ORGANISATIONAL CULTURAL CHANGE
AT WORLEYPARSONS ENGINEERS IN BLOEMFONTEIN

By

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I thank you!

DECLARATION

"I declare that the Field Study hereby submitted for the Magister in Business Administration at the UFS Business School, University of the Free State, is my own independent work and that I have not previously submitted this work, either as a whole or in part, for a qualification at another university or at another faculty at this university.

I also hereby cede copyright of this work to the University of the Free State"

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Date: 01 November 2014

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ABSTRACT

The primary objective of this research was to investigate the success and/or failure of the organisational culture change at WorleyParsons Engineers in Bloemfontein after the merger with KV3. The problem at WorleyParsons is that the new global entity had its unique world-class systems and procedures and culture, best suited for mega-projects. These systems and procedures are not always compatible with the local conditions of focussing on small infrastructure projects. The lack of the KV3 personnel to adapt to the new organisational culture and the inability of the international company to accommodate the local culture, have resulted in resistance to change. The effect of this is that the KV3 personnel are misaligned in terms of the systems, procedures and culture of WorleyParsons.

The study employed a quantitative method design with a survey research strategy using questionnaires with a 4-point Likert scale. Due to the size of the population a few open questions were included.

The research findings on the merger indicated that the merger process was not very well communicated to the employees and that they were not really afforded the opportunity to comment and ask questions, thus there was uncertainty among employees.

The majority of respondents did not have a sense of belonging indicating that the change management was not very well communicated to the employees and a change vision was not introduced.

It was also established that the majority of respondents did not agree that loyalty and trust runs high in the organisation and they did not think that formal rules and policies held the firm together.

These findings demonstrate the importance of a well organised change management strategy to engage the employees and get their buy-in to realise the benefits of the newly formed organisation. Communication is the key for any change to be successful to the benefit of employees as well as the organisation.

CHAPTER 1

1.1   INTRODUCTION

This research investigates the success and/or failure of the organisational culture at WorleyParsons Engineers in Bloemfontein. This chapter explores the background of KV3 Engineers and WorleyParsons. The research problem regarding the organisational culture is stated, followed by a literature review on organisational culture, change management and mergers. The research problem, the primary and the secondary objectives of the research regarding organisational culture, change management and mergers are formulated. A description of the design strategy, sample-size, type and data collection, is followed by the reliability of the research, assumptions and finally an outline of the research report.

1.2   BACKGROUND

KV3 Engineers (KV3) was established in 1977 and had grown to employ approximately 900 employees, with 30 offices in the major centres around South Africa. KV3 Engineers was a privately owned company with around 40 directors and a flat corporate structure with only a few levels between the CEO and the lower levels of personnel (WorleyParsons, 2014).

They had a distinctive corporate culture and way of doing business; the employees knew exactly what, where and when was expected of them and was effective in their daily work. Given the relevant small size of the company, employees knew each other personally and the clan culture was used to ensure effectiveness by encouraging teamwork between employees. This form of culture places emphasis on human relations with flexible procedures and internal relationships. Each employee felt part of the KV3 family, which also reinforced the clan culture (Kreitner & Kinicki, 2013).

In the Bloemfontein office, in particular, there were approximately 40 employees. Six of the senior personnel were also directors of KV3 Engineers, which resulted in a setting where first-hand knowledge of the company's decision making could be communicated on a one-on-one basis. The majority of the employees had a service

record of more than 15 years. This created a family atmosphere, where everyone knew one another in the circle (WorleyParsons, 2014).

KV3 Engineers merged with an international firm, WorleyParsons, in 2010, which had its own corporate culture. WorleyParsons had a hierarchical culture with established systems and procedures, with control as the driving force. They were much more structured and formalised and implemented extensive measurement and a variety of control mechanisms (Kreitner & Kinicki, 2013).

The history of WorleyParsons starts when the current chairman, John Grill (Chief Executive Officer 1975 – 2012), joined Smith, de Kantzow & Wholohan in 1971. They grew steadily until 1987, when they acquired the Australian part of Worley, an American engineering company with experience in hydrocarbons. After changing the company's name to Worley, the company expanded steadily. Throughout the 1990s Worley continued to expand its geographical footprint (WorleyParsons, 2014).

In 2002 Worley was listed on the Australian Stock Exchange, leading to expansions that included Canada, Oman, and China. In 2004 Worley acquired Parsons E&C, and in recognition of the strong and successful heritage of both firms, they commenced trading as WorleyParsons. WorleyParsons needed to expand into Africa and acquired Kwezi V3 Engineers (KV3), a leading South African engineering firm, in 2011. WorleyParsons currently has over 45 000 employees and has offices in 145 countries. After the merger, WorleyParsons' culture and way of doing business was introduced into the new merged entity (WorleyParsons, 2014).

Each company has its own way of doing business, in other words its corporate culture (Martin, 2004). Corporate culture is normally established over years by the senior personnel of a company. The effect of a change in the organisational culture in this engineering company is investigated, given that a decline in productivity of the technical employees was noticed (Bovey & Hede, 2001).

1.3   PROBLEM STATEMENT

The problem at WorleyParsons is that the new global entity had its unique world-class systems and procedures and culture, best suited for mega-projects. These systems and procedures are not always compatible with the local conditions of focussing on small infrastructure projects. The lack of the KV3 personnel to adapt to the new

organisational culture and the inability of the international company to accommodate the local culture, have resulted in resistance to change.

The effect of this is that the KV3 personnel are misaligned in terms of the systems, procedures and culture of WorleyParsons. If this situation is not addressed, employee disengagement will continue and the sense of belonging and buy-in into the new company will not be achieved.

The research questions are:

1.   What is the effect of the organisational culture at WorleyParsons Engineers in Bloemfontein?

2.   What factors defines the new organisational culture in WorleyParsons Engineers in Bloemfontein?

1.4   PURPOSE OF THE RESEARCH AND OBJECTIVES

Primary objective:

To determine the effect of the organisational culture change at WorleyParsons Engineers in Bloemfontein.

Secondary objectives:

•   To evaluate the theories on organisational culture, change management and mergers since 2000.

•   To investigate the factors defining organisational culture at WorleyParsons in the Bloemfontein office.

•   To determine the current organisational culture at WorleyParsons in the Bloemfontein office.

1.5   PRELIMINARY LITERATURE REVIEW

As a point of departure, it is necessary to give a definition of organisational culture. Arnold (2005:625) defines corporate culture as "the distinctive norms, beliefs, principles and ways of behaving that combine to give each organisation its distinctive character". This means that organisational culture distinguishes one company from

another. This character of a company may be unwritten or non-verbalised behaviour that defines the way in which things get done in a certain corporation.

Due to the ever-changing business world, organisations face challenges due to technological and economic advances. Werner (2007) points out that forces such as social, cultural, political and technological advances challenge organisations to redefine their strategies. South African corporations are part of the global village and are expected to compete in the dynamic business world, which affect other characteristics of the operational functions of a company, such as culture and commitment. In a study undertaken in December 2007, Van Stuyvesant Meijen concluded that organisational culture has a substantial effect on the commitment of employees (Van Stuyvesant Meijen, 2007).

According to Martins and Martins (2003), worldwide studies indicate that organisational culture can influence and builds high levels of commitment and performance.

The role of organisational culture is important in gaining insight into organisational behaviour, because organisational culture has a large influence on employees' conduct and attitudes. Organisational culture involves values and norms that prescribe how employees should conduct themselves in an organisation. Management and personnel do not operate in a vacuum without values; they are governed and directed by the organisation's culture. It is, therefore, important to study how employees commit to the organisation, given the dynamics of culture and behaviour (Martins & Martins, 2003).

Miller (2003) states that commitment constitutes the way in which employees identify with an organisation and its goals, and their desire to be part of that organisation. There is, therefore, a link between organisational commitment and culture. It was revealed that culture has the tendency to influence employees' work effort and commitment directly via two dimensions of culture, namely support-orientated and innovation-orientated culture, and indirectly through human resources practices.

The success of a merger pivots around the ability of senior management to identify a possible partner with a cultural and strategic fit. The fact that the financial and strategic dynamics may bear a higher priority may outweigh cultural similarities. Combinations of different culture types between organisations do, however, occur (Heler, 2008).

Birkenshaw, Bresman and Hakanson (2000) points out that a successful merger can be measured by evaluating economic value additions, more effective use of resources

and the impact on culture. He points out key performance indicators in mergers. A link was discovered between merger planning, management actions, coherence of culture and performance.

Four distinct phases were put forward in mergers that generally span a period of three years, namely start-up, transition, integration and closure. Human resources planning is not established satisfactorily in most organisations, as they do not have clear methodologies and coherent processes. Therefore, role conflict, irregularity, absence of clear transformation processes relating to human resources and lack of an integrated strategy are common and repeated problems (Horwitz, 2000).

The topics that were used to assess the impact of organisational culture affecting both companies in the merger are systems, structures, personnel, skills, strategy, style and socialisation.

- Systems

Systems refer to the processes and procedures, technology and methods that organisations use to perform the work accurately and efficiently. It is codified information or patterns, structured in a sequence.

- Structures

Organisational structures refer to the way a company splits its activities into individual elements and how it coordinates these elements. As a matter of fact, organisations require structures to provide a measure of predictability in the way it organises its activities and the kind of relations employees have with one another.

- Personnel

The word employment refers to the procedure in which companies match people to certain jobs, and fit them to the organisational culture. They may be sourced from outside the company or developed or promoted from within. Adding to that is the companies' view on motivation and reward and team work, which are crucial for the applicable organisational culture (Heneman & Judge, 2005).

- Skills

Skills refer to the capabilities required to perform complex tasks at a high standard. This is essential because well-trained employees primarily create and maintain standards; they play a major role in developing junior employees and keep employees up to date with the changing environment. This also influences employee empowerment, which enables them to make decisions based on meaningful

information received, which relates to the different strategies a company adopts (Mackall, 2004).

- Strategy

Nieman and Bennett (2006) define strategy as the development of a mission and long-term goals. Strategy should match a company's resources with the ever-changing environment and its markets and customers to achieve what the stakeholders are looking forward to.

- Style

Style is the way management adopts the shared beliefs in the use of their power. The way in which people view one another is determined by power relationships in terms of the potential impact one person might have on another's working life and fate.

- Socialisation

Shirom, Toker and Alkaly conducted research in 2011 on the following topic, "Work-based predictors of mortality: a 20-year follow-up of healthy employees." They concluded, in short, that workplaces with little social interaction led to more frequent absenteeism and less productivity, whereas in workplaces where the employees socialise at work employees tend to be happier and friendlier – which led to increased productivity and generally healthier employees. Oreg (2006) identified a number of barriers to change; these are discussed in more detail in the literature review of this study.

Research pointed out that people's reactions to change are influenced by several factors. These include communicating the change, level of understanding of managers about the change, consistency of the actions of managers on the goal of the change and the manager's level of participation in the process of change (Oreg, 2006).

Change initiative programmes are becoming more important due to the markets becoming more global and competitive. This is seen as key tools for long-term success (Soltani, Lai & Mahmoudi, 2007).

Coetzee and Stanz (2007) point out that it is crucial to prioritise change management because organisations need change to survive, but change – on the other hand – destabilises organisations. They further categorised barriers to change into project-, people-, organisational- and environmentally-related barriers to change.

Project-related barriers are inherent in the change initiative, which includes dimensions like direction, planning and implementation, and control.

People-related barriers refer to opposition from both managers and employees. Factors causing resistance include fear, personality conflicts and satisfaction with the status quo.

Organisational-related barriers are factors like company structure, systems and procedures, uncertainty and insufficient resources.

Environmentally-related barriers can be barriers from outside the firm – such as the suppliers, clients and partners (Coetzee & Stanz 2007).

Van Emmerik, Bakker and Euwema (2009) argue that there is a relationship between barriers to change and job satisfaction. These can be strengthened by providing sufficient job resources to shape perceptions of the anticipated change.

This literature review and the statistical data obtained from the quantitative research enabled the researcher to come to a substantiated conclusion and make recommendations. The research methodology defined the manner in which the data were obtained.

1.6 RESEARCH METHODOLOGY

1.6.1 Research design

The study employed a quantitative method design with a survey research strategy using questionnaires with a 4-point Likert scale. Due to the size of the population a few open questions were included. This was used to obtain the effect of cultural change and the level of resistance to the change.

1.6.2 Sampling

A homogeneous sampling technique was used where the office bound personnel were sampled. For respondents to be eligible for selections they had to qualify on the basis that they experienced organisational change first-hand and that all the respondents experienced the same change event (Van Tonder, 2006). All personnel in the Bloemfontein office were exposed to the same cultural changes – albeit at different levels. Thus, the frame-set encompassed the entire population of 24 people.

The sample was composed as follows:

Engineers   13

CAD Operators   5

Secretaries   3

Finance staff	1
Admin officers	2
TOTAL	24

1.6.3 Data collection method

A quantitative approach was followed by a few open questions which were included due to the size of the population. Questionnaires were given to the respondents to complete individually.

The questionnaires were self-developed and self-administered.

1.7   DEMARCATION OF THE RESEARCH AREA

The focus of the study was to determine the effect of cultural change in an organisation. The field study was demarcated by the office-bound personnel of the Bloemfontein office of WorleyParsons, consisting of 24 people. The field of study was organisational behaviour.

1.8   ETHICAL CONSIDERATIONS

1.8.1 Informed consent

All respondents were asked to sign a consent form. The consent form notified the respondents that the study used anonymous interviews where the respondents could not be identified. Respondents were informed of what they could expect and what, in return, was expected of them as respondents (Sekaran & Bougie, 2013).

The respondents were informed of the general nature of the study. They were guaranteed confidentiality, and that they could decline to participate. They were also informed that they could request a copy of the report. The respondents were informed that they might withdraw from the study at any time (Sekaran & Bougie, 2013).

1.8.2 Planning research

In planning a study, and in reporting research outcomes, researchers have to fulfil several obligations. As the first objective, the project must be planned not to misinform results. Secondly, the project must meet ethical standards.

1.8.3 Responsibility

Researchers are responsible for conducting themselves ethically and for handling and making deductions from the data in a responsible manner.

The research proposal also had to be submitted to the UFS Business School for approval (David & Resnik, 2011).

1.9   CHAPTER LAYOUT

Chapter 1

Research proposal

In this chapter, the research problem is introduced to the reader; it also provides the way forward for the research. It gives a background of the company and the current work environment at WorleyParsons. The concept of organisational culture is introduced and the aim and objectives of this study is provided.

Chapter 2

Literature review

The literature review in this chapter focuses on organisational culture, change management and mergers. These functions are defined and expounded.

Chapter 3

Research methodology

The manner in which primary data was gathered is explained in this chapter. The steps in the research design and the sampling techniques are defined. The design and content of the questionnaire are explained.

Chapter 4

Data analysis and findings

The results obtained from the questionnaires are explained in this chapter. The quantitative data are examined and compared to the information gained from the literature review.

Chapter 5

Conclusion and recommendations

Conclusions drawn from the outcomes in the research study are used to make recommendations how to handle a change in corporate culture.

1.10 CONCLUSION

The objective of this study is to determine the effect of corporate culture change at the Bloemfontein office of WorleyParsons. This is determined by a quantitative study and the results, may in future, be used to prevent loss of production due to uncertainty after a merger.

CHAPTER 2
LITERATURE REVIEW

2.1   INTRODUCTION

With the globalisation of engineering companies today, the corporate environment is becoming progressively more competitive and expects employees to be more mobile, which entails that if an employee does not fit in with the company's culture, they will try to find other employment. From the company's perspective, acquiring and keeping experienced employees is also becoming more difficult (Gan & Haynes, 2009).

The previous chapter explored the background to this study. In Chapter 2 the theory with regards to mergers, change management and organisational culture are explored in more detail.

Chapter 2 presents a literature review of the three constructs, mergers, change management and organisational culture, using existing data. Literature on each of the three constructs were considered and used to establish the effect they will have in an organisation.

The information on mergers and change management provides the background to the study in terms of the current context of WorleyParsons, but the main focus of the chapter is on organisational culture.

The concept of mergers is discussed next.

2.2   MERGERS

Section 12(1)(a) of the Competition Act no 89 of 1998, as amended in 2000, defines a merger as "occurring when one or more firms directly or indirectly acquire or establish direct or indirect control over the whole or part of the business of another firm".

Ottinger (2012), executive vice president at Kotter International, states in an article that the failure rate of mergers and other business enterprises are approximately 70 per cent.

The success of a merger pivots around the ability of senior management to identify a possible partner with a cultural and strategic fit. The fact that the financial and strategic

dynamics may bear a higher priority may outweigh cultural similarities. Combinations of different culture types between organisations do, however, occur (Heler, 2008).

One of the lessons learnt from a case study by Baughn and Finzel (2009), was that, when forcing two different cultures to merge with the ensuing management team from primarily one of the teams, the subsequent organisational culture will mainly adapt the dominant culture.

A study conducted by Deutsch and West (2010) revealed that in 92 per cent of the cases, better cultural attention before a merger would have been considerably more beneficial. They also concluded that a new approach to managing the deal is required to create integration capabilities. Previously, the integration teams ensured that nothing bad occurred until the deal was concluded. In a very quick process, they try to secure the deal and leave the matter of how to make the amalgamation work for later. They focused on minimising risks and realising cost savings with reference to reducing operations and people no longer required. But in recent times, the merger teams need to look further than the monetary value that justified the transaction. The merger teams need to open the gap to find new bases of collaborations and value. The survey also indicated that the due diligence process in the majority of deals can overlook as much as 50 per cent of the likely value of a merger.

Given the fact that the success rate of mergers is approximately 30 per cent, supports the fact that there is a lack of connection between the stages of a merger. Considering variables from either the pre- or post-merger are not sufficient to find consistent relationships. Weber also elaborated on the fact that previous historical research on the matter either focused on pre-acquisition or post-merger integration (Weber, 2013). Marks and Mirvis (2013) investigated mergers and acquisitions in three phases, namely from a pre-combination, combination and post-combination perspective. They identified several problems which negatively affect the integration process in the pre-combination phase, which, among other, is insufficiently linking the business strategy with the mergers and acquisition plan, buying a business to rebuild a weak core business, hurried due diligence and lastly, overvalued targets and overestimating synergies.

Generally, mergers and acquisitions involve imperative decisions with regards to the movement and re-engagement of personnel. Employees carefully notice how decisions are made, and how they are treated in terms of the process. Although

discussions on mergers are highly confidential and are mostly restricted to the management boards of the merging firms, information may leak out. This might result in gossip and speculation which could create an uncertainty and nervousness about their futures, and their intending to stay in the new merged organisation. This negativity can be significantly reduced with regular communication to the work floor on who will be affected, how and when. If this process is not correctly handled, it may result in stress and conflict when formal organisational entities will no longer exist. This culture-related stress, pressure, and conflict are likely to be highest when employees are forced to replace the old organisational culture with a new one. Such culture clash may result in intensified conflict and can become a major barrier to an effective merger (Adjei-Benin & Sanda, 2011).

Creasy, Stull and Peck (2009) relate the employee dynamics in a merger process with the following aspects: organisational citizenship behaviour, job satisfaction, organisational identification, perceived organisational support, cultural discontinuity, management competence and procedural justice. Organisational citizenship behaviour is defined as the employee portraying a certain kind of behaviour which is not part of the job requirement but which promotes the functioning of the organisation. Job satisfaction can be described as the level to which the employee has a positive orientation towards the job. Organisational identification can be defined as an acceptance of the organisation's identity as one's own. Perceived organisational support describes the extent to which personnel can be certain that their organisation cares about their welfare and values. The cultural continuity between the pre- and post-merger setting is critical to ensure the accomplishment of a merger. Management competence ensures that the workforce can trust the leadership and this has an impact on citizenship behaviour, motivation and work satisfaction. Procedural justice is concerned with an employee's view of the fairness of procedures on the merger decisions.

Organisational culture is vital to organisational change, which is regularly required in modern organisations. Jones, Jimmieson and Griffiths (2005) point out that the high rate of change failure can be attributed to change resistant cultures. Corporate culture is also of particular importance during mergers and acquisitions, with the inability to extract expected value being attributed to cultural factors. Gill (2012) reported that a KPMG study conducted in 2009, which put questions to more than 100 senior directors

involved in 700 deals in the two years preceding 1998, found that 83 per cent of the mergers had no benefit for the shareholders, and more than 50 per cent in fact destroyed value. The main cause for failure was cultural and people differences (Gill, 2012).

In the following section change management in the context of a merger is discussed.

2.3 CHANGE MANAGEMENT IN THE CONTEXT OF A MERGER

Managing change is of paramount importance in completing merger integration. A detailed plan for change is required to make it an active process to enable organisations to control the change. This is not a passive process that just happens to the organisation with no goal in mind (Knilans 2009). Figure 2.1 below indicates the change process over time and the level of commitment.
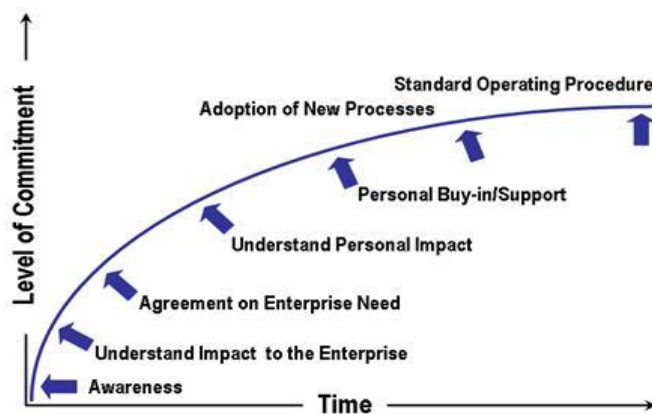
Figure 2.1: Change management curve (Rosenfield, 2014)

As can be seen from Figure 2.1, the change curve firstly focuses on awareness, followed by an acceptance phase, and finally, adoption and standard operating procedure.

The following section considers the definition of change management.

2.3.1 Definition of change management

Change management is the processes, tools and techniques used to achieve the human side of change in order to accomplish the necessary organisational result. Change management integrates the organisational tools that can be used to help persons make successful individual transitions resulting in the adoption and realisation of change. Change management assists with moving an organisation from how things

are done currently (a current state), through a transition state and finally to a future state (Creasey, 2012).

Research pointed out that people's reactions to change are influenced by several factors. These include communicating the change, level of understanding of managers about the change, consistency of the actions of managers on the goal of the change and the level of participating in the process of change by managers (Oreg, 2006).

Change initiative programmes are becoming more important due to the markets becoming more global and competitive. This is seen as key tools for long-term organisational success (Soltani, Lai & Mahmoudi, 2007).

The Kurt Lewin and John Kotter models of change are discussed in the following sections. The reason for choosing Lewin's model is because he is considered to be the father of contemporary theories of applied behavioural science, which is still applicable today. Kotter's change theory is widely used to this day and it was thought to be relevant to this study.

2.3.2 Lewin's change model

Kurt Lewin (1890-1947) is considered to be the father of contemporary theories of applied behavioural science. His most significant theory on the model was on the change process in human systems. Lewin put forward a three-stage model of change that became known as the unfreezing-change-refreezing model (Nursing Theories, 2006). The figure below illustrates the concept of Lewin's change model graphically.
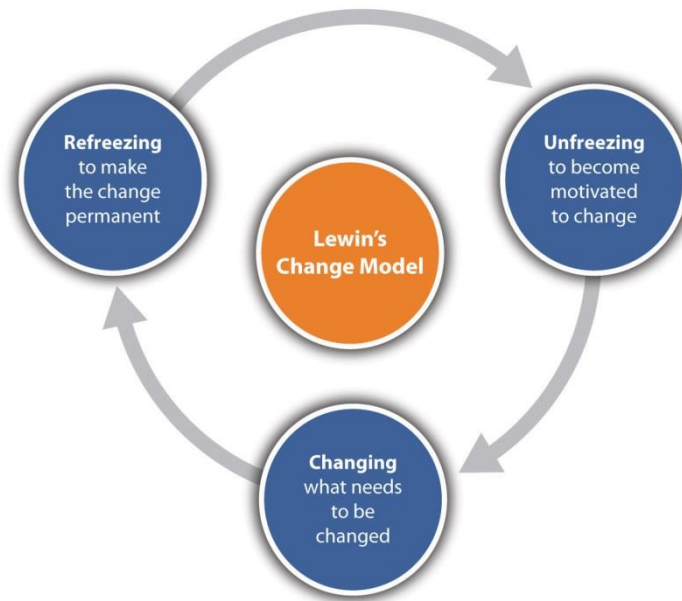
Figure 2.2: Lewin's change model (Dias, 2012)

One should look at change as a progression with distinctive phases; by preparing oneself for what lies ahead, one can plan to manage the change. People more often than not go blindly into change, which causes avoidable confusion and disorder. The start of any change process should be to understand why the change is necessary. Thus, the stimulus for change must be created before change can take place (Thompson, 2014).

The following section discusses the concepts and stages of Lewin's model.

2.3.2.1   Concepts

2.3.2.1.1 Driving forces

Lewin's model has driving forces for change and opposing forces restraining it. Where the two sets of forces are in equilibrium there will be no change. Change can only occur if the driving force exceeds the restraining force. His theory also states behaviour as a dynamic equilibrium of forces functioning in opposite directions (Riley, 2012).

2.3.2.1.2 Restraining forces

Restraining forces are forces that act in resistance to change; it restrains change because it pushes the individual in the opposing direction (Breakthrough Consultancy, 2008).

2.3.2.1.3 Equilibrium

Equilibrium takes place when driving forces are equal to restraining forces and therefore no change takes place. This state of being can be elevated or dropped by changes that arise among the driving forces and restraining forces (Nursing Theories, 2006).

2.3.2.2   Stages

A successful change project consists of three distinct and vital steps:

2.3.2.2.1 Unfreezing

Lewin believes that the equilibrium needs to be unfrozen or destabilised before any old behaviour can be thrown out or unlearnt and a new behaviour effectively adopted (Burnes, 2004).

Unfreezing is the procedure of providing a method to enable people to get rid of an old pattern that was not productive. Unfreezing is necessary to overcome the tension of individual opposition and group conformism (Nursing Theories, 2006).

Unfreezing can be achieved by using three methods:

Firstly, intensify the driving forces that steer the unwanted conduct away from the current situation. Secondly, reduce the restraining forces that adversely affect the drive from the current equilibrium. Thirdly, a combination can be found from the first and second option (Kritsonis, 2005).

2.3.2.2.2 Changing behaviour

This step requires a process of change in thought by persuading employees to agree that the existing state of affairs is not advantageous to them. Another action that can be pursued is to encourage the employees to get a fresh perspective on the problem. It is then required to work together on a journey for fresh information, and associate the opinions of the employees to respected, commanding leaders that are in agreement with the change. This step, therefore, requires that the target system be moved to a new level of equilibrium (Kritsonis, 2005).

2.3.2.2.3 Refreezing

Refreezing establishes the change as the new custom. The purpose of refreezing is that new behaviour must be compatible with the remaining behaviour, nature and setting of the employee as it is easy to revert to the old behaviour (Schein, 2010). Lewin established that effective change is a group action, because group standards and habits are also altered, changes to personal behaviour will not be continued. This transpires that refreezing regularly requires changes to organisational culture, customs and procedures (Burnes, 2004).

Although Lewin's model is still widely applied, its main contribution is that change should be understood as a process instead of separate steps. This is essential to appreciate how personnel may react to change at work, since some might be quicker to adapt than others.

Lewin's model is very rational, and aim and design orientated. It does not consider personal factors that may possibly have an effect on change. In contrast, Kotter perceives change as a step by step emotional process as it is seen and felt by employees.

The Kotter 8-step change model is discussed next.

2.3.3 Kotter's 8-step change model

In 1996 Kotter presented an 8-step change model to assist senior managers to be able to handle transformational change. This is summarised in the figure below and in the sections that follow (Webster, 2012).
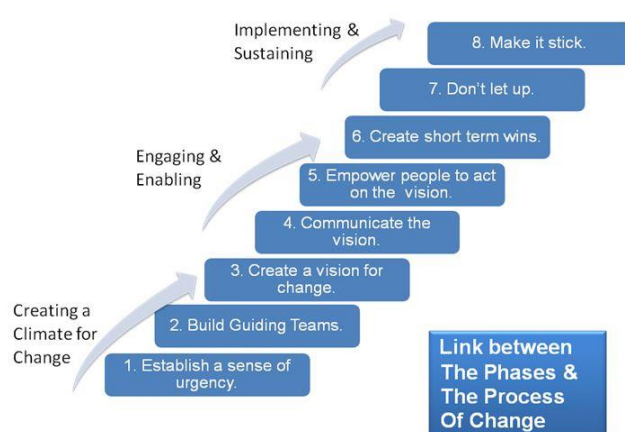
Figure 2.3: Kotter's 8-step change model (High Performance, 2012)

The figure above indicates the eight steps of Kotter's change model, which views the change as a three-phase approach, namely creating a climate for change, engaging and enabling change and finally, implementing and sustaining change.

Kotter's method of research was based on asking why change efforts are unsuccessful. He established that eight fundamental mistakes can prevent success. He then developed the 8-step process for successful change (Eide & Allen, 2012).

2.3.3.1 Step 1 Urgency

The first step in the model is to create a sense of urgency, which is essential to gain the required collaboration. Lacking urgency, employees of the organisation are not likely to part with the old ways of doing their tasks. The benefit of change must be clearly demonstrated to indicate that the price of not changing is higher than that of the change required. A good example would be the continued existence of the organisation (Eide & Allen, 2012).

2.3.3.2 Step 2 Build guiding teams

No person can handle the change process after a merger single-handedly. To ensure success a team should be put together to steer the change initiative. The team composition should be made up of people with power, with relevant experience, who are credible and are leaders. It is imperative to select individuals with integrity, impart a considerable level of trust in them and develop a shared objective; otherwise the change will merely go to pieces and leave the organisation weaker than before (Mason, 2011).

2.3.3.3 Step 3 Create a vision for change

An organisation that must go through a major change needs to have a change vision. This will give the people a picture of what the organisation will look like after they have made the changes. This will also show them the prospects that they can benefit from, once it is done. This will serve as a motivator to the people, which is crucial to any successful change process. A change vision differs from a corporate vision. They are equally important, but one needs to understand how they differ to make a successful change in an organisation (Kotter, 2011).

2.3.3.4 Step 4 Communicate the vision

When the change vision is communicated effectively, managers can promote organisational understanding and this creates a basis for gaining the commitment from the workforce to clasp this new course. They productively capture the minds and hearts of the workforce which are desired for the change. The stakeholders need to agree with it, they have to comprehend the ins and outs of the change and must be committed to make it happen (Tanner, 2014).

2.3.3.5 Step 5 Empower people to act on the vision

Step 5 involves empowering people to act; this will also frequently include removing obstacles. This will keep teams responsible for change involved, and divert the negative frustration when they are not able to implement the change, when there is inadequate guidance or power in the teams. The guiding teams were put together with people who have power, influence, and respect in the organisation, which is critical, as these change managers have to communicate the vision. This implies that they need to practice what they preach and not take for granted that employees understand the process between action and alignment with the vision (Cardoso, 2009).

2.3.3.6 Step 6 Create short term wins

Change does take time to implement and it alters along the process. The benefit to have short-term wins is that one retains momentum and uses the opportunity to pinpoint key obstacles to success and handle them early on. On the other hand, when one declares a win too soon, one might be resting on one's laurels (Batshalomin, 2014).

There are several reasons to plan for short-term wins, among others (Batshalomin, 2014):

Demonstrate that it is worth it: It provides employees a chance to be involved directly and see proof that the changes are worth it and that the end vision is possible; this demonstration is worth more than verbal opinions.

Reward efforts: Change managers deserve a reward on a regular basis. When much effort was put in, positive response builds morale and serves as motivation. Continual tension breaks morale down.

Keep top management engaged: When early wins are celebrated, it provides management with confirmation that the change process is on track and can be measured.

Build momentum: Interim successes build the needed momentum and transform disinterested workers into supporters (Batshalomin, 2014).

2.3.3.7 Step 7 Do not let up

An early win is only the start of long-term change which takes time. An organisation needs to plan to create improvements. Only after numerous successes have been attained, can it be recognised that the change is on the right track. It is important to recognise and reward employees involved in the progress to strengthen their actions (Nauheimer, 2009).

2.3.3.8 Step 8 Make change stick

Change will only begin to be part of the culture when it has become a part of the heart of the organisation. To enable the change to be of a permanent nature there must be a match between the values and principles as well as the employees' behaviour and the new vision must provide a seamless match. The change needs continual support from the employees. The change is also consolidated by regular assessment and dialogue about progress (Nauheimer, 2009).

2.3.3.9 Conclusion on Kotter's model

Kotter and Cohen (2002) reveal that change leaders who are successful find an answer to a problem and then, by using appealing and convincing situations, change employee's behaviour.

They propose an approach driven by people that assists individuals to see the motive for change. They further reason that individuals change when the truth is shown to them, since this affects their point of view. Change is an emotional experience as it is seen and felt by employees (Kotter & Cohen, 2002).

2.3.3.10 Comparison with Lewin's model

Lewin's model, contrary to Kotter's model, is very rational, aim and design orientated. It does not consider personal factors that may possibly have an effect on change. On the other hand, social rational theory suggests that change in behaviour is affected by environmental effects, individual factors, and elements of the behaviour itself. Lewin's model makes logical sense, because both external and internal environmental conditions are taken into account (Kritsonis, 2005). The construct of organisational culture in the context of a merger is discussed in the following section.

2.4   ORGANISATIONAL CULTURE IN THE CONTEXT OF A MERGER

2.4.1   Definition of organisational culture

Arnold (2005:557) defines corporate culture as "the distinctive norms, beliefs, principles and ways of behaving that combine to give each organisation its distinctive character". This proposes that organisational culture distinguishes one from another. The character of a company may be unwritten or non-verbalised behaviour that defines the way things are done.

Authors with various perspectives attempted to explain the concept of organisational culture (Carroll & Nafukho, 2006; Hofstede, 2001; Martins & Terblanche, 2003; Schein, 2010). Influenced by their perceptions and milieus, the descriptions on which the term is being evaluated, differ. Since the theory took its origin in the anthropology study field, in particular the cultural anthropology, it contributed generously towards study on organisational culture in several business situations (Tsosa, 2003).

Further, Oden, as cited in Denhardt and Denhardt (2001), refers to organisational culture as "the unseen force that provides identity, meaning, direction, and the basis for action".

As a general rule it is acknowledged that culture in an organisation is formed by the relations and communication between employees (Martins & Terblanche, 2003; Schein, 2010). For the purpose of this study, organisational culture is defined as the employee's mutual values and principles (Schein, 2010). This includes basic beliefs which are assumed to be admitted as being factual because of previous successes. These assumptions are conveyed to newly appointed employees during employee interaction, to bring about the accepted unprinted procedures of the organisation.

Miller (2003) states that organisational commitment refers to the way in which an employee identifies with an organisation and its goals, and his/her desire to be part of that organisation. There is, therefore, a link between organisational commitment and culture. It was revealed that an organisational culture has a tendency to directly influence employees' work effort and commitment via two dimensions of organisational culture, namely support-orientated and innovation-orientated culture, and indirectly through human resources practices.

A sole definition of organisational culture has proven to be rather indefinable. Not one definition of organisational culture has emerged from the literature review. The fact that culture has to be defined in terms of its causes and effect might be one of the problems in defining culture. Employees use the word culture to describe the consistent way in which individuals perform responsibilities, solve problems, and handle conflicts, and how they treat customers and personnel.

For the purpose of this study organisational culture is defined as the employees' mutual values and principles (Schein, 2010).

The role of the organisation's in realising the understanding of organisational behaviour is discussed further in the following paragraphs.

2.4.2 Models of organisational culture

The role of organisational culture is important in realising the understanding of organisational behaviour, because organisational culture influences employees' conduct and attitudes. This involves values and norms that prescribe how employees should conduct themselves in an organisation. Management and personnel do not operate in a vacuum without values; they are governed and directed by the organisation's culture. Shirom, Toker and Alkaly (2011) concluded, in short, that workplaces with little social interaction led to more frequent absenteeism and less productivity, whereas employees who socialise at work tend to be happier and friendlier – which led to increased productivity and generally healthier employees. Another aspect of the study will investigate barriers to change (Oreg, 2006). It is therefore important to study how employees commit to the organisation, given the dynamics of culture and behaviour (Schein, 2010).

The environment employees are exposed to on a daily basis plays an essential role in their perception of job satisfaction. A survey conducted by Deloitte and Touche indicated that a favourable environment is the top prerequisite among employees in

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their pursuit for job satisfaction (Nel, Van Dyk, Haasbroek, Schultz, Sono & Werener, 2004).

The two most noticeable researchers on organisational behaviour are Edgar Schein and Geert Hofstede. Respectively they have offered the theory of organisational culture using a model based on the morals and thinking demonstrated by the employees of an organisation. They have, however, evaluated different levels of application and combination that bring the aspect of culture together.

The following sub-section discusses the model of organisational culture focusing on Hofstede and Schein's model.

2.4.2.1 Hofstede's model

According to Hofstede (2001) the historical values and customs are reflected in every organisation's culture since the standards are established over time. Gradually, employees will adjust to what is considered to be appropriate and accepted by all. This resulted in organisational culture being progressively identified as being important in the general operation of the organisation.

Humans share a mutual basic need to belong. This notion of belonging results in individuals classifying themselves through several layers (Hofstede, 2001).

The manners in which the layers are cascading are the following (Hofstede, 2001):

a)   National culture is determined by the country in which an individual lives,

b)   The local area culture influences language, values and spiritual views,

c)   The specific gender to which an individual belongs has an impact on his/her culture,

d)   Age group culture is determined by the different ages, to which each person belongs,

e)   Social status also impacts on the culture, education and occupation plays a fundamental part, and

f)   Organisational culture is determined by the customary behaviour amongst the individuals in that organisation.

2.4.2.1.1 Hofstede's Onion Shaped model of organisational culture

Further to Edgar Schein's model of organisational culture, which was developed in 1985, Hofstede's onion-shaped model was developed in 1990. The figure below clearly indicates the onion metaphor demonstrating the layers which represent the symbols, heroes, rituals and value aspects of the model (Zhdanov, 2007).
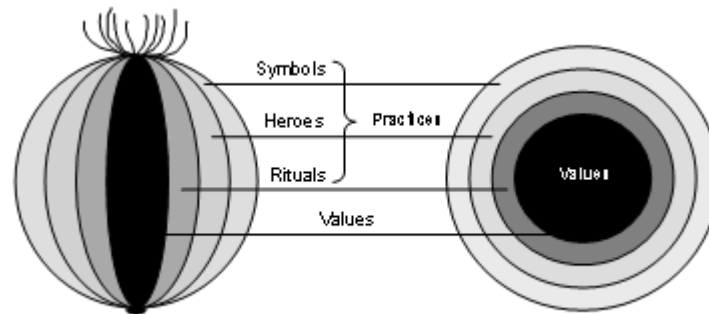
Figure 2.4: Hofstede's Onion Shaped model of organisational culture (Willer, 2006).

Borrowing the ideas of symbols, heroes, rituals and values from the 1982 work of Deal and Kennedy on corporate culture, Hofstede developed a layered model. The four-layered model depicts, from the outside, symbols, heroes, rituals, and values. Schein's model also looked at behaviour that can be witnessed from the outside, like artefacts, symbols, heroes and rituals. Values also form the core of this model, which is difficult to identify and observe for outsiders (Zhdanov, 2007).

As can be seen from Figure 2.4 above, the core of culture is formed by values; this is the deepest level of culture. Moral and ethical codes are connected with values, and define what individuals think should be done, and ascertain likes and dislikes of employees. Rituals are shared actions which are considered to be socially indispensable, and heroes are persons who have individualities which are greatly priced and they are regularly the individuals who get on in a business. Symbols are the elements of culture that are first noticed and are the signs, objects, words or deeds that mean something different than in other organisations, which give meaning to people (Sun, 2008).

The three levels of Schein's model are discussed next.

2.4.2.2 Schein's model

Edgar Schein created the model of organisational culture in the 1980s. Schein (2010) recognises three distinctive levels in organisational cultures, as indicated in the figure below:

1. Artefacts and behaviour
2. Adopted values
3. Assumptions
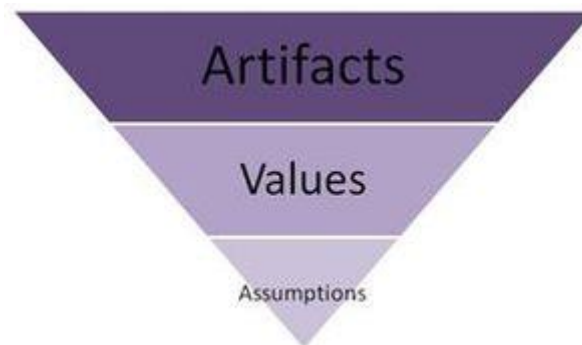
Figure 2.5: Three distinctive levels in organisational cultures (Schein 2010)

As can be seen from the figure above, these levels indicate the rank to which the different cultural occurrences are noticeable to the viewer, with artefacts the highest rank and assumptions the lowest.

Artefacts may include any tangible, obvious or verbally recognisable structures in an organisation. Furniture, architecture, office jokes, and dress code all represent organisational artefacts. Artefacts are the visible basics in a culture and they can be identified by persons outside the organisation.

Established principles are the organisation's specified **values** and guidelines of behaviour. It is how the members represent the organisation to others and to themselves. This is frequently articulated in official philosophies and public documentation. It sometimes can be a forecast for the future, of what the members hope to turn out to be. Instances of this would be worker professionalism, or a "family first" mantra. It may arise to be troublesome if espoused values by influential people are not on track with the general expectations of the culture (Schein, 2010).

Collective basic **assumptions** are the deeply rooted, assumed behaviour which are regularly unconscious, but constitute the heart of the culture. These basic assumptions are normally so well incorporated in the office dynamic that they are hard to identify from within the company (Schein, 2010).

This emphasises the importance of altering the way organisations are perceived. Organisations are more than occupations and formations, they are more relating to the way in which people in groups behave and interact. Notwithstanding the fact that it is normally being overlooked, in this setting organisational culture is important in aiding business. Schein (2010) was a leading author accepting and supporting the prominence of organisational culture in the business world. He was also instrumental in supporting the significance of altering the belief of organisations as being more than occupations and formations.

According to Schein (2010) organisational culture has two distinctive layers, visible and invisible. This is used to describe the culture of an organisation. The configuration of the organisation, style of communicating and stories told are considered as visible features. The invisible layer is constituted by the more intricate members' shared assumptions, morals and customs. Centred on the above from Schein, organisational culture relates to a person's character, which is displayed in the distinctive atmosphere of the business.

Green and Aiman-Smith (2004) state that organisational culture as a generally recognised attitude projected by the employees. Supporting this, Schein (2010) points out that, as previously stated, organisational culture develops over time as people share their dealings with changes by positive internal integration in the outer environment.

Internal integration refers to engaging new employees and acquainting them with the business. This also defines the boundaries for the business, the sense of character among employees and obligation to the business. This brings together the establishment of a competitive gain, incorporating the external environment learning regarding variations in behaviour and shared systems (Martins, 2000).

Organisational culture can be used in conjunction with the original management tools. Since organisational culture is conversed via attitudes and symbolism, it plays a supplementary role in influencing behaviour. Organisational culture's role is emphasised by the effect culture exercises in putting strategy into practice (Martins, 2000).

2.4.2.3   Differences between Hofstede and Schein

According to Hofstede cultural variances reflect variances in social action, thinking, and even in predictable behaviour. Hofstede demonstrated that there are national and

regional cultural groupings that affect the behaviour of organisations. Hofstede relays culture not only to regional and ethnic groups, but also to organisations, society, family, professions and political systems (Boundless, 2014).

According to Schein the primary reasons for cultivating culture in organisations is internal integration and external adaptation. External adaptation replicates an evolutionary procedure to organisational culture and proposes that cultures mature and persevere because they assist an organisation to continue to exist and flourish. If the culture is valued, then it carries the prospective for creating a continued competitive benefit (Islam, 2012).

The following section discusses the dynamics of organisational culture, incorporating the layers and functions of organisational culture.

2.4.3 Dynamics of organisational culture

The culture of an organisation stems from its past, the present, the technology and the resources the organisation uses, and from the employees' goals, intentions and morals (Lynch, 2006). In Figure 2.6 the sequential flow of organisational culture is indicated.

Figure 2.6: Understanding organisational culture (Kreitner & Kinicki, 2013)

The above framework for understanding organisational culture illustrates the extensive effect it has on organisational behaviour. It divulges that organisational culture's precursors are the founder's values, business environment and the vision of management. Sequentially the culture has an impact on the structure of a company and policies, practices and procedures applied in pursuit of organisational goals. This again has an impact on a number of group and social processes, and finally it has an

impact on the attitudes and behaviour of employees and a number of organisational outcomes (Kreitner & Kinicki, 2013).

In this section the dynamics of organisational culture was discussed. The next section discusses the four functions organisational culture brings about.

2.4.3.1 *Functions of* **o**rganisational *culture*

The four functions that organisational culture brings about are illustrated in Figure 2.7.
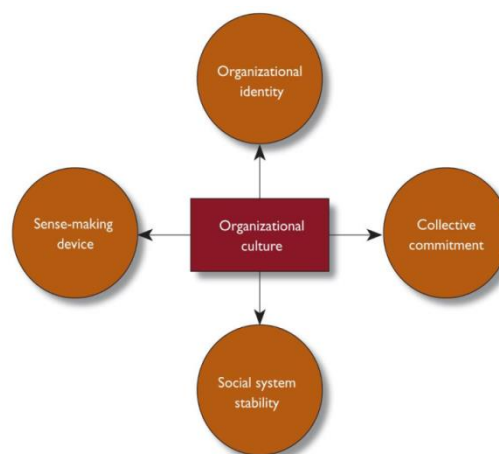
Figure 2.7: Four functions that organisational culture brings about (Kreitner & Kinicki, 2013)

The above figure clearly indicates the four functions organisational culture brings about. They are organisational identity, collective commitment, social stability and sense-making device. The four functions are discussed further in the following paragraphs.

2.4.3.1.1 Organisational identity

Organisational identity is more often than not mixed up with corporate identity. Despite the fact that they are equally important terminologies of organisational identity, the term in reality, fundamentally refers to the core of what an organisation is enunciating. This includes the features the employees perceive as clearly central, whose lasting and distinct atmosphere supports how they describe, and find, the organisation. Employee buy-in to the mission and values of an organisation, displays their commitment, and indirectly, impetuses performance. The alignment between the organisation's purpose and employee anticipations and opinions has a motivational stimulus (Gande, Félix, Galois & Tourancheau, 2011).

2.4.3.1.2 Collective Commitment

Collective commitment is the key element that accounts for the steadiness of a group. It is due to this commitment that the group is aligned for action to effectively achieve its goals as a team. If the group members were not committed to the team they would each focus on their own goals and not that of the team, and thus fail their team. It can then be stated that there is an essential collective commitment in groups that perform well (Tuomela, 2013).

2.4.3.1.2.1 Factors that impact job commitment

Ineffective role definition leads to role stress and leads to detrimental role performance, which is nearly always negative. This, in turn, affects the welfare of employees and running of organisations. A person's experience of getting conflicting instructions or the lack of information to carry out the job causes role stress. Role conflict reduces employee's performance and is positively correlated to the probability of the personnel parting with the organisation. Role conflict and uncertainty have been suggested as defining factors of employees' job satisfaction and organisational commitment (Concha, 2009).

Empowerment in the workplace is a process of inherent motivation, observed control, competency, and motivation towards goal accomplishment. The two clear concepts of empowerment are structural empowerment, which emanates from the organisational management philosophy and is defined as the capability to get things done and to organise resources. Secondly, psychological empowerment emanating from social psychological models, described as the inner awareness of personnel pertaining to their work and their roles in an organisation. The link between empowerment, job satisfaction and job commitment was also reaffirmed (Ahmad, 2010).

A study by De Cuyper (2009) on job insecurity and employability indicated that employees who were employed on term contracts and referred to as temporary workers stated greater levels of job uncertainty than permanent workers. Job insecurity was found to negatively correlate with job satisfaction and affective organisational commitment in permanent workers. The study also found that job satisfaction and organisational commitment were highly correlated with being a permanent worker.

A study conducted by Hulpia, Devos and Rosseel (2009) on distribution of leadership, concentrated on the influence of the distribution of leadership and support and the resulting effects on job satisfaction and commitment. The study recognised that there

was a relationship between organisational commitment and the unity of the management team and the extent of management support.

Previously, it was believed that a negative correlation exists with job satisfaction and commitment among teachers with absenteeism and turnover and a positive correlation with work effort and work performance. The study conducted by Hulpia, et al. (2009) observed how one leader, usually the head of the school, achieved the job satisfaction and commitment of teachers. The study also established that when management control was distributed by the school principal to the teachers and workers, they stated greater job satisfaction and organisational commitment than when all of the control fell to one person. It was reported that even with only the perception of distributed control, personnel still stated higher levels of career satisfaction and commitment (Hulpia, Devos, & Rosseel, 2009).

2.4.3.1.3 Social system stability

Social system stability reveals the degree to which the work environment is perceived as positive and reinforcing, and the extent to which conflict and change are effectively managed (Kreitner & Kinicki, 2013).

Research by Cameron and Quinn (2006) confirmed that firms with strong cultures with shared values and norms, which are strongly held, have a tendency to outperform their peers. Finally, the research affirms that organisational culture, as values and belief systems, will have different formations that lead to competitive success in diverse environments (Cameron & Quinn, 2006; Schein, 2010).

2.4.3.1.4 Sense-making device

This implies that the organisation assist in shaping the behaviour of employees by helping them to make sense of their work environment. This cultural function aids the understanding of employees, of why the company does things in a certain way, and how it will achieve its long-term objective (Kreitner & Kinicki, 2013).

Managing organisational culture to keep up and to make it stronger, fulfils several functions like providing a sense of identity and as a sense-making device, which can be used to give direction and form behaviour, to motivate employees to do things right the first time (Alvesson, 2013).

In this section the four functions of organisational culture were discussed; the Competing Values Framework is discussed next.

2.4.3.2 Competing Values Framework

The Competing Values Framework is among the top 40 frameworks in the history of business (Cameron & Quinn, 2006). This framework will bring the elements of organisational culture and shared values into perspective. The Competing Values Framework was tested and applied by leading business schools for a period of more than 25 years (Cameron & Quinn, 2006). The Competing Values Framework also serves as an organising mechanism and a sense-making device. Researchers applied it to many organisational aspects such organisational strategy, culture, leadership and decision making (Gregory, Harris, Armenakis & Shook, 2008).

The approach followed by the Competing Values Framework suggests that an organisational culture can be studied and interpreted by two main value pairs. The pairs consist of opposing values on either side of the scale. One of the pairs is described as internal focus and integration versus external focus and differentiation. The other pair is described as flexibility and discretion versus stability and control (Cummings & Worley, 2005).

The four main divisions of the competing values framework illustrate four organisational forms: clan; adhocracy, market and hierarchy. The Competing Values Framework's four organisational forms are best described with the following figure (Igo & Skitmore, 2006):
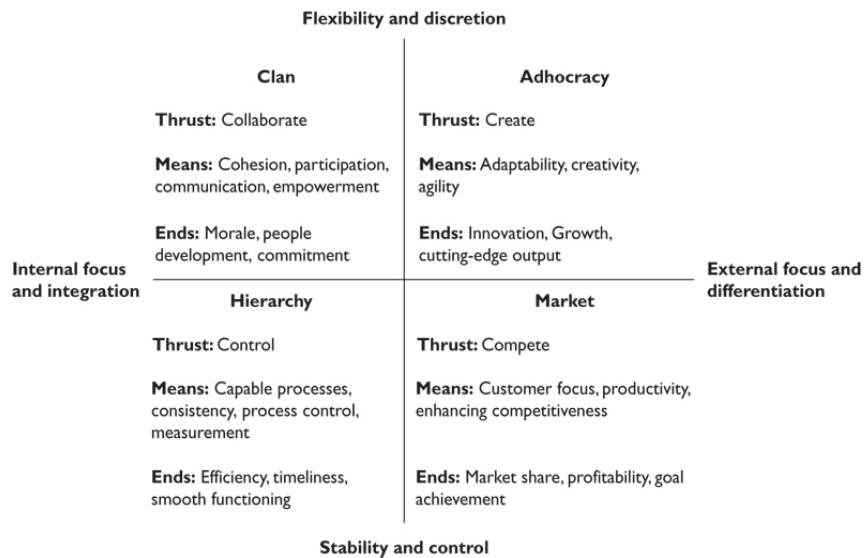
Flexibility and discretion

Clan	**Adhocracy**
Thrust: Collaborate	**Thrust:** Create
Means: Cohesion, participation, communication, empowerment	**Means:** Adaptability, creativity, agility
Ends: Morale, people development, commitment	**Ends:** Innovation, Growth, cutting-edge output
Hierarchy	**Market**
Thrust: Control	**Thrust:** Compete
Means: Capable processes, consistency, process control, measurement	**Means:** Customer focus, productivity, enhancing competitiveness
Ends: Efficiency, timeliness, smooth functioning	**Ends:** Market share, profitability, goal achievement

Internal focus and integration — External focus and differentiation

Stability and control

Figure 2.8: The Competing Values Framework (Cameron & Quinn, 2006)

The opposite poles of the cross on the vertical axis are flexibility and discretion vs. stability and control, and on the horizontal axis it is internal focus vs. external focus.

The clan: emphasises morale and people development. This form of organisational culture concentrates on cohesion, communication and empowerment. This form of culture places emphasis on human relations with flexible procedures and internal relationships. This type of culture in a company usually ensures a hospitable workplace where employees share a lot. The managers are thought of as mentors and loyalty and tradition keep the organisation together. This type of culture opposes the market culture (Igo & Skitmore, 2006).

Adhocracy: emphasises transformation and growth. The organisation also focuses on the external and has a high level of flexibility and uniqueness. This is reinforced with an open structure that encourages the willingness to act. This type of organisation is normally creative and entrepreneurial, which encourages its workers to take risks. This type of culture is the direct opposite of the hierarchy culture (Ashkanasy, Wilderom & Peterson, 2011).

Hierarchy: This form of culture emphasises the internal maintenance, striving for control and stability with clear task setting and strict rule enforcement. It also follows a more formal style with regards to relationships and good coordination and organising is expected of the leaders. Thus this type of culture rates economy, conventionalism, rationalism, obedience and order very high (Ashkanasy, Wilderom & Peterson, 2011).

Market: This form of culture emphasises functioning to clear and rational objectives, which are accomplished with productive and economic operations. Its leaders maintain

stability and control by being at the head of their field of enterprise and tend to be hard-driving on outperforming competitors. This type also has a tendency to be results driven and focuses on getting the job done and value competitiveness, thoroughness, meticulousness, forcefulness, and personal creativity (Ashkanasy, Wilderom & Peterson, 2011).

The Competing Values Framework is suitable for studies on changes in organisational culture and on identifying culture types associated with organisational effectiveness. The Competing Values Framework as a theoretical model can be used to explore the reason and process of changes in organisational culture (Yu, 2009).

The Competing Values Framework can assist in diagnosing and change organisational culture. An essential component for leaders to manage is organisational culture, because this is an important forecaster of whether an attempted change in organisational culture will succeed.

The Competing Values Framework is able to forecast the success of mergers and acquisitions. When the culture of merging firms is compatible, the probability of success is high. The outcome of mergers can be estimated with 90 per cent correctness just on the basis of cultural compatibility. This outcome is relevant irrespective of the size or type of industry of the organisation (Cameron, Quinn, DeGraff & Thakor, 2006).

2.5   Chapter summary

This chapter first discussed the concept of a merger. It revealed that organisational culture is an important but neglected aspect of the success of a merger. The change management construct, which investigated Lewin and Kotter's model, was then discussed. It revealed that people's reactions to change are influenced by several factors, which include communicating the change, level of understanding of managers about the change, consistency of the actions of managers on the goal of the change and the level of participating in the process of change by managers (Oreg, 2006). The construct of organisational culture was discussed, evaluating Hofstede and Schein's model, which described culture as values, beliefs, attitudes and behavioural patterns. These provide an organisation with a distinctive character. The available literature provided a good introduction for this field study. It pointed out which elements have been previously studied and what could be significant for this study. Furthermore,

mergers, organisational culture change and organisational culture were investigated in detail and thus the main aim of the literature review is met.

The following chapter focuses on the research methodology used in the research. The sections of the following chapter discuss the research design, the data collection approach, the sampling strategy, research ethics and data analysis.

CHAPTER 3
RESEARCH METHODOLOGY

3.1   INTRODUCTION

Research methodology is the blueprint to which any research is undertaken (Cooper, 2006). This is required t o enable the researcher to obtain evidence that will elucidate the initial question as clearly as possible. Cooper (2006) elucidates that the design of the research provide the plan and structure of the study to obtain solutions to research questions. To acquire and use accurate responses is a vital portion of the research.

This chapter centres on the research methodology which provides structure to the research data gathering and the data analysis. The quantitative data source is clearly identified and the integrity tested. The target population and sampling is also indicated. The details to determine the correlation of the data are described. The ethical considerations are also elucidated.

This field study was conducted to determine the influence of change in the organisational culture at the office of WorleyParsons Engineers in Bloemfontein.

3.2   RESEARCH DESIGN STRATEGY

The study employed a quantitative research design strategy using questionnaires with a 4-point Likert scale and a few open questions.

Quantitative research is committed to test the strength and purpose of relations between distinctive actions. Stipulating accurately how very narrow, limited concepts is of value, but regularly of worth only for very particular measurements of closely defined matters, theories and variables. Thus, quantitative research depends on the ways variables are defined, and what is included in the scope of variables (Tewksbury, 2009).

This pragmatic inquiry offers the researcher a simple, efficient way to investigate and act on the questions that need to get answered. Yin (2003) defines a pragmatic inquiry as an inquiry that considers a present-day occurrence within an actual environment. Pragmatic inquiry is the process which goes back to the evidence of experience to study the traditions and values which encompass the basis of the study. The pragmatic tactic to science comprises using the technique which seems more appropriate to the

research problem. It is thus recognised that every method has its restrictions and that the various methods can be used to the benefit of the study. Thus, the pragmatic approach is best suited for this study as it draws on previous research to provide a wide-ranging evidence-based understanding of organisational culture change.

The purpose of the study is descriptive in nature as the researcher intended to obtain a better understanding of the situation of the cultural change by systematically thinking about the characteristics that affected the cultural change (Sekaran & Bougie, 2013).

3.3   SAMPLING

For respondents to be eligible for selections they must qualify on the basis that they experienced organisational change first-hand and that all the respondents experienced the same cultural change event (Van Tonder, 2006).

The population of the sample was all 24 employees in the Bloemfontein office as they were exposed to the same cultural changes – albeit at different levels.

The definition of comprehensive sampling is when a complete population is used to gather information on the full picture of the sample being studied. The sampling strategy followed was comprehensive sampling as the entire population was included in the research. Advantages are that all potential subjects are covered and that there is no need for generalisation (Sekaran & Bougie, 2013).

The frame set encompassed the entire population of 24 employees.

The sampling design used was probability sampling and more specific area sampling, as only the Bloemfontein office was included in the design. Probability sampling is a method of sampling that uses some form of random selection. To ensure a random selection method, a procedure must be put in place that guarantees that the different units in your population have equal probabilities of being chosen.
In the following section the data collection strategy is discussed.

3.4   DATA COLLECTION STRATEGY

The questionnaire was self-developed and self-administered. The questionnaire was developed based on the content of the literature review. The quantitative data was

collected in the form of structured questionnaires given to the employees of WorleyParsons to complete individually. A few open questions were included to obtain additional relevant information from the respondents.

The questionnaire was personally administered to respondents due to the size of the sample and proximity of the respondents. This was also a low-cost option for the researcher. It also ensured a quick response time. Ample time was offered to the respondents to complete the questionnaire to enable them to provide thoughtful answers. Other advantages were that a rapport could be established and respondents could be motivated. Doubts could also be cleared up (Sekaran & Bougie, 2013).

A 4-point Likert scale type of questionnaire was used to test the employee's attitude, feelings and acceptance of the new organisational culture. With the statement referring to how they regard organisational culture was handled, the employees were able to indicate if they were (1) Very satisfied, (2) Satisfied, (3) Somewhat satisfied or (4) Not satisfied.

A 4-point Likert scale was used, where the neutral option of "Neither agree nor disagree" is not available. This enabled the employee to make a decision, as there was no neutral option. It can be seen as an easy choice to take when an employee is unsure, thus making the neutral option questionable.

The benefits of using a Likert Scale type of questionnaire are:

- They are very simple to create,
- expected to produce a highly dependable scale, and
- easy for participants to complete and read (Norman, 2010).

The major benefit of the Likert scale is the quick and simple method of construction. Cooper (2006) infers that the Likert scale will possibly offer more dependable data than various other scales. It will also aid in the data analysis procedure since the frequency distribution model can be used for data analysis by the researcher.

The two main objectives of a questionnaire design are getting the most of the respondents answering the questionnaire, and to obtain accurate relevant information from the survey. McMillan and Schumacher (2001) provide the subsequent guiding principles for constructing effective questions. They propose that the questions must be clear, so that all the respondents must be able to comprehend the questions. No

double-barrelled questions must be included; only one concept must be addressed at a time. Respondents must have a background of the situation and must be able to respond to the questions to enable them to give reliable feedback. The questions must also be related to the topic. The questions must be to the point and short and it must not focus on the negative. The respondents must not be led in a definite direction by the questions.

The advantages of closed questions are that they are easy and quick to fill in, and lessen discrimination against the less educated workers. The closed question questionnaire is also easy to record, evaluate and report the results.

The questionnaire is attached as Appendix A.

3.5   DATA ANALYSIS

The quantitative data received was ordered and read into Microsoft Excel. The data was summarised by means of an overview of the data with the use of frequency distribution graphs. Basic frequency tables were used to develop one-way and two-way tables. The results presented were analysed using the SPSS statistical software program, which was used to create reports in tabulated format together with graphical presentations of distributions and trends. The "T-test" method was used to establish if noteworthy variances existed between the current culture versus what they envisaged it to be in the future. This technique provided a well-ordered collection of the values, which was used to display the response. This was a valuable tool to identify the different viewpoints of employees on organisational culture.
Ethical considerations are discussed in the following paragraph.

3.6   ETHICAL CONSIDERATIONS

In this section the ethical considerations regarding the study are expanded.

3.6.1 Informed consent

The procedure of the research was explained to the office manager of WorleyParsons Bloemfontein office and his full consent was obtained. The manager was provided with regular updates on the process that was followed. The value of the study and the purpose why the study was undertaken was described. The manager was provided with a questionnaire in advance and his approval was obtained (Blumberg et al., 2008).

The respondents were informed of the general nature of the study. They were guaranteed of confidentiality, and that they may decline participation. They were also informed that they can request a copy of the report. The respondents were also informed that they may withdraw from the study at any time (Sekaran & Bougie, 2013).

All respondents were asked to sign a consent form which informed them that the study made use of anonymous interviews which would protect their identity. Respondents were also informed of what they could expect and what, in return, was expected of them as respondents (Sekaran & Bougie, 2013).
The confidentiality of the information would be ensured by the researcher and if need be, the report would be made available, limited to approval given by the University of the Free State.

3.6.2 Planning research

In planning a study, and in reporting research outcomes, researchers have to fulfil several obligations. As the first objective, the project must be planned not to misinform results. Secondly, the project must meet ethical standards. The research limits were explained to the manager and the respondents of the study (Blumberg et al., 2008).

3.6.3 Responsibility

The researcher is accountable for directing himself ethically and for handling and making deductions from the data in a responsible manner. To prevent bias, the researcher must adopt a neutral approach. This will also ensure that the researcher maximises validity and consistency of the results. The researcher must also use the best suitable data collection method and technique to gather the data from the targeted population. The researcher must also calculate and analyse the data in a transparent manner to ensure that no distortion and misinterpretation takes place, and

that the result is trustworthy. The research proposal must also be submitted to the UFS Business School for approval (David & Resnik, 2011).

3.7 CONCLUSION

This study was conducted using all the WorleyParsons employees in the Bloemfontein office.

This chapter started by reflecting on the design methodology opted for this research. A quantitative research method was used to examine the research problem. A structured questionnaire, including open questions, was used to obtain the best possible data. This option was chosen as the optimal solution due to the size of the population. Secondly, the sampling method was discussed, which, due to the fact that the entire population was 'sampled', a target group was used and no sampling techniques used. This was followed by the data collection strategy; this section described the manner in which the data was obtained. The questionnaires were handed out personally to each respondent which ensured a quick response time. The guiding principles of an effective questionnaire were also stipulated. The data analysis plan was reflected on, which described the software packages used. The results were analysed using the SPSS statistical software program, which created reports in tabulated format and graphical presentations of distributions and trends. Basic frequency tables were used to develop one-way and two-way tables. The "t-Test" method was used to establish if noteworthy variances existed.

The research methodology is an essential part of this research to enable a credible outcome. The objective of this study is to come to a trustworthy hypothesis for the research problem. A reputable research design and measures proposed are required for the research to create a process to attain and to enable an accurate analysis of the primary data.

The subsequent chapter focuses on the analysis of the data and the research findings acquired from the questionnaires.

CHAPTER 4

DATA ANALYSIS AND FINDINGS

4.1   INTRODUCTION

After the questionnaires were received back from the respondents, the results were captured electronically in an Excel spreadsheet. The results were then further processed to extract the statistical data. This chapter is devoted to the results of the quantitative research, which is presented in the form of graphs and tables. The first part covers the biographical information of the respondents, including gender, age, ethnic group and level of education. The second part deals with the aspect of a merger and in particular the information sharing or lack there-of. The third part investigates the issue of change management. Is change necessary? and Do I need to change? are some of the questions on the matter. Lastly, the aspect of organisational culture was addressed. At this point, the culture of WorleyParsons was examined and the effects of management style, leadership and morale were examined.

4.2   RESPONSE RATE

The questionnaires were distributed to 20 employees of WorleyParsons in Bloemfontein. Questionnaires were collected from a total of 17 employees present at the time of the study (Table 4.1).

Table 4.1   Response rate

Respondents	Total number of questionnaires issued	Total number of questionnaires received back	Response rate
20	20	17	85%

The response rate was calculated as 85%; this was calculated by taking the total number of employees working at the time of the survey as the denominator. The employees who were on leave or absent were excluded from the study. No strict norm is available for an acceptable response rate; a high response rate escalates the possibility that the respondents represent the sample and decreases the chance of

response bias. A response rate of 50% is acceptable, 60% is good and 70% is recognised as excellent (Babbie, 2010).

4.3   BIOGRAPHICAL INFORMATION AND FREQUENCIES

The biographical statistics are discussed initially, followed by the discussion of the results of the questionnaire.
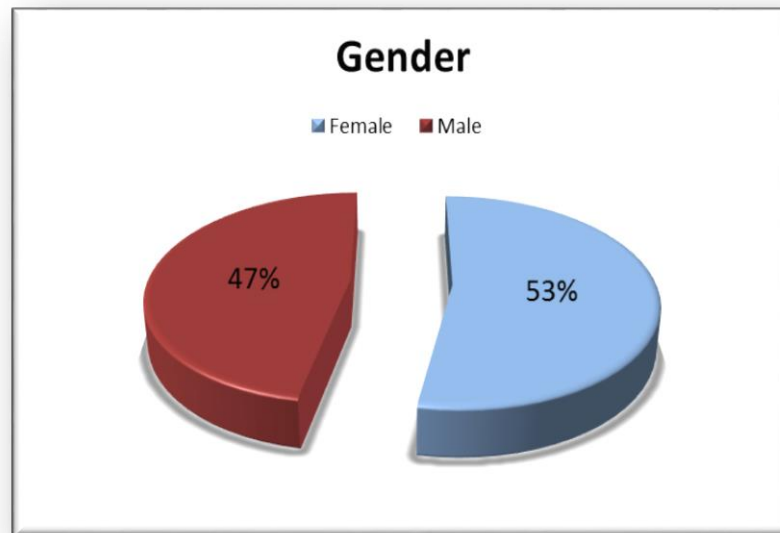

Figure 4.1: Gender

The above figure indicates that the gender split in the Bloemfontein office is nearly 50%, with the female population at 53% and the male population at 47%. This outcome is site specific and cannot be generalised for the entire company, as the male population is in the majority at other sites. In the Bloemfontein office, many engineers had retired or was transferred to other offices, which brought the gender split close to 50%. The gender split for the entire company is 70% male and 30% female. This can be attributed to the fact that the engineering profession at large is still dominated by men. This construct was provided to indicate the difference in opinion, if any, on cultural change according to gender.
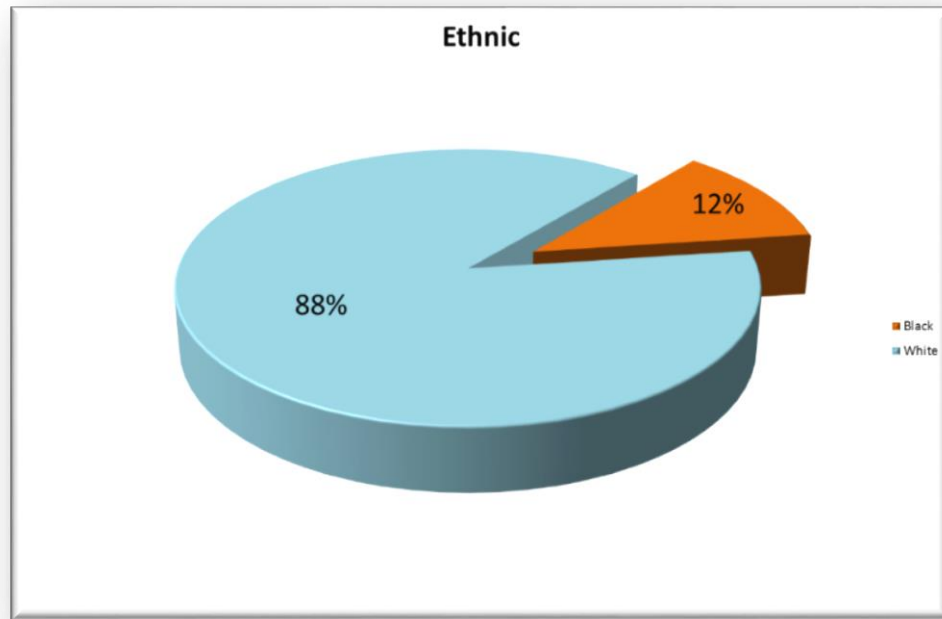
Figure 4.2:
Ethnic breakdown

The figure above displays the ethnic breakdown of the population in the Bloemfontein office. As indicated by the figure, the white population comprises 88% and the black population 12% of the sample. This is also location specific, because the BBBEE regulation of South Africa stipulates that organisations need to be at minimum 70/30 with 30% black employees. WorleyParsons in South Africa comply with the regulation.

4.3.1 T-test on organisational culture

The T-test was applied on the gender and ethnic breakdown to test if the group means of the interval variables (in this case, organisational culture) differ from one another. This test is only used when there are two concepts to test, such as male/female and black/white (Sekaran & Bougie, 2013). This was done to test whether or not the views on organisational culture in the company differ between males and females (i.e. gender), and to test whether or not the views on organisational culture in the company differ between blacks and whites (i.e. ethnic group). The P-value was compared to a value of 0.1 (10%) to test whether these variables are different or not. If the P-value is less than 0.1, the males and females have different views on organisational culture. If the P-value is less than 0.1, blacks and whites have different views on organisational culture. If the P-value is greater than 0.1, the views on organisational culture are the

45

same between males and females. If the P-value is greater than 0.1, the views on organisational culture are the same between blacks and whites.

Table 4.2 T-test on organisational culture

Variables	T statistic	P-value
Gender	0.202	0.843
Ethnicity	2.945	0.010

From Table 4.1 above can be seen that the P-value for gender is 0.843, which is greater than 0.1. This is an indication that males and females have the same view on organisational culture within the company. For ethnicity, the P-value is 0.01 which is less than 0.1 and this indicates that blacks and whites have different views on organisational culture in the company.

In the following paragraphs, the constructs of educational level, age and number of working years are discussed.

Figure 4.3: Education

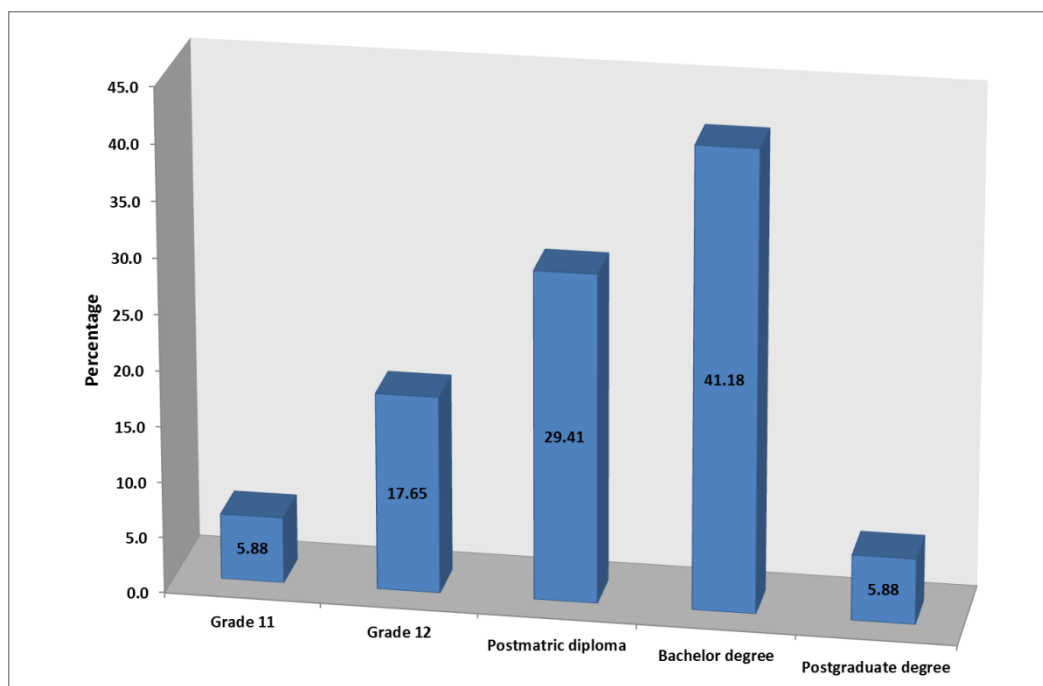As can be seen from the figure above, nearly half, a total of 41.18%, obtained bachelor's degrees; this is expected from an engineering firm where a high level of education is anticipated. Respondents who are in possession of a postgraduate degree comprise 5.88% of the sample. These are normally engineers who have specialised in a certain field of engineering and obtained an additional degree in that

field of specialisation. Respondents who obtained a post-Grade 12 diploma consisted of 29.41% of the sample. This generally constitutes engineering technicians and possibly secretaries and administrative employees who had obtained a diploma at a Technikon or University of Technology. The respondents who reported that they obtained a Grade 12 certificate are generally the CAD draughts people and administrative employees who did not obtain a further qualification. The Grade 11 and lower group normally comprises the lower paid employees such as messengers, photocopy assistants, gardeners, etc.
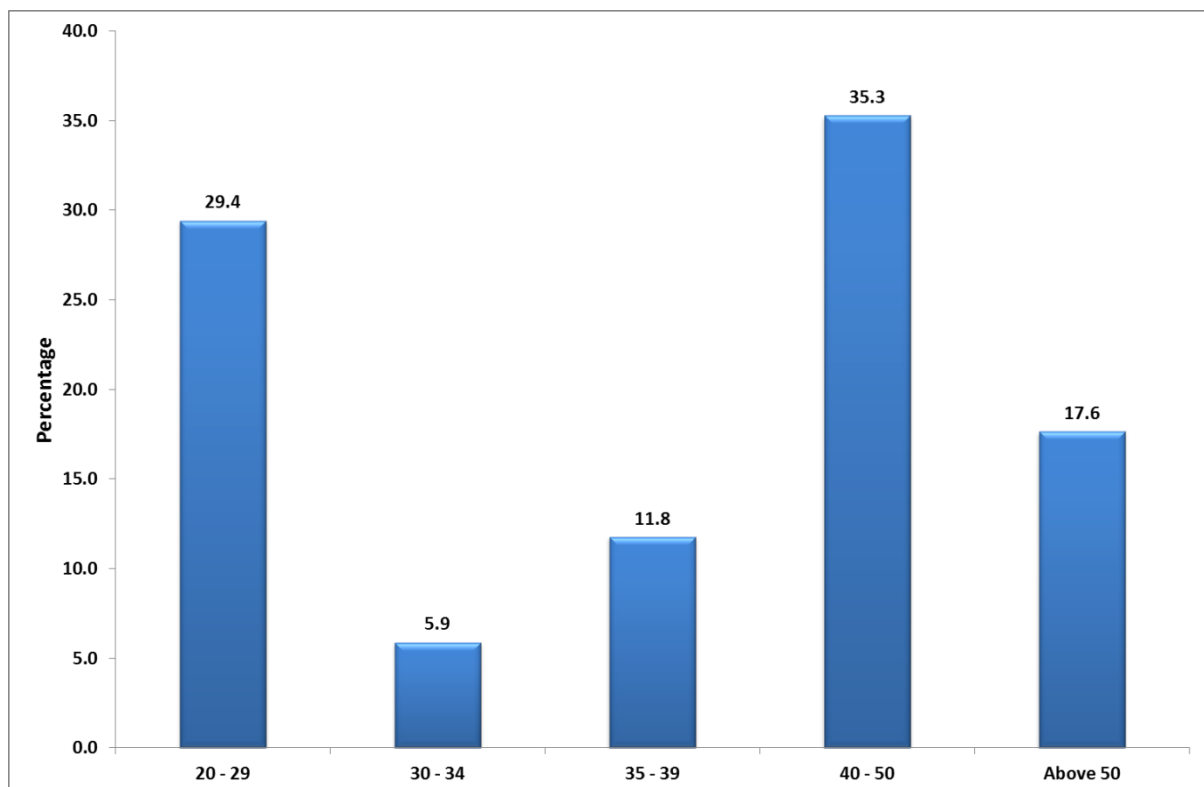
Figure 4.4: Age

From the figure above can be seen that the two age groups that stand out are the 20–29 and the 40–50 year old age groups. This can be clarified by stating the current trend in the engineering industry. The reason for the age gap in the industry is because at one stage in the past, the engineering profession was not attractive to students who consequently pursued other professions. In the 1990's, the industry became more attractive again; this is indicated by the 29.4% of respondents in the 20–29 year old age group. The 30–34 year old age group recorded 5.9% and the 35–39 year old age group recorded 11.8%. The above 50 year old age group constitutes 17.6% of the employees, which also corresponds to the average age of engineers in South Africa, which is 56 years of age.
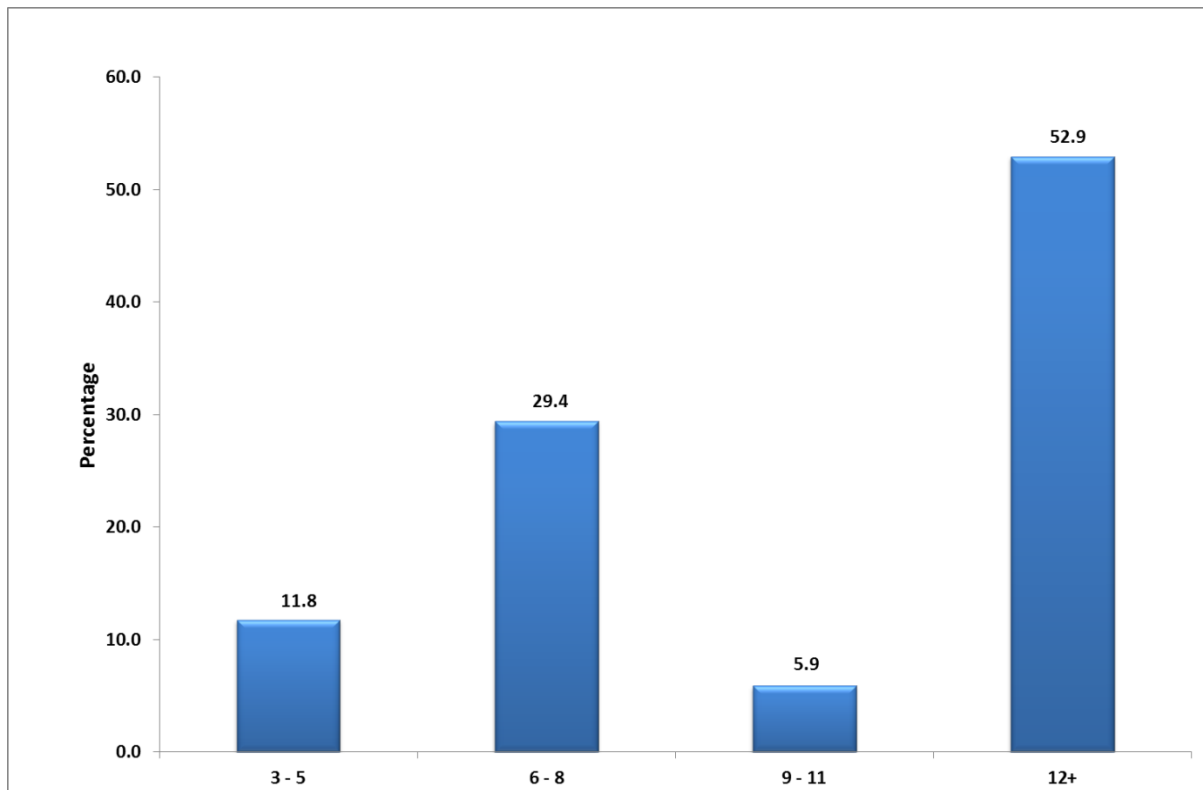
Figure 4.5: No of years working

The figure above, which depicts the number of working years at WorleyParsons, indicates that 12 years and above might display the loyalty of the personnel at the firm. This, however, reflects more on KV3 than WorleyParsons, as the merger only occurred in 2010; thus, the majority of respondents worked at KV3 for 8 or more years. Only 5.9% of the respondents have been working between 9 and 11 years, while 29.4% of respondents have worked at the company between 6 and 9 years. Only 11.8% of respondents have worked for less than 5 years.

4.3.2 Anova

An Anova is used to compare three groups or more to establish if the group means of interval variables differ from one another. This was used for age; work-experience (tenure); and level of education. It was tested whether or not the views on organisational culture differ among the age groups; among the tenure groups as well as among the educational groups. If the views are different from each other, the P-value will be less than 0.1, and the views will be the same if the P-value is more than one.

Table 4.3 Anova on age; work-experience and education

Variables	F statistic	P-value
Tenure	1.032	0.382
Age	0.756	0.538
Education	1.741	0.211

The P-values for the variables of age, work-experience (tenure) and level of education are greater than 0.1. This is an indication that the views on organisational culture are the same among the given age groups, tenure groups and the given level of education groups.

4.3.3 Reliability test

To measure the reliability of the questions in the questionnaire that tested organisational culture, merger and change management, a Cronbach Alpha was done. The reliability test had to determine whether or not these questions measure the same construct, and if indeed they can be combined. A Cronbach Alpha statistical value was calculated at 0.798, 0.813 and 0.563 respectively, which indicates a medium reliability. This value must be between 0 and 1 and the closer the value is to 1 the better the reliability.

Table 4.4 Reliability test on organisational culture, merger and change management

Variables	Cronbach Alpha	N
Organisational culture	0.798	9
Merger	0.813	4
Change management	0.563	8

The table clearly indicates that a Cronbach Alpha of more than 0.5 was achieved. A Cronbach Alpha of more than 0.5 is considered reliable (Sekaran & Bougie, 2013).
In the next section, responses on questions related to the concept of a merger, change management and organisational culture are discussed.

4.4 QUESTIONS RELATING TO MERGER, CHANGE MANAGEMENT AND ORGANISATIONAL CULTURE

4.4.1 Merger

The questions below relating to mergers were grouped together and the responses are indicated in Figure 4.6 below.

Question 6. I received information about the planned organisational change at WorleyParsons at an early stage.

Question 7. I was given enough information to enable me to understand why the organisational change at WorleyParsons needed to happen.

Question 8. WorleyParsons communicated with employees regularly when going through change.

Question 9. I had the opportunity to comment and ask questions about the organisational change at WorleyParsons before, during, and after it happened.
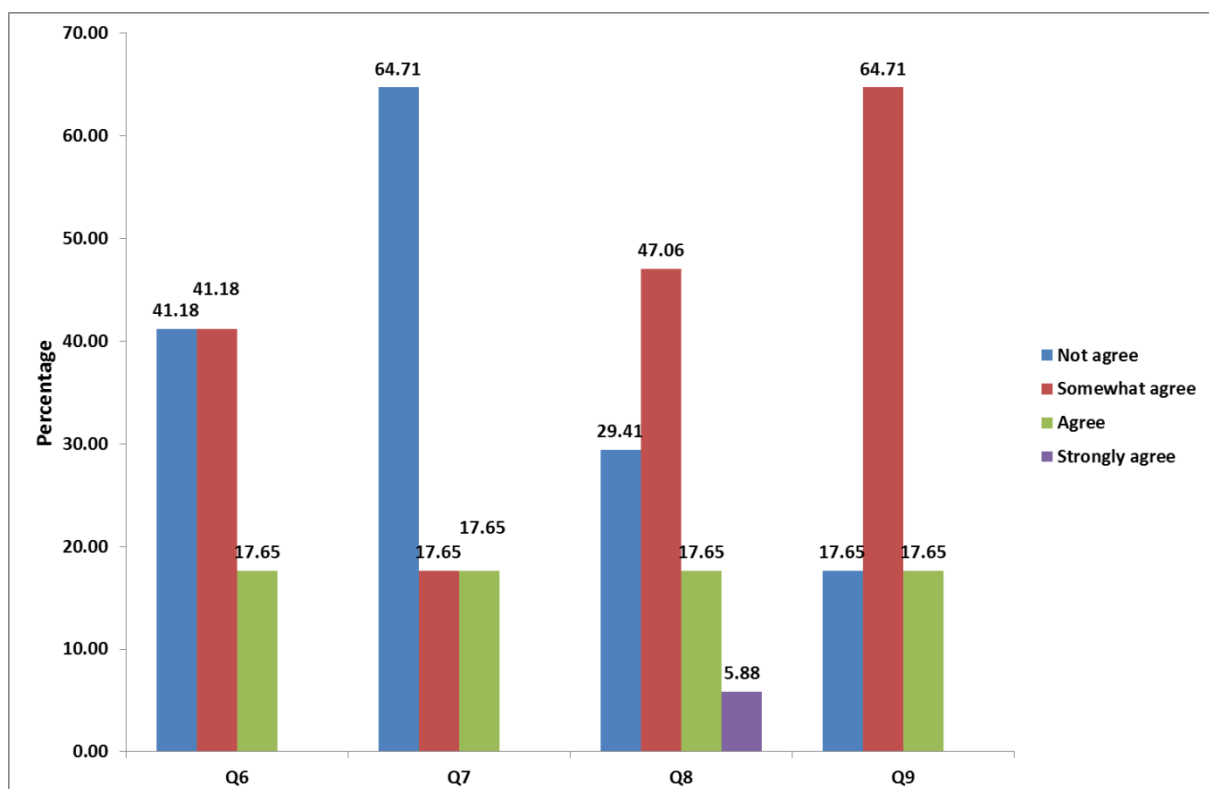

Figure 4.6: Merger

The response regarding the question if information about the planned organisational change (Question 6) at WorleyParsons was received at an early stage, indicate that the majority of the respondents either did not agree (41.18%) or agreed somewhat (41.18%).

On the question if enough information was given to understand why the organisational change at WorleyParsons needed to happen, 64.71% of the respondents reported that they did not agree.

Regarding the question if WorleyParsons communicated with employees regularly when going through change, the majority of the respondents reported either not agree (29.41%) or somewhat agree (47.06%).

On the question if the opportunity existed to comment and ask questions about the organisational change at WorleyParsons before, during, and after it occurred, 64.71% of the respondents reported somewhat agree.

In summary, it can be said that the merger process was not very well communicated to the employees and they were not afforded the opportunity to comment and ask questions; thus, employees experienced a feeling of uncertainty. According to literature, the negativity related to mergers can be significantly reduced with regular communication to employees on who will be affected, how and when. If this process is not correctly handled, it may result in stress and conflict when formal organisational entities no longer exist.

4.4.2 Change management

The questions applicable to change management were grouped together and the responses are indicated in the figures below.

Question 10. I often feel that I do not know what is going on with WorleyParsons,

Question 11. The department in which I work functions well,

Question 12. The department in which I work does not have any aspects that need changing,

Question 13. There is nothing I need to change about the way I do my job.
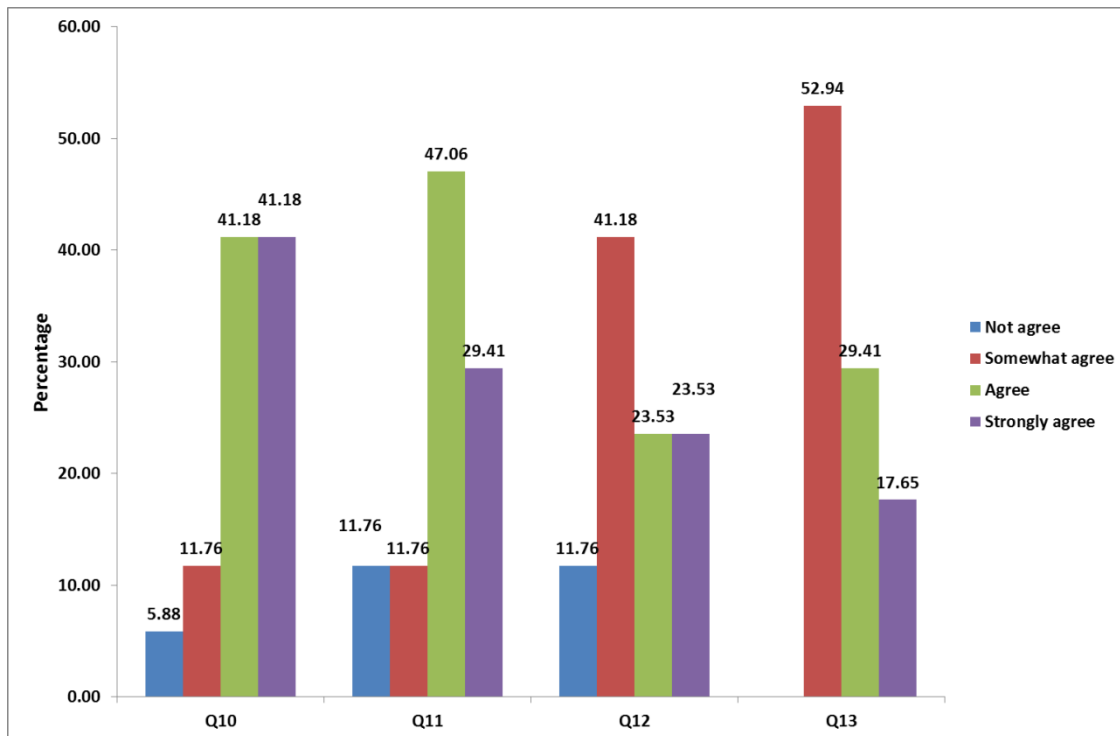
Figure 4.7: Change management I

On the question whether the personnel feel that they do not know what is going on with WorleyParsons, the majority of respondents reported either agree (41.18%) or strongly agree (41.18%). The majority of respondents reported that they either agree (47.06%) or strongly agree (29.41%) that the department in which they work functions well. This can be an indication that the respondents did not think that change was necessary. This is confirmed by the response on the question if the department in which they work does not have any aspects that need changing, where the majority either selected somewhat agree (41.18%), agree (23.53%) and strongly agree (23.53%). This is also indicated by the responses on if there is nothing they need to change about the way they do their job, where the majority either selected somewhat agree (52.95%), agree (29.41%) and strongly agree (17.65%).
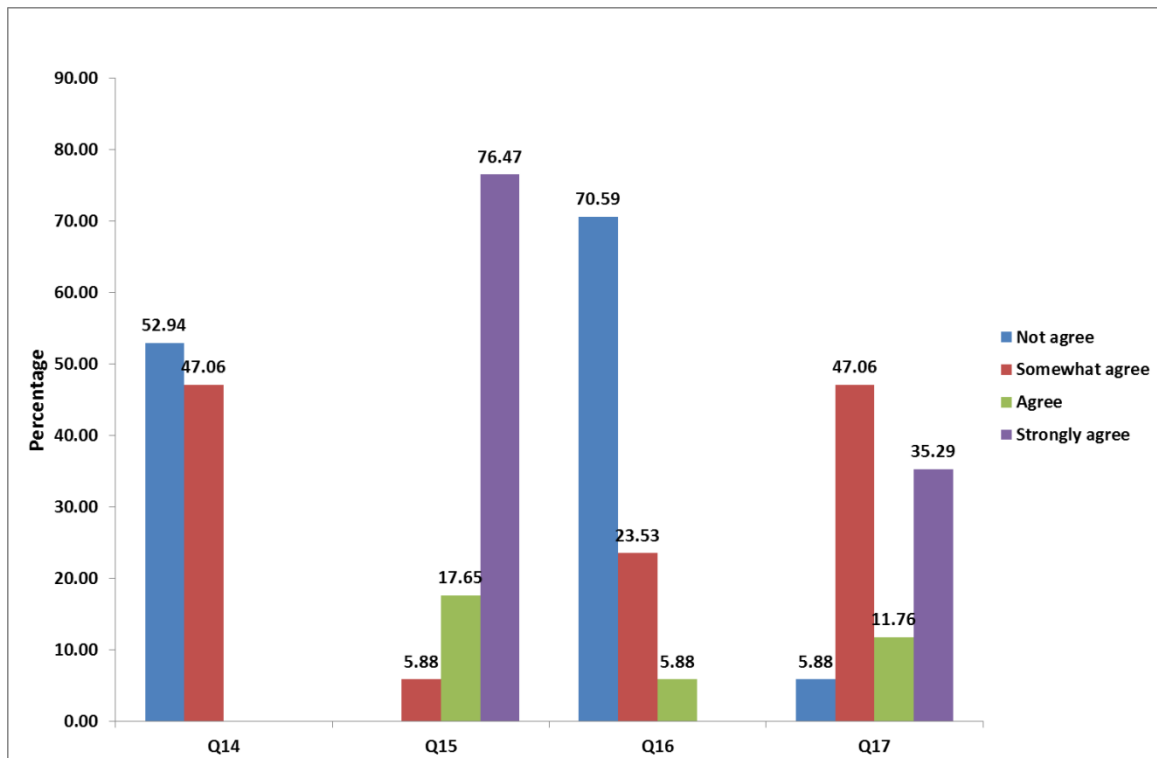
Figure 4.8: Change management II

Question 14. I do feel a strong sense of belonging to WorleyParsons.

Question 15. In WorleyParsons, people feel uncertain regarding the future.

Question 16. In WorleyParsons, there is a clear plan/vision for the future.

Question 17. It is impossible to predict the result of the merger.

On the question about the sense of belonging, 100% of the respondents indicated either not agree or somewhat agree. On the question regarding certainty of the future, 76.47% of the respondents felt unsure and 70.59% of the respondents felt that there is no clear vision for the future. Interestingly, 47.06% selected somewhat agree and 35.29% selected strongly agree on the possibility to predict the result of the merger. From the previous results in this group it is, however, clear in what direction they anticipate the merger is headed.

In summary, it can be concluded that the respondents do not know what is going on at WorleyParsons; this is indicated by the 82.36% obtained by combining the results for 'agree' and 'somewhat agree'. A total of 76.47% of the respondents indicated that the department in which they work functions well and 100% of the respondents indicated that there is nothing they need to change about the way they do their job. The majority of respondents do not have a sense of belonging and felt unsure and that there is no

clear vision for the future. Thus, the change management was not very well communicated to the employees.

According to Kotter (2011) an organisation that has to go through a major change needs to have a change vision. This will provide the employees with a picture of what the organisation will look like after the change. It will also show the prospects they can benefit from, once the change takes effect. This will serve as a motivator to the people, which is crucial to any successful change process. A change vision is equally important and differs from a corporate vision, but the difference needs to be understood to create successful change in an organisation.

An approach driven by people, who can assist individuals to understand the motive for change, is proposed. Individuals change when the truth is shown to them, since this affects their point of view. Change is an emotional experience, as it is experienced first-hand by employees (Kotter & Cohen, 2002).

4.4.3 Organisational culture

The reliability test on the questions defining organisational culture were done on questions Q16; Q18 - Q23; Q25; Q28. Questions regarding organisational culture were then divided into three groups, merely for ease of reporting purposes. The first set of questions dealt with questions 18 – 22; the second set with questions 23 – 26; and the last set of questions with questions 28 – 31.

The responses on questions applicable to organisational culture are indicated in the figures below.

Question 18. WorleyParsons is a very personal place thus people seem to share a lot of themselves.

Question 19. WorleyParsons is very results oriented, they focus more on getting the job done.

Question 20. WorleyParsons is a very controlled and structured place thus formal procedures generally govern what people do.

Question 21. The leadership in WorleyParsons is generally considered to exemplify coordinating, organising, or smooth-running efficiency.

Question22. The management style in WorleyParsons is characterised by teamwork, consensus, and participation.
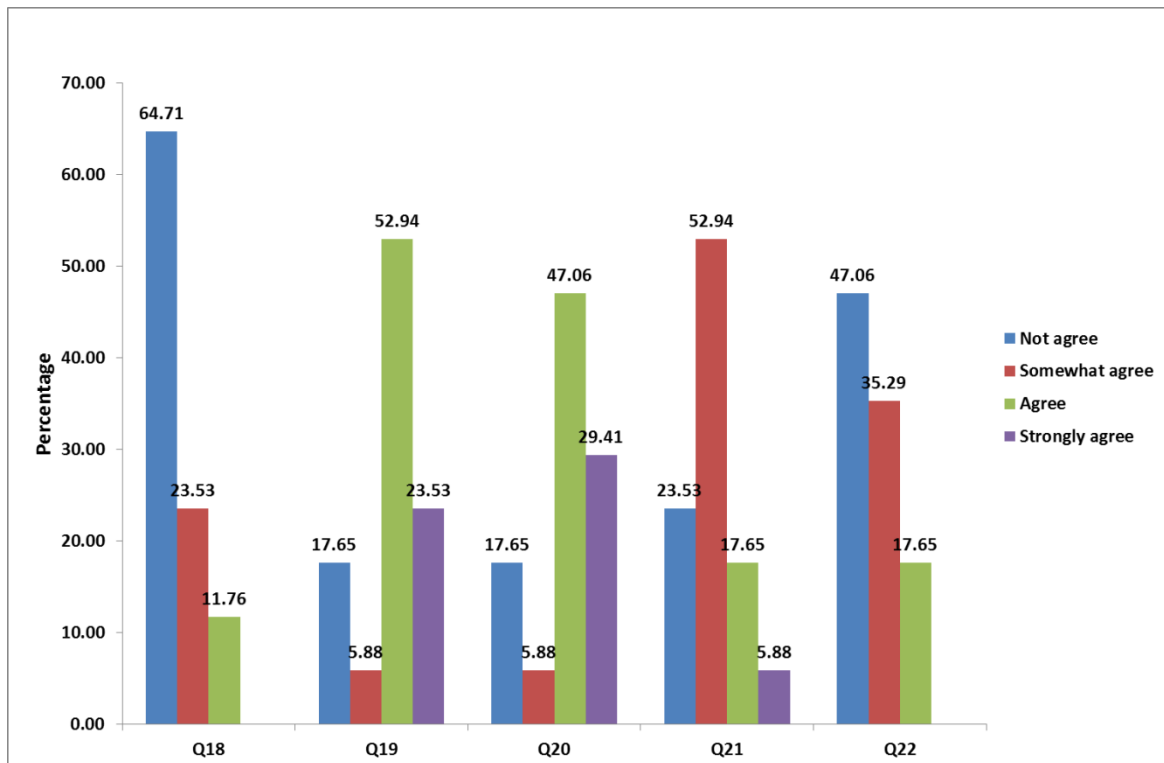
Figure 4.9: Organisational culture I

As can be seen from the question if WorleyParsons is a very personal place and people seem to share much of themselves, 64.71% of the respondents did not agree. The response to the question if WorleyParsons is very results oriented, focussing more on getting the job done, 52.94% agreed and 23.53% strongly agreed. A total of 47.06% of the respondents agreed that WorleyParsons is a very controlled and structured place, thus formal procedures generally govern what people do, and 29.41% strongly agreed. The majority of 52.94% indicated somewhat agree with 17.65% agreeing and 5.88% strongly agreeing that the leadership in WorleyParsons is generally considered to exemplify coordinating, organising, or smooth-running efficiency. The majority of respondents also did not feel that the management style at WorleyParsons is characterised by teamwork, consensus, and participation, with 47.06% not agreeing, 35.29% somewhat agreeing and 17.65% strongly agreeing.
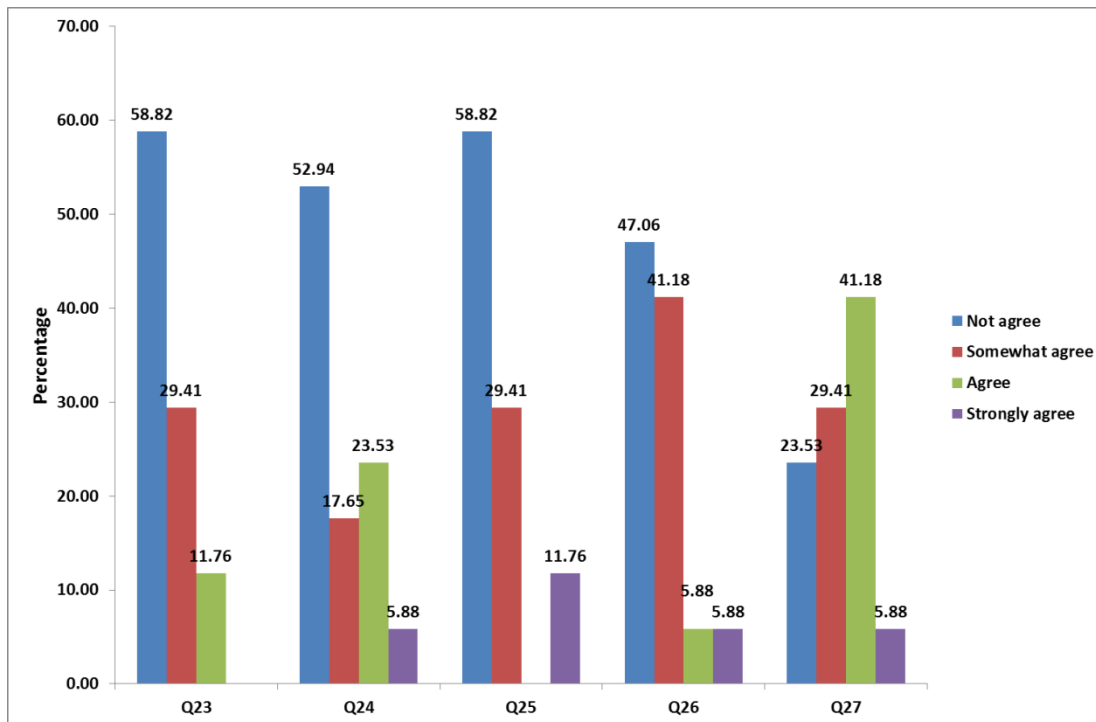
Figure 4.10: Organisational culture II

Question 23. Loyalty and mutual trust holds WorleyParsons together in ensuring commitment to this organisation runs high.

Question 24. Formal rules and policies hold WorleyParsons together.

Question 25. I feel valued as an employee.

Question 26. I enjoy being a part of WorleyParsons.

Question 27. Employees have a good balance between work and personal life.

On this group of questions the majority of respondents did not agree that loyalty and trust runs high in the organisation, with 58.82% not agreeing. The majority also did not think that formal rules and policies held the firm together, with 52.94% not agreeing. The respondents indicated that 58.82% did not agree on feeling valued and 47.06% did not agree on feeling part of WorleyParsons, with 41.18% somewhat agreeing. The majority indicated that they have a good balance between work and personal life, with 41.18% agreeing, 29.41% somewhat agreeing and 23.53% not agreeing.
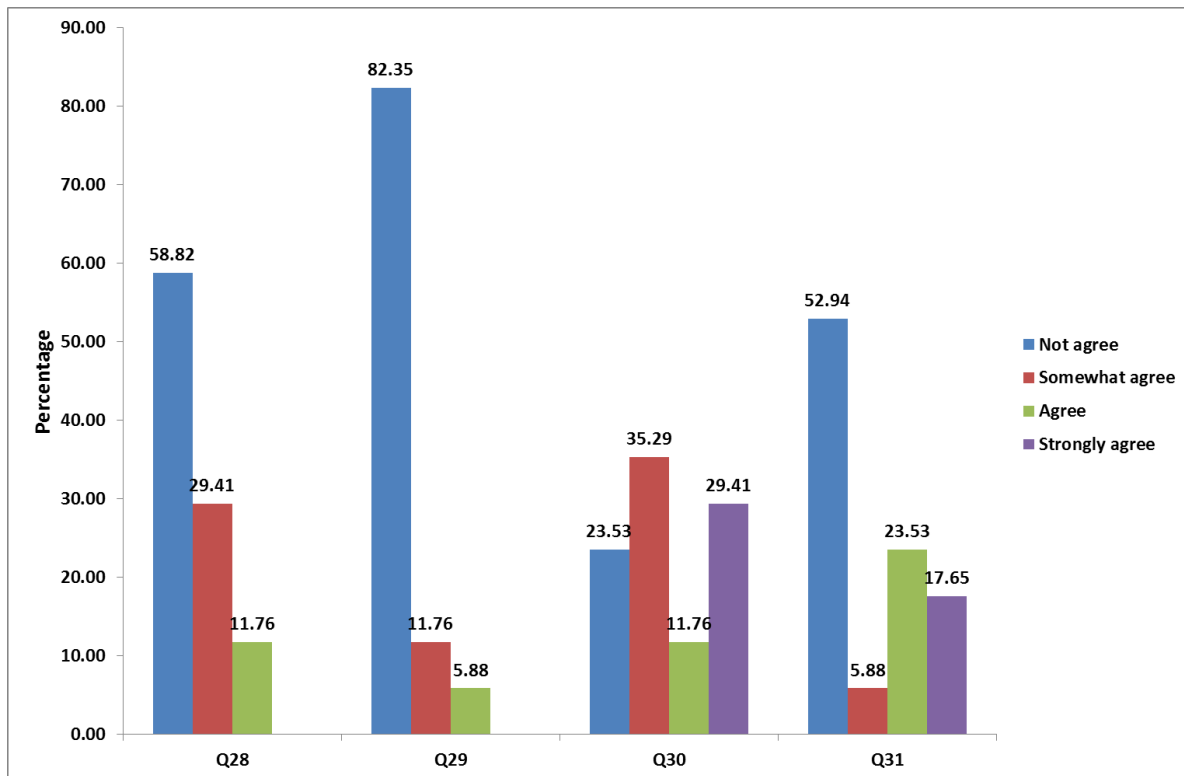
Figure 4.11: Organisational culture III

Question 28. Morale is high across WorleyParsons.

Question 29. Employees speak highly about WorleyParsons.

Question 30. I am actively looking for a job outside WorleyParsons.

Question 31. I have applied for another job outside WorleyParsons in the past six months.

On this group of questions the majority of respondents did not agree (58.82%) that morale is high and 82.35% do not speak highly of WorleyParsons, while 41.17% are actively looking for a job outside the firm, although 52.94% of respondents did not apply for a job outside the firm.

In summary, regarding organisational culture, it can be seen that the majority of respondents, 64.71%, did not feel that WorleyParsons is a very personal place. A total of 76.47% of the respondents felt that it is a very results oriented environment; a very controlled and structured place and that the leadership at WorleyParsons is generally considered to exemplify coordinating, organising, or smooth-running efficiency. The majority of respondents did not feel that the management style in WorleyParsons is characterised by teamwork, consensus, and participation.

The first group of questions focused on factors defining organisational culture and the following group referred to how the employees felt, which could be an indication of

influence. Consider the responses among not agree and agree to indicate whether or not that factor could be defining organisational culture at WorleyParsons. If not agree is the majority, it means that the factor is not defining culture at WorleyParsons. In other words, that factor is absent at WorleyParsons, thus it can be recommended that this factor be introduced and cultivated into the organisational culture of WorleyParsons.

Table 4.5 Factors defining organisational culture

		Agree	**Not agree**	**Yes/No**
Q16	Clear vision/plan	5.88	70.59	N
Q18	Personal place	11.76	64.71	N
Q19	Results oriented	76.47	17.65	Y
Q20	Controlled and structured	76.47	17.65	Y
Q21	Efficient leadership	23.53	23.53	-
Q22	Team-oriented management style	17.65	47.06	N
Q23	Loyalty and mutual trust	11.76	58.82	N
Q25	Valued employees	11.76	58.82	N
Q28	High morale	11.76	58.82	N
	Average score	**27.4**	**46.4**	

From the above table can be seen that the greater part, with an average of 46.4%, indicated that they do not agree, which indicates that these factors are absent in WorleyParsons.

Table 4.6   Employees – Effect of organisational culture on employees

		Agree	Not agree	Yes/No
Q10	Unaware of what's happening	82.36	5.88	Y
Q14	Sense of belonging	0	52.94	N
Q26	Enjoy being part of the company	11.76	47.06	N
Q27	Good balance between work and personal life	47.06	23.53	Y
	Average	**35.295**	**32.3525**	

The above table indicates that the average scores are very close even though there are big differences among the questions. A total of 82.36% of the respondents agreed that they are unaware of what was happening in WorleyParsons while 47.06% of the respondents indicated that they have a good balance between work and life. More than half of the respondents (52.94%) indicated that they do not have a sense of belonging and 47.06% of the respondents recorded that they do not enjoy being part of the company.

Table 4.7   Indication of the level of dissatisfaction

		Agree	Not agree	Yes/No
Q30	I am actively looking for a job outside WorleyParsons.	41.17	23.53	Y
Q31	I have applied for another job outside WorleyParsons in the past six months.	41.18	52.94	N

If agree is in the majority, it is an indication that the factor is defining culture at WorleyParsons. There could be an indication of low satisfaction among employees, as the majority of them are actively looking for a job outside WorleyParsons. No formal tests were conducted, thus it cannot be stated with certainty that the reason for this is the organisational culture change at WorleyParsons.

4.4.4   Conclusion

In summary, it can be said that the merger process was not very well communicated, thus there was uncertainty among employees. The respondents did not know what was going on with WorleyParsons; they also indicated that the department in which they work functioned well and that there was nothing they needed to change about the way they do their job. Thus, the vision for change was not established and the majority

of respondents did not have a sense of belonging. Change management was not very well communicated to the employees.

Factors defining the culture are found in the fact that the majority of respondents felt that WorleyParsons is not a very personal place. The respondents felt that it is a results oriented environment, a controlled and structured place and that the leadership in WorleyParsons typifies coordinating, organising, and smooth-running efficiency.

It was established that WorleyParsons has a power culture with a single source of authority who attempts to control employee behaviour, and where all the important decisions regarding the company are made. A major disadvantage of this culture type is that employees do not question their leaders even when they appear to be wrong, and employees are also not inclined to give bad news to their supervisors or leaders due to the consequences that might follow.

The next chapter focuses on the conclusion and recommendations.

CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

The previous chapter focused on the data analysis and findings. This chapter focuses on the conclusions and recommendations.

5.1   INTRODUCTION

The primary objective of this research was to investigate the success and/or failure of the organisational culture change at WorleyParsons Engineers in Bloemfontein after the merger with KV3.

KV3 Engineers was established in 1977 and employs approximately 900 people. They had a distinctive clan culture which they used to ensure effectiveness by encouraging teamwork between employees as a way of doing business (Kreitner & Kinicki, 2013). KV3 merged with an international organisation, WorleyParsons, which had its own corporate culture, in 2010. WorleyParsons has a hierarchical culture with established systems and procedures, with control as the driving force. It has a more structured and formalised approach with extensive measurement and implemented a variety of control mechanisms (Kreitner & Kinicki, 2013).

Each company had its own corporate culture, and way of doing business, which is normally established by the senior personnel of a company over years. The effect of this change in culture at WorleyParsons was investigated (Bovey & Hede, 2001).

5.2   SYNOPSIS OF THE RESEARCH

Chapter 1 served as an introduction to the research in terms of the purpose, objectives and methodology. This chapter contains an overview of the international and national sources related to the research. Chapter 1 also dealt with the plan and demarcation of the field study.

Organisational culture literature was considered in Chapter 2. Organisational culture definitions were discussed. Shared assumptions, shared values, shared norms, as well as shared symbols and languages were also discussed in Chapter 2. The

construct of organisational culture was discussed, evaluating Hofstede and Schein's model, which describes culture as values, beliefs, attitudes and behavioural patterns. These provide a distinctive character to an organisation. The available literature provided a good introduction for this field study. It pointed out which elements had previously been studied and what could be significant for this study. Furthermore, the theories on mergers, organisational culture change and organisational culture since 2000 have been considered in detail and thus the main aim of the literature review was met, substantiating the first secondary objective.

Chapter 3 focused on the research design and methodology applied in this research. The population and sample, as well as the sampling strategy were explained The measuring instruments used in this research were discussed and the reliability and validity of these research measuring instruments, as stated by previous research, was also explained. Chapter 3 also examined the data collection, data capturing and statistical analysis process. Lastly, the ethical considerations pertaining to this research were also mentioned.

Chapter 4 dealt with the empirical findings and results of this research and it discussed those results with reference to the literature. Chapter 4 identified the response rate, and the biographical information such as gender and ethnicity. The T-test was applied on the gender and ethnic breakdown to test if the group means of the interval variables of organisational culture differ from one another. Other biographical information included level of education, age and years of service. An Anova was used to compare age, work-experience (tenure) and level of education to establish if the views on organisational culture differ among the age groups, the tenure groups and the level of education groups. The factors defining organisational culture at WorleyParsons in the Bloemfontein office were identified, substantiating the second and third secondary objectives.

5.3   DISCUSSION OF RESEARCH FINDINGS

The T-test on gender revealed that the P-value is 0.843, which is an indication that males and females have the same view on organisational culture within the company. The T-test on ethnicity also revealed that blacks and whites have different views on the organisational culture in the company.

An Anova on the variables of age, work-experience (tenure) and level of education were conducted and all three of the P-values were greater than 0.1. This is an indication that the views on organisational culture are the same among the given age groups, tenure groups and level of education groups.

5.3.1 Findings relating to mergers

The majority of the respondents (82.36%) reported that they did not receive information at an early stage about the planned organisational change.

The majority of the respondents (64.71%) did not receive sufficient information on why the organisational change at WorleyParsons was necessary.

A total of 76.47% of the respondents reported that WorleyParsons did not communicate regularly while going through change.

It was found that 64.71% of the respondents reported that they somewhat agree that they had the opportunity to comment and ask questions about the organisational change at WorleyParsons before, during, and after it occurred.

The research findings on the merger indicated that the merger process was not very well communicated to the employees and that they were not really afforded the opportunity to comment and ask questions, thus there was uncertainty among employees. It is expected with the power culture of WorleyParsons that the decision making will be centralised and carried out. Literature indicates that the negativity related to mergers can be significantly reduced with regular communication to the employees who will be affected, how and when. If this process is not handled correctly, it may result in stress and conflict when formal organisational entities no longer exist.

5.3.2 Findings related to change management

The majority of the respondents (82.36%) feel that they did not know what was going on at WorleyParsons.

The majority of respondents (76.47%) reported that they agree that the department in which they work functioned well. Thus, the respondents did not see the need for change. This is confirmed by the response of 88.24% who indicated that the department in which they work did not have any aspects that needed changing and 100% of the respondents felt that there was nothing they needed to change about the way they do their job. Thus, a vision for change was not provided. According to Kotter

(2011), a change vision will provide the employees with an image of what the organisation will look like after the change. It will indicate the benefits of the change and will serve as a motivator to the people, which is crucial to any successful change process.

The fact that 100% of the respondents indicated that they did not feel a sense of belonging and 76.47% of the respondents felt unsure of the future while 70.59% of the respondents felt that there was no clear vision for the future, indicated that there was no buy-in into the change process and that the change vision was not instilled into the employees.

In summary, it can be concluded that the majority of the respondents did not know what was going on at WorleyParsons. Respondents indicated that the department in which they worked functioned well and 100% of the respondents indicated there was nothing they needed to change about the way they did their job. The majority of respondents did not have a sense of belonging and they felt unsure and that there was no clear vision for the future. Thus, the change management was not very well communicated to the employees and a change vision was not introduced.

An approach driven by people, who can assist individuals to understand the motive for change, is proposed. Individuals change when the truth is shown to them since this affects their point of view. Change is an emotional experience as it is experienced first-hand by employees.

The management of WorleyParsons will have to change the culture of the company to be more supportive towards employees which will also aid employee engagement in the long run.

5.3.3 Findings related to organisational culture change

A reliability test to measure the reliability of the questions on organisational culture confirmed the results as reliable.

It was found that WorleyParsons was not a very personal place and people did not seem to share much of themselves, with 64.71% of the respondents confirming it. A total of 76.47% of the respondents indicated that WorleyParsons was very results oriented, and focused more on getting the job done, with 76.47% of the respondents confirming that WorleyParsons was a very controlled and structured organisation with formal procedures.

It was established that the majority of the respondents did not feel that the management style at WorleyParsons was characterised by teamwork, consensus, and participation. The majority also indicated that the leadership at WorleyParsons was generally considered to demonstrate coordinating, organising, or smooth-running efficiency.

It was also established that the majority of respondents did not agree that loyalty and trust runs high in the organisation and they did not think that formal rules and policies held the firm together. The majority indicated that they do not agree on feeling valued and being part of WorleyParsons. The majority indicated that they have a good balance between work and personal life.

The majority of the respondents did not agree (58.82%) that morale is high and 82.35% do not speak highly about WorleyParsons while 41.17% are actively looking for a job outside the firm, although 52.94% of the respondents did not apply for a job outside the firm.

It is clear that there is no clear vision or plan and that there is no loyalty and mutual trust. The employees did not feel valued and the general morale was low.

A total of 82.36% of the respondents agreed that they are unaware of what was happening at WorleyParsons and 47.06% of the respondents indicated that they have a good balance between work and life. More than half of the respondents (52.94%) indicated that they did not have a sense of belonging and 47.06% of the respondents recorded that they did not enjoy being part of the company. This could be an indication of low satisfaction amongst employees as the majority of them were actively looking for a job outside WorleyParsons.

The management will have to consider reviewing the culture of the company to be more supportive and open to instil trust in the employees to get their buy-in when a change procedure is envisaged.

5.4   RECOMMENDATIONS

5.4.1 Recommendations to WorleyParsons management

5.4.1.1 Recommendations regarding the merger at WorleyParsons

The success of a merger depends on the level of communication at all levels of an organisation. When employees know what is expected of them and what the benefits are after the merger, they will not resist change. A strategic communication plan must be put in place and people on all levels of the organisation must be included in such a plan to effectively communicate the plan to employees.

The employees did not know what was going on at WorleyParsons. They were of the opinion that the department in which they worked functioned well and there was nothing they needed to change about the way they did their job. The employees did not have a sense of belonging and they felt unsure with no clear vision for the future. WorleyParsons needs to listen and reconnect with their employees through a culture of engagement.

When considering new merger opportunities WorleyParsons needs to follow a pre-merger process that targets companies that are a good cultural match, have compatible values and are in line with achieving corporate strategy. It will enable the two companies to move towards a culture of engagement by involving stakeholders from both companies at the start of the merger.

During the merger process a shared vision must be created with buy-in at each level of the organisation. It must be formulated to support and define where the new company is going and communicate how the formation of this new company fits the overall vision. This will set the foundation for the merged company and a clear corporate brand.

During the post-merger process, time and people must be the essence of the collaborative process. Communication must be open and transparent. Integration teams must comprise of members from both organisations across stakeholder groups. This will ensure core competencies which can build a forward momentum and implement a flexible, collaborative, methodology for consolidation.

5.4.1.2 Recommendations regarding change management

When WorleyParsons is considering a major change in future, a change vision needs to be created. This will provide the employees with a picture of what the organisation will look like after the change. It will also show them the prospects that they can benefit

from, once the change has taken place. This will serve as a motivator to the people, which is crucial to any successful change process.

Communication is the key to informing people of the change initiative. Effective communication must be designed in such a way that it creates awareness and understanding of why change is necessary. Communication is necessary to create and install supportive action within individuals.

A communication plan detailing who is responsible for communicating the message, methods of communication, the frequency of communication and the message to be conveyed is required to communicate for buy-in.

Methods of change communication must be risk free and open to two way discussions. Face-to-face meetings which include group meetings and one-on-one discussions must be implemented to deliver the message of change.

The change message must be conveyed in a clear and concise manner. It must be a detailed message containing all aspects of the change initiative and the impact it will have on the employees and the business. The message about change must address the following aspects:

- the current situation the business finds itself in and why change is necessary;

- the newly set vision;

- details of what is going to change, how it will change and when it will change;

- the fact that change need to happen and there is no choice in change;

- update on the change initiative and success of change in the past;

- impact on the individual employee;

- impact on job security;

- what is expected from the employee;

- where an employee can ask for further information or help with change. It is of the utmost importance that the effectiveness of the communication process be monitored and measured. If any shortcomings or issues are identified it needs to be addressed immediately and the communication model be adjusted as to ensure effective communication for change.

5.4.1.3   Recommendations regarding organisational culture

When considering organisational culture in WorleyParsons it can be seen that the majority of the employees did not feel that was a very personal place. The employees felt that the environment was very results oriented, controlled and structured and that

the leadership at WorleyParsons was in general considered to be coordinating, organising and effectiveness driven. The employees did not feel that the management style at WorleyParsons is characterised by teamwork, consensus, and participation.

The most effective way to make change stick is to embed the change in the culture of the business. To embed change in culture there must be a continuity of behaviour by employees and visible results in the business.

Every organisation has its own unique culture or value set, and different organisations may have their own comprehension of culture, meaning that WorleyParsons' culture is created unconsciously, based on the values of the top management. Managers should not ignore organisational culture, because culture can be used as a competitive advantage during organisational development, and a strong culture (one in which beliefs and values are widely shared and strongly held) can also offer many advantages, such as cooperation, control, communication or commitment.

The management at WorleyParsons must be aware of the following regarding cultural change:

- Cultural change comes last, not first;
- You must be able to prove that the new way is superior to the old;
- The success must be visible and well communicated;
- You must reinforce new norms and values with incentives and rewards; and
- Reinforce the culture with every new employee.

The following actions are recommended:

WorleyParsons needs to implement training programs focussing on team building to promote trust and cooperation among employees; this will promote a more supportive culture.

WorleyParsons needs to implement training programs centred on improving communication at all levels to promote the efficient flow of communication.

WorleyParsons needs to develop programmes focusing on aligning the goals and values of employees to the company goals and values.

5.5 LIMITATIONS OF THE STUDY

The small population included in the study may influence the generalisation of the results. The outcome of the study might only be representative of the employees of the Bloemfontein office.

Further research is needed to determine if the results of this study are representative of the rest of the organisation.

The self-administered questionnaire was not tested in the same field by other studies.

5.6   RECOMMENDATIONS FOR FURTHER RESEARCH

The same study in the same location could be replicated to determine whether the cultural landscape changed over time.

The study could be replicated with more offices around the country to establish if the same results will be achieved.

The study can be extended to differentiate between the different work levels within WorleyParsons as well.

The study can also be extended to include the demographic variables within the results to determine how factors such as age, ethnicity/race, gender and time in the organisation will influence organisational cultural change.

The study could further be extended to differentiate between full-time and part-time employees.

5.7   CONCLUSION

The primary objective of the study was to determine the effect of the organisational culture change at WorleyParsons Engineers in Bloemfontein.

The factors defining the organisational culture was established, the culture was determined as a power culture governed by systems and procedures. The measuring of organisational culture to identify problem areas is not only beneficial to the employees but to the organisation as well, because it can then be addressed to develop motivated and engaged employees. It has been proved that a motivated employee brings a number of advantages to the organisation, which includes better performance and commitment. The employees also benefit and are motivated by having a better quality of life and better mental health.

The management at WorleyParsons can begin by addressing the most important factors that have caused dissatisfaction, like communication and providing a vision. This will promote staff engagement.

In conclusion, organisational culture is a powerful tool which management can influence to increase performance and the degree of organisational commitment.

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APPENDICES

ANNEXURE A: SURVEY QUESTIONNAIRE: Cover letter
Dear SIR/MADAM
RESEARCH PROJECT: ORGANISATIONAL CULTURAL CHANGE AT WORLEYPARSONS ENGINEERS IN BLOEMFONTEIN

I am a MBA student at the School of Management of the University of the Free State. Currently I am writing my field study on the "Organisational Cultural Change at WorleyParsons Engineers in Bloemfontein". For the purpose of this field study I need employees of WorleyParsons Bloemfontein to fill in questionnaires, because they form the focus of the study.

The main purpose of the research is to determine the effect of the organisational culture change at WorleyParsons Engineers in Bloemfontein and also the following:

➢ To evaluate the most recent theories on organisational culture, change management and mergers.

➢ To investigate what factors define organisational culture at WorleyParsons in the Bloemfontein office.

➢ To determine the current organisational culture in the Bloemfontein office of WorleyParsons. To obtain meaningful results, your co-operation is of particular importance. Completing the questionnaire should not take more than ten minutes of your time.

Please note that no attempt is made to identify you. Your anonymity is assured and all responses will be treated in the strictest confidence. The completion of this questionnaire is also voluntary and would not be held against you should you decide not to complete it.

We would be grateful if you would make sure that this questionnaire is ready for collection at your earliest convenience but not later than 14 July 2014.

To ensure full accuracy of the survey results we would like you to answer the questionnaire carefully and complete all questions.

A copy of the study will be made available on request.

Approval has been obtained from management to conduct the study.

Thanking you for your willingness to contribute to the success of this important research project.

Yours faithfully

Tiaan de Necker

Please tick the box that most accurately reflects how you feel at the moment. **Please only tick ONE box for each question.**

Biographical Information

1.   What is your gender?

Female	
Male	

2.   What is your age (in complete years)?

20-29	
30-34	
35-39	
40-50	
Above 50	

3.   To what Ethnic group do you belong?

Black	
White	
Coloured	
Indian or Asian	

4.   Your highest educational qualification?

Grade 11 or lower (std 9 or lower)	
Grade 12 (Matric, std 10)	
Post-Matric Diploma or certificate	
Baccalaureate Degree(s)	
Post- Graduate Degree(s)	

5.   How long have you been working for WorleyParsons?

0-2 years	
3-5 years	
6-8 years	
9-11 years	
12 and more years	

Merger

6.	I received information about the planned organisational change at WorleyParsons at an early stage.

Strongly Agree,   Agree,   Somewhat Agree   Not Agree.

☐   ☐   ☐   ☐

7.	I was given enough information to enable me to understand why the organisational change at WorleyParsons needed to happen.

Strongly Agree,   Agree,   Somewhat Agree   Not Agree

☐   ☐   ☐   ☐

8.	WorleyParsons communicated with employees regularly when going through change.

Strongly Agree,   Agree,   Somewhat Agree   Not Agree

☐   ☐   ☐   ☐

9.	I had the opportunity to comment and ask questions about the organisational change at WorleyParsons before, during, and after it happened.

Strongly Agree,   Agree,   Somewhat Agree   Not Agree

☐   ☐   ☐   ☐

Change Management

10. I often feel that I do not know what is going on with WorleyParsons.

Strongly Agree,   Agree,   Somewhat Agree   Not Agree

☐   ☐   ☐   ☐

11. The department in which I work functions well.

Strongly Agree,   Agree,   Somewhat Agree   Not Agree

☐   ☐   ☐   ☐

12. The department in which I work does not have any aspects that need changing.

Strongly Agree,   Agree,   Somewhat Agree   Not Agree

☐   ☐   ☐   ☐

13. There is nothing I need to change about the way I do my job.

Strongly Agree,   Agree,   Somewhat Agree   Not Agree

☐   ☐   ☐   ☐

14. I do feel a strong sense of belonging to WorleyParsons.

Strongly Agree,   Agree,   Somewhat Agree   Not Agree

☐   ☐   ☐   ☐

15. In WorleyParsons, people feel uncertain regarding the future.

Strongly Agree,   Agree,   Somewhat Agree   Not Agree

☐   ☐   ☐   ☐

16. In WorleyParsons, there is a clear plan/vision for the future.

Strongly Agree,   Agree,   Somewhat Agree   Not Agree

☐   ☐   ☐   ☐

17. It is impossible to predict the result of the merger.

Strongly Agree, Agree,   Somewhat Agree   Not Agree

☐   ☐   ☐   ☐

Organisational Culture

18. WorleyParsons is a very personal place thus people seem to share a lot of themselves.

Strongly Agree,   Agree,   Somewhat Agree   Not Agree

☐   ☐   ☐   ☐

19.   WorleyParsons is very results oriented, they focus more on getting the job done.

Strongly Agree,   Agree,   Somewhat Agree   Not Agree

☐   ☐   ☐   ☐

20.   WorleyParsons is a very controlled and structured place thus formal procedures generally govern what people do.

Strongly Agree,   Agree,   Somewhat Agree   Not Agree

☐   ☐   ☐   ☐

21.   The leadership in WorleyParsons is generally considered to exemplify coordinating, organising, or smooth-running efficiency.

Strongly Agree,   Agree,   Somewhat Agree   Not Agree

☐   ☐   ☐   ☐

22.   The management style in WorleyParsons is characterised by teamwork, consensus, and participation.

Strongly Agree,   Agree,   Somewhat Agree   Not Agree

☐   ☐   ☐   ☐

23.   Loyalty and mutual trust holds WorleyParsons together in ensuring commitment to this organisation runs high.

Strongly Agree,   Agree,   Somewhat Agree   Not Agree

☐   ☐   ☐   ☐

24.   Formal rules and policies hold WorleyParsons together.

Strongly Agree,   Agree,   Somewhat Agree   Not Agree

☐   ☐   ☐   ☐

25.   I feel valued as an employee.

Strongly Agree,   Agree,   Somewhat Agree   Not Agree

☐   ☐   ☐   ☐

26. I enjoy being a part of WorleyParsons.

Strongly Agree,   Agree,   Somewhat Agree   Not Agree

☐   ☐   ☐   ☐

27. Employees have a good balance between work and personal life.

Strongly Agree,   Agree,   Somewhat Agree   Not Agree

☐   ☐   ☐   ☐

28. Morale is high across WorleyParsons.

Strongly Agree,   Agree,   Somewhat Agree   Not Agree

☐   ☐   ☐   ☐

29. Employees speak highly about WorleyParsons.

Strongly Agree,   Agree,   Somewhat Agree   Not Agree

☐   ☐   ☐   ☐

30. I am actively looking for a job outside WorleyParsons.

Strongly Agree,   Agree,   Somewhat Agree   Not Agree

☐   ☐   ☐   ☐

31. I have applied for another job outside WorleyParsons in the past six months.

Strongly Agree,   Agree,   Somewhat Agree   Not Agree

☐   ☐   ☐   ☐

Open question (Voluntary)

Is there any advice/comment/recommendation that you think would assist in building the organisational culture in WorleyParsons?

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Thank you for taking the time to complete this questionnaire