

"In reality, even successful change efforts are messy and full of surprises. . .[and] fewer errors can spell the difference between success and failure."- John Kotter in *Leading Change* , 1996.

## Objective

- Develop a causal model for organisational change.
- Develop a measurement model to validate ChangeTrack Research (CTR) model
- Establish how IT has impacted and affected the way organisational change is managed.

## Introduction

Organisation change has evolved from Scientific Management developed by Taylor (1911) through to complex adaptive systems in the 21<sup>st</sup> century.

This research develops a change management network model established through causal path relationships between the drivers within the Change Track Research model.

## Data

### CTR Data Base

CTR is an organisation in the field of tracking and measuring change. The data set provided is from the past 10 years and has 117,335 employees who were involved or affect by organisational change. Survey consisting of 44 questions covering aspects of organisational change. 27 different countries, 19 different organisational changes and 27 different types of organisation categories.

## Approach

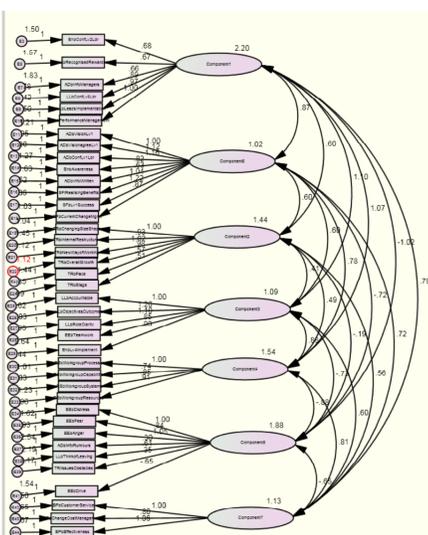
### Exploratory Factor Analysis (SPSS v19)

Determine the underlying constructs within the observed data.

Component	1	2	3	4	5	6	7
<b>TEAM LEADERSHIP</b>							
LLiPerformance_Management	.58	-.092	.000	.042	.028	.010	.073
LLiLeads_Implementation	.57	-.098	.002	.040	.030	-.004	.079
LLiConf_CoL_Ldr	.57	-.057	.026	.079	.058	-.085	.037
<b>ADJUSING MANAGERS</b>							
LLiThreats_United	.57	.161	.000	.070	.085	.113	-.043
LLiThreats_United	.57	.084	.031	.100	-.067	-.173	-.134
LLiThreats_United	.57	.084	.031	.100	-.067	-.173	-.134
<b>MANAGEMENT COMMITMENT</b>							
EnbLdr_Support_System	.454	.407	.152	-.198	-.154	.019	-.174
EnbConf_Lv2_Ldr	.44	.323	.046	-.189	-.208	-.120	-.046
EnbLdr_Tme_Resources	.413	.258	.115	-.218	-.261	-.070	-.099
RsbQuick_Remedital	.212	.230	.143	-.139	-.232	-.127	.177
<b>VISION AND DIRECTION</b>							
ADiVision_agree_Lv1	.593	.44	.091	.019	.045	.037	.047
ADiVision_agree_Lv1	.593	.44	.091	.019	.045	.037	.047
ADiConf_Lv1_Ldr	.144	.077	-.023	-.149	-.048	.159	.171
EnbAwareness	.013	.191	.261	-.099	-.041	-.021	-.021
EnbAwareness	.120	.394	.093	-.091	-.178	.089	-.202
<b>BENEFITS</b>							
EnbTraining_Benefits	.013	.191	.261	-.099	-.041	-.021	-.021
SFbLvl_Sucess	-.013	.191	.261	-.099	-.041	-.021	-.021
SFbLvl_Sucess	-.013	.191	.261	-.099	-.041	-.021	-.021
<b>AMOUNT OF CHANGE</b>							
TRiChanging_Size_Shape	-.042	-.045	.010	.009	.003	.009	.042
TRiChanging_Size_Shape	-.042	-.045	.010	.009	.003	.009	.042
TRiNew_Way_of_Working	.052	.027	.149	.011	.113	-.038	.120
TRiNew_Way_of_Working	.052	.027	.149	.011	.113	-.038	.120
TRiNew_Growth	.024	.022	.116	-.027	.052	.099	.185
TRiNew_Growth	.024	.022	.116	-.027	.052	.099	.185
TRiFace	.112	-.030	.014	-.112	-.174	.070	-.170
TRiFace	.112	-.030	.014	-.112	-.174	.070	-.170
TRiStage	.005	.040	.041	-.007	-.009	.054	.034
TRiStage	.005	.040	.041	-.007	-.009	.054	.034
<b>ACCOUNTABILITY</b>							
LLiAccountability	.345	.092	.014	.499	-.278	.053	.017
LLiAccountability	.345	.092	.014	.499	-.278	.053	.017
LLiOperatives_Outcomes	.338	.058	.143	.491	-.261	.052	.060
LLiOperatives_Outcomes	.338	.058	.143	.491	-.261	.052	.060
LLiRole_Clarify	.339	.040	.090	.438	-.205	.089	.081
LLiRole_Clarify	.339	.040	.090	.438	-.205	.089	.081
<b>INVOLVEMENT</b>							
EnbInvolve	.334	-.045	.051	.438	-.250	.104	.004
EnbInvolve	.334	-.045	.051	.438	-.250	.104	.004
EnbLvl_Implement	.102	.288	.125	.373	.000	-.068	.130
EnbLvl_Implement	.102	.288	.125	.373	.000	-.068	.130
<b>RESOURCES</b>							
RsbWorkgroup_Processes	.040	.048	.026	.043	.00	.071	.130
RsbWorkgroup_Processes	.040	.048	.026	.043	.00	.071	.130
RsbWorkgroup_Capabilities	-.028	.030	.024	.020	.000	.000	-.007
RsbWorkgroup_Capabilities	-.028	.030	.024	.020	.000	.000	-.007
RsbWorkgroup_Systems	-.049	.039	.020	-.025	.000	-.048	.107
RsbWorkgroup_Systems	-.049	.039	.020	-.025	.000	-.048	.107
RsbWorkgroup_Resources	-.037	-.027	-.017	-.007	.000	.000	.120
RsbWorkgroup_Resources	-.037	-.027	-.017	-.007	.000	.000	.120
<b>TURBULENCE</b>							
EnbDistress	.008	-.097	.020	-.083	-.004	.014	.003
EnbDistress	.008	-.097	.020	-.083	-.004	.014	.003
EnbFear	.085	.014	.091	-.077	.011	.021	.045
EnbFear	.085	.014	.091	-.077	.011	.021	.045
EnbAnxiety	-.033	-.080	.048	-.040	-.014	.021	.078
EnbAnxiety	-.033	-.080	.048	-.040	-.014	.021	.078
<b>EMOTIONAL ENERGY</b>							
LLiThink_of_Leaving	-.253	-.003	.000	.180	.041	.345	.022
LLiThink_of_Leaving	-.253	-.003	.000	.180	.041	.345	.022
TRiIssues_Obstacles	-.047	-.006	.078	.202	.021	.318	.011
TRiIssues_Obstacles	-.047	-.006	.078	.202	.021	.318	.011
<b>PASSION AND DRIVE</b>							
EnbDrive	.167	.132	.083	.201	-.101	.381	.211
EnbDrive	.167	.132	.083	.201	-.101	.381	.211
EnbPassion	.100	.142	.054	.181	-.076	.463	.234
EnbPassion	.100	.142	.054	.181	-.076	.463	.234
<b>IMPROVING PERFORMANCE</b>							
BfbcCustomer_Service	.026	.028	.023	.052	-.008	.04	.104
BfbcCustomer_Service	.026	.028	.023	.052	-.008	.04	.104
BfbcResources	.031	.058	.048	.097	-.072	.001	.001
BfbcResources	.031	.058	.048	.097	-.072	.001	.001
BfbcChange_Cost_Management	.059	.011	.100	.067	-.079	.10	.10
BfbcChange_Cost_Management	.059	.011	.100	.067	-.079	.10	.10

### Confirmatory Factor Analysis (AMOS, v19)

Test whether constructs are consistent with the measurement model.

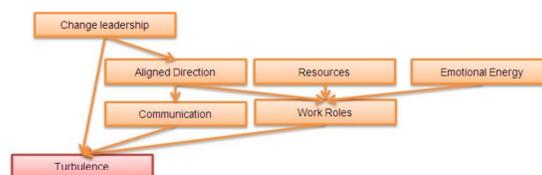


## ChangeTrack Research Model

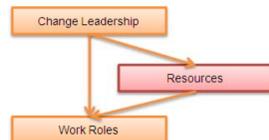


**Drivers:** Derived from the CTR model.

**Turbulence:** Organisational change relates to the ever changing environment, the inability to predict the external environment or the amount of disruption when change occurs within the internal operations [1].



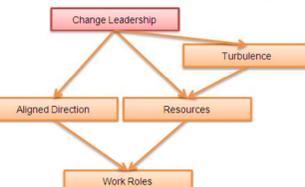
**Resources:** Despite having optimal team spirit, the strongest team leaders, excellent internal communication and employee engagement, the change may potentially not achieve the highest possible performance. This is due to a lack of the necessary skills, the right staff in the right roles and the equipment necessary to achieve the optimal performance goal [2].



**Aligned Direction:** "If you can't communicate the vision to someone in five minutes or less and get a reaction that signifies both understanding and interest, you are not done" [3]



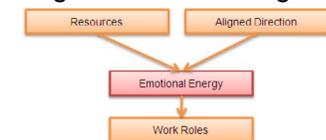
**Change Leadership:** Change management requires effective leadership, which includes comprehensive planning, organisation, direction and control. It is effective leadership that leads to a successful change. [4]



**Work Roles:** An employee's involvement in implementing organisational change has a strong relationship with the organisation and includes satisfaction, commitment and trust. [5]



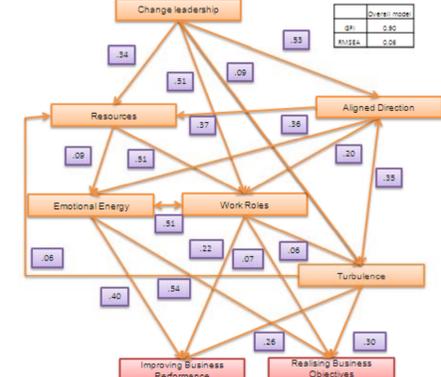
**Emotional Energy:** An employee's attitude towards change is a key determinate in successful organizational change



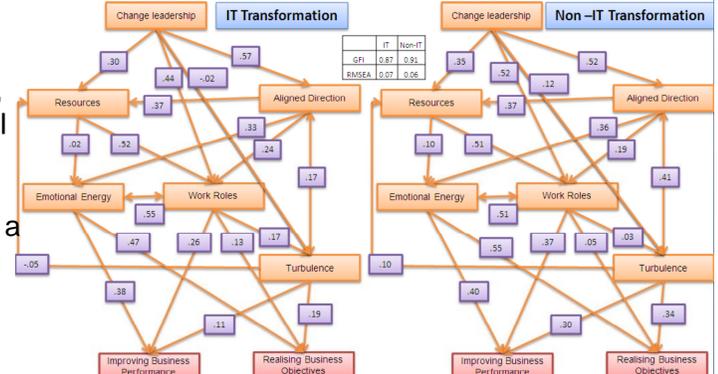
## Path Model & Results

The path model was derived by aggregating all the driver models into a path model. The path analysis was used to examine the causal relationships between the construct, which is derived from drivers of the CTR model.

## Overall model Results



## IT vs Non-IT Transformation Results



## Observations

### Overall model:

- The most important Driver interaction was Emotional Energy. This were affected by Resources, Change Leadership and work roles further affecting the Realisation business objectives.
- Work Roles and Turbulences interactions did not seem to be as significant.

## IT vs Non-IT Transformation Results

- IT Transformation: Change Leadership has a stronger relationship with aligned direction.
- Non IT Transformation: Turbulence is a more important Driver in this scenario as each impact nearly doubled in loading.

## Conclusion

The path model that has been developed from literature is a general model of organisational change, the results of the overall model show promising relationships with the RMSEA and GFI, with both being quite strong indicators of the absolute fit.

When comparing the IT and Non-IT Transformation data sets the model comparison shows distinct pockets where the organisational change model tends to be deemed as having different levels of significance.

## References:

- [1] Haleblain, J. & Finkelstein, S. (1993). Top management team size, CEO dominance, and firm performance—The moderating roles of environmental turbulence and discretion. *Academy of Management Journal*, 36(4), 844-863.
- [2] Nadler, D., & Tushman, M. 1980. A model for diagnosing organizational behavior: Applying a congruence perspective. *Organizational Dynamics*, 9(3): 35-51.
- [3] Kotter, J. (1995) *Leading change: why transformation efforts fail*, Harvard Business Review, 73(2), pp. 59-67.
- [4] Gill, R. (2003). "Change management – or change leadership?", *Journal of Change Management*, Vol. 3 No. 4, pp. 307-18.
- [5] Pfeffer, J. 1994. *Competitive advantage through people*. Boston: Harvard Business School Press.
- [6] Eving, W. (2005). "The role of communication in organizational change", *Corporate Communication*