Managing the Human Resources in Organisational Change: A Case Study

Lindsay Nelson

Abstract

A continuing issue in managing change is minimising resistance and engaging with employees at all levels. In this case study a new manager at a confectionary factory lifted performance in order to avert its closure, and subsequently, won a competitive internal tender for a major plant upgrade worth A$25 million. Four key elements explain this case of transformational change: establishing dissatisfaction with the status quo; reorganising the plant into smaller work units; innovative feedback on performance measures and a system of business values, which changed the organisation's culture. This case illustrates the importance of HRM approaches emphasising communication, consultation, worker commitment and engaging workers with the organisation's business.

INTRODUCTION

Organisational change typically involves both managing the change processes and handling human issues at the local level (Kanter & Dretler 1998). However, whilst research has popularly focussed, for example, on the competitive landscape, strategic leadership and organisational learning (Hitt, Keats & DeMarie 1998, Ireland & Hitt 1999), a neglected area is that of conceptualising and implementing change from the employee's viewpoint. This case study, in which a company was faced with a number of issues stemming from global competition, demonstrates the importance of engaging with managers and employees more generally. In particular, the focus in this paper is on 'soft' HRM practices involving, inter alia, "consultation, empowerment, commitment and communication." (Nankervis, Compton & Baird 2002: 16).

THEORETICAL FRAMEWORK

A framework which is helpful in analysing change is the contextualist approach (Pettigrew 1985, 1987, 1990, Child & Smith 1987, Clark, McLoughlin, Rose & King 1988, Dawson 1994, 1996). Here, temporal characteristics are acknowledged in thinking of change as a dynamic process involving the relationship between the content of a specific change strategy, the context in which the change takes place and the process by which it occurs (Dawson 1994). As Pettigrew argues:

The interest is both in catching reality in flight, and in embeddedness - a return to context as a principle or method. Seeing historical processes of change as a complex dynamic system with a mixture of processes occurring at different levels and at various rates. It is in the dialogue between trends and forces in a multilevel and changing context, and the relationships, actions, and initiatives between groups and individuals seeking to adjust social conditions to meet their ends, that much organisational change....can be located and understood. (p. 37)

Figure 1
Components of Analysis: Context and Process
(Adapted from Pettigrew 1985: 37)

Figure 2
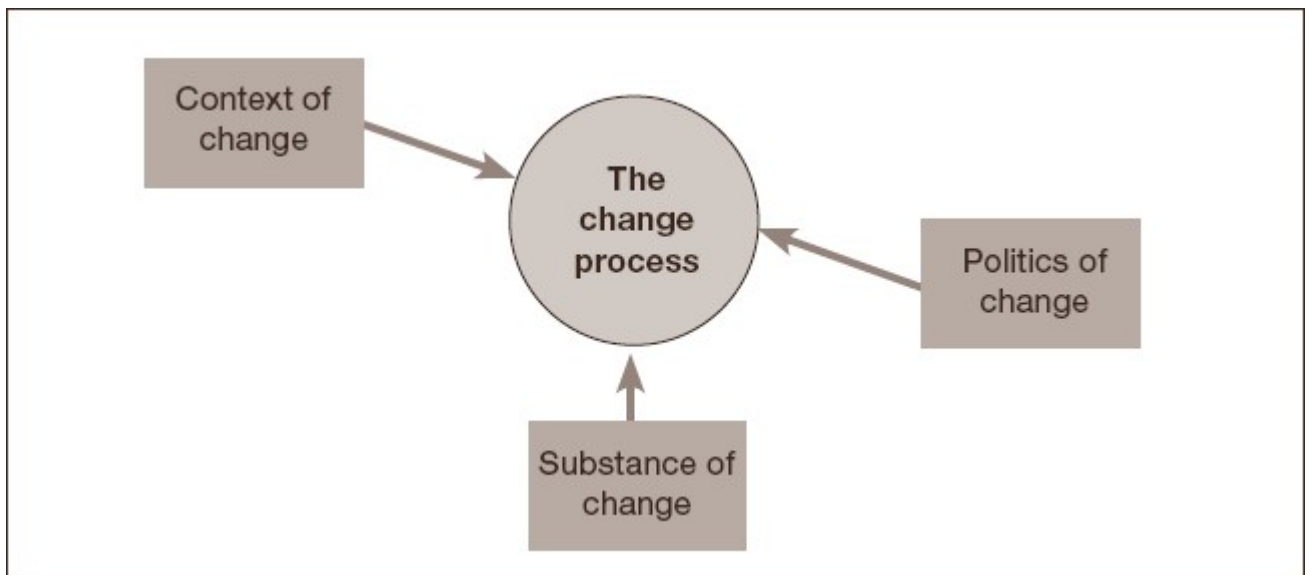**Determinants of Change**
(Adapted from Dawson 1994: 65)
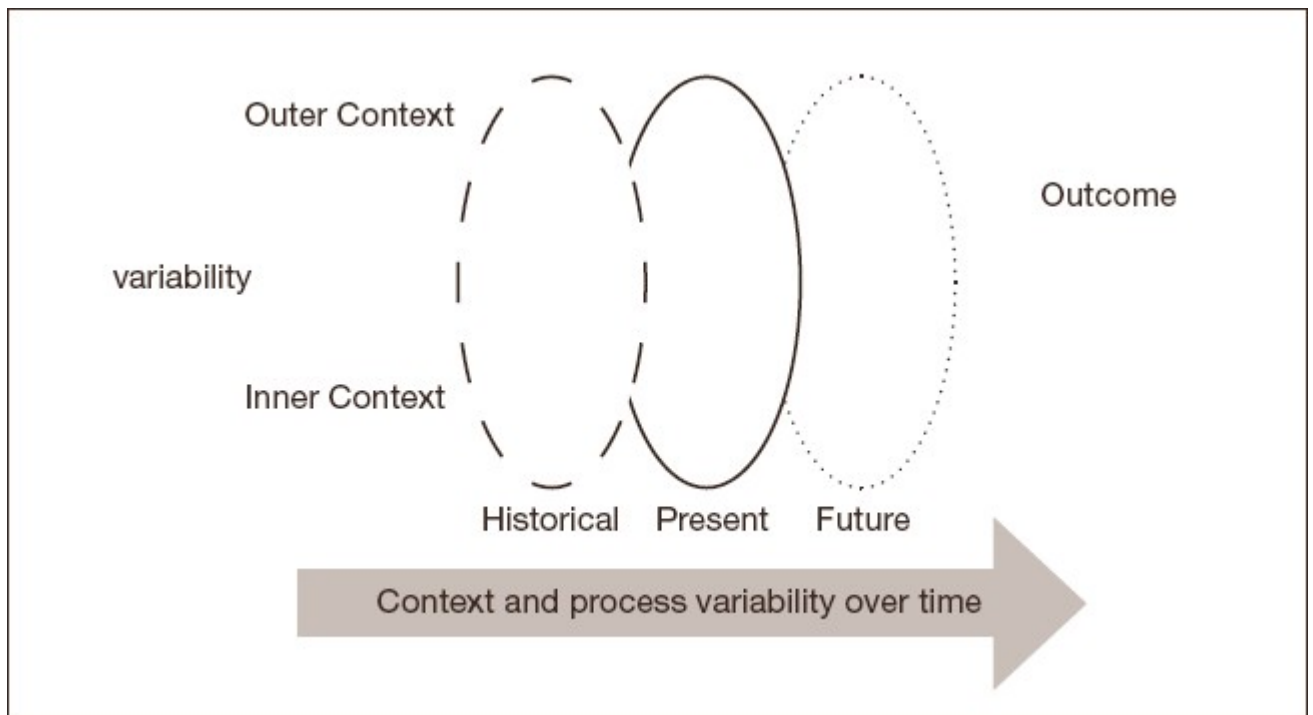
The argument by contextualists is, therefore, that change can only be properly understood when it is seen as a dynamic process, which occurs over time.

The framework for contextual analysis shown in Figure 1 is based on the work of Pettigrew (1985) and consists of vertical and horizontal levels interconnected through time. The vertical level refers to inner and outer factors; inner contextual factors are linked to aspects such as culture, structure and politics, whilst outer factors are linked to the business, economic, political and social context in which the organisation operates. The horizontal level refers to temporal connections between future expectations, present events and historical accounts of the change process. It is a matter of convenience that the contextualist approach is represented as shown in Figure 1 with the factors of change shown separately. In reality they interact jointly in producing change. As pointed out by Pettigrew (1992) it is important to take a holistic standpoint when analysing change because there seems to be strong advantages in linking process to content and context through time.

Most of the literature on change concerns the content of strategy, using the rational decision making or problem solving process. Nevertheless, the outcome of this process is focussed on context. Pettigrew (1985) is critical of this approach because it is theoretical in that it ignores the need for an explicit explanation of how and why strategic outcomes are created. These outcomes, he goes on to argue, are derived from a contextual analysis of the forces for change. To contextualists it is the interconnectedness between content, process and context that reveals how it is possible for both content and context to vary as process unfolds over time. Thus it should not be assumed that context and content remain static. Each requires reassessing in response to the progressive introduction of organisational change. As a further consequence, content and context are reassessed and altered as implied in this contextualist approach to change. It is important to note that the approach of the contextualists is a method of analysis rather than a model of change.

Drawing on the work of the contextualists, especially Pettigrew (1985, 1990, 1992), and Dawson (1994, 1996) provides a framework consisting of three major determinants of change, which he describes as a processual perspective. The framework, shown as Figure 2, consists of three elements, 1) substance of change, 2) politics of change, and 3) context of change. Substance refers to the type and scale of change. The second element of the processual framework, politics, refers to political activities of consultation, negotiation, conflict and resistance. Context, the third element, refers to past and present, external and internal operating environments. These elements provide a convenient grouping of factors which together shape organisational change over time. This framework, says Dawson (1994):

> ...is intended to convey the interconnectedness and complexity of dynamic processes of change
> through combining a threefold classification of factors shaping the process of organizational
> transformation with a clear representation of the temporal nature of change. (p. 45)

The theoretical framework for this study is, therefore, to be found in the work of the contextualists, especially as developed by Dawson (1994, 1996). Within this paradigm it can be seen that past, present and future expectations combine to shape the processes of change. The particular interest and focus in the case study is on the HRM factors revealed in managing the changes. The contextualist approach provides a method of investigation, emerging within a processual framework (Dawson 1996) and, in so doing, exposes HRM issues critical to a company's transformation.

HRM Issues

Work habits, in essence, are just like any other behavioural patterns that need to be changed. If the example is taken of the desire to quit smoking, this begins with the individual recognising that there is a problem before embarking on remedial behaviour change programs. The same appears to be the case with organisations facing the need to change. Specifically, recognition of a problem with existing patterns of work behaviour leads to employees being receptive to programs aimed at rectifying an unsatisfactory situation, thus obviating the need for various coercive techniques to deal with resistance.

Resistance to change is a phenomenon known to impede the progress of change strategies (Katz & Kahn 1978, Bedeian 1980). Various measures have been suggested for overcoming resistance, such as those proposed by Kotter and Schlesinger (1979), culminating in coercion. Resistance, therefore, can be a major barrier to change, which, as noted by Burnes (2000), and earlier by Aronson (1992), may be neutralised by the exploitation of cognitive dissonance (Festinger 1957) to promote and motivate the desire for change.

Large organisations pose a particular problem for individuals, who may feel alienated and lose sight of how they contribute to the overall purpose of the organisation in a constraining envelope of red tape (Blauner 1964, Katz & Kahn 1978, Sanders 1997). Part of the problem also lies with limitations to human cognitive processes (Simon 1961, Miller 1970) and the need to break down organisations into manageable parts (Robbins & Barnwell 2002). An example of successfully breaking down a large and unwieldy structure was reported by Cusumano (1997), in which 450 people at Microsoft were reassigned into small teams of 10 people. From feelings of being meaningless cogs in a monolithic impersonal structure, individuals when organised into smaller units are then better able to understand the part they play towards achieving desirable work goals, and also reduce social loafing.

All change involves the adoption of new behaviours that need to be accepted, and even enforced. One view is that

where quick radical change is required for institutional survival, a dictatorial, coercive management style may be appropriate (Dunphy & Stace 1990). Extensive collaboration and consultation is associated with a more leisurely form of change that may be defined as fine tuning. Dunphy and Stace (1990) clearly regard HRM at the forefront of planning and implementing organisational change, a view echoed by De Cieri, Kramar, Noe, Hollenbeck, Gerhart and Wright (2003). These authors contend that the successful implementation of change is a major challenge for HRM in the twenty first century, which will encourage managers to actively address issues of resistance, behaviour change and participation.

METHODOLOGY

Site and Subjects

The site of this case study is a global company in the processed food industry. Company products are sold widely throughout Australia and Southeast Asia. Within Australia, the company has factories at Ringwood in Victoria, Hobart in Tasmania and across the Tasman Sea at Dunedin in New Zealand. The factory at Hobart was established in 1921 and has been in continuous operation ever since. Consequently, the company can claim to be a valued employer, with several successive generations of workers having passed through its doors. However, over the years despite a number of plant upgrades, the processing technology has become outdated and the point was reached in the late 1990s when declining efficiency raised questions about the future of the Hobart site plant and that of the 900 employees.

When a new manager arrived at the Hobart factory, it was apparent that substantial improvements in productivity were needed to ensure the plant's survival. Indeed, Head Office management identified viability of the factory as a major concern in terms of either production was to double or the plant would be closed. Fortuitously, the manager did not have long to wait after taking up his appointment before the emergence of a lever for change. Specifically, the factory lost two contracts to the New Zealand factory. The shock of this loss provided a springboard for change.

Following a consultative process, the manager restructured the plant around mini businesses with clear feedback on performance criteria and a program of culture change. The centrepiece of the transformation was a set of business values. Efficiency and effectiveness of the factory improved significantly and the manager, buoyed by this achievement, decided to submit a tender to the parent company for a major plant upgrade worth A$25 million. The tender was successful.

The site respondents included both managers and workers within the factory as well as union officials. Formal interviews and conversations were conducted with staff throughout the factory. Whilst interviews were audio recorded, field notes were taken in respect of less formal exchanges and dialogue with employees on the factory floor.

Procedure

This investigation employed a case study approach as the most suitable to explore the content and processes of change within what Yin (1994) has described as real life context. One of the main advantages of case studies is that they provide a degree of flexibility for the investigator. This feature is not usually found in quantitative approaches. Indeed, the case study design permits the pursuit of opportunistic new directions as the need arises (Peshkin 1993). In particular, the techniques of grounded theory (Glaser & Strauss 1967, Strauss 1987, Strauss & Corbin 1994) were employed, including casual conversations with employees and more formal interviews of key staff. Management allowed the researcher to freely wander about the factory, where workers could be seen going about their normal duties, thus permitting the development of principles and theoretical ideas from the patterns of behaviour observed. In addition, access was given to documents relating to the strategies and techniques used in the change process.

Extended formal interviews were conducted with seventeen individuals. These interactions included the plant manager, human resource manager and other lower level managers involved with the changes, and two union representatives. Each interview was about one hour in duration and audio recorded for later analysis. The factory manager, however, was interviewed on three occasions, with each interview lasting about one hour. A condition imposed by management was that in order to limit disruption to productivity contact with employees had to be on the basis of one-to-one contact with individuals rather than in groups.

Consistent with the holistic approach of the contextualists, specific, set questions were not employed. Instead, open ended questions were preferred, centring on 'what', 'why' and 'how' in order to describe and explain the change processes. A typical starting point was to ask, "Tell me about"... which was then 'followed up' with clarifying questions relating to the subject content. In keeping with the principles of qualitative methods and grounded theory

(Glaser & Strauss 1967), the researcher observed, listened, interviewed and recorded (Turner 1988).

After transposing field notes and audio tapes to text, the data were submitted for computer analysis using specialised software known as NUD*IST (Non-numerical Unstructured Data Indexing Searching and Theorizing) (Richards & Richards 1994). From this analysis emerged the areas of significance reported in this study. This form of analysis enables the analysis to go beyond simple word processing and word retrieval to the level of codeand-retrieve programs having a theory building capability (Miles & Huberman 1994).

RESULTS

When the interview data were computer analysed using NUD*DIST, a pattern of nodes emerged resembling the model of Dawson (1996), clustered around his three determinants of change, 1) substance, 2) context and 3) politics. Each node represents a major topic area, from which node branches (sub topics) appear. These are shown in Figure 3 and form the basis for presentation of the following results.

Figure 3
NUD*IST Node Tree for the Change Process
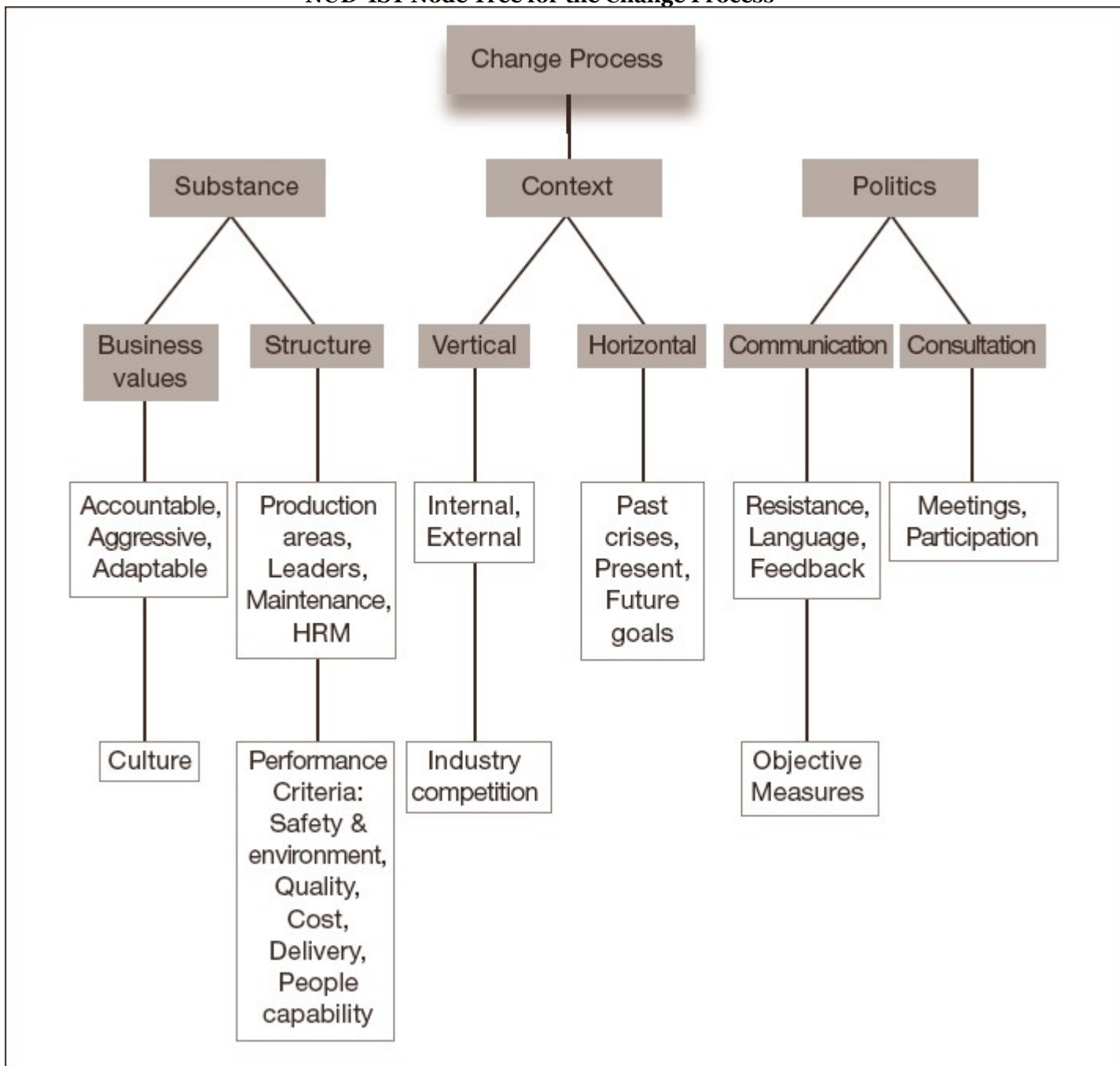
The order of nodes does not imply a chronological sequence and it is important to note that some nodes overlap in their patterning and that none have completely distinct boundaries. The node clusters do, however, represent identifiable issues found in the contextual analysis derived from the work of Pettigrew (1985) and Dawson (1996).

Nevertheless, node titles were allocated as the computer based program proceeded. Key variables appeared out of the data, which is a characteristic of grounded theory (Glaser & Strauss 1967). A further aspect of computer assisted analysis was to allocate suitable labels broadly representative of the subject matter. Within the node relating to substance are located issues connected to a new plant structure and business values. The node for content has vertical and horizontal sub nodes. The vertical feature refers to inner and outer environmental factors whilst the horizontal dimension refers to the interconnections of events as they unfolded over time. The node of politics includes processes of communication, involving key activities such as the provision of feedback together with establishing readiness for change, and consultative processes in which employees participated in the change program.

Substance

This is the content of change, referring to what changes were made, whether to the organisation's structure or the way its activities were conducted. Within this node were located new business values and the creation of business units.

Business Values

The new business values came to be known as 'Sharpening the Culture' and consisted of three items extracted from the company's executive leadership program, that the manager felt were appropriate to rank and file workers at the local level:

- Accountable (Setting clear direction; Demanding and delivering high performance; Receiving feedback),
- Aggressive (Creating a sense of urgency; Acting with total determination; Encouraging risk taking),
- Adaptable (Embracing ambiguity and change; Innovative; Out-thinking the competition).

Managers and team leaders, contributing to a change in the plant's culture, reinforced these values.

Structure

Structurally the factory was divided into three business units, underpinned by mini businesses encompassing production areas, along with their leaders, maintenance and human resource components. Each area operated as a mini business and had performance criteria set that were derived from the expanded definition of efficiency for assessing progress.

Pursuing his desire for greater engagement with all workers, the manager wanted more meaningful criteria established that could measure efficiency and include indirect costs. The problem was that the previously defined performance measures were too narrowly focussed and pitched in such a way, which the manager stated made it look like the business was running well. In addition, only the plant's accountant and the operations manager really understood the somewhat esoteric numbers formerly used to measure performance. Fresh performance criteria were required that could be readily absorbed and comprehended by all workers. The criteria related to

- Safety & Environment,
- Quality,
- Cost,
- Delivery, and
- People Capability.

These topics were then distributed across a number of specific measurable items. Examples included absences, wastage rates, training completed, output levels, staff on duty, accident statistics, downtime whether due to accidents or machinery breakdown, work backlog, and delivery delays. This approach provided a pragmatic, broadened concept of performance efficiency.

Context

The vertical context refers to interconnections between inner (internal environment) and outer (external environment) factors, whilst the horizontal context concerns temporal connections between past, present and future.

Vertical

Industry competition and also between the three Australasian factories brought pressure to bear on both management and employees at the Hobart factory. Early complacency at the factory was replaced with shock at the loss of two contracts to the New Zealand factory. In the past, management and lower level employees apparently ignored the external environment. It was as though the forces of competition were inconsequential.

Horizontal

The reality of losing contracts to New Zealand, together with speculation over the factory's viability, produced a situation in which the need for change was widely accepted. These crises paved the way for change and, as the new structure and business values took hold, employees experienced a renewed vigour and energy. Competition between the three factories for the major plant upgrade served to add impetus to the change program.

The manager consulted widely with staff prior to coming to decisions about the changes required and was prepared to modify the change strategy as implementation progressed. This was a defining characteristic of the process, in which the manager and his team made a number of modifications and improvements to the process, either at the planning phase or during implementation. Ideas and the views of employees, whether on the factory floor, or team leaders or other managers were sought and given consideration. This condition was demonstrated by a team leader who claimed, If there was a problem with the way things were going, we talked to them [the management team] and just fixed it. This is a key feature of the contextualists' position. In this way flexibility and the ability to adjust the implementation of plans characterised the change process.

Politics

This refers to facilitating the implementation of change and its leadership by means of communication and consultation.

Communication

Open communication with all employees produced readiness for change, which actually circumvented resistance. There were two principal aspects of this communication. Firstly, the program was formulated around language that was easily understood by employees. Meetings enabled contribution and participation by all employees, and especially engaged those key supervisors and lower level managers vested with the responsibility for carrying through the changes. Secondly, feedback on the performance criteria was communicated in a format that allowed employees, especially on the factory floor, to easily read and understand. The feedback was presented pictorially using graphs and charts that measured the performance on criteria previously established.

Consultation

Participation and consultation were used by the manager to engage with all his employees, whether explaining the need for change, or involving them with implementation. This did not appear to delay the processes of change.

From this analysis the following discussion is arranged around key features of the change process: readiness for change, communication and consultation, structural reorganisation, feedback and concluding with a section on the effects of business values.

DISCUSSION

The story of this factory is one of successful change, with even the union conceding that, Overall it's generally OK, the plant is a better place than it was once (union official). Several points stand out as significant factors in this case of change at a brownfield site. Determined leadership, yet with a participatory style is one such factor. The manager had a clear vision of what goals and outcomes he wanted to achieve. Although somewhat less certain in his own mind - at least to begin with - on matters such as the best organisational design, he was able to engage the skills and abilities of employees and senior staff to construct plans and see the project through, I didn't know what to do in the beginning, I just kept talking to the workers and my management team (manager). A subordinate business unit manager supported this view with the remark Employees were made to feel wanted, valued. The successful tendering for the factory upgrade was, in reality, merely a bonus for the earlier changes that were achieved.

In sum, the changes produced a major transformation of work practices and culture, which enabled the factory to not just survive, but within twelve months to achieve a turnaround in performance, winning a major upgrade and expansion in the process. The change program revolved around several key strategies: employee recognition of the need for change, breaking down the large structures, providing meaningful feedback and establishing business values that enhanced a competitive and progressive culture whilst preserving a climate of cooperation and involvement.

Readiness for Change

The fact that resistance to change did not present a major problem for management appears to be an important element in this case. The emerging crisis regarding the factory's viability and the loss of two contracts to a New Zealand competitor created widespread feelings of disappointment and dissatisfaction with the status quo. Prior to this loss, it seemed to management that the employees were satisfied with the factory's performance. Incompatibility between this satisfaction and loss of contracts appears to be an example of cognitive dissonance, which prepared the way for change. At the start of the change program the management of the Hobart factory exploited cognitive dissonance effectively, thus minimising and even circumventing any resistance. This position was illustrated by a team leader who stated that, we all knew it was sink or swim so we went along with the manager.

By establishing the desire and readiness for improvement, the likelihood of any resistance was minimised. It is likely new levels of psychological needs boosted the impetus and enthusiasm for the restructure and other key workplace changes. Such outcomes effectively by passed the problem of dealing with, and overcoming, resistance to different societal work values and norms which otherwise would have consumed both time and management energy. Not having to deal with resistance to change, therefore, arguably goes beyond mere acceptance to engaging employee motivation and enthusiasm for change.

Communication and Consultation

Communication and consultation lie at the heart of the transformation of the Hobart factory and the later winning of the $A25M upgrade. It is significant that the manager did not begin with a preconceived plan of the content of change, but instead, consulted widely. Indeed, shortly after arrival the manager built on initial meetings with staff to logically progress a jointly constructed a program for transforming the plant's operational efficiency. In effect employees throughout the plant could relate to the change objectives and progressively assess their performance in a cooperative atmosphere. This achievement was emphasised by a business unit leader who remarked, People at the [product] making end said, 'We know [at the packing end] you're one short today so if we shovel up [work harder] today and get ahead we can come down and help you.' Now that wouldn't have happened before. The new climate of cooperation and consultation enabled management to solve operational difficulties without being elevated to the status of conflict and disputation.

The degree of involvement with staff at all levels raise two main issues. First, it appears to be inconsistent with the idea that transformational change may require a directive, or even coercive management style (Dunphy & Stace 1990) and more closely resembles their idea of charismatic transformation. However, in the present study, the charismatic hypothesis seems less convincing than the idea of achieving readiness for change by way of cognitive dissonance and then using this to enjoin workers with the processes of change as implementation unfolded. Engaging the workers with change, therefore, does not appear to be problematical provided early action is taken to loosen ties with, and detach from, past working arrangements. Second, participation especially during implementation permits adjustments to the strategy as the effects of change take hold. This rejects notions of static models of change in favour of a dynamic approach, such as Dawson's (1996) processual model and the contextual approach of Pettigrew (1990). In practical terms, participation and involvement translate psychologically as individuals feeling valued and connected with the action of change, rather than having change inflicted upon them.

Reorganising the Structure into Small Units

In a similar way the factory manager engaged with his employees when he introduced structural changes, which helped workers feel connected with the business of the organisation. In one interview session the manager stated that, We then changed the structure to be business units, broke it into three businesses and then underneath put mini-businesses and team leaders ... so they now know what their total portfolio is. Each business unit had a business leader with production support, area leaders, maintenance support and human resource management advisors. Evidence of structural reformation was provided by a HRM advisor who remarked Right now we've got integrated team based businesses in one business unit. So I can clearly say they're there, there's a leader managing it, they're empowered, very participative. A product of employees viewing their work units as mini businesses was an increase in cooperation within and between work units. The significance of role changes in respect of senior staff was typified by the human resource manager who described his new role as, A human resource business partner,

I'm not here to manage people, I'm here to help our managers manage the people (HRM advisor).

The culture changed from control by management to that of cooperation, and from complacent employees in a comfort zone, to one of engagement with the business. Evidence of a culture change came from an unexpected quarter, with the union stating that, They are involved in the [work] process and the changed culture has lowered workers compensation [accidents at work]. The technique used to change the organisational culture centred on behaviour change in the first place, rather than persuasion to influence opinions or attitudes in anticipation of later behaviour change. The desired behaviours to bring about a change in culture were framed around feedback mechanisms discussed below.

Feedback Related to the Shop Floor

The new broadened performance criteria, which extended the accepted definition of efficiency operating at the factory, were to become significant on a weekly and daily basis, and applied throughout the plant, thus reinforcing the behaviours. These critical drivers of performance were charted on simple, but effective graphs for each work area and displayed on notice boards throughout the factory, thus providing workers with objective feedback of performance in a pictorial rather than a written form. The graphical displays took the shape of coloured bar charts, pie charts and simplified frequency distributions, which could be easily recognised as measures of performance. The acceptance and relevance of the illustrative materials was succinctly reflected by a team leader who claimed, Yep, I can see exactly where my team should be, and a factor worker who remarked, Well, we've only got to go to the board at the [entrance] door to read them. These graphical displays were produced for each mini business and located within easy sight of workers in each of the work areas.

The value of providing a visual representation of feedback in respect of the criteria is significant. One manager testified that, People now understand what they're doing and how it impacts the whole business. The visual charting of productivity variables provided clear and understandable feedback that employees needed in order to gauge their unit's performance. It also avoided the need for supervisors to continually monitor workers' productivity levels because the criteria were designed to visually display for all workers the critical measures of efficiency. This represented a breakthrough in communicating feedback, reinforcing behaviour and thus changing the culture. The union admitted that they served a useful purpose in that as remarked by a union official who announced: The workers can tell you anything and everything that happened in a particular shift.

The language and terminology used to addressing issues of productivity are identified as another critical factor. Employees on the factory floor must be able to connect with, and comprehend, the substance of management's attempts at communication. An example given by a business leader was, They [workers] were told that they had to improve by three percent. This meant nothing until I said, 'Well, you need to make another 35 boxes on your shift.' They understood that. It is evident, therefore, that the use of plain language enabled workers to connect with the thrust of management's goals. Even at team leader levels the manager eschewed references to terms such as 'Just in Time' 'Quality Circles' and 'Total Quality Management,' which he regarded as jargon, in favour of simply referring to the change program as 'taking best practice to the bottom line', emphasising again the benefit of making a connection with employees at all levels.

The outcome of objective feedback and restructuring was a change in attitudes, about which the manager stated that employees previously had told him that: They parked their brain when they parked their car. No one wanted to hear their views. They just came in because we paid well. The fact that culture change is not an easy task is borne out by the tendency for many organisations to select people who fit their desired culture (Schaubroeck, Ganster & Jones 1998, Robbins 2001), rather than attempting to bring about changes in people. Fairfield-Sonn (1993), reports a case of ineffective culture change, in spite of a strategy of communication, training and role changes for employees. Successful culture change may be associated with changing behaviour in the first place, leading to a change in attitudes and culture, perhaps via cognitive dissonance. Certainly, an accepted strategy is to encourage behaviours that are consistent with the desired culture (Ernst & Young 1995, Dessler, Griffiths, Lloyd-Walker & Williams 1999). In the present case study the clear strategy of management was to change the behaviours, as already described, which led to a culture associated with involvement and empowerment of the employees. As remarked by a team leader, They go through their charts [graphical displays] each day, so the focus is on delivery [productivity] instead of just getting through the day.

The Effect of Business Values

The manager's strategy of involvement and engaging with staff together with new business values achieved benefits that were felt across all levels in the factory. From these values a culture of cooperation emerged to replace one defined around the former larger structures with their climate of isolation, often referred to by employees as 'silos'.

The values were selected because of their relevance to workers on the factory floor, whilst the remainder (assertive, motivating, forward thinking, mature and international) were seen as more applicable to higher managerial levels.

This point was reinforced by a manager who stated: They weren't suitable, and anyway I didn't want to give them [workers] too many things to think about all at once. In substance, the values became the guiding philosophy supporting the manager's strategy of how to achieve a turnaround in performance. The operations manager at the factory referred to the whole change process as, Taking best practice to the front line. People working at the coalface need to understand the drivers of their [work section] business. It makes the big picture smaller and then you understand how it works.

Along with the three business values, of accountable, aggressive and adaptable, the manager's vision for the future included the following developments:

From	To
a culture of cooperation	joint ownership,
business units	integrative mini businesses,
a questioning workforce	an empowered workforce,
shared decisions	decision making at all levels,
planned training	continuous training.

Apart from illustrating the dynamic, rather than the static nature of change, the strategy clearly suggests a long term approach with a management style that supports such qualities as participation, an empowered workforce and feelings of joint ownership.

CONCLUSION

A prominent feature of this case study was the utilisation of 'soft' rather than 'hard' HRM (Storey 1992). Communication and consultation with staff were, arguably the keys to a smooth and trouble free transition of a complacent workforce, comfortably entrenched with the past, to a workforce that was engaged with a vision for the future. Although the factory could not be described as large in terms of employee numbers nevertheless, management embarked on restructuring to reduce the size of the work sections by establishing mini businesses. This enabled workers on the factory floor to identify closely with their tasks, work areas and team leaders, all of which fits with 'soft' HRM in seeking the commitment of employees and to develop their resourcefulness.

A further aspect of communication stemmed from the innovative use of feedback. The employed mechanisms were ultimately designed to go beyond behavioural compliance, and to achieve attitudes aligned with a culture change that embraced management goals. It was as though having awakened employees to the issues, management only had to guide the released human energy by way of participation to facilitate the changes.

At the level of organisational change theory, this case supports the view that dynamic models appear to have more to offer change managers than do static models. The management team, from the very early stages of planning through to implementation, continually sought the views of staff and was prepared to adjust the program as change unfolded. This is clearly a dynamic approach to change. Whilst it might be argued that management needs to be decisive and firm in directing change, this should not be to the exclusion of consultation and making adjustments to the strategy as change progresses. For these reasons, the idea that change programs should be strongly controlled, perhaps using coercive methods that are removed from engaging with the workforce, seem less than useful.

AUTHOR

Dr Lindsay Nelson worked for a number of years with Australia Post as a manager in human resources before accepting an appointment with the University of Tasmania. He has published widely in the areas of organisational change and workplace reform. His current research interests include the psychological contract and the effectiveness of human resource management practices.

E-mail: Lindsay.Nelson@utas.edu.au

REFERENCES

Aronson, E. (1992). The return of the repressed: Dissonance theory makes a comeback. Psychological Theory, 3(4), 303-11.

Bedeian, A.G. (1980). Organization theory and analysis. Fort Worth: Dryden Press. Blauner, R. (1964). Alienation and freedom: The factory worker and his industry. Chicago: University of Chicago Press.

Burnes, B. (2000). Managing change: A strategic approach to organisational dynamics. (3rd ed.). Harlow: Financial Times Prentice Hall.

Child T., & Smith, C. (1987). The context and process of organizational transformation. Journal of Management Studies, 24(6), 565-593.

Clark, J., McLoughlin, I., Rose, H., & King, R. (1988). The process of technological change: New technology and social choice in the workplace. Cambridge: Cambridge University Press.

Cusumano, M.A. (1997). How Microsoft makes large teams work like small teams, Sloan Management Review, 39(1), 9-20.

Dawson, P. (1994). Organizational change: A processual approach. London: Paul Chapman.

Dawson, P. (1996). Beyond conventional change models: A processual approach. Asia Pacific Journal of Human Resources, 34(2), 57-70.

De Cieri, H., Kramar, R., Noe, R. A., Hollenbeck, J. R., Gerhart, B., & Wright, P.M. (2003). Human resource management in Australia: Strategy, people, and performance. Sydney: McGraw-Hill.

Dessler, G., Griffiths, J., Lloyd-Walker, B., & Williams, A. (1999). Human resource management. Sydney: Prentice-Hall.

Dunphy, D., & Stace, D. (1990). Under new management: Australian organizations in transition. Sydney: McGraw Hill.

Ernst & Young (1995). Organisational alignment methodology. Melbourne: Ernst & Young.

Fairfield-Sonn, J.W. (1993). Moving beyond vision: Fostering cultural change in a bureaucracy. Journal of Organizational Change Management, 6(5), 43-55.

Festinger, L. (1957). A theory of cognitive dissonance. Stanford CA: Stanford University Press.

Glaser, B., & Strauss, A. L. (1967). The discovery of grounded theory: Strategies for qualitative research. Chicago: Aldine.

Hitt, M.A., Keats, B.W., & DeMarie, S.M. (1998). Navigating in the new competitive landscape: Building strategic flexibility and competitive advantage in the 21st century. Academy of Management Executive, 12(4), 22-42.

Ireland, R.D., & Hitt, M.H. (1999). Achieving and maintaining strategic competitiveness in the 21st century: The role of strategic leadership. Academy of Management Executive, 13(1), 43-57.

Kanter, R.M., & Dretler, T.D. (1998). 'Global strategy' and its impact on local operations: Lessons from Gillette Singapore. Academy of Management Executive, 12(4), 60-68.

Katz, D., & Kahn, R.L. (1978). The social psychology of organizations. (2nd ed.). New York: John Wiley.

Kotter, J.P., & Schlesinger, L.A. (1979). Choosing strategies for change. Harvard Business Review, 57(2), 106-114.

Lewin, K. (1951). Field theory in social science. New York: Harper and Row.

Miles, M.B., & Huberman, A.M. (1994). Qualitative data analysis: An expanded source book. (2nd ed.). Thousand Oaks CA: Sage.

Miller, G.A. (1970). The psychology of communication. Harmondsworth: Penguin.

Nankervis, A., Compton, R., & Baird, M. (2002) Human resource management: Strategies & policies, (4th ed.). South Melbourne: Nelson

Peshkin, A. (1993). The goodness of qualitative research. Educational Researcher, 22(2), 23-29.

Pettigrew, A.M. (1985). The awakening giant: Continuity and change in imperial chemical industries. Oxford: Basil Blackwell.

Pettigrew, A. (1987). Context and action in the transformation of the firm. Journal of Management Studies, 24(6), 649-670.

Pettigrew, A. (1990). Longitudinal field research on change: Theory and practice. Organization Science, 1(3), 267-292.

Pettigrew, A. (1992). The character and significance of strategy process research. Strategic Management Journal, 13(1), 5-6.

Richards, T.J., & Richards, L. (1994). Using computers in qualitative research. In N.K. Denzin, & Y.S. Lincoln (Eds.), Handbook of qualitative research. Thousand Oaks CA: Sage

Robbins, S.P. (2001). Organisational behaviour. Upper Saddle River N.J.: Prentice-Hall.

Robbins, S.P., & Barnwell, N. (2002). Organization theory: Concepts and cases. (4th ed.). Frenchs Forest NSW: Pearson Education.

Sanders, R.L. (1997). The future of bureaucracy, ARMA Records Management Quarterly, 31(1), 44-52.

Schaubroeck, J., Ganster, D.C., & Jones, J.R. (1998). Organization and occupation influences in the attraction-selection-attrition process. Journal of Applied Psychology, 83(6), 869-891.

Simon, H.A. (1961). Administrative behaviour. New York: Macmillan.

Storey, J. (1992). Developments in the management of human resources. Oxford: Blackwell.

Strauss, A.L. (1987. Qualitative analysis for social scientists. Cambridge: Cambridge University Press.

Strauss, A.L., & Corbin, J. (1994). Grounded theory methodology: An overview. In N.K. Denzin, & Y.S. Lincoln (Eds.), Handbook of qualitative research. Thousand Oaks CA: Sage.

Turner, B.A. (1988). Connoisseurship in the study of organizational cultures. In A. Bryman (Ed.), Doing research in organszations (108-122). London: Routledge.

Yin, R.K. (1994). Case study research: Design and methods. (2nd ed.). Thousand Oaks CA: Sage.