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WHAT EMPLOYEES WANT TO KNOW DURING TIMES OF
ORGANIZATIONAL CHANGE

by
Stacy Smith Napolitano

A Thesis

Submitted in partial fulfillment of the requirements of the
Master of Arts Degree in the Graduate Division
of Rowan University
May 25, 1998

Approved by

~~Prof~~essor Larry Litwin

Date Approved

5/25/98

ABSTRACT

Stacy S. Napolitano

What employees want to know during times of organizational change

1998

**Larry Litwin, thesis advisor
Public Relations**

The purpose of this study was to determine what issues or topics are most important to employees during times of organizational change. It is important for managers to effectively communicate these issues, especially in today's changing business world.

The author conducted this research by surveying employees at organizations going through major change. The respondents were selected randomly from employee lists at each organization. The sample size was 315. The data was collected through inter-office mail at each location and sent to the author, who tabulated it using the Microsoft Access computer program. The results were tabulated by overall results, gender, age and length of time at the organization.

Overall, this study showed that employees think it is important to be informed about change on a timely basis. They want to know the reasons behind the change, how the changes affect them and how management is changing the way it does business. They also want to have an input in the change process.

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The purpose of this study was to determine what issues or topics are most important to employees during times of organizational change.

The study showed that employees want to know, in a timely manner, the reasons for change, how the changes affect them and how management is changing the way it does business.

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Although I researched and wrote this thesis, I never would have finished without the support of several important individuals. I dedicate this thesis to those who helped me obtain this accomplishment:

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Chapter 1

Problem Importance

Read the business section of almost any city newspaper on almost any day of the week and you're likely to find articles about corporate change or changes within an entire industry. These changes may come in many different forms -- downsizings, mergers, deregulation, reorganizations, etc.

Because change is occurring so frequently, employees are faced with the constant task of adapting to and preparing for further change down the road. This means that managers must manage change differently than when it was common for things to remain the same for a significant number of years after a major change.¹

Many articles and books about change in the business world point to the importance of communication and the need to share information. For example, Spiker, author of "Making Change Stick," an article in *Industry Week*, stated, "Communication is essential to change management. By communicating clearly, honestly and regularly, managers can ensure that the right messages are getting through to the right people at the right time through the right media."²

¹ Beverly Goldberg, "Manage the change -- not the chaos caused by the change," *Management Review* (November 1994): 40.

² B. Spiker, "Making Change Stick," *Industry Week*, v243, (March 7, 1994): 45.

In their book, *The Challenge of Organizational Change*, Jick, Moss Kanter, and Stein, labeled "communicate, involve people and be honest" as one of the ten commandments for executing change.³

Unfortunately, many case studies show that organizations do not communicate effectively. They rely on the old "top down" method of communicating -- telling employees only what they want to tell them, without considering what the employees want to know. They also fail to provide enough communication.

"Smart people make mistakes all the time and outright failure is not uncommon, even in well-known firms. Managers under communicate and often not by a small amount. Or they inadvertently send inconsistent messages."⁴

One case study demonstrated the communication mistakes of a company that was going to downsize employees. The company's initial communication efforts went well. They had frequent communication and thoroughly explained the need for the downsizing. One of their main messages was the guarantee of no more layoffs. Less than two years later, another layoff occurred. Once again, they stated that there would be no more layoffs. This time, employees doubted the message and did not trust management.

Much research shows that accurate communication can help build trust. Despite the common advice to communicate, many of the books written about organizational change do not get into the detail of what management should focus on in their communication or what issues are the most important to employees.

³ T. Jick, R. Moss Kanter, and B. Stein, *The Challenge or Organizational Change*, (The Free Press, a division of MacMillan, Inc., 1996): 384.

⁴ J. Kotter , 85.

Being able to consider these issues would help managers when planning a communication strategy for change. This knowledge would help them be prepared for questions that employees will certainly have. Employees will feel more at ease and will believe more information if managers know of and communicate the issues that are important to them. These are the reasons that it is important to study what employees want to know and what issues are important to them during times of organizational change.

A study of this topic will provide useful information to prevent some of the negative effects of poor communication in times of organizational change. Those effects, across many industries, include low morale, companies losing good employees and employee distrust. The effects upon those in the communication field include a work overload because some managers believe they have no responsibility for communicating and that communications professionals should handle all formal communications. Those who believe this must be convinced that their personal communications efforts are vital to employee acceptance of the change efforts.

All successful cases of major change seem to include tens of thousands of communications that help employees to grapple with difficult intellectual and emotional issues. This happens not because the public relations department takes on "vision distribution" as a "project." This happens because dozens of managers, supervisors and executives look at their daily activities through the lens of the new vision. When people do this, they can easily find many meaningful ways to talk about the direction of change, communication that can always be tailored to the specific person or group with whom they are talking.⁵

⁵ J. Kotter, 94.

Another effect of this problem on the communications field is that it increases the work load of communications professionals who must still continue regular communication efforts while developing communication surrounding the change.

Problem Statement

The question studied through this thesis is "What do employees want to know during times of organizational change?" The study set out to learn both the issues that are important to employees and specific items that they want to receive communication about. For example, an issue that employees might want to know about is how will the organization involve employees in the change efforts. Will they have a voice in the changes, or is everything set in stone? An example of a specific item that may be important to employees is the purpose of the change.

Delimitations

Discussion with colleagues and a literature review helped narrow the research question from the broader topic of a study of the effect of communications in times of organizational change to a study of what employees want to know during change.

The discussion with colleagues determined that a study of the effect of communication in times of change would be too broad. There were too many factors to consider such as the fact that communication is not solely responsible for employee reaction to change. Certain reactions will occur based on the changes themselves. Also, to completely and accurately study the effect of communication in times of

change, research would need to include an evaluation and reaction to both formal communication vehicles, such as newsletters, memos, etc., and informal vehicles such as a manager having a conversation with an employee. Gathering this amount of information from even one company would be too large of an undertaking for the current study.

The search did reveal a study on what high-level management says it wants in communicating change. Because this study exists, this thesis will focus on employees, not management. However, it will be interesting to make comparisons to determine if what the executives want in communicating change aligns with what employees want to know.

The primary research for this thesis will consist of a survey of employees in organizations going through, or that have gone through, major change.

The question for this study was also narrowed to include only what employees want to know, not who they want to hear from. Numerous resources found in the literature review stated that employees want to hear from their immediate supervisor. With this already commonly known, it was decided not to include this in the current study.

Purpose

The question of what do employees want to know during times of organizational change is being studied because change has become the norm in corporate America and change has a tremendous impact on employees and

management. As change occurs more often, managers must be prepared to communicate with employees. However, simply communicating is not enough. Managers must be able to anticipate employee reactions and know what items are important to employees before communicating. Management's ability to communicate the things that are important to employees will affect employees' acceptance of change and will make the communication meaningful.

To ensure meaningful communication, communication should go beyond keeping people informed and include what employees want to know based on employee input. Bob Galvin, chairman for Motorola, provided an example of how to do this successfully. Galvin demonstrated that he was accessible to employees by "walking the halls" and having lunch with all levels of employees. He also developed an opportunity for multiple levels of managers and employees to collectively shape a new direction for the company. The dialogue that took place at Motorola both uncovered the need for change and helped develop its implementation.⁶

Conversations with employees at PECO Energy, a Philadelphia-based company going through major change due to the deregulation of the electric utility industry, show a high level of frustration among employees who feel that management is not communicating the things they want to know. Many employees spend a significant amount of time complaining that no one knows what is really happening and speculating about what will happen next. Some of those employees are so frustrated that they have decided to leave the company. The company, which normally has a very low turnover rate, is currently experiencing a very high turnover rate.

⁶ T. Jick, R. Moss Kanter, and B. Stein, 389.

The purpose of this study is to discover the items and issues that are important to employees, providing management information to consider in developing communication during times of change. It is hoped that putting this information to use will prevent some of the frustration that employees often feel during change.

This study will yield hard data that those faced with communicating change can use. It is hypothesized that the study will reveal that specific items or issues exist that are important for employees to know when changes are occurring. The assumptions include that those items will focus on the purpose behind the change, how the change affects employees' jobs, the timeliness of communication and the opportunity to be involved in the changes. It is also assumed that those who are over 45 or who have been with their companies for more than 10 years will label more issues as important for them to know during times of change.

Procedure

The hypothesis was studied by first speaking informally with employees working in a company going through major changes. These employees mentioned that items such as the purpose of change, how the change affects them and the opportunity to be involved in change were important to them. The hypothesis was further tested through a random survey, which is explained in detail in Chapter Three.

Terminology

In this study of what employees want to know during times of organizational change, it is important to know what is meant by organizational and change.

Organizational refers to any company, corporation, organization, or government entity. Change refers to a major shift in business within the organization. Examples of change for the purpose of this study include mergers, downsizings, reorganizations, and deregulation. The definitions of each of these examples are:

Mergers - two companies forming one

Downsizings - layoff or reduction in staff

Reorganization - restructuring of the departments or divisions within a company

Deregulation - an industry moving from being a monopoly regulated by the government with no competition to no longer being regulated, enabling other companies to compete by selling the same product/service.

Chapter 2

Literature Review

Prior to developing primary research for this thesis, the author conducted an extensive literature review of material related to communications during times of organizational change. The review consisted of a search of the ABI/Inform database, the on-line card catalog for books, periodicals and newspapers and the ERIC database at Rowan University. It also consisted of a search of books, periodicals and newspapers at the Camden County Library and a search on the Internet. The search was made by using the key words communication(s) and change.

The search revealed an extensive amount of articles and a few books that focused on the importance of communications during change. The books were primarily about how to make changes in an organization with a few pages devoted to communication. Although all of the sources stated, in one form or another, that management must communicate during times of change, there was not one source that provided a complete summary of the issues/items that are important to communicate to employees. Several of the sources focused on one or two particular issues such as the importance of two-way communication.

For instance, in the book, the *Challenge of Organizational Change*, Jick, Moss Kanter, & Stein stated that, "Whatever the strategy, two-way face-to-face continuing communication for the organization as a whole is especially important for

changes that are of great strategic importance, of large scope, with implications for many parts of the organization, or involving many behavioral changes in day-to-day operations."⁷ Kotter, author of *Leading Change*, focused on the need for honesty and clear and direct communication.⁸

Most of the literature was based on the experience or observations of professional communicators or managers, not on scientific study. Those observations included an article about a case study of communications during the 1993 reinvention effort at Allstate Insurance. Those involved in this effort found that employees expected company communication to be timely, clear and concise. They also found that employees wanted to receive the opportunity to provide feedback.⁹ Keith Ferrazzi also wrote about communicating during times of change based on his experience. In a *Wall Street Journal* article, Ferrazzi wrote that business leaders must share more about the business than they might have felt comfortable with in the past. He stated that decisions, especially tough ones regarding job loss, need to be justified with objective data to establish the trust needed to heal wounds.¹⁰

The search did reveal two related studies, each focusing on a specific topic of communicating during change. The first study was titled "What Management Says It Wants in Communicating Change." The second was a field experiment about communicating after a merger. The fact that neither of these studies focused on what

⁷ T. Jick, R. Moss-Kanter, and B. Stein, 511.

⁸ J. Kotter, 99.

⁹ R. Gorman, & P. Overstreet-Miller, "Why Change Efforts Fail to Connect With Employees," *Strategic Communication Management*, (August/September 1997): 28-35.

¹⁰ K. Ferrazzi, "Minimize the Pain of Re-engineering," *Wall Street Journal*, v226, 13 November 1995): A14.

employees want to know during times of change confirmed this author's decision to study that topic for this thesis.

The author also thought it would be interesting to compare the results of the management survey to what employees think is important.

The management survey, which took place in 1996, included 131 Canadian corporations regarding such changes as mergers, acquisitions, downsizings, new strategic visions and reengineering. Communication was found to be one of the most important success factors in these changes.¹¹

The survey also found that the senior managers who responded believed that communication is not handled well -- only 54 percent felt that managers kept employees well informed regarding change. Regarding specifics to make communication efforts successful, the managers suggested:

- telling people how the change will affect them personally
- giving senior and middle management the communication skills they need. This will enable the message to be pushed down to employees from their immediate supervisor -- the person they most want to hear from.
- include feedback in the communication process.¹²

For the current study, this author anticipated that these items would also be important from the employees' perspective. Therefore, questions about communicating personal impact and the opportunity to provide feedback were included as items in the survey regarding what employees want to know during times of change. However, the

¹¹ M. Barrett & S. Luedecke, "What Management Says It Wants in Communicating Change," *Communication World*. (June/July 1996): 29.

¹² M. Barrett & S. Luedecke, 31.

current survey did not include a question regarding hearing the message from immediate supervisors because it has been well documented that employees want to hear news from their immediate supervisor. For instance, the IABC/TPF&C studies in 1980, 82, 84, and 90 found supervisors as the preferred source of information for US and Canadian employees.¹³ A case study of a reorganization occurring at Georgia-Pacific showed that the company's research "indicated that front-line managers would be the most critical link in reaching and influencing employees."¹⁴

The next related research was a 1991 study of communications with employees following a merger by Scheiger and Denisi. In their study, Scheiger and Denisi conducted surveys in two plants of a company undergoing a merger. One plant was an experimental plant in which an extensive communications program based on realistic job previews was developed and implemented. This communications program included a merger newsletter, telephone hotline and weekly employee meetings with the plant's manager. In the other plant, the control plant, communications were handled in the typical manner that the company used when implementing change. This typical manner included a letter from the CEO stating that the merger would take place and telling the plant manager that more information would be provided when available.

This study found that good, frequent communication (the communication developed for the experimental plant) during a merger increased perceptions of the company's trustworthiness, honesty, and caring.¹⁵ This study is relevant to the current

¹³ T.J. Larkin & S. Larkin, *Communicating Change* (McGraw-Hill, Inc. 1994): 3.

¹⁴ Author Unknown, *Selling Change at Georgia-Pacific*, [Http://www.prcentral.com/rmso96gapac.htm](http://www.prcentral.com/rmso96gapac.htm):8.

¹⁵ D. Scheiger & A. Denisi, "Communication with Employees Following a Merger: A Longitudinal Field Experiment, *Academy of Management Journal*, (March 1991): 129.

research because it provides first-hand information from employees dealing with one aspect of change that is quite common in today's marketplace. Information from this report was used to help develop the survey for this thesis.

A third study, regarding organizational change, but not communication was also found in the literature review. Although not directly related to the current research it is important to note this study because it shows that successful organizations are continually changing. That study pointed out that such firms as Intel, Wal-Mart, 3M, Hewlett Packard and Gillette have an ability to change rapidly and continuously, especially by developing new products. The conductors of the study said that the ability is not only a core competency, but it is also at the heart of the cultures of these businesses.¹⁶ Because these companies are continually changing, they have a need to communicate changes to their employees. This provides further evidence of the relevance of studying communication in times of change.

Additional evidence supporting the need to study communications during times of change comes from the fact that in 1994, twenty researchers of organizational communication processes from throughout the world met in Sydney, Australia, to discuss communication and organizational change.¹⁷ During this conference, participants discussed several examples of organizational change, and the role of communications during those changes, that occurred over the last few years.

¹⁶ S. Brown & K Eisenhardt, "The art of continuous change linking complexity theory and time-paced evolution in relentlessly shifting organizations," *Administrative Science Quarterly*, (March 1991):1.

¹⁷ D. Cushman & S. King, *Communicating Organizational Change: a Management Perspective*, (State University of New York Press 1995):3.

One of those examples was a reengineering effort that occurred at GE in 1988. This effort involved reorienting GE's internal vision. To accomplish this, Jack Welch, CEO, set two new goals. One of those goals was to develop open communication based on candor and trust. GE's management accomplished this by developing new methods for two-way communication. These methods included New England town meetings and a cross-functional team work program. The New England town meetings were held by division heads with 20 to 100 employees in attendance to discuss market issues and the organization's response to the issues including the creation of action plans and cost-benefit analyses. Through the cross-functional teamwork program, individuals from throughout the company reviewed and evaluated decisions and the impact of change.¹⁸

Another example from the Australian conference highlights what happens without proper communication during a major change. This example involves an acquisition that occurred as a result of a state-owned firm in a previously communist country losing money in the new business environment. The foreign company that acquired the firm made numerous changes with minimal communication to the workers. In response, employees voiced many complaints.¹⁹

Based on the sources found in the literature review, there is an overall agreement in the field that communication is one of the most important elements of organizational change. However, there appear to be two different schools of thought on gaining employee acceptance of changes. One focuses more on the employees as

¹⁸ D. Cushman & S. King, 52.

¹⁹ D. Cushman & S. King, 88-91.

people with fears, needs and concerns about change that need to be addressed. Many sources focus on the need for managers and supervisors to address these concerns. For instance, in the article "Communication is an antidote," Larry Cole acknowledges that employees will be frustrated by change and suggests ideas to help reduce that frustration.²⁰

The second school of thought looks at employees only as conduits to help the business meet its goals by moving on with the change. The emphasis is more on communicating to disseminate information rather than getting feedback. For example, the article "How to Prevent and Cope with Resistance to Change" by William Umiker has a summary that focuses on minimizing resistance to change by weeding out "hard-core" resisters and rewarding employees who cooperate and commit.²¹

The study for this thesis was developed with the first point of view in mind. It was undertaken, in part, because the literature review demonstrated the importance for communications in times of change and revealed a need for organizations to continue improving the communication of their change efforts.

²⁰ L. Cole, "Communications is an Antidote," *Communications World*, (October/November 1996):12 - 13.

²¹ W. Umiker, "How to Prevent and Cope with Resistance to Change," *Health Care Supervisor*, (June 1997): 35 - 41.

Chapter 3

Research question

Data needed and data source

This thesis about what employees want to know during times of organizational change required the gathering of data about what types of information are important to employees and what the level of importance was for different issues/items to be communicated. It also included gathering data about the impact of the timeliness of the communication. The source of this data came from employees at organizations that have gone through, or are going through, major changes.

Research method

The research method for this thesis consisted of a survey (Appendix B) administered to employees at three organizations that have gone through major change. The employees at each organization were selected randomly, using a table of random numbers, from each organizations' list of employees.

The survey was developed by first speaking with employees who work at an organization undergoing major changes. Items that those employees mentioned as information that was important for them to know were included in the survey questions. Next, colleagues were asked to review the survey and provide recommendations. Based on those recommendations, the survey was modified. The

final step in developing the survey consisted of sending the survey to five employees at PECO Energy, an organization going through change, and asking questions about it. This helped determine if the survey directions and questions made sense, if it was easy to follow, and if anything on the survey should have been modified. It also served as a check for the validity of the survey by providing feedback about the usefulness of the survey responses in providing information about what employees want to know during times of organizational change.

The survey consisted of questions in which employees were asked to rank how important it was for them to know about specific issues/items, one open-ended question, a two-part question regarding timeliness of communication and demographic questions concerning age, length of time with the company, and gender. The demographic information helped determine if or how communication in organizations going through change should be targeted to different groups.

Prior to the administration of the survey, a code was designed for the close-ended questions. The answers to the questions that asked employees to rank importance levels were assigned the following: not important = a, somewhat important = b, important = c, very important = d. The yes/no questions were assigned the following code: yes = a, no = b. For all questions, no response = 0.

Sample

The sample was created by first selecting four organizations going through major change and asking representatives from the communications or public relations

departments of those organizations for permission to survey their employees for this research project. The organizations were selected based on news reports or personal knowledge of changes being made. A survey was sent to the representatives for review before final approval to conduct the survey at their organization was provided.

Using a table of random numbers, 125 employees were randomly selected from the employee lists at each organization, except for the North Princeton Developmental Center's Division of Developmental Disabilities, for which 65 employees were selected. This created a total sample size of 435. However, one company withdrew from the survey, lowering the sample size to 315. This author originally intended to sample 150 employees at each company, but was unable to due to requests to limit the number of employees surveyed. The sample of 150 at each location would have provided a sample size of 450. That sample size would have been large enough to provide a margin of error of plus or minus five percent with a 95 percent confidence level.

Using this sample, the dependent variables (results) were influenced by independent variables such as the changes that were being made at each organization, employees' satisfaction with the changes, and the employees' ages, lengths of time with the company and genders.

Data Collection

The survey was sent inter-office mail to the employees from the representatives in the communications or public relations department who agreed to allow the survey to take place within their organizations. The mailing included a cover letter explaining the purpose of the survey and explaining that it would be used for the current research project. The surveys were sent back through inter-office mail to the communications/public relations representatives. Next, the surveys were collected by this researcher and the results were tabulated.

Although the sample of employees at each of the organizations was selected randomly to avoid bias, the results may be biased because:

- the results consist only of those individuals who chose to complete the survey,
- the four organizations were not selected randomly, but through knowledge that each was going through a major change, and
- the organizations do not represent every area of business or every type of major change possible for organizations to undergo.

Data analysis

Upon collection of the completed surveys, the results were tabulated by assigning the code to the five questions that asked employees to rank their responses and the one two-part question that asked for a yes/no response. This coded information was then computer analyzed with frequencies, percentages, and cross

tabulations by using the Microsoft Access computer program. The cross-tabulation segmented the results by the respondents age, length of time with their company and gender.

The responses to the open-ended question were compiled into six categories used to develop a content analysis for that question.

The data analysis provided the information needed to develop major findings and conclusions.

Chapter 4

Introduction

In February 1998, employees from three organizations responded to a survey about what employees want to know during times of change. Those companies included PECO Energy Company, the North Princeton Developmental Center Division of Developmental Disabilities, and an insurance company that wished to remain anonymous. The sample originally included a fourth company; however, that company withdrew from the survey at the last minute.

Including the company that withdrew, the sample size was 425. Without that company, the sample size was reduced to 315.

Of the 315 individuals who received the survey, 126 responded. This represents 40 percent of the original sample. Although the number of responses resulted in an error of plus or minus eight percent, with a 95 percent confidence level, most of the responses to the scaled questions leaned heavily to one side of the scale (important and very important). This side is favored even when eight percentage points are subtracted from it and eight percentage points are added to the other side. The yes/no question leaned heavily to the yes response, favoring yes even when eight points were subtracted and eight points were added to the no response.

The surveys were distributed internally by individuals working for each of the organizations. Follow-up calls were made to the individuals to ensure that the surveys were distributed.

Factors Influencing Results

Demographics

Although it is quite common for employees to change jobs frequently in today's workplace, these survey results represent a large group of employees who've been at their jobs for many years. Thirty-six and a half percent have been with their organizations for at least 15 years and 48.4 percent have been with their organizations for six to 14 years. These percentages result from the nature of two of the businesses surveyed. PECO Energy is a utility and the Division of Disabilities is a government office. Both of these sectors tend to experience low turnover rates.

Additionally, due to the ratio of female/male respondents, PECO Energy's results represent a very high percentage (82.09%) of male opinions. On the other hand, the Division of Developmental Disabilities has a high percentage (78.95%) of female responses. The insurance company has the most balanced female/male ratio with 40 percent female and 60 percent male.

Happenings within the organizations

PECO Energy's results might have been influenced by a cost comparison process that all directors were asked to undertake beginning in January 1998. Based

on the cost comparisons, company directors were expected to find ways to cut their budgets by as much as 30 percent. At the time of survey distribution, rumors circulated that more than 1,000 employees would lose their jobs by the year's end.

At the same time, many of the insurance company's employees were experiencing the implementation of changes that were announced in 1997.

Also at the time of survey administration, the Division of Developmental Disabilities employees were expressing skepticism of management and dissatisfaction about changes that were taking place within the organization.

The results

Generally, this survey showed that employees think it is important to be informed about change on a timely basis. They want to know the reasons behind change, how the changes affect them and how management is changing the way it does business. They also want to have an input in the change process.

The first five questions focused on the importance of various communication topics during times of change. These questions had scaled responses of not important, somewhat important, important and very important. Overwhelmingly, the respondents chose important and very important for all five questions. Specific results are highlighted in figures 4.1 through 4.5 on pages 4 through 6. The raw data is printed in Appendix C at the back of this thesis.

Figure 4.1 Question 1. How important is it for you to know how the change affects your job?

a. Not important. b. Somewhat important c. Important d. Very important

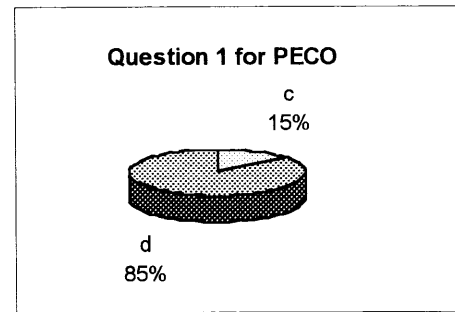
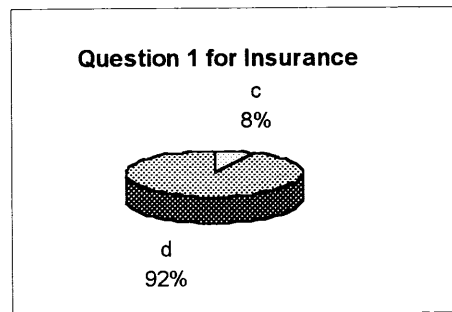
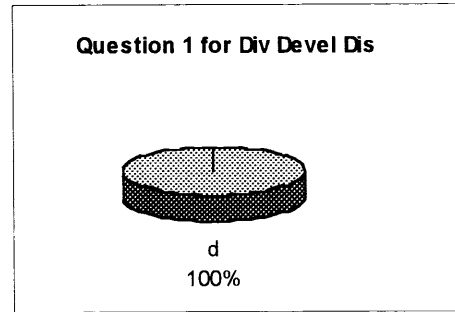
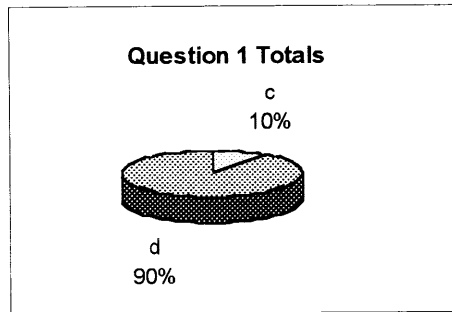


Figure 4.2 Question 2. How important is it for you to know everything that management knows at this point?

a. Not important. b. Somewhat important c. Important d. Very important

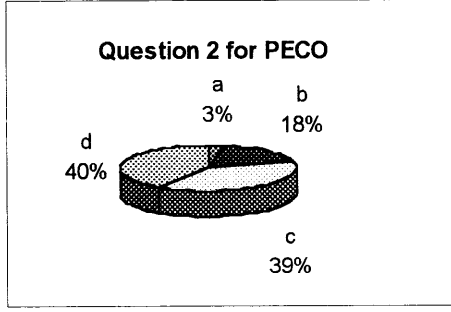
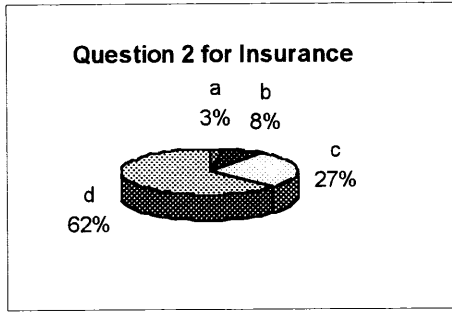
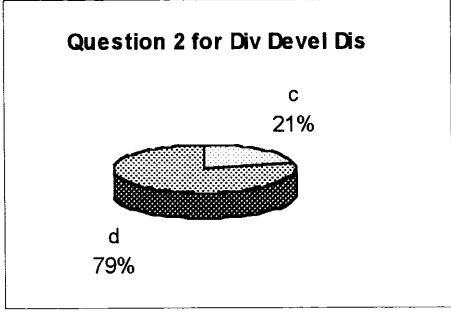
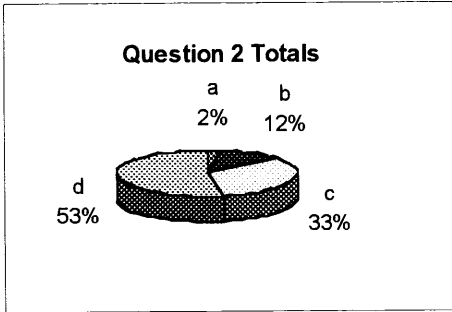


Figure 4.3 Question 3. How important is the reason for the change to you?

a. Not important. b. Somewhat important c. Important d. Very important

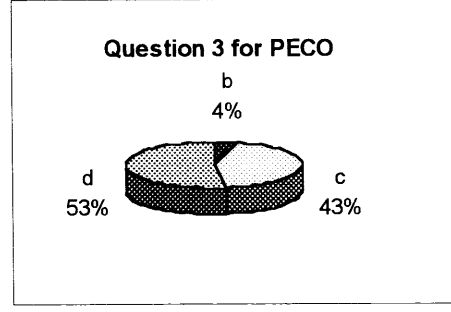
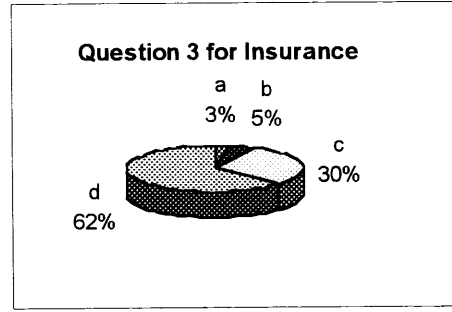
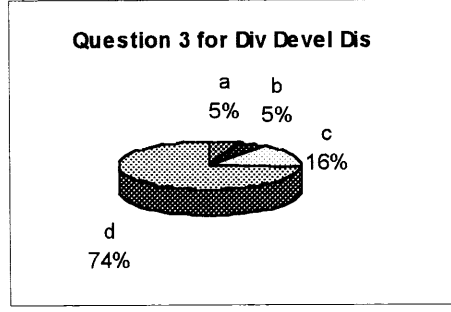
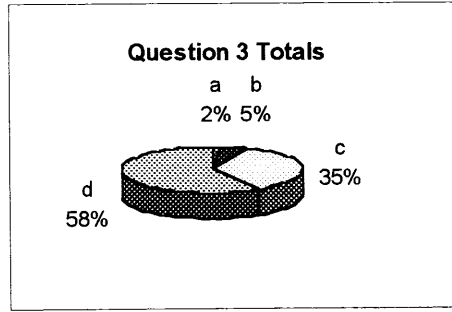


Figure 4.4 Question 4. If you are asked to change the way that you do business, how important is it for you to know how management will change the way it does business?
 a. Not important. b. Somewhat important c. Important d. Very important

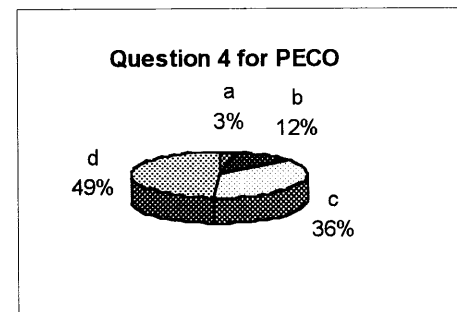
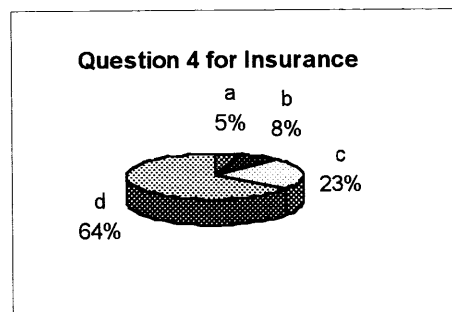
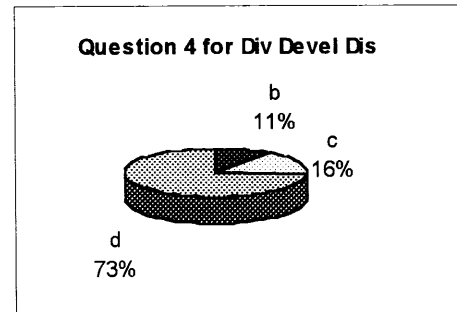
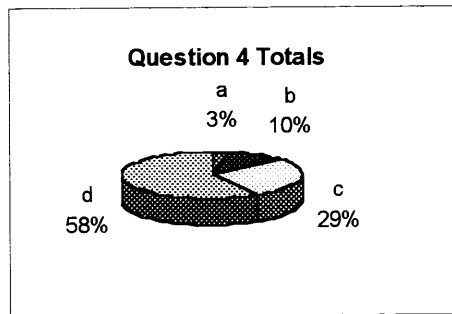
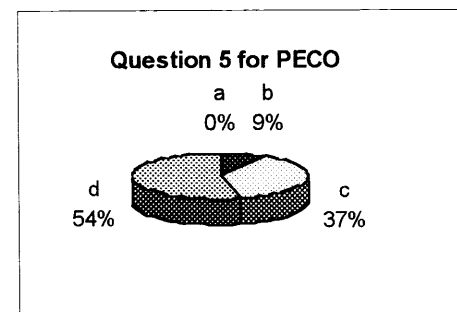
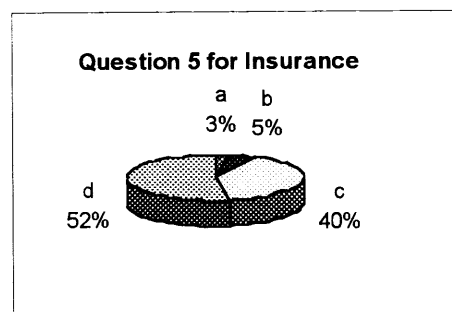
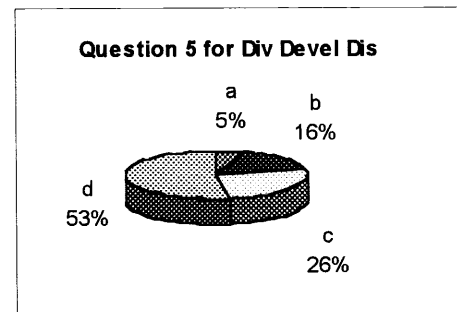
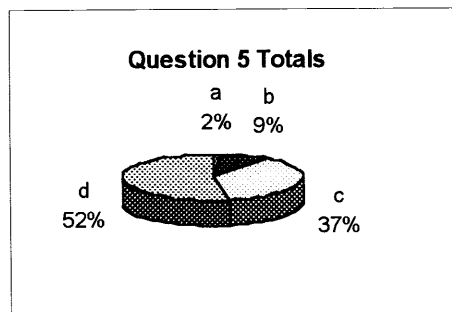


Figure 4.5 Question 5. How important is it for you to be able to provide input about the changes?
 a. Not important. b. Somewhat important c. Important d. Very important



The sixth question was an open-ended question that asked respondents to state anything else that is important for them to know during times of change. Less than one-fourth of respondents answered this question. These responses were grouped by topic into six categories listed below, which are ranked by the number of responses. Some individuals wrote more than one response.

- Will I have a job? (eight responses)
- Specific changes about the job such as schedule, reporting relationships, pay, and benefits. (eight responses)
- Management-related topics including management's goals, expectations, criteria for making decisions, and knowledge of how their employees do their jobs. (seven responses)
- If my job is eliminated what other job opportunities exist or what is the retirement package? (four responses)
- That moves are fair and not subject to personal friendship. (two responses)
- How will the change affect our customers? (one response)

Question seven asked respondents about the effect of timely communications. As shown in figures 4.6 and 4.7 on page 8, timely communication would make respondents more likely to accept change and more likely to believe management.

Figure 4.6 Question 7a. If your employer provided timely information and kept you informed of changes as they were occurring, would you be more likely to accept changes? Yes or No.

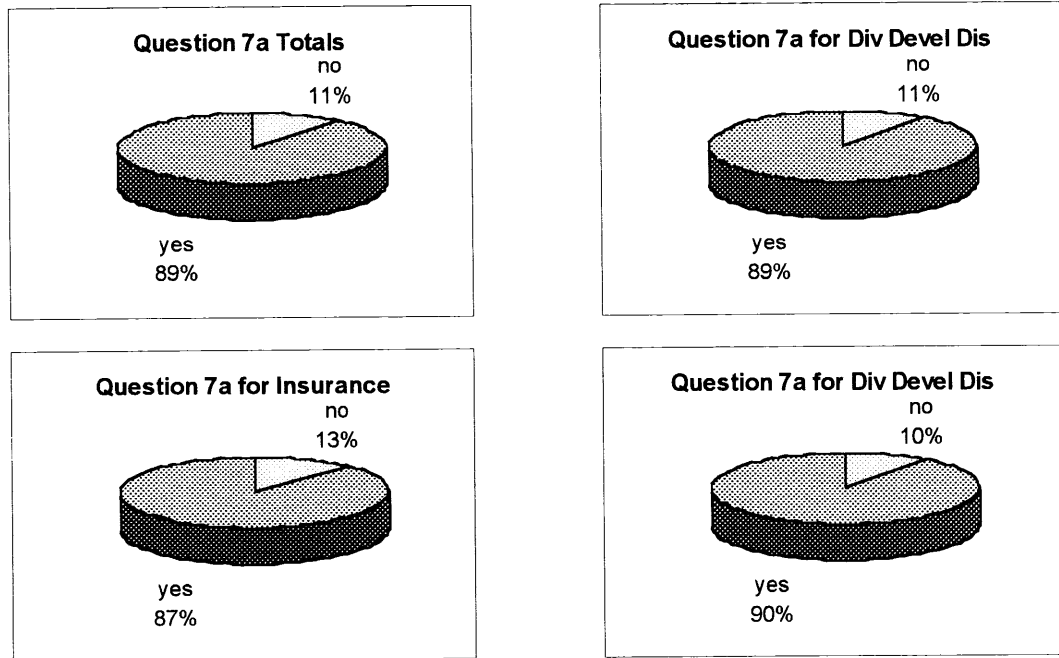
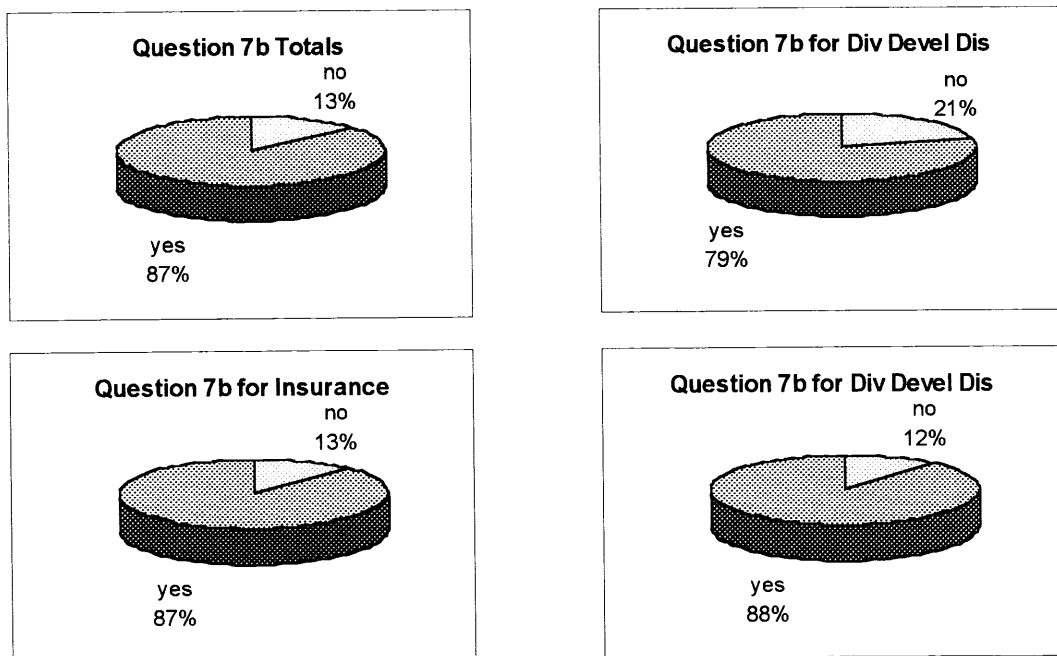


Figure 4.7 Question 7b. If your employer provided timely information and kept you informed of changes as they were occurring, would you be more likely to believe what management was telling you? Yes or No.



Subgroups

Charts of the results broken down by organization demonstrate that the organizational results are very similar to the results of the sample as a whole. See figures 4.1 through 4.5 on pages 4 through 6. The major differences are that for questions one through four, the Division of Developmental Disabilities had 11 to 16 percentage points above the average response for choice D (very important) and 11 to 19 percentage points below the response for choice C (important). On question two, which asked for the level of importance in knowing everything that management knows, PECO Energy had 13 percentage points below the average response for choice D (very important) and six percentage points above the average response for choice C (important). On question four, which asked respondents how important it is for them to know how management is changing the way it does business, PECO Energy had 12 percentage points below the average response for choice D (very important) and seven percentage points above the average response for choice C (important).

Demographics

Gender

When broken down into the male/female category, many responses mirrored the overall results and were similar for both genders. A few differences did exist, as noted below. For question five, "How important is it for you to be able to provide input about the changes," 13.95 percent of females said somewhat important, while only 6.02 percent of males said somewhat important. For question 7A, 14.46 percent

of male respondents said they would not be likely to accept change if they received timely information, while 4.65 percent of female respondents would not be likely to accept the change.

Figure 4.8

Question 5. How important is it for you to be able to provide input about the changes?	Female	Male
Not important	2 (4.65%)	0 (0%)
Somewhat important	6 (13.95%)	5 (6.02%)
Important	14 (32.56%)	32 (36.55%)
Very important	21 (48.84%)	46 (55.42%)

Figure 4.9

Question 7a. If your employer provided timely information and kept you informed of changes as they were occurring, would you be more likely to accept changes?	Female	Male
No	2 (4.65%)	12 (14.46%)
Yes	41 (95.35%)	71 (85.54%)

Age

None of the findings varied significantly when the results were broken down into age categories.

Tenure

When the results were broken down into three tenure ranges, they revealed two significant findings. Both of these findings relate to those who have been with their organizations for 15 years or more. In question two, "How important is it for you

to know everything that management knows at this point?," 19.5 percent of those with their organizations for more than 15 years responded somewhat important, while the overall response for somewhat important was 11.9 percent. In question five, "How important is it for you to be able to provide input about the changes, 17.39 percent of those with their organizations for 15 or more years responded somewhat important, while only 5.26 percent of those with the organization for five years or below and 3.28 percent of those with the organization for six to 14 years responded in the same manner.

Figure 4.10

Question 2. How important is it for you to know everything that management knows at this point?	0 - 5	6 - 14	15 +
Not important	0 (0%)	2 (3.27%)	1 (2.17%)
Somewhat important	2 (10.52%)	4 (6.55%)	9 (19.56%)
Important	7 (36.84%)	22 (36.06%)	12 (26.09%)
Very important	10 (52.63%)	33 (54.09%)	24 (52.17%)

Figure 4.11

Question 5. How important is it for you to be able to provide input about the changes?	0 - 5	6 - 14	15 +
Not important	0 (0%)	1 (1.64%)	1 (2.17%)
Somewhat important	1 (5.26%)	2 (3.28%)	8 (17.39%)
Important	5 (26.32%)	28 (45.90%)	13 (28.26%)
Very important	13 (68.42%)	30 (49.18%)	24 (52.17%)

Chapter 5

Conclusion

The responses to the questions in the survey of communications during times of organizational change show that several issues are important to employees. The results support the hypothesis that it is not just important to communicate, but it is also important to communicate items that are relevant to employees in a timely manner. Doing so will help employees accept the changes and improve management's believability. The results also demonstrate that it is imperative to give employees the opportunity to provide input into the changes that are occurring.

It is likely that the respondents overwhelmingly selected important and very important to the first five questions and yes to the question about timeliness of communication because the survey was developed with input from employees working at an organization going through major change. These employees identified the issues that were important to them and those issues became the questions for the survey.

The high selection of very important and important to question three, "How important is the reason to the change to you?," supports Keith Ferrazzi's statement in his *Wall Street Journal* article that decisions, especially tough ones, need to be justified with objective data to establish the trust needed to heal wounds.²²

As expected, the results from this study regarding the importance of knowing the affect of the change and the importance of the ability to provide feedback agree

²² K. Ferrazzi, A14.

with the results of Barrett and Luedecke's management survey mentioned in Chapter 2. This reinforces the need for management to communicate the effects of change and to give employees the opportunity to provide feedback.²³

It is possible that the Division of Developmental Disabilities' employees had the highest percentage of very important responses to the first five questions because they were skeptical about the changes occurring at the time of survey administration. To these employees any type of communication or explanation would be very important.

It was surprising that the employees who have been with their organizations for the longest time (15 or more years) had the highest percentage of somewhat important responses to the questions about the importance of knowing everything that management knows at this point (question two) and the importance of being able to provide input about the changes (question three). One respondent wrote next to question two that some things must be kept private for competitive and security reasons. Perhaps that is why this group cares less about knowing everything that management knows. As far as providing input, one would think that those who have been with an organization for many years would feel that it is their right to provide input into changes. Perhaps this group has provided input in the past without any resulting action.

Also surprising was the less than 25 percent response rate for the open-ended question, "Is there anything else that is important for you to know about during times of change?" Perhaps most of the respondents felt the survey included the items they

²³ M. Barrett and S. Luedecke, "What Management Says It Wants in Communicating Change," *Communication World* (June/July 1996), 29-32.

wanted to know about, or perhaps they did not want to take the time to write a response.

Based on the results of this survey, management of organizations going through change would be wise to emulate the example of Jack Welch, CEO of GE mentioned in Chapter 2. By finding ways to develop open, two-way communication, members of management will be on their way toward meeting employee needs for communication.²⁴

Management can begin this process by reading this and other related studies to find out what is important to employees. They can take the information and apply it, along with input from their employees, in a way that benefits their employees.

Future Study

Although this survey had overwhelming results for the importance of communicating the effects of the change on individuals' jobs, everything that management knows at this point, the reason for the change, how management is changing the way it does business and the ability to provide input about change, further study would be beneficial. This survey was limited to three business sectors. It would be interesting for further study to include other businesses that frequently go through changes. These businesses include hospitals and banks.

²⁴ D. Cushman and S. King, *Communicating Organizational Change: A Management Perspective*, (State University of New York Press, 1995).

More detailed results could be obtained from future studies by including questions related to the open-ended responses that received the most mention. This would include such questions as:

- How important is it for you to know if your schedule will change?
- How important is it for you to know if reporting relationships will change?
- How important is it for you to know if your benefits will change?
- How important is it for you to know management's goals?

Response to these questions would provide very specific information about what is most important to employees.

Appendix A Survey Cover Letter

January 26, 1998

Dear survey participant:

I am a graduate student working toward a Master's degree in Public Relations at Rowan University in Glassboro, New Jersey. To complete the degree, I am writing a thesis about what issues are important to employees who are faced with changes in the companies they work for. The changes could include events such as downsizings, mergers, deregulation of an industry, introduction of new policies, etc.

Would you help me by completing the attached survey? With your responses, I will compile a report that can be used to help companies going through change ensure that their employees receive the information they need.

This survey is completely anonymous and will be used only for this research project.

If you have any questions, please call _____. Please return completed surveys to _____ by _____.

Thank you for your time.

Sincerely,

Stacy S. Napolitano

Appendix B the Survey

Survey for a Study of Communications During Organizational Change

Thank you for taking time to complete this survey about what employees want to know during organizational change.

Please send completed surveys to _____ by _____.

Thank you, again.

Sincerely,

Stacy Napolitano

Directions

Please respond to the questions below by circling your response.

1. How important is it for you to know how the change affects your job?

Not important

Somewhat important

Important

Very Important

2. How important is it for you to know everything that management knows at this point?

Not important

Somewhat important

Important

Very Important

3. How important is the reason for the change to you?

Not important

Somewhat important

Important

Very Important

4. If you are asked to change the way you do business, how important is it for you to know how management will change the way it does business?

Not important

Somewhat important

Important

Very Important

5. How important is it for you to be able to provide input about the changes?

Not important

Somewhat important

Important

Very Important

6. Is there anything else that is important for you to know about during times of change?

Survey continued on back. →

Appendix C

Question 1. How important is it for you to know how the change affects your job?

	Row Totals	Div Devel Dis	Insurance	PECO
Not important	0	0	0	0
Somewhat important	0	0	0	0
Important	13	0	3	10
Very important	113	19	37	57

Question 2. How important is it for you to know everything that management knows at this point?

	Row Totals	Div Devel Dis	Insurance	PECO
Not important	3	0	1	2
Somewhat important	15	0	3	12
Important	41	4	11	26
Very important	67	15	25	27

Question 3. How important is the reason for the change to you?

	Row Totals	Div Devel Dis	Insurance	PECO
Not important	2	1	1	0
Somewhat important	6	1	2	3
Important	44	3	12	29
Very important	74	14	25	35

Question 4. If you are asked to change the way that you do business, how important is it for you know how management will change the way it does business?

	Row Totals	Div Devel Dis	Insurance	PECO
Not important	4	0	2	2
Somewhat important	13	2	3	8
Important	36	3	9	24
Very important	73	14	26	33

Question 5. How important is it for you to be able to provide input about the changes?

	Row Totals	Div Devel Dis	Insurance	PECO
Not important	2	1	1	0
Somewhat important	11	3	2	6
Important	46	5	16	25
Very important	67	10	21	36

Question 7a. If your employer provided timely information and kept you informed of changes as they were occurring, would you be more likely to accept changes?

	Row Totals	Div Devel Dis	Insurance	PECO
No	14	2	5	7
Yes	112	17	35	60

Question 7b. If your employer provided timely information and kept you informed of changes as they were occurring, would you be more likely to believe what management was telling you?

	Row Totals	Div Devel Dis	Insurance	PECO
No	17	4	5	8
Yes	109	15	35	59

Question 8. How long have you worked for this company?

	Row Totals	Div Devel Dis	Insurance	PECO
0-5	19	3	9	7
15+	46	10	6	30
6-14	61	6	25	30

Question 9. What is your age range?

	Row Totals	Div Devel Dis	Insurance	PECO
- 30	10	1	5	4
31 - 45	74	7	29	38
46 +	42	11	6	25

Question 10. What is your gender?

	Row Totals	Div Devel Dis	Insurance	PECO
female	43	15	16	12
male	83	4	24	55

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