Perception of Change Communication Factors between Executive and Non-Executive in a Restructuring exercise

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Abstract
The objective of this study is to differentiate between executives’ and non-executives’ change communication factors (consisted of receiving information, quality of information, involvement in decision-making and leader's vision) in a selected organization for restructuring. Kurt Lewin’s theory of effective communication was used. Data were gathered from 87 executives and 276 non-executives in a selected telecommunications company. A set of self-administered questionnaires was used to gather the data. T-test was used to differentiate the results from executives and non-executives on the change communication factors during the restructuring exercise. The study found that only one change communication factor, namely ‘Receiving Information’ produced significant difference between the executives and non-executives through the study.

Keyword: Change Communication, Receiving Information, Quality of Information, Involvement in Decision Making and Leader’s Vision.

1. Introduction
Malaysian’s economy has experienced slow economic growth since 1997, followed by short-term buoyant growth in the year 2000. These changes have compelled organizations to consider organizational restructuring and reengineering in light of the impending merger and acquisition moves (Zabid, Murali and Azmawani, 2004). Needless to say, during the organizational restructuring exercise, an element of loss is inherent in the process, and it is a loss that is often deeply felt by employees. Employees, be it executives or non-executives, tend to speculate about how change will benefit or possibly harm them. They require more information during the change process. They want to know the way changes will affect them and how to prepare for these changes. By disseminating relevant and specific information to everyone simultaneously, rumors and their harmful consequences can be minimized (Lewis, 2006). Therefore, before any employee give their commitment and readiness to change, they have the right to know what is expected from them, they need to know how to contribute, and become involved in these evolutionary change initiatives. Comprehensive information about change should be made available to all employees so as to dispel their natural feelings of anxiety and insecurity. It would be a fundamental implementation error if the individual and organizational defense mechanisms against anxiety about impending change in the organization were ignored. Probably one of the most direct and pertinent strategies for overcoming this challenge is through effective
communication implementation, designed to provide and disseminate change information to all employees (Harter & Krone, 2001). Furthermore, effective communication and change management is designed to drive behavior. Based on Annual Report of Towers Watson, the study done in the organization indicates that organizations with deep understanding of culture and business strategy are more likely to have better financial performance (Change and Communication ROI Study Report, 2013-2014).

Elving (2005) reinforced this proposition by stating that communication is vital to the effective implementation of organizational change and that a poorly designed and managed change communication strategy results in rumors and resistance to change, exaggerating its negative aspects. Newman (2000) shared this view by saying that communication is the key factor to successful organizational change plan and implementation. Without communication, organization cannot survive and continue their operation (Hickson, Stacks & Greely, 1998). Through communication, organization members exchange information to progress their tasks and to achieve organizational goals. One of the important elements in organizational communication research is the study of superior – subordinates communication, which is also known as supervisory communication (Bakar, Mohammad & Mustafa, 2007).

In this study, superior – subordinates refers to executives and non-executives. Various researchers demonstrated that effective supervisory communication can contribute to its effectiveness and commitment to the organization (Krone, 1992; Kramer, 1995, 2004; Lee, 2005; Lee & Jablin, 1995). Studies in the past however have illustrated the importance of communication spans in several aspects of change implementation including creating and articulating vision (Fairhurst, 1993), channeling feedback between implementers, key decision makers and key users, providing social support (Miller & Monge, 1985) and, appropriating and adapting features of proposed changes (Poole & DeSanctis, 1990). Lewis (2000) believed that communication represents not only the primary mechanism of change in organizations but also for other types of changes, where it may contribute towards its fundamental outcome as well (e.g. management programs which are evidence for styles of supervision).

According to Goodman and Truss (2004), employees, be it executive or non-executive would want to know as much information as possible in order to minimize uncertainty. This is supported by Smith (2006) that communication with employees on these matters should occur early in the change process, preferably well before change begins. By doing this, employees’ confidence, commitment and willingness to participate can be developed from the planning stages to the implementation phases of change. Hence, this study tries to differentiate between executives’ and non-executives’ change communication factors in a selected organization.
2. Literature Review

2.1 Kurt Lewin’s Theory of Change

In order to strengthen the study, Kurt Lewin’s (1951) Theory of Change was used. Lewin (1951) has identified three stages of change namely unfreezing, changing and re-freezing. In the unfreezing stage, the communication should be improved between managers and employees. During the implementation of organizational change, which is the changing stage, manager should be able to understand employees’ attitude. Managers should guide and direct employees along the organizational change process, be aware of importance of employees’ motivation to proceed with change, and be receptive to new ideas that come from employees. In the re-freezing stage (Levasseur, 2001), managers should continue to communicate with employees about the change implementation. Therefore, learning how employees form attitudes and behaviors regarding change initiatives is critical of predicting the success of change programs (Lewis, 2006). This is in line with Kurt Lewin’s Theory of Change that applied in this study.

2.1 Perceived success of change initiative

Perceived success of change initiative is important in examining employees’ perspectives on change communication factors. Employees’ perceptions of outcomes are most likely to predict their attitudes towards future change initiatives and the methods used to implement them (Lewis, 2006). Whether their own evaluations of success align with those of other participants and observers is an interesting question, but of more immediate concern is the degree to which their own perceptions of change success are related to their experiences of implementers’ communication practices (Lewis, 2006).

2.2 Receiving Information

Receiving information by employees signifies their job performances (Ruziah, 2007). According to Klien (1996), receiving information repetitiously through more than one medium increases people’s memory. Lewis (2006) also agreed that repeating information and change messages over and over again is important. The relationship between receiving information and successful outcomes in change initiatives is based on the study done by Lewis (1999). This study was also conducted by Allen (1992). This study was also conducted by Allen (1992). In the study of the amalgamation of two faculties, a Faculty of Education and a Faculty of Arts, in an Australian University found that the lack of information during the amalgamation created uncertainty among many administrators (Mohd Fauzi K. et al., 2014). While in other study found that participants indicated the communication modality by which they receive information had an effect concerning their perception and interpretation of the communication. Communication received in the correct modality has the potential to help organizational change integration. This study explores experiences and perceptions of employees regarding organizational change communication in order to improve change results in the organizational setting (Eric, J.N. 2014).
2.3 Quality of Information

The relationship on quality of information and evaluation of success in organizational change was found in Miller (1994), Putti and associates (1990), Allen (1992) and Lewis (2006). Clear information and consistent messages are important to educate employees in the company’s vision, strategic goals and what the change means to them (Barret, 2002). Gefen and Straub (2001) found that the quality of information can influence and address the needs for employees. Employees need to be fully informed about and educated on the necessity for change, progress and problems associated with ongoing change processes and results of change program. Quality of information, according to Barret (2002), signifies simple targeted messages, tailored to the audience so that information is relevant and meaningful, and at the same time, consistent.

2.4 Involving in Decision Making

Klenke (2003) believed that a successful corporate transformation or change very much depends on effective decision making. Decision making process involves proper and efficient implementation of strategic plans and methods to achieve desired business objective. Scott and Jaffe (2000) suggested that job involvement among employees is vital in the success of the change process if transformation or change focuses on the involvement of every affected person, continual two-way communication, transition, and support for persona difficulty with change. Many employees simply receive instruction regarding what is required of them and are not involved in creating a change process.

2.5 Leader’s Vision

Leader’s ability to powerfully articulate a compelling and viable vision is critical of initiating organizational change by enhancing followers’ openness towards change, collective efficacy to radically transform the status quo, and trust in the leader’s vision (Groves, 2006). Leaders who can challenge, motivate and empower their teams through change are successful leaders. Most organizational changes disrupt teamwork. Therefore, leaders who can keep their working teams focus during changes will have organizations and businesses which thrive (McKee, 2005). In other study, indicates that numerous variables have an impact on a leader’s effectiveness. This study explores the behaviours associated with leadership effectiveness in driving change. The findings confirm previous research that identifies change effectiveness skills, while isolating the specific leader behaviours deemed most valuable to implementing change motivation and communication (Ann G. et al, 2009).

Based on the literature review, the objectives of this research were developed and hypothesis was proposed. The objective of this research is to differentiate between the executive and non-executive’s change communication factors in a selected organization for restructuring. The hypotheses proposed are as follows:
H1: Receiving Information has a different effect with perceived success of change initiatives between executive and non-executive

H2: Quality of Information has a different effect with perceived success of change initiatives between executive and non-executive

H3: Involvement in Decision Making has a different effect with perceived success of change initiatives between executive and non-executive

H4: Leader’s Vision has a different effect with perceived success of change initiatives between executive and non-executive

The conceptual framework of the study is presented in Figure 1.

![Conceptual framework](image)

*Figure 1: Conceptual framework perception success of change communication between executive and non-executive in a restructuring exercise*

The formation of this research framework is based on previous research conducted by Lewis (2006), which consists of interrelationships among variables and is supported by empirical studies. It allows for an investigation in the effects of receiving information, quality of information, involvement in decision making and leader’s vision on the perceptions of the executives and non-executives on success of change initiatives.

3. Methodology

This study employs the quantitative research design using the survey method. The sample of this study was confined to executive and non-executive staffs in a selected telecommunications company in Malaysia. The population of the Company is 18,166
consisting 4,275 executives and 13,891 non-executives. A sample of 363 out of which 87 are executives and 276 are non-executives were selected using stratified random sampling and the sample size were determined using Krejcie and Morgan’s (1970) procedure. Self-administrated questionnaire were used to collect data and the return rate of the completed questionnaires was 100%.

The questions regarding perceived success of change, receiving information, quality of information, involvement in decision making and leader’s vision were adapted from Gordon & Cummins (1979), Benkhoff (1997a, 1997b); Siegal & Sisaye, 1997; Singh & Vinnicombe, 2000), Wirth (2005); Lewis (1999), Ahmadi & Helms (1995), Miller et al., (1994), Lewis (2000) White and Ruh (1973), Weber and Weber (2001), Ruziah (2007), Yrle et al. (2002), Leithwood & Steinbach (1999), TM ESS (2003) and Change Readiness Assessment Survey (CRAS) (2002). All the measures were reliable with Cronbach alpha values greater than 0.70, having perceived success of change with 16 items (α=.853), receiving information with 10 items (α=.766), quality of information with 11 items (α=.898), involvement in decision making with 14 items (α=.884) and leader’s vision with 13 items (α=.950). All analyses were based on independent sample t-test to test the formulated hypotheses.

4. Findings of the Study

The respondents of the study consist of executives and non-executives with the mean age of about 39 years old for executives and 43 years old for non-executives. Majority of the executive respondents were 39 years old and below (52.9%) against 34.4% of the non-executives. Out of the 87 executive respondents, 83.9% were married and out of the 276 non-executive respondents, 88.8% were married. In terms of years of service, 71.3% of the executives served the organization for 20 years and below, while 43.9% of the non-executives served for 21-29 years.

The overall mean of restructuring (M = 2.92, SD = 0.36) showed that the perception of the executives and non-executives in receiving information during restructuring tends to have the medium level of receiving information in which 76.8% executives (M = 2.99, SD = 0.35) and 76.8% non-executives (M = 2.89, SD = 0.35) were in this category as shown in Table 2. This indicates that the amount of information received by the executives and non-executives through their superiors, internal announcements, posted information and other channels during the restructuring was not sufficient but just moderate. The independent samples t-test results in Table 2 showed that there were statistically significant differences between executives and non-executives in receiving information, t = 2.444, p = 0.015. Therefore hypothesis H1 was supported. The results indicate that there were differences in the executive’s and non-executives perception of receiving information.
In terms of quality of information for restructuring, medium category was the most dominant to both executive and non-executive respondents. The overall mean was 2.97, SD = 0.44. The executives contributed 63.3% (M = 2.99, SD = 0.46), while the non-executives contributed 57.6% (M = 2.96, SD = 0.43). This means that both executives and non-executives felt that the quality of information received in terms of accuracy, transparency and quantity was just moderate. It was not sufficient. The independent samples t-test for quality of information is t = 0.539, p = 0.590. It confirmed that there were no statistically significant difference in this aspect between the executives and non-executives. Therefore, hypothesis H2 was not supported. The results indicate that the executives and non-executives were of the view that quality of information during the restructuring was well received.

The finding for involvement in decision making among the employees indicated that the executives and non-executives during restructuring process resulted in an overall mean of M = 2.68, SD = 0.48. The total number of respondents among the executives were 71.3% (M = 2.72, SD = 0.52) and the total number of respondents among the non-executives were 78.6% (M = 2.67, SD = 0.47). This shows that the opinions of the employees at all levels were moderately considered as important in implementation of decision in the selected organization. Their ideas were moderately accepted. The t-test result for involvement in decision making showed that there were no statistically differences between executives and non-executives (t = 0.877, p = 0.381). Therefore, H3 was not supported because the respondents felt that the involvement in decision making during restructuring process was well received.

Finally, for leader’s vision, the overall mean for restructuring was 2.93 and SD = 0.47. The executives contributed 67.9% (M = 2.97, SD = 0.50) and non-executives contributed 72.9% (M = 2.91, SD = 0.46). Both executives and non-executives felt that their leaders has moderately articulated the general purpose of restructuring implementation, communicated the vision, etc. The t-test result indicates that the executives and non-executives were of the view that leader’s vision during restructuring was well received (t = 1.092, p = 0.276). There were no significant differences between the executives and non-executives. Therefore, H4 was not supported.

Based on the above results, the hypotheses of the study can be summarized accordingly (Table 3).

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Statement</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Receiving Information has a different effect with perceived success of change initiatives between executives and non-executives</td>
<td>Hypothesis is supported.</td>
</tr>
<tr>
<td>H2</td>
<td>Quality of Information has a different effect with perceived success of change initiatives between executives and non-executives</td>
<td>Hypothesis is not supported.</td>
</tr>
</tbody>
</table>
5. Discussions and Conclusions

This study found that ultimately, the perceived success of change initiatives efforts depends on how effectively the strategy and the substance of the change are communicated to the employees. The result indicates that there were differences in the executives’ and non-executives’ perception of receiving information in the selected organization. The employees felt that there should not be any differences in information sharing between them. Being the employees of the organization, they believed that they have the right to know what was expected from them, and they needed to know how to contribute and become involved before, during and after the evolutionary change initiatives. Information about when, how and what to communicate to employees can reduce fear of change, fear of unpleasant consequences, lack of trust, uncertainty, poor training, surprise and personality conflicts among the employees. These findings are in line with a similar study that showed the superiors’ receiving information was significantly different from the commitment’s correlation with the perceived of subordinates’ receiving information (Allen, 1992). This means that without communication, organization cannot survive and continue their operation.

<table>
<thead>
<tr>
<th>Demographic Characteristics of Respondents</th>
<th>Executive (n = 87)</th>
<th>Non Executive (n = 276)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>Frequency (%)</td>
<td>Frequency (%)</td>
</tr>
<tr>
<td>21 – 30</td>
<td>14 (16.1)</td>
<td>25 (9.1)</td>
</tr>
<tr>
<td>39 (1.7)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>31 – 40</td>
<td>32 (36.8)</td>
<td>70 (25.3)</td>
</tr>
<tr>
<td>102 (28.1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>41 – 50</td>
<td>34 (39.1)</td>
<td>134 (48.6)</td>
</tr>
<tr>
<td>168 (46.3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>51 and above</td>
<td>7 (8.0)</td>
<td>47 (17.0)</td>
</tr>
<tr>
<td>54 (14.9)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>Male</td>
<td>54 (62.1)</td>
</tr>
<tr>
<td>-------------</td>
<td>-------</td>
<td>-----------</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>33 (37.9)</td>
</tr>
<tr>
<td></td>
<td>168 (46.3)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>195 (53.7)</td>
<td></td>
</tr>
<tr>
<td>Status</td>
<td>Single</td>
<td>14 (16.1)</td>
</tr>
<tr>
<td></td>
<td>45 (12.4)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>73 (83.9)</td>
</tr>
<tr>
<td></td>
<td>318 (87.6)</td>
<td></td>
</tr>
<tr>
<td>Years of Service</td>
<td>3 – 11</td>
<td>29 (33.3)</td>
</tr>
<tr>
<td></td>
<td>75 (20.7)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>12 – 20</td>
<td>33 (38.0)</td>
</tr>
<tr>
<td></td>
<td>114 (31.4)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>21 – 29</td>
<td>22 (25.3)</td>
</tr>
<tr>
<td></td>
<td>143 (39.4)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>30 and above</td>
<td>3 (3.4)</td>
</tr>
<tr>
<td></td>
<td>31 (8.5)</td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Independent sample t-test results of receiving information, quality of information, involvement of decision making and leader’s vision for restructuring

<table>
<thead>
<tr>
<th>Change Communications Factors</th>
<th>Mean</th>
<th>SD</th>
<th>t</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receiving Information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive</td>
<td>2.9977</td>
<td>0.3540</td>
<td>2.444</td>
<td>0.015</td>
</tr>
<tr>
<td>Non – Executive</td>
<td>2.8917</td>
<td>0.3525</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality of Information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive</td>
<td>2.9937</td>
<td>0.4577</td>
<td>0.539</td>
<td></td>
</tr>
<tr>
<td>0.590</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Non – Executive   2.9648 0.4310  
Involvement in  
Decision making  
Executive   2.7209 0.5189 0.877  
0.381  
Non – Executive   2.6687 0.4719  
Leader’s Vision  
Executive   2.9770 0.5044 1.092  
0.276  
Non – Executive   2.9133 0.4647

\( df = 361, \text{Executive} = 87, \text{Non-Executive} = 276 \)

References


