluated for its effectiveness. However, this is not the overall measure of successful mergers or change processes. There are many other considerations in including financial, fit for purpose, market forces, etc.

7.2. Recommendations

Based on the findings of the results of this study, the following recommendations are offered to ensure successful implementation of the acquisition and future change processes at GIBB. For the most part, the results indicated an overall positive result that the change process will be successful; however the study also highlighted a few problem areas, such as trust in leadership.

7.2.1. *Building trust*

Building work relationships and trust amongst work colleagues and supervisors takes time and cannot be built overnight. Consistent behavioral patterns and evidence of consistency

between promises made and actions thereafter gives assurance to employees that managers can be trusted (Braun *et al.*, 2013, pp. 270-283). In order to confirm if the lack of trust is within SEF or experienced toward GIBB and its employees, a further investigation should be undertaken to identify the underlying issues. Once these issues are identified, the appropriate measures can be adopted to overcome these challenges.

7.2.2. Identifying change agents

A change agent is an individual who assists an organization transform itself by focusing on such matters as organizational effectiveness, improvement, and development during the change process. The change agent also focuses his efforts on the effect of changing technologies, structures, and tasks on interpersonal and group relationships in the organization and is responsible for driving the change process (Meglio, King and Risberg, 2015, pp. 34-35, Long, Wan Ismail and Amin, 2013, pp. 2019-2033).

Change agents need to be identified and introduced into the organization to make the implementation of the change process smoother. These change agents need to be identified immediately and need to be introduced at all office locations and at different positions in the organization so that their efforts can be extended to all employees. These change agents can promote the change process by adopting positive attitudes toward the change, encourage employee participation and involvement and offer support to employees. Their efforts may increase acceptance of change and reduce the resistance to change processes.

7.3. Contribution of this study to knowledge

The information gained from this study contributes to knowledge in two ways:

7.3.1. GIBB

GIBB now has a pool of data on which to grow on for future acquisitions. If GIBB carries out the study after the acquisition they would be able to evaluate the tool for its effectiveness for use a measure of success for future mergers or acquisitions. If found to be effective then this would provide GIBB with an advantage over its competitors as they would be in a much better position to evaluate successes of future acquisitions prior to investing. This would

provide them with the confidence they require when assessing the benefits of possible acquisitions in addition to just the financial benefits.

7.3.2. *Academia*

This study provides insights in the minds of employees prior to an acquisition. It provides defined results relating to aspects of change under conditions that are stressful. This study could be compared to various other studies relating to change management as a pool of data has been started that could be built upon.

This study contributes to the business community in the way of providing tools that would assist in evaluating whether their employees are ready for change, especially a merger. It benefits the social sciences with a specific pool of data related to change associated with mergers and acquisitions. The literature review carried out revealed a marked absence of literature relating to staff perceptions of change especially during the difficult periods prior to a merger.

7.4. Direction for future research

As recommended in earlier sections there needs to be a second study done identical to this after the acquisition. This will enable the researcher to measure perceptions before and after the change has occurred. If the change was successful then this could be viewed a successful tool to measure the readiness of an organisation or a group of people to a change process. If the change process was unsuccessful then this could be viewed as ineffective as a tool to measure the possibility of the success of a change process. The additional study would provide post-merger information that would provide valuable information regarding the aspects of change that needs attention prior to undertaking such an acquisition and identify those aspects that have insignificant impact on the success of an acquisition.

7.5. Conclusion

GIBB (Pty) Ltd had recently embarked on an organisational change process, through the acquisition of SEFSA. Findings from several studies of individual and organisational behaviour indicate that organisations and their employees resist change. Some of the reasons for the resistance of change are attributed to the individual's perceptions, personalities and

needs. Organisations, however, are known by their very nature to actively resist change. Therefore, this study centred on determining staff perceptions during an acquisition i.e. an organisational change process. The study also focussed on the three components, as the research objectives, that play a vital role in successfully implementing change processes. The data collected and analysed revealed that the change processes are effective at GIBB, the climate of change was favourable and employees were ready for the change. Thus, a successful implementation of the acquisition is expected. Although an overall positive response was received, a few problem areas were identified and therefore the necessary recommendations were offered.

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APPENDICES

APPENDIX A: INFORMED CONSENT LETTER

UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP

Dear Respondent,

MBA Research Project

Researcher: Roland A David

Office Telephone no: 031 4045757

Supervisor: Dr. Vannie Naidoo

Office Telephone no: 031 2608080

Research Office:

Mariette Snyman
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Email: snymanm@ukzn.ac.za

Email (HSSREC): hssreclms@ukzn.ac.za

Email (AREC): animaethics@ukzn.ac.za

I, an MBA candidate, in the Graduate School of Business and Leadership, of the University of Kwa-Zulu Natal, invite you to participate in a research project entitled:

Investigating staff perceptions during an acquisition - The case study of the GIBB and SEFSA.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. Confidentiality and anonymity of records identifying you as a participant will be maintained by the School of Management, UKZN.

If you have any questions or concerns about completing the questionnaire or about participating in this study, you may contact me or my supervisor at the numbers listed above.

The survey should take you about 10 minutes to complete. I hope you will take the time to complete this survey.

Sincerely

Investigators Signature : R. David

Date : 21 April 2015

CONSENT

I _____ (*Name: Optional*) the undersigned have read and understand the above information. I hereby consent to participate in the study outlined in this document. I understand that participation is voluntary and that I may withdraw at any stage of the process.

Participants Signature _____

Date _____

APPENDIX B: GATEKEEPERS LETTERS



S · E · F

STRATEGIC ENVIRONMENTAL FOCUS

SOCIAL

ECONOMIC

ENVIRONMENT

24 April 2015

GIBB (Pty) Ltd

Sector Unit Manager – Environmental Monitoring

1st Floor, Norfolk House

54 Norfolk Terrace

Westville

Durban

3630

Dear Mr. David

REQUEST FOR GATEKEEPERS LETTER

I, Dave Rudolph, hereby grant permission for Roland A David to conduct his data collection at GIBB (Pty) Ltd. The company name CAN/CANNOT be used openly in the dissertation and subsequent scholarly journal articles/conference presentations.

Dave Rudolph

CHIEF EXECUTIVE OFFICER

For: Strategic Environmental Focus (Pty) Ltd

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Mr. Roland David
GIBB (Pty) Ltd
Sector Unit Manager – Environmental Monitoring
1st Floor, Norfolk House
54 Norfolk Terrace
Westville
Durban
3630

20 April 2015

Dear Mr. David

REQUEST FOR GATEKEEPERS LETTER

I, Dr Urishanie Govender, hereby grant permission for Roland A David to conduct his data collection at GIBB (Pty) Ltd. The company name CAN/~~CANNOT~~ be used openly in the dissertation and subsequent scholarly journal articles/conference presentations.

Dr Urishanie Govender
Environmental and Sustainability
General Manager and Director



GIBB Holdings Reg: 2002/019792/07
Directors: Dr D. Mkhwanazi (Chairman), Mr R. Vries, Mr B. Hendricks, Mr M. Mayat

GIBB (Pty) Ltd, Reg: 1992/007139/07 is a wholly owned subsidiary of GIBB Holdings.



APPENDIX C: RESEARCH QUESTIONNAIRE

UNIVERSITY OF KWAZULU-NATAL
SCHOOL OF MANAGEMENT

Research Project

Supervisor: Vannie Naidoo

Office Telephone no: 031 2608080

Researcher: Roland A David

Office Telephone no: 031 4045757

Research Office: Zarina Bullyraj

Office Telephone no: 031 2601615

Title of Study:

Investigating staff perceptions during an acquisition - The case study of the GIBB and SEFSA.

The purpose of this survey is to:

1. To determine the effectiveness of change processes at GIBB (Pty) in general.
2. To evaluate the climate of change and whether it is conducive to this acquisition.
3. To determine staff readiness for change.

This questionnaire comprises of two sections:

Section A: Demographic questions.

Section B: Perceptions.

How to complete the questionnaire:

Please select the appropriate response by checking the box next to your selection.

Please remember to choose an answer on the scale from 1 to 5 for Section B & C

1 being an answer to a statement that you "Strongly Disagree" with.

5 being an answer to a statement that you "Strongly Agree" with.

Remember to answer **ALL** the questions even if they are not directly relevant to your experience. The aim is to understand how you perceive the change process.....

1. To determine the effectiveness of change processes at GIBB in general.
2. To determine the climate of change and whether it is conducive to this acquisition.
3. To determine staff readiness for change.

Please complete the following questionnaire with specific regard to the

☒ above,

by placing a CROSS in the appropriate box

Please provide only ONE option per question below in the space provided.

SECTION A – DEMOGRAPHIC QUESTIONS

1. Which company do you work for?

GIBB (Pty) Ltd	
SEFSA (Pty) Ltd	

2. Are you?

Male	
Female	

3. How long have you been with your current company?

One year or less	
Greater than one year but less than two years	
Two years and greater but less than three years	
Three years and greater but less than five years	
Five years and greater but less than ten years	
Ten years and more	

4. How old are you?

Below 20 years old	
20 to 29 years old	
30 to 39 years old	

40 to 49 years old	
50 to 60 years old	
Greater than 60 years old	

5. Is your current assignment your first job?

Yes	
No	

5. What level of the organization are you employed at?

Executive/Director	
Sector management	
Senior Consultant	
Junior consultant	
Graduate	

7. In which office are you based?

Johannesburg	
Pretoria	
East London	
Port Elizabeth	
Durban	
Cape Town	
Mthatha	

SECTION B - PERCEPTIONS

	1	2	3	4	5
	Strongly disagree	Disagree	Undecided	Agree	Strongly agree
OBJECTIVE ONE - CHANGE PROCESS IN THE ORGANISATION					
QUALITY OF CHANGE COMMUNICATION					
1. I receive regular updates regarding the change.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Communication between project leaders and staff members about the organisation's policy regarding changes is good.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Clear information on change are provided to all staff.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. I mostly hear of changes via rumour.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. There is sufficient information provided on the progress of change.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. The management team informs all departments about its decisions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. There is excellent, two-way communication between the management team and the various departments.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	1	2	3	4	5
	Strongly disagree	Disagree	Undecided	Agree	Strongly agree
8. The necessity of the change is clearly communicated by the management team.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. I receive regular updates regarding the change.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PARTICIPATION					
10. Changes are always discussed with all staff.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Staff affected by decisions concerning their work, are consulted before these decisions are made.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. The management team considers staff's remarks before making decisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. There is sufficient consultation with different departments regarding the change.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Staff were informed about the reasons for change.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	1	2	3	4	5
	Strongly disagree	Disagree	Undecided	Agree	Strongly agree
15. All staff are encouraged to raise topics for discussion.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. The implementation of the change leaves little room for personal input.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. The implementation of the change leaves little room for personal input.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. There is ample opportunity provided by management for staff members to become involved in the implementation of the changes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Attitude of top management toward change					
19. I am confident that the management team has a positive vision of the future.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. I have confidence that the management team is actively involved with the changes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. I am confident of the management teams' unconditional support of the change process.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Support by supervisors					
22. Senior managers consider the personal consequences that the changes could have for their staff members.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	1	2	3	4	5
	Strongly disagree	Disagree	Undecided	Agree	Strongly agree
23. Senior managers provide adequate coaching about implementing change.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24. Senior managers do not adapt their leadership styles to the changes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25. My manager is not helpful in finding a solution if I have a problem.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26. I can always turn to my manager for help if I experience and difficulties.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27. My manager is able to herself/himself in my position.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28. I am encouraged by manager to attempt new things.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CLIMATE OF CHANGE OR INTERNAL CONTEXT					
Trust in leadership					
29. The management team is consistent in the implementation of its policies in all departments.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30. The management team always delivers on its promises.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	1	2	3	4	5
	Strongly disagree	Disagree	Undecided	Agree	Strongly agree
31. My manager holds my mistakes against me.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Politicking					
32. Power games between the departments, is evident in our organisation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
33. Staff are sometimes taken advantage of in our organisation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
34. Favoritism is commonplace in our organisation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cohesion					
35. I find it difficult to ask my colleagues for help.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
36. Rivalry between colleagues in my department is strong.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
37. I doubt the competence of my colleagues.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	1	2	3	4	5
	Strongly disagree	Disagree	Undecided	Agree	Strongly agree
38. I have complete confidence in the competence of my colleagues.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
39. I find it easy to be open in my department.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
READINESS FOR CHANGE					
Emotional readiness for change					
40. I feel good about the change.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
41. I feel the change will have a positive effect.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
42. I feel that the change refreshing.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
43. I am unhappy accommodate change and to incorporate it into my work.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cognitive readiness for change					
44. I think that this change will have an adverse effect on our clients.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	1	2	3	4	5
	Strongly disagree	Disagree	Undecided	Agree	Strongly agree
45. Future improvement plans will not be implemented.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
46. The changes will not improve things in this organisation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
47. The change will improve work.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
48. The change will simplify work.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Intentional readiness for change					
49. I aim to devote myself to this change process.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
50. I would like to make a significant contribution to the change.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
51. I am willing to put effort into the change process.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	1	2	3	4	5
	Strongly disagree	Disagree	Undecided	Agree	Strongly agree

THANK YOU!

APPENDIX D: DESCRIPTIVE STATISTICS: FREQUENCIES

Investigating staff perceptions during an acquisition- The case study of GIBB (Pty) Ltd and SEFSA.

Consent		
Answer Options	Response Percent	Response Count
I accept that I have read and understand the above information. I hereby consent to participate in the study outlined in this document. I understand that participation is voluntary and that I may withdraw at any stage of the process.	100.0%	59
<i>answered question</i>		59
<i>skipped question</i>		0

SECTION A – DEMOGRAPHIC QUESTIONS

1. Select the company that you work for:		
Answer Options	Response Percent	Response Count
GIBB (Pty) Ltd	65.5%	38
Private Sector	34.5%	20
<i>answered question</i>		58
<i>skipped question</i>		1

2. What is your gender?		
Answer Options	Response Percent	Response Count
Female	53.4%	31
Male	46.6%	27
<i>answered question</i>		58
<i>skipped question</i>		1

3. How long have you been with your current company?		
Answer Options	Response Percent	Response Count
One year or less	29.3%	17
Greater than one year but less than two years	8.6%	5
Two years and greater but less than three years	19.0%	11
Three years and greater but less than five years	25.9%	15
Five years and greater but less than ten years	10.3%	6
Ten years and more	6.9%	4
answered question		58
skipped question		1

4. How old are you?		
Answer Options	Response Percent	Response Count
Below 20 years old	0.0%	0
20 to 29 years old	46.6%	27
30 to 39 years old	43.1%	25
40 to 49 years old	8.6%	5
50 to 60 years old	1.7%	1
Greater than 60 years old	0.0%	0
answered question		58
skipped question		1

5. Is your current assignment your first job?		
Answer Options	Response Percent	Response Count
Yes	24.1%	14
No	75.9%	44
answered question		58
skipped question		1

6. What level of the organization are you employed at?		
Answer Options	Response Percent	Response Count
Executive/Director	6.9%	4
Sector management	15.5%	9
Senior Consultant	36.2%	21
Junior consultant	36.2%	21
Graduate	5.2%	3
answered question		58
skipped question		1

7. In which office are you based?		
Answer Options	Response Percent	Response Count
Johannesburg	20.7%	12
Pretoria	37.9%	22
East London	8.6%	5
Port Elizabeth	5.2%	3
Durban	17.2%	10
Cape Town	8.6%	5
Mthatha	1.7%	1
<i>answered question</i>		58
<i>skipped question</i>		1

SECTION B –PERCEPTIONS

OBJECTIVE ONE – CHANGE PROCESS IN THE ORGANIZATION

1.1 Quality of Change Communication						
Answer Options	1 Strongly disagree	2 Disagree	3 Undecided	4 Agree	5 Strongly agree	Rating Average
1. I receive regular updates regarding change.	1	8	9	27	12	4
2. Communication between project leaders and staff members about the organization's policy regarding changes is good.	1	7	14	23	10	4
3. Clear information on change is provided to all staff.	1	10	15	21	8	3
4. I mostly hear of changes via rumor.	13	26	7	8	2	2
5. There is sufficient information provided on the progress of change.	3	8	15	23	6	3
6. The management team informs all departments about its decisions.	1	12	7	32	5	3
7. There is excellent, two-way communication between the management team and the various departments.	2	9	20	19	7	3
8. The necessity of change is clearly communicated by the management team.	1	4	8	31	13	4

1.2 Participation						
Answer Options	1 Strongly disagree	2 Disagree	3 Undecided	4 Agree	5 Strongly agree	Rating Average
10. Changes are always discussed with all staff.	2	11	11	22	11	4
11. Staff affected by decisions concerning their work, are consulted before these decisions are made.	3	13	12	26	3	3
12. The management team considers staff's remarks before making decisions.	3	10	15	25	4	3
13. There is sufficient consultation with different departments regarding change.	1	13	14	25	4	3
14. Staff were informed about the reasons for change.	1	4	7	31	14	4
15. All staff are encouraged to raise topics for discussion.	1	3	5	33	15	4
16. Sufficient time was provided for consultation.	4	7	11	26	9	4
17. The implementation of change leaves little room for personal input.	2	16	20	15	4	3
18. There is ample opportunity provided by management for staff members to become involved in the changes.	0	15	19	16	7	3

1.3. Attitude of top management toward change						
Answer Options	1 Strongly disagree	2 Disagree	3 Undecided	4 Agree	5 Strongly agree	Rating Average
19. I am confident that the management team has a positive vision of the future.	0	0	9	25	23	4.25
20. I have confidence that the management team is actively involved with changes.	0	0	6	29	22	4.28
21. I am confident of the management teams' unconditional support of change processes.	0	2	12	23	20	4.07

1.4. Support by supervisors						
Answer Options	1 Strongly disagree	2 Disagree	3 Undecided	4 Agree	5 Strongly agree	Rating Average
22. Senior managers consider the personal consequences that change could have for their staff members.	1	6	7	36	7	4
23. Senior managers provide adequate coaching about implementing change.	1	11	18	22	5	3
24. Senior managers do not adapt their leadership styles to the changes.	7	18	25	7	0	3
25. My manager is not helpful in finding a solution if I have a problem.	28	22	3	4	0	2
26. I can always turn to my manager for help if I experience and difficulties.	0	1	2	26	28	4
27. My manager is able to place herself/himself in my position.	0	5	10	25	17	4
28. I am encouraged by my managers effort to attempt new things.	0	0	7	31	19	4

OBJECTIVE TWO – CLIMATE OF CHANGE

2.1. Trust in leadership						
Answer Options	1 Strongly disagree	2 Disagree	3 Undecided	4 Agree	5 Strongly agree	Rating Average
1. The management team is consistent in the implementation of its policies in all departments.	2	7	8	31	9	4
2. The management team always delivers on its promises.	3	9	14	22	9	3
3. My manager holds my mistakes against me.	19	29	7	2	0	2

2.2. Politicking						
Answer Options	1 Strongly disagree	2 Disagree	3 Undecided	4 Agree	5 Strongly agree	Rating Average
4. Power games between the departments, is evident in our organisation.	7	27	15	4	4	2
5. Staff are sometimes taken advantage of in our organisation.	7	20	10	17	3	3
6. Favoritism is commonplace in our organisation.	10	29	10	5	3	2

2.3. Cohesion						
Answer Options	1 Strongly disagree	2 Disagree	3 Undecided	4 Agree	5 Strongly agree	Rating Average
7. I find it difficult to ask my colleagues for help.	23	31	2	1	0	2
8. Rivalry between colleagues in my department is strong.	18	32	3	3	1	2
9. I doubt the competence of my colleagues.	21	30	3	1	2	2
10. I have complete confidence in the competence of my colleagues.	1	4	2	28	22	4
11. I find it easy to be open in my department.	0	4	5	29	19	4

OBJECTIVE THREE – READINESS FOR CHANGE

3.1. Emotional readiness for change						
Answer Options	1 Strongly disagree	2 Disagree	3 Undecided	4 Agree	5 Strongly agree	Rating Average
1. I feel good about the change.	2	1	14	24	16	4
2. I feel the change will have a positive effect.	2	1	9	30	15	4
3. I feel that the change refreshing.	2	0	12	27	16	4
4. I am unhappy to accommodate change and to incorporate it into my work.	21	23	3	6	4	2

3.2. Cognitive readiness for change						
Answer Options	1 Strongly disagree	2 Disagree	3 Undecided	4 Agree	5 Strongly agree	Rating Average
5. I think that this change will have an adverse effect on our clients.	11	19	19	6	2	2
6. Future improvement plans will not be implemented.	14	26	15	2	0	2
7. The changes will not improve things in this organisation.	18	28	11	0	0	2
8. The change will improve work.	0	0	16	26	15	4
9. The change will simplify work.	1	11	22	16	7	3

3.3. Intentional readiness for change						
Answer Options	1 Strongly disagree	2 Disagree	3 Undecided	4 Agree	5 Strongly agree	Rating Average
10. I aim to devote myself to this change process.	1	0	2	34	20	4
11. I would like to make a significant contribution to the change.	0	0	4	28	25	4
12. I am willing to put effort into the change process.	0	0	1	33	23	4

**APPENDIX E: RELIABILITY TEST STATISTICS: CRONBACH'S
COEFFICIENT ALPHA**

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
					9.9E-	
Rows	837.7286	57	14.69699	18.87136	156	1.33162
Columns	1897.835	49	38.73132	49.73213	0	1.35853
Error	2175.185	2793	0.778799			
Total	4910.749	2899				

$$= 1 - (MS \text{ Error} / MS \text{ Rows})$$

$$= 1 - (0.778799 / 14.69699)$$

$$= 0.947$$

APPENDIX F: INFERENTIAL STATISTICS: PEARSON'S CORRELATION COEFFICIENT

VARIABLES	Company	Gender	Experience	Age	First Job	Position	Location	Quality of Change Communication	Participation	Attitude of Top Management	Support by supervisors	Trust in Leadership	Politicking	Cohesion	Emotional Readiness	Cognitive Readiness	Intentional Readiness
Company	1																
Gender	8.27511E-18	1															
Experience	0.007806784	0.043059367	1														
Age	0.227406214	0.19818296	0.228332339	1													
First Job	0.057639042	0.193327223	0.089545137	0.421455776	1												
Position	-0.199812763	-0.009308228	-0.437355597	-0.689007435	-0.473637292	1											
Location	0.042743891	-0.089206362	0.057728773	-0.014206485	-0.251299124	0.218323559	1										
Quality of Change Communication	-0.225313917	0.106027048	0.005870035	0.183102747	-0.042338725	-0.026392132	0.207328035	1									
Participation	-0.28850823	0.134660369	0.013917794	-0.014548743	-0.052411086	0.034837057	0.139308672	0.862117002	1								
Attitude of Top Management	-0.278262003	-0.152397037	-0.124861832	-0.020105212	-0.032774848	0.017526181	-0.055074394	0.597994146	0.599085521	1							
Support by supervisors	-0.242078741	0.039636506	-0.075222485	0.1688299	0.027220151	-0.064923415	0.148086378	0.657217327	0.722295137	0.623776342	1						
Trust in Leadership	-0.330112646	-0.002894723	-0.254679916	-0.051631626	-0.053724357	0.202247208	0.080511705	0.626405895	0.71293	0.586621335	0.621119406	1					
Politicking	0.288986615	-0.042323799	0.192833431	-0.070772533	0.080654519	-0.117765765	0.04074129	-0.637375104	-0.600905383	-0.575042865	-0.523806144	-0.571601215	1				
Cohesion	-0.216006912	0.025044763	-0.074947527	0.127631449	0.044268201	-0.086921334	-0.033854245	0.512985442	0.408206445	0.469237343	0.663301101	0.262234343	-0.432216128	1			
Emotional Readiness	-0.137491724	0.124389857	-0.057591757	0.119758053	0.008471435	-0.008407563	-0.025128947	0.644254458	0.543836153	0.444535381	0.417167287	0.458480788	-0.448531625	0.461076657	1		
Cognitive Readiness	-0.279818806	-0.103055461	-0.297089966	0.153178773	0.133297208	-0.091472644	-0.081261346	0.486887314	0.462732078	0.581482836	0.460253853	0.560622865	-0.400063453	0.448777886	0.572955531	1	
Intentional Readiness	-0.007725291	-0.033396931	-0.096495483	0.174596814	0.183899957	-0.177901244	-0.068683467	0.476294777	0.446714991	0.502925768	0.462565583	0.449738112	-0.270720676	0.378613157	0.639568944	0.68652464	1

APPENDIX G: ETHICAL CLEARANCE APPROVAL



19 May 2015

Mr Roland Alfred David (200298958)
Graduate School of Business & Leadership
Westville Campus

Dear Mr David,

Protocol reference number: HSS/0462/015M

Project title: Investigating staff perceptions during an acquisition – The case study of the GIBB (Pty) Ltd and SEFSA (Pty) Ltd

Full Approval – Expedited Application

With regards to your application received on 07 May 2015. The documents submitted have been accepted by the Humanities & Social Sciences Research Ethics Committee and **FULL APPROVAL** for the protocol has been granted.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

Please note: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

Dr Shenuka Singh (Chair)

/ms

Cc Supervisor: Dr Vannie Naidoo
Cc Academic Leader Research: Dr Muhammad Hoque
Cc School Administrator: Ms Zarina Bullyraj

Humanities & Social Sciences Research Ethics Committee

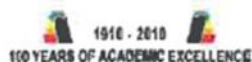
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Website: www.ukzn.ac.za



Founding Campuses:  Edgewood  Howard College  Medical School  Pietermaritzburg  Westville

APPENDIX H: TURNITIN REPORT

INVESTIGATING STAFF PERCEPTIONS DURING AN ACQUISITION - THE CASE STUDY OF THE GIBB (PTY) LTD AND SEFSA (PTY) LTD

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